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SUCCESSING IN CORPORATE AMERICA

The Experience of
Jewish M.B.A.'s
Samuel Z. Klausner



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S.Z.K.

About the Author

SAMUEL Z. KLAUSNER is professor of sociology at the University of Pennsylvania. Among his numerous publications are *Psychiatry and Religion* (Free Press, 1964), *The Quest for Self-Control* (Free Press, 1965), *The Study of Totalitarian Societies* (Anchor, 1967), *Why Man Takes Chances* (Anchor, 1968), and *Eskimo Capitalists* (Allanheld, Osman, 1982). He has served as president of the Association for the Sociological Study of Jewry. This publication is an abridgment of an essay on Jews in the executive suite, which is based upon a full technical report by Professor Klausner and his research team.

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Foreword

AS THE AMERICAN JEWISH COMMUNITY moves closer to the 21st century, it needs a clearer picture of its current status. How do Jews relate to important social institutions? How do they interact with other ethnic and religious groups? Beyond impressionistic data and journalistic accounts, we know little about how the changes in American life over the last several decades have affected Jews.

Aided by a generous grant from the Muriel and Philip Berman Foundation, the American Jewish Committee has set out to collect and interpret scientific data in a series about Jews in contemporary America. This publication, aided also by a grant from the Sun Company in Philadelphia, deals with the status of Jews in the corporate world.

The AJC has a long history of involvement in the issue of executive-suite discrimination. During the late 1950s and early 1960s, the AJC, jointly with the University of Michigan's Institute for Social Research, the Harvard Business School and other research centers, examined patterns of discrimination against Jews in key areas of American business. This research showed widespread patterns of discrimination against Jews in the management of major industries, financial corporations and some large law firms. Business-based social clubs tended to reinforce the discriminatory trend. Often, those carrying out policies that led to exclusion were unaware that they were engaging in discrimination.

The AJC developed a program of action based on these studies. Its local chapters around the country met with leaders of corporations, law firms, commercial banks and social clubs in an effort to have barriers to Jewish participation removed. These efforts

were helped by a series of social and economic changes in American life. The civil-rights movement of the 1960s made Americans more aware that discrimination existed and more determined to fight it. Legislation banning discrimination in employment, housing and other areas, which had begun on the local and state level after World War II, became law on the national level: the federal omnibus Civil Rights Bill was passed in 1964.

America was changing in other ways as well. Its economy moved away from manufacturing to service, which requires greater reliance on knowledge and information. Simply to survive in the marketplace, institutions that had previously discriminated in hiring began to base personnel decisions on consideration of merit.

What is the situation now? Professor Samuel Z. Klausner and his research team find that the old question of whether there is discrimination against Jews is no longer adequate to deal with a complex reality. This study shows that the rationalization of the economy — the focus on performance in a highly competitive economy — has meant an expanding role for Jews in American industry and finance.

To be sure, discrimination has not disappeared, nor are all businesses and economic sectors fully open to Jews. In Philadelphia, for example, despite nearly a quarter-century of efforts by the AJC chapter, a number of business areas, including commercial banking, employ Jews at the higher levels mainly in specialized areas like public relations and law. Moreover, sudden shifts in the American economy or in the political climate could reverse the gains that have been made.

Professor Klausner concludes, nonetheless, that the way Jews act in and are acted upon by the business world can no longer be viewed in the somewhat simplistic terms of earlier years. The greater integration of Jews in the business world and into the broader society may, he adds, be a mixed blessing. While it has improved their position in American life, Professor Klausner shows that it has also weakened their Jewish identity and the culture of the Jewish community itself. This is hardly what we bargained for when we set out to overcome barriers against Jews in the executive suite.

Murray Friedman, Coordinator
The Muriel and Philip Berman Project

Two Jewish M.B.A.'s

BRUCE MARGOLIS — not his real name — grew up in a New England suburban community and attended a public high school that had many other Jewish students. His grandparents, who had migrated as children from Eastern Europe at the turn of the century, saw to it that both of his parents were well educated in the American way and modestly educated in the Jewish way. His father became an engineer and his mother taught high school, a job that allowed her to be at home with the children by mid-afternoon. Bruce, for his part, was expected to study and ultimately to become “a success.” His family covered most of his college tuition and contributed toward the costs of his M.B.A. training.

Bruce married a college graduate, who brings home a modest salary from her job as an executive in a social-service agency. They selected a house in an area where about a fourth of their neighbors are Jewish. The couple think of themselves as Conservative Jews — more as a general placement in Jewish religious space than a formal denominational membership. Bruce never learned quite enough Hebrew to follow services at a Conservative synagogue, but then, he rarely goes. Theirs is not a ritually observant home. Attendance at a seder on Passover and now and then a wedding or a Bar Mitzvah, perhaps a short High Holy Day visit to a synagogue, about exhaust their religious ritual life. Their involvement with Israel tends to be limited to philanthropic contributions. While the thought of one of their children attending a summer camp in Israel would seem a bit odd to them, a child's spending

the summer living with a French family is viewed as broadening his cultural horizons. Still, Bruce and his wife are not involved in Christian religious observances. They do not send Christmas cards or go out of their way to take their children to see Santa Claus, although some of their friends have Christmas trees. Bruce can accept intermarriage for others as long as the children are raised as Jews. Were the Gentile spouse to convert, all to the good, but he does not expect it.

Bruce did quite well in high school and majored in political science at an Ivy League college. This academic interest in power signaled that he would learn to wield it in the business world. No pause for employment intervened between college and his candidacy for a Master of Business Administration degree from Harvard. As soon as he was awarded that degree in 1974, a new chapter opened in his life.

The goal of business success drew on the same energies and drive to achieve that he had shown in school. From a midtown Manhattan office he sold television time to a national market. His coworkers were Protestants, Catholics and other Jews—none of them women. The corporation employed one or two Hispanic executives, but no blacks. Although Bruce realized that he was advancing more slowly than others in the firm, he attributed this to his sales skills not being up to par and to some personal incompatibility with his superiors. Even his taste in clothing seemed to evoke their criticism, he said. A Protestant senior executive took an interest in Bruce and acted as his mentor. Such was the situation until, in Bruce's own words, he was fired following an organizational merger.

Bruce did not make a great deal of money at that first job. As a new, inexperienced M.B.A., he signed on at \$13,000, increasing that sum by half during his year with the corporation. His second job was with another agency in the same industry. Within four years he was earning over \$40,000. He moved again to a competing agency, where he parlayed a \$50,000 starting salary to almost \$90,000 within two years. Now he knew he was ready for his own agency. Riding the wave of a new dynamic technology, he took a cut in income and became chairman of the board of a company that sells TV programs to the new videocassette industry.

He celebrated his 33rd birthday and 10 years since graduation by opening offices in a new Park Avenue building, excited by the

new challenge, the creative opportunities and the freedom. A setting that simply promises a stable future never attracted him, and that may have accounted for the personal tension in his initial position. He hired some Protestant executives and managers, among them a number of women, but no Catholics or blacks. In response to a survey questionnaire, Bruce stressed that his hiring practices were not discriminatory. He devotes his time to strategic planning and, in a few years, he writes, he expects to be drawing a quarter of a million dollars.

Cheryl Friedman (also not her real name) is the daughter of a professor of psychology and a practicing psychologist, both Ph.D's. One of her grandmothers was born in the United States, but her other grandparents came in their youth from Eastern Europe. Like Bruce, Cheryl was a child of the suburbs, but hers were the New York suburbs where she attended a public high school in a predominantly Jewish area. She identifies herself as a Reform Jew, not that she is a member of a synagogue, but this category serves as her flag of convenience. Conservative and, certainly, Orthodox Judaism, demand more commitment than she is willing to give; besides, she feels more comfortable socially with Jews who call themselves Reform than with the more traditional. She can not only transliterate a Hebrew phrase but also translate a simple voweled text. This accomplishment ranks her as highly educated Jewishly among her executive colleagues.

