

Cambridge University Press

978-0-521-63034-4 - The Struggle for Control of the Modern Corporation: Organizational Change at General Motors, 1924–1970

Robert F. Freeland

Index

[More information](#)*Index*

- accounting system: standard volume concept, 228
- Administration Committee:
formation, composition, and function (1937), 100–2, 104–7, 115–25; role during defense production years, 132–42
- Administration Committee (postwar):
composition and duties of, 199–200; membership, fiat, and function of, 165–71, 242; participation of division managers in, 280; under 1958 reorganization, 264; role under Curtice, 241–3
- agency theory, 15n42
- antitrust issues: GM/GMAC restraint of trade, 161–2; owners' initial victory in Du Pont suit (1954), 241; related to Du Pont ownership of GM (1948), 38, 224–5, 232–3, 299; resignations of Du Pont executives from GM, 38, 271; suit against GM (1956), 252; Supreme Court reverses Du Pont decision, 254
- authority: conditions for acceptance of, 25; effect of division of labor on, 24; in M-form, 307–14; transformation under Sloan (1923–1933), 64–8
- automobile industry: postwar labor union strikes, 175; postwar reconversion, 175
- automobile market: competition (1930s), 308–9; dealer dissatisfaction, 248–50; demand (1948–1955), 223; effect of oil price shocks (1973, 1979), 289–91; GM's domination (1930s), 82; GM's push to expand share of, 248–50; GM's share (1952–1954; 1956–1957), 246, 253–4; during and after Korean War, 236, 248–50, 255–6; post-depression, 83–6, 96–100; post-World War II, 175–83. *See also* small-car program
- Barnard, Chester I., 25n76, 28
- Bassett, Harry, 54
- Bendix Aviation, 217–19
- Bergland, E. A., 55
- Berle, Adolph, 14–15
- board of directors: appoints Sloan committee (1957), 254–8; delegation of authority to Administration Committee, 166–9; Sloan's plan to reduce size of (1937), 101, 103–4
- bounded rationality: of economic actors, 10; identifying and controlling, 10–11; problems of, 11–12
- Bradley, Albert, 94n32, 109–12, 129–30, 225–6, 254
- Brown, Donaldson: before and during World War II, 54–7, 74, 88, 106, 110, 113–14, 117, 136, 138, 167–8
- Brown, Donaldson (postwar role): concerns related to finances, 228; conflict with Wilson, 183–5; criticism of Sloan's plan, 188, 191–2; criticisms of Wilson, 213–15
- Burke, Francis, 231

Cambridge University Press

978-0-521-63034-4 - The Struggle for Control of the Modern Corporation: Organizational Change at General Motors, 1924–1970

