

THE AMERICAN OVERSEAS EXECUTIVE:
AN EXTERNAL PROFILE

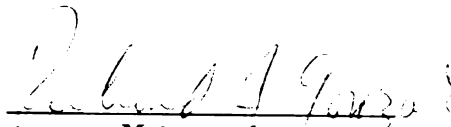
Thesis for the Degree of Ph. D.
MICHIGAN STATE UNIVERSITY
Carlos J. Malferrari
1965

This is to certify that the
thesis entitled
THE AMERICAN OVERSEAS EXECUTIVE:
AN EXTERNAL PROFILE
presented by

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has been accepted towards fulfillment
of the requirements for

Ph.D degree in Management


Major professor

Date May 19, 1965

ABSTRACT

THE AMERICAN OVERSEAS EXECUTIVE: AN EXTERNAL PROFILE

by Carlos J. Malferrari

Americans overseas executives are primarily responsible for managing the 40 billions of dollars privately invested abroad. The individual overseas executive operates in a strange business environment to say nothing of the socio-economic, cultural and political differences he encounters. He manages the firm's resources and is a defacto ambassador for his country. However, rarely has he received enough attention from students of management. Current knowledge about him is largely restricted to his post-departure experiences. His behavior has been observed by some in order to prescribe ways to improve his efficiency and his image abroad.

The main purpose of this research was to study the overseas executive from a new perspective--to study the period before he decided to work abroad. The research was designed to produce the external profile of the overseas executive; his nativity, occupational origins, education, military life, marriage and business career. Generalizations resulted about the forces and factors (exclusive of personality traits and inner motivations) significant in his life and career.

The research was patterned after the widely known studies of Professor W. Lloyd Warner and his associates regarding the business and government executives and Dr. Thomas R. O'Donovan's study of high and low level managers. It was anticipated that the profile would be valuable to better

understand the overseas executive, and also permit comparisons with other executive types.

The methodology was accordingly modeled broadly on Warner's procedures. Fifty-two multinational firms from five major business categories were selected subjectively but with a view to representativeness and after consultation with many directors of international activities. From the 2,391 questionnaires sent to executives abroad, 1,161 were returned (48.6 percent) and 893 U.S.-born were segregated as the sample. Given that the respondents were located all over the world, it was impossible to perform a follow-up to the initial distribution of the questionnaire, but there are sufficient reasons to consider the sample representative of the U.S.-born business population overseas.

The external profile depicts the typical overseas executive as a man born in 1922 of American ancestry in an Eastern or Midwestern community of over 100,000 inhabitants. His father was moderately mobile, occupationally, and engaged in business, broadly defined. Eighty-one percent of the overseas executives graduated from college, in the East or Midwest, specializing in liberal arts or business administration. Prior to his departure overseas, the executive was brief about the subsidiary, his expected behavior overseas and received some language preparation. He is a veteran of military service. His wife is U.S.-born from a comparable social class and is highly educated. His 15-year business career is marked by rapid promotions until a top executive position was achieved--before the executive was 40 years old. Education speeded up his career and increased his stability on the job.

Comparative analysis indicates that important similarities exist between the overseas executive and the other executive types i.e., the big business leader, federal executive, etc. Significant differences were noted only with respect to formal education (that of the overseas executive was superior to that of the business leader) and interfirm mobility--less for the overseas executive. He entered business at age 22, his present firm at age 27 and went abroad at age 30; he was employed domestically for a time and it is not surprising that he shares certain characteristics common to all executive types. His motivation to go abroad develops under circumstances not clearly specified by an external profile with limited predictive value.

The comparison with O'Donovan's executive and lower manager definitely places the overseas executive in the statistical population of the former; he is significantly different from the lower manager. Thus comparisons with both Warner's and O'Donovan's executives force one to dismiss the frequently stated hypothesis that the overseas executive is a second stringer. The external profile demonstrates convincingly that he is a high level executive with impressive credentials.

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by

Carlos J. Malferrari

A THESIS

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Management

1965

25/2/1
2-7-66

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1966

ACKNOWLEDGMENT

I owe my appreciation and gratitude to a score of friends and colleagues as they helped to make this thesis possible. Some gave me much needed incentive and encouragement, others collaborated with suggestions and contributions of time and knowledge.

Of those who provided me with constructive guidance and valuable time and effort, I am most thankful to Professor Richard F. Gonzalez, Chairman of my Dissertation Committee for his close collaboration, and to Professors Stanley E. Bryan and Donald A. Taylor for the fruitful discussions on the subject. Also, to Professor Anant R. Negandhi of the University of California at Los Angeles for his work during the initial stages of the research, which included interviewing, elaboration of questionnaires and tentative tabulation.

Among those who provided incentive are Professor Flavio Penteado Sampaio, former Director of the Escola de Administração de Empresas de São Paulo da Fundação Getulio Vargas and colleagues of mine in Brazil; at Michigan State University, particularly Dean Alfred E. Seelye and Professors Claude McMillan, Jr. and Milton B. Dickerson.

Finally, the study could not have been made without the cooperation of the overseas executives themselves and their firms.

To my wife Lilia and my sons
Carlos Afonso and Ricardo José,
for their understanding and
constant incentive.

TABLE OF CONTENTS

	Page
LIST OF TABLES	viii
LIST OF APPENDIX TABLES	xi
Chapter	
I. INTRODUCTION	1
The World of the American Overseas Executive . . .	1
The Role of the American Overseas Executive . . .	4
Rationale for the Study	6
The Concept of the External Profile	8
Hypotheses	10
Organization	12
II. METHODOLOGY	14
Development and Analysis of the Questionnaire . . .	20
Personal and Family Data	20
Education	22
Military Service	22
Domestic Business Career	23
Business Career Overseas	24
Miscellaneous	24
Analysis of the Returns	25
Accuracy of the Returns	29
III. NATIVITY OF THE OVERSEAS EXECUTIVE	32
The Regions that Produce Overseas Executives . . .	33
Contribution of Communities of Different Sizes . .	37
Nativity of Three Generations	38
IV. OCCUPATIONAL ORIGINS AND MOBILITY	42
Intragenerational Mobility of the Executive . . .	44
The Occupations of the Fathers	45
Intragenerational Mobility of the Father	48
Mobility Throughout Three Generations	51

Chapter		Page
V.	THE EDUCATION OF THE OVERSEAS EXECUTIVE.	55
	Amount of Education of the Overseas Executive . . .	56
	Occupation of Father and Education of Executive . .	58
	Education of Father and Education of Executives . .	60
	Specialization of the Overseas Executive.	61
	Types and Location of Colleges Attended	62
	Size of Birthplace and Education of the Overseas Executive	66
	Training for the Overseas Job	67
VI.	MILITARY EXPERIENCE.	71
VII.	THE WIVES OF THE OVERSEAS EXECUTIVES	75
	Nativity of the Wives	77
	The Occupations of the Wife's Father.	80
	The Education of the Wife	84
VIII.	THE BUSINESS CAREER.	89
	The Career Patterns	89
	Achievement Time.	91
	Interfirm Mobility.	96
IX.	THE EXTERNAL PROFILE OF THE OVERSEAS EXECUTIVE	100
	Nativity.	100
	Occupational Origins.	101
	Education	101
	Military Life	102
	Marriage.	103
	Business Career	103
X.	THE OVERSEAS EXECUTIVE CONTRASTED WITH OTHER EXECUTIVE TYPES.	106
	The Overseas Executive and the Business and Government Executives	107
	Nativity.	107
	Occupational Origins.	110
	Education	111
	Military Life	113
	Marriage.	113
	Business Career	114
	The Overseas Executive and O'Donovan's Executive and Lower Manager	117

Chapter	Page
Nativity.	117
Occupational Origins.	117
Education	117
Military Service.	118
Marriage.	119
Business Career	120
 XI. IMPLICATIONS AND CONCLUSIONS	 121
 APPENDICES	 126
Exhibits.	127
Appendix I	
Foreign Assignments as Viewed by the Overseas Executive	133
Type of Training the Overseas Executive Considers Most Helpful	133
Ideal Background for an Overseas Career. .	136
Circumstances which Influenced Decision to Accept a Foreign Assignment.	137
Appendix II	140
 BIBLIOGRAPHY	 166

LIST OF TABLES

Table		Page
1	Private U.S. personnel overseas distributed by industrial classification.	15
2	Comparative distributions of mailings	16
3	Mailings and usable returns of the questionnaire.	26
4	Distribution of respondents by geographic location.	29
5	Distribution of the 1963 overseas executive by region of birth and the 1920 adult population by residence.	34
6	Percentage distribution of the overseas executives by region of birth and location at the time of the survey.	36
7	Size of birthplace of the overseas executive and size of community of residence of the 1920 U.S. population.	38
8	Nativity of the overseas executive, his father and paternal grandfather and the U.S. Population in 1960.	39
9	Chronological sequence of events during the life of the overseas executive and his corresponding ages	40
10	Starting and current positions occupied by the overseas executive with the present firm	45
11	Occupational distribution of the fathers of the 1963 overseas executives and of the 1960 U.S. male adult population, and the ratios of their proportions	47
12	Changes in distribution of occupations of fathers of the 1963 overseas executives.	49
13	Occupational mobility of the fathers of overseas executives during the fathers' career.	50
14	Occupational mobility throughout three generations.	51
15	Movement of the overseas executive's father out of the occupation of the paternal grandfather.	53
16	Education of the overseas executive and of the U.S. adult male population in 1960	57

Table		Page
17	Occupational mobility and the education of the overseas executive.	59
18	Education of overseas executives and their fathers	60
19	Bachelor degree specialization	61
20	Types of colleges where degrees were obtained.	63
21	Location of colleges attended for bachelor and post-graduate degrees and the region where the overseas executive was born	64
22	Regions of birth and location of college for bachelor degree	65
23	Locations of college for bachelor and post-graduate degrees	65
24	Education of overseas executive and the size of his birthplace.	67
25	Special training received in preparation to go overseas. .	68
26	Ranks for the overseas executives at entry and exit from the armed forces	72
27	Mobility of the overseas executive while in the armed forces	73
28	Nativity and citizenship of the overseas executives wife .	77
29	Present location of the overseas executive in relation to the birthplace of his wife	79
30	Occupations of the wife's father and of the executive's father	80
31	Occupational mobility and marriage: occupation of wife's father by occupation of overseas executive's father. . . .	81
32	Occupational mobility and marriage	83
33	Marriage and achievement time: mean number of years to achieve present position for executives by occupation of father and wife's father	84

Table		Page
34	Education of the wife and of the U.S. adult female population, and comparison with the executive's education. . . .	85
35	Inter-educational level comparison for husband and wife. . .	86
36	Education of the wife and of her father and of the executive's father	87
37	Career sequence of the overseas executive.	90
38	Achievement time: ages at which the overseas executive entered different positions in his working career.	93
39	Career speed and educational attainment.	95
40	Number of firms the executive worked for in his business career, as an executive and in his overseas assignment . . .	97
41	Interfirm mobility and education	98
42	Chi-squares of selected characteristics for the overseas executive and Warner's business and government executives. .	108
43	Chi-squares of selected characteristics for the overseas executive and O'Donovan's executive and lower manager. . . .	109
44	Career speed of the executives: number of years to achieve top executive level.	115
45	Career speed and education	116
46	Education of the overseas executive and of the higher executive and lower manager	118

APPENDIX TABLES

Appendix I

Table		Page
1	Special training received before departure and training overseas executive and considers most helpful.	134
2	Ideal background for an overseas career.	136
3	Circumstances that influenced the decision to accept a foreign assignment	137
4	Advantages of foreign assignments.	138
5	Disadvantages of foreign assignments	139

Appendix II

1	Types of firms included in the research.	140
2	Age of the overseas executive.	141
3	Country of birth and citizenship of the overseas executive .	142
4	States of birth of the overseas executive.	143
5	Birthplace and citizenship of the fathers and birthplace of the grandfathers	144
6	Distribution of birthplaces of the fathers and grandfathers.	145
7	Number of times the father moved with his family during the childhood of the overseas executive.	146
8	Ratios of movement and of occupations of overseas executives' grandfathers into occupations of fathers	147
9	Age of college graduation of the overseas executive.	148
10	Education of the parents of the overseas executive	148
11	Year the overseas executive married.	149

Table		Page
12	Number of children of the executive.	150
13	Birthplace and citizenship of the wife's father.	151
14	Occupational background of the wife and the education of the overseas executive	152
15	Regions of the U.S. where the executives were born and ratios of executives to population.	153
16	Sizes of birthplaces of the executives	154
17	Nativity of the ancestors of the executive	154
18	Occupational origins of the executive.	155
19	Mobility of the fathers from the time the executives were in grammar school to when they became self-supporting	156
20	Intergenerational mobility between the grandfather and the father of the executives	157
21	Education of the executives and ratio of executives to population	158
22	Occupational origins and college education of the executives	159
23	Educational origins and college education of the executives.	160
24	Occupational origins of the executive's and of their wives .	161
25	Career sequence of the executives.	162
26	Interfirm mobility of the executives during their career and as executives.	163
27	Interfirm mobility of the executives and their education . .	164
28	Military career: ranks of entrance and discharge	165

CHAPTER I

INTRODUCTION

The World Of The American Overseas Executive

This research is a study of the background of the American overseas executive in order to trace his external profile. For that purpose a questionnaire survey was conducted to obtain data that could be useful in describing the social, educational and occupational backgrounds of the overseas executive, and subsequently allow comparison between him and his domestic counterpart who is the object of various completed studies.

Increasingly the American overseas executive lives and exercises managerial abilities in every corner of the globe in an international business community in which enterprise is becoming "multinational" rather than national. This trend increased markedly after World War II.

The participation of firms from the United States in that community is a major one; investments made by them are currently estimated at 44¹ billion dollars and growing rapidly. The dollar volume of output from U.S. foreign owned factories is larger than the value of exports from the U.S.² Of the 100 largest U.S. corporations, ranked by 1957 sales,

¹"Yanks Go Home," The Wall Street Journal (New York), March 8, 1965, p. 1; The New York Times, February 15, 1964, p. 63.

²Joseph W. McGuire, Business and Society (New York: McGraw-Hill Book Company, Inc., 1963), p. 233.

99 are involved in some form of overseas activity,³ and many firms are⁴ drawing a major portion of their business from abroad.

Widespread interest in international business activity arises basically because despite an array of difficulties, profits abroad are rewardingly high; an initial investment may be completely paid off in four to five⁵ years.

At first, the managements of the investing companies were more concerned with quick returns, but people in the developing host countries have entered what Cleveland, Mangone and Adams call the "Triple Revolution"; rising economic expectations, rising resentment against inequality and rising determination to be "free".⁶ Thus the more pragmatic objective had to be greatly modified and international management found that it could no longer conduct its business abroad as if it were an extension of domestic activities.

These new factors that influence international business may be attributed to the changing legal, political, social and economic environments in which the activities are carried out and affect the multinational firm's organization and operations. The principal requisite for success has become the equating of the company's interest with the interest of the host country. Harbison and Myers remark that:

³John C. Shearer, High-level Manpower in Overseas Subsidiaries (Princeton: Industrial Relations Section, 1960), p. 3.

⁴John Fayerweather, "Foreign Operations: A Guide to Top Management," Harvard Business Review, Vol. 35, No. 1 (1957), p. 127.

⁵Harlan Cleveland, Gerard J. Mangone and John Clarke Adams, The Overseas Executive (New York: McGraw-Hill Book Company, Inc. 1960), p. 103.

⁶Ibid., pp. 5 and 99.

"In general, . . . underdeveloped countries are anxious to have foreign capital and foreign management if they make a contribution to local development. As industrialization progresses, however, the attractiveness of foreign interests tends to diminish. Foreign capital investment without foreign management control may be welcomed, but in the long run, no country wants to have its major economic institutions under the control of foreigners."⁷

There are other problems that tend to sharpen the contrast between foreign and domestic business activities. Some evidence has been found⁸ that management does not differ essentially from country to country. However, others contend that cultural differences influence business management to a greater extent than is realized and that the American philosophy of management is not universally applicable but is rather a special case.⁹

Consequently it is vitally important for American businessmen to acquire a true understanding of the differences they will face when they attempt to do business abroad. They may come to accept the concept that, ". . . perhaps the most important role of business in the world affairs is that of acting as a catalyst in helping to break the cultural and social restraints that have held so many in physical and mental bondage so long. . . no other institution in modern history has been able to demonstrate

⁷ Frederick Harbison and Charles A. Myers, Management in the Industrial World (New York: McGraw-Hill Book Company, Inc. 1959), p. 379.

⁸ Ibid., pp. 121-22.

⁹ Richard F. Gonzalez and Claude McMillan, Jr., "The Universality of American Management Philosophy," Journal of the Academy of Management, Vol. 4, No. 1 (1961), 33-41; Winston Oberg, "Cross-Cultural Perspectives on Management Principles," Journal of the Academy of Management, Vol. 6, No. 2 (1963), 129-143.

equal effectiveness as a force for the enduring unification and liberation
¹⁰
 of mankind."

The Role of the American Overseas Executive

It is in this changing world business community that the object of this study, the American overseas executive, is found. He is a valuable resource supplied by his company to the host country. He is not merely a stateside export manager, but rather an entrepreneur, a politician, an ambassador and a professional administrator, living and working in a culture often quite different from his own. His competence, conduct, and the way he treats local employees are the most important trademarks of the U.S. firm abroad. For better or for worse his task is immensely complicated by the existence of nationalism, racism and the rising expecta-
¹¹
 tions all around him.

The overseas executive has a triple responsibility: to his own country, as an ambassador whether he thinks so or not; to his company which expects his loyalty as an employee; and finally, to that country where he lives and conducts his business activities. He is a very conspicuous figure because his traditions, education, religious belief and way of life are often very different from those of the host nationals.

It is not surprising then that needed qualities for the job have
¹²
 been specified in many instances. Cleveland, Mangone and Adams have

¹⁰ Courtney C. Brown, "The Roles of Business in World Affairs," The International Executive, Vol. 1, No. 3 (1959), 33-39.

¹¹ Cleveland, Mangone and Adams, op. cit., p. 99.

¹²
Ibid., p. 124.

suggested five elements for a relevant overseas performance: technical skill, belief in mission, cultural empathy, a sense of politics and organizational ability. For Fayerweather, ". . . certain important qualities emerge as essential: objectivity, and open-mindedness (to make possible an understanding of the nature of the differences in the value systems), tolerance of these differences, and a knowledge of the history and life of the country."¹³ The "Factor X", considered indispensable by Shearer,¹⁴ encompasses all personal attributes required for overseas success: friendliness, lack of racial and religious prejudice, adaptability, cultural empathy, and overall ability to achieve firm's goals through acceptance and cooperation.¹⁵

Whether these qualities are fully encountered in the overseas executive, the fact remains that the U.S. firm depends upon him to manage its investments abroad. Although local nationals are being employed in ever increasing numbers,¹⁶ control of the typical U.S. foreign investment

¹³ John Fayerweather, The Executive Overseas (Syracuse: Syracuse University Press, 1959), as quoted by Seymour L. Linfield, "Looking Around: Overseas Operations", Harvard Business Review, Vol. 38, No. 5 (1960), p. 45.

¹⁴ Shearer, op. cit., p. 73-74.

¹⁵ This is in addition to all skills substantially needed for domestic business activities.

¹⁶ Despite the fact that firms such as Singer, U.S. Rubber, Standard Oil (New Jersey), First National City Bank of New York, and others, are hiring more non-Americans for assignments abroad at the executive levels, there are some firms, Ford Motor Company for example, that are doing the opposite. They are tightening central office control over global operations reasoning that their operations are basically American and should be run from the United States. The trend, nevertheless, is contrary to Ford's policy; the number of American overseas executives has been relatively steady for the last ten years while the number of local nationals is growing. See, "Yanks Go Home", Wall Street Journal, March 8, 1965, p. 1.

still remains in the hands of Americans whether located at the domestic headquarters or stationed abroad. Complete or quasi-complete participation in the ownership of the foreign firm or subsidiary permits almost absolute control principally of financial matters and major policy decisions. Therefore one can only conclude that expectations are for an ever growing demand for qualified executives willing to accept foreign assignments.

Rationale for the Study

A survey of the current literature on international management reveals that the overseas executive has been the subject of numerous books, articles, conferences and seminars.¹⁷ Further, there are specialized journals on the subject,¹⁸ and schools of business throughout the country have added courses on international management.¹⁹

In this literature the American overseas executive has been praised for his willingness to leave the comforts of home, for foregoing promotion opportunities in his domestic organization, for the hardships of living in foreign countries, for the positive contributions he has made. On the other hand, he has been sharply criticized for failing to really adapt to the overseas environment, for not being a first-rate executive and for the

¹⁷The bibliography of this study presents a representative, although incomplete list of publications on the subject.

¹⁸For example, The International Executive, Management International, International Management Digest. Moreover, there are specialized sections in many journals and newspapers devoted to international business and trade.

¹⁹Most courses lack rigorous treatment of the subject. See Donald G. Halper, "The International Dimension and the Business School", Collegiate News and Views, Vol. XVII No. 1 (1963), pp. 7-10.

many blunders he makes abroad, that hurt both his country and his company,²⁰ for which he has occasionally received the epithet, "the ugly American".

In most cases the literature has been rich in works that dealt primarily with the behavior of the executive when overseas, his motivations for accepting the foreign assignment, the problems he and his family encountered in cultures strange to them, his formal and informal relationships within and outside the company, and his training before departure. Not only did praise and criticism emerge but as implied above, a series of recommendations and suggestions have been made to improve the executive's behavior. In essence these studies prescribed pragmatic measures to achieve this desired performance.

Nevertheless, there is a lack of information about the background of the overseas executive before he leaves the U.S., and even before he enters any kind of training program after having decided to try a foreign assignment. Very little is known about his origin, family, education or career prior to his involvement in foreign business. Questions about his social, cultural and economical backgrounds still remain unanswered, notwithstanding the fact that knowledge of such factors would contribute to a better understanding of the manager in his international role.

The scarcity of data of this kind is the motivation for this study as well as the possibility that a contribution will be forthcoming to further

²⁰ Most writers present both the favorable and the non-favorable aspects of the overseas executive. See the works mentioned before by Cleveland, Mangone and Adams, Shearer, Fayerweather and McGuire. See also Francis X. Hodgson, "The Selection of Overseas Management", Business Topics, Vol. 11, No 2 (1963), 49-54. The ugly American image evolved from the work of William J. Lederer and Eugene Burdick, The Ugly American (New York: W. W. Norton & Company, Inc., 1958).

the knowledge about the overseas executive. The work itself follows generally the basic research design W. Lloyd Warner and his associates employed in their studies of domestic executives in private business and in government. They sought to analyze the crucial role of the executive in the domestic scene by investigating his social origin, education,²¹ mobility, attitude, and personality structure.