Cheryl is at ease in a religiously integrated society, where religion counts for little. Her Christian husband retains his own faith. Her attitudes toward intermarriage are liberal: a Jewish spouse who converts to Christianity or a non-Jewish spouse converting to Judaism are equally acceptable to her. She considers religion a matter of private choice, of no particular importance. On Christmas the couple enjoy a Christmas tree in the living room, and on Passover they go to a seder at her parents' home. Few, if any, other Jewish or Christian rituals mark their life. Socially they move in a circle in which Jews and children of Jews are a significant minority. Cheryl accepts a philanthropic obligation to Israel, but the state has no meaning for her beyond that.

Cheryl, ever bright and achieving, graduated from one of the most competitive Ivy League colleges with a major in psychology. Following her parents' human-services bent, she went to work for

a private corporation managing an antipoverty contract. Feeling that her strength was in management rather than in intellectual expertise or face-to-face counseling, she oversaw the program and wrote proposals for further funding. The job took her to Boston. The next year she entered Harvard Business School and did quite well. Upon graduating in 1979, she took an administrative position with a medical clinic at an annual salary of \$21,000. Choosing to remain in a human-services environment, she turned down an offer from a business corporation to supervise manufacturing at the same salary, even though that job held out greater long-term earning potential.

A year later she became business manager for a large urban hospital at \$28,000. Her mentor there was a senior male executive, a Catholic. Cheryl considered her salary advance normal, despite her disappointment at not having more authority. Within two years she was earning \$35,000, but saw no potential for real advancement. Her aspirations were higher. After a couple of years in another hospital, at \$37,000 and with greater responsibility, she resigned to have a child.

She took most of a year off. Her husband's \$80,000 income as a management consultant carried them through. At the time of the survey, Cheryl was caring for their infant, working part-time as a consultant on hospital management and looking forward to returning to full-time work.

Cheryl describes the ideal position for her as one with high managerial responsibility and the freedom to set her own hours.

Two cases cannot capture the variety of experience of Jews in the corporate world, but the experiences of these individuals raise issues that affect many others. Bruce and Cheryl both deny that discrimination has affected their careers. Might they have selected different industries and different responsibilities, and advanced more quickly had they not been Jews? Is Cheryl tied to the lower-paying social-service sector because she is a woman? Are there perhaps unobtrusive social arrangements that shape their careers differently because they are Jews and not Protestants?

Jews in the Executive Suite

IT IS FAIRLY EASY TO POINT TO DISCRIMINATION when an executive reports he was not promoted because his boss did not believe customers would trust a Jew or when a lawyer says she was not made partner because members of the board did not think a woman could withstand stress. A climate of discrimination is more difficult to detect because it may never be expressed in a single discriminatory instance: its action may be discovered only by looking at a whole range of situations.

This study was undertaken to measure the extent of discrimination against Jews in the hiring and promotion of corporate executives in the United States. It assesses the careers of 1974 and 1979 graduates from three business schools in the northeastern United States, examines their backgrounds, traces their entry into corporate positions, and follows their rise in the executive hierarchy and their movement from one firm to another.

Before proceeding with a discussion of the study, however, we need some historical and theoretical background to provide a framework for interpreting its findings.

The Ethnic Division of Labor

Today we are used to the idea that economic discrimination is immoral. Yet in premodern societies the ethnic, religious and gender division of labor was considered perfectly proper, indeed, natural. Such an arrangement performed several useful functions:

it helped maintain boundaries between social groups, facilitated the transmission of technical knowledge within families, reinforced status gradations and warded off social disorder.

The advent of capitalism and industrialization necessarily weakened this division of labor. Since these modern economic trends placed a premium on efficiency, entrepreneurial talent, productivity and profits, such traits became distinguished from other forms of social identification. Individual ability became more important in the marketplace than family or tradition. Impersonal institutions and agencies took on a significant role in people's lives and, at least in theory, treated everyone equally. Corporate personalities produced and guarded wealth. Open educational systems provided training for careers. Governmental bodies and constitutional legal systems regulated and monitored economic relations, instead of families and ethnic groups. Even international trade eventually came to be governed by agreed-upon conventions that applied to all traders.

The logic of a modern, rationalized economy discourages discrimination on the basis of noneconomic factors. Evidence of continuing discrimination, therefore, suggests that the process of rationalization is incomplete. In modern times, a variety of tools have been used to retain elements of the ethnic, religious or gender division of labor. In some countries, nationalists call for employing or trading only with members of the dominant group, excluding others from full participation in the economy. Even in democratic societies, residential segregation and college-entrance procedures have limited the entry of members of certain groups to high economic positions by controlling access to the pool from which candidates are selected.

It is important to distinguish between forms of discrimination on the basis of gender, race and religion. The entry of women into the workforce is perceived as challenging the traditional boundary between family and economy, raising concerns about the care of children, the appropriate role of a wife and mother, and sexuality at the workplace. Racial discrimination is an issue of caste and power. The exclusion of Jews from economic roles is rooted in a religious fear born of almost 2,000 years of Christian distrust of Jews, who were often seen as dishonest, disloyal and clannish.

Jews have been extremely inventive in circumventing barriers

to their full economic participation. Since the 18th century many Jews have chosen to discard those personal characteristics which marked them as Jews. At the extreme, they may convert to Christianity, as did the first teacher of Hebrew at Harvard. Other strategies were securing a secular education, dressing and speaking as the Gentiles did, or seeking to reduce Jewish distinctiveness through greater occupational diversity.

But historically many Jews have managed quite well without resorting to such tactics. Even in premodern times, when the ethnic division of labor was the rule, trade and commerce had a special role, outside the regular system of agriculture and manufacturing. Trade is interstitial, bridging ethnic and occupational groups. Jews gravitated to such trade and prospered. As an independent entrepreneur, the Jewish trader was not exposed to the kinds of discrimination that might occur if he worked for a Gentile — although he was still subject to mistreatment by government authorities.

In America, Jews have done well by entering frontier areas of the economy, particularly those opened up by new technologies. In this sense, at least, economic discrimination may have helped Jews by forcing them into untraditional, often risky, but sometimes lucrative paths.

Literature Review

The existing body of literature on Jews in the American economy, particularly in corporate management, reflects a variety of approaches and methodologies.

Some researchers have studied how different ethnic groups are represented among American elites. A quantitative study by the Bureau of Applied Social Research at Columbia University, using the percentage of Jewish college graduates as a basis of comparison, found Jews underrepresented in top business leadership.* One wonders, however, whether the population of Jewish college graduates is an appropriate pool of candidates for corporate leadership. Is it not possible that many of these young Jews voluntarily decide on other career options? If so, their relatively low representation in the executive suite would reflect the nature of Jewish aspirations rather than indicate discrimination.

*Richard D. Alba and Gwen Moore, "Ethnicity in the American Elite," *American Sociological Review* 47 (June 1982): 373-83.

Another way of attacking the question is to examine the careers of leading Jewish business personalities to see whether they were hampered by discrimination. It is not difficult to trace the rise of numerous American Jews to wealth and power in a variety of fields. But what is the impact of such individual success stories on Jewish business participation as a whole? Charles E. Silberman, in *A Certain People: American Jews and Their Lives Today*, a popular work summarizing and interpreting scholarly research, takes the selection of Irving Shapiro as chief executive officer of DuPont as a dramatic symbol of rising Jewish status in the corporate world.* This may very well be an accurate inference. And yet there is no evidence that executive hiring practices at DuPont, or elsewhere, changed with Shapiro's elevation.

Zweigenhaft and Domhoff also concentrate on individual successes.** Interviewing 30 Jews on boards of directors of major corporations and supplementing this with biographical data on Jews in *Who's Who*, they found Jews represented in the corporate elite in sufficient numbers to show no evidence of gross anti-Semitism. The presence of fewer Jews in elite clubs than on corporate boards would suggest social, rather than business, exclusion. The authors also suspect that some abandonment of Jewish culture accompanies the rise of Jews in business leadership.

In an unpublished study of major corporations and law firms in Boston, Harold Salzman found that 12 of 29 companies established by non-Jews have Jewish directors*** Inclusion of Jews began in the 1960s and has been limited to a single "Jewish slot" ever since. About 11 percent of the directors of these firms are Jewish, with the heaviest concentration in retail trade.

Yet a third strategy for measuring whether Jews have "made it" is to compare the educational and economic attainments of Catholics, Protestants and Jews. A number of Jewish community studies have found that Jews, on the average, outstrip the others both in income and in education. Economically, Jews are now equal to Episcopalians, traditionally the highest income group. Barry Chiswick, using 1970 census data, found that Jews earned

*(New York: Summit Books, 1985).

