

This is a repository copy of *The Free-Standing Company: a 'zombie' theory of international business history?*.

White Rose Research Online URL for this paper:

<https://eprints.whiterose.ac.uk/127326/>

Version: Accepted Version

Article:

Mollan, Simon Michael orcid.org/0000-0002-8448-1336 (2018) The Free-Standing Company: a 'zombie' theory of international business history? *Journal of Management History*. pp. 156-173. ISSN 1751-1348

<https://doi.org/10.1108/JMH-09-2017-0043>

Reuse

Items deposited in White Rose Research Online are protected by copyright, with all rights reserved unless indicated otherwise. They may be downloaded and/or printed for private study, or other acts as permitted by national copyright laws. The publisher or other rights holders may allow further reproduction and re-use of the full text version. This is indicated by the licence information on the White Rose Research Online record for the item.

Takedown

If you consider content in White Rose Research Online to be in breach of UK law, please notify us by emailing eprints@whiterose.ac.uk including the URL of the record and the reason for the withdrawal request.

1
2
3 ~~Life and fate: a new perspective on the Free-Standing Company in international~~
4 ~~business history~~
5
6

7
8
9 The Free-Standing Company: a 'zombie' theory of international business history?
10
11

12
13
14 *Introduction*
15

16
17
18 Our basic sociological concepts are becoming what I call 'zombie
19 categories'. Zombie categories are 'living dead' categories which govern
20 our thinking but are not really able to capture the contemporary milieu.
21
22

23
24 In this situation I don't think it's very helpful only to criticize normal
25 sociology, and to deconstruct it. What we really need is to redefine,
26 reconstruct, [and] restructure our concepts.
27
28

29
30
31 - Ulrich Beck (Slater & Ritzer, 2001, p. 262)
32
33

34
35
36
37
38 The Free-Standing Company (FSC) is a theory of international business that
39 comes from the field of British business history. FSCs were—at least superficially—
40 single unit corporations that operated without economies of scale based on
41 vertical or horizontal integration (Wilkins, 1988, 1998). In line with the intention
42 of this special issue to explore how 'change points', chronologies and
43 periodizations in history are problematized (Tennent & Bowden, 2016), this
44 article explores the relationship between historiography and theory
45 development. The purpose of this article is to critique and then redefine,
46 reconstruct, and restructure the understanding of the FSC as a theory. The
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 central argument made is that the FSC is—following Ulrich Beck—a 'zombie'
4
5 category that masks and misdirects knowledge of a phenomenon of considerable
6
7 importance to international business history. Only through critical
8
9 reconsideration of the theoretical assumptions that lie behind the existing
10
11 history can further historiographical progress be made. This illustrates a broader
12
13 point that the theories that paradigmatically frame research design, chronology,
14
15 and periodization in business and management history, can themselves be
16
17 substantial barriers to historiographical development. As I demonstrate here,
18
19 there are substantial gaps in the existing historiography of FSCs (not least
20
21 considerable uncertainty about the decline of the FSC) that stem—at least in part—
22
23 from the ways in which the organizational form has been theorized.
24
25
26
27
28

29 The development of research into the FSC has foundered two fundamental
30
31 problems: first, as I will argue, the “FSC” is a “zombie category” (Slater & Ritzer,
32
33 2001) which does not capture the organizational dynamics of the firms it has
34
35 been used to categorise, but has nevertheless become a paradigmatic frame
36
37 which has both directed and limited research; and second, perhaps surprisingly
38
39 given that the FSC concept comes from historical research, it is also an ahistorical
40
41 theoretical object, with little or no ability to explain change over time.
42
43
44
45
46

47 The paper proceeds as follows. First, I review the historical context in which the
48
49 FSC is thought to have existed. I then examine the historical context from which
50
51 the theory itself emerged, and explore how these two historical contexts, one of
52
53 history, the other of historical writing, has confused the clarity and power of the
54
55 theory. I explain how the authorial origins are bound up in the writing of
56
57
58
59
60

1
2
3 *American* international business history in the 1950s and 1960s (an intellectual
4 project intimately tied to the performative needs of American business education
5 in the Cold War) and the development of the field of mainstream International
6 Business, and how dominant ideas from that discourse misdirected investigation
7 into the FSC. This analysis is used as a means of conceptual and theoretical
8 critique. In the third section, I outline an ontogenetic (life course) framework for
9 explaining the life-cycle of such firms that aims to revive the FSC as a temporally
10 sensitive theory. I conclude by identifying the implications for the field of
11 international business history.
12
13
14
15
16
17
18
19
20
21
22
23
24

25 *The importance of being British: the historical context*
26
27
28

29 Between 1860 and 1914, a period of intensifying economic globalization
30 (Kenwood, Graff, & Loughed, 2013), Britain was the world's main foreign direct
31 investor. It has been calculated that in 1900 seventy-five percent of the
32 international movement of capital was British in origin and that between 1904
33 and 1914 annual outward capital flows were in the region of £173 million each
34 year (Davis & Huttenback, 1986). By 1913 around thirty per cent of British
35 national wealth consisted of overseas assets, leading one leading economic
36 historian (Edelstein, 1994, p. 173) to comment that 'never before or since has
37 one nation committed so much of its national income and savings to capital
38 formation abroad', and another to note that whether 'these were higher
39 proportions that any country before is less important than the sheer weight of
40 British investment in the world economy' (Pollard, 1985, p. 491). It has been
41 argued the main corporate vehicle for this unprecedented volume of
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 international investment was the “Free-Standing Company” (FSC), a concept first
4
5 articulated by the American business historian Mira Wilkins (Miller, 1998; Wilkins,
6
7 1988, 1998; Wilkins & Schröter, 1998). The FSC concept is somewhat similar to
8
9 “born global” firms or “international new ventures” (INVs) as contemporary
10
11 single unit international businesses have subsequently come to be known
12
13 (Gabrielsson, Kirpalani, Dimitratos, Solberg, & Zucchella, 2008; Oviatt &
14
15 McDougall, 2005). The FSC was then a single unit “free-standing” entity that was
16
17 “born-global” in the international business activities that it undertook.
18
19

20
21
22 Though there are conceptual similarities between the categories of FSC and INV,
23
24 they are (it seems) temporally disconnected phenomena, and largely engaged in
25
26 very different sectors and business activities. So while INVs are associated with
27
28 service firms (Rialp, Rialp, & Knight, 2005), research into FSCs indicates they
29
30 could be found in every sector of the economy—primary, secondary, and tertiary—
31
32 and were engaged in activities as diverse as mining (Harvey & Press, 1990;
33
34 Harvey & Taylor, 1987; Mollan, 2009), plantations, forestry and livestock
35
36 farming (Mollan, 2008; Tennent, 2013), public utilities (Platt, 1977), banking (C.
37
38 Jones, 1977; Geoffrey Jones, 1998), transport (Boughey, 2009), trade (Geoffrey
39
40 Jones, 2000) as well as in wholesale and retail (Mollan, 2010). There were many
41
42 thousands of FSCs (Houston & Dunning, 1976; Wilkins & Schröter, 1998) and yet
43
44 though they are thought to have largely disappeared from view by the mid-20th
45
46 century, both the reasons for their decline, and their fate, remain largely
47
48 unknown (Miller, 1998; Mollan & Tennent, 2015; Wilkins, 1998; Wilkins &
49
50 Schröter, 1998). The importance of these British firms to the international
51
52 economy and its development cannot be overstated. Prior to the dominance of
53
54
55
56
57
58
59
60

1
2
3 American, European and Japanese multinationals from mid-century onwards (A.
4 Chandler, 1990; G. Jones & Khanna, 2006), it was British firms that dominated
5 the international business environment.
6
7
8
9

10
11
12
13 *The origins of the FSC theory*
14

15
16
17 Alongside Alfred Chandler, Mira Wilkins was one of the founders the modern
18 discipline of business history. Wilkins early work (Wilkins, 1970, 1974; Wilkins
19 and Hill, 1964) provided a international companion to the work of Chandler, who
20 himself was the series editor for two of Wilkins books published with Harvard
21 University Press (Wilkins, 1970; Wilkins & Hill, 1964). The importance of the
22 (“Chandlerian”) paradigm these scholars created is undeniable. In business
23 history it is the orthodox theoretical base of a great deal of scholarship (Fligstein,
24 2008; Iversen, 2008; Mccraw, 2008; Whittington, 2008). Its influence on Oliver
25 Williamson indicates its value to economics and the field of Transaction Cost
26 Economics, and on the field of Strategic Management is also seen, and is
27 significant and enduring (Iversen, 2008; S. R. H. Jones, 1997; Mccraw, 2008;
28 Whittington, 2008; Williamson, 1981). Remarkably, Wilkins was also one of the
29 scholars whose research into American overseas business was also foundational
30 for the field of International Business (G. Jones & Khanna, 2006).
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

