

# Rejoinder

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DANIEL M. G. RAFF

My paper lays out some methodological thoughts concerning the writing of firm and industry history (with implications, of course, for work seeking larger patterns in such histories). I wrote it in part because many young business historians want to know how they can make their work more useful, and salient, to business school faculty members, deans, and search committees without having to give up traditional archival research and methods and instead retool as applied statisticians in the high social science mode. It seemed my thoughts might conceivably be helpful.

Four commentaries follow the paper. The Editor has offered me an opportunity to respond briefly to the commentators, and I do so below.

I should make some prefatory remarks. Some difficulties seem more or less intrinsic to writing about a historical methodology of the sort I propose within the compass of an article. Three seem most worth flagging from the start. One is that if the readership is to be heterogeneous, as was my intention here, the background professional training, practices, expectations, and literature debates and developments of individual readers may be very different. What is clear to some may seem vague, even vague in a somewhat sinister way, to others. A second is that such an article is in effect a claim that a certain approach is not only desirable but also feasible. The simplest demonstration of feasibility is a sufficiently detailed example. The length constraints of the article format may preclude a satisfying demonstration of feasibility of this sort. The third also concerns length constraints. My intention was to present a thought-provoking article, not a treatise. Some arguments were necessarily given somewhat telegraphically. Implications, and the full domain of their relevance, were not exhaustively drawn out. All of these issues come up in the commentaries. They are not obviously defects in the my essay's underlying ideas.

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The commentary of Andrew Popp, the incoming editor of this journal, gives some evidence of the ability of the program I propose to speak to business historians. Popp's response addresses the essay at a very high level of abstraction. His central theme is the embeddedness of historical action in time. He reminds us of the vivid and powerful writings of the heterodox and now (unjustly) rarely read British economist George Shackle on this subject. I am basically very sympathetic to the Shackle approach as Popp describes it. I am not clear that because the future has not happened yet, it does not in any even abstract sense exist; and I am similarly not clear that because imagination is required to conceive future courses of events, genuinely possible courses of events are entirely artifacts of the imaginer's mind.<sup>1</sup> But the core of the argument from Shackle seems to me illuminating. It also seems to me, as to Popp, supportive of my basic argument.

I am more cautious about Popp's critique of the usefulness of evolutionary economics in this setting. His account of evolutionary economics seems to me too reductive. The three tenets he identifies are distinctive but do not in themselves exhaust the content of the evolutionary economics view of organizational action. The evolutionary element has always involved curiosity about the sources of population variation over time. My paper develops a view of how to understand historical instances of these sources in terms of human agency without, it seems to me, doing any great violence to the larger set of ideas. That view seems to me to be entirely compatible with Popp's discussion of imaginative capacities and hopeful engagement.

Sidney Winter's commentary takes place at a level a little closer to the operations of firms. Its engagement is evidence that the program speaks to evolutionary economists and that it may thus speak to the larger community of strategy academics in business schools whose work is informed by the insights of the school. He is himself an interested potential consumer of the sort of history I describe and he offers reasons to think the sort of thing I am proposing fits in with his sense of how the world works and with what he as a theorist would like to be able to learn about in relatively great detail.

The main issue he raises concerns ambiguities he hears in my essay's language concerning organizational action. The question is what "choice" means in the sort of contexts I am discussing. Winter knows neoclassical economics and decision theory intimately and espouses a very different perspective on individual and firm cognition and behavior. He worries that he hears echoes of the economist's conventional assumptions about the givenness of alternatives and

1. I should say that Popp may also have faced length constraints. Shackle's complete texts seem less concerning.

the conscious aspects of choice in some of the language that I use. My wording in a handful of passages may have seemed ambiguous to someone with his particular background and sensitivities, but, as I tried to convey in several passages, I am indeed taking a different line from the one he finds problematic. I certainly think that routines and related phenomena account for a great deal of organizational action in what might seem in retrospect to be “forks in the road” of a company’s possible path forward through history.

Perhaps the deeper source of ambiguity lies in the fact that companies nonetheless do often have meetings, sometimes even after carrying out after background or otherwise preparatory exercises, in which executives gather to decide what to do. These meetings often leave traces in archival records and those traces sometimes give real insight into the contending points of view and interpretations of evidence. This is natural material for historical analysis and I tried to describe it in terms, which would make that fact clear to historians. The reader of my paper will note that I urge taking such evidence not at face value but in a deeply contextualized way.

Steven Usselman takes my proposals at their most granular. He has some relatively general reflections but considers them in the context of a firm he knows well. (His probing beneath Tom Watson’s throwaway comments seems to me particularly illuminating.) He is sympathetic to the basic thrust of my proposals. He has concerns both procedural and in terms of operational detail. For example, Usselman asks whether it is ever possible to follow all contending firms from the start and how clear it ever is what the universe of contending firms would be. He even wonders whether we can ever really know a firm’s strategic objectives. He also raises questions about four aspects of execution.

Indeed, it is not always possible to follow all contending firms, or even a set of ideal type representatives, over an interesting period of time; but sometimes it is. The other procedural concerns have the same answer. My point was that there could be illumination in exploiting such opportunities where they exist. (They do exist.) The points he raises concerning execution are merely potential problems, the sort of shoals a historian sensitive to the organizational context and fortunate in his or her sources can successfully steer around. I am all in favor, at all the levels I can think of, of historians being sensitive to organizational context.

Christine Rosen’s commentary takes a fairly critical posture, though it is not a particularly reliable guide to what my paper actually says and does not appear to take in what the paper is trying to do for the business history community. Her comments do present a positive vision of how she would like the larger literature of business history to develop; and I, like I am sure many others, would be happy

to see the fruits of such work: *vivat et floreat*. I do think I ought to correct some affirmative misapprehensions her account may convey.

The content of my proposal falls under three main heads. I want to encourage writing firm and industry history in a forward-looking way. Doing this persuasively requires an attempt to reconstruct the routines of ongoing organizational life, the action space open to focal firms, and the individual and group aspects of sensemaking and coming to specific actions within those firms. The evolution of selection environments, contests over available surplus, and the significance of flows of it to and within focal firms over time are important elements of context that merit close attention. Rosen does not seem to object to any of this as such.

I gave a relatively general account. Rosen's first major critique concerns the possibility that there might be no room in such an analysis for some relatively specific aspects of action familiar from American economic history. She instances half a dozen in her fifth and sixth paragraphs. Would these conceivably come into the sort of analysis I am proposing? She professes uncertainty and asks for assurances. The answer is "Yes": discussing these in the course of analyzing situations to which they are apposite seems to me entirely in the spirit of my proposals; and one can see immediately, it seems to me, that there are many settings in which they would indeed be apposite.

I think her real concern is not with these examples so much as with a notion of what sort of history is most compelling. I think the examples seem important because they seem to us to be key elements of the history of capitalism in America, the history of what the actions of American firms, individually and collectively, meant in terms of the larger development of our nation and society. Understanding those meanings is of course an important task for American historians as a group and contributing to that understanding is of course an important available task for business history researchers. But it is not the only task available to them; and it is in particular not the one with which I was, in the background behind the paper's exposition, most concerned. Its bearing on the teaching of business administration, from the perspectives of those running business school classrooms and of those sitting in them, is at best indirect. I was proposing, as I suggested in the introduction to these comments, a perfectly legitimate—and, *pace* Rosen, a quite ambitious—task framed so as to have more direct connections. That is not a matter of somehow telling people they cannot do something else. It is a matter of making suggestions as to how most effectively to do a particular thing, one which I think and argue is worth doing, should people in fact want to do that.