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The silent transformation of French capitalism: budgetary control at PSA between planning and financial pressure (1970s)

(Accepted version)

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Abstract:

This article explores the transformation of French capitalism in the 1970s by examining budgetary control practices at PSA (Peugeot SA). Drawing on internal archives and interviews with former executives, it analyses how state-led planning, élite networks, and corporate restructuring shaped a hybrid model of management control. Rather than a straightforward ‘Americanisation’, the system that emerged combined long-term planning logics with increasing financial discipline. The case illustrates how budgetary tools became instruments of organisational control and financial rationalisation, reconfigured through engineering expertise, internal experimentation, and institutional entrenchment. This study contributes to the socio-historical analysis of accounting change and offers insights into the evolving architecture of post-war French capitalism.

Keywords: Management control; budgetary control; accounting history; French capitalism; hybridisation of control; historical sociology of accounting

Introduction

The French economic landscape is distinctive within Europe due to the long-standing dominance of large industrial groups shaped by enduring ties between family dynasties, state élites, and engineering corps. While the post-war boom – commonly referred to as the *Trente Glorieuses* – is often idealised as a period of state-led planning and sustained industrial investment, such narratives tend to obscure the internal tensions and organisational shifts that emerged within firms during the 1960s and 1970s.

Recent historiography has begun to question the linear opposition between Fordist-Keynesian capitalism and its neoliberal successor. Rather than a phase of stable Fordism, the 1960s and 1970s now appear as a transitional period (Bonneuil et al. 2013; Brouté 2010; Descamps and Quennouëlle-Corre 2018; Gaïti 2014; Monnet 2015). A fresh challenge for accounting history is therefore: How did management systems adapt to this context of economic and institutional change? The 1970s, in particular, emerge less as a rupture than as

an ambivalent phase – both the apex and the crisis of the *Trente Glorieuses* – marked by stagflation, political scandal, and global uncertainty (Ferguson et al. 2010). This ambiguity poses analytical challenges for historians of capitalism (Boulat 2008; Pawin 2013; Delalande et al. 2020).

Yet empirical research remains limited on how accounting and management practices evolved within large French firms during this pivotal decade. In particular, budgetary control systems – key instruments of internal financial co-ordination – have received limited attention in the French context, despite their centrality in organisational transformations. Understanding their emergence is crucial, as such tools often crystallise broader shifts in managerial logics and capitalist structures. It also raises a broader question for management historians: How do internal control tools reflect and shape capitalist transformation in a state-led, yet financially pressured, industrial context?

This research addresses this issue through a socio-historical case study of Peugeot (PSA), a major French automotive group. Based on extensive archival material and interviews with former executives, it examines how budgetary control was introduced and institutionalised at PSA in the early 1970s. Far from being a purely technical or belatedly ‘Americanised’ reform, this transformation reveals the emergence of a hybrid model of management control – one that combined long-term planning rationales with growing financial constraints. This hybridisation not only juxtaposed competing logics, but fostered a new managerial regime in which planning and profitability became increasingly interdependent. It reshaped internal hierarchies, reframed performance expectations, and aligned corporate governance with evolving financial pressures, without severing traditional ties with state-led co-ordination.

Although socio-institutional approaches to accounting history are well established in Anglophone scholarship (Neimark and Tinker 1986; Hopwood 1987; Napier 2006; Ahrens and Chapman 2007; Bogt and Scapens 2014), they remain marginal in the French context, where historical studies have often focused on technical innovations or early pioneers (Nikitin 1992; Lemarchand 1993; Berland 1997; Zimnovitch 1997; Labardin 2008). While this literature has contributed valuable insights – sometimes with a prescriptive intent toward managerial practice (Berland and Pezet 2000) – few studies have examined how financial control became central to diversified industrial conglomerates during the 1970s. Most existing accounts focus on more recent shifts (Morales and Pezet 2012; Baud and Chiapello 2015; Chiapello 2020).

Several studies have questioned the uncritical use of institutional theory in accounting research. Modell (2022) offers a critical review of the approach through the concept of ‘institutional work’. He highlights its potential but also its limitations, opening up a perspective for thinking about forms of action in constrained environments without falling into the pitfalls of managerial heroism or rigid structuralism. This approach particularly echoes the approach adopted in this study: analysing institutional work as a set of structural power relations, but also as a set of individual actions and flows.

In this respect, this study adopts a critical perspective that views management tools as instruments of organisational power and institutional change. They are not only shaped by external pressures, but also serve to structure internal hierarchies, legitimise decisions, and reshape managerial subjectivities. By analysing the emergence of budgetary control as a socially and institutionally embedded practice, this article contributes to broader debates on the internal transformations of large firms in post-war France. Its main objective is to demonstrate how the budgetary control practices within Peugeot SA and large French industrial companies were shaped by – and participate in – the reconfiguration of capitalism in the early 1970s.

The analysis focuses on the period from the late 1960s to the mid-1970s, during which PSA underwent significant organisational restructuring, culminating in the 1973 merger with Citroën. Particular attention is given to the year 1972, when a centralised budgetary control system was implemented across the group. This case offers a window into how management tools evolved in response to changing institutional imperatives – and how they, in turn, contributed to redefining the contours of French capitalism.

Building on a socio-historical case study of PSA, the analysis brings together archival and interview material to explore how budgetary control practices emerged and became institutionalised during the 1970s. Special attention is paid to the tensions between inherited planning logics and growing financial constraints, as well as the implications of the 1972 reorganisation. The conclusion reflects on what this case reveals about the silent reconfiguration of French capitalism.

Revisiting the literature: budgetary control as embedded practice

Budgetary control as institutional practice

The accounting history literature has progressively moved beyond technical readings of tools to highlight their social, political, and institutional dimensions (McKinstry et al. 2019; McWatters 2020). Foundational studies have emphasised how control systems structure organisational order through processes of legitimation, surveillance, and discipline (Hopwood 1974; Hoskin and Macve 1986; Neimark and Tinker 1986; Miller 1991). Rather than neutral devices, accounting tools are sites of power, negotiation, and organisational ordering, embedded in specific historical configurations, organisational politics, power struggles that shape behaviour and reproducing authority through calculability and standardisation (Ezzamel et al. 2004, 2004; Mclean and Tyson 2006; Quattrone 2009).

This tradition is especially developed in the English-speaking world, where accounting is often approached as a historical and institutional practice intimately linked to broader regimes of governance. In France, by contrast, the academic production in accounting history has remained more recent and limited, especially in international journals. Beyond early foundational works (Lemarchand 1993; Nikitin 1992; Zimnovitch 1997), French scholarship has tended to adopt a more technical and functional perspective, often

disconnected from critical social theory (Levant and Zimnovitch 2010). In some cases, however, historical research has been mobilised with a more reflexive orientation, applying past developments to contemporary managerial practice (Morales and Pezet 2010; Labardin and Jerman, 2020).

