

Since marketing is part of the U.S. way of life it is assumed that salesmen lead companies. KENNETH HOPPER says the reverse is true.

Production men at the helm

MANY people in the U.K. believe that the top American management positions usually go to marketing men. And the posts not filled by marketing men, go, it is supposed, to former finance and legal specialists, but never, well hardly ever, to the man from the factory. But this is an illusion. The presidents of the largest companies come more frequently from unglamorous Production than from any other area, and the proportion has been rising. In 1967, in the 100 largest U.S. companies, 12 new presidents were appointed. Seven of the 12 had spent over half their

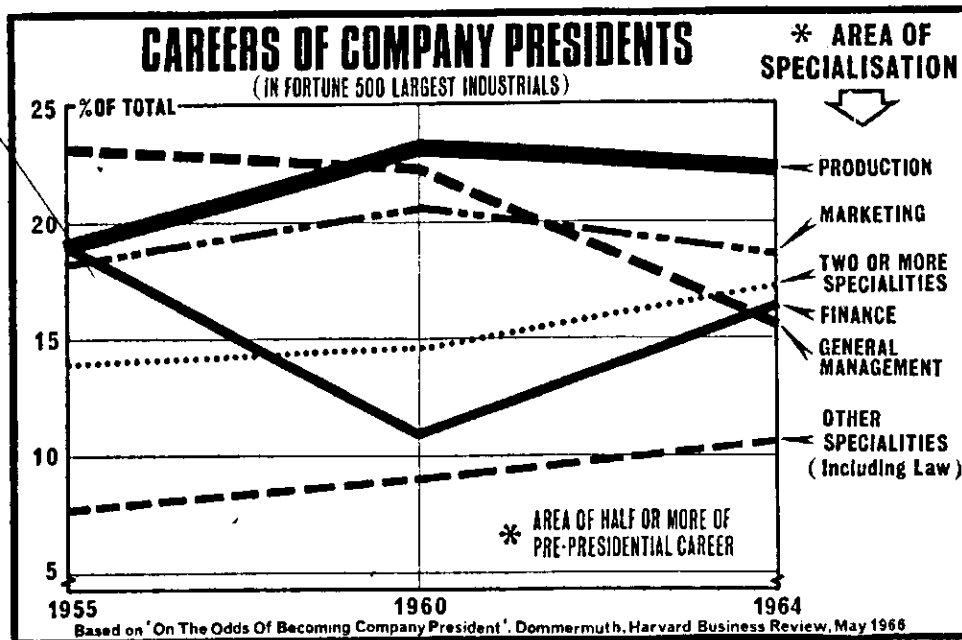
drawn about American industry, of course, is not that one particular function produces more Presidents than another, but that all important sections and types of experience are represented. All professional groups in industry share the prestige and motivation. It is certainly difficult to deny the variety in experience of top U.S. management. The New York Times reports the boss of rapidly growing AMK started as a rabbi. D. C. Burnham, president of Westinghouse, toured Europe at 14 as international champion model aircraft flyer and designer. The chairman of Phillips Petro-

illiterates formerly regarded as unemployable. The education system filters a high proportion of the more intelligent young people out of the work force, and they are not going back into the factories again in equivalent numbers. And, of course, costs must continually be reduced. One cannot work with American production managers without being impressed with their pragmatic ability to get things done. Professor Wickham Skinner of the Harvard Business School and other authorities point out that the company whose production managers master these conflicting demands, commands a strategic

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careers in Production. And 10 had done some work in the Production/Technical area before moving into other functions.

U.S. Steel wants to increase sales and profitability, and to diversify. To manage this they have announced the appointment of a new Chairman and President effective at the end of this month. Their's is no light task. Big Steel is big; outside America only one industrial company, Royal Dutch/Shell has larger assets. The new appointees are both from Production; both have been Works Managers.

A careful study of pre-Presidential careers made by Professor Dommermuth of the University of Southern Illinois was summarised in the Harvard Business Review of May, 1966. It covered the Fortune list of 500 largest industrial companies. This includes many which are highly consumer orientated. Dommermuth found a growing lead had appeared among men who had spent half or more of their careers in Production. In producer-goods companies the lead was greater still. The group whose basic experience had been in General Management had dropped markedly from the 1950s when it was the largest.

The real conclusion to be

leum is a distinguished Indian and Chief of the Cherokees.

There is fairly rapid turnover at the top with the president commonly moving up to chairman or vice-chairman, and an executive vice-president becoming president. This makes for regular change in the background experience of top management in a company.

As the production function receives less Press attention than many other management groups in the U.S.—probably because they do not control the Press release duplicating machine—some additional comments may be useful. Great demands have been placed on American production managers in recent years. They are expected to make a wider variety of products on shorter lead times. One company, for example, sent the first commercial model of its new computer down the line only two days after the one and-only prototype, and followed with 100 engineering modifications a day.

They are expected to use the latest materials, processes, computer controls and advanced mathematical systems of analysis. Major changes in demand can require substantial fluctuation in numbers employed. Unions are active. National policy demands they utilise large numbers of near

position of enviable advantage. And the companies themselves regard such managers as survive these demands as a tested source of top executives.

There is thus in the typical American company a core of technical men, experienced in production, rising to the top. Their technical background gives them strength in understanding complex new information and other technologies. On the other hand their production background gives them an ability in practical areas such as delivery dates, quality and cost.

The British reluctance to give top positions to men who have managed production facilities is certainly not shared by the U.S. The Presidents of the world's three largest companies are responsible for a sales output equal to 40 per cent. of the British Gross national Product. All three are engineers from Production. All have been factory production managers. Professionals in industry can be encouraged by the American experience. Some groups get all the publicity, but in actuality every important group has its share at the industrial summit. And the silent group which gets least publicity of all, the men from Production, have a lead, and show evidence of increasing it.