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Consultants are often asked to advise on candidates when a company presidency is vacant. But what are the duties of the chief executive? This article explores some of the factors to be considered.

THE TOP EXECUTIVE'S NEW LOOK

by David F. Linowes

Laventhol, Krekstein, Griffith & Co.

ALTHOUGH the function of chief executive officer is the most important single function in a business organization, less has been written about it than about any other management function. When a man assumes this important post, he finds little in the management literature that will help him balance and steer his dynamic segment of society.

Almost his only source of guidance is the pattern of his predecessor. This may be helpful if the preceding top executive was cap-

able and relatively successful. If not, the new man is left to develop the duties of his post as he thinks appropriate in the circumstances without benefit of model. Considerable floundering — even chaos — can result until a modus operandi is established, for better or for worse.

Even if the predecessor was successful, the drastic and frequent changes taking place in business make it risky for a new president to follow his model too closely. Influences and developments may be

present today that did not exist at all last year.

This hit-or-miss approach to the responsibilities of the top position in business needs attention. The chief executive needs general duty guidelines that clearly set forth all the major facets of his responsibilities in our present environment. With such guidelines he could plan his time and activities more effectively to assure a balanced administration. Duty guidelines also could serve as a framework for periodic reviews of a president's

performance so that the board could make sure that all his responsibilities are being executed.

This article attempts to present such responsibility guidelines. First, however, let us examine the major phenomena affecting the chief executive's job today and the resulting environmental changes.

Influences

Pressures generated by worldwide business movements, social reawakening, and technological advances are having a profound effect on business and its executives.

A shrinking world has created an environment for global business expansion and intermingling of interests on an historic scale. American businessmen are penetrating deep into the interiors of Africa and the Middle East; Japanese, Italian, and German businesses are making inroads in the American market. Business leaders are being forced to break away from traditional national thinking and to expose themselves to influences to which top American executives have never before been subjected.

A second major phenomenon of our day is social reawakening. Especially since the New Deal era, all sectors of American life have become increasingly sensitive to the concept of the public good. This philosophy of concern for the "average" citizen-consumer has

been translated into limitations on the power and authority of business management. The chief source of these limitations has been the federal government, but labor unions, stockholders, civil rights groups, and the general public have bitten deeply into the traditional concepts of management authority, all for the benefit of society in general.

The third major change has been the progress in American technology. The automaton in factory and office is no longer even a mechanized human being. It is a machine. The application of electronic data processing is just beginning, yet its impact has been overpowering. The changes effected in business information systems are so great one must actually experience them to believe them. And many more changes lie ahead.

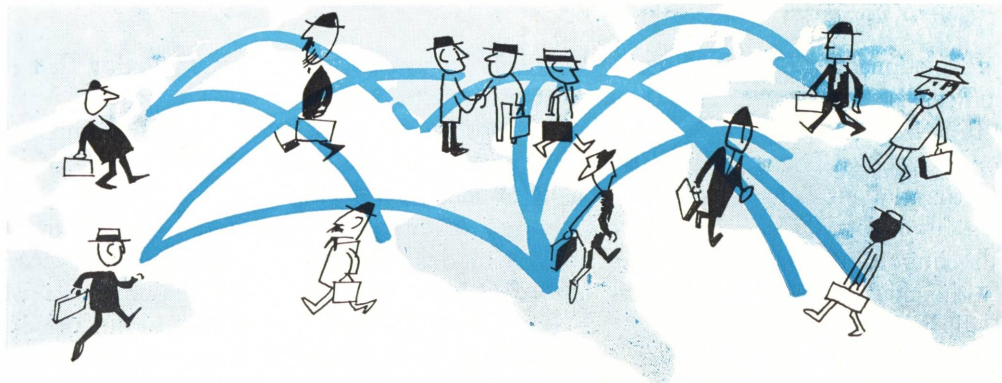
New environment

These three major phenomena have brought about, and are continuing to bring about, a substantially changed environment for business management in general and for the chief executive in particular. They have had a major effect on the concept of the business organization; on its objectives; and especially on the attitudes, work, and philosophy of the top official.