Some limitations had to be imposed on the present research because of insufficient resources; in consequence, the study does not enter into the private world of the overseas executive for an examination of his personality, inner drives or social background.²² The study is thus reduced to what is defined as the external profile of the executive.

The Concept of the External Profile

²³A profile briefly outlines the most outstanding characteristics of a subject or thing, and it may result when generalizations are made about a group of subjects or things with respect to a number of common characteristics. Applied to the subject of this study, this becomes an attempt to generalize to identify a composite executive profile.

Two major kinds of profiles can be recognized here, namely the individual and the composite profile. The former is a profile of a particular executive, and the latter is a generalization about a group of executives

²¹W. Lloyd Warner and James C. Abegglen, Occupational Mobility in American Business and Industry (Minneapolis: University of Minnesota Press, 1955); and W. Lloyd Warner and James C. Abegglen, Big Business Leaders in America (New York: Harper & Brothers, 1955). Also, W. Lloyd Warner, Paul P. Van Riper, Norman H. Martin and Orvis F. Collins, The American Federal Executive (New Haven: Yale University Press, 1963).

²²See Chapter II for details of the methodology.

²³From the Latin, profilare, to outline.

within the limits imposed by the class designation. Both profiles interact in the sense that an individual occupying an executive position usually plays the role attributed to that position; the role in turn is affected by the composite profile made up from those who occupy such a position.

This study is concerned solely with the external profile. Within this classification however, two other types of profiles are recognized and mentioned here for purposes of contrast: the image profile, related to popular myths, unconscious and conscious image build-ups;²⁴ and the internal profile,²⁵ related to inner motivations, attitudes and orientations of persons, such as executives.

The external profile, for the purposes of this research, is a generalization about the overseas executive and his environment, and the forces and factors significant in his life and in his business career. This approach, as contrasted with the internal profile approach, reflects the situational theory of leadership that holds that the situation makes the leader. In a restricted sense the situational leadership theory might only apply to small groups and specific situations. However, broadly interpreted it would include the background of the executive and the institutions that form his environment. Some of the important institutions are government, business, school, church, family, as well as institutional relationships of a recreational nature; these are all interdependent and

²⁴ Unconscious build-ups are associated with the "hero" myth, for example, and conscious build-ups with the public relations men, for example, who contrive to build up the public image of a man.

²⁵ The internal profile is associated with the "trait" theory of leadership, which today is not so much in vogue as years ago. According to that theory heroic traits can be identified in leaders which would distinguish them from other men not so favored.

interacting but through observation and questioning certain characteristics of the external profile will evolve.

External profiles are related to mobility studies because the process of becoming is a dynamic one. Mobility studies are concerned with the advancement of persons within social groups and organizations in terms of jobs and careers. The profile depicts in outline form the executive's family background, schooling, job sequences, etc. These studies clearly de-emphasize personality and inward strengths, directing attention to the external aspects of the executive. In addition to the Warner studies, ²⁶ others have done similar work so that external profiles of executives in different generations and occupying different positions can be placed side by side for comparative analysis.

Summarizing, the external profile of the overseas executive will comprise data about his nativity, education, military service, marriage, domestic and foreign business careers, with additional data regarding occupational and educational origins. Personality studies and psychological profiles obtained through depth interviews and projective techniques will not be considered.

Hypotheses

Determination of an external profile of the overseas executive is considered to be sufficient output in the present study. The data to be collected and analyzed is valuable in supplementing existing data of a

²⁶ Mabel Newcomer, The Big Business Executive-The Factors That Made Him, 1900-1950 (New York: Columbia University Press, 1950); Walter Guzzardi, Jr., "The Young Executives," Fortune, (June 1964), p. 97, The American Federal Executive.

more subjective character. But questions do arise regarding the information to be generated. Is it possible through study of the external profile exclusively to find significant difference between the individuals assigned overseas and other types of executives? Or could these differences be discovered only by inquiring into the inner drives, motivations and personalities of the executives? The following hypothesis therefore is proposed: the external profile would provide a basis for differentiating one type of executive from the other.

It was quite natural that the business leader studies by Warner and Abegglen should be one of the types chosen, as their questionnaire served as a model for this research. Theirs is a very well known study, detailed, and covering fully the elements for developing an external profile for which comparisons would be. The same considerations apply to Warner's research on the federal executive; in addition it is a more recent study. When comparing the overseas executive with the federal executive, for obvious reasons, the military will be excluded. From the civilian group (among the federal executives) the foreign-service executive will be singled out for the present research since it is assumed that their careers might parallel those of the foreign manager. The career-service and the politically appointed federal executives will be excluded for purpose of comparative analysis.²⁷

There is another work, by O'Donovan, in which a comparative study of executives and lower level managers is made. Profiles of both groups were

²⁷ Warner and Abegglen, The Occupational Mobility. . .; and Big Business Leaders. . .; Warner et. al., The American Federal Executive.

drawn which indicated definite divergencies between the backgrounds of both.²⁸ O'Donovan's survey questionnaire was modeled after Warner's.

It is hypothesized that a comparison of O'Donovan's data with that of the present study will show that the overseas executive is more nearly similar to the upper executive O'Donovan studied than they are to the lower level manager. This hypothesis, if proved, could dispel the assertion that individuals working in foreign assignments compared poorly with their domestic counterparts, i.e., that they are "second raters".²⁹

In conclusion, this research has as its main purpose to define the external profile of the overseas executive by investigating his social, educational and occupational backgrounds. In addition two other relevant purposes exist: to learn whether the profile so determined is a useful tool for contrasting the overseas executive with executives in business and government (as studied by Warner and O'Donovan); and through such comparisons of the overseas executive with other types to confirm or deny existing conceptions about the quality of the overseas executive.

Organization

The following chapter deals with the methodology used in this research. The next seven chapters will be given to the development of the external profile. Chapter X brings together the executive types to be compared, that is, the business leader, the civilian federal executive, the foreign

²⁸ Thomas R. O'Donovan, "Contrasting Orientations and Career Patterns of Executives and Lower Managers" (unpublished Ph.D. dissertation, Department of Personnel and Production Administration, Michigan State University, 1961).

²⁹ See, for example, Shearer, op. cit., p. 76; and Hodgson, op. cit., p. 51.

service executive, the higher and lower level managers, with the overseas executive. Chapter XI is a summary and statement of conclusions. Appendix I discusses opinions of the executive on subjects requested by the questionnaire, such as, about the training he received prior to his departure, advantages and disadvantages of foreign assignments and so on. Finally, Appendix II is a list of tables of interest but not essential to the study.

CHAPTER II

METHODOLOGY

In order to achieve the objectives of determining the external profile of the overseas executive, and of testing the hypotheses, approximately 2,400 questionnaires were distributed to executives presently working overseas for more than fifty multi-national companies representative of all major categories of business activity. These firms were selected after scrutinizing specialized directories and listings of firms with international investments. Reference was also made to various standard directories and reports such as International Yellow Pages, Moody's and Standard and Poor's.

According to the 1960 U.S. Census there were about 45,000 Americans working overseas for private firms, of which approximately 27,000 might be included in one of the five categories of business activity used in this research. Distribution of this total is shown in Table 1. It must be assumed that the 27,000 were distributed in positions at all levels¹ of management as well as non-managerial positions although the research was concerned only with those in executive positions near the top. Thus the figure, 27,000, is too high. The figure, 25,000, can be accepted as

¹There are many ill-defined levels of managerial positions, all classification systems are arbitrary and their applicability limited, however, three levels, high, middle and low, are typically used in management and organization literature. Supervisors and technicians were excluded from the survey.

Table 1.--Private U.S. personnel overseas distributed by industrial classification*

Industrial Classification	Number	Percentage
Manufacturing and Mining	15,843	35
Wholesale and Retail Trade	4,088	9
Banking, Insurance, Real Estate	1,081	3
Transportation, Utilities, Communication	2,649	6
Services (personal, business, repair, etc.)	3,942	9
	<hr/>	<hr/>
Subtotal	27,603	62
Others (Professionals, Public Administration, Construction, Agriculture, Forestry and Fisheries)	16,704	35
Nonreported	1,510	3
	<hr/>	<hr/>
Totals	45,817	100

*From: U.S. Department of Commerce, Bureau of the Census, U.S. Census of Population: 1960 (Washington: U.S. Government Printing Office, 1964), Final Report, PC(3)-1C, "Selected Area Reports: American Overseas," Table 3, p. 7.

more realistic for the universe of interest. This is also the figure² usually cited in the literature.

Since the overseas executive was to be compared initially with the domestic business leader, an effort was made to select respondents from the several industry classes in such a way that the distribution of the sample matched closely that of the Warner and Abegglen sample. Thereafter,

² Cleveland, Mangone and Adams, op.cit., pp. 3, 102-103; Fayerweather, The Executive Overseas, p. 5; and Linfield, op.cit., p. 45.

the need for the proportionality became less critical because comparisons with other types of executives would be made; for example, the federal executive. Despite some difficulties, reasonable similarity between the sample used in this research and the sample used for the big business leader was achieved as is indicated in Table 2.

Table 2.--Comparative distributions of mailings

Industrial Classification	Business Leader ^a Percentage	Overseas Executive Percentage
Manufacturing and Mining	39	46
Merchandising (Trade)	19	10
Banking (Finance) and Insurance	23	25
Transportation, Utilities, Communication	9	12
Services	4	7
	—	—
Total	94 ^b	100
Total Number of Mailings	17,546	2, 391

^aWarner and Abegglen, Occupational Mobility, Table 124, p. 224. The percentages are approximated here.

^bThe category, construction, accounted for 6 percent, but was not included in the present research.

Contacts by mail or personal interviews were made with the top executive in charge of foreign operations of the selected firms in order to ascertain the feasibility of the project and the extent of the cooperation that might be expected. The response was generally excellent. Yet, some

changes from the original survey plan became necessary as the managements of a majority of the participating firms preferred that the questionnaires to their executives be sent through company channels. Only 18% of the participating firms elected to have a direct mailing to their personnel abroad. In some cases a participating firm was provided a number of questionnaires which were then sent to the subsidiaries for distribution. In other cases the investigator was provided the addresses of a firm's executives abroad so that they could receive the questionnaires directly.

Two important considerations must be borne in mind in consequence of the manner of distribution of the questionnaire. The first is that the companies that sent the questionnaires through their internal mail exercised control over distribution and it became impossible to know how many of the questionnaires supplied were actually distributed to overseas managers, or how many completed questionnaires were actually received from the field for return to the researcher. On the other hand it is argued that the returns would tend to be larger under a company's sponsorship than would normally be the case, and so there is a net gain for the researcher. Furthermore, there was never reason to believe that the participating companies were not cooperating fully.

Fifty-two firms were selected to participate in the study. They were distributed into the following categories of business activity:

Manufacturing and Mining	32
Merchandising	4
Banking and Insurance	5
Transportation, Utilities and Communication	4
Service	<u>7</u>
Total	52 firms

These firms rank among the largest in the United States according to ³
Fortune's Directory of the largest American corporations in 1962.

For instance:

a) from the 500 Industrial firms:

this research had 2 among the first 10
 6 among the first 20
 10 among the first 30
 15 among the first 50
 21 among the first 100
 34 among the first 500.

b) from the 50 Merchandising firms:

this research had 2 among the first 5
 3 among the first 20.

c) from the 50 Commercial Banks:

this research had 4 among the first 10.

d) from the 50 Insurance Companies:

this research had 1 among the first 5.

e) from the 50 Transportation Companies:

this research had 1 among the first 10
 2 among the first 50.

f) from the 50 Utilities:

this research had 1 among the first 5
 2 among the first 25.

³"The 500 Largest U.S. Industrial Corporations, 1962"; "The 50 Largest Merchandising Companies, 1962"; "The 50 Largest Commercial Banks, 1962"; "The 50 Largest Insurance Companies, 1962"; "The 50 Largest Transportation Companies, 1962"; and "The 50 Largest Utilities Companies, 1962" The Fortune Directory (Chicago: Time Inc., 1963).

In summary 46 firms in the research are included in the Fortune Directories as being among the largest firms in their respective categories. This result might have been expected since operations at the international level require that the businesses be of a respectable size to begin with.

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The procedure used for selecting the firms was not statistically as rigorous as might be desired. Bias may exist even though there was no prior disposition to select a particular firm. The company's renown in international business had a definite influence, but obviously many renowned firms were not included. Thus, it cannot be argued that the group of firms selected is not representative of U.S. international operations. All major business categories were included and within these categories firms varied one from another in size and type of operations. For the purpose of the research objective, the sample was regarded to be appropriate.

The executives overseas generally occupied high positions in their subsidiaries. This requirement was specified when initial contact was made with the management of the participating firm. Those who received the questionnaire directly also received an individually typed cover letter (Exhibit A) and a self addressed air mail stamped envelope to facilitate its return. The sample, while large, was nevertheless still a sample, but it may be assumed that it included only executives presently working overseas, and who are members of U.S. multinational management.

⁴ For a more detailed classification of firms by type of business, see Appendix II Table 1.

The large sample size was needed to compensate for various factors: the lack of statistical rigor in initially fixing and maintaining a particular sample design; the fact that the international scale of the project completely ruled out interviews; the necessity to extend the inquiry throughout the world reaching as many countries as possible to avoid further bias.

Development and Analysis of the Questionnaire

The questionnaire was modeled on the ones used by Warner and his associates in their 1952 study of business leaders, and their 1959 study of business leaders, and their 1959 study of federal executives. Nevertheless, other questions related directly to the activities abroad had to be added, and many questions from the model questionnaires (of Warner, et.al.) were discarded as irrelevant for this research.

A preliminary or pilot questionnaire was first prepared and distributed on a restricted basis. Sixty-four returns were obtained providing opportunity for corrections or modifications of dubious and difficult items.

The final form of the questionnaire (Exhibit B) was sent to the companies and/or directly to the executives during a period of three months, from November 1963 to January 1964.

Specific discussion of the principal elements of the questionnaire follows below. The organization of the questionnaires is indicated by the marginal headings.

Personal and Family Data.-- The first item was the typical request for the age of the respondent. Item 8 inquired about his birthplace and

its size by population to provide data about the origin of the executive and the starting point of the moves he eventually made. Details of the birthplaces of members of his family was asked in Question 9, not by states as in the preceding question, but by countries. The nativity of close members of the family might have had some influence upon the executive's decision to go overseas. One question of doubtful value was item 10. It asked for the executive's citizenship but as this research developed only the U.S. born executives were considered. For reasons to be discussed later in this chapter, this question will be useful for subsequent study concerning non-U.S.-born citizens working for American companies abroad. Item 10 is of interest in determining the possible influence of the wife's origins upon the desire of the executive to go to a foreign country to work.

For question 11, details about the respondent's family were completed. As insight into the occupational origins of the executive, provided by knowledge of the occupations of his father and paternal grandfather is possible from response to question 18 and is quite important for this study. The specific points of time for which the father's occupations were requested facilitates comparability of data among respondents. Data for the paternal grandfather's occupation permits a study of occupations throughout three generations and data for that of the wife's father allows a comparison of occupational status between husband and wife.

Item 19 asked about the number of moves made by the family before the executive became self-supporting. This is to provide a quick check on family mobility. However, it seems to permit only an idea of sorts of "unrestness" of the family than of actual social movement, and as such its value to the study was minimal. Item 28 was intended to complete the data

for measuring the family's influence on the executive's decision to work overseas but the results were too ambiguous to be useful.

Education.-- The educational accomplishments of the overseas executive and of his family were obtained from three questions. Question 14 asked the extent of schooling for the executive and members of his family defined in terms of five educational levels. The data allows comparisons between the educational status of husband and wife presently and in the previous generation. Item 15 was intended to supply data about higher education as achieved by the executive, and the location and type(s) of school(s) attended. Item 20 relates both to his education and to his business career; it bears on one of the most discussed issues about the international manager--the question concerning what should be done by way of education and/or training before going abroad. It is therefore an item with practical implications. The same item, 20, asked for the executive's opinion about the value of predeparture training received, if/any, in order to determine the effectiveness of such programs. Obviously, the subjective content of these responses were not integrated into the external profile.

Military Service.-- This line of investigation was not part of the business leaders questionnaires, but was a part of O'Donovan's work. Only two questions sought information about the military career of the executive. Response to question 12 traced his mobility while serving in the armed forces, that is, how high did he advance from the time he entered until the time he was discharged. Question 13 was meant to investigate whether foreign service assignments had influenced him to return to a particular location later on. This was not an item pertaining to the external profile. The question did not provide data bearing on that influence because most

executives had been in several foreign places, both during their military service and later as civilians.

Domestic Business Career.-- Questions 2 and 3 respectively asked the age when the executive first became self-supporting and when he first entered business. They appear superficially to be similar but their different meanings became evident through an analysis of the answers. The first is the age at which the executive left the home of his parents to make a living, for instance working his way through college; this employment does not necessarily have connotations for his future career. But the age at which he entered business was considered to be the starting point of a career which eventually led to an overseas assignment.

Questions 4 and 6 provided data on the interfirm mobility of the executive by indicating the number of business affiliations throughout his entire career as well as his executive career; the difference between these two responses gives the number of firms he worked for in a non-managerial capacity. Question 5 completes this line of investigation soliciting information to evaluate his stability with the present firm.

Item 7 was intended to indicate how he initiated employment with the present firm. The executive's occupational sequence was called for explicitly in Question 17. Although this question covered the entire career, the points of time were arbitrary, but were patterned after those used in the business leaders questionnaire. Complimentary data (to that received from item 17) was obtained from question 16 that asked the ages at which the future managers entered their various occupational levels; it permitted verification of his career speed, that is, how fast he was promoted from lower to higher echelons up to the top executive position

he occupied at the time of this study. Many blank responses for the supervisory level indicated that a large number of the executives had by-passed it.

Business Career Overseas.--- The items referring to the business career overseas repeat the questions asked for the domestic career. For example, items 21 and 22 asked the ages when the executive first went overseas (recall item 3), and when he assumed his present position (item 16). Item 23 inquired about his present position overseas. Interfirm mobility abroad data was sought by use of question 26 (compare with item 4). Question 25 (compare with item 5) asked for the number of years in foreign assignments. With data from this series of questions it was possible to delineate a prototype career for these men with respect to speed through occupational levels.

Miscellaneous.--- Question 24 returned informative data about the company and the subsidiary for which the executive was working at the time of the research. The purpose was to give an indication of the size of the firm's operations and also to provide a check with the size as cited by other sources. Answers to this question served to evaluate, in a limited sense, the accuracy of the respondent.

Item 27, about the various locations abroad where the executive had worked, yielded a general idea of his whereabouts rather than a measure of his mobility per se, as an act depending on him. At this point it is his company, more likely than he, that decides where he is to stay; his choices and decisions in this matter are limited to a great extent.

Items 29, 30 and 31 required opinions and information from the executive about matters that do not pertain to the external profile. Nevertheless,

they were included and will be used in future analyses. Response to these questions have a practical significance for planning the preparation of those who go abroad.

Finally, item 32, whether the executive participated in the business leaders study, received not a single yes - the present sample was evidently different in time and place.

Analysis of the Returns

The number of questionnaires mailed out was 2,391 while the number of usable returns totaled 1,161. Nineteen were rejected for such reasons as arriving too late, being too incomplete or because the executive had not actually left the United States. The percentage of useful returns was an excellent 48.6%, considering the fact that a mailed questionnaire survey⁵ was used, and that it had worldwide distribution. The mailings and the returns distributed by the five categories of business activity are presented in Table 3.

Except for some variations in the categories for banking and transportation, the other three were returned in the same proportions as they were mailed out.

It is time now to introduce certain very important considerations about the sample to be analyzed. As the 1,161 questionnaires were being tabulated, it was observed that a sizeable number of the respondents had not been born in the United States; more precisely, 268 or 23% of the overseas respondents were foreign born. Although most of them were

⁵The usable returns were 48% for the business leaders study (Occupational Mobility), p. 222; 68% for the federal executive study (The American Federal Executive), p. 289; and 58% for O'Donovan's study, op.cit., p. 27.

Table 3.--Mailings and usable returns of the questionnaire

Industrial Classification	Mailings		Returns	
	Number	Percentage	Number	Percentage
Manufacturing and Mining	1,111	46	538	46
Merchandising	236	10	116	10
Banking and Insurance	599	25	353	30
Transportation, Utilities and Communication	286	12	69	6
Services	159	7	81	7
Non-specified	--	--	4	1
Totals	2,391	100	1,161	100

naturalized U.S. citizens,⁶ it was decided that they should not be included in this research for a number of reasons. Many of those in this group were so-called "third-country" citizens⁷ - individuals working for American companies overseas but who are not local nationals, for example, an Italian citizen working for a U.S. enterprise in Brazil.

The focus of this study was modified from the consideration of overseas executives of U.S. firms to the overseas executives born in the U.S. A larger number of foreigners in the sample would distort data used to determine the occupational, social, educational and economical background before the executive's departure from the U.S. Without this background

⁶ 162 individuals, or 61% of the non-U.S. born.

⁷ A term used by some authors including J. Frank Gaston, "Measuring the Cost of Living for 'Third Country' Nationals", The Conference Board Record, October 1964, pp. 24-31.

data, many comparisons with other executive types or groups would be ruled out.

It may be argued that an unbiased sample of the U.S. executive, domestic or foreign, private or public, high level or low level, would include some foreign-born individuals. This is true, yet for this study, the presence of foreign born executives would cause further complications that could not be entirely foreseen. It became impossible to know, for example, which men while in the U.S. (and thus might be considered from the U.S.), or which were hired abroad (and since they were born and grew up abroad would be obviously identified as foreigners).

Of those who acquired U.S. citizenship, it would be important to know when this occurred--recently or long ago? It would become necessary to again treat two different backgrounds. Those whose naturalization spans a short period might have to be considered foreigners while those naturalized as children might be included with native born Americans.

Therefore, since it would be impracticable to group together those who were born in the U.S. and the foreign born for the purpose of developing the external profile, this study concentrated exclusively on the U.S.-born overseas executive. Subjectively, there appears less bias in the design selected.⁸

From this decision it followed that the size of the sample was no longer 1,161, but 893 distributed by principal business categories as follows:

Manufacturing and Mining.	439	49.1%
Merchandising	103	11.5%

⁸ An interesting extension of this study would be an analysis of the "third country" citizens group and a comparison with the U.S.-born executives. The necessary data is available.