**Richard L. Zweigenhaft and William G. Domhoff, *Jews in the Protestant Establishment* (New York: Praeger, 1982).

***Some of his findings were reported in *Jewish Advocate* (Boston), November 19, 1987.

16 percent more than non-Jews of British origin and that there was a direct connection between the Jews' extra years of schooling and their greater earning power.* But these findings push the question back to *why* Jews have done that well. Is it something in their history or their culture? Some psychological trait? Their minority status? No one is quite sure.

Perhaps the most popular way of examining employment discrimination has been in terms of attitudes. The proportion of Jews who believe that their Jewishness stands in the way of their careers fluctuates rather wildly in various attitude studies. Rose Goldsen, who surveyed career motivations of college students in the 1960s, found that 1 to 4 percent expected that their advancement would be hampered by racial or religious barriers, but Reed Powell reported that 80 percent of the Jewish executives he interviewed in 40 companies regarded their background as hindering their careers.** Research has also been done on Gentile attitudes. Robert P. Quinn and his associates at the University of Michigan's Survey Research Center found that 19 percent of managers in three companies agreed with the statement: "I would probably not choose a Jewish person for promotion if an equally qualified non-Jew were available."*** Responses to other questions showed that the proportion of managers willing to discriminate against Jews decreased if they thought that the company's policy promoted equal opportunity and increased if they believed that third parties, such as clients, would endorse discrimination. Yet, even if these three companies were representative of American corporate life, circumstances and practical considerations may prevent the acting out of anti-Jewish prejudice. One cannot presuppose that the 19 percent of managers cited in Quinn's study who were inclined to discriminate did so in practice.

Since studies of occupational distribution, levels of income, club

*Barry R. Chiswick, "The Earnings and Human Capital of American Jews," *Journal of Human Resources* 18:3 (1983): 313-35.

**Rose K. Goldsen, "Occupational Choice, Religious Background and Occupational Values," unpublished manuscript, The American Jewish Committee, New York, 1967; Reed M. Powell, "Race, Religion and the Promotion of the American Executive," unpublished manuscript, College of Administrative Science, Ohio State University, 1969.

***Robert P. Quinn, Robert L. Kahn, Joyce M. Tabor and Laura K. Gordon, *The Chosen Few: A Study of Discrimination in Executive Selection* (Ann Arbor, Mich.: Survey Research Center, The University of Michigan, 1968).

acceptance or exclusion and the perceptions of Jews and non-Jews deal only with a particular stage in the career of an executive or with subjective attitudes, none of them draws a full picture of discrimination against Jews in the executive suite or elsewhere in the economy; each contributes but a stone to the mosaic.

Research Methods

This study interprets the experience of Jewish business-school graduates as they move toward middle management in American corporations, comparing it with that of Protestants and Catholics from the same schools. The experience of blacks and women in the executive suite, compared with that of whites and men, respectively, will also cast some light on the careers of Jews. A more extensive report, entitled *Jews in the Executive Suite: A Working Paper*, containing a full analysis of the findings, was submitted to the American Jewish Committee. That document should be consulted for a professional discussion of the study methods, findings and interpretations.

The sample consisted of two cohorts of M.B.A.'s, 1974 and 1979 graduates of three institutions in the Northeast—the Drexel University School of Business, the Graduate School of Business of Columbia University, and the Harvard Business School. These two M.B.A. classes were selected to allow enough time to elapse for the young executives to have some measurable career experience in the corporate world. Data were gathered between the summer of 1985 and early 1986 through a written questionnaire mailed out to the respondents, producing a return rate of 35 per cent. The results reported here are based on the responses of 444 M.B.A.'s who, in the course of the first five or 10 years of their careers, had worked in a total of 666 firms. A multivariate analysis of the data provided by these respondents reveals trends over time in their careers, not in particular firms but in classes of firms and industries. The data are given without measures of statistical dispersion and compared without presenting statistical tests of significance. The reader may assume that all the comparisons are significant at least at the $P < .05$ level unless otherwise indicated.

The questionnaire requested information from the M.B.A.'s about their religious identification and the religious composition of their households, their education, and their parents' ethnicity,

religion, occupation and education. Jewish respondents were queried, in addition, about their level of ritual observance, knowledge of Hebrew, attitudes toward Israel and involvement in Christian religious observances such as Christmas. All of the participants were asked about their employment history—the firms in which they currently worked, those in which they had initially been hired, and the salaries and levels of authority commanded in each position. They were queried about conditions affecting their advancement in the firm, including the role—if any—of preferential treatment on grounds of religion, race and gender. The firms themselves were treated as economic actors, with information gathered on the class of industry to which they belonged, their structure of authority, the changes in their volume of business and the size of their work force. Supplemental data on particular firms were gleaned from standard business reference works. As in all mail-questionnaire surveys, a balance was attempted between the amount of information that could reasonably be requested and the point at which response would not be forthcoming.*

Distinctiveness and Limitations of the Study

This study is different from earlier executive-suite research in several respects:

1. The differential chances of Jews in industry are assessed objectively, in terms of their observed employment and advancement, rather than relying on the respondents' perceptions of the subjective attitudes of their non-Jewish superiors toward them.
2. The Jews, instead of being treated as a homogeneous group, are analyzed according to their different levels of Jewish knowledge and practice.
3. The employment status of Jews is compared to that of Catholics and Protestants with similar characteristics in order to specify any religious basis for discrimination. A further comparison with the statuses of women and blacks distinguishes between the effect of general changes in the level of discrimination and that which might pertain only to Jews.
4. The restriction of the sample to M.B.A.'s allows a compar-

*A discussion of the validity of the scaling and a copy of the questionnaire, as well as marginal distributions for the variables, additional analytic tables and tests of statistical significance are found in the full report.

ison between groups entering the corporate world from the same educational platform, holding constant a variety of other predisposing characteristics among the executive candidates, especially their diverse undergraduate preparation and work experience preceding the completion of their M.B.A. degrees.

5. An assessment is made of each stage of the executive's career history, from an M.B.A.'s entry position to his or her current position. Earlier studies tended to limit themselves to a single cross-sectional count of Jews, at any level, employed in a population of firms at a given moment. The proportion of Jewish corporate directors, for example, is a crystallization of processes occurring during three or four decades. The method employed here assesses the process in action from 1974 to 1985.

6. Firms, in their role as bureaucratic organizations, are studied as actors in the economy, along with the role of the individual M.B.A.'s. This may be one of the first sociological studies to attempt to classify firms as Jewish and Gentile, and to probe the effect of the religion of board members on the careers of executives in those firms.

Since no one study can ask all the questions, any number of factors affecting Jewish corporate participation must remain unexplored. Obviously a sample of M.B.A.'s from three selected schools does not necessarily reflect the experiences of American business-school graduates as a whole. Moreover, M.B.A.'s represent but a small portion of Jews in the executive suite, and their responses tell us nothing about Jews who are not M.B.A.'s or those in the noncorporate, nonbusiness sectors of the economy, in law, in medicine, in the arts. The findings of this study, therefore, should be tested on a more inclusive sample, subject to later verification or modification.

The Socialization of Young Executives

Religious Identification

NINETY PERCENT OF THE M.B.A.'S in the sample identified with a religious group, a finding consistent with the pattern of the general U.S. population. However, their distribution by religious affiliation did differ from that of other Americans: 44 percent were Protestants, 27 percent were Catholics, 19 percent were Jews. The proportion of Jews was high and of Protestants low in relation to their respective percentages in the population, perhaps because of sampling a graduate professional-school population in the Northeast.

Of the 80 Jewish respondents in the sample, four identified as Orthodox, 29 as Conservative and 43 as Reform; the remaining four claimed no denominational orientation. Orthodox and Conservative Jews are grouped here as relatively "Traditional" and the Reform as relatively "Modern," terms suggesting the degree of their closeness to secular society. Such a distinction is meaningful because it correlates with other behavior, such as Jewish participation in Christian observances. About a third of the Jews participated in Christmas in some way — for example, sending cards or taking their children to visit Santa Claus. Sixty-three percent of the Modern Jews — but also 38 percent of the Traditional — participated in at least one of these acts; and 23 percent of the Modern Jews — but also 7 percent of the Traditional — had Christmas trees in their homes.

