



CEOs get real

**Sept. 11 attacks prompt some executives to grow hearts—
and others to ignore them**

Are icy CEOs thawing? Two issues ago, we ran a letter to the editor from Robert Holland, who, following September's national tragedy, asked, "Will American business executives and investors be as coldly focused on the bottom line?"

Let's consult the evidence.

Toward the end of last month, American Airlines CEO Don Carty said he will forgo the rest of his salary for the year and announced that he purchased 40,000 shares of American stock. Carty's annual salary is \$772,500, according to American spokesman Al Becker. Thus, his pay for the remainder of this year would amount to about \$193,000.

Carty told reporters that if all American Airlines employees would have to sacrifice, so would he.

He also announced that if other employees take pay cuts, the company would put 20 percent of the savings into an educational fund for the children of American pilots and flight attendants who were killed when the two hijacked American planes crashed.

Another chief executive, Western Petroleum's James Emison, sent us the following challenge to his fellow CEOs:

"Last week, I sent a letter to my employees at Western Petroleum. In it, I detailed the strengths of our organization—strengths that our employees had a very important hand in helping build. I assured them that our company continues to be economically strong—in fact, on a growth path. I asked all of us to keep a positive attitude about our work and about our country, as well as to work

harder and smarter.

“I also asked my employees to continue spending their money the way they normally would in order to help strengthen our economy. I said I would give them \$500 if they did this during the month of October—no questions asked, no proof necessary. In order to claim the \$500, they had to agree to spend that, too.

“Nothing can change the fact that our country was altered in myriad ways by the horrible events of Sept. 11. Our economic downturn is one of those consequences. My philosophy is, if the vast majority of our citizens decide to play it safe and not make discretionary purchases, we all lose. If one of my employees decides not to purchase a new couch, for example, he or she is minus a piece of furniture that could brighten their home and make their family more comfortable. The owner of the furniture store loses. Our economy loses. Our country loses.

“And the bad guys win.

“I challenge my fellow business leaders to encourage their employees to strengthen the economy and our country—and enhance their lives in the process.”

And then there’s Joe Trumillo of Pro-Tech Metal Specialties in Elmhurst, Ill., who asked his 30 employees to stir the economy by spending \$100 on American-made products. If they bring in the receipts, he’ll reimburse them.

It appears that many employees appreciate such acts of leadership; as one of Trumillo’s employees wrote in a letter to the editor of the *Chicago Tribune*, “More business owners should be like my boss.”

Others believe CEOs are just “playing nice”; an anonymous communicator sent the following comment to us:

“The explosive event exposes the sickness that is ever-present in ‘normal’ times. The CEO plays nice because the glaring moral weakness of our economic system is naked before our eyes in times like these. We might just see how shitty things are, and wrest those cadres from power.”

Phew. Tell us what you really think.

But in fact, according to systems change expert Ralph H. Kilmann, the Sept. 11 tragedy is turning many businesses into vibrant workplaces.

Kilmann—whose illustrious client list includes White House staffers, AT&T, Kodak, IBM, General Electric, General Motors, and Xerox—is amazed

“Since Sept. 11, some of America’s traumatized businesses have spontaneously morphed into the kind of vibrant organisms that years of high-priced change strategies have been unable to accomplish,” Kilmann says.

Kilmann’s newest book, *Quantum Organizations*, offers executives a framework for fundamental change, drawing from unconventional disciplines such as physics and brain research to explain the corporate organism’s relationship to new technologies, global markets and human potential.

According to Kilmann, today’s outdated business models have been unable to respond to the multidimensional demands posed by mergers, the World Wide Web, and the intermingling of all social, economic, political, biological, psychological, spiritual and environmental problems.

But since the terrorist attacks, something fascinating has occurred. A number of businesses are spontaneously demonstrating many of the key characteristics of Kilmann’s ideal quantum organization, in which leaders take a holistic approach, recognizing that everything that issues from the workplace affects and is affected by everything else.

For example, the crisis has brought businesses from around the world together better than the globalized marketplace ever did. Former rival companies in New York are sharing office space, contacts and even workers; leaders have re-established company priorities—looking to their people as their most valuable assets; and finally, employees have a renewed sense of belonging, loyalty and determination.

As executive coach Maggie Craddock says in the Q&A, after a tragedy of such magnitude, it’s only natural for executives to begin valuing their employees, and in turn, employees feel increased loyalty to the company.

The basis of this transformation, Craddock says, is the emotion evoked by crisis.

“I’ve had some of the most macho clients I deal with tell me with pride that their CEO cried on national TV... Nobody wants to work for a robot,” she says.

These days, Craddock spends all of her time counseling Fortune 500 CEOs on how not to be robotic. We recently heard about a telecommunications chief who sure could use her services.

A senior communication manager at the telecom giant called us to complain about the CEO, whom she describes as “known for being trigger-happy.”

This executive—we’ll call him Ernie—happened to be in Washington, D.C., on Sept. 11. The company also happens to have offices close enough to the Pentagon so that employees were among the first to know that Desert Storm had begun.

Because Ernie was traveling, and other execs were unable to reach him, they made the call to let all employees go home shortly after the attacks.

“As my boss said to us, ‘There’s no business to be transacted today. And if something does come up, we’ll page you,’” our communicator says.

Shortly thereafter, however, Ernie sent an angry e-mail memo to everyone from those just below him to the director level, saying, “In the future, any dismissals of employees will require my permission.”

That e-mail message was sub-sequently forwarded all over the company.

As the communication manager concludes, “He was in Washington, D.C. and his only concern was to get employees back to work. People are just livid.”

Another anonymous worker explains how the CEO at her company asked employees to “forget the tragedy and focus on our jobs”; she sums up the hazardous consequences of such an apathetic CEO:

“I was sickened by this lack of compassion and understanding and it only served to steel my resolve in finding a new company to work for.”

CEOs without heart (and communicators who are charged with putting words in their mouths and pens): Consider yourself warned.

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