Robert F. Freeland

Index

[More information](#)356 *Index*

- capital: effect of slack capital on owners' actions, 297–8; expansion of fixed and working (1917–1920), 47; GM's postwar shortage of, 177–8; incentives related to slack capital, 38–9, 96–8, 225, 237–9; post-1920 owner control, 56–7; returns on (1937–1941; 1942–1945), 140–1; sources of additional (1946), 202–3
- capital market: GM executives' lack of concern with, 112; GM's debenture notes (1954), 244; M-form organization serves as internal, 17–18
- capital turnover: components of (1937–1941; 1942–1945), 139–40; conditions for decreased, 139; under wartime conditions, 138–9
- Carpenter, Walter S., Jr.: postwar role, 181–2, 193, 203–4, 233; before and during World War II, 88–9, 107, 110, 115, 120–2, 125, 138, 148–9, 164, 167–70
- centralization, administrative: under Curtice, 248–56; during defense contracting and wartime production, 127, 129–34; under Donner regime, 271–85; with formation of WEC, 142; as identified by TCE, 16; increases (1930s), 94–100, 107, 308–9; 1950s and 1960s, 309–10; Sloan's view, 308; stages of, 126; trend in GM, 81–3
- Chandler, Alfred D., Jr., 14n40, 54n37
- Chevrolet division: Cadet, 178–81, 208; Caprice, 292; Chevette, 290, 292; Corvair, 3
- coalitions, General Motors: between Curtice and operating side, 248–53; of owners and finance staff, 207–15; realignment of postwar, 177, 183–7
- coercion: replaces consent under Curtice, 256; shift toward use of, 94
- Cole, Edward, 282, 285–7
- Collins, Richard, 54
- committee structure: General Motors (pre-1920), 45–50; role in value creation and loss prevention, 13–14. *See also* specific committees by name
- competition: in auto market (1930s), 308; inter- and intra-jurisdictional, 54; in post-1955 car market, 273–7; post-depression, 84; postwar automobile market, 157; 175–83; process of evolutionary, 46–7; in small-car and subcompact field (1960s–1970s), 286–9; strategies (1920s), 59–60
- Congress: hearings on dealers' grievances, 249–50
- consent: absence in new M-form of mechanisms for, 271–3, 279–81; under administrative centralization, 82, 271–3, 279–81, 284; conditions requiring, 127–8; defined, 26; disruption of divisional (mid-late 1950s), 253; effect of policy group system on, 94; factors disrupting, 7; formal and informal mechanisms for, 306; GM's operation in absence of, 285–92; importance and function of, 24–5; norms underlying, 27; in organizational behavior, 25–33, 239–47; and owners' constraints on top management, 295–6; produced at GM, 303–5; produced in Du Pont M-form organization, 303–5; relation to reciprocity, 26; under 1946 reorganization, 223–4; replaced by coercion under Curtice, 256; Sloan's ability to create, 44–5, 64–79, 307–8, 310; strategic use by Curtice, 240. *See also* cooperation
- contingency theory, 321
- control: of bounded rationality, 10–11; by Financial Policy Committee (FPC), 206–7, 228–9, 234; by GM under Policy Committee, 165; mechanisms in TCE, 20–1; in M-form, 15, 19–22; of production, 136; related

Cambridge University Press

978-0-521-63034-4 - The Struggle for Control of the Modern Corporation: Organizational Change at General Motors, 1924–1970

Robert F. Freeland

Index

[More information](#)*Index*

357

- to division of labor, 20. *See also* financial control; owner control
- cooperation: in efficiency theory, 17; informal norms, 27; in M-form, 307–14; in modern corporation, 306; with participative decentralization, 310; problems of, 307–8. *See also* consent
- Copeland, Lamont Du Pont, 233
- corporation, modern: cooperation in, 306; corporate governance in, 285–92; division of labor in, 41; efficiency in, 1; owner control, 295–300; ownership in, 305–6; stages of growth, 8. *See also* governance, corporate
- Coyle, Marvin, 151, 178, 180, 182
- Curtice, Harlow, 151, 239–52
- decentralization, administrative: conditions for development of, 305; in GM organizational structure, 35–8; Sloan's version of, 44–58, 64, 308, 310
- decentralization, participative: under Curtice as president and CEO, 240–3; as identified by TCE, 16; new form, 152–60; in 1946 organization, 199; postwar, 163–73, 176; strategies for and against, 68–79; under WAC, 151; with wartime conditions, 142–3; during World War II, 127–8, 132–4. *See also* divisions
- decision-making: financial issues (1937), 109–15; by New York office, 154–6, 163–8; under renewed M-form organization, 271
- defense contracts: allocation guidelines, 136; allocation within GM, 134–42; importance to GM, 130–1; during Korean War, 235–6; legal issues related to, 160–1; predictable demand, 139
- Defense Materials Relationships Committee (DMRC), 129, 131–4
- defense production: organizational changes with, 128–34; role of DMRC, 128–42. *See also* War Emergency Committee (WEC)
- division of labor: informal norms and expectations, 28; information and resources controlled by each, 20; interdependence with, 19–21; in M-form organization, 4, 19–21, 24; order in modern corporation with, 41; between WAC and policy groups, 154
- divisions: attempts at product differentiation (1965–1969), 279; autonomy during wartime, 143–4; autonomy under Durant (pre-1920), 45–6, 49; car divisions lack of input for product planning, 291; with centralization (1934), 94; contract allocation role during World War II, 127–8, 132–4; Du Pont ideas related to, 52; effect in organizations of, 12; lacking representation under renewed M-form, 271–3; management under M-form, 4; managerial hierarchy with, 12; measurement of performance, 17–18; New Departure division, 237; opposition to air-cooled engine, 60; participation under Curtice, 240–1; under participative decentralization, 311; in post-depression centralization, 83–9; rebellion against Donner regime policies, 277; representation on Administration Committee, 167; representation on committees, 311; representation under WAC, 152; response to increasing centralization, 279–92; response to resurrected M-form, 271–2; role during defense production years, 128–52; role in policy groups, 94; role under wartime participative decentralization, 152–60; Sloan's creation of consent in, 44–5; Sloan's ideas related to autonomy of, 49–52; specialization in, 307–8
- DMRC (Defense Materials Relationships Committee), 129, 131–4
- Donner, Frederic: postwar role, 203–4, 282, 284; before and