The culture of the M.B.A.'s differed from that of the broader memberships of the religious trends with which they identified. A respondent who listed Reform Judaism as his or her religious affiliation is not necessarily a dues-paying member of a Reform temple. Moreover, the M.B.A.'s constitute a higher-income population that is occupationally more homogeneous than the larger religious membership.

Approximately three-fifths of the M.B.A.'s in the sample were married. About a fourth of the married Catholics, a third of the married Protestants and approximately one-fifth of the married Jews had spouses of another faith. Six percent of the Catholic and 13 percent of the Protestant respondents had Jewish spouses. Of the Jewish respondents, 8 percent were married to Catholics and 15 percent to Protestants. Of 177 marital households in the sample, 25 consisted of at least one Jewish spouse, and 41 had two Jewish spouses.

Of the married Jews, 8 percent of the Traditional and 36 percent of the Modern were wed to persons of another faith. In the sample's intermarried population as a whole, almost 90 percent of the spouses retained their own faith after marriage; 76 percent of the Jews did so. Conversionary marriage was unusual in these households, where both faiths not only shared legitimacy, but elements of each were practiced, perhaps alternately, with Christmas in December and Passover in April.

Through their social lives, these households constitute cultural bridges between the two faith communities. In the long run, the Jewish-Christian households, where each spouse retains his or her faith, tend to become Christian households, if only because of the overwhelming influence of the majority religion. It is quite likely that the assimilation of both religious cultures facilitates the absorption of Jewish executives in non-Jewish firms.

Parental Background

Another factor in the integration of Jewish executives, their socialization into the American intellectual and professional culture, has roots extending back at least one, if not two, generations.

These M.B.A.'s, Jewish and non-Jewish, were not the first generation in their families to be college-educated. The respondents were born a decade or so after World War II to parents born in the 1920s who themselves entered college or the work force in the

1940s. At least one parent was college-educated in most homes. For 21 percent of the Catholics, 36 percent of the Protestants and 47 percent of the Jews, both parents had finished college, and most had at least an upper-middle-class occupation. The fathers of 52 percent of the Catholics, 61 percent of the Jews and 67 percent of the Protestants were in technical, managerial or professional occupations. In fact, over a third of the mothers also engaged in these occupations.

The occupational pattern of the parental pair differed across religious lines. Just under half the mothers of Protestant and Catholic respondents were homemakers, compared to 59 percent of the Jews' mothers. Jewish respondents were more likely to come from households with businessman fathers and homemaker mothers. This particular combination often occurs in high-income families. The homemaker mother, who is well educated, devotes herself to child-rearing and may produce a highly achieving son or daughter. When the energy of children of such households is directed to occupational achievement, it involves identification with the father and takes on a male style. Not only sons but daughters from such homes enter entrepreneurial, managerial or professional occupations, which are considered "male" occupations.

As might be expected, the three major religious groups represented different ethnicities as defined by the birthplace of the paternal grandfathers (even the birthplaces of the three other grandparents did not diverge markedly from his). Just under half of the Catholics and nearly three-fourths of the Protestants, in contrast to fewer than a fifth of the Jews, had been North American for at least three generations.

Almost three-fourths of the Jewish respondents were of Eastern European origin. Jews who migrated to this country were breaking free of oppressive societies, especially if they came from the Ukraine, White Russia, Poland or the Baltic states, perhaps less so if they emigrated from Hungary. They were also freeing themselves from the bonds of Jewish tradition, and almost all were leaving their kin behind. Jewish entrepreneurial energy found a fertile soil in the capitalist society of the New World. Initially a wage-earning proletariat, Jewish immigrants rapidly rose to managerial status.

For the M.B.A. respondents, the religious permeability of family boundaries was essentially a contemporary phenomenon, reli-

gious identification remaining stable across generational lines. Almost 90 percent of the Catholics and Protestants and 96 percent of the Jews had the same religions as their fathers (when classified in three broad categories). Only 1 percent of the Catholic respondents and 3 percent of the Protestants had Jewish fathers.

Education

Jewish respondents differed from both their Protestant and Catholic counterparts in their educational attainments and in their attitude toward education. More Jews attended the best undergraduate schools than did the other M.B.A.'s. Adopting the classification of the *College Blue Book*, which rates colleges from most to least competitive, one finds that 29 percent of Catholic, 48 percent of Protestant and 66 percent of Jewish respondents were graduates of the "most competitive colleges," such as Yale, Brown and Dartmouth. (During the 1970s, the undergraduate bodies at these schools were 25 to 30 percent Jewish.)

The future Jewish M.B.A. was also more likely to major in liberal arts than the others. Forty-eight percent of the Jews, in contrast with 29 percent of the Catholics and 32 percent of the Protestants, majored in liberal arts, studying English, history, chemistry or mathematics, rather than engineering, business or education. This may be interpreted as a commitment to attaining the culture of the elite classes, even at the sacrifice of immediate income.

While the Catholic and Protestant respondents tended to seek employment experience as early as possible, the Jews, apparently viewing education as the best preparation for the executive world, stayed in school longer, deferring income from work in favor of study. Jews were least likely to hold jobs between college and graduate school. And when they did work, they earned less. On average, in their pre-M.B.A. jobs, Catholics earned (in 1972 dollars) about \$18,000 and Protestants about \$26,000, but Jews earned only about \$12,000 per year.

Jews on the Job Market

ABOUT TWO-THIRDS OF THE M.B.A.'S sought employment as they neared the end of their studies. The others might already have had a position from which they were furloughed, returned to an assured position in a family business, or continued their studies. Having deferred the job search until graduation, Jewish respondents were the most likely to seek positions. Indeed, 73 percent entered the job market, compared to 56 percent of the Catholics and 65 percent of the Protestants. There was no significant difference between the starting salaries of members of the three religious groups.

The initial distribution of M.B.A.'s in various industries did not differ for the three religious groups, although there might have been a slight (though not statistically significant) tendency for the Jews to enter commerce. Thus 32 percent of the Catholics, 37 percent of the Protestants and 48 percent of the Jews found their first positions in retail trade, investment banking or real estate.

Opportunistic behavior is increasingly expected as the economy becomes rationalized, so that there is more rapid advancement for those who change employers than for those who work their way up the ladder in a single corporation. Average salaries increase with each move, as good executives are "raided" by competitors and respond to better opportunities. The religious groups differed in their mobility between employers. Between graduation and the time of the study, a passage of five or 10 years depending on the cohort, Catholics had already had an average of 2.3 different employers, Protestants 2.4 and Jews 3.0.

Is the relatively higher rate of job change among Jews a result of a policy of religious discrimination, or were these moves sparked by economic self-interest? If religious discrimination in employment were in fact being practiced, some degree of segregation of persons discriminated against would be evident. They would cluster in nondiscriminating firms, and Christian respondents would more likely find employment in places where there were no Jews or fewer Jews. But there was no evidence of clustering by religion among the respondents in the survey. Sixty-three percent of the Catholics, 63 percent of the Protestants and 60 percent of the Jews reported having three or more Jewish coworkers at each of their current worksites (these proportions are not statistically distinct).

Were there preferential hiring with respect to religion, it might be expected that Gentile managements would hire fewer Jews than Jewish managements. To test this, an estimate of the number of Jewish officers and directors in each firm was made from the listings in standard business directories, using name identification. Protestant respondents were hired by firms averaging 2.1 Jewish directors, Catholics 3.3 and Jews 2.8. These differences are not statistically significant: a manager's decision to hire Jews is independent of his or her religion.

This is not to say that Jews and Gentiles sought and joined the same types of firms. As indicated, Jews seemed to show a preference for commerce. They also tended to join the most rapidly growing corporations. Thus, from 1979 to 1984, firms that hired Catholics grew an average of 27 percent, those hiring Protestants 25 percent and those hiring Jews 54 percent. One might conclude that the Jewish M.B.A. tends to look for a growth industry as a matter of career strategy.