This research draws on the Anglo-institutionalist tradition and contributes to bridging these two historiographical orientations. Using the multi-level framework of Dillard, Rigsby and Goodman (2004), it considers institutionalisation not as a linear adoption but as a contested process shaped by external pressures (such as state industrial policy), internal dynamics (managerial restructuring), and strategic use by actors. This approach makes it possible to articulate two complementary logics of institutionalisation: on the one hand, the internalisation of behavioural norms and cognitive frameworks within organisations (Todeva 1998), through which management tools shape individual dispositions; on the other, the legitimisation and diffusion of practices via organisational isomorphism (DiMaggio and Powell 1983; Boxenbaum and Arora-Jonsson 2017). This perspective also highlights the importance of social networks in the circulation and stabilisation of management tools (Granovetter 1985). In the case of PSA, budgetary control developed gradually in the early 1970s through internal circulars, reporting templates, and training materials, which progressively established a new managerial rationality. These artefacts were not merely technical supports, but instruments of visibility, justification, and alignment – through which financial logic became embedded in organisational routines.

By analysing these mechanisms, this research contributes to a deeper understanding of how management control systems participate in capitalist transformation. It provides an empirically-grounded case study that complements the Anglo-Saxon literature, while enriching the underdeveloped French tradition with a critical, historically situated perspective. In doing so, it shows how budgetary control at PSA emerged as a central tool of co-ordination and discipline – both reflecting and shaping broader transformations in the architecture of French capitalism.

From diffusion to appropriation: budgetary control in 1960s–1970s France

The emergence of budgetary control in the United States has been extensively documented, particularly in relation to the rise of multidivisional firms in the 1920s and its consolidation during the post-war decades (Chandler 1977; Fligstein 1985; McKinstry et al. 2019). It was primarily conceived as a tool for planning and mitigating uncertainty, especially in cyclical sectors such as the automotive industry (Berland and and Boyns 2002). In England, budgetary control developed in connection with corporate restructuring and financial oversight following WWII, notably under the influence of mergers and capital market pressures (Armstrong 1987).

In France, by contrast, budgetary control emerged within a different institutional landscape. Its development was closely tied to state-led planning and the influence of engineering élites. French scholarship on the topic remains relatively sparse and fragmented.

Some studies have traced the socio-historical roots of management accounting, including its military and industrial origins (Lemarchand and Roy 2000; Lemarchand 2002; Levant 2016), or documented early cases in firms like Alstom, Pechiney, and Saint-Gobain (Alcouffe et al. 2008; Berland 1997). Others have highlighted the role of consulting firms such as CEGOS (Bensadon 2010; Zimnovitch 1996). In the automotive sector, pioneers like Michelin, Renault, and Citroën focused on cost accounting rather than budgeting (Denord and Henry 2007; Levant and Zimnovitch 2010). Despite discursive promotion, budgetary control remained marginal before WWII, and financial analysis was limited (Daviet 1988).

For the post-war period, the literature has focused more on innovations in financial accounting – such as cash flow metrics (Pezet 1997), auditing (Ramirez 2003), and the evolution of financial reporting in the 1960s (Batsch,1997). Berland (2001) has noted that management control tools tend to thrive in relatively stable environments – offering a partial explanation for their institutionalisation in French firms only from the 1950s onward, under the stable conditions of state-led growth. Yet little is known about how these tools became central in the governance of diversified industrial conglomerates during the 1960s–1970s – a crucial period in the reshaping of French capitalism.

This historiographical gap is compounded by a diffusionist narrative that portrays France as lagging behind the USA. The influence of US models, including productivity missions and consulting firms like McKinsey, has been well documented (Djelic 2004; Bensadon et al. 2016). Jean-Jacques Servan-Schreiber's *Le Défi Américain*¹ (1967) epitomised this fascination. However, this literature often relies on a technicist and evolutionist view of management tools, treating their diffusion as linear and largely unidirectional (Djelic 1998; Kipping 1999). It tends to overlook how local actors reinterpreted these tools within specific institutional, political, and organisational settings. While some authors have begun to explore this differentiated appropriation (Berland et al. 2002), few have examined how these processes unfolded inside large firms.

This article builds on and extends this critical perspective. It shows that so-called 'modern' management tools such as budgetary control did not diffuse automatically, but were selectively appropriated, reframed, and embedded in local configurations. In doing so, it contributes to a critical history of management that goes beyond abstract doctrines and consultancy-led narratives, focusing instead on the situated recomposition of control practices at the intersection of technical devices, organisational dynamics, and institutional environments.

The analysis proceeds along two lines. First, it examines the specific developmental logic of management control in the French context, shaped by networks of influence, élite circulation, and industrial policy. Second, it situates these transformations within the broader historical dynamics of the 1960s and 1970s – a transitional period when financial pressures and planning rationales coexisted and recombined inside firms.

Hybrid control: military centralism and regulatory planning

A tradition of centralised, engineering, and military rationality

The development of management control in France cannot be dissociated from the long history of state rationality and its technical apparatus. From the seventeenth century onward, engineers trained in military and public institutions played a key role in shaping organisational control logics – first in the service of the Colbertist state, and later within industrial capitalism (Dubar et al. 2015). This legacy fostered a culture of centralised decision making, technical precision, hierarchical discipline, and vertical control (Fridenson 1997; Kuisel 1981; Boltanski 1982). Management control methods, as they emerged from the 1930s, were thus embedded in a Taylorist vision of rationalisation (Berland 2009)².

The role of élites trained in the grandes écoles – Polytechnique, ENA, etc. – was central in perpetuating this logic, alongside the close links between influential families and administrative élites (Maclean et al. 2007). Organisational hierarchies mirrored administrative ones, favouring vertical control and top-down co-ordination (Bouffartigue and Gadéa 1997). Compared to their British or German counterparts, French firms maintained a strong central core, and vertical management closely aligned with state objectives (Whittington and Mayer 2001; Cassis 1999).

A planning-oriented and regulatory management culture

In parallel, budgetary control developed in connection with a broader planning ethos. The interwar period saw the emergence of a reformist nebula (CEGOS, CNOF, UIMM) that promoted a managerial ‘third way’ between liberalism and socialism, oriented toward national economic regulation (Berland and Chiapello 2004; 2009). Cost accounting and budgeting became part of this reformist logic, as instruments for guiding investment and production according to planned objectives (Schmidt 2003).

This planning orientation was reinforced after WWII by the five-year plans and the role of public administration in co-ordinating industrial modernisation. In the automotive sector, this context favoured organised restructurings, long-term development strategies and organisational coherence, while pushing firms to rationalise internal procedures. The 1947 chart of accounts, and later budgeting practices, were part of a state-supported infrastructure of economic regulation, blending technical calculation with regulation and general economic goals (Lemarchand and Levant 2000).

An ongoing hybridisation of control logics

These two traditions – technical centralism and planning rationality – did not merge seamlessly. Their interaction gave rise to internal tensions and hybrid control practices. Figures such as Charles Eugène Bedos exemplify this ambiguity, which even sparked debate over whether he should be seen as a cost-killer or a utopian socialist (Levant and Nikitin 2009). Budgetary control, as it expanded, served both hierarchical enforcement and public co-ordination. It met the need for cost rationalisation while remaining embedded in a state-centred framework of legitimacy and long-term orientation (Labardin 2008; Chiapello 2015).

From the 1950s onwards, in the context of European integration (Brouté 2010), French firms had to reconcile hierarchical discipline with growing demands for financial accountability and transparency toward external actors. This dual pressure led to the incorporation of financial indicators and more sophisticated reporting structures, emblematic of the ‘accounting signature of financialised capitalism’ (Chiapello 2015). Far from an automatic alignment with international standards, the formalisation of management control in large French firms reflects persistent tensions. It also marked a shift toward steering mechanisms designed to regularise and standardise profit generation, within a context of strong, state-led economic growth

This study builds on this socio-historical understanding of control, showing how the PSA case crystallises this hybridisation: a form of financial management rooted in a centralising and planning tradition, yet increasingly responsive to financial performance requirements and the expectations of long-standing shareholders and capital market players. In doing so, it contributes to a social history of management tools, attentive to the complexity of historical dynamics.

