INSIDE MANAGEMENT

A SELECTION OF READINGS FROM
Business Week

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Preface

□ The 259 companies included in the Executive Compensation Scoreboard boosted their top managers' salaries and annual bonuses an average of 12.7% to $653,000. . . . Perhaps fitting a time of corporate takeover mania, the man who made the most is the No. 1 raider of them all: T. Boone Pickens, Jr., Chairman of Mesa Petroleum Co. His total compensation . . . : $22.8 million.

□ Hardly anyone would be surprised by the big gains Japan's Bridgestone Corp. has made since it took over Firestone Tire and Rubber Co.'s La Vergne (Tenn.) radial truck tire plant in early 1983. Major quality improvements and a 65% increase in tiremaking productivity are the kind of results the so-called Japanese system is supposed to produce.

. . . .

Bridgestone's gradual success—the plant is still losing money—is typical in many respects of what is happening at 309 Japanese-owned companies that employ 73,000 workers at 479 plants in the U.S.

□ At the moment, there are about 300 U.S. companies in South Africa with a total investment of $2.5 billion. In the past year, 18 U.S. companies have halted all or part of their South African operations, three times the number a year earlier. American employment of South Africans, both black and white, has fallen to 70,000, or less than 1% of the labor force, from 90,000 four years ago.

. . . .

At home, top U.S. business leaders are also being drawn directly into the crisis. Many attended a special meeting in New York with Leon H. Sullivan, the Philadelphia minister and General Motors Corp. board member whose Sullivan Code sets standards of fair and equal employment for multinationals operating in the country. They want to find a way to work with South African business to force reforms.

□ The lethal gas [methyl isocynate] released in India swept through an area inhabited by 200,000 people. As many as 100,000 required medical treatment. Survivors may suffer partial blindness and lung or liver damage—and the long-term effects of exposure to the gas are unknown. Many in India, which ordered a criminal investigation of the incident, demanded compensation on the scale of U.S. awards. Five American attorneys, including Melvin M. Belli, filed a class action seeking $15 billion in damages. Many more suits are expected. "If a U.S. court accepts them, it could put Union Carbide out of business," speculates a London-based international claims expert.

□ Not long after *In Search of Excellence* zoomed to the top of the best-seller list, co-author Thomas J. Peters gave a speech to a division of Hewlett-Packard Co., one of the star companies in the book. After the speech, as Peters recalls, the division's manager told him: " 'What we should do is call you in to give a speech once a quarter. So we can remember what it was that we were when we were really a great company. And to remind us how damned hard it is to maintain some of those traits once you get big.' "

. . . .

Hewlett-Packard is not the only "excellent company" that is not looking so excellent these days. According to studies by *Business Week*, management consultants McKinsey & Co., and Standard & Poor's Compustat Services, Inc., at least 14 of the 43 "excellent" companies highlighted by Peters and co-author Robert H. Waterman, Jr. in their book just two years ago have lost their luster.

□ On March 6, Xerox rolled out three copiers that pick up where the 1075 left off. They are the first machines to emerge from a radically new product development process that Xerox began fashioning three years ago when the 1075 and other early machines in the 10 Series were already in the works. For Xerox, once the quintessential innovator that pioneered and dominated the worldwide market for plain-paper copiers—and then lost more than half of it—the future of its backbone copier business may well rest on its new approach to product development.

One key change involves decision making. Xerox executives now freely admit that the company had strangled itself with a matrix organization. The heads of groups such as product planning, design, service, and manufacturing were based in Rochester, N.Y., but reported to separate executives at corporate headquarters in Stamford, Conn. Each group worked products through its own hierarchy, then handed them off to the next one. The groups had endless debates over features and design trade-offs, and "no one had the priority for getting products out," Hicks recalls. Disagreements often reached all the way to the president's office in Stamford.

Now four strategic business units (SBUs) run the copier business.