Jews and Christian Mentors

What success does that career strategy enjoy? Does discrimination affect the pace of an executive's advancement within a corporation? Besides increases in salary and authority, another factor in advancement involves a particular strategic relationship in the corporation — mentoring. A mentor is a senior person who guides and protects the junior executive and even steers him or her to better positions. In situations of discrimination, Jewish employees would find themselves isolated from Gentile mentors.

To assess this relationship, the correspondence between the religions of respondents and mentors was analyzed (Table 1).

A comparison of the percentages shows that while mentors and their protégés tended to be matched by religion, the extent of mentoring across religious lines was considerable. The percentages, of course, depend on the proportion of members of each religious group in senior positions. Judging only by the mentors reported by the respondents, 74 percent of all mentors were either Catholic or Protestant. Table 1 shows that nearly two-thirds of the Jewish respondents (18 plus 46 percent) were mentored by a Gentile, hardly less than might be expected in a random assignment of mentors to mentored. Clearly, the Christian senior executives were not avoiding the Jewish junior executives.

Table 1
Religion of Respondents by Religion of Mentors (in percents)

Religion of Mentors	Religion of Respondents		
	Catholic	Protestant	Jewish
Catholic	43	28	18
Protestant	46	55	46
Jewish	11	17	37
	(N=54)	(N=89)	(N=60)

Jews and Preferential Treatment

The denial of a job to a Jewish applicant or a senior executive's reluctance to extend a helping hand to a Jewish junior colleague may result from an objective evaluation of performance, involve a particular business interest or indicate outright prejudice against Jews. It may be interpreted by the Jewish executive, correctly or incorrectly, as any of these. Respondents were asked whether they were "ever aware of anyone receiving special treatment, either positive or negative, because of their race, sex or religion." Jewish M.B.A.'s reported not sensing any discrimination against them. As for preferential treatment, such as affirmative-action programs, which are positive, not exclusionary, preferences, 32 percent of the Catholics, 39 percent of the Protestants and 25 percent of the Jews observed some such treatment in their places of employment, a difference not statistically significant. The bases attributed to

such preferential treatment where it was held to exist are shown below (Table 2).

Very few respondents perceived preferential treatment accorded to anyone in their firms on the basis of religion; only four Jews mentioned it. Whether they perceived the consideration as hindering or helping their careers is irrelevant because the issue was hardly raised.

Table 2
Bases for Preferential Treatment Reported by Respondents by Religion*
(in percents)

Bases	Religion of Respondents		
	Catholics	Protestants	Jews
Race	36	40	28
Sex	50	54	53
Religion	14	6	19
	(N=22)**	(N=65)	(N=21)

*Data include only those who perceived preferential treatment.

**N refers to numbers of mentions: respondents could specify more than one basis of preference.

Jewish Career Advancement

Five to ten years after starting out as junior executives, these M.B.A.'s were nearing middle management. If an administrative rather than a technical position is assumed to lead to advancement, Jews, on the average, seemed to have advanced more rapidly than Gentiles. Eighty-three percent held administrative positions, compared to 53 percent of the Catholics and 69 percent of the Protestants. By the middle-management stage, the trend of Jews toward commerce had become more pronounced, with 51 percent in that economic sector, compared to 39 percent of the Catholics and 40 percent of the Protestants (the differences are not statistically significant). Among the Jews themselves, Traditional and Modern Jews differed in their preferences for certain sectors of the economy (Table 3).

Although the differences are short of statistical significance, they do suggest an attraction of Traditional Jews toward manufacturing and of Modern Jews toward commerce and, to some extent, service industries. The dispersion of Jews across economic sectors suggests

that none of these broad areas is closed to them. It is possible, of course, that Jews encounter resistance within certain sectors, such as commercial banking, but the numbers are too small to test this, and a perusal of the specific industries in which the Jewish respondents worked does not indicate such exclusion.

Table 3
Industrial Sectors Employing Traditional and Modern Jews (in percents)

Sector	Jewish Subgroups	
	Traditional	Modern
Manufacturing	53	22
Commerce	41	56
Service	6	22
	(N = 17)	(N = 36)

A so-called dead-end position would stymie advance, and Jewish clustering in a single or a few functional areas would suggest bureaucratic stagnation. Given a list of 13 functional areas to which they were assigned and asked to specify others if necessary, more than half of all the respondents said they were employed in finance, general management and marketing. Only 37 percent of the Jews engaged in these three areas, in contrast to 66 percent of the Catholics and 64 percent of the Protestants. Jews were scattered more widely across divisions of firms, such as accounting, engineering, research, law, personnel and real estate.

As their careers progressed, Jews did seem to gravitate to firms that employ more Jews. Sixty-six percent of the Jews reported having three or more Jewish coworkers in their current positions, compared to 52 percent of the Catholics and 47 percent of the Protestants. While this finding might be interpreted as a segregating of Jewish executives, it is more likely to derive from the increasing concentration of Jews in commerce, especially investment banking.

The correspondence between the religion of the mentor and that of the mentored continued on the middle-management level. Still, 60 percent of the Jewish respondents reported having Christian mentors, and accounts of preferential treatment on the basis of religion continued to be rare. Moreover, Jews were the most likely to believe that their promotions were due to performance rather than to family or personal ties, a corporation merger or acquisition,

its growth or contraction, or other factors. Top administrative positions, the command category defined as self-employed, president or CEO, were held by 5 percent of the Catholics, 14 percent of the Protestants and 36 percent of the Jews. Jews did not necessarily advance to the top positions in firms they joined as junior executives. Not infrequently they had founded their own firms, or taken control of the companies in which they worked. Whatever the reason, Jews assumed positions of greater authority in business management than their Gentile colleagues. They accomplished this, in part, by joining smaller firms.

The higher earnings of the Jews are evidence of their rise in corporate hierarchies. At the time of the study, Catholics had average salaries of approximately \$82,000 per year, Protestants \$83,000, and Jews \$111,000. These differences approach statistical significance.

Jews began at about the same salary level, but the rate of increase of their earnings exceeded that of Protestants and Catholics, partly — but not entirely — because of their concentration in commerce, where salaries are generally higher than in manufacturing and service. Catholics had average annual increases of about \$9,000, Protestants about \$11,000 and Jews about \$20,000 between their graduation and the time of the study. Jewish M.B.A.'s certainly entered more profitable fields, but their higher earnings were largely an outcome of a career strategy that includes a lengthier cultural preparation, attending better colleges, majoring in liberal arts, seeking administrative rather than technical positions, and acquiring experience in a variety of divisions within an organization.

The Ambiences of Jewish and Gentile Firms

Defining a Jewish Firm

THUS FAR, IN CHARTING POSSIBLE DIVERGENCES in the career trajectories of individual Catholic, Protestant and Jewish executives at various stages of advancement, no evidence was found of a climate of discrimination hindering the careers of Jewish M.B.A.'s. In terms of the theory of the ethnic division of labor, one might conclude that a religious division of labor is no longer a significant part of the American scene for this population of M.B.A.'s.

But this may not be the entire story. Firms, too, are economic actors. Just as there are black-owned and directed factories and banks headed by women, so too there are Jewish and Gentile firms. Comparing the behavior of Jewish and Gentile firms in relation to their labor markets is another way of approaching the question of discrimination against individuals. If discrimination exists, a Jewish candidate will not fare as well with a Gentile as with a Jewish firm.

A firm may be defined as Jewish in two ways: on the basis of its worksite labor force and on the basis of its management. A *Jewish worksite* is one that has at least one Jewish officer or director and for which a respondent reported at least three Jewish co-workers, regardless of total staff size. A *Jewish-managed* firm is one in which at least 20 percent of the members on its board are Jewish (as identified by name recognition). On average, these

firms had 47 percent Jewish board members. Gentile firms averaged 5 percent Jewish board members. For brevity, the two classes will be termed *Jewish and non-Jewish worksites* and *Jewish- and Gentile-managed firms*.

Almost half of the Jewish worksites were in the food industry, TV and broadcasting, commercial banking (a category that also included a number of non-Jewish worksites), investment banking and advertising agencies. Jewish worksites tended more than the non-Jewish to be in the service sector, both public and private, such as hospitals and employment agencies. Better than half the Jewish-managed firms were concentrated in commerce and dealt in computing equipment, investments, data processing and advertising (Table 4).

Gentile firms were more likely to engage in manufacturing, an older area of the economy, while Jewish firms veered to commerce and service, which are expanding parts of the economy.