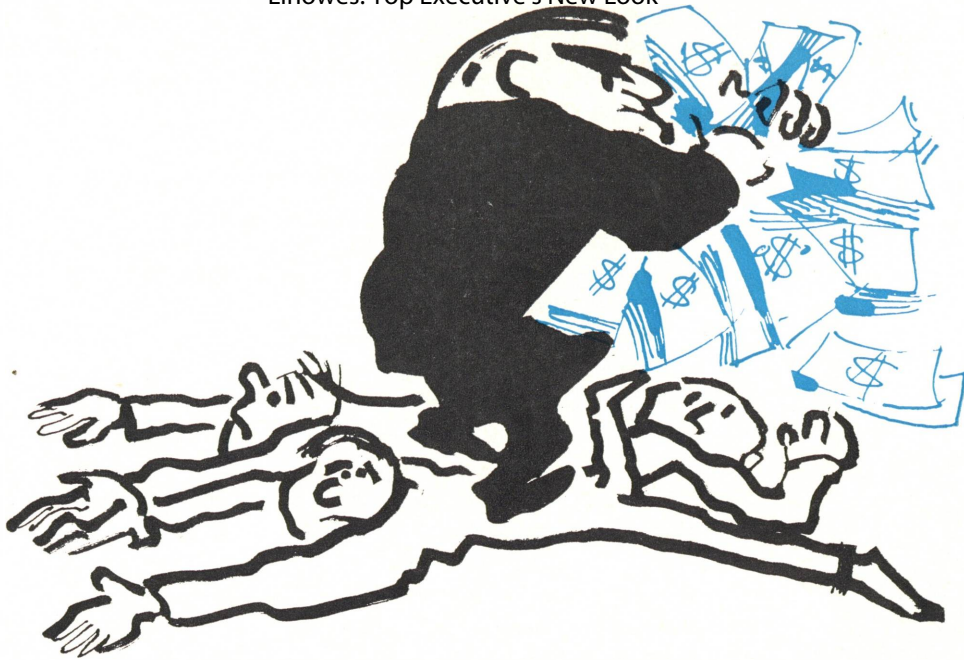
At the turn of the century and during the days of the great busi-

ness buccaneers there was no question about the objective of the chief executive officer. It was solely to maximize wealth, and every means imaginable was employed for this purpose. The goal was to make profits and more profits for the individual and his stockholders regardless of consequences to the individual worker or to society. The reply made by William H. Vanderbilt to a reporter's question near the end of the last century, "The public be damned," largely voiced the attitude of the typical chief executive. But, as the twentieth century developed, an awareness of social responsibility began to grow in business leaders.

An article entitled "Have Corporations a Higher Duty Than Profit?" in the August, 1960, issue of *Fortune* stated: "Like any healthy institution, corporations change; but in the last few decades American corporations have changed so drastically as to raise the question of whether the old kind of corporation did not die, to be replaced by a different institution under the same name. For in essence the old corporation was organized around an intention to make a profit for its shareholders. The modern corporation, although continuing to make profits, often seems to have other (some would say higher) motives. To explain actual corporate behavior, new definitions of management respon-



Business today is worldwide; Americans penetrate Africa and the Middle East while Japan and Western European countries do business in Omaha and Denver.



"The public be damned" as long as our company makes a profit attitude is dead; the modern businessman is thoroughly aware of his and his company's social responsibilities.

sibility are being invented. For instance, Frank Abrams, the highly respected retired board chairman of Standard Oil of New Jersey, says the "job of professional management is to conduct the affairs of the enterprise in its charge in such a way as to maintain an equitable and workable balance among the claims of the various directly interested groups — stockholders, employees, customers, and public at large."

Marion B. Folsom made the same basic point: "Because of the great number of people concerned in one way or another with large business organizations, these organizations are becoming in a sense quasi-public institutions."¹

Whether this new awareness was brought about by governmental pressures, rising social and educational standards of the general public, or the enlightened self-interest of top executives themselves is not important. What is important is that we now have another objective added to the profit-making ob-

jective for today's chief executive.

This is not to say that material wealth maximization is less important today than it was fifty years ago. Not at all! It is simply that other factors must now be considered, and to that extent the overriding importance of the profit-making motive has been lessened.

Profits are the source from which comes the money to support breakthroughs in science, higher educational opportunities, new drugs and techniques to make human life longer and more comfortable, and pay for the machinery of government and its great social programs.

But in this 20th century business organizations have evolved into basic components of our democracy, and businesses themselves have acquired some of the attributes of a democracy. The executive branch of the business organization is subject to many checks and balances, including labor unions, government agencies, stockholders, and the consuming public. Furthermore, although the chief executive is elected by the board of directors, he cannot stay in power unless he wins the confidence and

acceptance of the other executives and personnel whom he must lead and of the stockholders and consuming public whom he must serve.

As components of our democracy, businesses and especially their chief executives are expected to participate in the affairs of our government. The chief executive as an informed leader and as head of his business enterprise is charged with the responsibility of helping make governmental democracy work. He has the obligation, along with that of material wealth maximization, to view his business organization as an essential part of democracy and to speak out on



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¹ Marion B. Folsom, *Executive Decision Making*, McGraw-Hill Book Co., Inc., New York, 1962, p. 132.

issues of the day and participate in political affairs.