51 The intellectual context for Wilkins’s earliest research was the American
52 academic milieu of the Cold War. There is a growing body of work which
53 indicates how the way in which management practices were interpreted and
54
55
56
57
58
59
60

1
2
3 portrayed, and how management ideas were taught and diffused, were part of
4
5 the ideological conflict of the Cold War itself (Cooke, 2005, 2006; Genoe McLaren
6
7 & Mills, 2008; Kelley, Mills, & Cooke, 2006; B. Spector, 2006; Bert Spector, 2008).
8
9 Wilkins's research in the 1960s and 1970s was funded by the Ford Foundation,
10
11 who commissioned her first book, a history of the Ford motor company (Wilkins
12
13 & Hill, 1964). This was, of course, the Ford of Robert McNamara, the Planning
14
15 School, of rational calculation, and the exploding Ford Pinto (Dowie, 1977;
16
17 Gabor, 2000), an act of corporate malfeasance that Wilkins appears never to
18
19 have written about. Though not hagiographical or unscholarly, Wilkins research-
20
21 like that of Chandler—nevertheless lionizes the superiority of American business
22
23 methods and management structures. This reflects the political and social
24
25 currents of the time, and the emerging genre of business history associated with
26
27 the Harvard Business School.
28
29
30
31
32

33
34 Though Wilkins' work is less well known than that of Chandler, and her book
35
36 titles (e.g. *American Business Abroad: Ford on Five Continents*) lack the pithy titles
37
38 and lexical power of Chandler's main works (*Scale and Scope; Strategy and*
39
40 *Structure; The Visible Hand*) her work is no less important. It established a
41
42 dominant narrative for the nature of the internationalization process of
43
44 American business, which in turn provided a cognitive imprint of considerable
45
46 importance to the development of various theories of the international business,
47
48 including those which deal with the modalities of internationalization. It is
49
50 therefore interesting, and a little ironic, that Wilkins greatest contribution to
51
52 *British* business history would be to identify a type of firm for which none of the
53
54 insights drawn from the American experience of internationalization proved
55
56
57
58
59
60

1
2
3 useful in explaining. And, in exploring these firms further here, I hope to advance
4
5 international management theory in a way that escapes the dominant theories of
6
7 internationalization which rest on the experience of Cold War American business
8
9 for their empirical succor and intellectual origination.
10

11
12
13 In 1988 Wilkins published an article in the *Economic History Review* titled 'The
14
15 free-standing company, 1870-1914: an important type of British foreign direct
16
17 investment' (Wilkins, 1988). This article employed what Wilkins described as a
18
19 'new typology' to theorize a field of research that was largely atheoretical. Her
20
21 primary purpose was to explore a gap in the historical literature. In the
22
23 preceding few years there had been extensive research into British investment
24
25 overseas which had focused on financial flows, FDI stock, and portfolio
26
27 investment (for example, Stone, 1977; Pollard, 1985; Platt, 1986).
28
29

30
31 Supplementing this was a growing literature on the formation and operation of
32
33 British overseas firms (for example, Jones, 1980; Michie, 1981; Michie, 1983;
34
35 Turrell and Van Helten, 1986). What this literature lacked, however, was a
36
37 theoretical explanation that related the historical record to existing and
38
39 emerging IB theory, notably to the research that stemmed from the path-breaking
40
41 work of John Dunning (Dunning, 2000), and that of Peter Buckley and Mark
42
43 Casson (Buckley & Casson, 1976, 2009). And, in addition, to find a theory which
44
45 could explain the organizational form that British investment appeared to be
46
47 held within.
48
49

50
51
52
53 The simple beauty of Wilkins's central insight was that the companies into which
54
55 British investors poured capital generated by the burgeoning industrial economy
56
57
58
59
60

1
2
3 in the period between 1860 and 1914 were unlike the large-scale American
4 multinational corporations that Wilkins had spent her career thus far writing
5 about. Instead, there were many of them, they were typically small (or
6 substantially smaller than American multinationals at any rate), they did not
7 operate through multidivisional structures, many of them failed (often soon after
8 creation), they left few archival traces behind (unhelpfully for historians), and—
9 critically—unlike their American counterparts, they appeared to have few if any
10 domestic capabilities on which their overseas activities were based.
11
12
13
14
15
16
17
18
19
20
21

22 Reflecting some years later on the genesis of the FSC concept Wilkins wrote:
23
24
25

26
27 My own research had uncovered the historical pattern of US businesses
28 that began at home and then expanded abroad. At the same time, in the
29 1960s, students of contemporary multinational corporations including
30 Raymond Vernon, Charles Kindleberger, Richard Caves, and John
31 Dunning, for example, were all taking the pattern of domestic first then
32 foreign [expansion] for granted. ... Research on multinational enterprise,
33 historical and contemporary, initially focused on American companies.
34 When historians of multinational enterprise turned to study the path of
35 British multinationals, they at first applied the 'American model' (derived
36 from the prior research) and they realized that many British industrial
37 enterprises conformed nearly to the American pattern: J & P Coats, Lever,
38 Courtaulds, and others began with operations at home, and then went
39 overseas based on their domestic business expertise. From my own
40 research (which had shifted from the history of American business
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3 abroad to the history of foreign investment in the USA), I had become
4
5 aware that many British overseas investments carried management and
6
7 potential for control over borders. Often, however these British firms
8
9 investing abroad did not fit with the traditional multinational enterprise
10
11 'model' that I had previously encountered: frequently they did not start
12
13 with domestic business operations and then expand abroad based on the
14
15 core competencies they had developed at home. The free-standing
16
17 company – the company that inaugurated foreign business afresh – could
18
19 not have *at origin* [emphasis in original] advantages within the firm, since
20
21 it had no domestic operations on which to base these advantages
22
23
24
25 (Wilkins, 1998, 5-6).
26
27
28

29 This passage reveals a great deal about how the concept of the FSC emerged. As
30
31 Wilkins intuits, the model of *American* business was sometimes found in British
32
33 overseas business, but these similarities of form were coincidental, reflective of
34
35 that fact that when manufacturing firms internationalize they are rarely if ever
36
37 “born global” and are much more likely to have followed a stage approach to
38
39 internationalization (Johanson & Vahlne, 1977). Yet Wilkins was evidently
40
41 intrigued by the presence of considerable investment that did not follow the
42
43 model of American business in mid-century. Wilkins' (1988) article began to
44
45 explore the British domiciled firms into which capital had been invested, not
46
47 from the perspective of investor behavior, or aggregated capital markets, but at
48
49 the level of the firm—where the function of the firms themselves was of critical
50
51 analytical importance.
52
53
54
55
56
57
58
59
60

1
2
3 Wilkins's historical article was certainly inspired by a little known piece by
4
5 Houston and Dunning (Houston & Dunning, 1976) who identified the basic
6
7 features of the FSC as being that they typically only operated in one sector of the
8
9 economy and were 'administratively as well as legally independent – that is, its
10
11 management strategy was not subordinated to, nor coordinated with, that of a
12
13 British parent company operating at home in the same industry (Wilkins, 1988,
14
15 p.262).' Wilkins also drew on the work of Chapman (Chapman, 1985) to explain
16
17 the ways in which FSCs were embedded in nexuses of social and commercial
18
19 relationships formed by, variously, company promoters, mining engineers,
20
21 company directors, trading companies, merchant banks, and the geographical
22
23 locations of the head offices of the companies. FSCs were domiciled in clusters
24
25 found mainly in Edinburgh, Glasgow, Dundee and—especially—the City of London
26
27 (Mollan and Michie, 2012). In these locations they accessed the inputs they
28
29 required, from raising capital via securities markets, to obtaining financial,
30
31 commercial, and legal services which were not internalized within the firms
32
33 themselves. Indeed, Wilkins makes quite clear that in her view most FSCs 'had no
34
35 company specific experience on which to rely' and therefore 'had to engage
36
37 existing service sector individuals and firms that both identified the
38
39 opportunities and furnished the initial supervision (Wilkins, 1988, p.278).' While
40
41 role of entrepreneurs was critical in establishing these firms, there is
42
43 considerable causal ambiguity to the nature of their success. But Wilkins also
44
45 made a number of missteps, which reflect the origins of inquiry.
46
47
48
49
50
51
52

