

Villains or heroes, car execs enrapture Detroit - Auto leaders become icons

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DETROIT --Recent events have made it clear that the heroic age of the auto industry isn't over.

It's probably a good vital sign. Japan and Europe may be gaining U.S. market share, and the short-term outlook may include a classic auto sales slowdown. But that hasn't kept Metro Detroit from a century-old pastime -- making demigods or devils of our auto industry chiefs.

Forceful personalities once again are contending for leadership at the Detroit-based firms, just as they have since Henry Ford and his partners in the infant Ford Motor Co. differed over product strategy, prompting Ford to buy them out at prices that are still the stuff of local legend.

Meanwhile, Wall Street analysts, auto company employees and news media mark the comings and goings of these business stars as if the balance of nature were at stake.

"Certainly, it's one of the things that makes our industry interesting," said Michael W.R. Davis, auto industry historian and former Ford public relations official.

Consider some fresh developments:

- * William Clay Ford Jr. steps dramatically into a larger role in high-level decision-making at Ford Motor Co., evoking the absolute power wielded in the company by his family predecessors.

As chairman, he will share formal authority with CEO Jacques Nasser, another powerful figure who has been shaking the company to its roots. The company portrays the move as cooperative and collegial, but outsiders sniff a classic contest of wills, calling to mind the falling out between Henry Ford II, Bill Ford's uncle, and the charismatic ex-Ford President Lee A. Iacocca.

- * General Motors Corp. injects excitement, credibility, hope and confidence into its bland organization with a single startling move: the hiring of 69-year-old former Chrysler Corp. No. 2 Robert A. Lutz as vice-chairman of product development. That gives Lutz a unique role in auto industry history as apparently the only person to serve as a top officer at each of Detroit's three auto firms. Lutz is one of Detroit's best-loved types -- the "car guy" with a talent for producing vehicles with sharp emotional appeal.

- * At Chrysler Group, Dieter Zetsche is assigned by DaimlerChrysler AG Chairman Juergen Schrempp to take over from an apparently weak and ineffective management team and restore the company to its position as the U.S. auto industry's product dynamo of the 1990s. Zetsche, though an outsider, has shown recently that he won't shy away from the ceremonial part of the job. He stars in speeches, news conferences and product shows, all in the name of giving the company a strong, confident public face.

Dynamos alter industry

At every step over the past century, the auto industry has had its towering characters: Henry, Edsel, Henry II and Bill Ford Jr., powerful family stewards of the company that bears their name Billy Durant, ultimate dealmaker and creator of General Motors **John** and Horace Dodge, mechanics-turned-billionaires Alfred Sloan and "Boss" Kettering, combining management skill and engineering brilliance to make GM No. 1 in the world Harry Bennett, Henry Ford henchman who tried to steal the company the "Whiz Kids" who brought scientific management to Ford after World War II legendary designers Harley Earl and Bill Mitchell of GM and Virgil Exner at Chrysler Ed Cole, who ushered in GM's golden age of the 1960s George Romney, who salvaged American Motors Corp. by blasting the "gas-guzzling dinosaurs" from the Big Three the infamous **John Z. DeLorean**, another hero of Detroit's muscle car era who ended up battling creditors of his failed auto manufacturing venture and fighting charges of cocaine smuggling Iacocca and the rescue of Chrysler and Roger B. Smith, GM chairman in the 1980s variously portrayed as a visionary or a fool.

Stepping into spotlight

Davis, author of two recent histories of GM and Chrysler, says the cult of personality around such heroes has many elements. Not the least of those, he says, is the willingness of some executives to become public figures.

"It's a little bit like show business," Davis said. "I think the media, and even the corporate PR people, love these strong characters who are willing to step into the spotlight. That's part of it. You never heard of a cult of personality around some marbleized bean counter."

Harvey Kahalas, dean of the School of Business Administration at Wayne State University, says the immense scale of the auto industry -- trillions of dollars per year in worldwide commerce -- and its dominance over Michigan's economy help account for the fuss we make over certain leaders.

"I think to some extent we make a particularly big deal about it because the industry is so dominant here," he said.

At the same time, he said, stardom can function as an executive tool. It can be used to build public confidence, communicate with employees and constituencies such as investors and business partners, and inspire subordinates to perform better.

"You are also trying to approach members of your own organization through an indirect route," Kahalas said.

Zetsche's public campaigning is similar to Iacocca's 20 years ago when Chrysler was on a death watch.

"He feels today that part of the issue is media confidence and general public confidence, so he needs to be able to get out front and talk about his organization and the direction it's heading in," Kahalas said.

Fame runs risk of criticism

But executive stardom can be risky. The greater one's visibility, the greater the potential for a backlash if there's a setback, Kahalas said.

Some executives gain fame because they are perfect representatives of their times, and know how to turn that to business advantage.

That was **DeLorean** 's success secret, said J. Patrick Wright, owner of a Grosse Pointe Farms marketing and public relations firm and former journalist who wrote *On a Clear Day You Can See General Motors*, a **DeLorean** biography.

DeLorean made his mark at GM because he represented and translated into chrome and sheet metal the burgeoning youth market of the 1960s, Wright said. And he worshipped the spotlight.

" **DeLorean** would go public," he said. "He didn't mind saying what he felt."

Ultimately, he clashed disastrously with GM's tradition-bound leadership, although he remained popular with young people inside GM.

But Wright sees something more basic in operation in Detroit's personality cult: the longstanding American tendency to create popular heroes, from Daniel Boone to **John** Glenn.

"When people have done big things, like Iacocca and Lutz, that fits right in with the mold of the hero," he said.

Detroit has plenty of big things going on today -- rising worldwide competition, higher customer expectations and the challenge of global warming and other environmental issues.

In other words, Detroit doesn't just want new heroes -- it badly needs them.

Caption: GM's Robert Lutz, bottom left, Chrysler's Dieter Zetsche, Bill Ford Jr., **JohnDeLorean** , top left, Lee Iacocca and Henry Ford II are among the personalities that are shaping or have shaped the industry. JAMES V. HIGGINS James V. Higgins

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