The chief executive today stands atop two stilts: to increase material wealth and to participate as a component of democracy. Both are underpinnings of his job. To allow either stilt to skid by oversight or by volition must adversely affect his effectiveness.

How does the present-day chief executive carry out these responsibilities? Ready answers do not exist. Research on this vital function in business is rare.

It might be of interest to note what Crawford H. Greenewalt, president of Du Pont, had to say about his duties as president: "I remember with some embarrassment a visit paid me some years ago by a young lady who was preparing a college thesis on management duties. The first thing she asked was what did I do all day. That was a fair question, but I am afraid the difficulty I had in answering it put me at the bottom of her class. The more I thought about it the more I was impressed by the fact that in the executive area there is no fixed procedure, no precise pattern, no yardstick of performance which can be counted and measured."²

Although there are as yet no quantitative standards by which to set forth and measure chief executive duties, duties do exist and should be expressed.

Basic duties

Chief executives' duties today fall into six groups. Three are quite traditional, representing functions that have been recognized and performed from the time the first employer hired his first assistant. Size, complexity, and techniques have changed, but every boss from antiquity to the present has performed in these areas: communicating, watching trends of operations, and looking after the future or long-term interests. Because these re-

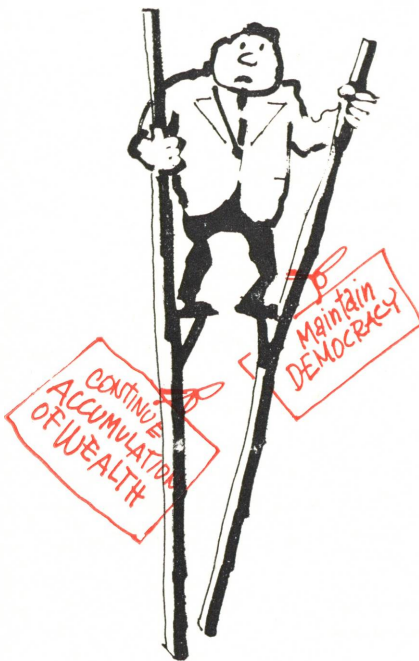
sponsibilities are commonly recognized, I shall comment on them only briefly.

The other three responsibilities are less commonly recognized, yet to neglect or inadequately perform any one of them in today's highly organized, complicated, rapidly changing business environment is to risk failure as a top executive. These three duties have gained increased importance with the industrial and electronic revolutions: providing for the harmonious, constructive functioning of the organization; establishing a creative environment; and accepting the office of chief executive as a position of trust.

Communication up to the board of directors, down to other executives and personnel, and out to various groups in society constitutes a duty that takes much of a chief executive's time. In some aspects of communication, he is essentially a conduit for news from directors to personnel or to the public and back again. More frequently his communication requires analysis and interpretation before transmission. Faulty communications cause more problems in business than any other single factor of executive management. Precision, care, and training are essential. These become increasingly important as an executive rises in the employment hierarchy.

They are essential to the chief executive.

Watching trends in sales, costs, and profits is an elementary traditional function of the chief executive. With the computer, today such statistics are much more timely, more frequent, and more extensive. By effective use of electronic data processing the perceptive executive can quickly detect meaningful trends and promptly initiate corrective action. EDP enables him to interpret developments and plan alternative courses of action more precisely and more expeditiously. There is only one clear danger: the ability of EDP to furnish timely reports in any amount of detail is apt to sink the executive in a morass of paper. He



The chief executive today stands on two stilts: his responsibility to his company to make a profit and his responsibility to serve his community.

² Crawford H. Greenewalt, *The Uncommon Man*, McGraw-Hill Book Co., Inc., New York, 1959, p. 62.