□ Every year, Bank of America finances 250,000 California home buyers. But the San Francisco bank has no way of knowing whether those high-profile customers have bought any of its other products and services—from checking accounts to auto loans. Its customer information has always been organized by product line, in separate data banks that can't be linked together. So it has been impossible for BofA to pull together complete customer profiles, even though such information would be instrumental in marketing new services.

But starting this spring, every time the bank approves a mortgage, a new loan-processing computer system will automatically generate a report about the buyer to the BofA branch office closest to the mortgaged property. When the client shows up for the closing on his property, he will be greeted by a sales rep already privy to his financial status and prepared to match the bank's repertoire of services to his needs.

The foregoing seven excerpts give a taste of the *Business Week* articles that make up *Inside Management*. As the table of contents shows, the selections are grouped by the major topics in management courses and training programs. When read along with textbooks the articles help concepts come alive with current events, information, and examples.

Four types of articles have been chosen: survey reports, issue analysis, corporate news, and book reviews.

"Executive Pay: Who Made the Most?" from which the first excerpt was taken, illustrates the survey report. Students can see exactly how much top executives in some 36 industry groups earned. That some of them earn as much as or more than star professional athletes and show business and TV stars, without the knee injuries and sweat, comes as a complete surprise to many students. It is an interesting supplement to learning about what managers do because it explains a lot about why they do it.

Issue analysis articles zoom in on particular topics. "Leaving South Africa: U.S. Business Must Decide Now: Lie Low, Fight Apartheid, or Flee," the third of the excerpts, illustrates this type. It tells you how many U.S. companies are operating in South Africa, how much they have invested there, how many companies are leaving, how many South Africans American companies employ, and how some of them have been working to achieve fair and equal employment practices. This kind of information can be put to good use in learning about multinational management and social responsibility.

"How Xerox Speeds Up the Birth of New Products," from which the sixth excerpt comes, illustrates corporate news. This type of article focuses on developments at a particular company. Xerox, which once dominated the market for plain paper copiers and then lost that dominance, has developed some promising new products. How it changed its organization and decision processes to enhance its capacity to innovate is described. The story shows how concepts such as matrix structures and SBUs (strategic business units) play a part in today's management practice.

Book reviews are the fourth type of article. "Geneen: Such Great Gifts, 'So Narrow a Purpose,' " and "Blunt Talk from the Hero of Detroit" [Lee Iacocca] are examples of book reviews included.

Classifying all the articles into four types and organizing the articles by basic management topics and subtopics is reasonable and useful but should not obscure the richness of their contents. Articles which report survey information also analyze issues. Issue analysis articles sometimes report survey data. Both kinds of articles may also report particular corporate practices. Articles classified under a topic heading, say, "Organizing," such as the article about Xerox, contain information on strategic planning, decision making, and other topics as well. An article placed in a section on corporate strategies and decisions may well contain additional illustrations of organization design, power, leadership, and control. We may break management into topics for study, but the articles persistently remind us that the reality of management is a seamless weave of activity.

In sum, this convenient textbook-compatible collection of articles will help you see a great many examples of management activity and explore diverse issues that managers face. There are discussion questions after each article to help you in the process.

David R. Hampton

Contents

PART 1

MANAGERS, ORGANIZATIONS, AND ENVIRONMENTS

The modernization of the management course has included expanded attention to details of what managers actually do and to the impact of change upon their organizations and activities. The first article in this section, "A New Era for Management," describes a number of trends which are redefining managerial responsibilities, particularly those of middle-level managers. Additional articles in the section focus on several aspects of the world of managers, including changes in courses available to management students, progress of black Americans in corporations, pay of top executives, and the interaction of Japanese management and American workers. There are also articles that portray the rise and describe the diverse styles of some CEOs (chief executive officers). Two articles update and review the popular writings on excellence in management.

