

From Gangland to Corporate America

by William Granville, Jr.

In 1957 I was head of an inner-city gang in New Jersey called the "Whips East Trenton Trotters" that had a snake as its symbol. Once, I led my gang in a brawl with a rival gang which led to the closing of Trenton High School for a day, a school with 2,500 students. I almost ended up in jail for a long stay, but Mrs. Bessie Hill saved my neck.

In her work as a teacher and guidance counselor at Trenton High, she probably had many calls to rescue unruly boys who got themselves into as much trouble as I did; some of the times she must have said "no." But she saw something in me, something even I didn't know was there, and she stuck her neck out to save mine.

Trouble? If I had never learned the meaning of the word before, I knew it the next day. For most people in Trenton, 1957 was a year of fast cars, tail fins, and booming confidence in a better future. I had no confidence in any future beyond the gang. Now, a Mercer County Juvenile Court judge was looking balefully down from his bench, ruffling papers from a thick file of all the things I'd done to upset local authorities.

My mother, sitting next to me, was crying uncontrollably, but otherwise the chamber was deadly quiet. I was quiet, too, thinking about what it would mean if the judge sent me up. Mrs. Hill, who had come from school to appear with me, moved nervously in her seat every time the judge peered at me through his bifocals. As the judge related my past history and considered my most

recent offense, most charitably described as trashing the high school in a free-for-all rumble, I started to think of all the people who would be disappointed in me. How did I get to this point? I had let so many people down. All I could do now was stand there and shake while a stern, elderly man in black figured out what to do with me.

Mrs. Hill, who had taken her own time to accompany me to court and stand up for me, helped to stem the alienation my mother and I felt. Mrs. Hill saved my neck in court that day, and afterward educationally. And I needed a lot of saving. She had seen something in me, despite the dismal grades I had earned in my industrial arts courses. She spoke up firmly when the judge called on her, telling him I was a good boy who had fallen in with the wrong crowd. I had something to offer society, something better than it had seen from the leader of the Whips, if I could straighten out. She asked the judge to give me one more chance, and he must have sensed something too, because he gave it to me.

Thank God for Mrs. Hill. She challenged me, and as an 11th grader, I decided to give academic studies a try. I was scared to death. All my test grades read either "D" or "F," and here I was enrolled in college preparatory classes because someone believed in me.

As it turned out, Mrs. Hill had been right. I had been wrongly placed in the industrial arts curriculum, and I took to the new course load like a duck to water. She was behind me all the way, and what she told my teachers caused many of them to take a fresh interest in me. That motivated me. When Mrs. Hill and others showed interest, I felt I was worth something. It was an amazing

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experience; I hadn't known such feelings before.

In recent years, I've felt it was my turn to give something back to Mrs. Hill and all those others who invested their time and energy in rescuing a confused young man who didn't know what to do with himself. I want to create some good feelings of my own for young people who might not have a chance to succeed otherwise. I want to take motivated minority high school students and get them grounded in the business world, so they can begin their climb and later reach back to help others. That is the primary mission of the Granville Academy (named to honor my parents), a non-profit organization designed for students ages 13 to 18. At the Academy, they can gain introductory knowledge of business and industry, including an understanding of the language, basic principles, and environment in which industry operates.

The Birth of an Idea

The idea for the Academy came to me during a long plane ride back from the Middle East in 1980. During the late 1970s and early 1980s, I was traveling 40 percent of the time. I was then manager of technology transfer, working with Mobil's multi-billion-dollar joint venture projects in the Middle East. These included a refinery, petrochemical plant, and pipeline, all constructed in Saudi Arabia.

At that time there were many skilled jobs in Saudi Arabia and not enough Saudis to fill them. The joint ventures were formed because Saudi Arabia wanted to industrialize. The Saudis intended that the oil flowing so plentifully from their lands would drive their country into a new modern age. The joint venture corporations wanted to recruit, develop, and retain as many Saudi nationals as possible. Quite a few foreign companies were working in Saudi Arabia, and they all were competing for young Saudis.