The 1960s and 1970s: a transitional phase in French capitalism

The 1960s and 1970s are often described as the height of Fordist capitalism in France, supported by Keynesian regulation, strong state planning, and the expansion of large industrial enterprises (Fourastié 1979; Boyer and Saillard 2002). French capitalism stood out for its high degree of capital concentration, shaped by tight linkages between family dynasties, public institutions, and engineering élites (Clift 2007; Landes 2007; Maclean et al. 2007).

This dominant narrative has contributed to the construction of a somewhat idealised vision of the *Trente Glorieuses* as a coherent and modernising golden age (Fourastié 2011). It often obscures the complexity of the transformations taking place within firms and reinforces rigid chronological boundaries (1950–1980) that limit our understanding of the internal dynamics of the period (Pawin 2013).

Political economy perspectives tend to identify the 1980s as a moment of rupture, marked by the rise of neoliberalism and globalisation (Harvey 2005; Chiapello 2016). However, recent historiography has questioned this sharp break, highlighting instead the continuities, tensions, and recompositions already at work in the 1970s (Bonneuil et al. 2013; Brouté 2010; Descamps and Quennouëlle-Corre 2018; Gaïti 2014; Monnet 2015). Far from being a straightforward crisis, the 1970s appear as a moment of profound ambiguity – both the peak and unravelling of the Fordist model (Ferguson et al. 2010; Boulat 2010; Delalande et al. 2020).

This transitional character raises methodological challenges. Periodisation is always selective and tied to theoretical framings (Jessop 2001), while concepts such as the *Trente Glorieuses* reflect specific historical representations rather than objective economic cycles

(Kalifa 2019). The emergence of industrial conglomerates during the 1960s and 1970s – under state pressure to form national champions – played a major role in reshaping corporate governance (Macleán 2002; Cohen 1992). Mergers and acquisitions led to new industrial and financial configurations (Allard et al. 1978; Morin 1974), while firms adopted cost-cutting strategies including factory closures and relied increasingly on financial markets (Brouté 2010; Orange 2014).

This shift redefined the role of finance in industrial management (Battini and Boysen 2013; François and Lemercier 2016; Belot Couloumies 2023), paving the way for the development of centralised control systems. In parallel, the French automotive sector underwent state-driven restructuring, reducing fragmentation and promoting a few key players (Loubet 1999; Lanthier 2018). PSA's own expansion, culminating in the acquisition of Citroën in 1973, must be seen as part of this dynamic.

Yet despite the scale of these transformations, the role of management and accounting practices in this reconfiguration remains largely understudied. This article argues that examining budgetary control at PSA offers a privileged lens to revisit this transitional period – not as a rupture between planning and finance, but as a moment where both logics coexisted, interacted, and were redefined through organisational practices. To investigate these dynamics empirically, the following section presents the sources and methodological approach mobilised in this study.

Sources and methodology

Our research is based on a socio-historical case study of the French automotive group PSA, focusing on the implementation of budgetary control between the early 1960s and the mid-1970s. It combines internal archival documents, external sources, and interviews with former executives to examine how budgeting practices were introduced, implemented, and stabilised over time within the firm.

The core of the empirical material consists of unpublished internal documents provided by former employees and collected through archival research. PSA's archives comprise over 200 boxes of material, including training course documents from consulting firms, internal managerial reports and correspondence between the holding company and its subsidiaries – among them, key documents detailing the establishment of the centralised control process in 1972 and its aftermath. Originating from various departments and hierarchical levels, they offer a multifaceted view of narratives that structured the reform of 1972 and the general management control evolution³. This pivotal moment formalised key aspects of budget preparation and monitoring, while embedding financial profitability objectives within organisational routines. These objectives were translated into multi-year budgets that guided activities over successive five-year periods.

This approach is grounded in a critical reading of archival sources, not simply to reconstruct events, but to interrogate the rationales, justifications, and silences embedded in management discourse. It considers how management actors framed organisational change, legitimised new tools, and navigated competing institutional logics. Supplementing the archival research, interviews with key figures from the period provided invaluable firsthand perspectives⁴. Jean Burgevin, a central figure in cost accounting and in the implementation of central control, and Philippe Poinso, with expertise spanning legal and financial matters, offered nuanced insights⁵. Both experienced the transformations under study during their tenure in top management positions.

Following a triangulated approach, I analysed this material through the lens of historical sociology and institutional theory. As Cheryl McWatters reminds us, borrowing from Barbara Tuchman, history examines not ‘what happened’ but ‘what people thought was happening’ – their assumptions, beliefs and responses, thereby acknowledging the effects of ‘survivorship bias’ in historical narratives (McWatters 2020, 4).

I examined these sources with the broader socio-economic contextual elements in mind that could explain the reasons and channels for the implementation of this new tool. The documents also reveal PSA’s critical and selective stance toward external influences. With privileged access to both business élites and public administration, the group’s leadership navigated multiple institutional environments, borrowing from diverse sources to redefine its internal management practices.

The guidelines and documents found in the archives specify the official, formal changes. They enable precise dating and a clear understanding of the procedures put in place. Nevertheless, I had to draw on other information about the context and the people involved in order to take a step back and adopt a functionalist approach. The formal nature of the documents should not obscure the multiple influences, power relations, and debates that shaped the organisation before, during, and after the implementation of this new centralised system.

Budgetary control is thus approached as an institutional and political process through which new forms of co-ordination, discipline, and authority were constructed inside the firm. Transitioning from this methodological and source-based framework, the following section turns to the historical narrative of the socio-economic regulatory, and political context of PSA.

PSA: a French industrial story

At the end of the Second World War, Peugeot – later to become PSA – was already a well-established actor in the French automotive industry. Although smaller than Renault or Citroën in terms of production volume, the company stood out for its technical reliability, a deeply entrenched family governance structure, and its cautious approach to innovation. In

the late 1940s, it produced over 30,000 vehicles annually and employed more than 15,000 workers, primarily at its Sochaux-Montbéliard site. Stimulated by government contracts during World War II, the company experienced exceptional growth after the war ended: 100,000 vehicles were manufactured in 1950, 200,000 in 1960, and more than 500,000 in 1970 (Loubet 1988). This expansion reflected not only the company's industrial trajectory, but also its capacity to consolidate operations and build long-term international partnerships.

PSA's governance model was emblematic of French family capitalism: hierarchical, engineer-led, and tightly controlled by the Peugeot family through a holding company structure created in 1965 (Belot Couloumies 2023). Strategic decisions were concentrated among a small élite of trusted managers – most of them trained in the grandes écoles – and closely aligned with the family's vision (Boltanski 1982; Maclean et al. 2007; Belot Couloumies and Baud 2025).

Organisationally, under the control of the Peugeot SA holding company, the group was structured as a constellation of semi-autonomous subsidiaries, spanning industrial, commercial, and logistical activities. Co-ordination relied less on formalised procedures than on personal relations, shared technical culture, and centralised engineering authority. Financial management was guided by internal balance and cost control, but without a unified performance monitoring system or systematic use of budgeting.