Part 1 also includes a set of articles on corporate social responsibility. These articles explore proposals for controlling corporate crime, how American firms are responding to the crisis in South Africa, the aftermath of the tragic leak of methyl isocyanate gas at Union Carbide's plant in Bhopal, India, how companies are contributing time and money to combat the problem of functional illiteracy, and the unemployment and attendant problems of white-collar workers displaced from jobs by the decline of smokestack America.

A NEW ERA FOR MANAGEMENT

APRIL 25, 1983, PP. 50-53

As companies grew rapidly after World War II, middle management—whose function was to turn the policy decisions of top management into the dollars and cents of revenues—grew even faster. And their function changed. More and more, they became collectors of information, which they then analyzed, interpreted, and passed on to top executives. The staff middle manager did not run anything: He was merely supposed to advise others on strategic planning, marketing, engineering, and manufacturing. But from that position he gradually came to dominate the line operations that produced and sold the goods and services that brought in the company's dollars.

Suddenly, that is being turned upside down. The onrushing electronics revolution is changing the role of the middle manager and forcing a radical restructuring of the corporation's middle ranks, shrinking them drastically in the best-managed companies. Just as the industrial revolution changed hierarchies, radicalized labor, realigned political forces, and created widespread social and psychological disruption, the technological revolution is producing pain and strain. The initial impact is being felt by the middle manager, who typically earns $25,000 to $80,000. And, as in the earlier upheaval, the woes overshadow even the most glowing promises of the future.

'REDUNDANT.' Ironically, many of those in the first skirmishes have not yet perceived the magnitude of the revolution. It started with modest modernization of bookkeeping chores—the purchase of computers for data processing—and quickly gathered steam. Now it is being fueled by hard times. As more top managers see that much of the information once gathered by middle managers can be obtained faster, less expensively, and more thoroughly by computers, they have begun to view many middle managers as "redundant." They look on the very fiefdoms they have created as vast cost centers, contributing little to profits and much to overhead. Where once they eagerly added to staff as symbols of their power, today they enviously eye Japanese competitors who all along realized that less meant more.

That attitude is showing up in employment patterns. Eugene E. Jennings, a professor at Michigan State University, estimates that one-third of the 100 largest U. S. industrial companies are paring management, and there are clear signs that others will follow. The Bureau of Labor Statistics places unemployment among managers and administrators in nonfarm industries at its highest levels since World War II. And that does not include the thousands of managers who accepted early retirement or opened their own businesses.

To be sure, the severe recession has contributed to cutbacks. But relatively slow economic growth is likely to be a fact of life throughout the 1980s: The average annual rate for the decade will be only 2.3%, according to Data Resources Inc. Competition from abroad is increasing, too. And executives are realizing that only the leanest, fittest companies will survive through the rest of the century.

Economic necessity and technological forces are thus combining to keep a permanent crunch on middle managers. And some of the broad implications of that are beginning to emerge:

□ Corporate structure is changing to accommodate broader information gathering and to let data flow from shop floor to executive suite without the editing, monitoring, and second-guessing that has been the middle manager's function.

□ Middle managers who survive find their roles expanded and their functions changed. Generalists, not specialists, are needed, as companies demand solutions to interdisciplinary problems.

□ Fewer business-school graduates are hired; those who are find the ladder harder to climb. As corporate pyramids are flattened, with fewer levels, there are more lateral moves and lowered expectations.

□ Marketplace and manufacturing decisions are made by first-line managers, whose power had been eroded by staff. Foremen now serve in pivotal roles, managing better-educated, more demanding workers and knitting maintenance, engineering, and personnel managers into integrated operating teams.

□ Business education will focus less on analysis, financial maneuvers, and gamesmanship and more on teaching manufacturing, marketing, and computer skills. For the next generation, retraining will become as important as initial training.

□ Displaced managers will need safety nets as their health and pension benefits are lost. Many will find it impossible to maintain their standards of living. Higher drug and alcohol abuse and family problems are reflecting the psychological devastation of this group.

