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PAPER SUMMARY

Will there be blood?: entrepreneurial judgement and strategic choice in Chandlerian and revisionist narratives of industrialisation

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'Entrepreneurial ability can hardly account for the clustering of giant enterprises in some industries and not others. The most brilliant industrial statesmen or the most ruthless robber barons were unable to create giant multinational companies in the furniture, apparel, leather or textile industries. Yet in other industries the first try often succeeded.' (Chandler 1977: 373)

'We're going to dig water wells here. Water wells means irrigation, irrigation means cultivation. We're going to raise crops here where before it just simply was impossible. You're going to have more grain than you'll know what to do with. Bread will be coming right out of your ears, ma'am.' (Extract from speech by Daniel Plainview, 'There Will be Blood' (2007))

Entrepreneurial actors occupy a prominent role in popular narratives of industrial and corporate change, both historical and contemporary¹. Whether they be triumphant heroes or tragic anti-heroes, 'robber barons' or 'great statesmen', these representations have given rise to a persistent and often deeply-held perception of entrepreneurs as powerful and significant figures in the socio-economic landscape. In the popular imagination, they make decisive choices and initiate actions that shape the organisations and institutional contexts in which they operate. However, if we turn to the academic literature, the role of the entrepreneurial actor is rather less assured.²

The paper examines how entrepreneurial judgement and strategic choice (Child 1972, 1997) have been represented in the leading narratives of industrialisation. In doing so, it draws on: the 'orthodox' Chandlerian account of the managerial revolution (Chandler 1977, 1990); the rival interpretations of Langlois (2003, 2004) and Lamoreaux *et al.* (2003, 2004); the broader 'alternatives to mass production' literature³, represented by works such as Scranton (1997), Sabel and Zeitlin (1997); and a growing array of empirical studies within this tradition⁴. The main aim of the paper is to review the treatment of entrepreneurial judgement and strategic choice in these literatures, seeking to highlight some commonalities, contrasts and possible contradictions. In doing so, it also reflects briefly on some practical implications for those engaged at the interface between business history and entrepreneurship research. In both respects, the paper responds to the challenge set recently by Casson and Godley (2007: 1075), whose critique of the Chandler-Williamson thesis concludes with the ambition of 'restoring entrepreneurship to the heart of the interpretation' of key episodes in business history.

The paper is organised as follows. The first part of the paper reviews Chandler's major works: *The Visible Hand* (1977) and *Scale and Scope* (1990), with a particular focus on their treatment of entrepreneurial judgement and strategic choice. The proposed approach is to select relevant segments of the argument and to examine the underlying reasoning – for example:

'Why, then, did British entrepreneurs, the heirs of the First Industrial Revolution, exploit to such a limited extent the opportunities of the new technologies of the Second Revolution. The answer to this historical question is enormously complex.' (Chandler 1990: 284)

¹ Historical and contemporary examples could be inserted here. In the former case, we could include accounts of the great 19th century industrialists and anti-capitalist works, such as Upton Sinclair's (1920) *Oil*, one of the so-called 'muck-raking' novels of this period; in the latter, popular narratives of the internet revolution, such as Michael Lewis's (1999) *The new new thing: a Silicon Valley story*, and various successors in the critical tradition.

² A brief overview could be inserted at this point, depicting the changing fortunes of entrepreneurship and the entrepreneur in mainstream economics and business history.

³ The label is used here as a rather crude shorthand, recognising that this body of literature encompasses a wide range of views and that its scope extends beyond production, to embrace other aspects of economic and social organisation.

⁴ The indicative references include examples of work in this tradition, including a study by the author; some of these studies will be used to support and illustrate the argument.

The second part of the paper applies a similar approach to arguments and empirical material selected from the revisionist and 'alternatives to mass production' literatures.

The main themes of the central discussion remain provisional at this stage but will include comments regarding the conceptual challenges involved in constructing narratives of entrepreneurial judgement and strategic choice in ways that reflect its emergent characteristics:

'How can we do justice to the impulse to impose a retrospective narrative order on history without belittling the narrative of self-constitution and economic calculation embodied in the notion of persons as strategic actors.' Sabel and Zeitlin (1997: 29)

The final part of the paper argues strongly for the importance of research that reconstructs the agency of entrepreneurial actors and their recursive relationship with prevailing socio-technical institutions. Returning to an opening theme, it reflects on the ways in which entrepreneurial judgement and strategic choice contribute to economic, social and environmental outcomes, and what may be sacrificed when these intermediate processes are ignored. In support of this position, it makes reference to: the Penrosian dynamic and its impact in terms of 'localised knowledge' and the formation of entrepreneurial judgements; the importance of identifying the shifting 'zones of manoeuvre' of entrepreneurial actors in relation to their capacity for strategic choice across time (Clark and Blundel 2007); the capacity of entrepreneurial actors to create localised adaptations, including institutional innovations (Carnevali 2004); and the complex patterns of geographic and temporal variation that arise from these processes, as illustrated in various ways by the 'alternatives' literature.

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