Table 4
Gentile- and Jewish-Managed Firms in Three Industrial Sectors
(in percents)

Sector	Management	
	Gentile	Jewish
Manufacturing	50	24
Commerce	41	57
Service	9	19
	(N = 160)	(N = 37)

Jewish Firms: Small but Growing

Several internal characteristics distinguish Jewish- from Gentile-managed firms. The Jewish firms tend to grant internal management responsibility to smaller groups, are growing more rapidly and are likely to be headquarters rather than branches of firms with several divisions or sites. Of the firms in which respondents were currently employed, 79 percent of the Jewish vs. 52 percent of the non-Jewish worksites were headquarters of corporations.

The size of its board is an indicator of the complexity of a corporation more than of its magnitude because it is related to the number of divisions of a firm rather than to its volume of business. Non-Jewish worksites averaged 22 board members and Jewish worksites averaged 29, a difference just short of statistical signif-

icance. The reverse result is obtained from using the management criterion. Gentile-managed firms averaged 26 and Jewish-managed firms averaged 16 board members, respectively. Apparently, firms employing Jews — Jewish worksites — are more complex than those that are managed by Jews. Perhaps Jewish-managed firms are not among the large major corporations, although it is also possible that when Jews are in charge, they prefer smaller, more agile, control systems. Yet Jewish-managed firms are growing in the number of their employees. Between 1972 and 1982, they averaged a 6 percent growth, while Gentile-managed firms grew an average of 4 percent. Jewish firms seem to enter innovative areas such as high technology, which expanded over this period.

The Absence of Discriminatory Recruitment

If Gentile firms were discriminatory, they would be found hiring smaller proportions of Jews than Jewish firms. Jewish M.B.A.'s, anticipating such a situation, might avoid applying to those firms in the first place.

Jewish and non-Jewish worksites cannot be used to test this hypothesis, since the presence or absence of Jewish employees is part of the definition of such sites. Instead, one must examine management classification. In entry-level jobs, 23 percent of those working for Gentile-managed firms, compared to 37 percent of those working for Jewish-managed firms, were Jews (a difference short of statistical significance).

Jewish- and Gentile-managed places of employment, regardless of whether respondents were in entry-level or more advanced positions, were measured by the distribution of M.B.A.'s according to religion (Table 5).

Table 5
Respondents in Jewish- and Gentile-Managed Firms by Religion
(in percents)

Religion of Respondents	Management	
	Gentile	Jewish
Catholic	31	36
Protestant	46	28
Jewish	23	36
	(N = 186)	(N = 39)

Here, too, the differences are not statistically significant. It might be assumed that Jewish-managed firms would show a greater preference for Jewish executives, since 36 percent of the respondents employed in them were Jewish, compared to 23 percent in Gentile firms. But since only 39 Jewish firms were involved, each case represents 2½ percentage points, so that a shift of only four Jewish firms would eliminate the entire difference between these percentages.

There are a multitude of other factors, such as regional location, industrial sector, educational background, and so on, all of which may contribute to the differences between Jewish- and Gentile-managed firms. A larger data base would allow a multivariate analysis specifying how each factor, including the religion of the respondents, contributes independently to any difference between the types of firms. Table 5 suggests, however, that even if more cases were collected, the contribution of the religious-identity variable to employment patterns would be minor. Indeed, since Jews are concentrated in the Northeast and are predominantly of Eastern European origin, discrimination might have appeared on the basis of regional or ethnic background, but it did not.

The persistence of anti-Semitic attitudes and discriminatory practices in some specific industrial sectors cannot be completely discounted. Certain firms, even classes of firms, might show evidence of prejudice independent of any climate of discrimination in the field at large. In fact, if some firms reject Jews while others show a preference for Jews, this would average out in the aggregate of firms in the major industrial sectors surveyed. Nevertheless, the distribution of Jewish M.B.A.'s among industries — their concentration in commerce more than in manufacturing — needs to be explained in other than Jewish religious-identity terms.

Hiring Blacks, Women and "Aristocrats"

Are there any differences between Jewish and Gentile firms in the hiring of women and blacks?

Jewish worksites were more prone to employ black executives, but Jewish-managed firms did not differ from their Gentile counterparts in this respect. Reporting on the firm in which they held their first jobs, 91 percent of respondents in Jewish worksites, compared to 74 percent in non-Jewish worksites, counted at least

one black coworker. For their current places of employment, the figures were 79 and 51 percent, respectively.

Jewish firms were also more likely to employ women. Regarding their entry firms, 76 percent of respondents at Jewish worksites, compared to 56 percent of respondents at non-Jewish worksites, reported three or more women coworkers. Of those currently employed in Jewish-managed firms, 83 percent reported three or more female coworkers, compared to 61 percent of respondents in Gentile-managed firms.

Women were more frequently officers in Jewish firms than in Gentile firms. In places of first employment, non-Jewish worksites averaged 0.6 women directors, compared to 1.1 in Jewish worksites (a difference just short of statistical significance). Since boards of Jewish-managed firms tended to be smaller, the influence of women directors would be greater. When the boards were measured by the proportion of women on them, thus standardizing for their size, Gentile-managed firms averaged 2.5 percent women directors, compared to 8.6 percent in Jewish-managed firms. Although the presence of women on a board had no influence on the hiring of Jews, female board members did seem to promote a female executive labor force, at least in Jewish-managed firms.

That Jewish-managed firms showed no preference for Jewish executives but were more prone to having women on their boards may seem paradoxical, since Jews are often deemed to be more patriarchal than Protestants, having been slower to admit women to religious roles. Yet Jews, while perhaps more patriarchal in their religious and family life, may not be so in the economy. (After all, in Eastern Europe, Jewish women would “mind the store.”)

In recruiting, Jewish firms seemed to search for an educational “aristocracy” (not an inappropriate term for those who pursue education as a cultural quest rather than as a vocational investment). In their first positions, 85 percent of the respondents employed at Jewish worksites were liberal-arts majors, compared to 59 percent of those at non-Jewish worksites. This finding holds for the Jewish-managed firms as well, where 85 percent of the executives had a degree in arts and sciences, compared to 62 percent in Gentile-managed firms.

Jewish firms hired younger M.B.A.’s — another factor in the balance of culture vs. immediate income, as younger M.B.A.’s

did not pause to work between college and graduate school. Seventeen percent of the respondents hired by the non-Jewish worksites were under 25 years of age, compared to 35 percent at the Jewish worksites. Obviously, the Jewish firms valued education above pre-M.B.A. work experience.

The Role of Corporate Networks

Throughout their career paths, as executives move from one firm to another, they look for jobs that seem culturally similar to the ones they leave behind. The Jewishness or non-Jewishness of a firm is one such cultural characteristic. The linkage is not religion as such, but the distinctive cultural ambiances that have evolved around Jewish- and Gentile-managed firms. Respondents who began their careers at a Jewish worksite tended to continue in such firms. Of those currently at Jewish worksites, 82 percent reported having had three or more Jewish coworkers at their first jobs, compared to 42 percent of those currently employed at non-Jewish worksites.

The proportion of Jews on a board of directors is another shared characteristic of firms along the executive's career path. Respondents employed at Jewish worksites (which, by definition, had at least one Jewish board member) immediately after completing their M.B.A.'s were now executives in firms that averaged 4.7 Jewish officers, compared to 1.8 for those who started out at non-Jewish worksites. And Christian and Jewish respondents who held their first jobs in Jewish-managed firms (where 20 percent or more of board members were Jewish) now worked in firms with an average of 5.4 Jewish directors, compared to 1.7 for those who began in Gentile-managed firms.

Mentoring contributes to a social connection between firms, since a mentor may steer the junior executive into new positions with particular types of firms. Mentoring by a Jew in the entry-level position increases the chances that the executive, Christian or Jewish, will later be associated with a Jewish firm. Sixteen percent of those who in their first position were mentored by Catholics and 12 percent of those mentored by Protestants, compared to 36 percent of those mentored by Jews, were now working in Jewish-managed firms. The tie is not simply a religious one: the mentored person in the Jewish firm is as likely to be Christian as Jewish.