□ Middle managers, who have traditionally been politically conservative, may become radicalized under pressure, demanding welfare benefits they once only grudgingly conceded to the poor.

It is becoming clear that the restructuring is essential if companies are to survive in the tougher environment. Yet the hard choices for top managers are equally clear. No matter the cost, they must be able to react quickly to change, push their companies to be more productive, and upgrade their products as rapidly as technology dictates.

Recognizing this, experts are beginning to see that organizations and cultures must be overhauled and even rebuilt. Indeed, helping companies accomplish this appears to be replacing strategic planning as the new growth business of such big consultants as McKinsey & Co. and Booz, Allen & Hamilton Inc. "Implementation—making a strategy happen—is increasingly what consulting is all about," says John M. Harris, a Booz-Allen senior vice-president. "Companies have had to rethink a lot of the things they've done over the last 20 to 30 years in adding staff, middle management, and analytical jobs," says Daniel M. Glasner of Hay Management Consultants. "What they're saying is, 'We used to do without these things. The recession is forcing us to do without them. And we'll continue to do without them in the future.' "

THE NEW HEROES. That view is pervading executive suites. Declares Rene C. McPherson, retired chairman of Dana Corp.: "The fat is not going to come back." Even with an economic upturn, increased competition means every penny counts. So cuts in middle-management staffs of old-line companies, ranging, for example, from 20% at Firestone and Crown Zellerbach to 40% at Chrysler, are not likely to be reversed. Indeed, they might deepen.

Even industries anticipating steady, albeit slower, growth have slashed staff. Texaco, Exxon, and Mobil have cut planning and marketing staffs, while Alcoa, with demand growth averaging 3% per year—down from 8% in the 1960s and early 1970s—trimmed total management by about 15%. Mergers have resulted in still more reductions. Allied's alliance with Bendix and Occidental Petroleum's with Cities Service, for example, have or probably will make scores of middle managers superfluous.

Those who remain find little security. Instead of serving as monitors of operations, staff managers are now servants of the divisions they ruled, and they must justify their existence. The new corporate heroes actually make, sell, or service products, and are rewarded on how well those jobs are done.

"The 1980s will be a decade in which manufacturing and line operations will be stressed much more than in the last 20 years," notes Robert S. Kaplan, dean of Carnegie-Mellon University's Graduate School of Industrial Administration. Adds Jack F. Reichert, president of Brunswick Corp.: "We've been rewarding bookkeepers as if they created wealth. U. S. business has to make more beans rather than count them several times."

At some companies these sentiments have been put into action. General Electric Co.'s new chairman is John F. Welch Jr., an engineer who built the company's plastics business. Picked by his predecessor, Reginald Jones, a financial expert who had made a careful study of the technological needs of the future, Welch was chosen because he demonstrated entrepreneurial and technical abilities. General Motors Corp.'s president, F. James McDonald, is using his engineering and managerial skills in an effort to improve car quality.

These leaders share a common background and value system: They all have operating experience, and they have succeeded in the new environment, assimilating new technology into products and forging blue- and white-collar workers into teams. They respect accomplishment and promote accordingly. Typical is James A. Meehan's rise at *GE*.

If Meehan is the new corporate hero, less accomplished managers are viewed as enemies. Within weeks of assuming control of Honeywell's computer operation, Vice-Chairman James J. Renier lopped off 1,371 staff and other middle managers. Says Renier: "There are two ways of managing: One requires a lot of useless staff, and the other lets people do their jobs and tell you what expertise they need. If you've got a staff that is either trying to do the line job or has turned into a large group of scorekeepers, you had better get rid of that staff."

"People who make decisions, not recommendations," are the only middle managers currently in demand, reports J. Gerald Simmons, president of Handy Associates Inc., a New York-based executive recruiter. Even McKinsey, one of the management consultants famous for hiring *MBA*s, is shifting its recruiting focus from business schools to industry.

