

Training Of Foreign Nationals By U. S. Industry

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I would like to describe two programs that are contributing toward the development of our employees and broadening the educational horizons for Venezuelans.

- I. Advanced Management Program.
- II. Scholarship Programs of Creole Petroleum Corporation and Creole Foundation

As an American-owned company operating totally within the boundaries of Venezuela, the Creole Petroleum Corporation has long been conscious of the need for development of Venezuelan citizens for positions in our company. Furthermore, we have been aware of Venezuela's need for qualified personnel in a variety of professions. The combined programs of the corporation and

foundation are designed to contribute to these needs.

To get a perspective on our programs, it will be necessary to paint a brief picture of the country and conditions. The population of Venezuela numbers approximately six million. The oil industry is the most significant factor in their economy. The daily production in Venezuela is approximately 2.5 million barrels per day, of which Creole in 1957 averaged about 1,147,000 B/D. We employ approximately 16,000 workers, of which more than 90 per cent are Venezuelans. In senior or technical and professional level positions, there are about 2,500 of which over 1,000 are Venezuelans. Our objective is to increase not only the numbers of Venezuelans qualified for these

GEORGE T. CULP returned from Venezuela in September 1957 to the position of Employee Relations Manager, Creole Petroleum Corporation, New York office. Born in Philadelphia, Mr. Culp was graduated in 1937 from the University of Pennsylvania as a Civil Engineer, and immediately joined the Standard Oil Development Company (now Esso Research and Engineering Company) and was transferred from engineering to industrial relations work in 1941 at the Bayonne Refinery, Esso Standard Oil Company. During World War II, he served as a First Lieutenant, U.S. Infantry in Ireland, England, North Africa and Italy. After brief assignment with the Standard Oil Company (N.J.) in the U.S., he was transferred to the Creole Petroleum Corporation, affiliate of Standard Oil Company (N.J.), in Venezuela in 1946. In Venezuela, he was Industrial Relations Supervisor at Maracaibo, Caripito, Caracas, Lagunillas, Maturin, Tia Juana and Amuay company locations. He served as Training Director for Creole in Caracas from 1948-1951.

senior level jobs, but also to reduce the ratio of Americans to Venezuelans. Our policy is that a Venezuelan be given preference for any position for which he is *qualified or for which he may be trained*.

As most corporations in the United States, our company has a management development program to inventory, appraise and develop our people as competent replacements for our organizational needs. This program operates in two phases.

1. Executive Development Program for incumbents and replacements for executive positions.
2. Personnel Development Program, for non-executive senior positions.

As an aid in the growth of our people in the executive program, we have been sending (and still do) key personnel to the Advanced Management Programs at universities such as Harvard, Northwestern, Columbia, University of Western Ontario, Pittsburgh and others.

However, we recognized that the rate of sending people to these U.S. institutions would not keep pace with the demand. Furthermore, since some candidates did not possess sufficient fluency in English, they would have been deprived of this opportunity. Thirdly, we saw an opportunity to make this type of management development program available not only to Creole employees, but also business leaders in Venezuela, and other Spanish-speaking countries. We determined then, to create a university level, advanced management program, that could be eventually conducted regularly by the University of Caracas. This required several transitional phases:

1. Early in 1956, Creole approached the faculty of Northwestern University's Institute for Management to set up a management program conducted in English at Caracas.

Following several months of preparatory work, investigation of local case study material, and locating physical facilities, a pilot-session three-week program was presented in November, 1956 for 30 participants.

Six additional groups met between January and June, 1957. Participants were from upper and middle Creole management and guest personnel from affiliated companies and Venezuelan government, commerce and industry. Although this phase of the program was conducted in English by professors from Northwestern, many participants were Venezuelan nationals of recognized potential for future growth and development. In all, 236 men participated in this first Management Institute ever offered in Venezuela.

2. In September, 1957, the program was resumed under the auspices of the Central University of Caracas instead of Creole. This phase is also in English, with the Northwestern staff, and in the apartment hotel that had been obtained by Creole for this activity. Only now, the faculty of the Universidad Central have also been added for their indoctrination, and for the conversion of this program to Spanish. Other Venezuelan faculty members are at Northwestern for indoctrination. Tuition has been established and Creole employees are enrolled along with candidates from all sectors of the Venezuelan business life. In the first five sessions of this

second phase, 110 participants have been accommodated and where the first course had 100% Creole participants, the percentage of outsiders has steadily risen to over 60%.

3. The third stage began in September of 1958, when this program was offered for the first time in Spanish, under the control and direction of the Universidad Central, with their own professors. At this stage, we opened the door for Spanish-speaking nationals to

a permanent management development institution in Latin America, and, as is proper, it is operated by an educational institution rather than an industrial corporation.