Cambridge University Press

978-0-521-63034-4 - The Struggle for Control of the Modern Corporation: Organizational Change at General Motors, 1924–1970

Robert F. Freeland

Index

[More information](#)358 *Index*

- during World War II, 110, 113–14, 135, 254, 264
- Drucker, Peter, 156n91
- du Pont, Lammot: postwar role, 188; before and during World War II, 73–9, 88, 91, 98, 100, 103–4, 106, 110, 149, 151, 167–9, 173
- du Pont, Pierre, 44, 48, 52–5, 58–63, 71, 73–4
- E. I. du Pont de Nemours: concerns related to antitrust issues, 298–9; concerns related to ownership role in GM, 33–42, 91; divests GM stock, 254; legal opinion related to, 194–5; lobbying FPC members, 201; major shareholder in GM, 33–42, 45, 48; operating divisions during World War II, 304n17; ownership in GM, 4–5, 33–42; proposal about GM reorganization (1937), 103–4; success of M-form at, 36, 302–3; view of decentralization, 48–53. *See also* names of specific individuals; owners
- E. I. du Pont de Nemours (postwar era): antitrust suit against, 224–5; independent financial report (1946), 205–6
- Durant, William C., 45–51
- Echols, Angus, 216, 233
- economic theory of the firm. *See* firm
- efficiency: of M-form organization, 2, 7–9, 14, 307–14; in modern corporation, 1; in organization theory, 315–23; trade-offs between order and, 27; of transaction cost economics, 320–1
- efficiency theory: governance, 33; logic of, 17–23
- Executive Committee: with centralization (1934), 83, 91; composition and function (1933), 102; departure of Du Pont representatives from, 91; establishment (1918), 46–7, 49–50; Gerstenberg regime, 290–1; post-1920 owner-dominated, 52–3; Roche regime, 285–7; Sloan's appointments to (1924), 71–2
- Executive Committee, Donner regime: composition, 285; in 1958 reorganization, 263–5; small-car program, 274–5; standardized parts and components program, 277–8
- executives, General Motors: decisions related to labor negotiations, 183–7; focus of financial and operating concerns, 112; Sloan's plan for additional authority for, 183–7; view of decentralization, 36–7
- fiat: effect of reliance on, 309, 311, 315; failure in air-cooled car debate, 60–3; at General Motors (1921–1933), 44–58; in M-form, 21–4; post-1920 governance at GM by, 58–63; resistance to, 316–18; Sloan's placing of limits on, 64–7, 311; TCE develops order as, 312; TCE perception of resistance to, 317–18. *See also* coercion; governance by fiat; sanctions
- Finance Committee: composition and function (1933), 102; owner-dominated, 35; post-1918 owner-controlled, 46–7, 49–58, 82; in 1958 reorganization, 263–5; during Roche administration, 285. *See also* Financial Policy Committee (FPC)
- financial control: with administrative centralization (1930s), 308–9; decline with slack capital condition, 225–33; efforts of owners and GM executives for, 96–100; under M-form, 14–15; M-form organization mechanisms, 15–18; and oversight in resurrected M-form, 258–67, 271; by owners (1918–1933), 44–58; owners achieve, 215–21; by owners after World War II, 177–83; owners' financial veto under 1946 reorganization, 201–7; problems, 224–5; redefinition

Cambridge University Press

978-0-521-63034-4 - The Struggle for Control of the Modern Corporation: Organizational Change at General Motors, 1924–1970

Robert F. Freeland

Index

[More information](#)

