

EXECUTIVE STEREOTYPES VS. STRATEGIC ACCOMPLISHMENTS

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INTRODUCTION

The literature of resource development is loaded with efforts to define the qualities an executive should possess in order to run successfully a corporation or institution. Some of these qualities sound quite rational. For instance, who would dispute the fact that a top manager needs good judgment, or the foresight to make correct decisions, or the ability to win respect of others, etc. But one has only to look at the successful entrepreneurs to see how enormously their individual traits vary from any ideal list of executive virtues. Yet this quest for the executive stereotype has become so intense that many corporations stand in danger of losing sight of their real concern : what a man can accomplish !

It is the intent of this article to bring into focus an interplay of executive traits, skills, and qualities and, on the other hand, to present-as an example-the strategies and accomplishments of a successful entrepreneur, Aristotle Onassis. His achievements are contrasted to a series of executive stereotypes. Today's management selects and evaluates human resources on how talented they are (their innate traits and characteristics) considering also what they can accomplish (the kinds of skills which they exhibit in carrying out their jobs effectively).

There is little charisma in the role of a manager when he is assigned to define goals, to select a course of action, and to evaluate realistically the results of that action. In fact, there is a certain facelessness to it that is underscored by a survey showing that few businessmen could identify the presidents of top corporations. Not rarely, Chief-executives appear on television airing their company's strengths trying to displace the conglomerate image with home-style type salesmanship

trying to displace the conglomerate image with home-style type salesmanship to market their products. Borman, of Eastern Airlines, Sellinger, of Schlitz Beer, Capra of United Air Lines and Iacocca of Crysler Corporation, among others, have appeared in person in commercials.

Television images are related to corporate symbols of quality, technology, and innovativeness. Executives of our times may be drawing on stereotypes demonstrated in the past by leaders (and mavericks) like Onassis., Sloan, Mellon, Rockefeller, et. al. Strategies of these managerial geniuses are disregarded when they are in discord with unfamiliar schools of thought or experiences. Yet, others try them. What are really the skills of a successful executive? How does the executive get to be what heisc

THE STRATEGIES OF ONASSIS

Aristotle Socrates Onassis was the son of a prosperous Greek merchant. During the Turkish War, the family lost their business and fortune in Smyrna and was forced to flee to Greece. When seventeen, Onassis emigrated to Argentina. Hi s youthful experience and inclination in commerce helped him to build a tobacco importing business in Buenos Aires while he worked as a switchboard operator. Eight years later he had become a millionaire.

The foci of Onassis' managerial style were guided by his continuous exploration for market opportunities and high-risk projects. He sought futuristic benefits beyond any marketing myopia. Although he preferred ventures with immediate, and sometimes minimal, profits, his goals were farsighted and concentrated on long-term achievement. A practitioner of contemporary marketing style, he was totally autocratic. Product planning, visionary contracting, maximum use of tax shelters, a small but competent staff, liberal use of financial leverage, and strong international promotion — these were the outstanding features of Aristotle Onassis'enterprises.

TARGET MARKETS

Onassis' marketing strategy was based upon a somprehensive understanding of the target markets which involved his customers. His arena was the whole world ; his customers were the directors of major oil companies; and his creditors,

the international bankers. Onassis operated on a grand scale and he used his showmanship to reach the pinnacle of instant recognition. His understanding of the market pulse resulted from profuse contact with his customers and his expert analysis of market opportunities. This vigorous pursuit augmented goal possibilities and their attainment.

PRODUCT PLANNING

Using his basic product (service) of shipping, Onassis created a linked, but diversified, group of investments and enterprises. Within the realm of the shipping business, product innovation and imaginative deals helped Onassis to revolutionize the industry early in his career. He started with six oil freighters, to later build what has been the world's largest fleet. His innovative mind recognized the possibilities of the dramatic economies-of-scale of very large crude carriers. The flexibility of services of the tanker fleet accommodated the selective buying motives of his customers, in conjunction with a product - mix that skillfully minimized the variations in the demands of the individual oil companies and created a monopolistic, inelastic demand for Onassis' own product line.