FREEDOM TO ERR. But cultures are hard to change. In its battle to become more competitive, Xerox Corp. has had to fight its entrenched system. Managers are still reluctant to use their newfound authority for fear of being second-guessed. Executive Vice-President William F. Glavin recalls a line vice-president vacillating over a pricing move because it differed from the view of the staff man who once made such decisions. "The corporate culture change is huge," Glavin acknowledges.

So even when *GE*'s Welch warns his managers that there is room only for the "better than the best," that does not guarantee instant compliance. Freedom to make decisions brings with it freedom to make mistakes, and middle managers want to see what the penalties are before they embrace the new autonomy. Asked to take new risks, they fear reprisals if their performance falls off. Even managers whose specialties are in strong demand have to worry. Stan B. Osenar, director of data processing at Medical Mutual of Cleveland Inc., somberly notes that "even the computer jock is no longer immune. I am safer than a sales district manager, but both of us live and die by our performance."

To make good decisions today, managers must deal with several issues, including the internationalization of their markets, complex financial transactions, and the impact of technology on their products. Technology is also changing the very nature of and need for middle-management jobs. Sales staff in industries ranging from brokerages to pharmaceuticals are, or soon will be, consulting their computers—rather than their managers—for pricing, inventory, and market information. With less paperwork, sales managers can cover larger territories and get faster feedback on performance and problems. Similarly, computer-aided design and manufacturing allowed Chrysler Corp. to halve its engineering group to 4,000 without sacrificing its product-development programs.

Only one element could reverse such cuts: an information-management staff that would rival in size the middle-management group it replaces. Many companies are determined to avoid that pitfall. *GE*'s Drive Systems Div. uses a single data base for all departments to prevent a rise in "infocrat" empires. "The biggest single thing that will make information technology a monster is if information bureaucracies grow up in each function," says Donald E. Kane, *GE*'s manager for corporate organizational planning.

NOWHERE TO CLIMB. Other problems are not as tractable. Fewer management layers mean fewer chances for promotions. "It used to be if you weren't promoted in two years, you weren't on the fast track. But the rapid promotions are ending. We're looking at two to five years, and we won't [promote] sooner unless it's vitally important," says Gerald G. Carlton, vice-president for human resources at Diamond Shamrock Corp.

But this creates new problems. "We can't afford to have a person between the ages of 28 and 35 spend five years on one job, [but] it's hard in our culture today to get people to move laterally," concedes *GE*'s Kane. Adds Howard V. Knicely, vice-president for human relations at *TRW* Inc.: "American business must escape the syndrome that everything must go up, including people."

All these trends mean that middle-management jobs are becoming tougher, more competitive, and less secure. "It used to be that there was always another rung in the ladder. For many, there is no longer anywhere to climb," mourns a manager in Ohio who was fired and had to settle for a much lower salary.

The fallout will hurt companies as well. Only a few have established retraining programs. Warns Walter K. Joelson, chief economist at *GE*: "How to get rid of unwanted workers is the name of the game right now. But 7 to 10 years from now it will be tough to find the people we want to hire." Unless companies and universities face up to this, declares Columbia Business School Dean John C. Burton, "we will be writing off a whole generation." One thing is certain: Revolutions never retreat. They may collapse, but considering the impetus behind the electronics revolution, these early changes may represent only the first tremors of an earthquake.

DISCUSSION QUESTIONS

1. What two environmental factors are alleged to be the principal causes of pressure on middle managers' jobs?
2. How are the duties of middle managers changing?
3. How are organization structures, pay systems, and corporate cultures changing?

B-SCHOOLS TRY TO CHURN OUT ENTREPRENEURS

THE PRESSURE TO TRAIN MANAGERS WHO CAN NURTURE HIGH-GROWTH BUSINESSES IS BEING FELT ON CAMPUS

MARCH 5, 1984, P. 102

Wisdom is not finally tested in schools,
Wisdom cannot be pass'd from one having it to another not having it.
Wisdom is of the soul...

