Alfred D. Chandler’s Integrated Learning Base: Toward the Classification and Measurement of Corporate Innovation

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ABSTRACT

Although scholarship in business history has long recognized the importance of managerial and technological knowledge capital as drivers of corporate growth, scholars have made little progress toward the classification and measurement of these factors. We demonstrate how Alfred D. Chandler’s “integrated learning base” framework offers a novel approach for classifying and measuring the costs and benefits associated with intellectual capital and corporate innovation. Recasting the integrated learning base into an accounting-based framework provides information useful to corporate management teams for internal decision processes and for reporting to external stakeholders. Our insights are important given corporations’ ever-growing reliance on intellectual capital and innovation to develop and sustain a competitive advantage in today’s high-tech and global business environment.

Keywords: Alfred D. Chandler; innovation; intangible assets; integrated learning base; research and development.

Data Availability: Data are available from the public sources cited in the text.