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Marc Meuleau, *Les HEC et la première révolution managériale en France (1881-1973)*. Paris: Éditions ESKA, 2021. 358 pp. €35.00 (pb). ISBN 9-78-2747230926.

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In this erudite book, based on parts of his *thèse de doctorat d'État*, Marc Meuleau examines the makings of the managerial revolution in twentieth-century France. Over the course of several decades, France's many small and family-run businesses lost out to larger firms that needed new forms of organization and administration to meet the demands and complexities of running affairs in a globalizing economy. New methods of accounting and statistics were introduced; divisions dedicated to advertising, finance, and human resources were created. Smaller businesses that survived this transformation frequently did so because they adopted these new methods. This is a surprising story given that France reputedly suffered from an indifference to, and even disdain for, business education. In 1930, a journalist could report that "25 years ago, it was better to admit to being a murderer than an advertising agent" (p. 76). In describing the state of economic knowledge in France, Louis Devaux, President of Shell-Française in the 1960s, regretted that "there is not a country more ignorant of economic realities than this country" (p. 253).

Meuleau illuminates a world with which most historians are likely unfamiliar: the inner lives of companies and the ways in which people and ideas organize and manage them. This alone renders an immense service to our historical knowledge. Meuleau defines management as "above all an historical phenomenon" (p. 13)--"the art of adapting to a given economic situation. Even if it draws on tools of a great technical complexity, it is an eminently pragmatic and concrete expertise, the application of which differs according to the sector and the firm under consideration" (p. 294). His historical actors agreed. Devaux believed that a manager was "someone who, through hands-on experience, knows how to succeed by adapting to changing conditions" (p. 13). For Georges Tranchant, the CEO of Tranchant Electronique S.A., management was "a notion of confronting problems efficiently and practically in a never-ending way" (p. 13).

Meuleau places the graduates of the *École des Hautes Études Commerciales* (HEC) at the center of France's managerial revolution. Devaux, for example, graduated from the HEC in 1926. The HEC was created in 1881 to help the country more clearly understand and adapt to industrialization and internationalization, and to "erase the trauma of the defeat of 1870-1871 by the preparation of a winning economic elite" (p. 27). The HEC would come to rival the other *grandes écoles* like the *École Polytechnique*, which produced the country's engineering elite.

Meuleau focuses on two of the HEC's institutions--the school itself, as well as the Association des anciens élèves de l'École des Hautes Études Commerciales--around which faculty and alumni were able to propagate new management ideas. The HEC trained its students in the latest management techniques circulating between Western Europe and the United States, it built networks for its graduates, and it helped them find jobs in the business world after graduation. Meuleau argues persuasively that HEC alumni participated in introducing new management tools in commerce and finance like accounting, market surveys, and advertising.

Yet Meuleau avoids inflating the importance of the HEC in sparking the managerial revolution. "Paradoxically," Meuleau writes, the École des Hautes Études Commerciales does not seem to have been behind the success of its graduates. Until the reforms of 1957, commercial courses "occupied barely more than two percent of the academic year 1955-1956 and the notion of the market was hardly evoked" (p. 218). In any case, theory and grandiloquent talk in seminars never mattered as much as hands-on experience. "HEC graduates," Meuleau continues, "were not great innovators but, akin to hardworking artisans, they participated in the general progress of organization and management techniques, inventing in a few narrow fields, diffusing methods perfected by others, and especially adapting innovations in the particular context of their firm" (p. 175). Meuleau mentions the role played by other groups--educators, engineers, and state bureaucrats--in spreading management ideas in France, even if he devotes less attention to them, and he especially credits the influence of the United States, the epicenter of the managerial revolution, even if he avoids any argument about outright Americanization. The American managerial revolution supported its French counterpart in two ways: French business leaders traveled to the United States to learn about new management techniques, and American subsidiaries like Shell-Française that were set up in France spread the new gospel. Not all French travelers and American subsidiaries were under HEC's influence. Whether convincingly or not, Meuleau emphasizes the importance of individual initiative over institutional networks: "...they draw their ideas from their experience, their contacts, their travels. They meet in organizations and circles that support and amplify their message, but their interest for new practices is above all the result of an individual trajectory" (p. 286).

In carrying out this study, Meuleau faced an obstacle that is all too familiar to other business historians: the reluctance of companies to open their archives to the public. To get around this obstacle, Meuleau makes use of interviews with HEC graduates, consults 477 HEC publications, including a journal run by the HEC, and analyzes numerous archives, among them the archives of the Paris Chamber of Commerce and 1,079 case studies of the Centre de Préparation aux Affaires (CPA) for the period between the 1920s and the 1960s. In consulting these case studies, which were inspired by those of the Harvard Business School (HBS), another example of American influence, Meuleau was able to chart how management problems were framed and which supposed problems were perceived to be sufficiently important and illuminating to teach to France's emerging managerial elite.