Index

359

- (1937), 109–15; by War Emergency Committee, 136. *See also* capital; investment
- financial issues: decision-making at GM after 1937 reorganization, 109–15; factors weakening oversight (1948–1950), 233; GM's postwar capital shortage, 177; owners' postwar unwillingness to delegate, 176; wartime policy, 159
- Financial Policy Committee (FPC): authority of, 198–200; borrowing decisions (1946), 204; control over pricing policy, 228–9; financial control mechanisms (1946), 206–7; financial veto power (1947–1949), 217–21; loss of control over operations (1948–1950), 234; renamed (1958), 263; role after 1946 reorganization, 225–6; scarcity of information after 1946 reorganization, 227; unintended consequences of, 200–1
- firm: efficiency theory of, 17–23, 317; efficiency views of, 7–17; order in economic theory of the firm, 316; rational-choice theory in economic theory of, 315–16; transactions within, 11. *See also* governance, corporate
- Fisher, Edward, 151
- Fisher, Lawrence, 75, 78
- Fisher, William, 78
- FPC. *See* Financial Policy Committee (FPC)
- Freeland, Robert F., 19n57
- General Motors (GM): air-cooled engine program, 58–63; antitrust suit against (1948), 224–5, 232–3; aviation industry interests, 217–19; Curtice's expansion plan (1953–1954), 243–6; decline in performance (1956–1958), 253–4; under Durant, 45–8; expansion program (1950–1953), 224, 234–6; factors shaping organizational form, 39–40; financial crisis (1920), 46–8; financial performance (1921–1987), 324–39; financing expansion of Korean War period, 236–9; issue of new shares (1955), 245–6; military production before and during World War II, 127–8, 134; multidivisional structure, 34–5; Opel subsidiary, 219–21; plan for small car, 178–81; policy making during World War II, 129; post-Korean War expansion, 239–40; postwar expansion plans (World War II), 176–82; postwar planning, 156–8; post-World War I expansion program, 46–7; profits (1948–1950), 234; return to M-form (1958), 224; sit-down strike (1937), 99; success of, 2; trend toward administrative centralization, 81; water-cooled engine, 61–2
- General Motors (GM) (postwar era): effect of success, 223–4; financial condition (1946), 201–2; organizational structure (1946), 195–201; postwar reconversion, 175–6; production (1946), 201–2
- General Motors Acceptance Corporation (GMAC), 114–15, 161–2
- General Motors Assembly Division (GMAD), 277, 280
- Gerstenberg, Richard, 286, 289–90
- GMAC, 114–15, 161–2
- GMAD, 277, 280
- Goad, Lewis, 264–5
- Godfrey, Edward, 231
- Gordon, John F., 264–5
- Gottesman et al. v. General Motors* (1967), 91
- governance, corporate: consent in M-form, 23–33; debate related to GM's postwar structure, 163–73, 176–201; with division of labor, 19–21; by fiat, 24, 58, 64–7, 311; fiat and sanctions in, 21–4; M-form as structure for, 296; in modern corporation, 285–92; postwar structure, 177–83; Sloan's conception, 308; Sloan's recommendations for wartime,

Cambridge University Press

978-0-521-63034-4 - The Struggle for Control of the Modern Corporation: Organizational Change at General Motors, 1924–1970