BOARD OF DIRECTORS

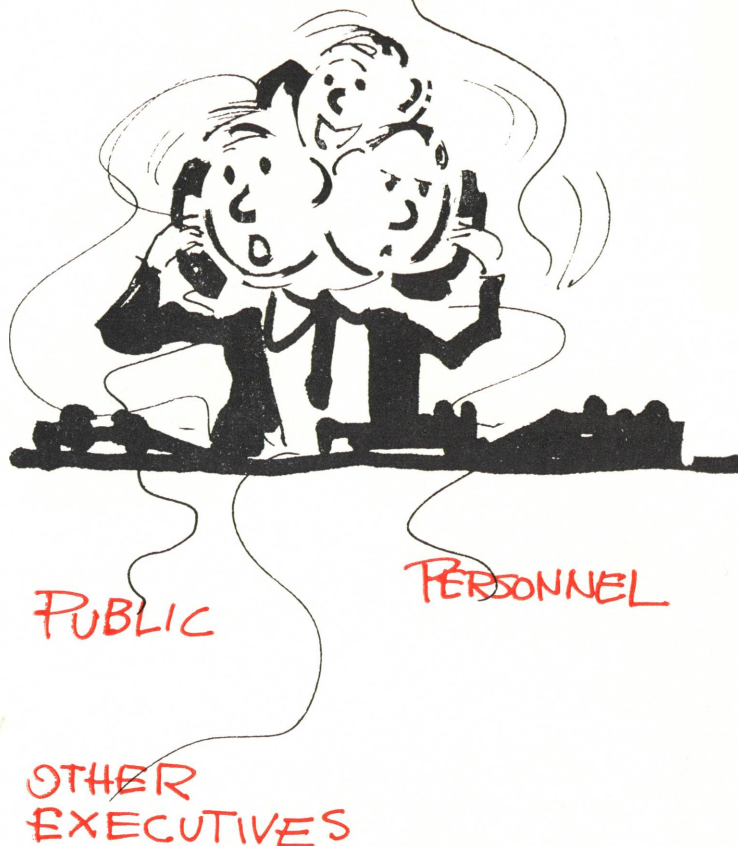
must ensure that only the most significant reports reach him.

The chief executive officer has always had the responsibility of looking after the long-term interests of the business. This includes assuring appropriate programs for research and new product development, future plant expansion, supply of labor, and adequacy of raw materials. These duties continue today but in more intensified and enlarged form.

Harmonious functioning

Obviously, each chief executive adopts his own work habits, as fit his character, personality, and energy. Thus, one executive may resolve a conflict between two subordinates by a brusque comment, whereas another may resolve the same conflict with an extensive conference at which he softly, tactfully agrees with one of the positions. Each chief executive is performing the duty of resolving conflicts among subordinates, but each is doing it in his own way. And both might be equally effective, depending on the personalities of the subordinates, their past behavioral relationships with their superior, and the general behavioral environment of the business organization.

This then is another major duty of the chief executive — as it is a responsibility, to a lesser degree, of every other line executive — to keep the organization functioning harmoniously and constructively. This responsibility may require him to take a position on a controversial issue, or he may prefer to suggest that other knowledgeable executives within the organization be consulted. Never, however, should the use of this latter pro-



Communication is a prime necessity, and many publics must be served: the general public, subordinate executives, workers, and directors.

cedure be allowed to create the feeling that he is avoiding the issue and “passing the buck.” Rather, it should be made clear that he is resorting to new consultations in order to assure full analysis of all facets.

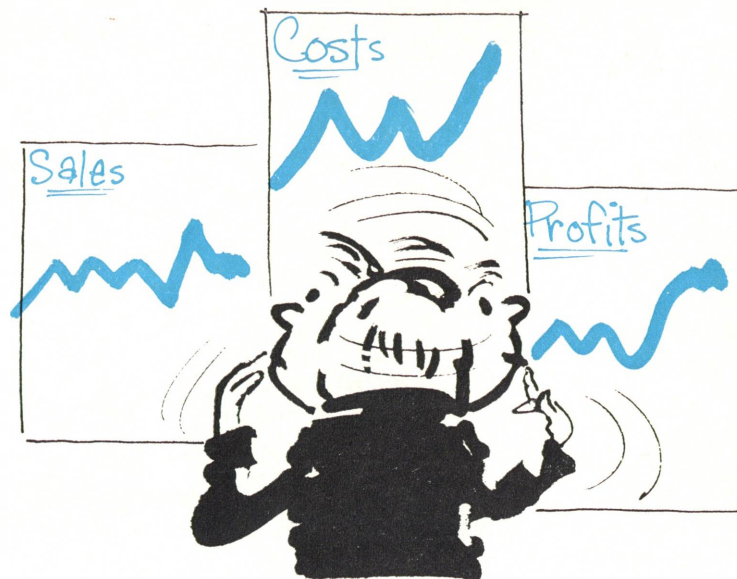
The chief executive should avoid giving the impression of shooting from the hip when making a decision in favor of one action over another. Each of the contending parties should always be made to feel that the decision was reached after careful deliberation even if the deliberation was only for a few minutes.

At the beginning of this century a boss merely shouted an order to his subordinate, and it was executed promptly and cooperatively without question. I need hardly emphasize this is not true today.