Meuleau identifies three major periods in France's managerial revolution, each of which generally corresponds to the periodization of twentieth-century French economic history. The first period spans from the end of the nineteenth century to 1914, as France underwent its second industrial revolution. Changing economic conditions sparked interest in new management methods. France's biggest firms showed the most interest in these methods. For example, Saint-Gobain extended its commercial network, set up factories in other European countries, and signed exclusivity agreements with distributors. The automobile industry--Peugeot and Renault--

created their own commercial networks and introduced in France the practice of credit sales for consumer durables. Michelin opened commercial agencies in several European countries to promote its product. Similarly, several large companies experimented with new accounting techniques. Yet at this point, the managerial revolution faced inertia and resistance. Not even all HEC graduates were convinced of the value of new management methods. As Meuleau points out, the conditions for the managerial revolution were not yet ripe: the national market remained fragmented; the French population remained largely rural; and rural revenues were greatly affected by the economic depression, which meant that much non-market consumption persisted.

The HEC embodied the push and pull of the early stages of the managerial revolution. In general, HEC graduates were torn between the traditionalists—the merchants, industrialists, and family-run businesses of the past who wished to defend a closed market and the status quo—and the modernists who were ready to apply the new management methods in France. Meuleau focuses on the modernists, for they were the winners and left a larger historical record of what they considered their successes. Over time, industrialization and internationalization gave HEC graduates greater legitimacy among France's *grandes écoles*. The HEC diagnosed the problems of French business in various ways: "French companies do not show concern for coordinating their commercial actions and production" (p. 34). Gabriel Faure, an 1886 HEC graduate, was critical of the state of accounting in France: "insufficiently rigorous accounting practices due in large part to the poverty of theoretical reflection; heterogeneity of account management, each accountant being free to invent their own method; lack of coherence in the law" (p. 37). Yet in this period, HEC graduates remained relatively marginal in the implementation of management techniques. The school struggled at the beginning. Teaching commerce was outside of the elites' purview, as most of the elite pursued careers in law, the liberal professions, and public service. HEC graduates also had to contend with the strong presence of engineers leading the business world.

A major breakthrough in the managerial revolution came in the interwar years, the second segment in Meuleau's periodization. After the war, organizing production and commercial strategy became ever more important as companies expanded, concentrated, and became more complex. Meuleau discusses the introduction of new techniques in areas such as accounting, budgetary control, marketing, and statistics. Economic statistics were woefully lacking in the interwar years, and neither business leaders nor state officials did much to redress this situation. In fact, the principal funding that the newly created Institut de la Statistique received came not from France but from Harvard! Jean Stoetzel created the Institut français d'opinion publique (IFOP) three years after George Gallup had created the American Institute of Public Opinion, more widely known as the Gallup Poll. Yet Meuleau argues that French emulation of American management techniques was no simple one-way street. American businessmen traveled to France to learn about French techniques. The Great Depression was the key event in accelerating the movement to introduce these new techniques, as companies "needed to know their costs with a growing precision so as not to miss orders due to exaggerated prices, nor obtaining them with an insufficient remuneration" (p. 69). After 1929, business executives were forced to observe, at once because of the transformation of the entity that they led and because of the changes in the context in which that entity evolved, the necessity of modifying their management practices" (p. 88). Still, the managerial revolution continued to face many of the same obstacles: resistance to competition, a lack of assistance from the banks, the rigidity of the social structure, and the limitations of the national market, which forced the most dynamic businesses to look for export markets.

The interwar context created new positions in companies that HEC graduates occupied. Large- and medium-sized industrial firms looked for “new personnel, capable of putting in place then utilizing the various management tools, and even ensure that the structures are a source of efficiency by allowing for a better coordination” (p. 128). The number of HEC graduates that occupied the Services Direction related to management grew from sixteen in 1929 to thirty-nine in 1939. HEC graduates found their greatest employment in the two most dynamic sectors of the interwar years, chemicals and electricity.

The managerial revolution reached fruition in the 1950s with the coming of the European common market, the third period that Meuleau considers. In an age of mass consumption and heightened competition, both American subsidiaries and French businesses created multidivisional structures around marketing, human resources, and new financial management to win over consumers and feed the bottom line. They adapted their products to consumer preferences, produced cheaper goods, and diversified their product lines. All this required new management tools. The leaders at this stage in the managerial revolution were American and European subsidiaries like IBM-France, Unilever, Shell-Française, and the Société Française des Pétroles BP.