This activity represents a new venture in higher education in Venezuela. Reaction to date has been very enthusiastic, and we are proud of our active part in the establishment of a faculty and program in the management development field.

ADVANCED MANAGEMENT PROGRAM
FIRST TWELVE SESSIONS (CARACAS)

Session	Creole	Participants Affiliates	Other	Other* Organizations	Total Participants	% Outside
<i>Phase I</i>						
1	30	0	0	0	30	0
2	29	1	4	4	34	12
3	28	2	5	5	35	14
4	28	1	4	4	33	12
5	28	2	4	4	34	12
6	27	2	6	5	35	17
7	25	2	8	7	35	23
<i>Phase II</i>						
8	10	0	8	8	18	44
9	9	0	11	6	20	55
10	9	2	12	8	23	52
11	8	2	11	5	21	52
12	5	6	17	11	28	61
	236	20	90	67*	346	

*Forty-three different companies represented.

Scholarship Program

In connection with our scholarship program, other forms of training must also be carried out to implement this policy. For example, in addition to our scholarship program exclusively for Venezuelan nationals, we bring from

50 to 100 Venezuelans each year to the United States for one week to six months periods or more for special training or rotational assignments with affiliated companies, manufacturers, professional organizations, management institutions, university technical programs and the like. We also have an aggres-

sive in-company training program which can be summarized by the number of course completions during 1957:

<i>Training Activities</i>	<i>1957 Completions</i>
Supervisory Management	2386
Technical craft and operator	4050
Language	1022
Classes for illiterate	96
Summer programs for students	89
Educational refund plan	421
Foreign training assignments	152
TOTAL	8217

We operate elementary schools and currently have approximately 7800 students enrolled under 224 teachers at a cost of about \$2,000,000 per year. The elementary level of education here meets the requirements for entrance into the Venezuelan secondary school system.

Obviously, if the objective is to create a larger body of more highly educated people both within the company and for the good of the country, it is essential that there be an adequate group of high school graduates from which to select students to continue in higher education. Twenty-five years ago (and to a certain extent even today) there was the problem of finding sufficient numbers of Venezuelans properly prepared to continue their education. Although there are no tuition charges for elementary or secondary schools, our scholarship program does include a certain number of grants at this level for the following reasons:

1. In certain locations, our secondary schools are not conveniently located and it is sometimes necessary for the student to live away from home.

2. Even the most modest living costs would create financial hardship on the families denying qualified students the opportunity for secondary, vocational or trade school education.

3. With respect to the university level, we can look back on a 20-year history of granting scholarships to Venezuelans with a total of 175 scholarships to employees and 380 scholarships to non-employees. Of this number 361 or 65% have been for university students and 194 or 35% have been for sub-university students. The university students were in the following fields:

Engineering, 100; Geology, 58; Medicine, 86; Clinical Laboratory, 36; Pharmacy, 21; Business Administration, 32; Law, 5; Agriculture, 6; Industrial Relations, 6; Economics, 3; Education, 1; Social Studies and Humanities, 7.

Throughout these 20 years our scholarship program has been revised to meet varying conditions. In the earlier years emphasis was placed on the study of medicine, nursing and teaching professions because of the extreme shortages. At one time it was not necessary to be a graduate of a normal school in order to teach school. However, the company objective of providing normal school graduates as teachers in our own school system has now been met and the needs of the nation are being satisfied normally in this field. Therefore, the scholarship program in this area has been reduced. In the field of nursing, ten years ago we were still employing American graduate nurses, but through scholarship grants and other developments in the field of nursing education in Venezuela, it is no longer necessary to bring in these kinds

of employees from the United States. Our scholarships were correspondingly reduced.

Traditionally the only recognized professional people in Venezuela were priests, medical doctors or lawyers. Outside of these fields civil engineering was the first program to be established at the university level. In view of this limited supply of talent, the company provided scholarships for Venezuelans to study in the United States in those fields necessary to our industry because they were not available within Venezuela. At the same time we were instrumental in attempting to develop adequate curricula in the existing universities to provide graduates in the engineering fields most necessary to the oil industry. Today the university of Zulia has begun to graduate petroleum engineers on a very modest scale. This year the University of Caracas will graduate its first geologist. Two years ago the first graduates in electrical engineering came out of the University of Caracas. Now that these courses are established, we are expecting to see the graduates in these fields increase.

As a supplemental program, our Public Relations Department visits most high schools throughout the country in an effort to describe the oil industry and the fields of university education most needed for our future growth and development. Every effort is made through these talks to encourage those graduating high school to continue their studies at the university level.