Neglect of this responsibility for maintaining harmonious, construc-

tive functioning can cause havoc in a business organization, as is illustrated by the case of the Curtis Publishing Company. The October 12, 1964, issue of *The Wall Street Journal* reported, “Curtis Publishing acted to squelch any remaining staff dissidence after an apparently unsuccessful revolt by two senior vice presidents.” The article went on to say that the two executives were relieved of their duties by the executive committee. Eight days later the same newspaper reported that the man who was president and chairman of the board resigned his function as president, but continued as chairman. Two months later it was reported that the chairman “will soon leave that position.” During these months efforts were reportedly made to bring in new executives and/or realign the old. Sizable losses meanwhile were piling up





Keeping a watchful and constant eye on sales, costs, and profits is an elementary function.

from apparently neglected operations. Among other things, it is all too obvious that the top executive management had not successfully performed the duty of maintaining a harmonious, constructive, functioning organization.

Creative environment

In view of the speed of change today, the head of a business organization must consciously organize his administration in such a way as to encourage creativity, enthusiasm, imagination, and vitality.

Gilbert Burck in the March, 1964, issue of *Fortune* wrote, “. . . Managers at the top levels, freed of the need for analyzing details, will more than ever require the facilities of innovation, creativeness, and vision. The computer, precisely because it will make all relevant information instantly available to top management, will mean more centralization.”

If a business is to cope with these impending crises of change, the chief executive must cultivate innovative, resourceful administrators as individuals, not as unidentifiable parts of an established organizational hierarchy. The qualified individual must be put in an atmosphere of mental freedom and

encouraged to develop his potential to the fullest extent.

“Our concept of the interaction between the individual and his environment,” says one business executive, “is that his capacities must be exercised to attain their full potential and must be developed in order to be effectively exercised. Use and growth are the rhythm of a free society.”³ To this one might add that use and growth of the individual’s capabilities are the rhythm of a dynamic business organization in a free economy. As a part of this duty for development of individuals the chief executive has the vital responsibility of assuring an adequate supply of top executive talent for the future.

Creativity at XYZ

The XYZ Company had been losing out in competition during the past six years. It made and sold a relatively stable consumer product.

Mr. Smith had stepped up to the presidency seven years before after serving as vice president for eleven years. Mr. Smith’s reliable assistant

took over as vice president. No changes were made in the other key jobs.

Although sales had increased each year before Mr. Smith’s accession to the presidency, since then sales had levelled off to about \$24 million a year, and profits had actually declined. Meanwhile, volume and profits of competitors had been going up.

The root of the trouble

When an outside consultant was called in to study the problem, it became apparent that creativity, vitality, and enthusiasm were lacking in the management hierarchy. When questioned, the president complained, “All the executives around here have lost their imagination and initiative. Maybe they’re getting old and weary and should be replaced.”

Mr. Smith believed that he tried to encourage their suggestions and ideas. His door was always open, and anyone was free to drop in at any time. This arrangement had worked for his predecessor. In fact, many of the product and merchandising ideas currently in effect had originated in the past through this open-door free-discussion policy.

³ Gabriel Hauge, *Is the Individual Obsolete*, Carnegie Institute of Technology, 1964, p. 24.

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Interviews with some of the other executives, however, revealed that although they tried to carry on the same informal creative conferences with Mr. Smith when he assumed office, his personality and disposition were such that they soon felt thwarted. Mr. Smith's air of constant impatience and his snap reactions made the executives feel that their suggestions were no longer wanted, so they stopped coming.

Once the problem was identified, a frank discussion was arranged between President Smith and his key management people. Ideas slowly began coming forth again, we hope not too late for the company to recapture its previous leadership position in its industry. President Smith gradually learned not to neglect his responsibility for establishing a creative environment.

'Think-time'

One technique for establishing a creative environment is to provide "think-time" for the higher executive group. Often when it is suggested to an executive that he schedule think-time, his reaction is "Think about what? If I just sit at my desk, tell my secretary to hold all calls and visitors, and do nothing, either I start daydreaming or

I remember several telephone calls I promised to make and I begin calling."

Obviously this reaction is unsound. Think-time should be devoted to viewing the business organization and all of its relationships in perspective. To help structure think-time, questions such as these might be asked of oneself:

What is our business? Will the need that we have been fulfilling in the past continue in the future? How will present technological and social changes affect the demand for our product?

Are we holding our own in our industry? Is new, young, vigorous competition coming along? If so, what are we doing about it? Have we been coming out with new and better products regularly?

Is our business organization well balanced? Are all the functions effectively performed? Are apparent shortcomings dealt with forthrightly?

Are we carrying out our responsibilities to our community and our government? Are we keeping our neighbors in the community informed of our problems and needs so they will understand and perhaps help? Do we speak out on national issues, especially on matters in which we are especially knowledgeable?

To an executive who has spent his business career in a company where such apparently idle time is frowned on, providing time each day just for thinking may be difficult. But it's important. And it's important, too, for him to make such a period free of other duties mandatory for all key executives.