53
54 First, despite the identification of investment groups associated with FSCs, it was
55
56 assumed that the relatively small size of the individual companies indicated that
57
58
59
60

1
2
3 they could not enjoy the competitive advantages of scale and scope which
4
5 American business possessed. In fact, as Wilkins was to partially admit in 1998
6
7 (Wilkins, 1998), there were frequently horizontal linkages that connected firms
8
9 in different but complimentary sectors, and that coordination could occur
10
11 between companies rather than within companies. In turn this raises an
12
13 interesting question of divergence between the firm as an economic unit of
14
15 analysis and the firm as an incorporated company. In the scholarship on the
16
17 development of the modern corporation (A. Chandler, 1966; Williamson, 1981) it
18
19 is generally assumed that the boundaries of the firm are coterminous with the
20
21 corporate boundaries established by legal incorporation. This assumption,
22
23 however, rests rather with the Big Businesses seen in the US in mid-century and
24
25 the optimality of that form, which is again another legacy of a body of
26
27 scholarship formed by and in the Cold War. As Wilson and Thomson hint at,
28
29 there are other forms of firm where the governance structures may be rather
30
31 looser, at least in terms of legal entities (Wilson & Thomson, 2009). These
32
33 'network-form' corporations (N-Form) may have distributed (rather than
34
35 centralized) management capabilities and organizational structures and so are
36
37 less obviously visible (the *less visible hand*, if you will). Here, the boundaries are
38
39 less clear from a conceptual and legal point of view, but might nonetheless be
40
41 very clear from an insiders (that is to say, *managerial*) perspective. It is clear that
42
43 the Investment Groups operated in this way (Chapman, 1985, 1998), but so did
44
45 networks of mining companies, tied to mining finance houses or firms of mining
46
47 engineers (Frankel, 1967; Harvey & Press, 1990; Harvey & Taylor, 1987; Mollan,
48
49 2009; Phimister & Mouat, 2003). Under this model, then, one of the managerial
50
51
52
53
54
55
56
57
58
59
60

1
2
3 competencies of the firm must have been “networked strategic management”,
4
5 which differs from “portfolio investment management”.
6
7

8
9
10 Second, related to the first, Wilkins did not consider to any great degree that the
11
12 different needs of different sectors would have different coordinative
13
14 requirements. For example, in the provision of public utilities (something that
15
16 classical MNEs have never undertaken to any great degree), inter-firm
17
18 coordination was not necessary because the business model of a single-unit
19
20 utility provider was based on local monopoly rent extraction rather than
21
22 economics of scale and/or scope, or the production of price sensitive goods in a
23
24 competitive market. Similarly, in cattle-ranching or plantation management,
25
26 there might be downstream processing and refinement which could be
27
28 integrated into a larger firm, but there was no automatic gain to be had from a
29
30 larger scale or from greater scope at the level of production.
31
32
33

34
35
36 The issue of business models (Teece, 2010) is therefore also important and does
37
38 not figure to any great extent in the existing literature on FSCs. Different FSCs
39
40 developed different business models, which were sector specific and depended
41
42 also on the stage in the life-cycle of the firm. Indeed, the power of the FSC as a
43
44 theoretical construct breaks down when, apart from identifying that a firm was
45
46 not a classical MNE, it is unable to reasonably predict (or, more precisely,
47
48 retrodict) anything about its operations, structure, relationship to other firms,
49
50 business model, or how it might proceed in terms of its life course. This stems
51
52 from Wilkins, whose original insight, though powerful, was a kind of negative
53
54 categorization—“the FSC is not the American MNE”—rather than trying to explain
55
56
57
58
59
60

1
2
3 the FSC in its own terms. Indeed, from the initial claim that these supposedly
4 small and short-lived firms had no managerial capability stems a raft of
5 scholarship which made this a theoretical assumption when attempting to
6
7 explain the behavior of such firms in general terms. Here there is also a distinctly
8
9 American twist on the importance of ownership and control and the shift from
10
11 founder's capital to managerial capital modes of corporate governance.
12
13
14
15

16
17
18 In contrast to this transition in American business history, FSCs were controlled
19
20 without heavy or majority capital ownership, a feat accomplished by the nature
21
22 and powers of the Articles of Association (which placed management and control
23
24 in specific hands), the nature of the companies as legally independent entities
25
26 which meant that if hypothetically they were taken over against the wishes of the
27
28 management they could would be excluded from the wider network linkages
29
30 that made the system work (for which they were would be little benefit), and
31
32 that that the investing public that had stumped up capital were primarily
33
34 interested in *their own* investment portfolio, and did not buy stock to have a
35
36 stake in the management. Charles Jones has made the point that addressing the
37
38 FSC through the theory lens of American Big Business (a la Chandler) makes
39
40 little sense because the nature and conception of control were very different
41
42 (and were British) (C. Jones, 1997). This is important because it is an element of
43
44 the mis-direction. Because the ownership structures of the firms did not conform
45
46 to what would convey control in an American context in mid-20th century, it was
47
48 therefore assumed that the FSCs lacked adequate managerial control. That is,
49
50 there was an anachronistic importation of one historically located construct into
51
52 another era when it did not apply.
53
54
55
56
57
58
59
60

1
2
3
4
5 There have, however, been attempts to theorise why FSCs were successful, most
6
7 notably by Casson (Casson, 1998) and Hennart (Hennart, 1998). Casson in
8
9 particular has done much to challenge the supposed 'paradox' of the existence of
10
11 FSCs by arguing that their competitive advantage did not originate in the
12
13 domestic sphere, so their lack of a domestic presence was not a competitive
14
15 disadvantage. Casson further discusses the nature of control, arguing that many
16
17 FSCs were located in equity-raising centers (such as the City of London) for the
18
19 purpose of capital issuance and legal registration, while the effective control was
20
21 not there but in the location of the operation of the firm. This issue has long
22
23 confounded historians. The opaque nature of FSC has left largely unanswered
24
25 whether the metropolitan headquarters – including the board of directors – had
26
27 any effective corporate governance or strategic role to play and, indeed, whether
28
29 it was one of the bundles of resources which led to competitive advantage.
30
31 Casson examines the role of the headquarters in providing (therefore exporting)
32
33 resources such as 'technological advice or [some] other intangible service'
34
35 (Casson, 1998, p.107) as well as information ('embodied in the exercise of
36
37 control').
38
39
40
41
42
43

44
45 The role of the headquarters among firms that exported both technology and
46
47 information was, therefore, to take an initial entrepreneurial idea – to sink a
48
49 mine or to build a railway, for example – and refine it. The headquarters teamed
50
51 up with specialists on engineering, marketing, property law, and procurement to
52
53 generate a detailed specification which enabled the project to be completed on
54
55 time and within budget (Casson, 1998, p.108).
56
57
58
59
60

1
2
3 Casson was right to emphasize the role of technological change in creating the
4
5 FSC phenomenon. Although a few FSCs were created before the nineteenth
6
7 century, the FSC flourished in the aftermath of the First Industrial Revolution.
8
9 Moreover, this organization structure was especially popular in those industries
10
11 (e.g., mining, railways), that were created or transformed by the First Industrial
12
13 Revolution. Casson's insight also has the virtue of explaining why FSCs were
14
15 closely associated with agglomeration economies, especially the City of London,
16
17 where entrepreneurs could access both commercial and financial services of the
18
19 kinds described above (Mollan and Michie, 2012). Casson (1998) analogises the
20
21 capabilities of the FSC to those required for project management, which explains
22
23 why, he argues, FSCs tended to be located only in one host overseas country.
24
25 Furthermore, it also explains why FSCs were often relatively short-lived, because
26
27 once the project was complete the firm no longer had any purpose, whereas
28
29 firms which engaged in research and development – for example those in
30
31 manufacturing – had the capacity to continue to innovate over time. In this
32
33 interpretation the operations of FSCs were usually tailored to the unique
34
35 geography and resource endowment of the overseas location which had no exact
36
37 parallel at home. The home based skills used by the free-standing firms were the
38
39 general skills possessed by the scientific community and exploited through
40
41 consulting firms, rather than the specific skills found amongst employees in the
42
43 domestic industry. This explains why R&D intensive firms expand by replicating
44
45 domestic operations overseas while free-standing firms did not (Casson, 1998).
46
47
48
49
50
51
52