Robert F. Freeland

Index

[More information](#)360 *Index*

- 144–5; as social and political process, 6; in transaction cost economics, 9–10; under WAC, 151. *See also* centralization, administrative; coercion; consent; decentralization, participative; fiat; Sloan committee
- governance by fiat: failure of, 58; Sloan's reluctance to use, 64–7, 311
- Grant, Richard, 94n32
- Great Depression: centralization at GM during and after, 77–96; influence on GM innovation, 40–1
- Hannum, George, 60
- Hardy, A. B. C., 54
- Haskell, J. A., 53
- Hunt, Ormond, 94n32, 129, 219
- inefficiency, sources of, 27–8
- inflation: after World War I, 48; after World War II, 177, 228–9
- information: divisional control of, 22–3; lacking after 1946 reorganization, 227; mechanism to transmit intrafirm, 13
- information asymmetry: in M-form organization, 20–3; in 1937 M-form reorganization, 119–20
- investment: GM's return on (1948–1955), 223, 234–5; GM's return on (1950s), 253; post-1950 returns on, 236–9, 253; return on (1948–1956), 246–7; return on (1964–1969), 278
- Johnson, E. F., 55
- Kettering, Charles, 59, 60
- Knudsen, Semon, 282
- Knudsen, William, 61, 75, 78, 85, 104–6, 109, 117, 128
- Korean War: GM strategy during, 235; outbreak, 234–5
- Kornai, János, 297n2
- Kuhn, Arthur, 65–6
- labor unions: postwar auto industry strikes, 175; sit-down strike (1937), 99; wartime policy toward, 158–9
- legal issues: related to bonus plan, 161–2, 166; related to defense contracts, 160–1. *See also* antitrust issues
- loss prevention, as task of headquarters, 12–13
- Macneil, Ian, 26
- management: Curtice's style of, 241; decentralization (1921–1933), 44–58; by divisions under M-form, 4; owners' constraints on, 295–6; Wilson's style, 215. *See also* divisions; executives, General Motors; New York office, General Motors
- managerial-discretion hypothesis, 15nn41, 42
- managers: division representation on WAC, 152–4, 159; postwar disagreements about corporate governance, 176
- Means, Gardiner, 14–15
- M-form organization: control mechanisms and problems, 19–22; corporate headquarters feature, 9–10; corruptions leading to inefficiency, 16; divisional spheres of expertise, 308; division of labor within, 9–10, 19–21; Du Pont owners at GM (post-1920), 52–63; effect of, 12; effect on GM (1958–1980), 271; at GM, 35, 41; internal controls of, 15; in managerial revolution, 1; operating divisions under, 4; original justification for, 295; owner–manager relationship, 21; ownership and control under, 15; owners' justification for, 295–6; perfected at GM, 44–5; reintroduction at GM, 6, 258–66; reorganization (1937), 100–8, 123; success at E. I. du Pont de Nemours, 302–3; success of, 2, 11
- Miller, Gary J., 20n63
- Mooney, James, 94n32, 129–31, 133, 135

Cambridge University Press

978-0-521-63034-4 - The Struggle for Control of the Modern Corporation: Organizational Change at General Motors, 1924–1970

Robert F. Freeland

Index

[More information](#)*Index*

361

- J. P. Morgan, ownership in GM, 5n17, 35
- Nader, Ralph, 281n42, 43, 282
- New York office, General Motors: control during Cole regime, 286; chief operating executive located in, 304; defense contract decisions, 131; Detroit's battle against, 223; finance staff, 112–13; financial control under 1946 reorganization, 223–4; legal staff, 183–4; wartime financial decisions, 159
- North American Aviation (NAA), 217–18
- oil price shocks: effect on car market (1973), 289–90; effect (1979), 291
- OPC. *See* Operations Policy Committee (OPC)
- Operations Committee: owners' changes in membership of, 74–5; revival and role of (1920s), 72–3
- Operations Policy Committee (OPC): composition of, 199; Curtice's use of, 241–3; inactivity under Curtice, 255–6; as legal subcommittee of the board, 198–200; membership (1955), 242; renamed (1958), 263; Wilson appoints GM managers to (1948), 231
- opportunism: of economic actors, 10; identifying and controlling, 10–11; problems of, 12
- order: created by consent, 24; created by fiat and sanctions, 24, 320; with division of labor, 41; in economic theory of the firm, 316; efficiency theory, 17; explained by concept of legitimacy, 25–6; in M-form, 307–14; in organization theory, 315–23; realization of, 319; trade-offs between efficiency and, 27; viewed by TCE, 311–14
- organization: factors shaping informal, 28; failure of U-form, 11–12; success of M-form, 11; TCE view of, 11
- owner control: decline, 233; during defense production years, 128–34; M-form to ensure, 295–6; in modern corporation, 295–300; post-1920 centralization of, 52–63; postwar financial control, 177–83; variation in organizational form, 37–9
- owners: attempts to limit GM's postwar expansion, 177–83; authority and power of, 35; beliefs about financial issues, 109–15; concerns related to Curtice, 241, 248–50; confidence and trust in Sloan, 299; disagreement about postwar organization, 163–5; efforts to influence Detroit (1948), 230; efforts to thwart Sloan's decentralization strategy, 68–79; insistence on M-form, 35–9; left out of information loop (1948), 231–2; limits on GM top management, 295–6; opposition to participative decentralization, 38–9; opposition to proposed wartime administrative changes, 145–9; postwar disagreements about corporate governance, 176; response to potential legal issues, 160–3; role after 1937 reorganization, 100–15; version of M-form at GM, 44–58; view of decentralization, 36, 38
- owners (postwar): criticism of GM's plan to incur debt, 204–5; influence over GM's financial affairs, 195–201; opposition to Sloan's reorganization plans, 185–8, 191; opposition to small-car project, 178, 180–2; representation on Financial Policy Committee, 198
- ownership: J. P. Morgan, 5n17; in M-form organization, 15; in modern corporation, 305–6
- ownership control: after GM 1937 reorganization, 109; centralization to loosen, 96–7
- performance, consummate: in organizational behavior, 25;