Position of trust

The final duty, perhaps the broadest of all, is a creature of recent decades. It is the responsibility to view the post of chief executive officer as a position held in trust for all the segments of society that the business entity serves. A business organization today is not an oligarchy or a patriarchy serving personal desires. It is a basic segment of our democratic society, and as such it is expected to carry out all facets of its responsibility. The chief executive is charged with guiding this segment of society during his tenure of office.

The third generation of the founding family of AB Corporation had been running the business for about twenty years. Mr. AB III, the president, wanted to step out to devote all his time to art collecting and travel, so the family board of directors elected a loyal, long-



The "open door" policy is only useful if the executive is really receptive to other's ideas.

Too narrow a viewpoint can be dangerous. President Jones fought any new requests of labor . . .

time officer, Mr. Jones, as president. Mr. Jones had spent most of his twenty-two years with the company as secretary of the corporation. In this post he was wholly dedicated to the interests of the AB family and had largely assumed responsibility as the watchdog for the family interests.

When President Jones took on his new corporate responsibilities, he retained his overriding sense of obligation to what he believed to be the best interests of the AB family. Sales policies and terms were immediately tightened. Executives were exhorted to stop spending so much time on community activities and rather to apply themselves to stepping up efficiency in their departments. (The "easy-going" policies of Mr. AB III had to be changed.)

In labor negotiations President Jones fought to hold back on any new requests of labor. (He had always thought Mr. AB III was too generous with the union.) The result was that within three years after Jones assumed the presidency the company found itself the victim of a devastating strike — the first one in its history.

Within four years lopsided

President Jones was out, and a successor was left to inherit a sorely crippled enterprise. President Jones never learned that the position of chief executive officer is a post held in trust for *all* segments of the business and of society, each to share as its interests warrant.

The term of administration of a chief executive is a brief span in the life of a corporate business organization. During his term of trust shareholders, labor, customers, and the public must be served. Subordinate executives are colleagues, all striving for the common good, success in the pursuit of the business objectives. In this environment the chief executive is expected to be concerned with issues of the day, especially as they affect his business organization.

Frequently one hears complaints about the amount of time and effort an executive spends on civic affairs. This activity, however, is not peculiar to the top spot, nor does the chief executive feel that his participation in it is a function of his office as such. The November, 1964, issue of *Business Management* reported on a survey conducted by the magazine. Out of

500 top executives circularized on the subject of public service, 129 answered. In reply to the question, "Do you personally play a responsible role in local public service activities on a regular basis?" 86 per cent answered yes. And in response to "If so, what are the main reasons why you devote yourself to such activities?" over three-quarters said that it was an obligation of good citizenship.

The foregoing six duties have been listed with only occasional incidental comments on techniques. By the time the executive reaches the top position in his company he has developed his own techniques that fit his disposition, character, and even physical features. Responsibilities for the chief executive, however, are there to be performed. All six should be planned for and carried out. The fact that some executives may neglect one or more does not make the responsibility disappear.

Caveats

In addition to the duties a chief executive officer should perform there are certain things he should not do. Here are three major in-



One thing the chief executive must ensure is simply—time to think.

... within three years, the company suffered a devastating strike.

clinations a chief executive should guard against:

Continuing old duties

Once the executive has reached the top post, he should not continue to perform his old duties. Or, rather, he should broaden his viewpoint so that he keeps his old duties in the proper perspective to his new responsibilities, and does not devote an undue portion of either time or energy to his previous specialty. An accountant who has become chief executive should stop performing the duties of an accountant; he should not even allow his thinking to lean in that direction. The same holds true for an engineer, a lawyer, a marketing man, or a member of any other discipline. The temptation is great to show the most interest in the function with which one is most familiar. This practice is dangerous for it can readily lead to lopsided managerial emphasis, with disastrous effects on the overall operations.

Mr. Doe, who was trained as an investment banker, was vice president in charge of acquisitions and a member of the board of directors

of the CD Corporation. He was elected president when the youthful incumbent resigned to take another position offering him greater opportunities. Mr. Doe immediately intensified his efforts to seek out acquisition candidates and met with some success.

One acquisition with sales of \$7 million annually required \$4 million in cash. CD corporation had the \$4 million in cash, but it had been earmarked for plant modernization that year. Both the vice president for production and the vice president for marketing urged that the funds not be diverted and that steps be taken immediately to modernize the plant. Both knew that their major competitor would move to a new plant within 18 months and with these modern facilities could produce better products at a lower cost. The vice presidents presented substantial documentation to back up their position that further delay in modernizing their main plant would jeopardize their competitive position and seriously hurt their \$60-million-annual-volume business. Outside long-term financing was not available because of existing outstanding debentures.