Banking (Finance) and Insurance	232	26.0%
Transportation, Utilities, Communication.	55	6.2%
Services	64	7.2%
	<hr/>	<hr/>
Totals	893	100.0%

These 893 overseas executives had at the time of the research⁹ (November 1963-January 1964) an average age of 40.7 years. The year, 1922, can be taken as the year the average executive was born. Now placing him among his domestic business and government counterparts, he¹⁰ is the youngest of the group as shown below.

1963 U.S.-born overseas executive.	40.7 years-average
1952 Business leader	53.7 years-average
1959 Civilian federal executive.	49.4 years-average
1960 Executives and lower managers	46.0 years-average

There was a widespread distribution as to the geographic location of the executives in the sample. (Table 4)

It should be recalled that most companies controlled the distribution of the questionnaires. However, this project was concerned primarily with factors in the external profile which were relevant a priori to assumption of the foreign assignment in contrast with other studies that focused on factors a posteriori to the decision to go overseas. So the resulting distribution could be assumed to have a negligible effect on the analysis of the response. Nevertheless the large numbers of executives working in

⁹For a detailed distribution by age see Appendix II, Table 2.

¹⁰Warner et al., American Federal Executive, Table 64-B, p. 386; and O'Donovan, op.cit., p. 146.

Table 4.--Distribution of respondents by geographic location

Location	Number	Percentage
Latin America	383	43
Europe	252	
Common Market ^a	132	15
Other Countries	120	13
Asia	192	21
Far East (excluding Japan)	100	11
Japan	63	7
Middle East	29	3
Africa	34	4
Oceania	23	3
Canada	9	1
Totals	893	100

^a France, Germany, Italy, Netherlands, Belgium and Luxembourg

Latin America should be emphasized, as well as the negligible number from Canada. Obviously the sample is not proportionate to the direct investments overseas and Canada in many respects is a special case.

Accuracy of the Returns

When the questionnaire type survey is adopted questions arise about the extent to which the responses accurately reflect the backgrounds and careers of the entire group of overseas executives. Are those who return the questionnaires similar to those who did not respond? Gross returns were 1,161 out of 2,391, that is 48%, leaving more than half who did not

return the questionnaire. Even so, the size of the returns is numerically large enough to increase the probability that in fact the respondents might well represent the overseas executive in general. Usually in a case like this, interviews are conducted with the individuals who failed to respond. This was virtually impossible in this study, that is, to enter into contact with managers located all over the world to audit their reasons for failure to participate.

One additional element as a check for accuracy would be to compare the returns with the mailings for the different types of business. This is done in Table 3,¹¹ which contains that data explicitly and in percentages. For three of the categories (Manufacturing, Merchandising and Services) the figures coincide perfectly; for one there is moderate variation, and for another there is a major difference. This new factor is far from conclusive but it enhances the claim of representativeness of the returns.

The second question is about the validity of the responses--the extent to which the questionnaires were impartially answered by the managers working abroad. This point is always a difficult one in this kind of survey and the present study is not an exception. Very little can be done to check the veracity of the respondent for questions about his background. No real degree of certainty could exist whether there was a tendency to misrepresent occupational, educational, etc., data up or down. Nevertheless, some checking was made for an item which required information which could be corroborated from other sources. Such was the case with item 24 concerning size of the firm based on sales and

¹¹See page 26.

number of employees. The same data could be taken, for example, from the Fortune Directory for the largest U.S. companies. Only the executives contacted directly could be put to this test since returns channeled through the home office of the subsidiary could have been corrected. Eighty-nine returns were analyzed of which 75 proved useful. These returns were from seven companies operating in a dozen countries. The sales of these companies ranged from 300 million dollars to 8 million dollars according to the Fortune Directory.¹² Comparing the directory figures with those given by the overseas executives for the size of their parent firms, the following was compiled.

0% error - 20 returns - 20 cumulative	27%
0 - 10% error - 11 returns - 31 cumulative	41%
11 - 20% error - 20 returns - 51 cumulative	68%
21 - 30% error - 14 returns - 65 cumulative	87%
above 30% error - 10 returns - 75 cumulative	100%

If this test is a good indication, the accuracy of the responses of the sample is established; however, its value is relative although in the right direction.

In conclusion, there is no reason to discount the representativeness of the sample of overseas executives. Only relative evidence could be provided in its favor, but there was no contrary evidence; thus the sample data was accepted as the basis for the present study.

¹² See page 18 and footnote 3.

CHAPTER III

NATIVITY OF THE OVERSEAS EXECUTIVE

The first item to be considered in compiling the external profile is the birthplace of the executive--country and region, the size of his community of origin, as well as information about the nativity of the paternal father and grandfather. As explained in Chapter II¹, this research is not concerned with persons born in other countries but only with the U.S.-born executive; in consequence, everyone in the group studied listed one of the fifty states as his place of birth.

Data about the geographical and social origins of these men is crucial because regional differences have always played a major role in national events, including those affecting the business. Regions provide greater or fewer numbers of business and government leaders depending on their economical and industrial development. Heterogeneity among regions accounts for wide differences in the ratios of productivity of leaders for each region. This was found to be the case for the business leaders and for the federal executives² and deserved investigation in the study of the overseas managers. The same form of inquiry applies to the investigation of differential productivity rates for urban and rural areas.

¹Pages 25-28.

²W. Lloyd Warner and James C. Abegglen, Big Business Leaders in America, (New York: Harper and Brothers, 1955), Chapter 9; W. Lloyd Warner, Paul P. Van Riper, Norman H. Martin and Orvis F. Collins, The American Federal Executive (New Haven: Yale University Press, 1963), Chapter 3.

The geographical data permits a study of the spacial mobility, from place to place, which is interrelated to the social mobility, from position to position; both are significant elements in the mobility patterns of the executives. This data on nativity is significant and, as Warner and Abegglen assert:

The business leaders, . . . are men on the move. Changes in location and residence are a dimension of their lives . . . , and this spatial mobility plays an important part in determining the nature and patterns of occupational mobility. . . . To a large extent, these leaders are determined by geographical factors, working with factors of social background.

The place in which a man is born geographically, as well as socially, helps to determine the social position he will come to occupy in his career.³

The Regions That Produce Overseas Executives

Responding to the questionnaire, the executive working abroad stated where he was born, the approximate size of the community of origin, and the birthplaces of his father and paternal grandfather.

Table 5 summarizes the nativity of the 890 executives by regions of the U.S. according to the subdivisions adopted by the Bureau of the Census. Yet, for the proportions to be meaningful, they must be adjusted by the distribution of the U.S. population, not at the time of the survey, but when the average executive was born. That year is approximately 1922 since the average age for the sample is 40.7 years. The Census of 1920 is obviously the closest one and it will be used; furthermore, a better comparison can be obtained by using 1920 data for the adult male population instead of the total population.

³ Big Business Leaders, op.cit., p. 178.

Table 5.--Distribution of the 1963 overseas executive by region of birth and the 1920 adult population by residence

Region	Percentages of Overseas Executives Born in Region	Percentages of U.S. Population ^a Living in Region	Productivity Ratio of Region
<u>East:</u>	36	28	
New England	9	7	129
Middle Atlantic	27	21	129
<u>Midwest:</u>	32	32	
East North Central	21	20	105
West North Central	11	12	92
<u>South:</u>	19	31	
South Atlantic	6	13	46
East South Central	4	8	50
West South Central	9	10	90
<u>West:</u>	13	9	
Mountain	4	3	133
Pacific	9	6	150
Totals	100	100	100

^aU.S. Department of Commerce, Bureau of the Census, Fourteenth Census: 1920 (Washington: U.S. Government Printing Office, 1922), Vol. III, "Composition and Characteristics of the Population by States", Table 10, p. 34.

Table 5 displays the regions where the executives were born, the percentage distribution of the executives from these regions, the population and the productivity ratio of each region. This ratio is merely a division of the percentage region from column one by column three multiplied by 100. When the ratio is above 100 this means that the region produced more executives than would be expected given its share of the total population; if

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below 100, fewer executives originated from the region than would be expected given its gross regional population; the ratio 100, means the shares of executives and of total population are the same.

The largest group of overseas executives (one out of every four) came from the Middle Atlantic States, that is, New York, Pennsylvania and New Jersey:⁴ the next largest group came from the East North Central region (one out of every five) and these two regions accounted for almost half of the total of the group. Both the South and the Midwest accounted for small absolute numbers of overseas executives. However, the ratios provide a better idea of the number each region supplied in relation to its population. For example, considering the number of their inhabitants in 1920, the Pacific and Mountain regions led with ratios of 150 and 133 respectively. The Eastern states also had a ratio above 100, while that of the Midwest was about 100. The South however, with 31 percent of the population supplied only 19 percent of the executives even though Texas alone contributed one third of that region's total. By states, New York contributed 13 percent, Pennsylvania 9 percent, Ohio 8 percent, California 7 percent and Texas 6 percent.

These results might have been expected because a region's productivity of business leaders tends to parallel its industrial development, standard of living and level of education. Of course, one could argue that the executive actually left the region looking for a job, and thus the less developed the region the higher should have been its productivity ratio. In reality however, and as the external profile will indicate later, the

⁴ See Appendix II, Table 4 for the distribution of the overseas executives by state and by region.

overseas executive before going abroad had worked an average of eight years in this country, three years with his present firm; consequently when he went abroad it was not hard to find work. The conclusion that the less developed regions have lower ratios of productivity of overseas executives is correct and corroborates the findings of previous investigation.

One remaining point of interest was whether persons from a particular region had demonstrated preferences for a particular region of the world. The distribution of executives by overseas geographic location was given before;⁵ a correlative distribution with the regions of their birthplaces will indicate the extent of their preference. When the percentage of executives born in one region of the United States and working in a particular part of the world is greater than the average percentage of executives working in that place, it would indicate a relative preference, and vice versa. The results are shown in Table 6 below.

Table 6.--Percentage distribution of the overseas executives by region of birth and location at the time of the survey

Region of Birth	Location of the Overseas Executive						Total
	Latin	Europe	Africa	Asia	Oceania	Canada	
	America						
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
New England	40	34	0	26	- ^a	-	100
Middle Atlantic	40	30	-	20	-	-	100
East No. Central	34	37	5	15	-	-	100
West No. Central	39	27	6	16	5	-	100
South Atlantic	54	20	5	18	-	-	100
East So. Central	53	16	8	13	5	0	100
West So. Central	67	23	0	10	0	0	100
Mountain	47	15	6	30	0	0	100
Pacific	46	18	-	28	-	-	100
Averages	<u>43</u>	<u>28</u>	<u>4</u>	<u>21</u>	<u>2</u>	<u>1</u>	100

^aLess than 5 percent

⁵See Table 4, p. 29.

The above data indicate a definite preference by individuals born in the South, particularly in the West South Central states to go to Latin America. In the sample, of the total number of executives in Latin America from the West South Central, 75 percent were born in Texas. Other preferences exist, those from the East seem to prefer Europe, those from the West predominate in Asia (of which the Far East and Japan contribute with 85%), but these preferences are not so pronounced. There seem to be a relationship with geographical proximity yet no further study was made of this possibility.

Contribution of Communities of Different Sizes

The questionnaire asked the executive to indicate the size of the community of his birth. As the regions of the country provided overseas executives in various proportions, it was a natural question to ask if the same was true for communities of various sizes.

This analysis was done and the results shown in Table 7, for four categories of size usually selected. Again these distributions are less meaningful until compared with the U.S. population living in communities of the same sizes for the year when the executive was born, that is, 1922. Once more the Census of 1920 provides the closest data available. The ratio of these data provide a measure of the relative importance of each community as a source of overseas managers.

It is clear that the urban centers of more than 100,000 inhabitants produce the largest relative number of overseas executives, two out of every five. Nevertheless, smaller communities have the greatest ratio of overseas managers in relation to the 1920 population for those communities.

Table 7.--Size of birthplace of the overseas executive and size of community of residence of the 1920 U.S. population^a

Size of Community by number of Inhabitants	Overseas Executives Born in the Community ^b	1920	Ratio of Overseas Executives to Population
		U.S. Population Living in the Community	
	Percentage	Percentage	
More than 100,000	39	26	150
25,000 - 100,000	19	10	190
2,500 - 25,000	25	16	156
Less than 2,500 or rural	17	48	35
Totals	100	100	-

^aU.S. Department of Commerce, Bureau of the Census, Fourteenth Census: 1920 (Washington: U.S. Government Printing Office, 1921), Vol. I, "Distribution of Population in Groups of Cities Classified According to Size and Rural Territory", Table 31, p. 50.

^bNumber of responses tabulated, 884.

Only the very small localities or the rural areas have a ratio below 100. There is no doubt that the overseas executives were drawn from the latter places in very minor proportions.

Nativity of Three Generations

The present research was confined to the executive born in the United States but the questionnaire asked for the birthplaces and citizenship of the executive's father and his father's father. The responses to these questions were classified into four groups as presented in Table 8.

Admitting for a moment the exclusion of the foreign-born from the percentages of the U.S. population (as shown in column three of Table 8), so

Table 8.—Nativity of the overseas executive, his father and paternal grandfather and the U.S. Population in 1960

Nativity	Overseas Executive	U.S. Population in 1960 ^a		Ratio
	Percentage	Percentages		
Executive foreign born	0	8	(0) ^b	
Executive is U.S. born, but both father & grandfather are not	16	19	(21)	76
Executive and father are U.S. born but grandfather is not	20	73	(79)	106
All three are U.S. born	64			
Totals	100	100	(100)	

^aU.S. Department of Commerce, Bureau of the Census, U.S. Census of the Population: 1960 (Washington: U.S. Government Printing Office, 1963) PC (2)-5B, "Subject Report: Educational Attainment", Table 1, p. 1. The data refers to adult male white population.

^bThis column has the percentages calculated for the U.S.-born only, to facilitate comparison with the overseas executive.

that the latter is comparable with the sample used in this research, the overseas executive has a more homogeneous America ancestry than the average inhabitant of the country; 84 percent of the executives are from families that have all three generations U.S. born, or with only the oldest of the three generations non-American, as contrasted with 79 percent for the average inhabitant. Even this quite superficial analysis underscores the fact that a foreign ancestry must be ruled out as an important element⁶ influencing an individual to accept a foreign assignment.

⁶For additional information about the nativity of the ancestors, see Appendix II, Table 5.

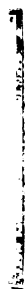
Table 9 was constructed by choosing selected information about the various events which occurred during the overseas executive's lifetime until he received the questionnaire. His accomplishments according to the calendar years and his corresponding ages will be helpful throughout the study whenever other details about the external profile are forthcoming.

Table 9.--Chronological sequence of events during the life of the overseas executive and his corresponding ages^a

Calendar years	Event in executive's life	Age in years
1922	Was born	-
1942	Became self-supporting	20
1944	First entered business	22
1945	Graduated from college	23
1948	Entered lower management level	26
1949	Entered present firm	27
1949	Married	27
1952	First job overseas	30
1954	Entered middle management level	32
1959	Assumed present position	37
1960	Entered high management level	38
1963	Answered the questionnaire	41

^aThis information was based on averages for the group of 893 executives and as such does not represent any individual in particular. This capsule profile is just to better locate the person of the overseas executive in time and age.

Summarizing the contribution of the nativity data to the external profile of the overseas executive, the following elements can be derived; born in 1922; came mostly from the East and Midwest, although relative to regional population the West was the largest supplier; his birth community had over 100,000 people, though the category of 25,000 - 100,000 provided the largest relatively; finally, he was a U.S.-born citizen, with almost all of his immediate ancestors also U.S.-born.



CHAPTER IV

OCCUPATIONAL ORIGINS AND MOBILITY

This chapter concerns the components of the external profile that reflect the occupational origins and mobility of the overseas executive. For this purpose it is necessary to bring together the concept of occupational mobility and the theory of family structure; as the two being¹ interdependent.

Occupational mobility, and more generally occupational succession, refers to the movement and circulation of personnel through positions; it is an ordered process by which individuals succeed each other in occupations.² It is a basic element in establishing how and why the executive (whether overseas or domestic) achieved the high position he now occupies within the organization structure of the firm. Rank is frequently determined by the occupation and a change in occupation is the most frequently³ used operational definition of mobility.

Regarding the role of the family, its environment undoubtedly is relevant in conditioning the value structure and level of aspiration of the offspring. The family background is certainly one of the most powerful⁴ forces affecting the career pattern of an individual.

¹ Warner and Abegglen, Occupational Mobility, p. 4.

² Loc. cit.

³ Raymond W. Mack, "Occupational Determinantness," Social Forces, Vol. 35, No. 1 (October, 1956), p. 21, quoted in O'Donovan, op.cit., p. 41.

⁴ O'Donovan, op.cit., p. 41.

In consequence, the external profile of the executive must contain information not only about his present business career, but also of the occupations his father and paternal grandfather held in the past. It is important to know whether the executive chose his career, in this country or abroad, by accident, or whether he was under a special kind of "pressure" such as might be exerted by the family through traditions, way of life and the "occupational heritage" of ancestors. As Warner and Abegglen point out, ". . . by comparing present-day business leaders with those of a generation ago, it is possible to examine deep and continuing trends of society".⁵

Examining only the father's influence provides an incomplete picture of the situation because the movement of men into business leadership may exceed the span of a single generation. For this reason the investigation of occupational origins of the executive reaches back to consider the grandfathers. Another factor requiring the study of three generations instead of one or two is that in all societies alternate generations are close and influential upon each other.⁶

Preceding studies, such as those by Taussig and Joslyn in 1928,⁷ Warner and his associates in 1952 and 1959 (frequently mentioned here), traced the occupations from grandfather to father and son quite extensively. Such detailing of intergenerational change is not the object of the present

⁵ Big Business Leaders, op.cit., p. 13.

⁶ Warner, et al., American Federal Executive, p. 71.

⁷ F. W. Taussig and C. S. Joslyn, American Business Leaders (New York: The Macmillan Co., 1932).

study, but for the delineation of a profile of the overseas executive this information is indispensable.

Following closely what was done by those scholars, the occupational origins of the overseas executive will be investigated. However before proceeding, the first job held by the executive in the present firm and his present position are compared in order to obtain a better understanding of his own background and mobility.

Intragenerational Mobility of the Executive

Naturally some degree of movement is assumed from the outset for the respondent was actually occupying a high position at the time the questionnaire reached him. Table 10 displays on the left the position held when he entered the present firm, and on the right the position currently occupied.

The positions at the left in Table 10 were divided into three usual but arbitrary categories in order to produce a simple measure of the degree of mobility attained by the executive. At the right side are listed the positions occupied by the individuals when they answered the questionnaire. It is clear that the positions can all be included in the class, high managerial level. Therefore 20 percent of the executives have demonstrated little or no mobility, 54 percent a fair amount, and 26 percent a high degree of movement up the organization scalar.

Whenever these mobility figures are associated with the periods of
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time taken to reach the top position they become more meaningful because

8 Chapter VIII discusses the concept of velocity or career speed in greater detail.

Table 10.--Starting and current positions occupied by the overseas executive with the present firm^a

First position in firm		Present position in firm (Title)	
	Percentages		Percentages
Low:	26	High:	100
Unskilled laborer	1	General Manager	37
Skilled laborer	5	Assistant Manager	14
Clerk, salesman	18	Controller, Accountant	14
Other	2	Regional Director	10
		Sales Manager	9
Middle:	54	Assistant Director	7
Accountant	8	Production Manager	6
Supervisor	1	Professional	3
Minor executive trainee	45		
High:	20		
Major executive	2		
Professional	.18		
Totals	100	Totals	100

^aSee Chapter II, p. 14, footnote 1.

the velocity of the movement can be ascertained. But the main topic of this chapter is the occupational origins of the executive and so after this insight into the executive's positions and mobility, the occupations of his father and grandfather will be analyzed next.

The Occupations of the Fathers

The questionnaire required identification of the occupations of the father for two points in time; when the executive (respondent) was in grammar school and after he became self-supporting. At the first time

point it was assumed that the father would not have reached his final occupational level. That level it was assumed would have been reached at about the time the son left home to start a life of his own. Table 11 provides information about the fathers at the time the sons became self-supporting, that is, when the latter were about 20 years old. In order to compute the relative degrees of representation of the various occupational groups, the distribution of occupations of the fathers must be compared with that for the U.S. population; the Census of 1940 was taken as the basis for this analysis since it is the closest chronologically to the time the average executive left home. From this data it was possible to calculate the percentages of each occupational group to the total for the 1940 population as well as for the fathers of the 1963 overseas executives. Then ratios of these percentages for the two groups were computed. The four distributions are given in Table 11.

Looking first at column one, one sees that most of the fathers came from occupations directly related to business ownership or top management, only 2 percent were farmers, and one out of ten were laborers. The comparison with the total U.S. civilian labor force results in additional meaning to these data by sharpening the characteristics of the representativeness of the various groups. For example, while 27 percent of the adult male population in 1940 were laborers, only 11 percent of the overseas executives were the sons of laborers. On the other hand, while business owners and major executives account for 38 percent as fathers of the overseas group, for the U.S. population the same category accounted for only 6 percent. This contrast is sufficient to indicate that the sons of laborers are underrepresented (the farmers even more so) among the

Table 11.--Occupational distribution of the fathers of the 1963 overseas executives and of the 1940 U.S. male adult population, and the ratios of their proportions

Occupation	Percentage of fathers of overseas executives	Percentage of total U.S. male adult population ^a	Ratios (x100)	Rank of ratios
Laborer	11	27	41	5
Farmer	2	23	9	6
White-collar	13	13	100	4
Minor executive (13%) and Supervisor (8%) ^b	21	15	140	3
Business owner (24%) and major executive (14%)	38	10	380	1
Professional man	15	6	250	2
Other	0	6	-	-
Total	100	100	-	-

^aU.S. Department of Commerce, Bureau of the Census, Sixteenth Census; 1940 (Washington: U.S. Government Printing Office, 1943), Vol. III, "The Labor Force", Table 59, p. 81.

^bSome categories of occupations had to be aggregated to allow for comparison with the Census figures. The percentages within parentheses refer to those of the present research which were added together.

business elite abroad, while the sons of business owners and managers pre-dominate. As will be seen later in this study, a similar situation occurred⁹ for the group of business leaders that remained at home.

⁹See Chapter X, for an extensive comparison between the several types of executives.