Women mentors provide another shared characteristic of firms, and they were found in larger proportions in Jewish firms than in non-Jewish ones. Nineteen percent of the respondents at Jewish worksites reported having women mentors, compared to 4 percent at non-Jewish worksites. Similarly, 19 percent of respondents currently in Jewish-managed firms had female mentors, compared to only 6 percent in Gentile-managed firms. The connection between a Jewish firm and a female mentor is maintained across time. Of those whose careers began at Jewish worksites, 13 percent now had women mentors, compared to 3 percent of those who started out at non-Jewish worksites.

Better Pay in Jewish Firms

The hope of attaining a position of authority and proper remuneration is central to an executive's selection of places to work. Executives in Jewish firms achieve more authority and a correspondingly higher salary than those in Gentile-managed firms, which have, on the average, a steeper hierarchy. The larger size of the boards of directors in Gentile firms suggests this. Gentile-managed firms have an average of 10.1 levels of executive authority, compared to 6.5 for Jewish-managed firms.

At this stage of their careers, M.B.A.'s in Jewish firms are closer to top management, albeit in smaller or less complex firms. On average, respondents in Gentile firms held positions 5.0 levels of authority below that of the CEO, compared to 3.5 levels for those in Jewish-managed firms. However, there is no evidence that level 3 in a six-rank organization affords more or less authority than level 5 in a 10-rank organization. Whereas the former would seem to offer a wider scope of authority and a shorter climb to the top, the highest position in the six-level firm controls a simpler system.

The greater authority of executives in Jewish firms translates into larger annual salaries. Those at non-Jewish worksites averaged about \$73,000 in their current positions, compared to \$131,000 for those at Jewish worksites, and those in Gentile-managed firms averaged \$81,000, compared to \$143,000 for those in Jewish-managed firms.

M.B.A.'s who began their careers in Gentile-managed firms had received initial salaries of \$57,000, compared to \$84,000 for those in Jewish-managed firms. The average increase of some \$59,000

for M.B.A.'s in Jewish-managed firms dwarfed the less-than-\$25,000 increase for those in Gentile-managed firms, with the gap widening over time.

There were also differences in the kinds of salaries executives who worked for Jewish and Gentile firms expected to earn at the peak of their careers. Those who were currently employed in Gentile-managed firms anticipated earnings of \$250,000 a year, compared to \$335,800 for those in Jewish-managed firms (a difference short of statistical significance). And M.B.A.'s at non-Jewish worksites expected to attain annual salaries of \$226,000, compared to \$340,800 for those at Jewish worksites (a statistically significant difference).

In sum, whether Christian or Jewish, individuals working for a Jewish firm began at higher salaries and continued to earn more because Jewish firms were willing to pay for obtaining the best executives, investing more heavily in labor than in land or capital. As noted earlier, these executives had been to the most competitive undergraduate colleges and acquired a cultural, liberal-arts foundation, so that the ambience that characterized Jewish firms was one of elite culture, which gives more importance to successful performance than to particularistic ties of family and religion. Such firms exemplify the rationalized economy, transcending the ethnic division of labor.

Gentile Firms and the "More Jewish" Jews

The distinction between Traditional and Modern Jews not only defines a religious denominational position but also an attitude toward the role of Judaism in one's life and toward assimilation into the surrounding Christian community.

Are the more culturally "Jewish" Jews victims of employment discrimination? The survey included several measures of Jewish cultural involvement, such as knowledge of Hebrew, ritual observance and attitude toward Israel. Each measure was made up of several indicator items, and each set of items formed a "scale" or a sample of a universe of items that might have been selected to represent a single attitude or behavioral domain. For the measure of Hebrew knowledge, the scale consisted of three items: having any Hebrew education, the ability to transliterate a text, and the ability to translate a simple voweled text. With one point given for each response, the scores could vary from 0 to 3, and

the respondents could be ranked on four levels of Hebrew knowledge. Each score reflected a unique pattern of responses because the items could cumulate in only one way: one cannot translate a text without being able to transliterate as well. A higher score meant knowing more Hebrew. Similarly, a higher score on the ritual-observance scale meant being more observant, and a higher score on the Israel scale implied greater commitment to Zionism.

Jews initially recruited from business schools by non-Jewish firms had a greater knowledge of Hebrew than those recruited by Jewish firms. M.B.A.'s in entry-level positions at non-Jewish worksites had a mean score on Hebrew knowledge of 1.2, compared to 0.7 for those in Jewish worksites. Those in Gentile-managed firms scored 1.2, compared to 0.2 for those in Jewish-managed firms. These differences did not persist beyond the entry-level position.

The ritual-observance scale asked about the Jewish respondents' attendance at a seder on Passover and about their compliance with Jewish dietary laws, among other things. Scores ranged from 0 to 5, from no observance to all five on the index. Those who were at non-Jewish worksites at entry level scored a mean 2.0, while those at Jewish worksites scored 1.4 (a difference short of statistical significance). Entry-level Jewish executives in Gentile-managed firms scored 2.0, compared to 0.9 for those in Jewish-managed firms. A similar discrepancy held for places of current employment. These results clearly show that ritual observance or traditional religious Jewish identification was greater among those who worked in non-Jewish settings.

The low average level of the scores indicates a general trend toward deculturalization and secularization among Jews. If the ambiances of Jewish firms are culturally elitist, they are not elitist in terms of Jewish culture. The relatively greater Jewishness of respondents in Gentile firms suggests that these firms may be more tolerant than Jewish firms of any religious expression. At any rate, these are not findings one would expect if Gentile firms were hostile toward "culturally Jewish" Jews. As for attitudes toward Israel, no differences at all were evident for those in either Jewish or Gentile firms.

The Persistence of the Racial and Sexual Division of Labor

LEST THE READER FEEL THAT THE STUDY FAILED to uncover anti-Jewish employment practices because the methodology was not designed to do so, the same questionnaire, when used to test for racial and gender discrimination, points to continuing barriers to blacks and women in the corporate world.

Black M.B.A.'s constituted only 4 percent of the 432 respondents who answered the questionnaire item asking for identification by race. An additional 5 percent described themselves as belonging to another nonwhite racial group, mostly Asian. For this analysis, the 18 blacks in the sample were compared and contrasted with the total of 414 nonblacks.

Blacks did not achieve the same authority as their classmates. At the time the study was conducted, the authority of black executives averaged 5.4 levels below the CEO, compared to 3.1 levels for nonblacks. This lower authority level translated into lower salary. Blacks averaged \$59,000 a year, while nonblacks earned \$90,000 (a seemingly large difference, but one short of statistical significance, in part because of the many other factors determining salary level).

Blacks perceived a discriminatory climate in the business world. Seventy-nine percent, compared to 30 percent of the nonblack respondents, acknowledged the existence of preferential treatment on account of race, sex or religion in their firms, and three-fourths of the blacks reporting such preferential treatment interpreted it as negative discrimination, not affirmative action.

The survey showed significant differences between the family backgrounds of the blacks and the nonblacks. The mothers of the blacks had higher educational and professional attainments than their husbands, whereas the reverse was true in the case of the nonblack M.B.A.'s. Whether or not this might be a factor in how blacks fare in the corporate world, it is clear that they are a group apart, treated as Jews were three and four decades ago.

Corporate women differed markedly from the men, indicating the persistence of a gender gap. One hundred and twenty-one women M.B.A.'s (27.3 percent of the sample) were studied. In entry-level positions, the women tended to cluster in trade and commerce (54 percent, compared to 36 percent of the men) rather than in manufacturing and service. The pattern continued, to a lesser extent, at later stages of their careers (53 percent vs. 41 percent). Upon graduation from business school, the women were less entrepreneurial: only 7 percent of them became self-employed, compared to 13 percent of the men. At the entry level, women tended to take jobs in firms that already employed other women. Sixty-eight percent reported a work setting with three or more women coworkers, while only 54 percent of the males did. Within firms, women seemed to be pigeonholed under particular job titles: 60 percent were called "analyst," "assistant manager" or "vice president" (fully 32 percent of the women were analysts, in contrast to 7 percent of the men). They also tended to cluster in personnel and marketing.

At the middle-management level, there were clear differences between male and female M.B.A.'s. Men held positions of greater authority, an average of 3.0 levels below the CEO, compared to 3.9 levels for the women's positions. Women's salaries were also lower, only 75 percent of what the men earned.