President Doe, however, was so

enamored with the acquisition opportunity of the \$7-million-annual-volume business that he refused to evaluate the overall consequences objectively. He had his inside board approve the acquisition he wanted.

For eight months President Doe enjoyed integrating the new acquisition and realigning its management structure. All of his efforts were devoted to this task. Within three years its sales increased by \$2 million and its profits increased by \$400,000.

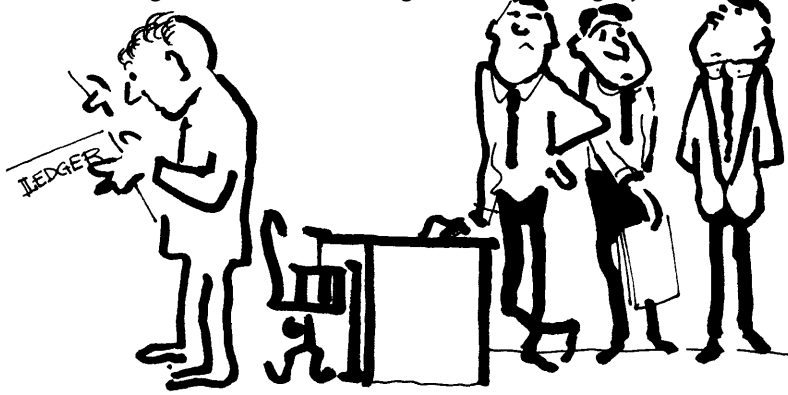
Within the same three years, however, the \$60-million-volume business of CD Corporation dropped to \$45 million, and profits decreased by almost \$1½ million. For the first time in eight years the overall operations showed a substantial reduction in net earnings. Mr. Doe learned the hard way not to continue performing old duties after taking on the job of chief executive officer.

Ivory tower

An even more common error on the part of chief executives is withdrawal to isolated surroundings as soon as they reach the top.



Executives may differ in their manner of resolving conflicts in the organization; one may do it brusquely, another with honeyed words. The important thing is to resolve them.



A man at the top must free himself from his old specialty; he must put that in perspective to the new, larger picture with which he must deal.

too often good health is taken for granted until calamity strikes. And by that time the damage has been done.

Is it too much?

Because the responsibilities of the president are so broad, some management advisers have recommended that the top executive function should be performed by a committee. Peter Drucker suggests a three-man chief executive composed of a "thought man," a "man of action," and a "front man."⁵ This is hardly the answer. Every duty of the top executive requires thought, action, and public relations.

When two subordinates differ on a course of action involving investment in capital equipment, who would say whether the decision should be resolved by a thinker, a doer, or a front man? When a Congressional committee seeks counsel from a particular industry sector, is this a job for the "front man"? Could he do justice to answering the questions which may develop during such a hearing? Would he have the background to evaluate and respond to comments made by members of the committee? Or should all three chief executives jointly participate in the hearing? No, a many-headed chief executive is not the answer.

The problem of the broad-scope chief executive function actually is being solved today by the trend toward "professionalization" of management. Higher-level management increasingly is taking on the attributes of a profession.⁶ The various levels of executives are working together, objectively solving

⁵ Peter Drucker, *The Practice of Management*, Harper & Row, New York, 1954, p. 168.

⁶ Morris L. Logan writing in the *Harvard Educational Review* (Volume 23, 1953) "Toward a Definition of a Profession" lists these characteristics of a profession as defined by the courts:

- "1. The practical application of scientific study in the pursuit of a livelihood.
- "2. The predominance of intellectual quality over manual skill.
- "3. An element of altruism and service."

As Clarence B. Randall, former chairman of the board of Inland Steel Company, pointed out,⁴ "The man at the top is intellectually divorced from the tumult of outside thought. . . . Industry's top men often live on such heights that they lose sight of everything outside their work. . . . In the old whaling days a man did not get to be master of the ship unless he was by all odds the best sailor aboard. When the going was rough, the crew expected to see him standing on deck in the storm, handling the ship himself. He knew every star in the heavens, and when the gale struck he did not need to ask from which direction the wind was blowing. He felt it directly in his face.

Staying on the bridge

"The counterpart of this is not true in American industry today, and this may be what is wrong with it. The men at the top of our great corporations, those who direct the vast enterprises that mean so much both to our economy and to our social welfare, so live their lives that they no longer take the wind directly in their faces."

An essential trait of the success-

⁴ Clarence B. Randall, "Business, Too, Has Its Ivory Towers," *New York Times Magazine*, July 6, 1962.

ful chief executive is the ability to keep in perspective all functions within his business organization, and his organization's relationship to all society. Withdrawal to isolation because of the pressure of work or because of a self-imposed ivory tower attitude cuts him off from important sources of opinion, creative thought, and fresh ideas.