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A ratio between the percentages in columns one and two will yield a single measure of the difference shown above. Whenever the ratio is 100 it means that the movement of those of the present generation into their careers and occupational positions have been uninfluenced by the occupational positions their fathers held. If relatively fewer sons became business leaders than did their fathers, the ratio would be less than 100, and the converse also holds. The results show that the ratio is 380 for business owners and major executives while only 41 for laborers, or nine times less; the ratio is 9 for farmers or forty two times less.

The last column of Table 11 shows the ranks of the ratios. The ranking may be given the following interpretation. Very little opportunity exists for the sons of farmers and laborers to go abroad as a representative of an American company. A man's birth into the business and professional elite increases enormously the probability that he will subsequently hold a similar position in either the domestic or foreign environment.

Intragenerational Mobility of the Father

Earlier in this chapter the occupational mobility of the executive became apparent; now it is time to see how his father did in this respect. Table 12 displays the elements needed for this appraisal. The occupations of the father are given for the time the executive was in grammar school, and when he became self-supporting. The expected difference in this case would not be large because the two points of time are not very far apart. The coefficient of correlation between the two occupations is 0.64, and this statistic clearly indicates a high degree of immobility for the time interval specified. Nevertheless the data summarized in Table 12 demonstrates

Table 12.--Changes in distribution of occupations of fathers of the 1963 overseas executives

Occupation of father	When son was in grammar school	When son became self-supporting
	Percentage	Percentage
Laborer	14	11
Farmer	3	2
White-collar	15	13
Supervisor	9	8
Middle Management	14	13
Owner of small business	17	19
Owner of large business	4	5
Major executive	10	14
Professional	14	15
Totals	100	100

some movement towards the higher categories; for example, from 28 percent in the three higher status ones to 34 percent, while the total of the three lower status classes was down 32 percent to 26 percent. Mobility is in the direction of movement out of lower status occupations into higher status positions in business.

Another way of looking into this is to examine the patterns of the fathers' occupational mobility, i.e., the proportions of fathers leaving their initial occupations to go into other ones. See Table 13 on next page.

This table shows that 64 percent of the fathers who were laborers when their sons, the future executives were in grammar school, continued in the same occupation years later when their sons became self-supporting. Only one-third of the fathers have moved occupationally. When they moved they became primarily owners of small businesses or supervisors. The greatest

Table 13.--Occupational mobility of the fathers of overseas executives during the fathers' career

Occupation when son became self-supporting	Occupation when son was in grammar school								
	Laborer	Farmer	White-collar	Super-visor	Minor Exec.	Owner Small Business	Owner Large Business	Major Exec.	Prof. Man
P e r c e n t a g e s									
Laborer	64	7	0	0	1	2	0	0	0
Farmer	0	59	1	0	0	0	0	0	0
White-collar	6	10	59	1	2	4	5	0	1
Supervisor	8	0	12	49	0	2	3	0	1
Minor executive	6	0	9	33	51	1	0	0	1
Owner of small business	10	7	7	4	3	77	0	3	0
Owner of large business	1	0	2	0	1	3	72	3	0
Major executive	0	0	2	4	28	3	3	81	2
Professional man	1	7	2	1	2	1	5	4	84
Unclassified	4	10	6	8	12	7	12	9	11
Totals	100	100	100	100	100	100	100	100	100

^aThis analysis follows closely from Occupational Mobility, pp. 250-252.

degree of permanence, as might be expected, was that exhibited by the professional. On the other hand, the least stability was seen in the cases of supervisors and minor executives (two categories that might be easily added together with 49 percent and 51 percent respectively), and followed in turn by farmers and white-collar workers.

It is also clear that practically no one entered farming from any one of the other occupations--again a result in accord with trends in this country. In general the mobility of the fathers was noticeably less than

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that of their sons (the overseas executive) although similar in its upward direction and from rural to urban occupations.

Mobility Throughout Three Generations

At the beginning of this chapter it was stated that a meaningful study of mobility should encompass three generations. The intergenerational study from paternal grandfather to father to son was feasible because the questionnaire called for the necessary information.

Occupational distributions for the three generations is given in Table 14. The first column shows the occupations of the grandfathers, the second column--that of the fathers and the last column--that of the sons. The major decline through the first two generations is in farm occupations, from 17 percent to 2 percent, and then to 0 percent for the present generation executive. Another important decrease was for the category, owners of businesses both small and large. As for increases, the most impressive was for the class of major and minor executives including supervisors.

Table 14.--Occupational mobility throughout three generations

Occupation	Paternal Grandfather	Father (1922)	Overseas executive (1963)
	Percentage	Percentage	Percentage
Laborer	13	11	0
Farmer	17	2	0
White-collar	11	13	0
Supervisor	2	8	0
Minor executive	4	13	0
Owner of small business	27	19	0
Owner of large business	8	5	0
Major executive	6	14	97
Professional man	13	15	3
Totals	100	100	100

Examining these figures it is evident that the main occupational movement away from the farm occurred between the third and the second generation and hence prior to the executive's own career. The grandfather was a farmer while the father was the one who went to seek an urban job in supervision, middle management, or even high level management. At the same time there was a general trend toward higher occupational groups although not pronounced.

Repeating for the three generations the analysis done to observe the intragenerational mobility of the father, Table 15 was compiled to show the occupational movements of the father out of that of the grandfather's; moreover, the degree of permanence (in mobility) for each category is also determined.

The first column indicates that 45 percent of the fathers who were laborers were sons of laborers, while 24 percent were sons of farmers, 10 percent of small business owners, but none were sons of a minor executive or a supervisor. Most of the sons (fathers of the overseas executives) who retained the occupations of their fathers' (grandfathers of the overseas executives) were farmers with 84 percent. Only owners of small businesses had sons who became farmers who in turn were to be the fathers of the executives. Farmers supplied all other occupations generously, with 24 percent to the laborers category, 16 percent to the owners of small businesses class, 14 percent to the professions, 12 percent to the white-collar and supervisors class. This shows again the strength of the migration that took place from rural into urban communities.

Usually (as the underlined figures indicate, for 6 out of the 9 categories) there was a tendency for the father to retain the same occupation

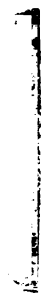


Table 15.--Movement of the overseas executive's father out of the occupation of the paternal grandfather

Occupation of Grandfather	Occupation of father									Distribution of grandfathers in groups of occupations
	Laborer	Farmer	White-collar	Supervisor	Minor Exec.	Owner Small Business	Owner Large Business	Major Exec.	Prof. Man	
	P e r c e n t a g e s									
Laborer	45	0	12	12	10	5	5	3	6	13
Farmer	24	84	12	12	9	16	7	8	14	17
White-collar	8	0	22	10	13	7	5	5	3	11
Supervisor	0	0	1	7	7	1	0	1	1	2
Minor executive	0	0	2	3	2	2	5	8	6	4
Owner of small business	10	11	19	28	22	43	18	21	18	26
Owner of large business	1	0	2	4	9	5	33	12	7	8
Major executive	2	0	3	4	4	2	2	15	6	6
Professional man	1	0	6	4	7	7	12	19	27	13
Unclassified	8	5	20	13	13	11	12	9	12	
Totals	100	100	100	100	100	100	100	100	100	

of the grandfather. Cases not conforming to this rule are those of the major executive, minor executive and supervisor categories - all three and principally the last two made larger contributions to the fathers' occupations from occupations other than the one shared by both father and grandfather.¹⁰

Of the fathers of the overseas executives who were major executives, 15 percent had fathers who were major executives, 33 percent who were

¹⁰ Other tables containing additional information on occupational movement and stability are presented in Appendix II.

16

owners of businesses, and 9 percent who were minor executives or supervisors. In summary, 57 percent of the fathers were themselves the sons of persons with the same role in the management of a firm.

In concluding this examination of the occupational origins and mobility of the overseas executive it may be added to the overseas executive's external profile the fact that both he and his father were mobile men and that there was appreciable occupational movement from his grandfather to his father's generation. All these moves had the common direction from farm to city as well as upward until the grandson reached a top management position abroad.

CHAPTER V

THE EDUCATION OF THE OVERSEAS EXECUTIVE

Education is now considered the fundamental factor for achieving a high managerial position and has been labeled the door to membership in both the business and government elites. Many studies confirm the relevant role of higher education. The point is clearly made in the work of Warner, Newcomer and others.¹ For Warner and Abegglen, education is now one of the principal avenues to business leadership, used increasingly by the mobile men in their drive to places of leadership and power.² In another work, the same authors stress the point further, "Higher education is now considered the 'royal road' to promotion and pay."³ And still later they say that business leaders. . . "have become, to a large extent, a professional class which demands formal training and preparation, over a broad field of knowledge as well as in technical areas, as prerequisites to a successful career. Education has become the royal road to positions of power and prestige in American business and industry."⁴ For the federal executive ". . . education was the principal preparation for advancement."⁵

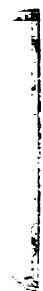
¹Newcomer, The Big Business Executive, p. 68.

²Occupational Mobility, p. 29.

³Big Business Leaders, p. 6.

⁴Ibid., p. 57.

⁵The American Federal Executive, p. 11.



The statements made above concern the importance of education in business leadership, although referring to domestic executives, apply fully to the overseas managers. Few of the latter go abroad directly upon completing their formal education but rather they stay in domestic activity for a while before venturing into foreign assignments. Thus much of what applies to the domestic executive relate directly to the foreign executive.

Managing in the international scene is not different from operating in a national scale with respect to the need for education. Fayerweather has indicated for example, "Top management's approach must inevitably include elements of control and direction, but it must contain a large measure of education as well."⁶ The overseas manager is confronted with the need for skills and knowledge gained only through higher education, plus⁷ experience in dealing with the complexities of strange environments.

Thus the content of this chapter is an examination of the function of education (amount and kind) in order to learn about its importance to the overseas executive because education is an instrument closely linked to occupational succession and mobility.

Amount of Education of the Overseas Executive

Five educational levels were chosen for investigating how much education the overseas executive had achieved. Table 16 shows that an overwhelmingly majority of these men are highly educated, 81 percent are college

⁶ John Fayerweather, "Foreign Operations: A Guide to Top Management", Harvard Business Review, Vol. 35, No. 1 (1957), p. 134.

⁷ See footnotes 12 to 15 in Chapter I.

Table 16.--Education of the overseas executive and of the U.S. adult male population in 1960

Educational level	Overseas Executive	U. S. male adult population in 1960 ^a	Ratio of the educational levels (x100)
All or part grammar school	- ^b	42	0
Some high school	1	19	5
High school graduate	3	21	14
Some college	15	9	167
College graduate	57	9	900
Post-graduate	24		
Totals	100	100	- -

^aU.S. Department of Commerce, Bureau of the Census, U.S. Census of Population: 1960 (Washington: U.S. Government Printing Office, 1963), "Educational Attainment", Vol. PC(2)-5B, Table 1, p. 1.

^bLess than 0.5%; or more exactly, 0.2%.

graduates (of which 24 percent continued for post baccalaureate work). In total, an impressive 96 percent of the overseas executives had been to college?

The comparison with the U.S. adult male (25 years and over) population gives further meaning to the above results. For example, while 42 percent of the population had not attended high school, the figure for the executive group is 0.2 percent--practically 100 percent of the executives have as a minimum, a high school education. More than 80 percent of the population had not entered college. The comparable figure for the executive group is 4 percent. Finally, the probability that the executive is a college graduate is nine times greater than for the average of the U.S. population

specified above!

The ratio of educational levels is obtained by dividing column one by column two and multiplying by 100. This ratio emphasizes the considerations already stated and it is sufficient to look only at the 900 datum (column 3) which indicates that for every 100 males in the U.S. population with a college degree, there are 900 overseas executives with the same degree.

No doubt can exist about the fact that a college education and inclusion in the overseas management elite are intimately associated. Moreover, the case of the overseas executive does not match that of the big business leader studied in 1952. A sizeable proportion of the latter, one-fourth, reached the elite in his field without having entered college. For the present group of executives, the equivalent proportion is a meager 4 percent.⁸

Occupation of Father and Education of Executive

In order to discover whether the social origins of the fathers influenced the educational level attained by the executive, Table 17 was compiled. It seems to indicate that the majority of the executives with high educational attainment had fathers with high occupational positions, but the differences from the averages are (education and occupation) far from being significant. For example, the average for those with some college is 96 percent (adding columns 4 and 5), and for all the occupations of fathers the variations from that average is a maximum of 6 percent. For those graduating from college, five occupations are above the average of 81 percent, while fathers who were supervisors have a somewhat low 64 percent, the farmers and white-collars 69 percent and the laborers 77 percent.

⁸Occupational Mobility, p. 97.

Table 17.--Occupational mobility and the education of the overseas executive

Occupation of father	Education of executive					Totals
	All or part grammar	Some High	High graduate	Some college	College graduate	
P e r c e n t a g e s						
Laborer	0	1	3	19	77	100
Farmer	0	5	5	21	69	100
White-collar	2	2	6	21	69	100
Supervisor	0	2	5	29	64	100
Minor executive	0	0	3	7	90	100
Owner of small business	0	0	4	13	83	100
Owner of large business	0	0	3	12	85	100
Major executive	0	1	2	15	82	100
Professional man	0	1	1	10	88	100
All occupations in sample ^a	0	1	3	15	81	100

^aPercentages taken from Table 16

A very important generalization is that all occupational levels of the father (from laborers, farmers and white-collars to major executives, owners of large businesses and professional men) have furnished a higher proportion of sons at the level of college graduate than at any other level of educational achievement. Considering the small percentages of all occupations in non-college levels, very few persons advanced in overseas business without the benefit of education. On the other hand, the occupational origins of the overseas executive (represented by that of the father) did not have a strong influence in carrying him up through college education, as is demonstrated by the small variations in the percentages of those who achieved that educational level for all classes of occupations of fathers.

Education of Father and Education of Executives

The degree of influence of the occupational origins in the education of the executive was seen above and now the influence of the educational origins will be analyzed. For this purpose, the education of both the executive and his father are contrasted in Table 18.

Table 18.--Education of overseas executives and their fathers

Education of Overseas Executive	Education of father ^a					All overseas executives
	All or part grammar	Some High	High graduate	Some college	College graduate	
P e r c e n t a g e s						
All or part grammar	1	0	0	0	0	0
Some high school	2	1	1	1	0	1
High school graduate	8	0	5	2	1	3
Some college	14	20	20	13	10	15
College graduate	75	79	74	84	89	81
Totals	100	100	100	100	100	100

^aThe percentages of fathers' education for the five categories are respectively, 20, 15, 22, 15 and 28 percent, from the lowest to highest levels.

In general there is a tendency for sons of college men to go to college more often than those whose fathers did not attain such an educational level. A more important fact is that the sons of men of whatever degree of education are highly represented in the classification, college graduate, a high 75 percent even for those whose fathers who did not enter

high school. The obvious conclusion is that the education of the father is important, but as was the case with the big business leaders, it is far from sufficient to explain or determine who goes to college.⁹

Specialization of the Overseas Executive

The average overseas executive graduated from college when he was 23 years old. He chose an area of specialization while in college as the first of a series of steps leading to his occupation at the time the survey was conducted. The preferences of this executive group are specified in Table 19 by nine categories.

Table 19.--Bachelor degree specialization

Degree	Percentage
Liberal arts	44
Business administration	28
Engineering	17
Physical sciences	6
Agriculture and applied sciences	2
Law	1
Foreign service	1
Education	1
Medical and biological sciences	1
Total	100

⁹Occupational Mobility, p. 101.

The results above coincide in part with what is generally prescribed as the needs for business in the domestic sphere. In Big Business Leaders, Warner and Abegglen state, "The pressing need, . . . , is for 'liberally schooled, broad-gauge executives - many-faceted men, for the highest posts.'¹⁰ The search is among liberal arts graduates." And these authors quote businessmen who say, "The most difficult problems American enterprise faces today are neither scientific nor technical but lie chiefly in the realm of what is embraced in a liberal arts education"; or, ". . . someone who understands history, literature, and philosophy. . . has the type of mind that will ultimately succeed (in business)."¹¹ In addition to the majority of liberal arts graduates, the percentage of those who attended schools of business is significantly high considering it is a specialized field. These two categories account for almost three quarters of the total. Only engineering with 17 percent was the choice of an appreciable number of the future overseas executives.

Types and Location of Colleges Attended

The 81 percent of the overseas executives who completed a college education (57 percent with Bachelor degrees and 24 percent with Master or Doctoral degrees) attended primarily state (public) schools as Table 20 demonstrates.

State universities granted 44 percent of the bachelor degrees and 56 percent of the advanced degrees. The private institutions granted respectively (bachelors and graduate degrees) 54 percent and 40 percent, that is,

¹⁰Op.cit., p. 48.

¹¹Loc.cit.

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Table 20.--Types of colleges where degrees were obtained

Institution	Percentages	
	Bachelor degree	Post-graduate degree
Big Ten universities ^a	11	10
All other state universities	33	46
Ivy League schools ^b	14	21
Prestige schools ^c	3	3
All other private schools	23	14
Church colleges	14	2
Military academies	1	0
Foreign universities	1	4
Totals	100	100

^aMichigan State, Michigan, Indiana, Purdue, Illinois, Iowa, Wisconsin, Minnesota, Ohio State and Northwestern. All but the last one are state universities.

^bBrown, Columbia, Cornell, Dartmouth, Harvard, Pennsylvania, Princeton and Yale.

^cM.I.T., California, Chicago, and Stanford.

almost complementary totals. No further comments are necessary, as the classification of the schools were arbitrary and of relative significance.

As to the locations of the institutions attended, Table 21 provides the information and the regions where the executives were born. In this manner it is possible to infer some characteristics about his educational mobility.

Taking into consideration only the four major divisions it is clear that less degrees were granted in the South and the Midwest than it might

Table 21.--Location of colleges attended for bachelor and post-graduate degrees and the region where the overseas executive was born

Geographical Region	Born in region		Bachelor degree ^a		Post graduate degree ^b	
P e r c e n t a g e s						
<u>East:</u>		36		37		34
New England	9		15		14	
Middle Atlantic	27		22		20	
<u>Midwest:</u>		33		29		13
East No. Central	21		21		11	
West No. Central	11		8		2	
<u>South:</u>		19		12		8
South Atlantic	6		10		7	
East and West So. Central	13		2		1	
<u>West:</u>		13		14		40
Mountain	4		5		33	
Pacific	9		9		7	
<u>Foreign:</u>		0		1		4
<u>Unclassified:</u>		0		8		2
Totals	100	100	100	100	100	100

^aNumber of cases 710.^bNumber of cases 210.

be expected in relation to the number of people born in these regions. Of course this measure is quite relative because the father might have moved during the executive's childhood and thus the mobility of the latter for educational achievement would be of a more limited degree.¹² The mobility

¹²See Appendix II, Table 7.

of the executive would consequently be better measured by reference to the last two columns; the location of the school where he took his first degree and the college from which he graduated for the second time. However even in this case the directions of the movement (away from the South and Midwest) remain, except that they are accentuated for the Midwest and the West, the former losing its graduates and the latter gaining.

The educational mobility can be seen more clearly in the next two tables in which the three columns of Table 21 are combined two at a time.

Table 22.--Regions of birth and location of college for bachelor degree

Region of birth	Bachelor degree			
	East	Midwest	South	West
P e r c e n t a g e s				
East	<u>82</u>	11	19	10
Midwest	8	<u>83</u>	17	18
South	7	3	<u>58</u>	5
West	3	3	6	<u>67</u>
Totals	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Table 23.--Locations of college for bachelor and for post-graduate degrees

Bachelor degree	Post graduate degree			
	East	Midwest	South	West
P e r c e n t a g e s				
East	<u>71</u>	19	18	14
Midwest	12	<u>74</u>	7	11
South	7	2	<u>64</u>	10
West	8	2	0	<u>67</u>
Totals	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Of all the bachelor degrees granted by Eastern colleges, 82 percent were to persons from the East, 8 percent from the Midwest, 7 percent from the South and 3 percent from the West. The degrees granted to persons from the same region is 83 percent for the Midwest, 67 percent for the West and only 58 percent for the South. Citizens of both the East and Midwest accounted heavily for college degrees taken in other regions of the country, but this did not occur in the case of individuals from the two other regions.

Similar direction and amount of movement seems to have occurred when the future executives applied for more advanced degrees. The Eastern and Midwestern colleges granted degrees to individuals who had received their bachelor degrees in the East and Midwest in larger proportions than did the colleges of the South and West. Again, those who received bachelor degrees in the East and Midwest received a substantial number from colleges in the other two regions.

Size of Birthplace and Education of the Overseas Executive

How the size of the community where the executive was born influenced the amount of education he attained is summarized in Table 24.

Forty percent of the college graduates come from communities of over 100,000 inhabitants, and 60 percent from places over 25,000, therefore indicating a high degree of urbanization for the overseas executive. Nevertheless, almost half of those who had some college education came from smaller communities. In general, it is possible to note a relationship for higher education as the size of the community increases. Likewise, there is a marked similarity between the last two columns, the first giving

Table 24.--Education of the overseas executive and the size of his birthplace

Size of the birthplace	Education of the overseas executive					Percentage of Executive's born in the community ^b
	All or part grammar ^a	Some High ^a	High Graduate	Some College	College Graduate	
P e r c e n t a g e s						
Over 100,000	100	0	22	34	41	39
25,000 to 100,000	0	38	22	20	18	19
2,500 to 25,000	0	38	26	20	26	25
Less than 2,500 or rural	<u>0</u>	<u>25</u>	<u>30</u>	<u>26</u>	<u>15</u>	<u>17</u>
Totals	100	100	100	100	100	100
Percentage in level	0.2	1	3	15	81	

^aThere were too few individuals in these two categories (2 and 8, respectively) for the columns figures to convey meaning.

^bFrom Table 7, Chapter IV.

college graduates per size of birthplace and the second the percentages of all executives born in these places. These results are probably due to the high incidence of college graduates in the sample.

Training for the Overseas Job

This item could just as well have been placed among those items related to the executive's career because this kind of training is usually accomplished within the firm and after formal education has been finished. However analysis of this data properly fits in this chapter because it is a form of education in addition to that which the executive received in college.

Training in preparation for the overseas job has been the subject of more studies than the other items covered in the present research because of its immediate interest.¹³ For this reason the questionnaire asked the respondent to report his experience checking the form of training received.¹⁴ The results are shown in Table 25.

Table 25.--Special training received in preparation to go overseas

Type of training	Percentage
Briefing on subsidiary operations	27
Language of the host country	22
Briefing about the expected behavior of the executives when in foreign countries	20
Orientation regarding the host country's cultural socio-economic and political environments	13
On-the-job training	3
American Institute for Foreign Trade ^a	2
None	13
Total ^b	100

^aFor more information see Cleveland, Mangone and Adams, op.cit., p. 235. This institute is located near Phoenix, Arizona.

