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New York, May 22...A five-year study by the Harvard Business School of the recruitment practices among college graduates by major American corporations, made public today, concludes that unless management takes active steps to change its discriminatory methods of hiring, the present acute national shortage of executive talent will persist.

Philip E. Hoffman, Chairman of the Board of Governors of the American Jewish Committee, reported the findings at the 58th Annual Meeting of the agency, which ends tomorrow at the Americana Hotel, New York City. Mr. Hoffman is Chairman of the Executive Committee of the U.S. Realty and Investment Co. of Newark, N.J.

The Harvard study, which reveals both how prejudice affects the selection process on college campuses by company recruiters and what influences students of different religious backgrounds to join certain companies, is the second of a series of university-conducted research projects sponsored by the American Jewish Committee to investigate discrimination at the management levels of American business and industry. The research has been financed by a special grant from the Maurice and Laura Falk Foundation of Pittsburgh.

The first of the studies made public, prepared by the Survey Research Center of the University of Michigan's Institute for Social Research, reported last November that non-ability factors such as social background and club membership are often guises under which discrimination creeps into the process of promotion to upper management positions.

The findings of the Harvard study, prepared under the direction of Lewis B. Ward, Professor of Research at the Business School, reveal a close relationship between such restrictive promotion practices...
and campus recruitment. For example, companies that did not hire Jewish trainees were found to downgrade ability qualifications, placing a premium on what the reports refers to as "being a good Joe." This "togetherness" environment, the study finds, results in a homogeneous environment that excludes Jews.

The report reveals further that the absence of Jews in management ranks accounts for the lack of interest of Jewish students in seeking management careers in these companies. Because these students seem to stress the qualities of ability and skills over the qualities contributing to pleasant and bland personalities, they do not fit easily into the organization-man pattern desired by companies hiring "Protestants only," the report notes.

It adds that the use of these restrictive criteria is detrimental "in the important task of running business enterprises on which our society depends."

In looking into the persistant shortage of management talent, the report states:

"Much has been written recently about critical shortages in the supply of business managers. Not only is this apparent in the short run, but most observers of the business scene expect a continuing shortage for the foreseeable future. American business spends many millions of dollars each year in the training and development of prospective managers and executives. Undergraduate and graduate training in business administration has grown by leaps and bounds. Yet we still seem to lack qualified managers."

The survey quotes figures from a 1959 report, Higher Education for Business, by Robert Aaron Gordon and James Edwin Howell, which suggested that the need for college-trained men in management would increase to more than 150,000 a year by 1965 and to even higher figures by 1970, while the supply available to business would continue to lag behind demand.

The Harvard report strongly suggests that one reason for this shortage is the continued existence of barriers standing in the way of
careers in management in the case of members of various special groups in American society.

"In the specific case of Jews," the survey reports, "examination of the composition of the managements of many different companies in many different industries reveals that Jews are underrepresented in many places. They are conspicuously absent in the management teams of banks, public utilities, insurance companies, and certain large companies in heavy industry. That this is so is surprising when one considers their educational level.

"For example, it has been estimated that less than one per cent of the executive personnel in heavy industry are Jews, while 8 percent of all college graduates are Jewish."

But religious job prejudice is by no means limited to Jews, Mr. Hoffman pointed out, adding that the Harvard research found that among 324 recruiters, 80 were hiring only Protestant students, 42 only Catholics, and 14 only Jews. The remaining 188 recruiters were from companies that hired students from more than one ethnic background.

The Harvard study points out that recruiters -- or, more correctly, their companies -- apparently look for different traits among trainees. Judging from "Protestant only" recruiting practices, Professor Ward says, "it is relatively easy to see that anyone perceived as clearly different from the current members of management would tend to be rated down. What appears to be needed is a change in values, not an order from top management to stop being prejudiced."

"Intelligent self-interest would suggest that business as a whole would have much to gain by finding means for removing as many such barriers as possible," the report adds.

The report concludes: "Of paramount importance is the fact that overt or covert discrimination of any kind represents an opportunity loss, not just for society, but for individual companies themselves. Such companies, to get enough talent, will have to change the pattern of their management recruiting to include Jewish trainees, they will"
have to take active steps, not only to bring their companies to the attention of this group, but also to present them convincing evidence that barriers to promotion do not exist."

A luncheon panel this afternoon, on the subject "The Role of the Community Agency in the War on Poverty," heard Michael Harrington, author of The Other American; Cyril Tyson, director of the Newark Anti-Poverty Program, and Antonia Pantoja, executive director of ASPIRA, Puerto Rican aid project. Following the discussion, American Jewish Committee leaders and staff from many parts of the country met in community workshops on the subject of poverty.

James Marshall, Honorary President of the American Jewish Committee and former President of the New York City Board of Education, was honored tonight at a dinner of the Community Affairs Committee, held at Toots Shor's Restaurant. Tribute was paid to him by Irving M. Engel, Honorary President and former President of the American Jewish Committee. Also singled out for tribute was Richard Maass, National Vice President and Chairman of the Community Affairs Committee.

The AMERICAN JEWISH COMMITTEE, pioneer human relations organization, combats bigotry, protects the civil and religious rights of Jews, and advances the cause of human rights everywhere.

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