At the same time, PSA maintained close ties with public authorities. Without being directly state-owned, the group benefited from industrial policies, planning institutions, and favourable financing arrangements. Its leadership occupied a strategic position at the crossroads of private industry, public administration, and élite networks – placing the company in a privileged position within the post-war configuration of French capitalism (Loubet 1999). This configuration produced a distinctive equilibrium: PSA was both technically advanced and institutionally conservative, both decentralised in operation and centralised in control. Before the early 1970s, its management control system remained fragmented and pragmatic. Budgeting, was used mainly for internal estimation and retrospective tracking – not for forward-looking planning or performance comparison.

Understanding the internal logic and legacy of this configuration is key to grasping how and why PSA gradually adopted a centralised budgetary control system in the early 1970s. However, this evolution also must be situated within broader structural shifts in the French industrial landscape – shaped by planning policy and the formation of national champions. The following section explores this wider context.

Forging national champions: a driver for competitiveness

Upon assuming the presidency on 28 December 1958, Charles de Gaulle articulated the imperative for the 'modernisation of the nation', highlighting the necessity for streamlined operations and enhanced competitiveness. The policy of nurturing 'national champions'

aimed at cultivating leading companies across key industrial sectors (Maclean 2002). This industrial vision was part of a broader logic of state planning and co-ordination, aimed at fostering the emergence of large, internationally competitive companies capable of sustaining France's economic sovereignty. The fifth five-year plan, launched in 1965, promoted industrial consolidation as a key strategy.

Over the subsequent years, from 1966 to 1972 (Derhy 1995), France witnessed a pivotal wave of mergers and acquisitions (M&A), giving rise to influential conglomerates like Saint-Gobain-Pont-à-Mousson, Thomson, CGE, Rhône-Poulenc, ATO, Creusot-Loire, Babcock-Five, SNIAS, Le Nickel, and PSA (with Citroën), reshaping the landscape of French capitalism (Morin 1974). These transformations marked the emergence of a new industrial order, increasingly structured around diversified groups capable of competing on global markets.

This drive, leading to significant restructuring among industrial firms towards synergies, prompted efforts to achieve savings, cost reductions, including factory closures throughout the 1960s and 1970s (Brouté 2010). These initiatives necessitated the support of prominent investment banks, like Lazard, for complex financial transactions, which played a growing role in advising on mergers and disseminating corporate finance concepts within large industrial firms (Orange 2014).

Finance was no longer a technical back-office function: it became a central concern for firms seeking to secure capital, demonstrate profitability, and maintain strategic autonomy. Industrial companies increasingly turned to financial markets to support their growth, which brought financial reasoning to the heart of managerial decision making (Battini and Boysen 2013; François and Lemercier 2016; Belot Couloumies 2024). Within this shift, the adoption of a centralised budgetary control system emerged as a crucial measure in formalising the financial dimensions of industrial operations. More than a matter of efficiency, this shift reflected the increasing power of financial logics in reshaping corporate structures and managerial priorities.

In this context, the automotive industry – a pillar of French industrial policy since the First World War – underwent significant reorganisation. Amid financial instability among numerous manufacturers, government-led restructuring efforts aimed to rationalise the industry, consolidating market share among a select few critical actors (Loubet 1999).

The Five-Year Automobile Plan, devised at the Ministry of Industrial Production, sought to address long-standing issues such as excessive fragmentation, resulting in a concentration of the market with the dominant players: Berliet, Citroën, Ford, Peugeot, Renault, and Simca. This reorganisation reflected not only national priorities, but also international pressures. It was shaped by several factors, including the US business model, the formation of the European common market, and the growing internationalisation of Renault and PSA, which in 1973 generated over 40 per cent of their sales abroad (Lanthier 2018).

Government policies aimed at expanding the automotive sector facilitated mergers and acquisitions, with Renault and Citroën identified as prime targets for PSA. Peugeot's management was deeply embedded in this movement, not as a passive recipient of state incentives, but as an active participant in elite networks that shaped economic policy. Its long-standing positioning within the French business and political elite ensured that its strategic choices aligned closely with national industrial ambitions.

Peugeot: embedded in the French economic and administrative elites

The Peugeot family, as the hegemonic shareholder, has been engaged in industrial activities for at least seven generations. Controlling several industrial activities, this industrial dynasty has been through two world wars, and numerous political regimes. From a multi-activity base initially centred on the steel industry in 1810, the Peugeot companies gradually shifted their focus to car manufacturing, ultimately establishing themselves as a major player.

In the mid-1960s, PSA executives were deeply integrated into the professional and institutional landscape of the French automotive industry (Daumas 2012). Jean-Pierre Peugeot's leadership in the national automobile federation, which later evolved into the *Comité des constructeurs automobiles français (CCAF)*⁶, underscored the company's central role within the organised representation of the industry. In the late 1950s, PSA's CEO Maurice Jordan initiated discussions with Citroën's main shareholder, Michelin, signalling the need for concentration. Jean-Pierre Peugeot and Maurice Jordan met annually with Michelin's new manager to discuss this imperative (Frerejean 2010).

These strategic discussions reveal an early awareness of the need to align the group's structure with emerging industrial and financial norms. In 1962, PSA's leadership established a *prospective committee* to anticipate the group's future legal, financial, and accounting challenges. This initiative aimed to streamline internal processes and prepare the group for expansion and co-ordination on a larger scale. Philippe Poinso, one of the key architects of this reform, later reflected on the importance of clarity and coherence, partly in response to growing pressures from banks and financial partners:

Philippe Poinso – ‘In Rapilly's mind, he said to me “we give the group a scope, we structure things in a rational and precise way, etc., and we present ourselves as a group, and we finally have clarity.” No doubt pushed by the banks, who also who probably also wanted to see things more clearly.’⁷

The creation of this forward-looking committee further exemplified PSA's proactive stance toward industrial consolidation. Figures such as Wilfrid Baumgartner – former Minister of Finance and CEO of Rhône-Poulenc, with strong experience in corporate restructuring – helped bridge PSA's management with the state administration (Lanthier 2018). His involvement in multiple industrial reorganisations reflected a broader pattern of circulation between top management, financial elites, and public office.

Within the same committee, other influential actors such as François Ceyrac, president of the main French employers' organisation, and Pierre Massé, former Commissioner-General for Planning, demonstrate that PSA's restructuring unfolded under the scrutiny and guidance of a tightly interconnected élite group at the core of French capitalism (Frerejean 2010; Lanthier 2018).

This proximity to centres of power shaped not only PSA's strategic direction, but also the rationale for internal change. The interplay – and often the inherent tension – between managerial autonomy, banking expectations, and state guidance helps illuminate how new forms of financial oversight emerged. Understanding these dynamics is essential to explain the success or failure of management tools such as budgetary control. To capture the full significance of these transformations, the following section turns to the direct influence of PSA's controllers and the internal construction of control systems. This examination will form the core of the subsequent analysis.

The budgetary systems at PSA: influences and contrasts

Amidst the evolving landscape of corporate control mechanisms, the implementation of a budgetary control system at PSA reflected a shift towards finance-oriented governance practices, rooted in a broader convergence of institutional pressures, managerial experimentation, and élite influence. This evolution was neither linear nor externally imposed: it resulted from a series of selective appropriations, reinterpretations, and internal initiatives.

This section examines how PSA's managers navigated these multiple influences – external, peer-based, and internal – while progressively building a centralised and formalised control system. It begins by retracing early experiments and foreign inspirations, then considers peer benchmarking with other French industrial giants, before turning to the organisational transformations that paved the way for the 1972 reform.