53 However, and this is a considerable issue, the use of International Business
54
55 theory to explore and explain the FSC left it shorn of the important consideration
56
57
58
59
60

1
2
3 of both strategic and operational management and, critically for my argument,
4 long-term management (and by extension notions of continuity and change; i.e.,
5 history). Though Casson's contributions to the theory of the FSC are
6
7 considerable, the *relative* weakness of his contributions are the paucity of
8
9 empirical evidence and the assumption—in line with mainstream IB theory—that
10
11 firms are boundedly rational-acting black-boxes iteratively interacting with their
12
13 environment. The assumption is that the FSC was an empty vessel, with limited
14
15 managerial capabilities internalized within the firm, and so was unable as a
16
17 matter of logic to demonstrate any strategic capabilities stemming from its
18
19 management, let alone anything approaching Teece's *dynamic* capabilities
20
21 (Teece, 2007), and still further from a theory that could explain or account for
22
23 the history of these firms in their own terms. Marchildon argues that FSCs were
24
25 capable of surviving only through isomorphism towards multinational form:
26
27 'only those FSCs which adopted some of the strategies and structures of
28
29 Chandlerian MNEs were capable of competing with them. (Marchildon, 1998, p.
30
31 392)'. Yet this imposes further on the history of the firms that were FSCs a
32
33 theoretical framing which is rooted in the ontology of conventional micro-
34
35 economics and multinational theories of the firm; theories that were created
36
37 after the existence of the FSC to explain firms that existed later than the FSC. So,
38
39 even where it is accepted that the concept goes beyond being a heuristic device,
40
41 there is a deterministic teleology which projects the FSCs towards MNE form
42
43 over time.
44
45
46
47
48
49
50
51
52

53 Sector variations are implicitly incorporated and expected in all historical
54
55 research into FSCs, as historians tend to deal in *ceteris paribus* conditions
56
57
58
59
60

1
2
3 silently as each unique case demands study in its own right. Nevertheless, these
4
5 sector variations are one of the greatest problems in theorizing the FSC, as life-
6
7 ways, business models, entrepreneurial origin, and network embeddedness are
8
9 all likely to be generally different depending (and dependent) on the sector the
10
11 firm operates in. Chapman's Investment Groups (Chapman, 1985, 1998) and
12
13 Frankel's Group Systems (Frankel, 1967) are the most obvious examples of this,
14
15 but the relationship of individual cases to a trajectory is only partially accounted
16
17 for in the literature and not theoretically elaborated at the temporal level (i.e., it
18
19 does not move beyond idiographic historical accounts towards a nomothetic
20
21 theoretical account). Thus the sinews of actual management – causally
22
23 ambiguous, but actually strangely visible – the technical expertise, risk
24
25 management, social capital, basic business model, managers and management,
26
27 strategies and demographics of this structure are not theoretically articulated in
28
29 any systematic way, nor in a way that aids temporal generalization.
30
31
32
33

34 35 36 *Towards a new perspective* 37

38
39
40 What is peculiar is that the theoretical model of the FSC offers no process of
41
42 historical change for the organizational unit. In the histories of FSCs, processes of
43
44 organizational change are narrated; they are not theorised. That is, they form
45
46 part of the history of the specific firms; but the history of the firms does not
47
48 feedback towards an understanding of the theoretical object (i.e., the FSC) over
49
50 time and in time. In this sense, then, the "FSC" as a theoretical object is a
51
52 "zombie". It categorises but does not explain. This forms one of the tensions for
53
54 theorisation from history, that categorical investigation does not lead to dynamic
55
56
57
58
59
60

1
2
3 (i.e., temporal and processual) theorisation. The literature on the FSC is
4
5 empirically rich and theoretically anchored, but it does not lead to further
6
7 theoretical insight even as the empirical basis becomes deeper and wider, simply
8
9 because of the atemporal nature of the basic axioms of the theoretical object. So,
10
11 though there is narrative explanation, there is no generalised sense of how the
12
13 FSC-structure was replicated in time or how it evolved. Thus the histories are
14
15 historical, but the theory is atemporal. That is the chief challenge of the theorist
16
17 who wants to draw on history (Maclean, Harvey, & Clegg, 2016). Historical
18
19 working must be apart of the theorists repertoire. How, then, to adumbrate a
20
21 theoretical schema that allows both the history and the theory-from-history to
22
23 be revealed?
24
25
26
27
28

29 One option would be to dispense with the FSC as a theoretical object altogether,
30
31 recalibrate the boundaries of organizational populations and periods more
32
33 tightly, and move on. Such a research agenda would fit to a more general trend in
34
35 historical work, described as 'the current penchant for a narrower, more archival
36
37 brand of historicism ... where books [that] focus on, say, fifteen or twenty-year
38
39 chronological slices are now the norm'. This is a tendency 'to concentrate
40
41 monographically on individual [cases] ... or on chronologically circumscribed
42
43 movements (Israel, 2015, p. 4).' This might, for example, indicate that historical
44
45 enquiry into Latin American public utilities between 1919-1939 should be
46
47 completely separated from studies into, say, African mining companies between
48
49 1880-1914. However, this would be to ignore some of the essentiality and
50
51 insights generated by the FSC concept; that it does bear to [a] historical
52
53 experience, especially that of the organization of British international business in
54
55
56
57
58
59
60

1
2
3 the period 1850-1950. That is, the FSC concepts represents, albeit with
4
5 limitations, a sense that the historical organization of British international
6
7 business did not conform to Chandlerian notions of organizational modernity. In
8
9 the writing of business history (and organization history in general) it is easy to
10
11 be led to a determinist teleology that our current and historically experienced
12
13 version of modernity was the only one available, and perhaps (even) the only
14
15 one to have occurred. However, the FSC as a concept speaks to this theoretical
16
17 dissonance, where a break with hierarchy, scale, and scope, and the stationary
18
19 orthodoxies of Cold War era business.
20
21

22
23
24 This paper therefore begins to outline and problematise a framework to enable
25
26 categorisation (and by extension historiographic problematization) of British
27
28 international business, in order to work towards more comprehensive
29
30 theoretical accounts. This approach builds on the elements of the FSC-concept
31
32 that are useful, but develops a much greater sense of temporality and greater
33
34 weight on polymorphic tendencies in the population as a whole. This model is
35
36 along the following three dimensions: (1) Organization; (2) Management and
37
38 Strategy; (3) Time, where (1) and (2) are what I refer to as "Static Conditions"
39
40 and (3) elaborate the "Temporal Dynamics" of the case(s).
41
42
43
44
45
46

47 <<Table 1 about here>>
48
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9
10 In the tabular outline above, "Organization", and "Management and Strategy", are
11 those characteristics that can be present in any non-temporal account of any
12 business/firm, and can apply to any organizational analysis. That is, at any point
13 in time it is possible to analyse a firm using those categories. The "temporal
14 dynamics" are those aspects of unique cases that change over time, intersecting
15 with the "statics" at any moment in time, which when compounded (i.e., taken as
16 serial) can become a historical analysis by incorporating the temporal elements.
17 To a certain extent, the empirical facts in the box marked "Organization", above,
18 are present in the existent literature, though hardly systematically rendered, and
19 not in a serial form. Nevertheless, in terms of the FSC-literature, we know most
20 of all about the "Organization" of these firms as I have defined it above.
21
22 Following that, a number of pieces address the issue of Management and
23 Strategy, often coming closer to understanding the strategy of the firms than
24 understanding how they were managed, though there are hints at this
25 throughout the literature, but particularly in the work of Tennent (Tennent,
26 2009, 2013).

27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47 Implicitly, then, in the writing of history the authors who have looked at FSC
48 have a temporal dimension, but generally not one that explains the historical
49 trajectory in ways that can be made theoretically applicable more widely. Indeed,
50 a great deal of the literature on FSCs concentrates on the formation of such firms,
51 concentrating on the promotion, financing (Casson, 1998; Hennart, 1998),
52
53
54
55
56
57
58
59
60

1
2
3 entrepreneurship (Casson, 1994, 1998), and external formation (Stanciu, 2000).