Cambridge University Press

978-0-521-63034-4 - The Struggle for Control of the Modern Corporation: Organizational Change at General Motors, 1924–1970

Robert F. Freeland

Index

[More information](#)362 *Index*

- requirements for, 41; Sloan's belief in divisional participation for, 69–79; sources of, 27–8
- Perrow, Charles, 19n57
- persuasion, in Sloan's transformation of authority, 65
- planning: effect of divisions' resistance on, 283–5; factors in transformation of strategic (1934), 90–1; postwar (1943), 157–8; under 1958 reorganization, 271–2
- Policy Committee: formation, composition, and function (1937), 82, 100–2, 104–8, 115–25; role during defense production years, 128–42
- Policy Committee (postwar era): corporate control, 165; small-car program, 181–2, 201. *See also* Financial Policy Committee (FPC); Operations Policy Committee (OPC)
- policy groups: composition and function of, 93–5, 117–18, 154–5; as governance mechanism, 96–100; policy formulation role, 92–6; Price Procedure Policy Group, 94–5; under wartime production, 154
- policy process: policy and product groups during wartime, 154; Sloan's distinction between formulation and approval, 92–6. *See also* policy groups; pricing policy; pricing pyramid; production; product policy; small-car program
- Pratt, John, 54–5, 88
- pricing policy: postwar problems, 229; related to standard volume concept, 228–9; shift of responsibility from FPC to OPC, 230
- pricing pyramid: under Curtice, 273–4; under Donner, 274–5; modification under renewed M-form, 280; plan, 59–60, 84, 88; price classes of car divisions (1920s), 59–60, 84; revision (1932), 73
- production: controls during prewar period, 136; government wartime regulation, 136; product groups under wartime production, 154; wartime statistical and financial controls, 136; wartime use of government-owned facilities, 139–40
- product policy: centralization with (1934), 90, 94; divisional competition introduced (1933–1934), 85–8, 91; effect in post-depression market, 97; owner and financial executive opposition to, 88–91
- property rights: exercise of, 301–2; of GM owners, 301
- Raskob, John, 53, 55, 58, 73–4
- rationality: bounded, 10–11; in organization theory, 315–23
- recession, U.S.: Great Depression, 40–1, 77–96; and inflation (1920), 47–8
- regulation: mandatory side-door crash beams, 288; of wartime production, 136; wartime restrictions on GM's profit margin, 138. *See also* antitrust issues; legal issues
- Reuter, Irving, 78
- Roche, James, 285–8
- Russell, George, 285
- sanctions: in M-form, 21–4; related to air-cooled car debate, 60–3; reliance on, 309
- selling concept, in transformation of corporate authority, 64–8
- shareholders: Du Pont and J. P. Morgan, 4–5; factors weakening control, 297–9; role under resurrected M-form organization, 271; Sloan as, 5n17
- Sloan, Alfred P., Jr., 38, 44–5; on Administration Committee (1945), 5; as chairman and CEO, 225; as chairman of WAC, 151; on divisional participation during wartime, 143–4, 149–50; efforts to loosen ownership control,

Cambridge University Press

978-0-521-63034-4 - The Struggle for Control of the Modern Corporation: Organizational Change at General Motors, 1924–1970