Yet, in contrast to blacks, the women in the sample did not complain. Thirty-one percent — compared to 33 percent of the men — judged the authority they wielded better than they had originally expected, and 60 percent of both men and women stated that their rate of advancement was more rapid than they had expected.

While the disadvantage of Jews in the executive suite has all but disappeared, that of women and blacks persists. Insofar as one reason for the progress of Jews is the rationalization of the economic system, with increasing reward for performance and merit,

one would expect that the case of women and blacks would be similarly advanced. This has not happened, however. Perhaps the family has not yet released women to enter economic roles, for reasons the society chooses to approve. As for blacks, the caste arrangements of the society, part of its political structure, still restrict them from wider social participation.

Conclusions

A COMPLEX AND SOMEWHAT DIVERSIFIED PICTURE of discrimination in the executive suite emerges from the findings of this study of 444 M.B.A.'s. In delineating that picture, it is necessary to keep in mind that the interpretation of the data and the conclusions drawn from them reflect the constraints of the sample itself, which was limited to graduates from three selected business schools. The conclusions are divided in two parts: those that pertain to discrimination against Jews, blacks and women as individuals, and those that characterize the different ambiances of Jewish and Gentile firms.

Discrimination Against Individuals

There is no evidence of widespread discrimination against Jews in the executive suite: This judgment derives from *failing* to find the following conditions: a notable absence of Jews in particular classes of firms; Jews clustered in a narrow range of positions within firms; Jews occupying positions of lower authority and earning lower salaries than Protestants and Catholics; a correlation between the religion of Jewish corporate officers and the number of Jews hired; a refusal by Christian senior executives to mentor Jewish junior executives; and a belief on the part of the respondents that religious discrimination is practiced in their firms.

The Jewish culture of the Jewish M.B.A.'s is quite thin: Half the Jewish M.B.A.'s were unable to decode the letters of the Hebrew alphabet, a handicap precluding most liturgical participation, and few had any vocabulary in the language. Ritual observance, on the average, did not extend much beyond attendance at a seder (which might be little more than a family meal) and lighting candles on Hanukkah. At the same time, the majority participated in Christmas observances, with a not-insignificant number having Christmas trees in their homes. Among the intermarried population, almost all marriages were nonconversionary, that is, neither spouse renounced his or her faith. The new households did not adhere to either one of the faith groups but remained a meeting place for both, perhaps in modified or even diluted form.

The Jews' emphasis on education, especially on liberal arts, contributes to their executive success: Whereas technical vocational education leads to technical support roles in the corporation, the pursuit of a liberal-arts education anticipates the general managerial roles that are the key to corporate success, and individuals who follow that track advance more rapidly in both salary and authority. The Jewish executives were the most likely to adhere to this educational pattern and their success was further enhanced by the fact that they had embarked on their M.B.A. studies directly after completing their undergraduate education.

Jewish executives, particularly those with a lesser traditional religious identification, are drawn to the commercial sector of the economy more than to the manufacturing and service sectors: Jews, less bound than their Gentile colleagues by tradition, family or community to the declining "smokestack" manufacturing industries, slide more easily into the world of finance, and their attraction to commercial over manufacturing and service industries indicates an attraction to opportunity. The business schools provide the know-how in finance, in investment banking, in managing mergers and acquisitions — areas where the money is to be made at this moment in our economic history. In this, the most rationalized part of the economy, performance counts and the ethnic division of labor is at its lowest. Secular or "Modern" Jews were more likely to show evidence of this preference than their more traditional colleagues.

Blacks come to the executive suite later, lag behind in their advancement, and are bitterly conscious of these disadvantages: The 18 blacks in the sample of 444 M.B.A.'s constituted but 4.2 percent of executive candidates, only about half the proportion of blacks at undergraduate Ivy League colleges. The blacks' slower corporate advancement and lower salaries may result from their caste-like position in a society that perpetuates the racial division of labor.

Women executives, despite social and educational credentials similar to those of their male colleagues, earn less and achieve less corporate authority, but do not perceive their impediments as discrimination and do not complain: As far as could be ascertained, all the women who had M.B.A. degrees found positions in corporate life, but were hired at and continued to earn about three-fourths the salaries of their male colleagues. They tended to concentrate in commercial firms and were more likely to be in personnel or marketing — avenues that do not lead to top management — than in the engineering and production sides of the enterprise. Yet women seemed not to find this discriminatory.

The Ambiences of Firms

An ethnic division of labor persists among Jewish and Gentile firms, but not among employees within firms: Jewish-managed firms were concentrated primarily in the commercial sector and somewhat less so in the service sector, whereas Gentile-managed firms were more prevalent in manufacturing. Nearly half the Jewish firms in which the M.B.A. respondents worked were in a single subfield — investment banking — followed by media-related activities, such as advertising. Religiously based personnel policies were not apparent in non-Jewish firms. Indeed, both Jewish and non-Jewish firms competed for the same labor pool of M.B.A.'s, irrespective of their religious identification.

Jewish firms compete for the best executives as judged by economic performance and broad culture, and pay higher salaries to recruit such personnel: In hiring young executives, the Jewish firms looked for a broad educational background, especially the liberal arts, rather than narrow vocational training and pre-M.B.A. work

experience. Jewish firms did not prefer Jews, just as Gentile firms did not restrict the entry of Jewish executives. If there was a tendency for Jewish mentors of entry-level executives to direct their protégés to Jewish firms for later employment, it would be based on a judgment of competence and broad general culture rather than on religious affinity. Jewish firms paid the highest salaries, and their executives expected to earn more in the future than their colleagues in Gentile firms.

Career paths are defined by networks of firms with similar ambiances and mentors who support these social connections: M.B.A.'s who entered a given industry did not necessarily remain with that industry, but made their career moves in firms with a similar cultural ambience. Thus, if they began their careers in a firm with a sizable proportion of Jewish officers, it was likely that they would subsequently be working for a firm of the same composition. Jewish firms were distinguished by more female officers, higher salary levels and more minority-group employees. They also had more Jewish mentors for junior executives.

Jews with a more intense Jewish culture are more likely to be working in Gentile than Jewish firms: Gentile firms displayed a positive attitude toward religion generally and their Jewish executives were more culturally Jewish, in terms of knowledge of Hebrew and ritual observance, than Jews who worked for Jewish firms. Involvement with Israel was no deeper among Jewish M.B.A.'s in Gentile than Jewish firms, perhaps because a secular and nationalist attitude is not necessarily welcomed in a climate otherwise receptive to religion.

Looking to the Future: A Cautionary Note

The fact that this study turned up no evidence of discrimination against Jewish M.B.A.'s is not sufficient for concluding that discrimination is a thing of the past. Not only were the data limited to graduates of three business schools and to corporate America, but the findings were also confined to the time the study was conducted. There is no guarantee that anti-Jewish corporate discrimination will not arise again. Anti-Semitism is the root cause of economic discrimination against Jews, and anti-Semitism still

persists in certain parts of our society, an ongoing potential danger to Jewish equality in the marketplace.

The theoretical point buttressed by this study — that the Jewish executive has been helped by the rationalization of the economy and a decline in the ethnic division of labor — should alert us to possible social problems. A good number of Americans view the decreasing relevance of religion and family to economic roles as a threat. On the Right, fundamentalist Protestants, the Roman Catholic Church, political conservatives and many rural dwellers, and on the Left, Marxists and liberal humanists, see economic rationalization as a depersonalizing trend. A similar constellation of forces in Weimar Germany precipitated an anti-Semitic reaction. The United States is not Weimar Germany, but we should at least be attentive to the implications of this ongoing socioeconomic process.

Finally, the tenuous Jewishness of the Jewish M.B.A.'s does not bode well for the future of the American Jewish community. These executives have compromised Jewish culture, not because they had to do so to gain Gentile acceptance, but willingly, for broader societal reasons. The children in mixed-religion families, especially in those that practice elements of both faiths, tend to marry Christians and their own homes become unambiguously Christian.* Corporate success by Jews is not "Jewish" if successful M.B.A.'s or their children enter the Christian community.

*See Egon Mayer, *Children of Intermarriage: A Study in Patterns of Identification and Family Life* (New York: The American Jewish Committee, 1983).

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