PROMOTION WITH FLAIR

Complementing his management qualities, Onassis was a supreme salesman who operated with a flair for promotion and tireless negotiation. It almost seems appropriate to describe him as a marketing opportunist, for he was actually more favorably oriented toward marketing than production or sales. The promotional philosophy, a portion of his rules for success, was to appear affluent. On one occasion, while relaxing in the Hotel Grande Bretagne in Athens, Onassis boasted to a group of journalists about his willingness to talk to anyone. «I always answer the phone, even if I have to get out of my bathroom», he told them. «I am always accessible to the press. I am not like some people who sit on top of the Himalayas». All the Greek journalists recognized the allusion to Niarchos, who spent a great deal of time directing his business from his villa in Saint Moritz.

FLEXIBLE PRICING

Penetration pricing in the contracting of new ships was the basic practice, however, when the ships had paid-off their mortgages, Onassis would negotiate with oil companies at market prices that bordered on a skim-ming policy. At a time when charter revenues afforded only a modest profit for his large ships and with inflation doubling the operating costs, the circumstances prompted Onassis to use bargaining. First, he succeeded in convincing the oil companies to ease the financial burden by making «ex gratia» payments. Second, he consigned old ships to the spot markets as their previous charters expired. Later on, a decrease in demand, caused by the increase in oil prices and the Arab embargo, forced Onassis to cancel new ship orders. His swift action negated further insurmountable losses.

CORPORATE DIVERSIFICATION

Onassis carefully camouflaged his companies, which encompassed a baby food factory ; a tin mine ; Harland and Wolff Shipyards ; the Olympic Tower in Manhattan ; and Olympic Airways. With his customary stealth and panache, he bought a bank at Monte Carlo ; touched off a feud with Prince Rainier that was to endure for fifteen, years ; was once investigated by the FBI and CIA ; had a scandalous venture into the whaling industry ; and attempted one of his biggest deals for a refinery in New Hampshire. His real love became shipping. He acquired one of the world's largest merchant fleets. Monte Carlo - an impressive, prestigious center-was the location he headquartered his world-wide business interests. His successes were reaped by applying flamboyance to the ordinary and the unorthodox to the mundane managerial tactics.

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ENUMERATION OF LEADERSHIP QUALITIES

The leader is a rarity, one in a thousand. As a self starter, people oriented, problem solver, resourceful, imaginative, cleanly competitive, and enthusiastic personality, he is rarely emotionally stable, although he tolerates high frustration. He wins without exulting and loses without moping. He is an entrepreneur of sorts whose imagination and initiative drive him to seek opportunities and take risks that will keep his company growing ahead of its competitors. He re-

cognizes that whatever his company is doing currently, no matter how successful is to some degree obsolete.

«**Dynamic Model for Subordinates.** He shows his subordinates that he can accomplish, often at great effort, what he wants to accomplish. He decides on changes in direction, assumes great risks in innovations, struggles against overwhelming odds, and so forcefully impresses his subordinates that they view him as a model and enthusiastically follow his lead. Ultimately he accomplishes what others regard as impossible.

«**Unconventional Planner and Serenditious.** He has an intuitive ability to identify and understand opportunities and relationships that go unnoticed by his colleagues or competitors. He sees new applications of old ideas and senses subtle implications having far-reaching economic consequences for the company. He is superb in initiating, building up, or revitalizing a business. Often, he gets bored on routines when challenges are lost.

«**Charisma of Magnetism and Infectious Enthusiasm.** Such a person works to create an atmosphere of approval and security in which subordinates feel free to express themselves without fear of censure or ridicule, by encouraging them to participate in the planning and carrying out of those things which directly affect them. It is the case of the executive who has self-confidence and is strongly inner-directed. He does not feel inferior to anyone enabling himself to take responsibility for the hardest decisions. However, he has a large but healthy ego with a realistic estimate of his capacities.

«**Master of Corporate Politics.** He manipulates others to gain and hold the power he must have in order to lead and be influential and impressive in the industry, government, and community. Onassis established separate companies for each and every ship and channeled the profits through a series of tax shelters. The corporate maze was almost irrelevant. Olympic Airways under Onassis was not unlike the creation of some maverick astronomer who, refusing to concede that the earth revolves around the sun, is thereby obliged to create ever weirder, more convoluted, and perilous mechanisms in order to make everything agree with his highly personal view of the cosmos.

«**Knowing How to Make Good Deals.** Without any doubt, Onassis achieved an astonishing string of concessions from the Greek government. These included : two extensions of his monopoly, ultimately to the year 2006 ; exemption from corporate taxes ; compensation for charter flights by foreign

airlines into Greece from Europe and a ban on transatlantic ones ; compensation by the government for any losses incurred by unofficial or illegal strikes ; compensation for losses on transatlantic flights ; the right to rent planes from overseas Onassis- owned companies instead of purchase them ; the right to export profits ; and secure government loans of \$3.3 million—at the time—at a ridiculous interest rate of 2.5 percent.