Walt Whitman, *Leaves of Grass*

A big question facing major corporations and business schools is whether Whitman's observation applies to entrepreneurship. Judging from the recent proliferation of management courses and research centers, their answer seems to be that entrepreneurship can be learned.

The number of universities with courses or research centers devoted to entrepreneurship has soared from 6 in 1967 to 150 today, estimates Karl H. Vesper, a professor at the University of Washington and an authority on entrepreneurial education. "There is a clear need to develop practices that foster flexibility and responsiveness," says Howard H. Stevenson, who teaches an entrepreneurial management course at Harvard Business School.

Some skeptics worry that many of these courses may be more form than substance—and could backfire once students try to apply their lessons. "It would be a tragedy if you have people coming out of schools into some big companies thinking they are going to be entrepreneurs only to find they need seven approvals to buy $50 worth of paper clips," warns James P. Baughman, head of management training at General Electric Co.

SUCCESS STORIES. Companies hope that entrepreneurs can be bred in the classroom because of their need for managers who can nurture high-growth businesses to replace mature ones. Fueling this interest are the success stories of corporate entrepreneurship—most notably International Business Machines Corp.'s Personal Computer, developed by an "internal startup" team. Another factor: More B-school graduates are opting for small, nonbureaucratic outfits, where the rise to the top can be swift. "Big companies have had an increasingly difficult time getting the cream of the B-school crop," says Rosabeth Moss Kanter, of Yale University's School of Organization & Management.

Many universities have, of course, offered programs on entrepreneurship for years, although most of these focused on creating and running small businesses. At a majority of schools, this is still the main goal. But recently, leading business schools have introduced courses to explore how big companies can develop new products and adapt more quickly to changing markets. At Harvard, for example, Stevenson "spends a lot of time" trying to teach students how to anticipate, rather than just react to, changes in markets—something he believes many large companies fail to do well.

B-school officials anticipate a surge in corporate funding for research on how to foster entrepreneurship and innovation in large companies. Those that have already invested in such research include Aluminum Co. of America and American Telephone & Telegraph Co. These corporations will pressure B-schools "to put more emphasis on corporate entrepreneurship," comments Vesper.

'CORPORATE GUERRILLA.' Leading academics readily acknowledge that they cannot teach someone who lacks the instincts to be an entrepreneur—in a large company or a small one. But, they argue, it is worthwhile to understand what encourages and what inhibits entrepreneurial behavior in a company. Indeed, devising structures that reward employees for risk-taking and facilitate turning ideas into products are hot subjects at Harvard and Northwestern University's J. L. Kellogg Graduate School of Management.

Stanford University's Graduate School of Business is trying to provide would-be corporate entrepreneurs with weapons to defeat bureaucrats they are likely to encounter. One Stanford course teaches students how to champion a new product that does not naturally fit a company's strategy. "Sometimes an entrepreneur has to be something of a corporate guerrilla, operating outside established boundaries," says Harvard's Stevenson.

Some executives question whether such general tactics will be worth much in specific circumstances. "There is an *HP* way of doing things we feel works. But it won't be taught at B-schools," asserts William P. Nilsson, manager of training and management development at Hewlett-Packard Co.

Still, many executives applaud any movement away from a numbers-crunching orientation at B-schools. Says Jack F. Reichert, chairman of Brunswick Corp.: "These courses at least put an emphasis on people management, and that's healthy."

DISCUSSION QUESTION

Why is there increased interest in efforts to teach entrepreneurship?

PROGRESS REPORT ON THE BLACK EXECUTIVE: THE TOP SPOTS ARE STILL ELUSIVE

FEBRUARY 20, 1984, PP. 104-105

When Thomas B. Shropshire went to work for Philip Morris Inc. as a sales representative in a black section of Brooklyn 32 years ago, he knew only too well that the "whites only" bar extended far beyond Southern lunch counters. "That was before the civil rights movement, and the only black managers at corporations were in black sales or black marketing," Shropshire recalls. "I seriously considered going out on my own because it was a little difficult to imagine things would change as drastically as they have."