^bMany executives received more than one type of training.

¹³For example, Cleveland, Mangone and Adams, op.cit.; Shearer, op.cit.; Harbison and Myers, op.cit.; Hodgson, op.cit.; Fayerweather, The Executive Overseas; and others.

¹⁴The questionnaire asked, in conjunction with that question, another one in which the executive was to give his opinion about the training he received prior to his trip abroad; the findings based on this supplementary question of utmost importance are presented in Appendix I.

Many students of the subject almost certainly would not agree that the ideal distribution for this variable should be like the one in Table 25; at least not if the benefits of better training to the executive, to the company or to the U.S. are considered. But his discussion is outside the purposes of this research. However, the number of persons who did not receive any training at all (13 percent) is impressive. If the 3 percent who received on-the-job training is added then 16 percent did not receive special training prior to going overseas to assume management jobs at various levels, mostly high.

The first and third categories with 27 percent and 20 percent are closely linked to the firm's activities (a total of 47 percent) so that the balance of 37¹⁵ percent are concerned with the country where the executive is going to make his career. Thus greater emphasis is placed on
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company rather than country or cultural aspects.

In conclusion, the contribution of education to the external profile of the overseas executive is manifold. First, he is a very well educated individual, college graduated in the main and with some advanced degree work. For the entire group the minimum is a high school level education. The executive's interest in higher education and his search for it was almost independent of his father's occupational status; further, the education of his father, although bearing to a greater extent than the father's occupation, is not enough to explain or determine the decision of the executive to enter college. He is most likely to be a liberal arts man

¹⁵ Twenty-two, plus thirteen, plus two percent.

¹⁶ See footnote 14.

or business school graduate. He studied in a private or state university located in the East or Midwest for the bachelor degree and in the West or East for the post-graduate degree. He demonstrated a high amount of loyalty when choosing a school from his region of birth. Typically he was born in a large community. Finally, his preparation for the job overseas emphasized knowledge of his company and to a lesser degree of the country where he was going to make a business career.

CHAPTER VI

MILITARY EXPERIENCE

This item was not examined by Warner and his associates in the research about the business leaders nor the government executives. Only¹ in O'Donovan's study was the military career considered. However it was assumed that for the present project, information about his military experiences might have a bearing upon the future executive's becoming an² "expatriate" manager, to employee a term adopted by Harbison and Myers.

The major factor in deciding to include the subject of military career was the possibility that persons become interested in foreign assignments (among other reasons) because of prior domicile abroad, including foreign assignments while in the military. The contact with strange environments, mixing with people of different beliefs and ways of life might have had a continuing influence on the men. It might have modified their personal philosophies and affected in a special manner the men who desired to return overseas to work.

The questionnaire was not designed to collect detailed information about the executives' military career but there was little doubt that the external profile would be incomplete without some data on this item. The investigators' interest was limited to the knowledge of whether or not the

¹Op.cit., Chapter V.

²Op.cit., pp. 388-391. The authors remark that the overseas executives themselves use the term.

individuals had been in the armed forces, his rank on entry and at the time he left the service. With this data upward mobility could be traced. Of the 892 who answered this question, 72 percent were veterans, 28 percent were not. Table 26 displays information rank. The mobility within service are in Table 27.

Table 26.--Ranks for the overseas executives at entry and exit from the armed forces

Categories ^a	Entrance rank	Discharge rank
	P e r c e n t a g e s	
Low (includes seaman, private, petty officer, corporal, sergeant)	71	42
Middle (includes ensign, ward officer, lieutenant, captain)	19	43
High (includes major, colonel)	0	7
Unclassified	<u>10</u>	<u>8</u>
Totals	100	100

^aThe categories low, middle and high are arbitrary and were adopted only to facilitate the analysis.

From Table 26, one concludes that most executives (7 percent) entered at lower levels and were discharged from the services at lower and middle levels; none entered at the high level, but 7 percent left occupying high ranks. In both cases promotions are suggested and Table 27 establishes the degree of mobility so delineated.

When no mobility existed the figures are underlined, i.e., the individual entered and left at the same level.³ Some movement is indicated when

³Some movement can exist within a level because the categories are relatively broad.

Table 27.--Mobility of the overseas executive while in the armed forces

Rank when entered ^a	Rank when discharged ^a		
	Low ^b	Middle ^b	High ^b
P e r c e n t a g e s			
Low	<u>100</u>	61	32
Middle	0	<u>36</u>	53
High	0	0	<u>2</u>
Unclassified	<u>0</u>	<u>3</u>	<u>13</u>
Totals	100	100	100

^aThe categories are the same ones of the preceding table.

^bNumber of cases: 273 discharged at low, 270 at middle and 29 at high ranks. There were 15 no answers.

the promotion was within one category as was the case for 61 percent of the respondents who left at middle level ranks and for 53 percent who left at high level ranks. Finally, 32 percent of those holding high level ranks when they returned to civilian life displayed a mobility above average. Considering the number of cases the proportions become clearer: 64 percent exhibited no mobility, 32 percent moderate and 4 percent high mobility.

These figures should be viewed with caution. No precise information was obtained for the chronology of the events discussed above, nor was it known for how long the manager-to-be served. One of these arguments alone might change the analysis on mobility above, demonstrating how tenuous it is. It would be incorrect to compare the achievements of those who had been in service during war time with those who had not, or to contrast those who served two years with those who served five, and so on.

There was another question in the survey related to the military experience. It asked for a list of the places where the servicemen had been stationed. The plan was to correlate the list with the places to which the executives was assigned during his managerial career. The correlation was not carried out because many while in service had been stationed in several countries, and many of the executives had worked in several countries; in consequence, it became impossible to find a meaningful interpretation for these data. How could a preference be defined with such a multiplicity of locations for the two sets, servicemen and overseas executives? Besides the matter of preference is ill-defined; it must be acknowledged that the executive has a limited voice in the selection of his workplace overseas.

In spite of the shortcomings described above, the item about military experience made a contribution to the design of the external profile by indicating that the overseas executive in most cases had been a veteran and demonstrated slight to moderate mobility as a serviceman. It must not be forgotten that because the average executive was born in 1922, he was 19 years old when the United States entered World War II and 23 when the war ended. He was also a likely participant in the Korean War when he was in his late twenties.

CHAPTER VII

THE WIVES OF THE OVERSEAS EXECUTIVES

A large majority, more exactly 90 percent of the overseas executives were married.¹ Nearly three-fourths had from one to three children.² The average executive was married in 1949 when he was 27 years old and just about to join the firm in which he made his business career abroad.³ He first went overseas as a junior employee of that firm, was later promoted through different management levels and in a relatively few years assumed his present high position that he occupied in the foreign subsidiary at the time of the survey.

Of the average executive's 19 years in business, fourteen years were spent in foreign countries living in strange environments among new business and personal acquaintances with very diverse cultural, social, political and economical backgrounds--a situation not likely to make his personal or professional accommodation an easy one.

During all these events the typical executive was married and had children. When the decision was made to go overseas it represented a choice to effectively start a new life with his family. Once in the new country, "the wife is the one who must transplant family life to new surroundings, build new friendships, . . . worry about health and

¹Nine percent were single and 1 percent divorced or widowed.

²See Appendix II, Table 12.

³See Table 9, p. 40.

schools, . . . and try to learn a strange tongue in two or three dis-
traced hours a week."⁴

Warner says, referring to the domestic (federal) executive that
". . . in the lives of most Americans, jobs, career and marriage are
closely intertwined."⁵ But the role of the wife of an executive working
overseas is enhanced many fold and she becomes a key figure, just as im-
portant as her husband. Upon her often depends whether the family over-
comes the cultural shock when facing unfamiliar modes, traditions and a
new way of living far different of that at home. Successful accommoda-
tion on the part of the wife allows the husband to be more than a transi-
tional manager in a foreign country.

From the start the role of the wife is relevant. She "will usually
make at least half of the family's decision on going; she will cast the
deciding vote on whether to stay; and in many cases she will make or
break her husband's career."⁶ It is "overwhelmingly important to consider
the suitability of a man's wife before the foreign assignment."⁷

Thus in many cases the wife is responsible for going or not going
overseas, and once abroad for remaining or returning home. It is natural
therefore that the wife be considered in a study concerned with her hus-
band's external profile. The same kind of data analyzed in the case of

⁴Cleveland, Mangone and Adams, op.cit., p. 46.

⁵Warner, et al., The American Federal Executive (New Haven: The Yale University Press, 1963), p. 90.

⁶Harlan Cleveland, "The Pretty Americans", The International Execu-
tive, Vol. 1, No. 3 (1959), p. 11-12.

⁷John C. Shearer, High-level Manpower in Overseas Subsidiaries,
(Princeton: Industrial Relations Section, 1960), p. 83.

the executive are now studied with respect to the wife, i.e., origin, occupational and economic level and education. From this one may infer the extent of her influence on her husband's career.

Nativity of the Wives

A sizeable proportion of the overseas executives married women from countries other than the United States, 21 percent as indicated in Table 28. Although 10 percent of the wives later acquired U.S. citizenship, the fact remains that the proportion of men whose wives were foreign-born is greater for the overseas executive group than for the domestic manager, or even for the U.S. married male in general as might be expected.

Table 28.--Nativity and citizenship of the overseas executive's wife

Geographical Region	Birthplace	Citizenship
	P e r c e n t a g e s	
United States	79	89
Europe	11	5
Latin America	6	5
Canada	1	0
Africa	1	0
Asia	1	1
Oceania	1	0
	<hr/>	<hr/>
Totals	100	100

It is reasonable to assume that the nationality of the wife has some influence on her husband's choice to work in a particular country. To

learn the validity of this hypothesis the wife's birthplace was matched with the executive's present location in Table 29. The influence of the executive's wife is not completely explained by noting the present location of the executive's assignment because many executives have worked in more than one country during the course of their overseas career, but no better factor could be found to investigate that relationship.

It is clear from the data in Table 29 that for Latin America principally, and for Europe there is a close relationship between the place where the wife was born and where her husband, the executive, was stationed. The figures are a very high 90 percent for Latin America and 59 percent for Europe. Of 51 wives born in Latin America, 46 were still living in Latin America after marriage to an American executive. Of the 85 European-born wives, 50 were living in Europe where their husbands were assigned.

The number of wives in each of the other areas was too small to evaluate to find additional relationships. But the examples of Latin America and Europe seem to indicate that an overseas executive who marries a foreign national of a particular region is quite likely to remain in that same region, at least during his business career abroad. Caution is advised that one not generalize the foregoing to cover countries instead of broad territorial regions unless further data is available. Each of the territorial categories adopted (except Canada) encompasses many countries; consequently the executive and his family can move from one country to another and yet remain within the same region.⁸

⁸It must be noted that only 11 percent of the wives are European and 6 percent are from Latin America; regarding their citizenship, only 5 percent of both European and Latin Americans retained that of their birth. See Table 28.

Table 29.---Present location of the overseas executive in relation to the birthplace of his wife

Wife's birthplace	Present location of the overseas executive						Number of wives born in region
	Canada	Latin America	Europe	Africa	Asia	Oceania	
P e r c e n t a g e s							
United States ^b	1	44	28	4	20	3	639
Canada	<u>0</u>	43	0	29	28	0	7
Latin America	4	<u>20^a</u>	4	0	2	0	51
Europe	0	21	<u>52</u>	2	17	1	85
Africa	0	43	14	<u>14</u>	29	0	7
Asia	0	25	0	0	<u>58</u>	17	13
Unclassified	-	-	-	-	-	-	11
No answer (single)	-	-	-	-	-	-	80
Average per location	1	43	28	4	21	3	-

^aFigures underlined mean that the wife's birthplace coincides with the present (at the time of the survey) location of the executive.

^bFigures for the wives born in the United States have no meaning in the present analysis.

The Occupation of the Wife's Father

The questionnaire was designed to furnish data for use in analyzing the crucial relationship of marriage to the upward mobility of the individual in his business career abroad. Information was required about the occupations of the wife's father. Table 30 displays data supplied by the respondents concerning their fathers-in-law's occupations together with the occupations of their own fathers as exhibited earlier.⁹ The data in Table 30 shows strong evidence of a similarity between the occupations of the father of the wife and of the husband. Categories such as professionals, white-collars and small business owners show exactly the same percentages, others display negligible variations, and only for farmers and owners of large businesses are there measurable differences. Chi-square tests confirm these results by returning values that are far below the pairs of variables.

Table 30.--Occupations of the wife's father and of the executive's father

Occupation	Wife's father	Executive's father
	P e r c e n t a g e s	
Laborer	10	11
Farmer	5	2
White-collar	13	13
Supervisor	7	8
Minor executive	11	13
Owner of small business	19	19
Owner of large business	9	5
Major executive	11	14
Professional man	15	15
	<hr/>	<hr/>
Totals	100	100

⁹See Table 11, p. 47.

In other words this means that the two occupational backgrounds are
¹⁰
statistically the same.

Thus, the occupational background of the executive's wife is comparable to that of her husband. It is of interest next to examine the case of those men whose occupational origins differed from those of their wives. For this purpose Table 31 was drawn up, the percentages indicate to what extent the overseas executives, occupationally marry into different levels. The first column (left) gives the wife's father's occupation; the other columns list the occupation of the executive's father.

Table 31.--Occupational mobility and marriage: occupation of wife's father by occupation of overseas executive's father

Occupation of wife's father	Occupation of the overseas executive's father								
	1	2	3	4	5	6	7	8	9
	P e r c e n t a g e s								
Laborer	<u>33</u> ^a	0	5	5	12	8	0	3	7
Farmer	10	<u>35</u>	4	8	0	6	0	4	4
White-collar	15	6	<u>30</u>	19	8	14	0	7	7
Supervisor	8	0	10	<u>15</u>	7	7	15	7	2
Minor executive	12	17	6	5	<u>15</u>	8	12	17	11
Owner of small business	12	24	25	24	19	<u>26</u>	9	11	25
Owner of large business	0	12	4	11	11	10	<u>25</u>	9	6
Major executive	6	0	7	5	16	5	21	<u>24</u>	12
Professional man	4	6	9	8	12	16	18	<u>18</u>	<u>26</u>
Totals	100	100	100	100	100	100	100	100	100

^aThe figures underlined refer to the cases where the executive and his wife had the same occupational backgrounds.

¹⁰For 6 degrees of freedom the maximum value for no statistically significant difference at the 1 percent level is 16.81 while the calculated value of chi-square (χ^2) is only 6.07.

There is some evidence that those in the lower and the upper occupational levels tend to marry within the same levels. The same is not true for those in intermediate levels. For example, marriages in which the occupational backgrounds were identical took place in 33 percent of the cases of the three lower occupational levels and 25 percent of the three higher levels; the figures were 15 percent for two and 26 percent for one of the three intermediate level occupational groups.¹¹

On the whole, there is a marked tendency for the future managers to marry women from the same levels as their own than from other occupational levels whether higher or lower. Nevertheless it is also true that men from every level marry women from all other levels in appreciable proportions; the only exception to this generalization is the typical owner of large business who did not choose a wife from the lower occupational ranks. The sons of supervisors and minor executives married outside their own occupational origins to a greater extent than within their groups: a good example of the fluidity among the various occupational classes.

Aggregating the figures in Table 31 results in Table 32 on page 83, which makes the picture easier to perceive.

A test that might be done using this same information about the occupational backgrounds is to investigate whether the executive married the "boss's daughter" as Warner did and reported in Occupational Mobility.¹² For that it is necessary to determine how long it took the executive to

¹¹The comments in footnote 1, Chapter II apply here. The classification, high, intermediate and low levels in relation to the managerial responsibilities within a firm, is arbitrary and was used only to facilitate the analysis.

¹²Op.cit., pp. 201-203.

Table 32.--Occupational mobility and marriage

Occupation of wife's father	Occupational of the overseas executive's father, by levels		
	Lower	Intermediate	Higher
P e r c e n t a g e s			
Lower	<u>46</u>	27	11
Intermediate	38	<u>42</u>	36
Higher	<u>16</u>	<u>31</u>	<u>53</u>
Totals	100	100	100

achieve entrance into the top managerial position by reference to the time¹³ he first entered business. Table 33 presents figures that are the arithmetic means of the number of years each type of executive took to assume the high position he had at the time of the survey. At the bottom of the table are the means for each background. The sons of major executives took 13 years to achieve their high managerial position, compared with 19 years for the sons of white-collars and 14 years for the sons of laborers.

The sons of major executives, when their fathers-in-law were also major executives achieved their positions in 10 years, but it took them 18 years when the wives were daughters of owners of small business, and 9 years when the wives were daughters whose fathers were white-collar workers. This is an example that indicates wide variability for the number of years necessary to arrive at a top position; the analysis could be carried farther

¹³ Warner adopts as the initial step the time when the executive became self-supporting while here it is the time the future manager first entered business - the reason was that the latter event was more closely related to the business career than the first one.

Table 33.--Marriage and achievement time: mean number of years to achieve present position for executives by occupation of father and wife's father

Occupation of wife's father	Occupation of the overseas executive's father								
	Laborer	Farmer	White-collar	Supervisor	Minor Exec.	Owner of Small bus.	Owner of Large bus.	Major Exec.	Prof. Man
	P e r c e n t a g e s								
Laborer	18	0	- ^a	-	17	16	0	-	10
Farmer	10	19	-	-	0	17	0	-	-
White-collar	15	-	18	18	21	16	0	9	12
Supervisor	13	0	13	22	19	16	-	13	-
Minor executive	12	-	-	-	14	11	-	11	12
Owner of small business	19	-	18	19	17	15	-	18	16
Owner of large business	0	-	-	16	15	15	16	16	11
Major executive	-	0	23	-	10	11	11	10	12
Professional man	-	-	16	-	18	21	14	14	13
Mean for background	14.5	-	17.6	18.8	16.4	15.3	13.7	13.0	12.3

^aLess than half percent.

for each of the occupations but the result would be unchanged. It is impossible to come to a definite conclusion on this matter except to say that all indications point to the fact that there was no acquired advantage for the executive who married above the level of his occupational origins.

The Education of the Wife

The educational achievements of the overseas executive were considered earlier and now the same will be done for his wife. No matter what his occupational and educational backgrounds, the average executive finished college and many completed advanced degrees. Table 34 summarizes the

Table 34.--Education of the wife and of the U.S. adult female population, and comparison with the executive's education

Education	Wife	Execu- tive	1960 U.S. adult population*		Ratios of education to population (x 100)	
			Females	Males	Wife	Executive
P e r c e n t a g e s						
All or part grammar	1	0	37	42	3	0
Some high school	2	1	20	19	10	5
High school graduate	25	3	28	21	89	14
Some college	35	15	9	9	389	167
College graduate	37	81	6	9	617	900
Totals	100	100	100	100	-	-

*U.S. Department of Commerce, Bureau of the Census, U.S. Census of the Population: 1960 (Washington: U.S. Government Printing Office, 1963), "Educational Attainment". Final Report, PC(2)-5B, Table 1, pp. 1, 3.

achievements of the wives in formal education compared with the U.S. adult female population for 1960 and also with her husband's education.¹⁴

The conclusions one draws from Table 34 is that the average wife achieved a significant level of education--not as much as her husband but well above the average for the population of the country, as is clear by analyzing the ratios. For example, the ratio for college graduates indicates that there are 6 times more wives of overseas executives in this category than adult females of the country as a whole. Seventy-two percent of the wives have some college, as compared with only 15 percent

¹⁴Comparable data about the executive's education were taken from Table 16, p. 57.

of the adult females in general. Thus, considering both husband and wife, the couple that leaves the United States to live and work abroad possess an educational level far beyond that of the average for the U.S. population.

Additional information is given in Table 35 regarding how men of given educational levels chose wives from the various educational levels.

Table 35.--Inter-educational level comparison for husband and wife

Educational level of the wife	Educational level of the overseas executive			
	Grammar and some high ^a	High School graduate	Some college	College graduate
P e r c e n t a g e s				
Grammar and some high school ^a	<u>37</u>	4	4	3
High school graduate	38	<u>56</u>	33	19
Some college	6	25	<u>43</u>	30
College graduate	13	11	15	<u>39</u>
No answer	<u>6</u>	<u>4</u>	<u>5</u>	<u>9</u>
Totals	100	100	100	100

^aThese two categories were aggregated but even so they still constitute a small minority with only 10 cases.

There is a definite tendency for more marriages to occur within the same educational level, as is indicated by the underlined figures. This happened for all categories, but principally for the case of high school graduates. It is also true that marriages inter-class took place in no small proportion--a sign of mobility in this respect.

The overseas executive advanced farther than his father in terms of acquiring a formal education, as was seen earlier in Chapter V. The same

prevailed for his wife in relation to her father, as demonstrated in Table 36. Seventy-two percent of the wives went to college, as compared with 43 percent of their fathers; while only 3 percent of the wives did not finish high school the proportion was ten times higher for the fathers.

Table 36.--Education of the wife and of her father and of the executive's father

Educational level	Wife	Wife's father	Executive's father ^a
	P e r c e n t a g e s		
All or part grammar	1	17	20
Some high school	2	13	15
High school graduate	25	27	22
Some college	35	10	15
College graduate	37	33	28
Totals	100	100	100

^a Appendix II, Table 10.

There is however, a noticeable similarity between the educational backgrounds of the overseas executive and his spouse, that is, between the levels of education attained by the fathers of both. This information is exhibited in Table 36 to emphasize the point. The chi-square computation for the educational attainments of both the fathers confirms this similarity of backgrounds, i.e., there is not statistical difference between the two distributions.

¹⁵ The maximum value at the 1 percent level for no statistically significant difference for four degrees of freedom is 13.28 while the chi-square value obtained was only 5.03.

Finally, looking at the contribution to the external profile of the overseas executive, from this chapter it was learned that the executive's wife is typically a native of the United States, but that one in five was foreign-born and exerts a relative influence to keep the executive working in a region abroad where she was born. The executive tends to marry a woman with the same occupational background and educational level as his own. However, this generalization does not tell the whole story as there is a considerable number of marriages among every one of the classes in relation to occupation and education. In addition no evidence was found that the executive gained career-wise when marrying a woman from a higher occupation level than his. His wife is also well educated; three out of every four of the wives in this sample had gone to college.

