

CONTENTS

ACKNOWLEDGMENTS ix

CHAPTER 1

Introduction 1

Some Central Concepts 3

Density and concentration 3

Size and small-firm networks 4

Organizations or capitalism 6

Noneconomic organizations 7

Power 8

Culture and other shapers of society 9

Organizations as the independent variable 10

What Do Organizations Do? 12

What Kind of Organizations? 16

Alternative Theories 17

Conclusion 19

CHAPTER 2

Preparing the Ground 22

Communities, Markets, Hierarchies, and Networks 22

Community 23

The market direction 25

Toward hierarchy and networks 28

The Legal Revolution that Launched Organizations 31

Fear of corporations 33

What organizations need to be able to do 35

Making capitalism corporate 36

Capitalism to Corporate Capitalism 40

Lawyers: "The Shock Troops of Capitalism" 43

CHAPTER 3

Toward Hierarchy: The Mills of Manayunk 48

Getting the Factory Going: The Role of Labor Control 48

The first mill—a workhouse 50

To mechanize or not? 51

Social Consequences 53

Labor Policies and Strikes 58

Organizations and Religion 60

From Working Classes to a Working Class 61

The politics of class 62

Conclusion 63

CHAPTER 4

Toward Hierarchy and Networks	65
<i>Lowell and the Boston Associates</i>	65
Wage dependence and labor control	65
Lowell I: The benign phase	67
Profits and market control	69
Lowell II: The exploitive phase	70
<i>Explaining the First Modern Business</i>	75
Structural constraints	77
<i>The Slater Model</i>	79
<i>Toward Networks with the Philadelphia Model</i>	81
When capital counts	82
Philadelphia's large mills	84
Size and technology	86
<i>Networks of Firms</i>	88
Labor conflict	90
Externalities	90
<i>The Decline of Textile Firms</i>	92
<i>Summary</i>	94

CHAPTER 5

Railroads, the Second Big Business	96
<i>Railroads in France, Britain, and the United States:</i>	
<i>The Organizational Logic</i>	102
France	104
Britain	108
The importance of the railroads	111
<i>Why Were the Railroads Unregulated and Privatized?</i>	113
The efficiency argument	115
Historical institutionalism	117
Historical institutionalism assessed	122
The neoinstitutionalist account	123
The organization interest account	127
The details	129
Self-interested opposition to the railroads	139
<i>Corruption Observed but Not Interpreted</i>	141
Evidence from the public record, and the outcry	144
Scholars explain corruption	151
<i>Summary and Conclusions</i>	157

CHAPTER 6

The Organizational Imprinting	160
<i>Making the Railroads Work</i>	160
Divisionalization	161

Finance takes charge	162
Inevitable, or a chance path?	165
Contracting out	166
<i>Leadership Style and Worker Welfare</i>	173
Work in general	175
<i>Nationalization and Centralization: The Final Spike</i>	179
Organizational versus political interpretations	180
Where did the money come from?	183
<i>Regionalization versus Nationalization</i>	186
The debate over the ethos	187
A political or an organizational interpretation of the struggle?	192
<i>Was Regionalism Viable?</i>	195
<i>Concentrating Capital and Power</i>	196
The corporate form triumphs	197
Explaining the arrival of the corporate form	201
An organizational agency account	204
<i>Summary and Conclusions</i>	212
CHAPTER 7	
Summary and Conclusions	217
APPENDIX Alternative Theories Where Organizations Are the Dependent Variable 229	
NOTES	237
BIBLIOGRAPHY	243
INDEX	251