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ECONOMIC VIEWPOINT

By Jeffrey E. Garten

Let Retiring CEOs Help Clean Up Corporate America

President Bush should find a way to put former stars to work on governance, auditing, market surveillance, and more

The image of Enron Corp. executives taking the Fifth Amendment risks becoming a metaphor for American capitalism today. But it would be a shame if all of business culture is tarred with the brush of scandal. While there has clearly been egregious behavior, not just at Enron but apparently at other companies, too, there are a number of top executives who, by any standards, have been impressive leaders. They have run great companies that have benefited shareholders, employees, consumers, and communities. We need them now to help clean up the mess in Corporate America and also to help meet other national challenges.

I have in mind particularly a special group of men who are, or soon will be, retiring from their companies and should be available for some kind of national service. The list includes Louis V. Gerstner Jr., 59, IBM's chairman and CEO ([IBM](#)); Ralph S. Larsen, 62, chairman and CEO of Johnson & Johnson ([JNJ](#)); Roger A. Enrico, 57, former chairman and CEO of PepsiCo. ([PEP](#)); Gerald M. Levin, 62, former CEO of AOL Time Warner ([AOL](#)), and former chairman and CEO of General Electric ([GE](#)), Jack Welch, 66.

While a few will join corporate boards, foundations, and government commissions, most will fade from the public scene if there is no concerted effort to recruit them. "Too often, society doesn't know what to do with them," Professor James O'Toole, a leadership specialist at the University of Southern California's Marshall School of Business, told me. "And often, they don't really know what to do with themselves."

Consider what the alternative could be if Uncle Sam had a systematic way to tap into their collective talents and if they were to rise to the challenge. After all, they have navigated booms and busts, surmounted trade and currency crises, adapted themselves to Republican and Democratic Administrations.

They have restructured large companies, integrated complex technological systems, managed multinational operations. These executives have emerged from their careers with unquestioned personal integrity.

The tendency of today's top managers to retire at relatively young ages, together with longer life spans, means these former CEOs could have decades of potentially important public contributions ahead of them. They could help create higher standards for auditing, corporate governance, and market surveillance, as well as new rules for Wall Street analysts and credit agencies. Their involvement could be critical in establishing public-private partnerships for homeland security in communications, transportation, energy, and public health. Their wisdom could be applied to reevaluating trade policy--where it is headed and how it is made--at a time when controversy over globalization is at a boiling point. They could help to strengthen American education at all levels.

Who would enlist their services? Could a Presidential Council of Business Advisers or a new private business association dedicated to strategic-policy advice be established? Should a few of the existing business-advisory groups to the government be elevated in importance? There are many possibilities. But it is time to think about new institutions for harnessing the talents of ex-CEOs.

Sadly, there are almost no credible, objective business voices today--a dangerous void for business and for a society that is so reliant on free and open markets. But the appropriate former CEOs could play this role. They don't need to defend the interests of a company or industry. They have left the campaign-financing game, and they don't need or want anything from Washington.

The reality is that it is not practical to look to acting chief executives to help shape public policy. Those executives are under relentless pressure to deliver value to shareholders every quarter, and they have time for little else. They are also compromised by a desire not to jeopardize their businesses by criticizing other chief executives or government officials. Nor can we look to existing business groups for objective policy prescriptions. The Business Roundtable, the National Association of Manufacturers, TechNet, and others are pure lobbying groups. They may wrap their positions in the rhetoric of national interest, but they exist to champion their special interests.

In his State of the Union address, President George W. Bush called for voluntary national service for all Americans. No doubt he was thinking mostly about the college graduate joining the Peace Corps or the retired baby boomer who could teach in the inner city. But there's another group: selected ex-CEOs with spectacular records and unassailable values. The President needs a lot of help in fighting a multi-front war on top of attending to the global economy. He has little to lose and everything to gain by asking this group of leaders to serve and by creating influential forums for them to do so. And at a time when the reputation of Big Business is heading south, this could be one way to arrest the decline.