CHAPTER VIII

THE BUSINESS CAREER

Up to this point, through the last five chapters the contributions for designing the external profile of the overseas executive have been drawn from analyses of several factors such as his nativity, occupational origin, education, military life, and marriage, all of which influenced his career in a variety of ways. Now one needs to look at his business career itself as one of the major factors required to complete that profile, which is the main purpose of this study. First, the career patterns will be considered, then the achievement time for entering the various positions will be computed, and finally his mobility since the first job in business will be discussed.

The Career Patterns

Occupational mobility was defined before as movement through occupations within a framework subordinated directly to the location, education¹ and occupation of the executive's father. But occupational mobility can be also "movement from occupation to occupation within the lifetime of the individual himself."² Mobility then can exist from one generation to the other (inter-generational) or within a generation for different points of time (intra-generational) which is the case here.

¹Chapter IV.

²Occupational Mobility, p. 115.

To obtain the requisite information the questionnaire requested the occupation of the individual when he became self-supporting, then five, ten and fifteen years later; the same time sequence adopted by Warner. The list of occupations is the one used for occupational mobility, except that the categories of business owners (large and small) were aggregated (very few respondents in each) and there were none in the class, farmers, at any period. The occupational sequences are shown in Table 37 for the group of overseas executives.

Table 37.--Career sequence of the overseas executive

Occupation	When			
	Self-supporting	Five years later	Ten years later	Fifteen years later
P e r c e n t a g e s				
Laborer	23	6	1	0
White-collar	53	27	9	2
Business owners	1	4	2	0
Supervisors	6	33	30	12
Minor executive	1	17	44	52
Major executive	0	1	10	32
Professional	5	6	3	2
Military career	11	6	1	0
Totals	100	100	100	100

The white-collar occupation was marked by more than half as the initial classification, i.e., the one at the time the executive stopped being dependent on his father. If to that occupation total are added the totals

for supervisors and minor executives, the revised figure for this broad white-collar category is 60 percent. The 23 percent who started as laborers (one out of four) is also a sizeable proportion even though it includes both unskilled and skilled workers. Eleven percent started in a military career but dropped it completely at the end of fifteen years. It is interesting to note that only 5 percent began in one of the professions.

Following the sequence of occupational change through the years, no doubt exists that the preferred route was within the broad white-collar channel, although a distinction must be made at this point; the small white-collar group that includes salesmen and clerks decreased rapidly with time, almost "disappearing" after fifteen years, while minor executives substituted for them with a very quick growth in the same period. The class, supervisors, is important numerically only for the intermediate points. Very few started their careers as supervisors and relatively few remained supervisors after fifteen years. Those in the categories of laborers and business owners joined members of the military group as those who "disappeared" completely from the picture after fifteen years. Conversely, the ranks of major executives grow slowly at first and then very rapidly, increasing three-fold in the last three years only.

Achievement Time

It is interesting now to recall some data from Table 9³ relating to a sequential series of events in the life of the average overseas executive.

³Table 9, Chapter III, p. 40.

Among other things, that table shows that:

- the executive became self-supporting at 20 years of age,
- entered lower management six years later at age 26,
- entered middle management six years later at age 32,
- entered high management six years later at age 38.

The last figures confirm to a reasonable degree those obtained from Table 37, as is indicated below:

- the average executive became self-supporting when he was 20 years old and entered business at 22 (arbitrary ages for Table 37). His first job (in 76 percent of the total cases) was as a white-collar worker or laborer,
- five years later at age 25 to 27 he became a minor executive or a supervisor, a total of 50 percent for the category of lower management, as was shown in Table 9;
- ten years later, at age 30 to 32 he was a supervisor but more probably a minor executive, thus a total of 74 percent for the middle management level,
- fifteen years later, at age 35 to 37 he assumed a higher management position as a major executive or retained his position as a minor executive for a total of 84 percent⁴ for the corresponding level in Table 9.

Another way to look at the career patterns of the overseas executive that allows a better view of his career speed would be to check his age at different points during his lifetime and observe what he was doing then. This is done in Table 38 which also incorporates events concerning the work of the executive as an expatriate manager, that is, at the company's subsidiary abroad. The average age of the overseas executive (for each of seven career time points) is also calculated and are listed at the bottom of the table. The figures in the body of the table refer to the percentages of executives within each one of the age brackets arbitrarily specified.

⁴The category, minor executive, is broadly inclusive and for this reason it appears often through various categories.

Table 38.--Achievement time: ages at which the overseas executive entered different positions in his working career

Age brackets in years	Positions of the overseas executive at seven stages							
	Beginning		Management level			Overseas career		
	Self- supporting	First in business	Lower	Middle	High	First position	Present position	
P e r c e n t a g e s								
Below 20	37	21	2 (1) ^a	^b -	(0)	0	1	0
20 - 24	57	51	25 (17)	3	(1)	1	17	1
25 - 29	6	26	52 (38)	30	(15)	5	38	15
30 - 34	-	-	18 (19)	42	(24)	22	19	24
35 - 39	0	1	3 (14)	19	(24)	37	14	24
40 - 44	0	0	- (6)	5	(18)	19	6	18
45 - 49	0	1	- (4)	1	(11)	11	4	11
Over 50	0	0	- (1)	-	(7)	5	1	7
Totals	100	100	100	-	100	-	100	100
Average age	20.4	22.3	26.4 (30.5)	31.7	(37.5)	38.1	30.5	37.5

^aThe numbers within parentheses refer to percentages for the overseas career positions placed in correct time sequence.

^b Less than half percent.

Many executives became self-supporting very young, before they were twenty, but the majority began between the ages of 20 and 24 years. Half of the group also entered business within that age range. Fifty-two percent were lower managers when in their early twenties, 42 percent were minor executives in their early thirties and 78 percent were higher managers at ages varying from 30 to 44 years.

This Table could be rearranged by recording the overseas career percentages according to chronological sequence instead of considering the various types of positions during the career. This can be done by re-locating the last two columns (and placing the figures within parentheses): one between the lower and middle management levels and the other between the middle and high levels. Doing so enables one to easily perceive a trend--as the executive grows older he steadily climbs the many steps in his career until reaching the present high position.⁵

A very good indication of the career speed of the executive is to measure the number of years needed to achieve the present top-level position. This time span can be obtained by subtracting the age he entered business, 22.3 years, from the age when he assumed his present position, 37.5 years. The difference is 15.2 years. At first sight this appears to be a relatively short span of time; this impression will be confirmed when this interval is compared with the number of years needed for other

⁵It seems inconsistent that the present overseas position in the chronological sequence comes before the attainment of the high management level. The suggestion is that the respondent was not yet in a high occupation. The difference between these two stages is very small; in addition the information in Table 10, Chapter IV, p. 45, concerning the present overseas occupation leaves no doubt that the executive is occupying a high position.

types of executives to achieve similar status. This analysis follows in Chapter X.⁶

Among the factors that influence the speed of the business career, education undoubtedly has a definite bearing, as the data in Table 39 implies, where for each educational level the number of years necessary to achieve a top managerial position was calculated.

Table 39.--Career speed and educational attainment

Educational levels	Years to achieve present position
All or part grammar school	43.0
Some high school	30.1
High school graduate	23.0
Some college	20.3
College graduate	13.7
All overseas executives	15.2 ^a
Age of entering business - 22.3 years	
Age when present position assumed - 37.5 years	
Age at the time of the survey (1963) - 40.7 years	

^aThere were no responses in seven cases, one response for the lowest educational level, 7 for some high school, 27 for high school graduates, 131 respondents with some college education and 704 college graduates out of the total of 877 who answered this item.

⁶Considering the entrance into the higher management level (see footnote above), the average career span would be 15.8 years instead of 15.2 years. In any case both are very low figures and the conclusions are unchanged.

There is a direct relationship between educational levels and career speed; the more formal education, the quicker the pace of the career. Those executives with some high school education took 30.1 years to reach a major executive position overseas, while only 13.7 years were needed for the achievement of that position when the executives had graduated from college. The difference is significant even between those who started but did not finish college and those who did complete college, 20.3 to 13.7 years.

It is commonly asserted that individuals with less education start early in life. In this case there would be a tendency for persons with different educational levels to reach high management position at approximately the same ages. Nevertheless, for the overseas executive in particular, the differences between the career spans for the various subgroups seem to be too large (for example, 9.3 years between college and high school graduates) to be explained by an earlier start to work. From Table 38, 79 percent entered business after they were twenty years old; in consequence they overcame the disadvantage of a later start with respect to the 21 percent who started before. Admittedly the difference could not have been great considering the minimum age at which one may become employed.

Interfirm Mobility

The overseas executive does not remain with the same firm during his entire career life. There is some movement from firm to firm, defined here as interfirm mobility. It is important for a study of the profile to know how many jobs he leaves or moves into, or whether he keeps moving

or tends to settle down at some point in his career.

For that purpose Table 40 lists the number of firms the overseas executive has worked for during his career, as well as the number of firms in which he served as an executive (major) and the number of firms while in assignments abroad.

Table 40.--Number of firms the executive worked for in his business career, as an executive and in his overseas assignment

Number of firms	During entire business career	Associated as an executive	In overseas assignment
1	41	67	83
2	25	22	12
3	17	6	4
4	8	3	1
5	5	1	0
6 or more	4	1	0
Totals	100	100	100

More than 40 percent of the executives have been associated with only one firm during all of their business careers. Sixty-six percent have been associated with two firms while 17 percent have changed four or more times. The average or typical overseas executive worked for two firms during his career--not at all a high degree of movement.

Regarding the timing of this movement, the second column (Table 40) indicates that about one-third of the men changed firms after becoming executives. On the average less than two moves (firms) are involved,

again a limited degree of mobility at the most. Finally, mobility decreases further as the executive enters overseas activity--83 percent remained in one firm, 95 percent had worked abroad with at most, two firms, an indication of a high degree of stability. These high figures (column three) for the foreign assignments influence and explain the figures in columns one and two of Table 40. The three are closely interrelated. Some reasons for the degree of mobility of the overseas executive will be given when comparing these results with those obtained for the other types of executives.⁷

Table 41 shows that interfirm mobility is also related to education. The classification, college graduate, accounted for 88 percent of those executives who stayed with only one firm (81 percent were college graduates

Table 41.--Interfirm mobility and education

Education level	Number of firms the overseas executive was associated with in his career					Executives in each Educational level
	1	2	3	4	5 or more	
P e r c e n t a g e s						
All or part grammar	0	1	1	0	0	0
Some high school	1	1	0	1	3	1
High school graduate	1	3	2	6	7	3
Some college	10	16	16	23	16	15
College graduate	88	79	81	70	74	81
Totals	100	100	100	100	100	100
Executives in sample	41	25	17	8	9	

⁷See Chapter X.

in the sample). The same category also accounted for 74 percent of the much smaller number who moved through five or more firms. The conclusion however, is that individuals with more formal training are more likely to achieve success in business (high levels of responsibility) without changing too much from one company to another.

The contributions of the factors associated with the business career to the external profile can be summarized in the following manner. The average executive used the channels of the white-collar occupations to climb the organization structure to the top. He achieved this goal in a span of time slightly exceeding 15 years with little interfirm mobility. The influence of education was very important to the acceleration of career speed and to the reduction of interfirm mobility.

CHAPTER IX

THE EXTERNAL PROFILE OF THE OVERSEAS EXECUTIVE

Elements needed for designing the external profile of the overseas executive were compiled in the preceding six chapters. Capsule profiles were provided at the end of each of these chapters that covered his nativity, occupational origins, education, military life, marriage and business career.

Before proceeding it is convenient to recall that the external profile allows one to outline relevant characteristics of the overseas executive and to make generalizations about his environment, the forces and factors that were significant during his life and particularly during his career in business. Personality studies and investigation of inner motives are by design completely omitted.

The parts to be integrated are now at hand but they must be aggregated in order to arrive at a unified and meaningful external profile which is the primary purpose of this study. The subdivisions of the profile are obviously the same ones adopted for purposes of analysis and discussions in the preceding chapters in which the background of the overseas executive was detailed extensively.

Nativity

The 1963 overseas executive was born in 1922, in the United States, most probably in the East or Midwest; more precisely in one of the Middle Atlantic (New York, Pennsylvania and New Jersey)

or East North Central (Ohio, Illinois, Michigan, Indiana and Wisconsin) states.¹

Broadly speaking he manifests a preference to go to Latin America if born in the South, to Europe if born in the East and to Asia if born in the West.

His birthplace is a community of over 100,000 inhabitants. When the proportion of the population of the country living in communities of various sizes is considered, his birthplace might well have been a community above 25,000 inhabitants. Almost certainly he was not born in a rural area.

He is the son of a U.S.-born father and a U.S.-born grandfather.

Occupational origins

His father was engaged in some form of business activity, either as a minor or a major executive, or as an owner of a small or a large concern.

His paternal grandfather had also been similarly engaged. Both father and grandfather tended to retain the same general occupation although there was occupational mobility from father to son or during the father's lifetime. This mobility was upward and away from rural to urban occupations.

Education

The overseas executive entered college and was graduated at age 23. In many instances he pursued an advanced degree. On the

¹See Appendix II, Table 4.

whole, his educational achievements are far above those of his average countrymen. This high level of education was attained independently from the occupational and educational levels of his father. No matter what the occupation of his father or how much formal education, the executive went to college.

He specialized in liberal arts, business administration or engineering.

The overseas executive obtained a bachelor's degree from a private university, and whenever the case, an advanced degree from a state university.

The bachelor's degree was received from an Eastern or Mid-western college while the post-graduate degree was granted by a Western or Eastern university. Although he preferred a college within the region of his birth, he frequently went to another region for the bachelor's degree and moved again for the advanced degree.

Before leaving for his job abroad, he received special training which consisted primarily of a briefing about the company's operations abroad, the language of the host country and about his expected behavior while working in the foreign country.

Military life

The overseas executive is a veteran, having entered the armed forces at a very low rank but returned to civilian life with several promotions.

Marriage

The overseas executive married in 1949 when he was 27 years old, and his family numbers two to three children. His wife typically is also a U.S. citizen, but some of the executives married a foreigner. In this case he tends to work in that part of the world to which his wife is native.

His wife has similar occupational and educational backgrounds to his own. No advantage for the executive's career was found when he married above his own occupational level.

His wife, like himself has attained a high level of formal education, almost certainly having entered college. The combined education of the overseas executive and his wife is high above that of the average U.S. married couple.

Business career

The overseas executive became self-employed when he was 20 years old (in 1942), but his business career properly began two years later, just before he graduated from college. His first position may be broadly classified as a white-collar occupation. Four years later at age 26, he became a supervisor or a minor executive, approximately at the time he joined his present firm and got married. Three years later he left the U.S. for the first time to work overseas. Soon after he received a promotion and after seven or eight years abroad he reached the top echelons within his firm's subsidiary.

The channel of his occupational mobility was definitely the white-collar job route, from the lower to the higher managerial levels. Most of his promotions occurred while he was overseas, that is, during 10 of the 14 recent years of his business career through 1963.

His education has had without doubt a strong influence upon his career speed. He took 14 years to reach the top if a college graduate, but 20 years if he entered college but did not graduate and 30 years if he had only an intermediate educational level.

The overseas executive tends to stay with one or a maximum of two firms and this tendency increases remarkably as he goes from a non-executive to an executive and finally to an overseas position. At most he has worked for two firms during his overseas career.

His educational achievement affects his occupational stability; the more formal education he has, the greater the stability in his position, i.e., he can be successful with less mobility.

The generalizations above define and constitute the external profile of the overseas executive. Greater refinement is possible by carrying the analysis further, but for the purposes of the present study this profile is considered adequate even while recognizing its limitations.

The external profile thus defined detaches the figure of the overseas executive from a conglomerate of businessmen and types of executives and presents him sharply within a framework of definite boundaries. It is

certainly not complete. A valid use of this profile is to place it side by side with profiles of other well-known executive types, as one of the initial hypotheses of this study proposed. This is presently done in the next chapter.

CHAPTER X

THE OVERSEAS EXECUTIVE CONTRASTED WITH OTHER EXECUTIVE TYPES

The external profile of the overseas executive, the first objective of this study, has been designed. An important and secondary objective of this research is to investigate whether the external profile above provides elements for differentiating the overseas executives from other well known executive types. The framework for the following comparative analysis will center around the factors used for the determination of the external profile of the overseas executive.

The same sequence for analyzing comparative data will be used, i.e., nativity data, occupational origins, education, military service, marriage and business career. The available data from the several studies is too extensive considering the limited scope of the present study; only some of the most significant factors will be discussed.

The analysis will be divided into two parts. In the first part the similarities and differences between the overseas executive and the big business and government executives (Warner et al.) will be assessed; in the second part, the same will be done with respect to the executives and lower managers described by O'Donovan.¹

¹As described in Occupational Mobility, op.cit., primarily, and Big Business Leaders, op.cit., for the business executives, and The American Federal Executive, op.cit., for the government executives. Also, O'Donovan's "Contrasting Orientations and Career Patterns of Executives and Lower Managers" (unpublished Ph.D. dissertation, 1961). These four works have constantly been mentioned for their use in this study.

Chi-square computations were made for twelve factors. The results are presented in Tables 42 and 43 together with the maximum values for no statistically significant differences between the two variables being considered.

The Overseas Executive and the Business
and Government Executives²

The overseas executive will first be compared with the business leader, the civilian federal executive and the foreign-service executive³ (a category included within the civilian federal executive).

Nativity

The 1963 overseas executive is much younger at 40.7 years of age than the 1952 business leader (53.7 years) and both the 1959 civilian⁴ (49.4 years) and foreign-service (48.3 years) executives.

All four however, came mainly from the Middle Atlantic and East North Central regions of the United States and the fewest, considering all four executive types, came from the East South Central region as shown in Appendix II, Table 15. Even if the ratios of numbers of executives to regional populations are considered, the differences among the four types are minimal.

Executives from all four categories were born predominantly in cities of over 100,000 inhabitants. A few, both in absolute and relative numbers,

²Throughout both parts of this comparative analysis constant reference will be made to Appendix II, principally for Tables 15 to 28.

³See Chapter I, p. 6 for the rationale of this selection of executive types.

⁴The American Federal Executive, op.cit., Table 64-B, p. 386.

Table 42.--Chi-squares of selected characteristics for the overseas executive and Warner's business and government executives

Factor used for the comparison	Maximum value for no statistically significant difference at the 1% level for the appropriate degrees of freedom	Computed chi-square (χ^2) value for the executive		
		Business executive	Civilian federal executive	Foreign-service executive
Nativity by region of the United States	20.09	16.74	12.36	6.36
Size of birthplace	11.34	7.63	14.43	7.51
Nativity of father and paternal grandfather	9.21	1.86	1.51	1.29
Occupation of father	9.21	6.07	17.55	^a
Occupation of paternal grandfather	9.21	25.09	27.99	-
Education of the executive	9.21	27.61	0.27	5.06
Occupation of wife's father	16.81	33.10	21.01	17.07
First occupation of the executive	16.81	64.61	81.69	87.40
Interfirm mobility	15.09	17.64	5.75	31.01

^aThe different grouping of the occupations did not permit calculation.

Table 43.---Chi-squares of selected characteristics for the overseas executive and O'Donovan's executive and lower manager

Factor used for the comparison	Maximum value for no statistically significant difference at the 1% level for the appropriate degrees of freedom	Computed chi-square (χ^2) value for the executive	
		Executive	Lower manager
Occupation of father	9.21	3.46	23.96
Occupation of paternal grandfather	9.21	51.25	48.11
Education of the executive	9.21	6.82	246.69
Education of father	13.28	10.21	145.54
Military exit rank	9.21	38.78	86.92
Occupation of wife's father	9.21	9.01	39.84
Education of wife	11.34	10.89	71.21
Interfirm mobility	15.09	27.81	47.59

came from communities of less than 2,500 population or rural areas. Table 16, Appendix II, leaves little doubt about this.

Regarding the nativity of the executives' ancestors, there is also an almost complete parallel among the overseas executive, the business leader and the civilian and foreign-service men. Table 17, Appendix II, shows that 64 percent of the first are U.S. born through the three generations, the business leader 58 percent, and the last two respectively, 60 and 66 percent. Correspondingly, there is similarity for the cases when the grandfather is foreign-born, and when both father and paternal grandfather are foreign-born.

The chi-square values in Table 42 for these three factors confirm the above conclusions indicating that there are no meaningful differences between the variables.

Occupational Origins

The occupation of the father was considered at the time the executive became self-supporting. There is a close similarity only between the overseas executive and the business leader as Table 18, Appendix II, indicates. Taking only the occupations related to business in some way, the overseas executives and the business leaders' fathers were included in this occupational class in 72 and 62 percent of the cases respectively. The same statistic for the civilian federal and the foreign-service executives is 45 and 46 percent respectively.

The mobility of the father, between two periods in his life, as shown by Appendix II, Table 19 for the overseas executives and business leaders suggests the same tendency for both subjects. There were more owners of

large businesses and major executives, fewer white-collar workers and laborers as the fathers moved upward in their own careers.

Mobility through three generations (indicated for nine occupations in Appendix II, Table 20) for six occupations demonstrates that the trend from grandfather to father is the same for the overseas, the business and the civilian federal executives; only for business owners and laborers are there discrepancies that are relatively minor. The sharp decrease in farm occupations is present in all three cases, as is the increase in major and minor executives, white-collar workers and supervisors.

The chi-square tests made for the occupations of the father and of the grandfathers separately, indicate dissimilarities except between the occupational backgrounds of the overseas executive and the business leader.

Education

The educational attainment at the various levels is remarkably similar for the overseas executive and the civilian federal officer. Both groups have 81 percent college graduates and 15 percent with some college education. The foreign-service man seems to be the one who reached the highest educational level and the big business leader the one who attained the lowest educational level (see Appendix II, Table 21). This is the case even if the ratios of executives to population are calculated, but it should be noted that the variations are substantially less than before. In general the executive, whether business or government, domestic or foreign, has much more formal education than the average male in the United States.

Both Tables 22 and 23, Appendix II demonstrate that for all types of executives the occupational and educational origins of the executive had but minor influence on the level of education the executive himself attained. Only for the case of the business leader, particularly the one whose father was a laborer, was a discrepancy noted with respect to both the occupation and education of the father. In these cases the probabilities that the executive entered or graduated from college are smaller.

The wide variety of classifications for college specialization precluded a meaningful analysis of this important point. Aggregating in the best possible way, the overseas man (45 percent), the civilian federal (36 percent) and the foreign-service (66 percent) officers most frequently pursued a liberal arts education. Business administration was the second most frequent choice of the overseas executives (28 percent) but accounted for only 12 percent among the other groups even when public administration is also included. Engineering was preferred by 28 percent of the civilian, 8 percent of the foreign-service and 17 percent of the overseas executives. Many of the federal executives (both classes) chose to specialize in one of the physical sciences, while only 7 percent of the overseas men did so.

