

Text 5: Alfred D. Chandler Jr. – The United States: seedbed of managerial capitalism

Basic topics to consider

1 – Typology of firms along MEG and their successive dominance.

2 – How do you relate control, ownership and finance in the big modern firm ?

3 – Growth strategies and their organizational impact.

a) According to Chandler what growth strategy led initially to the big modern firm ? How do you relate administrative coordination and the concept of 'visible hand' ? What are its main advantages ?

b) Till the 1st World War, how do you explain the growth strategies of the firms in the different sectors of economic activity in the USA? What is the reason for the different time of diffusion of modern firm among different sectors in the USA ?

3 – Explain the reasons for the relative backwardness of the European firms in terms of their organizational structures and growth strategies in relation to the USA's till the 1st World War. What were the main factors allowing for the European catching up process?