4
5 By and large there is no sense of isomorphism (the tendency to become more
6
7 alike over time) or polymorphism (the tendency to become more different over
8
9 time) in the population of these firms over time. In what follows I begin to
10
11 elaborate the temporal dynamics element of the model.
12
13

14
15
16 The epoch of formation is most easily identified, and locates the formation of an
17
18 FSC (or FSCs) in a historical context which might (and often does) indicate
19
20 external conditions which shaped the nascence of the firm(s). The Life and Fate
21
22 of the firms (ontogeny) is more problematical, but there are several histories
23
24 that trace firms over longer periods of time, and do not simply assume that FSCs
25
26 were short-lived (Chapman, 1998; Gerriets, 1992; Greenhill, 1995; Miller, 1998;
27
28 Tennent, 2013). However, as viewed from a theoretical perspective,
29
30 understanding the life an fate of an individual firm in a case-study does not
31
32 enable a full transition from idiographic (individual cases) to nomothetic
33
34 (generalizable) modes of enquiry and so acts as a barrier to theorisation (Bryant,
35
36 2000; Lyman & O'Brien, 2004). Here, we can observe that in the field of
37
38 organizational demography /ecology temporal studies are widespread that trace
39
40 organizational populations over time but no such study has been undertaken
41
42 which has achieved the same for FSCs. One recent article relating to large
43
44 numbers of FSCs (Mollan & Tennent, 2015) consciously situates itself in a
45
46 middle-ground between idiographic and nomothetic studies of organizations in
47
48 order to explore the impact that taxation had on FSCs. While this article might
49
50 point to the possibility of serial investigation into the population of FSCS that
51
52
53
54
55
56
57
58
59
60

1
2
3 *might* in turn lead to nomothetic theorisation, the article itself does not attempt
4 such a project, instead confining itself to historiographical refinement.
5
6
7

8
9 To try to break this problem, I suggest that we need to look much more closely at
10 the ontogeny (life course) of individual firms and then, as a serial, to gradually
11 build a empirically grounded organizational phylogeny—a history of the category
12 or categories (i.e., species and sub-species) as a whole. To do this we need an
13 expanded conceptual repertoire that that can better incorporate temporal
14 processes and flows, continuity and change, similarity and difference, and how
15 within every unique context for an event (that is, "event" as a moment of
16 historical specificity; for example, both the whole life-course of an organization,
17 as well as a specific juncture in time) there is a history, both before and after,
18 prelude and aftermath, which shape the event and our understanding of the
19 event. In respect of this we should embrace two perspectives: the temporal
20 notion of 'decay', and the demographic study of organizations (FSCs, in this case)
21 over time.
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39

40 As time passes being decays into new being. Here I mean decay not in the sense
41 or rotting or decrepitude (though, of course, failure is an organizational reality),
42 but as the passing of ephemeral being. Something like this notion of decay is
43 described thus:
44
45
46
47
48
49

50
51 We know that organizations and institutions exist only in actual people's
52 doings and that these are necessarily particular, local and ephemeral. We
53 can, of course, recognize specific social forms, a soccer match, a university
54
55
56
57
58

1
2
3 class, or a family dinner, for example, but each event is produced in time
4
5 and locality, and decays into the past over the course of its
6
7 accomplishment. There is no moment when it is decisively there and no
8
9 place in which it can be found again as the same as it was before (Smith,
10
11 2001, p. 163).
12
13
14

15
16 Conceptualising historical change as the search for the dynamics of growth (and
17
18 it naturalistic inverse concomitant, the process of decay) takes us away from the
19
20 time-static models of organizational change that are based in the *ceteris paribus*
21
22 and presentist assumptions of micro-economics. These are the foundation for the
23
24 theories of international business that lie behind the current conceptualization
25
26 of the FSC. Instead, then, we may see a fluid process of cyclicity and the
27
28 forward flow of time: organizations brought into being, developing, maturing,
29
30 and failing. They may be in some essential way similar, but each iteration unique.
31
32 As each organization fails its capital (tangible and intangible) either obsolesces
33
34 or is reconstituted. Reconstitution and decay are, then, a dual a process of both
35
36 continuity and change, and a sinew through which the past experience is
37
38 connected to the present. By presenting this history *en masse* at the level of the
39
40 population by incorporating demographic and ecological perspectives,
41
42 comparable patterns of (dis)similitude can be identified (and therefore reveal at
43
44 least the potential for generalizability) and how they are tethered to the past and
45
46 the present, and so exhibit continuity and change.
47
48
49
50
51

52
53 Insights into these deep structural processes can—perhaps only in tantalising
54
55 outline—be glimpsed in the existing historical accounts. The process of
56
57
58
59
60

1
2
3 organizational reconstitution leading to demographic changes, for example, is
4
5 partially visibly in the history of the international mining sector in the 1890s
6
7 when, during in investment boom, hundreds of FSCs spiralled into and out of
8
9 being through an seemingly endless reconstitutive process through which
10
11 companies were formed, acquired assets, developed the assets, in some cases
12
13 (but not all) mined, were broken-up, reconstituted and the process began again.
14
15 Capital would flow from one company to the next, with one share generated new
16
17 shares in the new companies (Harvey & Press, 1989; Harvey & Taylor, 1987;
18
19 Mollan, 2009; Phimister & Mouat, 2003). Given the embeddedness of FSCs into
20
21 wider organizational contexts, the meaning of this both managerially and in
22
23 terms of the life-course of individual firms, the wider life-course of networks–
24
25 *and* the morphology of the population as whole–is not clear, and more empirical
26
27 work would be useful. Though it is widespread within research into the FSC to
28
29 imagine that the companies were short-lived–and many did have a short
30
31 duration–there were also many others that endured for long periods of time
32
33 (Miller, 1998; Tennent, 2009). Second, the spiralling cascade of firms in sectors
34
35 where reconstitution and networked embeddedness was present calls into
36
37 question where the boundaries of the firm as an economic unit lie, and how
38
39 duration and periodization might or ought to be applied to such firms. Ian
40
41 Phimister's work on the role of Edmund Davis in coordinating a network of FSCs,
42
43 largely but not exclusively in the mining sector, is a case in point. Davis's
44
45 stratagem was to control dozens of companies via inter-locking directorates for
46
47 the purpose of creating global cartels (Phimister, 1996). Davis's substantial
48
49 empire was built over time, and endured for around four decades before his
50
51 death in 1939. Without understanding the longitude and extensity of the
52
53
54
55
56
57
58
59
60

1
2
3 network as a whole its significance cannot be fully understood. Elsewhere in the
4
5 mining history literature there are numerous further example of similar N-form
6
7 organized 'corporations' (in the economic rather than the legal sense of the
8
9 word) which endured for long periods of time. Mining historians have explored
10
11 how phenomeon was related to market position, technological factors of
12
13 extraction, risk-distribution, and the influence of finance (Harvey & Press, 1989;
14
15 Harvey & Taylor, 1987; Mollan, 2004, 2009; Phimister & Mouat, 2003)–but this
16
17 has not been aligned to the theoretical development of the FSC, or how FSCs as
18
19 organizations changed over time, or, indeed, to better understand how 'N-form'
20
21 corporations were governed or managed. Instead, the focus has been with the
22
23 distinct historiography of that sector, which though completely understandable,
24
25 is of lesser use in developing the theory and historiography of FSCs.
26
27
28
29
30

31
32 Similarly, one explanation of the decline of the FSC in the 20th Century is
33
34 associated with a transformation from N-form towards M-form modes of
35
36 organization (Mollan & Tennent, 2015). For example, take the case of Lonrho.
37
38 Founded in 1909 as the London and Rhodesian Mining Company, it is portrayed
39
40 as a kind of portfolio investment vehicle for a range of assets largely in Rhodesia
41
42 (Geoffrey Jones, 2000). Whether it was, in fact, an N-form type firm is not
43
44 discussed. However, from the early 1960s until c.1980 under the leadership of
45
46 Tiny Rowland, it expanded via acquisition to become a substantial multinational
47
48 conglomerate. Many of its acquisitions are identifiably FSCs (Swainson, 1980).
49
50
51 This provokes fundamental questions to explore the historical transition
52
53 ('change points'), the organizational dynamics and management implications of
54
55 the integration of FSCs into wider structures, and whether what might be
56
57
58
59
60