External and peer influences

Filtered influence: the US model and PSA

As far as PSA was concerned, the hiring of a graduate from École Centrale⁸ in 1953, tasked exclusively with calculating the cost price of the Sochaux factory, reflected an early attention to cost structures. Bertrand Peugeot, a board member of Automobile Peugeot, undertook a study trip to the United States in 1956. He authored a concise 19-page report for the board, detailing visits to 18 companies and unions across various American cities⁹. Notably, his observations encompassed firms' strategies and organisational structures, underscoring the influential role of 'management professionals' in shaping accounting practices (Boussard 2008). This type of direct observation of US management practices reflects the curiosity of PSA's leadership.

In the late 1960s, Cegos, a renowned consulting and training firm, launched a travelling seminar in the United States¹⁰. Its 1969 edition attracted PSA's interest: two representatives – A. Banzet, Deputy Managing Director of AOP, and M. Baratte, General Secretary of AP – were mandated to attend. They joined peers from 20 major European companies, including 13 from France.

The seminar's findings were compiled in a 42-page document entitled '*From the US 69 "advanced" management to the French company of tomorrow*'. It aimed to generate interest among senior executives for future sessions and outlined 12 key takeaways, the first four of which focused on corporate finance and shareholder value¹¹:

- The first point underscores the aim of maximising the company's share price: 'you do business to make money';
- The second point states that 'the creation of wealth and power is measured by the stock market price of shares, more precisely by the price to net profit ratio earnings ratio';
- The third explains that a high price-to-earnings (P/E) ratio hinges on a consistent earnings per share (EPS) growth, presenting a graph linking EPS and net profit multipliers between 1965 and 1970;
- The fourth defines the goal of the development plan as achieving a specific EPS growth rate – 5% indicating modest ambition, 10% dynamism, and 15% high performance. Under the heading 'Objectives, Strategies, and Plan', it insists that such objectives be translated across all levels of planning: long-term vision, medium-term strategies, and annual budgets – framed as a commitment to staff, shareholders, and financiers.

This document reveals the financialised rationality underpinning Cegos's pedagogical approach at the time, and offers a valuable snapshot of the ideals being promoted within élite training circuits. While the participation of PSA's managers in this seminar signals a degree of engagement, it also raises questions about how these ideals were received internally.

By 1970, enthusiasm had faded. In the invitation to the following year's session, a handwritten note attributed to Mr. Rougé – one of PSA's principal management controllers - read: 'Mr. Rougé. I don't think anyone has time to waste on a "travelling seminar" in the USA'¹². This dismissive comment illustrates the selective appropriation – and at times rejection – of US managerial prescriptions within PSA. While the reference to stock valuation, EPS targets, and profitability growth gained some traction in public discourse, they did not translate into immediate adoption within PSA's internal systems.

In this sense, US influence was present but filtered, refracted through other mediating institutions like Cegos, and ultimately subordinated to PSA's own trajectory, which was shaped by a mix of engineering rationality, internal experimentation, and institutional embeddedness.

Learning from peers: PSA's management observations

The 1970 merger between Saint-Gobain and Pont-à-Mousson symbolised the end of a prosperous era and the beginning of new forms of financial co-ordination (Daviet 1989). At Pechiney, for instance, budgetary control had been extended to all company activities as early as the 1950s (Berland 1999), while from 1969 onwards, strategic planning tools were implemented with McKinsey's support. The term '*strategic plan*' first appeared in the company's archives that year. Several divisions adopted such plans, and a *Management Plan and Analysis Department* was created (Cailluet 2008). At CFP-Total, budgeting practices were also widely adopted, often under the influence of US partners.

At PSA, the process was more gradual and driven by learning from peers. In the early 1970s, Claude Sachot – then responsible for setting up internal control – was sent by General Management to gather information on control and accounting systems from leading industrial firms. On 21 January 1973, he conducted an interview with one of the senior managers at Saint-Gobain – Pont-à-Mousson¹³.

His report detailed the group's legal and operational structure and the division of responsibilities between entities. Crucially, it stressed the need to align operational structures with legal ones and recommended adjusting legal frameworks to fit organisational needs. This idea was particularly salient at PSA, where legal and financial fragmentation still limited the consolidation of information and control.

Regarding management methods, the report emphasised principles such as decentralisation, responsibility, and freedom of action – while warning against arbitrariness. Sachot also drew from a meeting with a director at Rhône-Poulenc, who had been tasked with redesigning international co-ordination at PSA. One of the formulations he retained stands out:

*'Decentralisation, Responsibility, Freedom of action imply sufficiently rigorous rules of the game,' he wrote, adding: 'it is not the rules of the game that threaten human freedom, it is the arbitrariness.'*¹⁴

This articulation – combining autonomy and constraint – would become a cornerstone of PSA's later control doctrine. The department at Saint-Gobain was referred to as *General Management Control*¹⁵, and the report outlined monthly financial indicators reported by subsidiaries, including:

- Turnover;
- Cash flow;
- Depreciation and amortisation, and
- Profit before tax.

Sachot noted that these figures were presented as variations from the previous year's cumulative figures at the same date, and as deviations from the budget. This approach implied a clear structure for performance tracking and comparability of results – based on variance analysis. Yet, for PSA at the time, these principles were far from established. As the report states, '*none of the subsequent elements were initially apparent to PSA's management.*'

The final section of the report outlined the creation of an audit system subdivided into accounting, management, tax, legal, and production control. A handwritten annotation even raised the question of whether the audit function should remain internal to PSA or be delegated to the *Central Budget Directorate*. The conclusion was clear: beyond technical matters of cost accounting, the key issue was the growing need for financial and strategic oversight by the holding company over its subsidiaries, a shift already planned for September 1973.

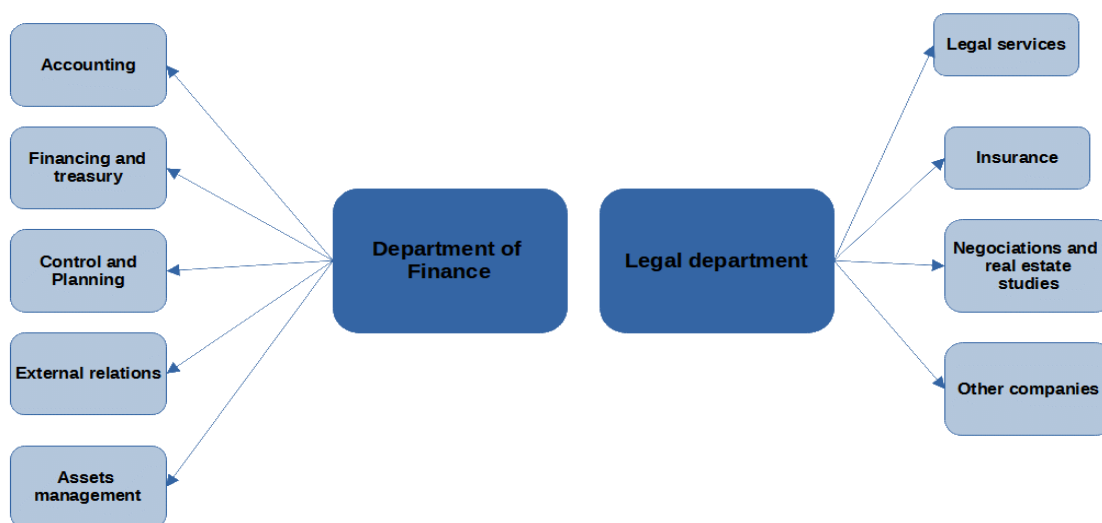
This episode exemplifies how PSA's approach to reform was shaped through selective benchmarking with its peers. Rather than directly importing pre-formatted systems, PSA appropriated principles observed in other firms – such as decentralised responsibility combined with financial discipline – and reconfigured them to fit its own trajectory. Control systems, in this sense, were not 'transferred' but translated – through observation, dialogue, and internal debate.

