
HBS EXECUTIVE LETTER

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Dear Sir:

Now that the summer holiday season is drawing to a close and bringing many U. S. executives back from trips abroad, it is interesting to note that, despite all the American travelers overseas, this country has become the world's leading host nation as measured by earnings from foreign tourists. Figures for 1966 are, of course, not yet complete; but last year the U. S. received some 7,637,000 foreign visitors, who spent \$1.36 billion, an 8% gain over the year before (1964).

GRADUATE FOREMEN Should a company's first level supervision include a substantial proportion of college-educated men? This question, although often asked in business, has not been the subject of much, if any, systematic scholarly research. Now, however, a study has been made by Kenneth Hopper, a management consultant participating in the School's International Teachers Program.

Managerial attitude and flexibility, the study found, are two of the chief values which "graduate foremen" (first-level supervisors with college degrees) bring to the plant. Having a variety of intellectual talent in shop-floor supervision allows companies to move supervisors around more freely in response to changing factory needs. If, for instance, production must be cut back, college-trained foremen can more readily be transferred to design, development, or other work. And having some degree holders among the noncollege foremen raises the status of the whole group in the eyes of production people.

Mr. Hopper's report, prepared under the supervision of Associate Professor David Moment, discusses some 18 reasons given by companies for wanting a proportion of their foremen to have college degrees. A summary of current practice in major U.S. concerns, including nonmanufacturing firms, is given. The chemical industry was among

the first to start using graduate foremen. That was at least 50 years ago. Since then, a variety of corporations have been placing college graduates in first-line supervisory positions. In many cases, companies adopted the practice as a training device, but subsequently found graduate foremen valuable in a plant's day-to-day operation.

Some companies, the report found, see no merit in having graduate foremen and do not employ any. Others have virtually 100% college-trained foremen. There seems to be a general trend toward greater use of graduate supervisors. Mr. Hopper cites examples of companies planning to increase their graduate/nongraduate ratios from 17% to 55%, from 11% to 60%, and from 35% to 75%.

The report also covers foremen training problems, the foreman's viewpoint, practice in Europe, and related topics. For information on the complete text write Kenneth Hopper, c/o Mrs. E. A. Karpati, Sherman Hall, Soldiers Field, Boston, Mass. 02163.

AGE GAP IN MANAGEMENT Top-level planners in many U. S. companies are concerned about the shortage of qualified men in the middle-management age bracket. According to federal Census Bureau figures, the number of men 35-44 years old will drop steadily at the rate of some 115,000 per year through 1970. The shrinkage results from the low birth rates during Depression years.

Some companies got set for the coming age gap in management back in the '50s and now have well-established policies of sending, each year, two or three middle-management people back to school for three- or four-month courses. But many who were less perceptive then are having to hurry to catch up now.

This condition is boosting applications for executive development programs such as Harvard Business School's Program for Management Development. PMD administrative director, Thomas Dunn, hears with increasing frequency