1
2
3 thought of as a 'post-FSC' based MNE encountered different strategic and
4
5 managerial challenges to the more usually discussed American and European
6
7 MNEs. Intriguingly, despite only controlling around 17 per cent of the stock,
8
9 Rowland was able to 'exercise virtual personal control over the firm' because of
10
11 'an absence of large institutional investors and thousands of small private
12
13 shareholders (Geoffrey Jones, 2000, p. 123).' This was most probably a direct
14
15 legacy of the FSC origins of Lonrho, where this pattern of shareholding was
16
17 common. Whether this was a general pattern—or merely a unique one—again
18
19 depends on further work to align nomothetic research at the level of the
20
21 population with idiographic research at the level of the firm. Nevertheless, the
22
23 example of Lonrho provides evidence of FSCs decaying into a new organizational
24
25 structure, that as multiple organizational life-courses terminated, they led to
26
27 growth in another organization.
28
29
30
31
32
33
34
35

36 *Conclusion: the implications for international business history*

37
38
39
40 Mira Wilkins's initial observation that the Chandlerian multinational M-form did
41
42 not always apply to British international business in the period before 1914 was
43
44 a significant insight. Following her elaboration of the FSC to define and
45
46 categorize these firms there has emerged a substantial historiography made up
47
48 of an empirically rich and well researched literature. Yet, as argued here, the FSC
49
50 is in many ways a 'zombie' theory—created from an ahistorical negative
51
52 categorization, and with limited explanatory power, especially to explain the
53
54 historical trajectories of the firms so defined *after* the period of foundation.
55
56
57
58
59
60

1
2
3
4
5 This article has also explored the paradigm from which the FSC was developed
6
7 as a theory. The foundational work on the FSC was embedded in a world-view
8
9 that in turn stemmed from historical accounts of American multinational
10
11 enterprises in the 20th century, and in the context of undertaking that historical
12
13 research in the Cold War. This has subsequently shaped research into the FSC in
14
15 subtle ways. In focusing attention on unit based boundaries of the firm, the
16
17 importance of wider networks has been underplayed. Similarly,
18
19 entrepreneurship and inception have been emphasized, while management and
20
21 strategy, and the long-run success and failure of such firms, are under-explored.
22
23
24
25

26
27 The organizational form that was categorized as the FSC appears to have
28
29 disappeared by the mid 20th century only for a similar single-unit
30
31 organizational form to (re)appear in the 1980s and 1990s in the form of the
32
33 International New Venture (Oviatt, B., & McDougall, P., 2005). There are then,
34
35 perhaps, contemporary lessons that might be learned from the historical
36
37 experience of the FSC, and an opportunity for international business historians
38
39 to engage in both historiographical and theoretical development, particularly in
40
41 light of the burgeoning call for theoretical insights stemming from historical
42
43 research (G. Jones & Khanna, 2006; Maclean et al., 2016; Suddaby, 2016;
44
45 Suddaby & Foster, 2017).
46
47
48
49
50

51 Following this, future research should focus on three areas. The first is to
52
53 establish the full life-course (ontogeny) of FSCs both individually and in serial, in
54
55 a way that articulates the isomorphic and polymorphic forces at work on the
56
57
58
59
60

1
2
3 population as a whole, across countries, across sectors, and over time. Second,
4
5 there is a need to determine the fate of these largely British organizations in the
6
7 course of the 20th Century. Once there were thousands FSCs; what happened to
8
9 them all? Demographic historical research will enable population-level changes
10
11 to be seen, and will direct researchers to events and periods of change. At level of
12
13 the firm (idiographically) this will provide problematization for research using
14
15 the business historian's usual tools: archives and case-studies. And third, more
16
17 should be done to think temporally about the relationship of idiographic cases
18
19 and the nomothetic power of the theoretical schema used to explore and explain
20
21 them.
22
23
24

25
26
27 The final point to make is with respect to the primary role that history can play
28
29 in developing theory. The theoretical limits of the FSC have been reached. When
30
31 theories become exhausted in this way—when they are 'not really able to capture
32
33 the [historical] milieu' (to paraphrase from the quotation at the outset of this
34
35 article)—they also cease to drive historiographical development. To make
36
37 progress, then, there needs to be a patient accrual of additional empirical
38
39 evidence. Only from such painstaking and rigorous historical research can new,
40
41 potentially competing, theories emerge that better explain the phenomena about
42
43 which a generalizable proposition (i.e., 'theory') is possible. This article can, and
44
45 should, be read as a call for more empirical work on the FSC (or whatever name
46
47 we apply in future to that category or categories of organizations), but also as an
48
49 affirmation of the importance of empirical historical research as a foundation for
50
51 international business theory.
52
53
54
55
56
57
58
59
60

1
2
3 *References*
4
5
6

7 Boughey, D. (2009). British overseas railways as free-standing companies, 1900–
8 1915. *Business History*, 51(3), 484–500.

9
10 <http://doi.org/10.1080/00076790902844104>
11

12
13 Brayshay, Mark, Mark Cleary, and John Selwood. 2006. “Power Geometries :
14 Social Networks and the 1930s Multinational Corporate Elite.” *Geoforum* 37:
15 986–98. doi:10.1016/j.geoforum.2006.02.003.
16
17

18
19 Bryant, J. M. (2000). On sources and narratives in historical social science : a
20 realist critique of positivist and postmodernist epistemologies. *British Journal of*
21 *Sociology*, 3(51), 489–523.
22
23

24
25 Buckley, P., & Casson, M. (1976). *The Future of the Multinational Enterprise*.
26 London: Macmillan.
27

28
29 Buckley, P., & Casson, M. (2009). The internalisation theory of the multinational
30 enterprise: A review of the progress of a research agenda after 30 years. *Journal*
31 *of International Business Studies*, 40(9), 1563–1580.
32
33

34 <http://doi.org/10.1057/jibs.2009.49>
35
36

37
38 Casson, M. (1994). Institutional Diversity in Overseas Enterprise: Explaining the
39 Free-Standing Company. *Business History*, 36(4), 95–108.
40
41

42
43 Casson, M. (1998). An Economic Theory of the Free-Standing Company. In M.
44 Wilkins & H. Schröter (Eds.), *The Free Standing Company in the World Economy,*
45 *1830-1996* (pp. 99–128). Oxford: Oxford University Press.
46
47

48
49 Chandler, A. (1966). *Strategy and Structure: Chapters in the History of the*
50 *Industrial Enterprise*. Boston, MA: MIT press.
51
52

- 1
2
3 Chandler, A. (1990). *Scale and Scope: The Dynamics of Industrial Capitalism*.
4
5 Cambridge MA: Harvard University Press.
6
7 Chapman, S. (1985). British - Based Investment Groups Before 1914. *The*
8
9 *Economic History Review*, 38(2), 230-247.
10
11 Chapman, S. (1998). British free-standing companies and investment groups in
12
13 India and the far east. In M. Wilkins & H. Schröter (Eds.), *The Free-Standing*
14
15 *Company in the World Economy* (pp. 202-217). Oxford: Oxford University Press.
16
17 Cooke, B. (2005). Situating Maslow in Cold War America: A Recontextualization
18
19 of Management Theory. *Group & Organization Management*, 30(2), 129-152.
20
21 <http://doi.org/10.1177/1059601104273062>
22
23
24 Cooke, B. (2006). The Cold War origin of action research as managerialist
25
26 cooptation. *Human Relations*, 59(5), 665-693.
27
28 <http://doi.org/10.1177/0018726706066176>
29
30
31 Davis, L., & Huttenback, R. (1986). *Mammon and the pursuit of Empire: The*
32
33 *political economy of British Imperialism, 1860-1912*. Cambridge: Cambridge
34
35 University Press.
36
37
38 Dowie, M. (1977). *Pinto madness*. Mother Jones.
39
40
41 Dunning, J. H. (2000). The eclectic paradigm as an envelope for economic and
42
43 business theories of MNE activity. *International Business Review*, 9(2), 163-190.
44
45 Edelstein, M. (1994). Foreign investment and accumulation, 1860-1914. In R.
46
47 Floud & D. McCloskey (Eds.), *The Economic History of Britain since 1700, Volume*
48
49 *Two: 1860-1939*. Cambridge.
50
51
52 Fligstein, N. (2008). Chandler and the Sociology of Organizations. *Business*
53
54 *History Review*, 82(Summer), 241-250.
55
56
57
58
59
60

