

Chicago and  
\$1.75

# Chicago Tribune

Sunday, April 9, 2000



## ON THE RECORD

By Stephen Franklin  
TRIBUNE STAFF WRITER



Photo for the Tribune by Jeff Kowarsky

### Gerald Meyers

Former automotive CEO, author

Corporate America's CEOs are our maharajahs. They have wealth, status and rule over many. Whether their decisions are the wisest for all is an issue because of their power. Gerald Meyers, 71, is former CEO of American Motors Corp. and a visiting professor at the University of Michigan Business School. He and his daughter Susan Meyers wrote the recent book "Dealers, Healers, Brutes & Saviors" about how CEOs deal with crises.

**Q.** What difference do you see between CEOs today and when you ran American Motors?

**A.** The way we did it in the '70s and '80s was crude. We had blinders on. We were fighting for a competitive advantage and didn't know that there was a world bigger than just what you had to do right now. People who didn't fit or had unusual, outside-the-box thinking were ignored. We ran like racehorses right down the straight track, not looking from left to right. And frankly not giving a damn about anything that wasn't directly related to what we were doing. That single-mindedness got us in trouble, all kinds of trouble, until the early 1990s when we took those blinders off.

**Q.** CEOs benefit from an endless salary sweepstakes. Are they worth it?

**A.** In our book, we are writing about a special breed of management. These are companies that have been in deep crisis, and these people are very precious to their organizations. They are wealthy, wealthy without measure. Did they earn their money? I think they certainly did. What they did was rescue their firms from deep destruction or perilous impairment, and there was nobody else who was visible.

**Q.** But is CEO pay out of control or is enough not enough?

**A.** One thing that jumps at you when you see the numbers is that it is simply outrageous that somebody earns that much. I have seen numbers like \$75 million to \$100 million. It just violates your senses to see that kind of money for somebody who can't possibly be contributing that much. On the other hand, these CEOs will tell you that they are paid the market price.

**Q.** Why are there so few women and minority CEOs?

**A.** That is now. That is not the way it is going to be 20 years from now. We are suffering from inertia in many regards relative to sexual bias and racial bias. As civilization grows, we are opening the gates for minorities and opening the doors for women. To block out the talent as we have done for a couple of hundred years is ridiculous.

**Q.** Are CEOs affected by fads, by gurus preaching new management styles?

**A.** Any CEO worth his or her salt knows that the business world is afflicted by fashion. But these fashions come and go and are regarded by executives as just that.

**Q.** Companies threw themselves into re-engineering and changing workers' lives only to realize later their mistakes.

**A.** I think re-engineering made a contribution and even paved the way for some of the things we think about now. We think nothing about re-designing the way we do business in a short period

because of technology. The pace of business has just picked up, so it is assumed we will re-engineer our businesses.

**Q.** Companies are run on an all-or-nothing basis. Things go along until they collapse. The boss gets blamed, kicked out and it starts again. Is there a better way?

**A.** What you have just described is something Darwin discovered a few generations ago. There are waves and there are certain kinds of people who ride those waves and stay at the crest for some time, but none of them is here forever. They are rarely on top for more than one cycle. Most CEOs run out of gas in six years. They run out of ideas or run out of health. And that means continuous change is not a symptom of disease but a signal of strength.

**Q.** Many companies seem to have lost touch with their employees and so there is less loyalty and more insecurity.

**A.** No doubt that has occurred. More so lately. But to those people I say something that is not terribly sympathetic. I say, "Get on with it." There is no question there are people who do not like their jobs, but I think that is part of the dynamic. You don't like your job because you are not growing fast enough, OK. But that is all part of a mix. I would be very surprised if the level of satisfaction has not improved considerably during the last few decades.

**Q.** Shareholders and boards of directors are still very docile.

**A.** I can't speak for all boards, but the ones that I am familiar with are emerging from the old world of me-too CEOism, where a board sits around a big table and the CEO says "We want to do this" and they do it. That was clearly the case 35, 40 years ago. Still, it is the case in too many organizations.

**Q.** Some CEOs seem intent on breaking long-established rules with employees or unions and are praised for being tough guys.

**A.** I don't think there is an intention to violate agreements as much as a desire to take new directions. The people who did break the mold and who were determined and tough did not delight in shaking things up. But they went in and did what was necessary. One, Gerry Greenwald, if you were to ask about how would you characterize yourself, he would say, "I am a chameleon." He said, "I do what I have to do. When I was at Chrysler I was a tough SOB. When I went over to UAL, I became what my environment said I should become: a healer, a person who pulls things together."

**Q.** Some CEOs seem to care more about shareholders and their stock than about moral issues. Do the two conflict?

**A.** I don't think so. Value-driven management is the most successful and it is becoming more successful. Not that companies do good instead of making money, but they see that business is better and has a better future if it starts with values and builds a system around values.

An edited transcript