In 1957 the company established the Creole Foundation and under it the Creole Foundation Scholarship program. However, we have maintained a corpo-

ration scholarship program which now is limited to employees of the corporation, whereas the Foundation administers scholarships for all others. It was felt that a contribution to the general growth and development of Venezuela could best be made through a separate Foundation, thus differentiating between the self-interests of the corporation and the general need throughout the country for people prepared to meet the broad challenge of a rapidly expanding and diversifying economy. The objectives, then, of the Foundation Scholarship Program are to provide:

1. *More trained personnel.* A primary need of Venezuela is for qualified personnel in a wide variety of professions. In some fields the need is sufficiently acute to be considered of national importance in the development of the country. By determining the fields of study of greatest importance and offering financial assistance to qualified students, a significant contribution will be made to the national economy.

The Foundation recognizes that the most desirable program is a balanced one and the social sciences and humanities are being considered along with the natural sciences and technical studies in allocating scholarships.

2. *Opportunities for foreign study.* A second objective of the scholarship is to enable qualified Venezuelans to go abroad for advanced training or to provide them opportunity to observe while learning how other people tackle problems and to introduce them to foreign cultures and people.

3. *Student exchange.* A third objective is to grant scholarships to graduate

students from other countries who want to study in Venezuela.

4. *Summer courses and special seminars.* This category of scholarship is meant for part-time students. The Foundation believes that normal school teachers, faculty members and others should be able to attend special seminars, summer school, or other short educational programs.

5. *National Program.* The final objective of the scholarship program is

to make these opportunities available throughout the country. With a truly national program the best talent, regardless of economic status or geographic location, can be developed and the Foundation will be making a significant contribution to the development of the country.

For the current year the combined program of the corporation and the Creole Foundation is as follows:

CREOLE SCHOLARSHIP PROGRAM

University Level	Total	Corporation			Foundation		
		Venezuela	U.S.	Total	Venezuela	U.S.	Total
Engineering & Geology	94	15	15	30	46	18	64
All other fields	88	10	15	25	41	22	63 ¹
	182	25	30	55	87	40	127 ⁸
<i>Sub-University Level</i>							
All fields	79	79 ²					
	261						

¹ Breakdown

	Venezuela	U. S.
Medicine	8	3
Bus. Adm.	3	2
Economics	9	1
Indus. Rel.	—	2
Soc. Studies	8	1
Sciences	2	4
Education	6	2
Agriculture	5	1
Music	—	3
Misc.	—	3
	41	22

² Breakdown

Nursing	4
Social Service	2
Normal School	4
Home Economics	3
Secondary	20
Tech. School	46
	79

³ Program Objective

100 Venezuela scholarships
50 U. S. scholarships

The scholarships at the university level include tuition, books and supplies, registration and laboratory fees, travel expenses and an amount for living expenses which for employees is related

to their salary and marital status with a minimum of \$300 per month and a maximum of \$600 per month and for Foundation scholarships, living expenses will be related to the reasonable living

costs in the area in which they are studying and may vary from \$150 to \$200 per month.

In recognition of the fact that tuition does not cover the cost of education, the corporation and the Foundation are now awarding unrestricted collateral grants to the institutions at which our students are enrolled.

Summary

1. In addition to other forms of training and development of Venezuelan employees, the Creole Corporation provides scholarships at Venezuelan or U.S. institutions for those employees who require additional academic training and are qualified to absorb such training for progress with the company.

2. The Creole Foundation awards scholarships to deserving Venezuelans either in the U.S. or Venezuela in fields of study in keeping with the needs of Venezuela as a whole and not just Creole.

3. In addition to the Foundation Scholarship Program, the Creole Foundation also provides grants for other purposes which will be beneficial to the cultural or economic growth of Venezuela.

4. We consider both programs to be flexible and to provide additional educational opportunities in those fields where additional stimulation is required.

5. We have made continuous efforts to broaden the fields of education in engineering and science in Venezuelan universities by providing materials, courses of study and employees to act as professors plus a public relations speaking program at the high school level to encourage continued education

especially in the engineering and science fields.

6. Where needed academic programs are not available within Venezuela, we have financed Venezuelan students at U.S. universities either at the undergraduate or post-graduate levels.

7. Although we do not look for a reduction in the numbers of Creole sponsored Venezuelan students in the U.S., we do believe that we must make every effort to strengthen and expand the university programs within Venezuela. Through this means, we believe that greater educational opportunities for Venezuelans will be made available so that they can make definite contribution to the economy and culture of their country.



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