When you can't buy skilled employees on the labor market, you have to develop your own. The venture companies sought out young Saudi nationals from all the nonindustrial areas of the country.

Most of these young people couldn't speak English, let alone the technological and financial language of industrialized corporate America. They had to be taught these languages by the American companies involved in the projects. And through hard work and perseverance, the ventures succeeded in developing a new corps of

Saudi nationals, skilled and prepared for top jobs. We got the job done together, and the young Saudis became an integral part of our project.

Now many of these Saudis are senior engineers or high-level managers of the joint-venture corporations. That's starting from a dead stop, going to the top in seven or eight years. It made me think.

If American corporations can train and develop thousands of unskilled and inexperienced youngsters in foreign countries and enable them to hold significant positions in highly complex industrial projects, why can't we do the same for underprivileged youth in our own country? I concluded that we can, and that it starts with commitment. With hundreds of millions of investment dollars riding on each venture, our companies certainly had a heavy commitment in the Middle East. During that 13-hour plane ride, I had plenty of time to think. Wouldn't it be great to take the same commitment and concepts—designing learning plans, following up on them, checking at different stages—and apply them to help our inner-city youth, so that some day they could hold key positions in corporate America? At the time, I had no notion of an academy, but I thought about working with young people from the inner city in order to share some of the things I had experienced. Something inside told me that this Middle East discovery could be adapted to help disadvantaged youths in Trenton.

Helping inner-city youngsters had always been a dream of mine. Starting with that plane ride, and for the next three years, I planned and organized for the start of the Academy. In the initial program in 1983 my efforts were focused on students in the eighth through tenth grades, 13 to 16 years old. I wanted to start with youngsters at an early age, since I realized it would take a generation or two for blacks to truly arrive in corporate America.

The Granville Academy

The process and content I used in starting up the Academy have remained essentially the same. The Granville Academy, an intensive, after-school program, enrolls all beginning students in an Entry Group. The Entry Group is designed to complement the students' normal school schedule. One of the goals is to emphasize the importance of skills in accounting, writing, and speaking for success in corporate America.

There is a strong emphasis on creativity and development. Teamwork is an important part of the curriculum. Students are taught to plan and to follow systems and procedures. They learn the importance of setting high standards for themselves. This commitment to following schedules and producing a finished product teaches students to deal with routine detail and deadlines as they work to achieve quality performance. It encourages them to expect and seek rewards as a result of their work on this finished product.

Students are chosen based on their high motivation and interest as well as academic achievement. In the beginning, we looked for youngsters who had top grades. Later, however, we included those who displayed high motivation even if their grades were low. Typically, students should demonstrate above-average performance in school, possess leadership skills in non-academic activities, and show good judgment in personal decision-making. A thorough review is part of the selection process, including communication with school personnel, students, and parents, and a review of transcripts. The Entry Group meets at Princeton Theological Seminary. Its members are bussed from Trenton to the seminary by members of the Trenton Jerusalem Baptist Church.

At Academy sessions, we introduce teenagers to a whole new language:

- Principles of savings and investments;
- Finance and accounting;
- Effective business writing and oral communication skills;
- Interpersonal skills;
- Domestic and international commerce;
- Stocks, commodities, and other markets;
- Compensation and other “perks” in corporate America;
- Science, engineering, and technology’s role in business;
- Annual reports, financial statements, and business media;
- Leadership skills.

The Granville Academy’s theme is “Grooming Tomorrow’s Capitalist—Our Investment in the Future.” We want students to be successful, but we also want them to contribute something to their home community once they have succeeded.

That theme has been the flash point for many conversations. It came about when somebody

pointed out to me how often I was skirting the use of the word “capitalism,” as if it were something to be ashamed of. I thought to myself, “He’s right.” You have Communists in China, the Soviet Union, and North Korea adopting capitalist concepts, why should it be less reasonable to do the same in America? Why can’t the East Trentons and Harlems of the West do the same as Communists in the East?