- 1
2
3 Frankel, S. H. (1967). *Investment and the Return to Equity Capital in the South*
4
5 *African Gold Mining Industry*. Oxford: Basil Blackwell.
6
7 Gabor, A. (2000). Robert S. McNamara: The "Bean Counters" usher in a new era
8
9 of scientific management. In *The Capitalist Philosophers* (pp. 131–151).
10
11 Chichester: Wiley.
12
13 Gabrielson, M., Kirpalani, V. H. M., Dimitratos, P., Solberg, C. A., & Zucchella, A.
14
15 (2008). Born globals: Propositions to help advance the theory. *International*
16
17 *Business Review*, 17(4), 385–401. <http://doi.org/10.1016/j.ibusrev.2008.02.015>
18
19
20 Garnett, Philip, Simon Mollan, and R Alexander Bentley. 2015. "Complexity in
21
22 History: Modelling the Organisational Demography of the British Banking
23
24 Sector." *Business History* 57 (1). Taylor & Francis: 181–201.
25
26
27 ———. 2017. "Banks, Births, and Tipping Points in the Historical Demography of
28
29 British Banking: A Response to J.J. Bissell." *Business History* 59 (5): 814–20.
30
31
32 Genoe McLaren, P., & Mills, A. J. (2008). A product of "his" time? Exploring the
33
34 construct of the ideal manager in the Cold War era. *Journal of Management*
35
36 *History*, 14(4), 386–403. <http://doi.org/10.1108/17511340810893126>
37
38 Gerriets, M. (1992). The rise and fall of a free-standing company in Nova Scotia:
39
40 The General Mining Association. *Business History*, 34(3), 16–48.
41
42
43 Greenhill, R. G. (1995). Investment group, free-standing company or
44
45 multinational? Brazilian warrant, 1909–52. *Business History*, 37(1), 86–111.
46
47
48 Hannah, L. 2007. "Pioneering Modern Corporate Governance: A View from
49
50 London in 1900." *Enterprise and Society* 8 (3): 642–86. doi:10.1093/es/khm069.
51
52
53 Harvey, C., & Press, J. (1989). Overseas Investment and the Professional Advance
54
55 of British Metal Mining Engineers, 1851-1914. *Economic History Review*, 42(1),
56
57 64–86.
58
59
60

- 1
2
3 Harvey, C., & Press, J. (1990). The City and International Mining, 1870–1914.
4
5 *Business History*, 32(3), 98–119. <http://doi.org/10.1080/00076799000000094>
6
7 Harvey, C., & Taylor, P. (1987). Mineral Wealth and Economic Development:
8
9 Foreign Direct Investment in Spain, 1851-1913. *Economic History Review*, 40(2),
10
11 185–207.
12
13 Hennart, J.-F. (1998). Transaction-Cost Theory and the Free-Standing Firm. In M.
14
15 Wilkins & H. Schröter (Eds.), *The Free Standing Company in the World Economy,*
16
17 *1830-1996* (pp. 65–98). Oxford: Oxford University Press.
18
19 Houston, T., & Dunning, J. H. (1976). *UK Industry Abroad*. London: Financial
20
21 Times.
22
23
24 Israel, N. (2015). *Spirals: The Whirled Image in Twentieth-century Literature and*
25
26 *Art*. Columbia University Press.
27
28 Iversen, M. J. (2008). Measuring Chandler's Impact on European Business Studies
29
30 since the 1960s. *Business History Review*, 82(Summer), 279–292.
31
32
33 Johanson, J., & Vahlne, J. (1977). The internationalization process of the firm-a
34
35 model of knowledge development and increasing foreign market commitments.
36
37 *Journal of International Business Studies*, 8(1), 23–32. Retrieved from
38
39 <http://www.jstor.org/stable/10.2307/254397>
40
41
42 Jones, C. (1977). Commercial Banks and Mortgage Companies. In D. C. M. Platt
43
44 (Ed.), *Business Imperialism, 1840-1930: An Enquiry Based on British Experience in*
45
46 *Latin America* (pp. 17–52). Oxford: Clarendon Press.
47
48 Jones, C. (1997). Institutional Forms of British Foreign Direct Investment in
49
50 South America. *Business History*, 39(2), 21–41.
51
52 <http://doi.org/10.1080/00076799700000049>
53
54
55
56
57
58
59
60

- 1
2
3 Jones, G. (1998). British Overseas Banks as Free-Standing Companies, 1830-
4
5 1996. In M. Wilkins & H. Schröter (Eds.), *The Free Standing Company in the World*
6
7 *Economy, 1830-1996* (pp. 344–360). Oxford: Oxford University Press.
8
9 Jones, G. (2000). *Merchants to Multinationals: British Trading Companies in the*
10
11 *Nineteenth and Twentieth Centuries*. Oxford: Oxford University Press.
12
13 Jones, G., & Khanna, T. (2006). Bringing History (Back) into International
14
15 Business. *Journal of International Business*, 37(4), 453–468. Retrieved from
16
17 <http://www.jstor.org/stable/3875164>
18
19 Jones, S. R. H. (1997). Transaction Costs and the Theory of the Firm: The Scope
20
21 and Limitations of the New Institutional Approach. *Business History*, 39(4), 9–25.
22
23 <http://doi.org/10.1080/00076799700000143>
24
25 Kelley, E. S., Mills, A. J., & Cooke, B. (2006). Management as a Cold War
26
27 phenomenon? *Human Relations*, 59(5), 603–610.
28
29 Kenwood, A. G., Graff, M., & Loughheed, A. L. (2013). *Growth of the International*
30
31 *Economy, 1820-2015*. Routledge.
32
33 Lyman, R. L., & O'Brien, M. J. (2004). Nomothetic science and idiographic history
34
35 in twentieth-century Americanist anthropology. *Journal of the History of the*
36
37 *Behavioral Sciences*, 40(1), 77–96. <http://doi.org/10.1002/jhbs.10180>
38
39 Maclean, M., Harvey, C., & Clegg, S. R. (2016). Conceptualizing Historical
40
41 Organization Studies. *Academy of Management Review*, 41(4), 609–632.
42
43 Marchildon, G. (1998). The Montreal Engineering Company and International
44
45 Power: Overcoming the Limitations of the Free Standing Utility. In M. Wilkins &
46
47 H. Schröter (Eds.), *The Free-standing Company in the World Economy, 1830-1996*
48
49 (pp. 391–420). Oxford: Oxford University Press.
50
51
52
53
54
55
56
57
58
59
60

- 1
2
3 Mccraw, T. K. (2008). Alfred Chandler: His Vision and Achievement. *Business*
4
5 *History Review*, 82(Summer), 207–226.
6
7 Miller, R. (1998). British Free-Standing Companies on the West Coast of South
8
9 America. In M. Wilkins & H. Schröter (Eds.), *The Free Standing Company in the*
10
11 *World Economy, 1830-1996* (pp. 218–251). Oxford: Oxford University Press.
12
13 Mollan, S., & Michie, R. (2012). “The City of London as an International
14
15 Commercial and Financial Center since 1900.” *Enterprise and Society* 13 (3):
16
17 538–87. doi:10.1093/es/khr072.
18
19 Mollan, S. (2004). The business network of John Taylor & Sons, 1890, 1900 and
20
21 1910. *Economic History Society Annual Conference Proceedings*.
22
23 Mollan, S. (2008). Business, State and Economy: Cotton and the Anglo-Egyptian
24
25 Sudan, 1919-1939. *African Economic History*, 36, 95–124.
26
27 Mollan, S. (2009). Business Failure, Capital Investment and Information: Mining
28
29 Companies in the Anglo-Egyptian Sudan, 1900–13. *The Journal of Imperial and*
30
31 *Commonwealth History*, 37(2), 229–248.
32
33 Mollan, S. (2010). S. Hoffnung and Co: the case of a market intermediary in
34
35 Australia, 1851-1980. *Consumption, Markets and Culture*, 13(1), 7–30.
36
37 Mollan, S., & Tennent, K. (2015). International taxation and corporate strategy:
38
39 evidence from British overseas business, circa 1900–1965. *Business History*,
40
41 57(7), 1–28. <http://doi.org/10.1080/00076791.2014.999671>
42
43
44 Oviatt, B., & McDougall, P. (2005). Toward a theory of international new
45
46 ventures. *Journal of International Business*, 36, 29–41. Retrieved from
47
48 <http://www.palgrave-journals.com/jibs/journal/v36/n1/abs/8400128a.html>
49
50
51
52
53
54
55
56
57
58
59
60