As for the types of colleges, public or private, it was also difficult to reconcile the different classifications and arrive at a common one for the three types of executives (there is no data for the business leader). In Chapter V it was stated that the overseas executive typically went to a private school for his bachelor degree and to a public school for the

post-graduate degree.⁵ The group of civilian executives as a whole did the opposite; 48 percent and 42 percent for the bachelor's degree from private and public institutions respectively, and 45 percent each for the advanced degree from the two types of schools. However the subgroup of foreign-service officers went in larger numbers (56 and 58 percent) to private schools for the bachelor and advanced degrees. In the main if it seems that the dissimilarities considering this item are not very great the similarities are not significantly pronounced either.

Military Life

No comparison is possible here because no data is available for the business and government leaders.

Marriage

Ninety percent of the overseas executive were married at the time of the research. Corresponding statistics were 96 percent for the federal executives (including the military) and 93 percent for the business
6
leaders married.

Concerning the occupational origins of the wife, the overseas executives count the fewest (percentage-wise) fathers-in-laws who were laborers or farmers than any of the other groups. Now if all the occupations related to business are considered, the father-in-laws of the overseas executive's were included in this occupational class in 70 percent of the cases, compared

⁵See page 63.

⁶The American Federal Executive, op.cit., p. 90.

with 50 percent for the business leaders, 47 percent for the civilian and 51 percent for the foreign-service executives. Approximately the same results were obtained when the occupations of the fathers were discussed above. For this reason Table 24, Appendix II, shows the data side by side.

Business Career

The career sequences of the executives through successive five-year intervals is shown in Table 25, Appendix II. All four types have progressed to their present high positions as executives, but the channels they chose were different. The overseas executive started predominantly as a white-collar worker or laborer, then continued through the white-collar channel until becoming a major executive. Sixty-one percent started in some white-collar assignment, 82 percent could be so classified five years later, 95 percent ten years later and 98 percent at the end of fifteen years.

The business leader followed the same route although not to such an extent, the percentages being respectively 55, 72, 83 and 89 percent. As to the federal executives, their experience in private business careers was less, as one might have assumed. They preferred instead the channel of the professions. For the civilian executives as a group the professions alone accounted for more than the total of all the business categories for all periods except the last. The foreign-service officers followed this same but less accentuated trend.

The career speed, defined as the number of years the executive took to achieve his high position from the age he entered business is presented in Table 44. For the overseas executive this statistic was obtained by subtracting the age he entered business from the age he achieved present position.

Table 44.--Career speed of the executives: number of years to achieve top executive level

	Overseas executive	Business leader ^a	Civilian federal executive ^a	Foreign- service executive ^a
	(Years)			
Age first entered business	22.3	21.4	27.9	28.2
Years to achieve ^b	<u>15.2</u>	<u>23.9</u>	<u>16.9</u>	<u>17.6</u>
Age assumed top position	37.5	45.3	44.8	45.8

^aThe American Federal Executive, op.cit., Table 63-B, p. 385.

^bFigures for the career service, politically appointed and military federal executives are respectively 17.4, 14.7 and 25.4 loc.cit.

The overseas executive reached a top level position after only 15 years from the time he initially entered business, a figure quite lower in relation to that of any of the other types of executives considered. The federal officers (civilian and foreign-service) took two and two and a half years longer respectively. The difference is not great but they also entered business approximately six years later. Because of this the federal executives reached top positions about eight years later. The only one who took less time was the political appointee, but he started late at age 30.

Education has a strong influence on the career speed of the overseas and the big business executive, the only ones for which comparable data is available and summarized in Table 45.

Table 45.--Career speed and education

Education	Years to achieve top position	
	Overseas executive	Business leader
Less than high school	43.0	31.0
Some high school	30.1	30.6
High school graduate	23.0	27.9
Some college	20.3	24.5
College graduate	13.7	22.9
Average	15.2	23.9

The difference between those with higher education and those without is remarkable for both the overseas executive and the business leader, but accentuated for the former as the range is almost four times that of the latter.

Finally, in relation to interfirm mobility, the overseas man is less mobile than any of the others even though movement decreases as they all become top level executives. The very high rate of stability after the executive works abroad has no parallel in the cases of the other types. This one value may have lowered the measure of mobility for the entire career of the overseas executive. Table 26, Appendix II, clarifies all these points. The influence of education on the stability of the individual is depicted in Table 27, Appendix II, and it may be seen that the more highly educated the individual the more he tends to stay with one firm. This is so for both the overseas and business executives.

The Overseas Executive and O'Donovan's Executive
and Lower Manager

The comparisons here cannot be made as extensively as before because data is lacking for several of the items. The same sequence of factors will be used to facilitate the presentation.

Nativity

The average age of the overseas executive was 40.7 years, less than the 46.0 years for both executive and the lower manager.⁷

Occupational Origins

Reducing the nine categories of the fathers' occupations to three, some comparisons can be made. The overseas executives' fathers had positions that might be considered lower level (in relation to managerial responsibilities) in 26 percent of the cases, for the executives' fathers the figure was 19 percent and for the lower managers 43 percent. For the intermediate occupations the percentages are respectively 40, 37 and 37 percent, and for the higher occupations 34, 39 and 17 percent.⁸ The chi-square values in Table 43 shows great similarity between the overseas executive and O'Donovan's executive, and a sharp difference between the former and the lower manager. For the grandfather's occupation no similarity whatsoever was found among the three.

Education

Both the overseas executive and the executive (O'Donovan's study) attained high formal education levels; the lower manager three times out

⁷O'Donovan, op.cit., Table 1, Appendix II, p. 146.

⁸Ibid., Table 5, p. 47.

of four did not graduate from college. The ratios emphasize still further these conclusions, as indicated in Table 46.

Table 46.--Education of the overseas executive and of the higher executive and lower manager^a

Education	Overseas executive		Higher executive		Lower manager	
	<u>%</u>	<u>Ratio^b</u>	<u>%</u>	<u>Ratio^b</u>	<u>%</u>	<u>Ratio^b</u>
All or part grammar	0	0	0	0	5	11
Some high school	1	5	3	17	14	82
High school graduate	3	14	7	33	22	105
Some college	15	167	21	300	34	186
College graduate	81	900	69	767	25	278
Total	100	-	100	-	100	-

^aO'Donovan, op.cit., Table 11, p. 57.

^bFigure for ratio is times 100.

The chi-square tests summarized in Table 43 place the two higher executives in the same statistical population, and both completely apart from the lower manager with respect to the variable, educational level attained. The same results were obtained when the educational origins of the executives were compared. See Table 43.

Military Service

All the executives on the average entered service at a lower rank and demonstrated some degree of mobility by being discharged at a higher rank.⁹

⁹Ibid., Table 25, p. 86. See also Table 28, Appendix II.

It is at once evident that the overseas executive is more nearly similar to the higher executive than to the lower manager with respect to upward mobility in service. However, there is significant discrepancy between the first two as indicated by the values of chi-square in Table 43.

Marriage

The overseas executive married when he was 27 years old. The higher¹⁰ and lower executives each married at the age of 26. Analysis of the occupational origins of the wives produced some similarities between the overseas executive and the higher manager (see Table 43 for values of¹¹ chi-square) with both differing significantly from the lower manager. The latter had a father-in-law who usually worked in positions lower than those of the fathers-in-law of the other two. The figures are:

- for lower levels; overseas 28 percent, higher 25 percent, lower 41 percent,
- for intermediate levels; overseas 37 percent, higher 40 percent, lower 37 percent,
- for higher levels; overseas 35 percent, higher 30 percent, lower 18 percent.

Concerning the education of the wives, the overseas executive and the higher manager are again similar (refer to Table 43) but widely divergent from the lower manager. Seventy-two percent of the overseas executives' wives, 60 percent of the higher executives' wives and 29¹² percent of the lower managers's wives had entered college.

¹⁰O'Donovan, op.cit., Tables 28 and 29, p. 89.

¹¹Loc.cit., Table 27.

¹²Ibid., Table 11, p. 59.

Business Career

As was seen in the comparison of the overseas executive with the business and government leaders, the former had a very rapid rate of career speed. In the elapsed time of 15.2 years he entered business and achieved a top managerial position. For the higher executive this figure is about 18 years; he entered business at 22 and was a major executive at 40.¹³ No data is available for the lower manager.

The movement of the overseas executive among firms during his career is not so pronounced as in the case of the other two. Two-thirds of the overseas executives stayed with at most two firms, while only 45 percent of the higher managers and 35 percent of the lower managers did so. Their mobility is more evident when described as below:¹⁴

- 1 firm - 41 percent of the overseas, 21 percent of the higher,
19 percent of the lower
- 2 firms - 66 percent of the overseas, 45 percent of the higher,
35 percent of the lower
- 3 firms - 83 percent of the overseas, 71 percent of the higher,
59 percent of the lower.

The overseas executive is clearly less mobile than the others, the same conclusion obtained when he was compared with the business and government executives in the first part of this chapter.

The comparisons are now concluded. The overseas executive was first placed alongside the well-known Warner executive types to learn whether he came from the same statistical population; in the second part, he was compared with two distinct types of executives for the same purpose. This completes the comparative analysis within the framework of the external profile.

¹³Ibid., pp. 126-130.

¹⁴Ibid., Table 34, p. 99.

CHAPTER XI

IMPLICATIONS AND CONCLUSIONS

A number of important personal characteristics of the overseas executive have been obtained for the determination of the external profile. These characteristics were contrasted afterwards with those of Warner's big business leader and federal executive and with O'Donovan's executive and lower manager.

The investigator is firmly convinced after the completion of this work that the external profile has intrinsic value and merited the time and effort necessary to compile it. Essential information about the basic nature of these men, who are directly responsible for the management of billions of dollars invested abroad in a difficult and always changing world, has been generated.

The overseas executive is a controversial figure both in the specialized literature and as viewed by companies' headquarters in the United States. The domestic executive has been the subject of a series of prominent and helpful studies but the overseas executive, until now has not been the object of such analysis. This study, limited in resources, time and particular focus is only a beginning. Nevertheless the generalizations regarding the nativity of the overseas executive, his occupational origins, education, military life, marriage and business career (following the lines of comparable studies about the domestic executives) have brought to light factual data not existent before, and as such it has great potential value.

In addition to this theoretical interpretation there are practical implications arising from this work. For example, the high educational standing of the overseas executive has been ascertained without margin for any doubt - he has accomplished far more than his average countryman including the 1952 big business leader, and compares favorably with the civilian federal executive, also a highly educated individual. This should be sufficient to significantly discount statements by students of the subject and some company representatives, as cited by Shearer, that the overseas executive is not as well educated or trained as his domestic counterpart.¹

Concerning the predeparture training it is evident that the managements of the international firms tend to stress as subject matter knowledge about the company rather than emphasizing aspects more closely related to important cultural, political and social aspects of the foreign locations in which their men will be working.² Thus whether the executive is well trained or not does not depend solely upon him, on the contrary the role of the firm enters in.

Another fallacy is that an overseas career shuts off a man from expected advancement.³ The profile compiled by this study showed that the overseas executive has a very quick career, a mere fifteen years from the time he entered business (at 22 years of age) until reaching a top executive

¹Op.cit., p. 75.

²See Appendix I for further detail plus the executives' opinions for suggestions to make the predeparture training more useful.

³Fayerweather, The Executive Overseas, op.cit., p. 179. The author states that this has happened in the past.

position (at 37 years). As will be seen presently this is a shorter period of time than the other executives needed. It was also seen that a higher level of formal education (which the overseas executive has) facilitates fast career rate and more stability in the firm. Both factors are of immediate interest to the firms and the executives.

Next, regarding the place of the overseas executive among the big business leader, the civilian federal executive and one of its sub-types, the foreign-service officer (all studied by Warner and his associates), the conclusion is that the overseas man is much more similar rather than dissimilar from them.

The chi-square computations and the more detailed analysis indicate that all of these executives came from the same broad geographical region, from larger urban areas and have U.S.-born ancestors. As to occupational origins similarity exists between the overseas executive and the business leader, but not between the farmer and the civilian federal executives. These two variables of course were not controllable by the executive.

Considering the variables over which the executive has at least some degree of control, the similarity with the federal executives appears to be mainly in terms of education. But like the business leader, the overseas executive has followed in his upward occupational career the white-collar worker channel, and occupations broadly related to business; moreover for both executives, the fathers' occupations and educational levels had very little if any influence on the educational achievements of the executive. In general, the overseas man is less mobile than the other executives referring to movement from firm to firm.

Summarizing, and speaking broadly, the external profile gives evidence that there are more similarities than differences between the overseas executive and the types of executives studied by Warner. When differences exist they are not sufficient to make a distinction a priori between one type and the other, i.e., the elements as determined for the external profile do not have sufficiently predictive value when applied early in the executives' careers to indicate differences among them.

The conclusion that the overseas executive is not a unique individual (among the group of major executive types) is not surprising when one considers that the external profile indicated also that he entered business at 22, graduated from college at 23, entered a low level management job at 26, married and entered the present firm at 27 - and only at 30 years of age did he first go overseas to work. In other words, until he was about 30 years old, he was a domestic executive, and the domestic executives⁴ are still the major source from which overseas executives are recruited. It seems that for a period in his life the overseas executive shared the same ambitions and objectives as the domestic executive, to advance his business career, and that the desire to go abroad developed later subject to circumstances not treated by the external profile.

The last hypothesis that had to be tested concerned the comparison of the information about the overseas executive with that about O'Donovan's executive and lower manager.⁵ It was assumed from the start that this last

⁴Shearer, op.cit., p. 74.

⁵O'Donovan, op.cit.

study was designed to distinguish between those two levels of managerial personnel.⁶ Thus the present study provided data that places the overseas executive definitely in the population that is the source of O'Donovan's major executive. The chi-square tests and other comparative analyses leaves no doubt about the similarity of both. When differences exist (higher education, faster career speed, etc.) they place the overseas executive farther apart from the lower manager.

The conclusions from this comparison, and from the comparison with the Warner executives imply that the charge that the overseas executive is a second-rate man is simply without foundation. The overseas executives has practically all the characteristics of the major executive of O'Donovan's study and compares quite favorably with the big business leaders and the federal executives. Even so, this man accepts the overseas assignment to be confronted with unforeseen difficulties and to occupy a position in which his actions are permanently conspicuous. He may assume certain characteristics of behavior not fully understood by those who stay home, but this does not mean that he lacks high managerial competence. On the contrary, all the indications are that he is very much a top level executive.

⁶The lower managers include the first and the second line supervisors. O'Donovan, op.cit., p. 4.

APPENDICES

EXHIBITS
COVER LETTER AND
QUESTIONNAIRE

EXHIBIT A

MICHIGAN STATE UNIVERSITY - East Lansing

Graduate School of Business Administration

Department of Management

(Respondents Address)

Dear Mr. _____:

Under the sponsorship of the Ford Foundation and the Graduate School of Business Administration at Michigan State University, a study of the orientation and career patterns of the U.S. overseas executives is being conducted.

The purpose of the research is to answer the question whether or not there are significant differences between domestic and foreign based executives in terms of their personal and professional backgrounds. We seek also to learn what prompts an executive to go overseas.

More than 3,000 U.S. executives on foreign assignments have been asked to participate in the study by responding to a questionnaire, a copy of which is enclosed. The questionnaire is similar to those used in studies of domestic U.S. executive career patterns and mobility. Information is requested about your education, family, military service, domestic and foreign work experience.

The information you provide will be considered confidential. The completed questionnaire should be returned directly to Michigan State University by using the enclosed envelope. The questionnaire should not be signed and there is no need to identify your company.

We trust that you will agree that more needs to be known about the staffing of U.S. overseas operations. Your response to the questionnaire is earnestly solicited.

Sincerely yours,

Richard F. Gonzalez
Associate Professor
Graduate School of Business Administration
Department of Management
Michigan State University

EXHIBIT B
STRICTLY CONFIDENTIAL

STUDY OF SOCIAL AND OCCUPATIONAL BACKGROUNDS
OF AMERICAN EXECUTIVES IN OVERSEAS OPERATIONS

Graduate School of Business Administration
and Ford Foundation International Programs,
Michigan State University

1. What is your present age? _____
2. At what age did you become self-supporting? _____
3. At what age did you first enter business? _____
4. How many firms have you worked for during your occupational career? . _____
5. How many years have you worked for your present employer? _____
6. How many firms have you been associated with at the job level of
minor or major executives (including your present firm?). _____
7. When you first began working for your present firm, what was your
job title and typical duties?

8. What was the approximate population of your birth place at the time of
your birth?
- | | |
|---|---------------------|
| <input type="checkbox"/> Over 100,000 | Name of Town _____ |
| <input type="checkbox"/> 25,000 to 100,000 | |
| <input type="checkbox"/> 2,500 to 25,000 | Name of State _____ |
| <input type="checkbox"/> Rural or less than 2,500 | |

9. Please check appropriate: Place of Birth:
- | | <u>Yourself</u> | <u>Wife</u> | <u>Father</u> | <u>Father's Father</u> | <u>Wife's Father</u> |
|----------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| U. S. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Non-U.S. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
- (Please specify
Country) _____

10. Please indicate the country of citizenship at the present time for:
- | <u>Yourself</u> | <u>Wife</u> | <u>Father</u> | <u>Wife's Father</u> |
|-----------------|-------------|---------------|----------------------|
| _____ | _____ | _____ | _____ |

11. Your marital status: Please check: ☐ Single ☐ Married
- a) If married, in what year were you married? _____
- b) If you have children, please give the present age of each child.
- a) _____, b) _____, c) _____, d) _____.

12. Are you a veteran? ☐ Yes ☐ No
 If yes, what was your rank?
 a) When you entered service?
 b) When discharged?

13. Were you stationed in a foreign country, or countries? ☐ Yes ☐ No
 If yes, what countries? a) _____, b) _____, c) _____.

14. Extent of schooling of yourself and certain members of your family. (Place an "x" in the highest level attained):

	<u>Yourself</u>	<u>Mother</u>	<u>Father</u>	<u>Wife</u>	<u>Wife's Father</u>
All or part of grammar school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Some high school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graduated from high school	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Some college	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graduated from college	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. If you obtained a Bachelor's degree, at what age did you graduate? . . _____

a) Major subject taken in Bachelor's degree?

- ☐ Liberal Arts ☐ Engineering
☐ Business ☐ Law
☐ Other (Please specify) _____

b) Name and location of school where Bachelor's degree was earned?

c) Name and location of school where Master's or advanced degree was earned.

16. How old were you when you first entered the following occupational levels?
 (Leave blank those parts of this question that do not apply.)

Age:

- _____ First line supervision (lower management)
 _____ Middle management level
 _____ Major executive level

17. After becoming self-supporting, what occupation did you engage in?

	When first became self-supporting (1)	5 years later (2)	10 years later (3)	15 years later (4)
Hourly worker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Salaried employee (non-supervisory)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Owner of small business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Owner of medium or large business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
First line supervisor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Middle management level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Major executive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional person	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	_____	_____	_____	_____

18. Principal occupation of certain members of your family. (If deceased or retired, please indicate previous occupational level.)

	<u>Father</u>		<u>Father's</u>	<u>Wife's</u>
	When you were in grammar school	When you became self-supporting	<u>Father</u>	<u>Father</u>
Hourly worker	[]	[]	[]	[]
Salaried employee (non-supervisory)	[]	[]	[]	[]
Owner of small business	[]	[]	[]	[]
Owner of medium or large business	[]	[]	[]	[]
First line supervisor	[]	[]	[]	[]
Middle management level	[]	[]	[]	[]
Major executive	[]	[]	[]	[]
Professional person	[]	[]	[]	[]
Other (Please specify) _____				

19. How many times did your father's family move from one city to another during your childhood, (before you became self-supporting)? _____
20. Please indicate, by appropriate check mark(s) the kind(s) of special training you received in preparation for your overseas assignment:
- | | |
|--|---|
| <input type="checkbox"/> Language | <input type="checkbox"/> Orientation regarding host country's |
| <input type="checkbox"/> Briefing on subsidiary operations | cultural, socio-economic and |
| <input type="checkbox"/> Briefing about executives' expected | political environment |
| behavior in foreign countries | <input type="checkbox"/> None |
| <input type="checkbox"/> Other (Please specify) _____ | |
- In your opinion, what kind of training is most helpful for the executive in carrying out his foreign assignment? Please comment:
21. At what age did you first go overseas on a job assignment? _____
22. At what age did you assume your present overseas position? _____
23. Please describe briefly your present job and job title.
24. Please indicate the size of the business in which you hold this position.
- a) Parent company in U.S.A.
1. Approximate gross sales. \$ _____
 2. Approximate number of employees. _____
- b) Subsidiary or branch in which you are now working.
1. Approximate gross sales. \$ _____
 2. Approximate number of employees. _____
25. How many years have you spent overseas?
- a) In your total occupational career? _____
- b) As an employee of your present firm? _____
26. How many companies have you worked for in foreign assignments? _____

27. Please state the name of the countries in which you have worked in chronological order beginning with your present location.
a) _____, b) _____, c) _____, d) _____.
28. Have any members of your family lived in foreign countries because of job assignments or military duties? Please check: ☐ Yes ☐ No
Relation _____ Country _____ Purpose _____
29. What type of background and qualities would you look for if you were to select executives for overseas assignments? Please comment:
30. Please describe the circumstances which influenced your decision to accept your first overseas assignment.
31. In your opinion, what are the advantages and disadvantages of foreign assignments compared with stateside assignments?
32. Do you recall filling out the questionnaire of Messrs. W. L. Warner and Abegglen in 1954-55? ☐ Yes ☐ No

(We would find any comments you might have on any of these questions very helpful. If you have any further remarks please enter them on the back of each page.)

APPENDIX I

FOREIGN ASSIGNMENTS AS VIEWED BY THE OVERSEAS EXECUTIVE

The questionnaire used in the survey, in addition to the items necessary for the elaboration of the external profile of the overseas executive, requested personal opinions of the respondent concerning topics of interest related to his work abroad. This Appendix presents supplementary data provided by his answers to those questions of a more subjective character.

Type of Training the Overseas Executive Considers Most Helpful

In the chapter that covered the education of the executive, information was presented about the special training he received before leaving¹ the United States for the assignment overseas. Now information about what kind of training he considers more helpful for carrying out his job abroad is shown in Table 1, Appendix I, below. This Table displays also the data about the training actually received taken from Table 25.