Internal legacies: control practices from the 1950s

Toward integration: reorganise the group structure

The evolution and structuration of Peugeot's finance function stemmed from the managerial expansion and professionalisation of the 1950s and 1960s (Fridenson 1994; Zimnovitch 1997; Cailluet 2008; Daviet 2019). Recollections from various stakeholders underscore the modest scale of operational management and the limited managerial resources that preceded this phase. Within PSA, a trend towards functional specialisation emerged, paving the way for hierarchical job structures and career advancement opportunities. This evolution marked a turning point in the institutionalisation of the group's Finance and Legal departments (Figure 1).

Figure: Financial department and Legal department in 1973.



Source: Belot Couloumies (2021, 140).

At that time, the role of financial assistant encompassed a range of responsibilities: liaising with operational departments to draft budgets, monitoring control charts, and serving as a technical advisor to the Director General. These individuals also reviewed balance sheets, oversaw financial operations of subsidiaries, and evaluated the financial clauses of contracts (Berland et al. 2019). Compared to Saint-Gobain or Pechiney, PSA appeared somewhat behind in formalising its financial function. However, the restructuring initiated in the 1960s laid the foundation for enhanced global control – particularly regarding budgetary practices.

From costing to control: a managerial shift

PSA’s management maintained an ambivalent stance toward the US model. As early as the 1950s, internal discussions emerged around adopting management control practices similar to those used by major US firms. Francis Rougé, then Director of the Doubs plants¹⁶, encouraged Jean Burgevin – who was then responsible for management control – to draw on these methods to modernise the group’s practices: ‘You are years behind, you need to change that’¹⁷. Upon the initiative of Jean Baratte, PSA’s general management controller, those in charge of budgetary control at the factories were sent to the United States to study the practices of Bud Company, with which PSA had a commercial relationship.

Jean Burgevin - ‘He was the one who said to my boss, “You want to do technical cost prices, which is very complicated, but that’s not the problem” - as he was

returning from the United States - he said “I’m sending you over there, you’ll see that the challenge is management control; budgets and management control”. So he sent us there for a month, to Bud, where we visited three factories and the head office. And he explained to us how things worked [...]. The three keys that we brought back [from the United States] were: definition of responsibility; flexibility [of the budget]; total participation of the managers’¹⁸.

After returning from their trip, PSA teams began adapting these ideas. Factories were reorganised into cost centres with identifiable budgetary responsibilities, enabling standard cost calculation. This reorganisation also required assigning financial accountability to technical managers, a shift from the previous engineering-dominated culture:

Jean Burgevin – ‘We make a cost centre from there, we put the tools, maintenance, depreciation of the machines, we put them in the set of cylinders, and we divide by the number of cylinders manufactured. This obviously requires cost centres. This is simpler than the homogeneous sections of the Cegos, which were for a mechanical factory. So, we cut the factory into pieces, and we asked that the foremen be responsible for their workshops. That they be informed about their expenses, that they make budgets, and that they make the effort to make forecasts.’¹⁹

It was first in the Sochaux factories that budgetary control was introduced as a tool for controlling costs and directing individuals towards performance. About 10 years later, driven by the increase in activity and by the example of other large corporations, the group’s management set in motion the implementation of such a control for all the companies of the group. The foundations laid in the 1950s thus helped structure the full implementation of budgetary control as an organisational tool in the early 1970s.

Institutionalising control: the 1972 reform

Enhancing oversight mechanisms

A note dated 9 March 1972 set out to ‘define the activities of economic management [...] in order to better situate the role of economic management in the production unit’. It clarified the prerogatives of several functions: cashiering, budgetary control, accounting, and cost prices. Budgetary control was assigned two main functions:

- Those responsible for the budgetary procedure were to ensure deadlines were met, standards issued by Controlling were followed, and that the impact of the proposed objectives on the unit’s budget was considered.
- Budgetary control proper was tasked with ‘breaking down the overall variances between planned and realised (particularly programme variances), assisting managers in explaining them, identifying corrective measures, and proposing actions. It was also to estimate future variances and draw up the monthly production report, as well

as produce or verify all economic studies justifying investments or transfers affecting the unit'.

This document illustrates the increasingly formalised and stabilised nature of budgetary control by the early 1970s. Yet the very need for such a note indicates that objectives and roles remained ambiguous – particularly at the factory level – which in turn prompted the formal creation of a dedicated General Control Department in 1973.

Centralising control: the 1973 department creation

Over several years, the Executive Board had been discussing the structure and scope of General Control, notably in relation to PSA's participation in the 1969 Cegos seminar. By 1973, these deliberations materialised in the creation of a General Control Department for all PSA companies, formally established on 1 September.

This new department was given a defined mission:

[...] to keep Peugeot's senior management constantly informed, to enable them to monitor the proper functioning²⁰ of the automobile subsidiaries and to inform them of any difficulties encountered so that, if necessary, PSA can modify its automobile business policy and AP can, if necessary, revise the objectives set for its operational departments (Sales Department and Industrial Holdings Department) and the automobile subsidiaries. In normal circumstances, permanent control should ensure that the operating tables are regular, that the results are consistent and that the objectives are met²¹.

Two circulars, dated 13 June 1972, formalised the new function within the PSA holding company. In the first, François Gautier²² – Managing Director and Chairman of the Board – justified the move by citing the group's scale: over 90 subsidiaries, with PSA holding more than 50 per cent ownership in each. He underlined the need for improved co-ordination and control.

While the Finance Department retained control over strictly financial matters, the new General Control was responsible for both permanent monitoring and periodic inspections of subsidiaries²³. The results of these inspections were to be shared with operational branches and the Finance Department. This restructuring was directly linked to the consolidation of financial results and the standardisation of accounting procedures across subsidiaries.

The findings of these inspections were to be reported to the relevant activity branches, the Finance Department, and the operational departments. The restructuring of the budgetary control system was thus intricately linked with the oversight of subsidiaries and branches by the financial department and the PSA holding company. Additionally, it was tied to the consolidation of financial results at the corporate level. To facilitate significant consolidation of margins across activities, subsidiary accounts needed to be standardised and

align with those of PSA, regardless of whether they were ‘general’ or ‘operating’ accounts. In that sense, the reform did not merely aim at improving internal reporting, but at reconfiguring the informational architecture of the group to support centralised financial control.