Robert F. Freeland

Index

[More information](#)*Index*

363

- 96–108; history of GM, 265–6; intervention in corporate affairs (mid–late 1950s), 253; new decentralization plan (1923), 64; opposition to air-cooled engine, 59–63; on performance of Allison engines, 160; plan for M-form reorganization (1937), 100–8; position on postwar diesel locomotive market, 158; pricing pyramid plan, 59–60, 84–5, 88; reluctance to use fiat, 311; retires as chairman of the board (1956), 254; role at GM during World War II, 129–30; role in postwar organizational decisions, 163–8; role in wartime decision-making, 154–6; strategic planning changes, 90–6; transformation of GM's corporate authority, 64–8; view of decentralization, 48–53; on WAC, 151–2
- Sloan, Alfred P., Jr. (postwar role): commitment to participative decentralization, 187–95; position on participative decentralization, 176; on prices of GM cars, 229; after 1946 reorganization, 226; reorganization plans, 183–6; on small-car project, 178–9
- Sloan committee: appointment (1957), 254–5; findings, 255–7; personnel decisions (1958), 264; recommendations, 257–8, 263; resurrection of M-form, 258–67
- small-car program: Chevrolet Cadet, 178–81, 208; Chevrolet Chevette subcompact, 290; Chevrolet Corvair, 281–3; Chevrolet XP-887 subcompact (the Vega), 286–9; front-engine compacts, 282–3; front-wheel-drive compacts (X-cars), 290–2; J-cars, 292; recommended subcompact, 283
- Smith, John Thomas, 160–2, 193–4, 216
- specialization: creates normative expectations, 29; effect on expertise and authority, 28–30; expectations related to, 308; interdependence created by, 307–8; as source of information asymmetry, 20
- standardization: effect of, 278–9; GMAD program, 281–4; of parts and components (1959), 277–80
- transaction cost economics (TCE): assumptions of, 10; conception of order under, 311–14; control mechanisms, 20–1; corruptions of M-form, 16; efficiency view of corporation's organization, 9–10; explanation of participative decentralization, 312–13; in theories of the firm, 311–12; understanding limits of hierarchy, 317
- transactions: between independent firms, 11; inside the firm, 26
- Turner, Frank, 55
- turnover: real estate and plant, GM and Chrysler (1934–1941), 123–5; real estate and plant (1942–1945; 1950–1953), 237–8; real estate and plant (1948–1956), 246–7; total net, GM and Chrysler (1934–1941), 123–5; total net (1942–1945; 1950–1953), 237–8; total net (1948–1956), 246–7; working capital, GM and Chrysler (1934–1941), 123–5; working capital (1942–1945; 1950–1953), 237–9; working capital (1948–1956), 246–7
- United States of America v. General Motors Corporation* (1940), 161–2
- U.S. v. Du Pont*, 98n41
- value creation: decisions related to, 13; as task of headquarters, 12–13
- vehicle assembly: Buick-Olds-Pontiac Assembly Division, 277–8; General Motors Assembly Division (GMAD), 277–8
- Ver Linden, Edward, 54
- veto power: of large GM shareholders, 35; owners' financial veto, 201–7, 217–21

Cambridge University Press

978-0-521-63034-4 - The Struggle for Control of the Modern Corporation: Organizational Change at General Motors, 1924–1970

Robert F. Freeland

Index

[More information](#)364 *Index*

- Wagner Act (National Labor Relations Board Act), 100
- War Administration Committee (WAC): composition and fiat of, 146–7, 150–1, 170; policy decisions, 152; renaming (1944), 165; role in postwar planning, 157–8
- War Emergency Committee (WEC): composition, function, and powers of, 135–6; disbanded (1942), 150; incentives to improve turnover, 141–2; Load Distribution Plan, 136–7, 142; strategy for maximizing returns, 137–41
- Warner, Fred, 54
- Weber, Max, 25, 28–9
- WEC. *See* War Emergency Committee (WEC)
- Whitney, George, 107, 217, 227
- Wilson, Charles E., 94n32, 109, 128–30, 133–4, 169; FPC issuing orders to (1948–1958), 225; management style, 215
- Wilson, Charles E. (postwar role): announces small-car project, 180; Brown's criticisms of, 213–15; conflict with Donaldson Brown, 183–5; as president and CEO, 176, 178, 225; after 1946 reorganization, 226; on scale-back decision (1946), 206
- Winkelman et al. v. General Motors Corporation* (1942), 161
- Zimmerschied, Karl, 60
- zone of indifference, 29