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Motorola execs pick directors' brains

Members of board meet senior managers to talk over troubles

By Barbara Rose | Tribune staff reporter
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When the going gets tough, some CEOs call in their board.

A recent example is Motorola Inc., where three quarters of poor financial results have stirred speculation that Chief Executive Edward Zander's job is on the line.

Zander invited three board members to talk to Motorola's officers about a salient issue: How did the board members handle difficult times at their own companies, a source said.

A Motorola spokeswoman said Zander often invites directors to officer meetings and to training sessions for vice presidents. "He's been doing this for the last four years," she said, declining to provide details. Zander was unavailable Wednesday.

The source said the three directors were Corn Products International Inc. CEO Samuel C. Scott III, Merck & Co. Chief Financial Officer Judy Lewent and former Deutsche Telekom CEO Ron Sommer. None could be reached Wednesday.

Bringing in board members is common in good times as well as bad at big companies, where up-and-coming executives are eager for board exposure and where directors benefit from getting to know a company at a deeper level, management experts said.

"This is routine for a company going through a bad patch," said retired Premark Chairman and CEO Warren Batts, a director at two public companies and adjunct professor of strategic management at University of Chicago Graduate School of Business.

"It's a good thing to do. Sometimes a CEO needs to help educate folks to realize they're not the only ones who've gone through a bad situation. It's much more credible than if the CEO just said that."

Does it demonstrate the board members' support for Zander? "Not necessarily," Batts said. "They could fire him the next day. Most directors keep their options open. Directors need to keep working quietly, confidentially behind the scenes to get something done and should never publicly commit themselves one way or another."

Retired Medtronic Chairman and CEO Bill George, who serves on three corporate boards and teaches leadership at Harvard Business School, said directors welcome opportunities to meet with groups of senior managers.

"If your only view of the company is through the eyes and ears of the CEO you're not going to get a balanced perspective," he said. "The flip side of that is, oftentimes members of management have never served on a board of directors, they tend to be critical of a board, and it's good for them to see board members as real people. I think it's a very healthy thing.

"It wouldn't help if this were a series of private meetings, asking them what they think of Zander -- that's unhealthy."

Peter Crist of Hinsdale-based executive search firm Crist Associates said bringing in prominent leaders -- board members or not -- to talk about markets, products and other issues is routine at big companies.

"I don't know how effective it is, but I do know when managers have access to CEOs who are in the limelight, everybody likes it. They like listening to the success stories and how they've gotten through tough times. It's an insider's view."

berose@tribune.com

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