Budgets: aligning industrial processes with financial objectives

Budgetary control procedures were gradually defined throughout 1973. Control took the general form of inspections and monthly meetings held at the beginning of each month, coordinated by the General Control Department in collaboration with the responsible departments and the Finance Department. The purpose of these meetings was to analyse the subsidiaries’ financial results as reported by operational departments, ‘*to allow for good information and the comparison of objectives and results obtained*’. These were therefore genuine financial performance reviews, led by the General Control Department, which oversaw the entire process of budget preparation and monitoring in conjunction with Finance. The operating procedures were set out in Circular No. 15152, according to a precise calendar running from June to December each year²⁴:

Programme of the budget elaboration for the subsidiaries from 1974

The Budget and Investment Plan was set by the Finance Department at the end of December and implemented the following year. At the beginning of each month, a results analysis meeting was held. Each department had to present recent performance, highlight major events, and update financial forecasts. This mechanism allowed for continuous adjustment of the yearly objectives, turning budgetary follow-up into a dynamic process.

As early as 1973, this system of monthly meetings was fully operational and formed the backbone of short-term financial steering across the group. The formalisation of control procedures went hand in hand with the reinforcement of the controller workforce, which became more visible and structurally integrated into the group’s hierarchy. From 1972 onwards, the newly restructured management sought to expand this function across the company:

Jean Burgevin – ‘I was at Sochaux and I only looked after the factories. Until the day I was called to the head office and told: “couldn’t you take care of the control of the subsidiaries?” And from one day to the next, in July, the boss of Sochaux called me and said “you have to be in Paris in September”. So I gave up all my duties in Sochaux, I found myself in Paris with a secretary and two tables and they said to me “well, there you go, you set up management control”²⁵.

The historical records lack precise figures on the number of controllers involved after the reorganisation, but organisational charts indicate the growing institutionalisation of this role during the 1960s–1970s. Management control was now distinct from ‘administration

and cost accounting' and began to replace the former 'accounting' department previously overseen by Finance.

Establishing a centralised control department meant placing controllers inside subsidiaries, especially in factories. In 1972, for example, one of our interviewees – a recent ESSEC graduate – was appointed as controller for the newly built Aulnay-sous-Bois plant near Paris.

From the outset, the budgetary control function operated with a dual logic: overseen by top management, it also served as a tool for day-to-day operational steering. This function was aligned with strategic profitability targets, while also ensuring compliance at the level of industrial operations. Its evolution thus resulted from both top-down directives and grassroots needs for structure and predictability in the face of growing organisational complexity.

Institutionalisation of financial control

The consolidation of PSA's disparate entities into a cohesive group necessitated the development of robust financial control mechanisms. The organisational restructuring that unfolded from the 1960s to the early 1970s laid the foundation for the implementation of a group-wide budgetary control system. At the heart of this process was the 1973 creation of the General Control Department, which centralised oversight and strengthened the ability to co-ordinate subsidiaries across legal and operational lines.

The procedures set out in Circular No. 15152 reflect PSA's commitment to sustained financial monitoring and performance evaluation. Monthly meetings and inspections, led by the General Control Department in conjunction with operations and finance divisions, established the logic of budgetary control as a standardised and routine function across the group's activities. Rather than being limited to cost control or profitability tracking, the system redefined the company's internal order: it reorganised practices, created new reporting channels, and embedded financial constraint into the daily rhythm of work.

The formalisation of the controller function played a key role in this transformation. As the number of controllers increased, so did their visibility and strategic importance. Controllers became responsible not only for reporting and consolidation, but also for translating objectives into operational benchmarks and ensuring that production realities complied with financial expectations.

This institutionalisation extended throughout the hierarchy. From top-level budget planning to monthly subsidiary reviews, financial performance was now monitored continuously. Tight timelines imposed by the new system meant that operational departments had to adapt their activities to the budgetary calendar. As one internal document

stated, the process brought all operations departments under the sway of the budgetary timeframe. Table 1 provides an overview of this process.

Table. Budget elaboration programme for the subsidiaries for 1974.

In June	From June to October	In November	In December
<p>Receipt of the general administration's programme by the subsidiaries defining the cost price and sales price assumptions.</p> <p>Basis for the preparation of a budget proposal for each subsidiary.</p> <p>Definition of the 5-year, medium-term plan with the Finance Department.</p> <p>Including own resource requirements; working capital requirements; investment requirements.</p>	<p>Budget preparation</p> <p>Back-and-forth between the operations departments, the central secretariat of the Finance Department, industrial plans and technical departments.</p>	<p>Receipt of the budget proposals by the departments at the group level</p> <p>Central budget office, the Finance Department analyses the financial consequences of these projects for the subsidiaries as well as an expression of financial needs at the level of PSA group.</p>	<p>Meetings to present budgets and medium-term plans by the various subsidiaries to the general administration, finance administration, central budget administration, etc.</p>

Source: "Préparation des budgets, plans et objectifs des filiales – Programmation et procédures", Francis Rougé, Circulaire DG, 1515 à destination d'AP, 21 décembre 1973 (PSA archives: DOS2016ECR-03790).

In this context, PSA's accounting structure was no longer only concerned with technical costing. It now included management control tools that operated at a higher level of abstraction and co-ordination. These tools gradually reoriented accounting practices around financial indicators and standardised reporting. Management control thus acquired a dual nature: technical and political, operational and financial. Controllers became intermediaries in this shift – actors of financialisation within the firm – prefiguring dynamics identified in more contemporary analyses (Morales and Pezet 2010).

This long-term movement of financial constraint and standardisation, rooted in organisational reforms from the 1960s and 1970s, marked a turning point in PSA's trajectory. It exemplifies how a budgetary control system can act as a vector of institutional transformation, structuring not only how companies account, but how they think, decide, and

govern. These findings provide a basis for reinterpreting the broader implications of PSA's transformation – both for the history of management control and for the political economy of French capitalism. The conclusion draws these insights together.

Conclusion

This study has examined how the implementation of budgetary control at PSA in the early 1970s reflected a broader transformation within French capitalism. Far from being a mere technical reform or a delayed imitation of US models, the new budgetary system emerged from the convergence of long-standing planning rationalities and rising financial constraints. Introduced in a context shaped by state-led industrial policy, elite networks, and internal restructuring, it became a central mechanism for co-ordinating activities, enforcing financial discipline, and producing internal coherence within a diversified industrial group. By documenting this process, this research contributes to the literature on management control and accounting history, highlighting how budgetary control was progressively institutionalised at PSA during a key transitional moment – revealing not only a shift in management tools, but a deeper reconfiguration of the relationship between strategy, organisation, and power.

Budgetary control at PSA reflected a dual logic: the long-term rationality of planning and structural coherence on one side, and the short-term imperatives of financial performance and external visibility on the other. Rather than opposing these dimensions, the system implemented in 1972 articulated them within a single management framework. It formalised the legal and organisational unification through consistent procedures, a clear hierarchy, and the oversight of the PSA holding company – while simultaneously imposing strict financial discipline through rigorous budgeting processes at the subsidiary level. This created a structural duality: promoting long-term cohesion at the group level, while fragmenting the organisation by distinguishing between a capital-oriented holding company and financially-accountable industrial units. This internal bifurcation illustrates a broader transformation of management tools, increasingly caught between financial and non-financial logics.

The PSA case highlights how financial constraint gradually emerged as a mode of governance within a system traditionally associated with engineering rationality, centralised discipline, and a reinforced state co-ordination from the 1950–1960s. The consolidation of the group's structure and the rise of budgetary monitoring practices marked a shift from cost-based calculation to financial performance-oriented management. In this respect, management control became not only a tool of enforcement, but also a vehicle of transformation – silently contributing to the recomposition of French capitalism. These developments reveal a managerial and accounting hybridisation that challenges linear narratives of 'Americanisation' or abrupt neoliberal rupture. In doing so, this study contributes to a critical understanding of how accounting tools, far from being neutral

instruments, actively participate in reshaping power relations within firms and redefining the contours of capitalist governance.