Shropshire is now a senior vice-president and director of Miller Brewing Co. in Milwaukee, as well as a vice-president of parent Philip Morris. His career illustrates how much corporations have changed during the past three decades. Yet, as a black senior officer, Shropshire remains a rarity in corporate America. "The biggest challenge now is getting blacks moved up," he says.

"We have progressed, but in some ways it's been like throwing a dog a bone," says lawyer Donald Murphy, former assistant director of labor relations at Sherwin-Williams Co. and current chairman of a Cleveland group called Blacks in Management. "Black managers usually still lack the level of influence, money, and perks [that white managers have attained]. The next step is upward mobility, board seats, and salaries comparable to those of whites." Tired of waiting for that next step, some black managers have abandoned corporate life to start their own businesses.

FALLING BARRIERS. Blacks have made uneven progress in corporate ranks, although many of the barriers to management jobs have fallen. According to the federal Equal Employment Opportunity (EEO) Commission, the number of blacks holding jobs classified as "managers and officials" increased 135.8% between 1972 and 1982, to 174,003. Blacks constituted 2.4% of all officials and managers in 1972 and 4.3% in 1982. And the National Black MBA Assn. in Chicago estimates that about 10,000 blacks now hold that coveted degree—almost a prerequisite for advancement into top management at large corporations.

But this dramatic increase in the number of blacks in the corporate arena is not matched by equal status with their white counterparts. Black college graduates are still 1.5 times more likely to be employed in public-sector jobs than in private industry, according to Charles L. Betsey, a researcher at the National Academy of Sciences in Washington. Even more worrisome, black managers in the private sector fear that they are becoming stuck in middle-level jobs with little chance of ascending to the executive suite.

"You would be lucky to find two dozen black senior executives who are heads of divisions or subsidiaries in all the Fortune 1,000 companies," estimates Charles Grant, immediate past president of the Black MBA Assn. Concurs a black corporate officer at a major manufacturer: "You can still manage to count those of us who have significant profit-and-loss responsibility on your fingers and toes."

Explaining this dearth of black senior managers is almost as complex as explaining the blacks' perpetual game of economic catch-up with white America (BW—Nov. 30, 1981). Many corporate personnel executives attribute the small number of black top executives to the relatively brief period during which blacks have held management positions at mainstream companies. "No matter who you are, it will take 15 to 20 years to move into senior management," says Carl English, president of M/A-COM Inc.'s Information Systems Div. in Rockville, Md.

PRIVATELY BITTER. But English and other black executives point to other factors that have stalled blacks' advancement—and these have nothing to do with time. For one, many blacks who joined corporations in the 1960s and early 1970s were shunted into staff areas such as personnel, public or government relations, and affirmative-action compliance—special-ties that are not the speediest way to the top jobs.

Six out of 10 managers surveyed in an unpublished study of 303 black middle-level and senior executives at large companies worked in staff, rather than line, departments, according to Regina Nixon, senior research associate at the National Urban League in Washington. A full 32.7% of those surveyed worked in the public relations and personnel fields alone. And only 13% of Nixon's full study group—81% of whom had graduate degrees—rated their mobility prospects as high.

"If you look at chief executives of top companies, you'll see a large number of them coming ... from the legal, financial, and marketing areas," notes Philip Morris' Shropshire. Adds Roland C. Baker, president and CEO of Montgomery Ward Insurance Group in Chicago and the highest-ranking black at a major insurer: "When I talk to [black] students in business schools, I tell them that if they want to grow in a business very rapidly, get into a financial, technical, or a line area. What we don't need is another black EEO director."

Some black executives are privately bitter about the limited advancement potential of such "traditional" black staff job areas, arguing that the first black managers in the late 1960s and early 1970s had little choice of routes into corporate life. When the 1960s civil rights push came, white