Still, the reluctance to use the word “capitalism” needs to be explained. Black Americans have been buffeted by all kinds of “isms” since the 1960s, and the leftover rhetoric of “the system” and the evils of the status quo are still with us. Thus, you can imagine the reaction of inner-city community leaders when they first heard we were going to “groom tomorrow’s capitalists.”

A New Message

For most blacks in the inner city, “capitalists” were people who owned everything, surrendered nothing without a knockdown, drag-out fight, and were quick to deny credit or repossess cars, furnishings, or houses during bad times. People who had worked all their lives in factories and then watched them close and move away, or just close down altogether, thought “capitalism” was a dirty word. They had been told over and over that the reason these things happened was that capitalism ordained such ills.

And here I was, going around with the message, “Hey, take advantage of the capitalist system.” Not only that, I wanted to groom their children to be tomorrow’s capitalists.

Extensive travel outside the United States helps one to see that all countries buy and sell goods and services, that managed economies stagnate, and that entrepreneurship is the most efficient way to encourage development of the good things Americans take for granted. Most of the people I was talking to had never seen the hungry multitudes I saw in Third World cities, had never reflected on the long lines of people outside U.S. embassies and consulates waiting to apply for visas to come here.

They also had never been required, as I had, to look beneath the rhetoric of foreign leaders who denounced “materialistic, capitalist” values but demanded high prices for the resources their countries could sell and insisted on the best of luxuries for themselves, their families, and their friends.



William Granville, Jr. (standing), and Harold B. Vereen (right) overlooking some of the students at the Granville Academy.

It seems curious, in the heartland of capitalism, that systems of economic organization that everyone else is eager to learn would be hard to sell; but they were. People didn't want to hear what I had to say; but I kept it up. Sometimes I used different tactics. I would say to parents that I saw their sons and daughters someday as chairman of the board at General Motors, chief financial officer at IBM, president of Xerox, head of Mobil. Most people understand the language of ambition even if they rarely admit it in public, and blue-collar workers are no different. Everyone wants his or her children to go as high as possible, and so people began to open up to that message.

To deal with some of the initial misunderstanding about what I was trying to do, I got as many people involved in the project as I could. We sent announcements to churches, schools, fraternities, sororities, and community groups. I made sure the presidents and chief executive officers of traditional community groups were involved. I communicated with uplift organizations such as the Urban

League and N.A.A.C.P., and with many cultural and religious groups.

The secret to getting this project off the ground was credibility, a factor which can't be emphasized enough. I needed to prove to people that this wasn't just some wild idea I cooked up.

It takes success to win over skeptics. We started small, and the word began to spread: "Hey, they're teaching good stuff to these kids at the Academy. It's new, it's not like the things we've been told before." The Academy students went back to school with new motivation, and their teachers started to see them express themselves better. They, too, became believers. Families paid more attention to their youngsters' school work. And when the students started to talk about credit cards, mortgages, insurance, and automobile purchases, their parents listened. The youngsters knew what they were talking about, and the information was useful. Members of the business community saw black youngsters talking stocks and bonds, science, engineering, and technology in

business, and their ears perked up as well. Today, the Academy is a resounding success. Now we have people asking to volunteer, for we're on very solid ground.

I chose Princeton Theological Seminary, about 15 miles north of Trenton, as a site for the Academy. I knew I had to take the young men and women out of the inner-city environment. I wanted the students to feel inspired, in a place whose reputation is above question. Some of the people with whom I discussed sites thought perhaps I was trying to start a new Black Panther Party and didn't want to involve their institutions. "Thirty kids from the inner city? What?" The first year was catch-as-catch-can. Academy sessions weren't fully mapped out with syllabuses and lesson plans. The perspective that first year provided allowed us to get going on a more orderly schedule. Because of the large corps of volunteers, I now had a team and was able to examine the successes and failures of the first year and decide what to change.

