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It's no fun being CEO in the post-Enron world

By Martha Slud

BOCA RATON, Fla., Feb 28 (Reuters) - Being a corporate titan isn't all it's cracked up to be.

Chief executive officers enjoy the lifestyle of the rich and famous -- lucrative pay, private jets and other perks -- but their jobs aren't much fun these days.

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The chieftains are under the gun, as the collapse of Enron Corp. and other accounting scandals have tarnished Corporate America's image. They face sagging profits, layoffs and now, scrutiny over bookkeeping and calls from Washington to hold them more responsible for their companies' problems.

"We've got to deal with the lack of confidence in the corporate world that has resulted from the actions of Enron," said Sidney Taurel, the chief executive of drug maker Eli Lilly and Co (NYSE:[LLY](#) - [news](#)). These may be "things that have nothing to do with your business, but you as a CEO who represent the company have to deal with" them.

On top of that, life at the top can be fleeting. Turnover is high and many are out the door before they know it. Chief executives say the pressures are all part of the job, but they are finding themselves under the microscope more than ever.

"I don't find it tougher but there are more challenges -- obviously greater scrutiny," Johnson & Johnson (NYSE:[JNJ](#) - [news](#)) CEO Ralph Larsen, who is retiring this summer after 13 years at the helm, said in an interview at the Business Council forum of CEOs in Boca Raton, Florida. "But that's what we get paid for. I think the tone at the top is just incredibly important."

More than 100 chief executives, including the heads of Citigroup Inc. (NYSE:[C](#) - [news](#)), Dell Computer Corp. (NasdaqNM:[DELL](#) - [news](#)) and Sprint Corp. (NYSE:[FON](#) - [news](#)) gathered at the Boca Raton Resort & Club. These captains of industry are participating in closed-door panel discussions on topics such as the global work force and workplace education, as well as enjoying a little R&R on the golf course.

CEO TOLL MOUNTS

The collapse of Enron last year -- and the intense questioning former CEO Jeffrey Skilling got before Congress earlier this week -- has cast a shadow on Big Business and created new challenges for CEOs, management experts say.

The always intense pressure on CEOs is taking a toll, said John Challenger, chief executive of Chicago outplacement firm Challenger, Gray and Christmas. The firm has recorded 2,376 CEO departures since it began counting them in August 1999, including 72 CEO changes in January alone.

"It's a very difficult time," Challenger said over the telephone. "CEOs are in a precarious position because they are really besieged on all sides -- shareholders are demanding more and more accountability. They are scrutinizing to a much greater degree than ever before a company's results."

Add to that the interests of customers, employees and the board of directors, Taurel said.

"You have to attend to the needs of a broad set of constituencies which have very varied, if not diverging interests," he said.

In the post-Enron world, some CEOs need to ensure employees trust them, said Christopher Neck, an associate professor of management at Virginia Tech in Blacksburg, Virginia.

"CEOs really have to work on convincing their current employees that 'Hey, you can trust me,'" he said in a phone interview. At Enron, "people really believed in the follower. Now, they feel really betrayed."

Making sure accounting and financial results are clear will be one of the biggest issues for chief executives, Citigroup CEO Sanford Weill told Reuters.

CEOs face "the challenges of more transparency and better reporting of numbers so that people will get their confidence back," he said.

NEGLIGENCE MAY BE PROSECUTED

Corporate chieftains also are coming under fire in Washington. Earlier this week, U.S. Treasury Secretary Paul O'Neill -- without referring by name to Enron -- warned chief executives that they may be held liable for accounting lapses at their companies. O'Neill, a former head of aluminum giant Alcoa Inc. (NYSE:[AA](#) - [news](#)), said in a speech in Chicago that, "If there's negligence, there should be some recourse."

CEOs say they are worried about the specter of new government regulation stemming from the Enron collapse, and that politicians will seek a scapegoat.

"The worst case scenario is that the politicians go out on a witch hunt, and they get this big lynch mob going and they decide that they are going to string up everybody involved, including the auditors, the lawyers, the executives and the board members," said Scott McNealy, head of Sun Microsystems Inc. (NasdaqNM:[SUNW](#) - [news](#))

For CEOs, the pressure of the job is nothing new, McNealy said.

"It's always been impossible -- what degree of impossible is different from any other?" he said. "It's just a hard job."

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