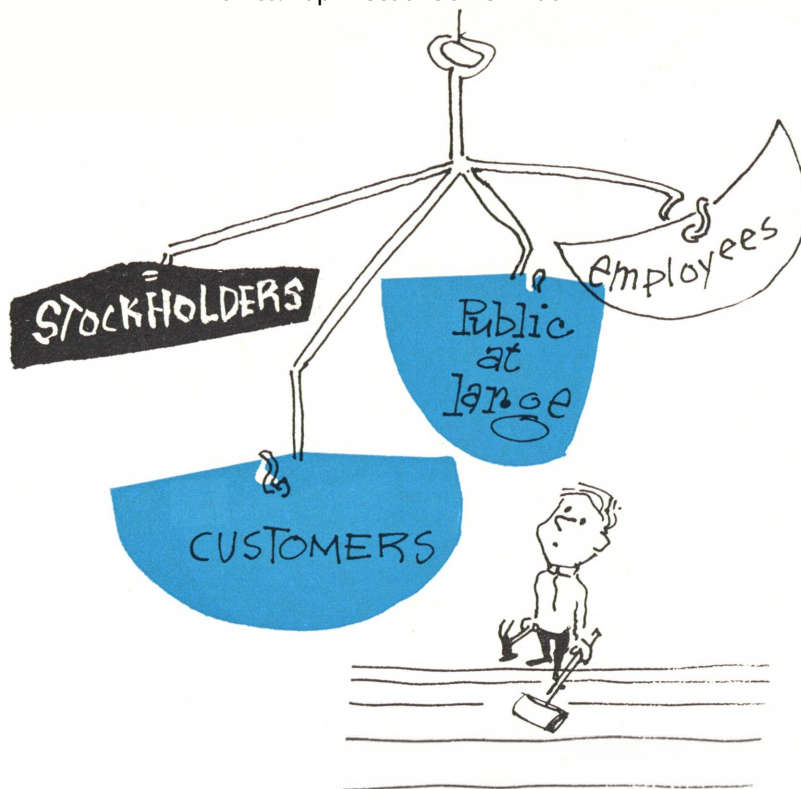
No longer the boss

Each chief executive should work out his own means of preventing such personal isolation. He should not hesitate to expose himself to the press and to public debate.

Old attitudes of presidents toward their position and of subordinate executives toward the position of president need modification today. The present-day chief executive is not the "boss" in the traditional sense. The self-imposed isolation stems from a carryover of the old boss complex. The top officer frequently works by a mystique inappropriate to today's society.

Neglect of health

Lastly, a top executive must not neglect his own health. Time pressures are so great in this post that many presidents refuse to cut into their busy work schedules for needed physical resuscitation. All



Today's executive must keep all responsibilities—to stockholders, employees, and the public—in a state of equilibrium.

problems. They function more like a professional partnership. Actually, many top management people come from professional disciplines and bring along with them professional work habits and attitudes. Also, more and more vice presidential offices are being upgraded so that earnings, fringe benefits, and status symbols are increasingly comparable to that of the president. In enlightened business management, the old disparities between top executive and other key executive officers are becoming less and less.

In all of this, however, there is never any doubt who is the single chief executive administrator just as in all professional partnerships there is the senior partner, an elder statesman whose nod of approval is required for every important action.

In a business organization key executives develop confidence in one another's abilities and come to depend on them. The chief executive leans heavily on his subordi-

nate executives, taking from them only the distilled essence of the results of their activities. (This is one major reason why integrity is a mandatory character trait of any executive.) By absorbing the key facets of all activities, the single chief can effectively serve in his pinnacle post.

Summary

In sum, the influences of worldwide business movements, social reawakening, and technological progress have had a profound effect on the responsibilities and duties of the chief executive officer. Today's environment charges the top official of a business organization with the double-barreled responsibility of maximizing wealth while fostering democratic principles inside and outside the business hierarchy.

To perform effectively and with proper perspective, the president should apply himself to executing all six major responsibilities: com-

municating, watching trends of operations, looking after long-term interests, organizing for harmonious and constructive functioning, establishing a creative environment, and viewing the post of top executive as a position of trust.

Three "don'ts" the chief officer should guard against are these: Don't continue to perform or favor old duties; don't become isolated from the organization or the world outside it; and don't neglect health.

Increasingly, higher-level executives are functioning as "professionals." The education, training, and caliber of most business executives today are among the highest our society has to offer. This tends to remove some of the oppressive burden from the chief executive officer, since he can confidently rely on the judgments of his subordinates. By capitalizing on these developments the single top executive is now able to plan and organize his duties more effectively in keeping with the needs of this fast-changing age.