For example, we moved the schedule up. Our after-school programs were running too late into the night. In the second year we started our meetings earlier in the evening so the students could be finished before 9 P.M. Also, we hadn't allowed for enough student participation. We had to add more group exercises. It became evident that it wasn't enough just to tell youngsters about the principles of accounting and finance; we had to get them actively to use those principles in discussion. So we gave them cardboard signs reading, "Owner's Equity," "Marketable Securities," "Leveraged Buyout," etc., to carry on the bus between Trenton and Princeton.

Parent involvement is the key to any new thrust in education, but we found that many parents weren't communicating with their children. That meant bringing in the families to get them more involved in the activities. And not every person who is a good role model knows how to talk to young people. Role models who spoke on important topics but failed to get across to the students were reassigned to other, more productive activities.

The Next Step

When students complete the Academy's Entry Program, we hold a formal graduation ceremony. Graduation activities provide rewards and recognition for high achievement and are a potent moti-

vator to the students. After graduation, participants receive immediate membership in the Granville Academy Advanced Group. They get information on how to qualify for programs such as Inroads' Corporate Interns Program. Graduates also get subscriptions to *The Wall Street Journal*, *Fortune*, *Business Week*, *US Black Engineer*, and *Black Enterprise* magazines, as well as two shares of stock in a major corporation. The stock is purchased and the students are enrolled in a dividend reinvestment program through the National Association of Investors Corporation.

By 1988, the Granville Academy had garnered enough support to expand. It still starts at the eighth grade level, but now instead of stopping at grade 10, it goes right up through grade 12. Rider College, several miles from my home in Lawrenceville, outside Trenton, N.J., agreed to help sponsor the Advanced Group Program, which has two subgroups in science, engineering, and technology (SET) and finance, accounting, and economic disciplines (FED).

The first of these Advanced Group programs was launched at Rider in September 1988. The idea came when we surveyed the Entry Group graduates to find out their career interests. Most chose something related to finance, economics, science, or engineering. We decided to divide the advanced students into the two groups, SET and FED.

If America is to compete effectively with Europeans and Asians, especially the Japanese, more young people must be active in these disciplines. Students in the Advanced Program attend joint sessions as well as those in their specific areas of concentration. We do this because it is important for future accountants to know something about the functioning of computers, just as it is important that researchers understand the power of economics.

The president and CEO of the Academy is Harold B. Vereen, who has 14 years' experience in corporate America and now runs a successful marketing and advertising consulting firm, Vereen Enterprises of Levittown, Pennsylvania. His clients include Pepsico, Amerada Hess, and Unimark, Inc. He brings to the Academy outstanding leadership skills.

A total of 130 students attended the three sections of this year's program. The Academy is readily adaptable to being established in other cities.

Plans for the future include starting academies in a number of other major cities such as Cleveland, Camden, Los Angeles, and New Orleans.

One of the Granville Academy's most significant features is the price. Tuition is free. When you're working with inner-city youths, financial obstacles can be significant barriers to participation.

That's not to say the Academy runs by magic; it still needs money, roughly \$45,000 a year to operate its programs. When it first started, there was only one program, and the expenses came mostly out of my pocket, as needed. Now its list of supporters has grown. I contribute only what isn't raised from the community and from corporate supporters. That support has been easier and easier to get, for once corporation personnel began to understand what we were doing, they were quick to come on board.

My employer, Mobil, is very high on employee voluntarism for worthwhile causes. Mobil has supported the Academy and my efforts, financially and in other ways. The Academy also has received financial or other assistance from Career Communications, publisher of *US Black Engineer* and *Hispanic Engineer* magazines; Rider College; the National Action Council for Minorities in Engineering; the Princeton Theological Seminary; and Inroads Inc., to name but a few organizations.

I have always had the goal, however, to get the Academy on a financial base of which 65 percent comes from community support and only 35 percent from outside. Blacks won't achieve economic integration unless most of the financing comes from within our community. The money is there, but so far it hasn't been used in ways that enhance the community's ability to provide for its own future.

