

Alfred Chandler

Almost single-handedly, Alfred Chandler (1918-2007) invented the study of business history. He was first and foremost a historian, and completed his PhD at Harvard University in 1952. Ten years later he published his classic business book, "Strategy and Structure", in which he argued that all successful companies must have a structure that matches their strategy (and not, as many had assumed until then, the other way round).

He based his theory on an extensive study of large American corporations between the years 1850 and 1920—corporations such as Du Pont, General Motors and Sears, Roebuck. It was a time when businesses were developing from single-unit, centrally managed operations into umbrella-type structures where a number of comparatively autonomous units shared certain overheads, in particular the strategic planning function.

Chandler was an early advocate of the centralise/decentralise dichotomy, encouraging companies to co-ordinate strategic planning from the centre while leaving individual business units free to get on with the day-to-day running of their business. The visible hand of management, he maintained, had replaced Adam Smith's invisible hand of market forces because it co-ordinated the flow of goods and services from producers to consumers more efficiently than did purely market mechanisms. His book based on this, published in 1977, won a Pulitzer Prize in 1978.

He found the origins of modern management hierarchies in the rapid growth of the American railroads. Local decision-making there was required on and near the track, but at the same time there was a need for a headquarters to co-ordinate the different local operations. The structure was forced on the organisation by outside events.

During the second world war Chandler served in the US navy, where he saw at first hand the operations of a large organisation. He then taught at MIT and Johns Hopkins University before going on to Harvard Business School in 1971, where he became the first holder of an endowed chair in business history.

His academic work covered a wide range of subjects. He was one of a group of editors of the authorised editions of the letters and papers of two American presidents: Theodore Roosevelt and Dwight D. Eisenhower. He also wrote biographies of Henry Varnum Poor, his great-grandfather and one of the founders of the Standard & Poor's information business, and Pierre du Pont, founder of the chemicals company that still bears his family's name.

Notable publications

"Strategy and Structure: Chapters in the History of the American Industrial Enterprise", MIT Press, 1969, reprint, 1990

"The Visible Hand: The Managerial Revolution in American Business", Belknap Press and Harvard University Press, 1977

With Deams, H. (eds), "Managerial Hierarchies: Comparative Perspectives on the Rise of Modern Industrial Enterprises", Harvard University Press, 1980

The Economist, New York, 9 abr. 2009, Management, online. Disponível em <www.economist.com>. Acesso em: 17 abr. 2009.