This study invites a reconsideration of the periodisation of capitalist change. The 1970s were not only a moment of macroeconomic crisis, but also a phase of institutional experimentation and recomposition, during which new control devices, new actor configurations, and new economic rationalities were forged within firms and through their institutional environments. The PSA case offers a concrete entry point for understanding how internal management tools both reflected and shaped the changes of French capitalism – gradually, silently, and endogenously.

In a comparative perspective, it also sheds light on the distinctiveness of the French corporate management model, and the close links between business leaders and heads of state. The Fordist model in France is often seen as a ‘pure’ example due to state-driven Keynesian policies. This national business system is structured around centralised control, engineering élites, and long-term planning traditions. Rethinking the transformations of this model challenges conventional views of both the model itself and the *Trente Glorieuses* period and opens new perspectives for the economic and political history. Finally, our study not only illuminates the internal dynamics of capitalist change in the French case, but also demonstrates how accounting history can serve as a powerful lens for reinterpreting the broader trajectory of post-war capitalism in Europe, which is of major interest for both business history and the sociology of capitalism.

In terms of limitations, this study is mainly based on the PSA Group’s archives, which cautions a tendency to overgeneralise from this case. Although we have taken methodological precautions to avoid this, this limitation calls for further historical research on the transformations of other large French and European companies during the same period. Such studies would improve our understanding of the managerial transformations at work in this context of transition.

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Disclosure of interest

No potential conflict of interest was reported by the author.

Notes

- ¹ ‘The American challenge’.
- ² In 1930, the International Conference on Budgetary Control was held in Geneva as part of the International Institute for the Scientific Organisation of Labour in 1930.
- ³ Centre d’archives de PSA, Terre Blanche, 28310 Hérimoncourt, Franche-Comté, Eastern France.
- ⁴ All the interviews were conducted by myself in French and I translated them in English after.
- ⁵ For more details about these actors, see the Appendix.
- ⁶ The French Automobile Manufacturers Committee is the primary organisation of executives from major automotive groups.
- ⁷ Interview with Philippe Poinso, 19 October 2018.
- ⁸ The ‘Centraliens’ were those who are graded from the École Centrale. This Grande École was founded in 1829 by a Saint-Simonian businessman who wanted to promote the training of engineers who would invest in France’s nascent industrial development. From the outset, its aim was to train high-level, generalist engineers for the development of private enterprise.
- ⁹ ‘Visit to USA, Sept 14th – Oct 22th, 1956, Bertrand Peugeot’, PSA Archives: DOS2013ECR-00695.
- ¹⁰ The Cegos is a training agency for enterprises. It was created in 1926 and played a central role in the spread of Taylorism methods in France, notably management and accounting methods. This company developed as an international organisation from the end of the 1950s.
- ¹¹ PSA Archives: DOS2016ECR-03009.
- ¹² Internal note, 19 February 1970. ‘SA Peugeot, direction administrative – Budget et prix de revient prévisionnel, analyse des valeurs : correspondance, bilan financier, tableaux comparatifs des prix, 1968-1970’, PSA archives: DOS2016ECR-03009.
- ¹³ Note from Claude Sachot to the département de l’Organisation et des technologies de l’information and to the ‘Comité Organisaition Groupe’, April 25th, 1973, PSA archives: DOS2016ECR-03790.
- ¹⁴ The expression ‘rule of the game’ which refers to the training organised by Cegos, of which the first section of the general analysis report is entitled ‘the rule of the game’.
- ¹⁵ ‘The holding company employs about 100 people [...] note the recent creation of an IT department (currently 3 people) at the holding company level, responsible for advising the divisions on the development of their IT plan and the choice of their equipment, and possibly preparing a grouping of IT resources at the Group level’, ‘Organisation Groupe Rhône-Poulenc, memo to Messrs Baratte and Schulz’, PSA archives: DOS2016ECR-03790.
- ¹⁶ The Doubs is a department in eastern France, where all the Peugeot’s assembly plants were located until the mid-1970s, the main factory being the one in Sochaux.
- ¹⁷ This sentence came from Jean Burgevin’s reconstructed memory of the moment he was went to the United States. Interview conducted by myself in his home in the Paris Region on 21 February 2017.
- ¹⁸ Interview with Jean Burgevin, 21 February 2017.
- ¹⁹ Interview with Jean Burgevin, 21 February 2017.
- ²⁰ Hand-underlined on the archived document.

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- ²¹ ‘Circulaire DG n°5, Organisation du contrôle général. Contrôle des sociétés automobiles, à destination de Peugeot SA’, Paris, le 21 décembre 1973. PSA archives: DOS2016ECR-03790
- ²² ‘Circulaire DG n°2 à destination de Peugeot SA’, Paris, 13 juin 1973. PSA archives: DOS2016ECR-03790.
- ²³ ‘At the Automobile Peugeot level, that is at the Motor vehicle branch level, the budgetary control:
- Can consolidate all results at the branch level;
 - Prepares the management documents of the general management;
 - Formulates its directives and information needed by the management control departments of the budgetary control department: ‘can consolidate all results at the branch level, prepares management documents for the general management, formulates its directives and information requirements for the management control departments of the major departments and the subsidiaries supervisory departments’, Study co-ordinated by Claude Sachot dated from May 1973 entitled ‘Gestion et Contrôle des Filiales Commerciales en France et à l’étranger’. PSA archives: DOS2016ECR-03790.
- ²⁴ ‘Préparation des budgets, plans et objectifs des filiales – programmation et procédures’, Francis Rougé, Circulaire DG, 1515 à destination d’AP, 21 décembre 1973.
- ²⁵ Interview with Jean Burgevin 21 February 2017.

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Interviews:

- Interview with Philippe Poinso by myself in his home in Paris, on 11 October, 2018.
- Interview with Philippe Poinso by myself in his home in Paris, on 19 October, 2018.
- Interview with Jean Burgevin by myself in his home in the Parisian region, on 21 February, 2017.

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Appendix. Information about actors interviewed.

I conducted 35 semi-directive interviews, each lasting approximately 10 hours, to gain insights into the perspectives of upper management, particularly those involved in the reorganisation. Among these interviews, two stand out, offering valuable perspectives on the era's transformations.

Jean Burgevin, a graduate of the École Centrale in 1953, began his journey with the company at the Sochaux site, focusing on cost accounting. In 1959, he embarked on a learning expedition to the USA at the behest of the general secretary overseeing cost accounting. Upon his return, he spearheaded the adaptation of these methods in Sochaux. By 1973, he was appointed to the head office, tasked with establishing centralised control over foreign sales subsidiaries. His trajectory within the company led him to various leadership roles, including Deputy Director of Citroën's Management Board in the 1980s.

Philippe Poinso joined the group in 1966 after graduating in law from the IAE in Aix-en-Provence. Initially serving as the fifth executive in the legal department, he oversaw the group's financial matters and shareholders' private finances. His role evolved with the restructuring of the Finance Department in 1973, where he led financial studies and relations, focusing primarily on mergers and acquisitions. Subsequently, he assumed positions of increasing responsibility, culminating in his appointment as Managing Director of the family's main holding companies after leaving the group in 1990.