The Church's Role

I believe inner-city black churches represent major sources of funds. The black churches are the

most organized and respected groups in any inner-city black community and have the best track record of raising funds for important causes.

I would like to build on this potential support base. Church members, for example, could set aside small portions of their regular contributions for mini-academies to be established within their own buildings. That wouldn't take any huge donations from individuals, but many small contributions. It's the difference saved by forgoing an extra basketball game, or choosing not to have another soft drink. I believe people will be willing to contribute if they know the Academy is successful and that their money is used wisely.

This is only the beginning of what I see as steps to address a major need in this country. We must have more Mrs. Hills in this nation who believe in young people. They need to translate their beliefs into action as Mrs. Hill did. It is also my fervent hope that the Academy's alumni will develop into a network of graduates helping each other and providing motivation to make it through college and to find good jobs.

The Granville Academy concept is a method of helping young people as I was helped. It works because we have kept the concepts simple and basic, and because we request only minimal time from people who volunteer their service as staff and role models. It is in tune with the needs of corporate America to help meet this nation's human-capital and educational crises. It fosters a team spirit among students, parents, and staffers who have a clear understanding of the mission, objectives, and goals of the Academy. Finally, the Academy succeeds because it's relatively inexpensive with its all-volunteer staff.

If academies were in place wherever young minority students live and go to school, they would go a long way toward resolving this nation's need for fresh, talented, highly motivated human capital in science, engineering, and high technology. □

Perestroika's Missing Ingredient

by E. C. Pasour, Jr.

Perestroika, Mikhail Gorbachev's widely discussed restructuring of the Soviet economy, has done little to improve Soviet living standards. Are the heralded perestroika reforms consistent with the increased use of market forces to organize production? Is the proposed restructuring of the Soviet economy ever likely to raise living standards for the Russian people? Unfortunately, a necessary ingredient for economic coordination in a productive economy is missing in Gorbachev's perestroika. In fact, so long as the restructuring of the economy fails to heed the lesson from the socialist calculation debate that occurred more than 50 years ago, perestroika is doomed to failure.

The Socialist Calculation Debate

In the 1920s and 1930s, Ludwig von Mises and F. A. Hayek demonstrated that successful economic planning is impossible in a centrally directed socialist economy in which market prices are necessarily absent.¹ Without market prices there is no possibility of calculating costs, no meaningful profit and loss signals, and no way to determine the goods and services most highly valued by consumers.

Decentralized markets bring about economic coordination in two ways. First, market prices coordinate and transmit information to various participants in the competitive entrepreneurial market process more completely and accurately than can be done through central direction. Indeed, Hayek showed that a great deal of economic information is highly specialized to time

and place and that these data cannot be conveyed in statistical form to central planners.

Consider the land market. A tract of land may have a number of alternative uses, including housing, industry, recreation, and agricultural production. The land market is unique in its ability to channel land to different uses, taking into account the supply of land and the demands for its various uses. For example, when the demand for corn rises, producers tend to bid up the price of land that is suitable for growing corn and increase the amount of land used in corn production. Furthermore, producers need not know *why* the demand for corn has risen in order to take the action that is socially beneficial. The correct action occurs as profit-seeking entrepreneurs respond to price signals. No method of central direction in allocating resources can match market prices in effectively using the data held by present and prospective market participants to achieve the pattern of production most consistent with consumer preferences.

The second way that decentralized markets bring about economic coordination is through the entrepreneurial discovery process. Expected profits provide the inducement for alert entrepreneurs to become aware of profit opportunities and to search for more profitable production methods, including the development of new products.² A major shortcoming of all alternatives to extensive use of free markets is in the area of economic change and innovation. The lesson of the economic calculation debate is that there is no alternative to decentralized markets as a means of discovering and achieving the most productive pattern of resource use. Stated differently, a socialist economy is necessarily inefficient as a means of organizing production.

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