The opinion of the executive on this matter must carry some weight. He gave his answer after an average of 11 years abroad, 4 years in the position he occupied at the time of the survey, and 14 years with the same company.

Chi-square computations indicated a highly significant differences between the two variables, that is, between the kind of training that

¹Chapter V, p. 68, Table 25.

Appendix I Table 1.--Special training received before departure and training overseas executive considers most helpful

Type of training	Received before departure ^a	Considered most helpful ^b
P e r c e n t a g e s		
Briefing on subsidiary operations	27	9
Language of the host country	22	38
Briefing about executive's expected behavior abroad	20	8
Orientation regarding host country's cultural, socio-economic and political environment	13	32
On the job	3	4
Previous training in new position	0	8
Wife briefing	0	1
American Institute of Foreign Trade	2	0
None	13	0
	<hr/>	<hr/>
Totals	100	100

^aSee Table, 25, p. 68. There were 1,672 answers.

^bThere were 1,517 answers.

was provided and the kind of training considered most helpful.²

It must seem quite natural for the companies to emphasize the briefing about their operations (27 percent do so), but this does not seem so important for the experienced executive (only 9 percent think it is). These

²The chi-square calculated was 73.87 while the maximum value for no statistically significant difference was 15.09.

men still consider language the most important need when abroad, although less than one quarter of the time this kind of training is provided.

Briefing on the expected behavior probably contained some amount of counseling but while 20 percent received such information only 8 percent of the men rated it among the most helpful training.

Cultural, socio-economic and political orientation regarding the host country, or in other words, some knowledge about the country where the executive is going is considered most helpful by one-third of the men, second only to language; however, the management of the companies think it is of secondary importance because it was provided only 13 percent of the time.

No one thought that an absence of training is appropriate, even though 13 percent of the executives received no training before departure.

In summary, it appears that when the companies establish training programs the main purpose is to furnish more knowledge about the firm to their men, but in fact, what the executive actually needs most is knowledge about the host country. It is reasonable to assume that this must be true because the executive makes a very important move when he leaves the United States with his family to start a new life in a strange environment - he must want to know more about where he is going. On the other hand, since he has been with the company for some time before departure (three years average) he surely already knows something about the firm and its operations.³

³See Table 9, p. 40.

It is necessary to recall that according to the chronological sequence of events in the executive's life he left the United States about 1952. Many things have changed since then and the most relevant in this aspect is the present interest in international management.

Ideal Background for an Overseas Career

According to the overseas executives a combination of factors best suits one for the career abroad. These are specified in Table 2, Appendix I, without further comment. There were 2,222 answers from the 842 respondents to this item.

Appendix I Table 2.--Ideal background for an overseas career

Background	Percentage
Wife and family adaptable	20
Leadership stability	19
Knowledge of job	14
Knowledge of language of host country	13
Well educated	13
Respect for laws and people of host country	12
Previous overseas experience	4
Desire to serve overseas	4
Age between 30 and 40 years	1
Total	100

Circumstances Which Influenced Decision to Accept a Foreign Assignment

The external profile did not consider the inner motives of the executive. Some insight into why he actually left this country to work abroad may be found in Table 3, Appendix I, that lists the responses the overseas executive gave.

Appendix I Table 3.--Circumstances that influenced the decision to accept a foreign assignment^a

Factor	Percentage
Opportunity for advancement and recognition	30
Desire to travel and live abroad with wife and family	23
Desire for an overseas career	13
High salary	12
To broaden knowledge of people and cultures	8
More responsibility	7
Lack of jobs during depression	1
Special tax treatment	1
Others	5
Total	100

^aThere were 1,408 answers.

Appendix I Table 4.--Advantages of foreign assignments^a

Factor	Percentage
Higher pay	17
Broader experience and responsibility	16
Learn about people and customs	15
More rapid advancement	14
Self pleasure in accomplishments	11
Travel abroad	9
Higher living and prestige	6
Avenue for top executive jobs	3
Tax benefits	3
Education for self and children	3
Domestic help	3
Total	100

^aThere were 1,856 answers.

Appendix I Table 5.--Disadvantages of foreign assignments^a

Factor	Percentage
Lack of modern way of life	26
Being away from home	25
Schooling for children	17
Less chance for advancement in the United States	9
Language and customs difficulties	7
Lack of medical care	6
Lack of housing	4
Uncertainty due to unstable local government	3
Forgot by home office	3
Total	100

^aThere were 1,333 answers.

Appendix II Table 1 (Chapter II).--Types of firms included in the research

Type	Number
Manufacturing and Mining:	32
Chemicals	7
Drugs	3
Oil	3
Cars	3
Tires and Rubber	3
Capital Goods	2
Branded Goods	2
Building Materials	2
Electrical Equipment	2
Electronics	1
Office Equipment	1
Paper	1
Steel	1
Trucks	<u>1</u>
Merchandising:	4
Retail	2
Merchandising	<u>2</u>
Banking and Insurance:	5
Banking and Finance	4
Insurance	<u>1</u>
Transportation, Utilities, Communication:	4
Public Utilities	2
Air Transportation	1
Maritime Transportation	1
Services:	7
Publishers	2
Hotels	1
Advertising	1
Business Services	1
Personal Services (Credit)	1
Entertainment	<u>1</u>
Total	52

Appendix II Table 2 (Chapter II).--Age of the overseas executive (1963)

Age group in years	Number	Percentage
Less than 20	0	0
20 - 24	6	1
25 - 29	76	8
30 - 34	151	17
35 - 39	188	21
40 - 44	191	22
45 - 49	125	14
50 - 54	82	9
55 - 59	54	6
60 - 64	20	2
	<u>893</u>	<u>100</u>

Average age: 40.7 years

Median age: 40.7 years

Appendix II Table 3 (Chapter III).--Country of birth and citizenship of the overseas executive

Location	Birthplace		Citizenship	
	Number	Percentage	Number	Percentage
United States	891	100	887	100
Canada	1	- ^a	2	-
Latin America	1	-	1	-
Oceania	0	0	1	-
No answer	0	0	2	-
Total	893	100	891	100

^aLess than one percent.

Appendix II Table 4 (Chapter III).--States of birth of the overseas executive

	Number	Per-centage		Number	Per-centage
New England:			Pacific:		
Maine	6	- ^a	Washington	8	1
New Hampshire	2	-	Oregon	8	1
Vermont	4	-	California	60	7
Massachusetts	48	5	Alaska	2	-
Rhode Island	3	-	Hawaii	3	-
Connecticut	15	2			
Middle Atlantic:			South Atlantic:		
			Delaware	4	-
New York	115	13	Maryland	8	1
Pennsylvania	76	9	Virginia	9	1
New Jersey	52	6	West Virginia	3	-
East North Central:			North Carolina	9	1
Michigan	27	3	South Carolina	3	1
Ohio	72	8	Georgia	8	1
Indiana	22	3	Florida	4	-
Illinois	50	6	District of Columbia	9	1
Wisconsin	18	2	East South Central:		
West North Central:			Kentucky	10	1
Minnesota	20	2	Tennessee	10	1
North Dakota	3	-	Alabama	12	1
South Dakota	3	-	Mississippi	4	-
Nebraska	4	-	West South Central:		
Iowa	23	3	Arkansas	6	-
Kansas	19	2	Louisiana	9	1
Missouri	24	3	Oklahoma	4	-
Mountain:			Texas	56	6
Idaho	7	1			
Montana	2	-			
Wyoming	0	0			
Nevada	3	-			
Utah	4	-			
Colorado	10	1			
Arizona	4	-			
New Mexico	4	-			

^a Less than one percent.

Appendix II Table 5 (Chapter III).--Birthplace and citizenship of the fathers and birthplace of the grandfathers

Geographical location	Father		Grandfather's birthplace
	Birthplace	Citizenship	
P e r c e n t a g e s			
United States	84	99	64
Europe	13	- ^a	31
Canada	2	-	3
Latin America	1	-	1
Asia	-	0	-
Oceania	-	0	1
Africa	0	0	0
Total	100	100	100
Cases (out of 893)	881	628	874

^aLess than one percent.

Appendix II Table 6 (Chapter III).--Distribution of birthplaces of the fathers and grandfathers

Father's birthplace	Grandfather's birthplace					No answer
	U.S.	Canada	Latin America	Europe	Africa Asia Oceania	
P e r c e n t a g e s						
United States	100	59	36	59	- ^a	47
Canada	- ^a	41	21	0	-	6
Latin America	0	0	43	0	0	0
Europe	-	0	0	41	-	0
Africa, Asia, Oceania	-	0	0	0	-	0
No answer	-	0	0	0	0	47
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	100	100	100	100	-	100
Cases	564	22	14	267	10	15

^aLess than one percent.

Appendix II Table 7 (Chapter IV).--Number of times the father moved with his family during the childhood of the overseas executive

Number of moves	Percentage	Cumulative percentage
1	18	18
2	11	29
3	8	37
4	5	42
5	3	45
More than 5	8	53
Never moved	47	100
Total	100	100
Cases (out of 893)	877	

Appendix II Table 8 (Chapter IV).--Ratios of movement out of occupations of overseas executive's grandfathers into occupations of fathers^a

Occupation of grandfather	Occupation of father								
	1	2	3	4	5	6	7	8	9
P e r c e n t a g e s									
Laborer	<u>3.5</u> ^b	0	0.9	0.9	0.8	3.8	3.8	0.2	0.5
Farmer	1.5	<u>4.9</u>	0.8	0.8	0.6	1.0	0.5	0.5	0.9
White-collar	0.7	0	<u>2.0</u>	0.9	1.1	0.6	0.6	0.5	0.3
Supervisor	0	0	0.5	<u>3.5</u>	3.5	0.5	0	0.5	0.5
Minor executive	0	0	0.5	0.8	<u>1.8</u>	0.5	1.1	2.0	1.5
Owner of small business	0.4	0	0.7	1.0	0.8	<u>1.7</u>	0.7	0.8	0.7
Owner of large business	0.1	0	0.2	0.5	1.1	0.6	<u>4.1</u>	1.5	0.9
Major executive	0.3	0	0.5	0.7	0.7	0.3	0.3	<u>2.5</u>	1.0
Professional man	0.1	0	0.5	0.3	0.5	0.5	0.9	1.5	<u>2.1</u>

^aThese ratios are obtained by dividing each column in Table 15 (p.53) by the last column in the same table.

^bThe underlined figures are the ratios of stability and occupational continuity, that is, the ratio of permanence of the fathers in the same occupations of the grandfathers of the overseas executive.

Appendix II Table 9 (Chapter V).--Age of college graduation of the overseas executive

Age in years	Percentage
15 - 19	1
20 - 24	78
25 - 29	19
30 - 34	2
35 - 39	- ^a
40 - 54	0
55 - 59	-
	<hr/>
Total	100
Cases	693
Average: 23.0 years	
Median: 22.7 years	

^aLess than 0.5 percent.

Appendix II Table 10 (Chapter V).--Education of the parents of the overseas executive

Educational level	Father	Mother	Overseas executive
	P e r c e n t a g e s		
All or part grammar school	20	16	0
Some high school	15	22	1
High school graduate	22	36	3
Some college	15	18	15
College graduate	28	17	81
	<hr/>	<hr/>	<hr/>
Total	100	100	100
Cases (out of 893)	878	874	885

Appendix II Table 11 (Chapter VII).--Year the overseas executive married ...

Calendar year	Percentage
1925 - 1929	3
1930 - 1934	4
1935 - 1939	9
1940 - 1944	15
1945 - 1949	21
1950 - 1954	21
1955 - 1959	16
1960 - 1964	11
	<hr/>
Total	100
Cases (out of 893)	804

Average year: 1949
Median year: 1950

Average year of birth: 1922

Appendix II Table 12 (Chapter VII).--Number of children of the executive

Children	Percentage
One	18
Two	33
Three	23
Four	10
Five	4
More than five	2
None	10
Total	100
Cases (out of 893)	795

Appendix II Table 13 (Chapter VII).--Birthplace and citizenship of the wife's father

Location	Birthplace	Citizenship
P e r c e n t a g e s		
United States	68	82
Europe	23	10
Latin America	5	6
Canada	1	1
Africa	1	0
Asia	1	1
Oceania	1	1
	<hr/>	<hr/>
Totals	100	100.

Appendix II Table 14 (Chapter VII).--Occupational background of the wife
and the education of the executive

Occupation of wife's father	Education of the overseas executive			
	Grammar or high school	High school graduate	Some college	College graduate
P e r c e n t a g e s				
Laborer	6	0	10	9
Farmer	13	11	5	4
White-collar	63	33	25	24
Minor executive ^a	0	7	18	16
Business owner ^b	12	33	27	24
Major executive	0	4	5	10
Professional man	6	11	10	13
Totals	100	100	100	100

^aIncludes supervisor.

^bIncludes owners of small and large businesses.

Appendix II Table 15 (Chapter X).--Regions of the U.S. where the executives were born and ratios of executives to population

Region	Executives							
	Overseas		Business ^a		Civilian federal ^a		Foreign-service ^a	
	Percentage-ratio (x100)							
	<u>%</u>	<u>Ratio</u>	<u>%</u>	<u>Ratio</u>	<u>%</u>	<u>Ratio</u>	<u>%</u>	<u>Ratio</u>
New England	9	129	10	143	8	114	9	129
Middle Atlantic	27	129	28	147	22	105	23	110
East No. Central	21	105	26	118	19	95	19	95
West No. Central	11	92	14	100	16	123	14	108
South Atlantic	6	46	8	57	13	100	12	85
East So. Central	4	50	4	40	6	67	4	44
West So. Central	9	90	4	44	6	67	7	78
Mountain	4	33	2	100	5	167	6	200
Pacific	9	150	4	133	5	100	7	100
Total	100		100		100		100	

^aAmerican Federal Executive, op.cit., Table 8-B, p. 329.

Appendix II Table 16 (Chapter X).--Sizes of birthplaces of the executives

Size of the community	Executives							
	Overseas		Business ^a		Civilian federal ^b		Foreign-service ^b	
	<u>%</u>	<u>Ratio</u>	<u>%</u>	<u>Percentage-Ratio</u>	<u>%</u>	<u>Ratio</u>	<u>%</u>	<u>Ratio</u>
Over 100,000	39	150	40	211	33	174	36	189
25,000 to 100,000	19	194	12	171	12	150	13	163
2,500 to 25,000	25	160	22	157	21	140	23	153
Less than 2,500	17	35	26	43	34	59	28	48
Total	100	-	100	-	100	-	100	-

^aOccupational Mobility, op.cit., Table 30, p. 87.

^bThe American Federal Executive, op.cit., Table 5, p. 58.

Appendix II Table 17 (Chapter X).--Nativity of the ancestors of the executive

Nativity	Executives							
	Overseas		Business ^a		Civilian federal ^b		Foreign-service ^b	
	<u>%</u>	<u>Ratio</u>	<u>%</u>	<u>Percentage-Ratio</u>	<u>%</u>	<u>Ratio</u>	<u>%</u>	<u>Ratio</u>
All three are U.S. born	64	106	58	100	60	96	66	100
Only grandfather is not U.S. born	20	76	21	100	19	117	16	100
Father and grandfather not U.S. born	16		21		21		18	

^aOccupational Mobility, op.cit., Table 34, p. 90.

^bAmerican Federal Executive, op.cit., Table 6, p. 62.

Appendix II Table 18 (Chapter X).--Occupational origins of the executive

Father's occupation when son became self-supporting	Executives			
	Overseas	Business ^a	Civilian federal ^b	Foreign- service ^b
P e r c e n t a g e s				
Laborer	11	15	21	24
Farmer	2	9	15	12
White-collar	13	9	9	7
Minor executive and supervisor	21	11	11	11
Business owner	24	27	20	19
Major executive	14	15	5	9
Professional man	15	14	19	25
Total	100	100	100	100

^aOccupational Mobility, op.cit., Table 1, p. 38.

^bAmerican Federal Executive, op.cit., Table 1, p. 29.

Appendix II Table 19 (Chapter X).--Mobility of the fathers from the time the executives were in grammar school to when they became self-supporting

Occupation of father	Executive			
	Overseas		Business ^a	
	grammar school	self- supporting	grammar school	self- supporting
Laborer	14	11	17	15
Farmer	3	2	9	9
White-collar	38	34	21	19
Owner of small business	17	19	18	18
Owner of large business and major executive	14	19	20	24
Professional man	14	15	15	15
Total	100	100	100	100

^aOccupational Mobility, op.cit., Table 1, p. 38 and Appendix Table 2, p. 251.

Appendix II Table 20 (Chapter X).--Intergenerational mobility between the grandfather and the father of the executives

Occupation	Executive					
	Overseas		Business ^a		Civilian federal ^b	
	grand-father	father	grand-father	father	grand-father	father
Laborer	13	11	19	15	18	21
Farmer	16	2	35	9	44	15
White-collar	11	13	2	8	3	9
Supervisor	2	8	1	3	2	5
Minor executive	4	13	2	7	2	6
Owner of small business	26	19	17	18	14	14
Owner of large business	8	5	7	9	4	6
Major executive	6	14	5	15	2	5
Professional man	13	15	10	14	11	19
Total	100	100	100	100	100	100

^aOccupational Mobility, op.cit., Table 10, p. 52.

^bAmerican Federal Executive, op.cit., Table 19-B, p. 342.

Appendix II Table 21 (Chapter X).--Education of the executives and ratio of executives to population

Educational level	Executive							
	Overseas		Business ^a		Civilian federal ^a		Foreign-service ^a	
	%	ratio (x100)	%	ratio (x100)	%	ratio (x100)	%	ratio (x100)
All or part grammar	0	0	4	8	0	0	0	0
Some high school	1	5	9	56	1	6	0	0
High school graduate	3	14	11	69	4	19	2	9
Some college	15	167	19	317	14	200	10	143
College graduate	81	900	57	814	81	900	88	978
Total	100	-	100	-	100	-	100	-

^a American Federal Executive, op.cit., Tables 33-B and 34-B, pp. 354-355.

Appendix II Table 22 (Chapter X).--Occupational origins and college education of the executives

Occupation of father	Executive			
	Overseas	Business ^a	Civilian federal ^a	Foreign-service ^a
(percentages of college graduates)				
Laborer	77	35	75	84
Farmer	69	50	80	90
White-collar (incl. supervisor and minor executive)	75	50	79	84
Owner of small business	83	57	83	86
Owner of large business and major executive	84	70	83	90
Professional man	88	72	89	71
Average	81	57	81	88

^aAmerican Federal Executive, op.cit., Table 15, p. 111.

Appendix II Table 23 (Chapter X).--Educational origins and college education of the executives

Education of father	Executive			
	Overseas	Business ^a	Civilian federal ^b	Foreign- service ^b
(percentages of college graduates)				
Less than high school	89	63	91	98
Some high school	97	80	94	97
Some college or more	98	91	98	99
Average	96	76	95	98

^aOccupational Mobility, op.cit., Tables 41 and 42, p. 100.

^bAmerican Federal Executive, op.cit., Table 35-B, p. 356.

Appendix II Table 24 (Chapter X).--Occupational origins of the executive's and of their wives

Occupation of fathers	Executive				
	Overseas wife's executive's	Business wife's executive's	Civilian federal ^b wife's executive's	Foreign-service ^b wife's executive's	
Laborer	10	11	17	15	21
Farmer	5	2	15	9	15
White-collar	13	13	7	8	9
Minor executive and supervisor	18	21	7	11	11
Business owner	28	24	28	26	23
Major executive	11	14	8	15	4
Professional	15	15	15	14	16
Total	100	100	100	100	100

^aOccupational Mobility, op.cit., Table 104, p. 179.^bAmerican Federal Executive, op.cit., Table 12, p. 93.

Appendix II Table 25 (Chapter X).--Career sequence of the executives

Occupation	Executive			
	Overseas	Business ^a	Civilian federal ^a	Foreign-service ^a
When executive became self-supporting				
Laborer	23	14	14	9
White-collar	53	44	25	25
Business owner	1	1	1	1
Minor executive	7	9	5	15
Major executive	0	1	0	1
Professional man	5	24	46	38
Military	11	2	5	6
Five years later				
Laborer	6	3	6	2
White-collar	27	29	17	11
Business owner	4	2	1	1
Minor executive	50	35	17	35
Major executive	1	6	2	4
Professional man	6	21	46	31
Military	6	2	8	12
Ten years later				
Laborer	1	1	4	2
White-collar	9	11	8	5
Business owner	2	3	1	1
Minor executive	74	43	28	47
Major executive	10	26	7	12
Professional man	3	14	45	24
Military	1	1	5	6
Fifteen years later				
Laborer	0	0	2	1
White-collar	2	4	3	1
Business owner	0	3	1	1
Minor executive	64	25	26	43
Major executive	32	57	21	28
Professional man	2	10	42	20
Military	0	1	3	3

^aAmerican Federal Executive, op.cit., Tables 23, 58-B, 60-B, pp. 150, 380, 382.

Appendix II Table 26 (Chapter X).—Interfirm mobility of the executives during their career and as executives

Number of firms	Executives							
	Overseas		Business ^a		Civilian federal ^b		Foreign- service ^b	
	execu-		execu-		execu-		execu-	
	career	tive	career	tive	career	tive	career	tive
1	41	67	25	48	13	33	12	22
2	25	22	23	26	14	24	13	21
3	17	6	22	14	17	17	14	17
4 or more	17	5	30	12	56	26	61	40
Total	100	100	100	100	100	100	100	100

^aOccupational Mobility, op.cit., Tables 62-63, p. 127.

^bAmerican Federal Executive, op.cit., Tables 27 and 65-B, pp. 170 and 387.

Appendix II Table 27 (Chapter X).--Interfirm mobility of the executives and their education

Education	Executive (number of firms)							
	Overseas				Business ^a			
	1	2	3	4 or more	1	2	3	4 or more
P e r c e n t a g e s								
Less than high	0	1	1	0	3	4	4	5
High school	2	4	2	8	17	18	21	22
Some college	10	16	16	20	17	17	20	21
College graduate	88	79	81	72	63	61	55	52

^aOccupational Mobility, op.cit., Table 65, p. 128.

Appendix II Table 28 (Chapter X).--Military career: ranks of entrance and discharge

Rank	Entrance			Discharge		
	Overseas executive	Higher ^a executive	Lower ^a manager	Overseas executive	Higher executive	Lower manager
Low	71	66	93	42	24	72
Intermediate	19	32	7	43	31	14
High	0	2	0	7	45	14
Unclassified	<u>10</u>	<u>-</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>
Total	100	100	100	100	100	100

^aO'Donovan, op.cit., Tables 25-26, p. 86.

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