- 1
2
3 Phimister, I. (1996). The Chrome Trust: The Creation of an International Cartel,
4
5 1908–38. *Business History*, 38(1), 77–89.
6
7 <http://doi.org/10.1080/00076799600000004>
8
9 Phimister, I., & Mouat, J. (2003). Mining, Engineers and Risk Management: British
10 Overseas Investment, 1894–1914. *South African Historical Journal*, 49(1), 1–26.
11
12 <http://doi.org/10.1080/02582470308671445>
13
14 Platt, D. C. M. (1977). *Business imperialism, 1840-1930: an inquiry based on British*
15 *experience in Latin America*. Oxford: Clarendon Press.
16
17 Pollard, S. (1985). Capital Exports, 1870–1914 Harmful or Beneficial?*. *The*
18 *Economic History Review*, 38(4), 489–514.
19
20 Rialp, A., Rialp, J., & Knight, G. a. (2005). The phenomenon of early
21 internationalizing firms: what do we know after a decade (1993–2003) of
22 scientific inquiry? *International Business Review*, 14(2), 147–166.
23 <http://doi.org/10.1016/j.ibusrev.2004.04.006>
24
25 Slater, D., & Ritzer, G. (2001). Interview with Ulrich Beck. *Journal of Consumer*
26 *Culture*, 1(2), 261–277.
27
28 Smith, D. E. (2001). Texts and the ontology of organizations and institutions.
29 *Studies in Cultures, Organizations and Societies*, 7(2), 159–198.
30 <http://doi.org/10.1080/10245280108523557>
31
32 Spector, B. (2006). The Harvard Business Review goes to war. *Management &*
33 *Organizational History*, 1(3), 273–295.
34 <http://doi.org/10.1177/1744935906066692>
35
36 Spector, B. (2008). “Business Responsibilities in a Divided World”: The Cold War
37 Roots of the Corporate Social Responsibility Movement. *Enterprise and Society*,
38 9(2), 314–336.
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

- 1
2
3 Stanciu, L. (2000). Free-Standing Companies in the Oil Sector in Romania and
4 Poland Before 1948: Typologies and Competencies. *Business History*, 42(4), 27–
5 66. <http://doi.org/10.1080/00076790000000301>
6
7
8
9 Suddaby, R. (2016). Toward a Historical Consciousness: Following the Historic
10 Turn in Management Thought. *M@n@gement*, 19(1), 46–60.
11
12
13 Suddaby, R., & Foster, W. M. (2017). History and Organizational Change. *Journal*
14 *of Management*, 43(1), 19–38.
15
16
17 Swainson, N. (1980). *The development of corporate capitalism in Kenya, 1918-77*.
18 Berkeley, CA: University of California Press.
19
20
21 Teece, D. J. (2007). Explicating Dynamic Capabilities : The Nature and
22 Microfoundations of Sustainable Enterprise Performance. *Strategic Management*
23 *Journal*, 1350(August), 1319–1350. <http://doi.org/10.1002/smj>
24
25
26 Teece, D. J. (2010). Business models, business strategy and innovation. *Long*
27 *Range Planning*, 43(2), 172–194.
28
29
30
31
32
33 Tennent, K. (2009). *Owned, monitored, but not always controlled: understanding*
34 *the success and failure of Scottish Free-Standing Companies, 1862-1910*. The
35 London School of Economics and Political Science (LSE).
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
- Tennent, K. (2013). Management and the Free-Standing Company: The New Zealand and Australia Land Company c. 1866–1900. *The Journal of Imperial and Commonwealth History*, 41(1), 81–97. <http://doi.org/10.1080/03086534.2013.762158>
- Tennent, K., & Bowden, B. (2016). Special issue call for papers from Journal of Management History: Chronologies, Periods and Events in Management and Business History. *Journal of Management History*.

- 1
2
3 Whittington, R. (2008). Alfred Chandler, Founder of Strategy: Lost Tradition and
4 Renewed Inspiration. *Business History Review*, 82(Summer), 267–277.
5
6
7 Wilkins, M. (1970). *The Emergence of Multinational Enterprise: American Business*
8
9 *Abroad from the Colonial Era to 1914*. (A. D. Chandler, Ed.). Cambridge MA:
10 Harvard University Press.
11
12
13 Wilkins, M. (1988). The Free-Standing Company, 1870-1914: An Important Type
14 of British Foreign Direct Investment. *The Economic History Review*, 41(2), 259–
15 282. Retrieved from <http://www.jstor.org/stable/2596058>
16
17
18
19
20 Wilkins, M. (1998). The Free-Standing Company Revisited. In M. Wilkins & H.
21 Schröter (Eds.), *The Free Standing Company in the World Economy, 1830-1996*
22 (pp. 3–66). Oxford: Oxford University Press.
23
24
25
26
27 Wilkins, M., & Hill, F. E. (1964). *American business abroad: Ford on six continents*.
28 Detroit: Wayne State University Press.
29
30
31
32 Wilkins, M., & Schröter, H. (1998). *The Free-Standing Company in the World*
33 *Economy, 1830-1996*. (M. Wilkins & H. Schröter, Eds.) (Oxford Uni). Oxford.
34
35
36 Williamson, O. (1981). The Modern Corporation: Origins, Evolution, Attributes.
37 *Journal of Economic Literature*, 19(4), 1537–1568.
38
39
40
41 Wilson, J. F., Buchnea, E., and Tilba, A. (2017) “The British Corporate Network ,
42 1904 – 1976 : Revisiting the Finance – Industry Relationship.” *Business History*,
43 no. August. Routledge: 1–28. doi:10.1080/00076791.2017.1333106
44
45
46
47 Wilson, J. F., & Thomson, A. (2009). *The making of modern management: British*
48 *management in historical perspective*. Oxford: Oxford University Press.
49
50
51
52
53
54
55
56
57
58
59
60

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Journal of Management History

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

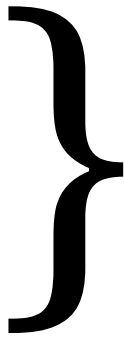
Static conditions	Temporal dynamics
<p>Organization</p> <ol style="list-style-type: none"> 1. Location of operational activity¹ 2. Location of HQ² 3. Location of ownership³ 4. Location of strategic management⁴ 5. Network embeddedness⁵ 6. Corporate governance arrangements⁶ 	 <ol style="list-style-type: none"> 1. Epoch and process formation⁷ 2. Life and Fate (ontogeny): genesis (birth); development (growth); maturation; transformation or decline; death and after-life / aftermath⁸
<p>Management and Strategy</p> <ol style="list-style-type: none"> 1. Nature of strategic and operational management⁹ 2. Unit business model¹⁰ 	

Table 1. Towards a model of the FSC: static and temporal factors

¹ Typically for an FSC this would be in one country only. See (Wilkins, 19f88, 1998).

² FSCs were mostly headquartered in financial and commercial centers, such as the City of London. This enabled access to agglomeration economies where inputs could be obtained. See (Mollan and Michie, 2012), (Mollan and Tennent, 2015), and (Casson, 1994).

³ The location of ownership is potentially important in establishing the regime of corporate governance.

⁴ (Tennent, 2009; 2013) has challenged the assumption by (Wilkins, 1988; and Casson, 1994, 1998) that FSCs were largely devoid of management. Strategic management might be exercised in either headquarter or operational location.

⁵ There is a substantial literature on network embeddedness and its importance to governance, strategy and management. For an introduction see (Mizruchi, 1996); with reference to British business history see (Wilson, Buchnea, and Tilba, 2017). For the historical implications with reference to FSC governance, see (Brayshay, Cleary, and Selwood, 2006).

⁶ Corporate governance is addressed in the foundational literature on FSCs (see Wilkins, 1998), and for the period of greatest creation of FSCs (pre 1914) see (Hannah, 2007). See (C. Jones, 1997) for a more elaborated account of different governance models of FSCs.

⁷ See (Casson, 1994, 1998) relating to formation of FSCs.

⁸ See (Hannan and Carroll, 2000) for a summary of demographic approaches to temporal organization studies, and (Garnett, Mollan and Bentley 2015, 2017) for use in business history.

⁹ Studies of FSCs that explore strategic and operational management are comparatively rare; see (Tennent, 2013).

¹⁰ See (Teece, 2010) for the standard text on business models.