Again, HEC graduates participated in this stage of the managerial revolution, but the revolution did not depend on them. Between 1950 and 1962, out of 162 companies that modernized their commercial policy and direction or adopted new marketing techniques, thirty-four of them had a HEC graduate as president, managing director, or commercial director. HEC graduates played an increasingly important role in financial services, from thirteen percent of HEC graduates in 1954 to eighteen percent of HEC graduates in 1973. One in ten HEC alumni worked in a bank between 1954 and 1973 and many of them occupied financial positions within big firms like Saint-Gobain.

For this reviewer, Meuleau’s book raises more questions for discussion than it does opportunities for criticisms. Since so much of Meuleau’s analysis thoroughly details the relationship between the HEC and the internal dynamics of the managerial revolution within the firm, I wondered about its broader context. First off, state politics play a marginal role in Meuleau’s managerial revolution (one exception being in his discussion of marketing.^[1] Anyone with a basic knowledge of French economic history knows that the state encouraged and directed business activity in the first post-1945 decades. Scholars have written extensively about the power of France’s *grands corps*—graduates of École Polytechnique and the École nationale d’administration (ENA)—over industry and the economy.^[2] While Meuleau gives us a clearer understanding of the place of HEC graduates in the business world, their precise relationship to the state remains somewhat blurry. In the conclusion, Meuleau writes that “[f]ew are the HEC graduates who serve the state” (p. 288). But he does not fully explain “the silence of HEC graduates about the role of the state in the modernization of management practices...” (p. 288). Meuleau concludes, not totally convincingly, that “this work implicitly takes a position for the relative autonomy of economic agents” (p. 294). Why did members of the Corps des Mines and Ponts et Chaussées practice the revolving door (*pantouflage*) between government ministries and business, while HEC graduates apparently did not? How important was the state in pushing for this managerial revolution and in creating new positions that HEC graduates could occupy?

Second, Meuleau devotes little attention to the distinction between private and public enterprise. Meuleau underlines that France's dynamic big businesses, which were often American subsidiaries, spearheaded the managerial revolution in France. But France's state-run companies like Électricité de France (EDF) were also central to the country's economic transformation, even if their mission was not entirely the same as private business. How were management practices adopted in public enterprises where the public service ethic remained strong? How did the newly perceived imperatives of managerialism and profitability confront entrenched notions of public service?

Third, while Meuleau's account does not ignore labor, future research could give it more attention. What role did the unions play in the companies undergoing the managerial revolution? Meuleau underlines several times the formative experience of the Great Depression on the firms' commercial and financial strategies. The Depression years were also often conflictual ones between managers and workers. It would make sense, therefore, to enumerate the ways in which the labor movement responded to and even affected managerial practices. Additionally, in the companies that were unionized after 1945, what did the unions think about the introduction of Human Resources (HR) divisions, a theme Meuleau alludes to? Meuleau writes that "employees must be trained, disciplined before being convinced..." (p. 286). Overall, how did employees and labor leaders respond to the disciplinary aspects of this managerial revolution?

Finally, the book ends in 1973, a conventional turning point in twentieth-century history. Is the year 1973 the designated endpoint simply for this reason? Meuleau alludes to the fact that the economic crisis of 1970s changed management techniques. Precisely how did these years change management techniques? The reader cannot expect Meuleau to cover all these changes in a conclusion, but questions remain. Did the economic crisis inspire new commercial and financial thinking and strategies and, if so, how? When and to what extent did businesses create new public relations divisions dedicated to environmental strategy and messaging? When and to what extent did businesses begin to make economic calculations concerning energy conservation or environmental protection? How did the managerial revolution affect the state's growing managerialism in the 1980s?

In sum, Meuleau's original book sheds light on a little-known part of French business history and begs for further comparison with other countries' managerial revolutions. We walk away knowing much more about the HEC's place in this transformation, and how ideas, institutions, and especially individuals make such change possible. This book makes an important contribution to business history and will therefore especially appeal to business historians, scholars in management, and anyone looking for a fuller grasp on twentieth-century French economic history. That said, it does little to counter the stereotype that business history is anything more than the story of stuffy boardrooms. Perhaps that is the nature of this subfield and no fault of Meuleau's, but a more expansive framing can show that business history is also cultural, social, environmental, and political history.

NOTES

[1] For a discussion of the role of the state in the managerial revolution, see Marie-Laure Djelic, "L'arrivée du management en France: Un retour historique sur les liens entre managérialisme et État," *Politiques et management public*, vol. 22, no. 2 (2004): 1-17.

[2] To give but one example of an analysis of the *grands corps* in the business world, see Hervé Joly, *Diriger une grande entreprise au XXe siècle: L'élite industrielle française* (Tours: Presses Universitaires François-Rabelais de Tours, 2013), especially pp. 259-311.

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