* **Mercilessly Impatient Toward Goals.** His methods are not «nice» and does not hesitate to take an expedient course or be ruthless when necessary. Onassis clearly enjoyed the exercise in mystification. He had approached Olympic with two unshakable convictions : should the red revolution come to Greece there would be nothing to grab if someone had a mind to nationalize the airline ; and at all costs should avoid the appearance of profitability, which could only make the government reluctant to grant future concessions. This was his logic. Once, in court, he said :

Judge : Do you have profits from Olympic?

Onassis : After the first two years we've gained something. Just a few drachmas, however.

Judge : Then why do you keep Olympic?

Onassis : What should I do? Throw it in the sea?

Judge : These things are not logical. If it is not making progress, why is it continuously expanding?

Onassis : We are trying to lose less.

Judge : I don't understand you. This is not logical.

Onassis : There is no logic in business. With logic I would not be where I am today.

Courageous to Risk Failure Without Anxiety. He is ready to risk anything, even compromising security and future in order to attain goals. For most of his career as a shipowner, Onassis proudly boasted that no

sailors' lives had been lost on his ships. Given the scale of his operation and the fact that most of his fleet sailed under flags that did not enforce the highest standards of seaworthiness, this was a considerable achievement. There was luck involved-his ships were never employed on the pitiless Atlantic run during World War II -but there was also judgment. Onassis always argued that a better than average fleet enabled a shipowner to weather economic as well as climatic storms.

«*Maintaining a Business Library.* Aristotle Onassis was never a great reader of books, but he was fascinated by classical mythology. He was particularly interested in the legend of Ulysses, the ancient Greek king who, after years of catastrophe, wanderings, trials, and ultimate triumph, returns to claim his island kingdom. Unlike shipowners who had an «enduring» interest in ships for their own sake (like owning a baby doll), Onassis spent little time in the yards while they were built. It was a different matter with the launchings ; Onassis was treated with near feudal respect and he responded in kind. The above remind us of Eliza Doolittle in George Bernard Shaw's *Pygmalion*: «You see, really and truly, the difference between a lady and a flower girl is not how she behaves, but how she's treated».

«*Authoritarian and Responsible on Crucial Decisions.* Such authority permits him to dispense the motivational rewards, thus engendering loyalty and faithful performance in business. Onassis developed a loyal and devoted personnel through a sociological view of leadership. The majority of his top executives had served him for the bulk of their life ; his authority was accepted without question. The enterprise power was centralized and the decision-making, his. Onassis' managerial style can be characterized as a benevolent autocracy.

* *When in Rome, Doing as the Romans Do.* Perhaps the most fascinating question about Onassis's character is the extent to which he was a Greek. It was a question that often preoccupied Professor Yanni Georgakis, the man whom Onassis eventually appointed managing director of Olympic Airways. Georgakis never ceased to be fascinated by the personality of his employer. He believed that Onassis had a chameleonlike quality. «In England, he behaved like an Englishman. When he was in an international forum among international ethics, he was superb, dignified and controlled. In Greece among Greeks he adopted the conduct of the opa !»

THEORY A LA ONASSIS

«I went to three universities — London University, Athens University, and Onassis University», said Tryfon Koutalidis, former head of the legal department at Olympic.

Douglas McGregor, the late professor at MIT, distinguished between two basic attitudes of management : Theory X, in which bosses believe workers are lazy, not motivated and untrustworthy ; and Theory Y, in which managers take the opposite view. William Ouchi, from Japan, added another perspective to business management by forwarding Theory Z, a compromise between Japanese and American practices with emphasis on long-term planning, mutual worker-employer loyalty, paternalistic employment, sacrifice on the part of all employees, medium pace of evaluation and promotion, career specialization, and collective decision-making.

Onassis-style management may be applied as a fourth theory : Theory O, in which there is total autocracy, close-knit network of organization, low employee turnover, high productivity, consistent expansion, and proven success. Using a continuum of manager/non-manager behavior, Theory O falls at opposite ends of the spectrum. The overwhelming success of Onassis is demonstrated in additional qualities which are called S's : strategy, staff, style, skills, second sight, self- stature, and search for opportunities.

«Half of net earnings should be reinvested; nothing should be sold that is capable of providing a profit; and mergers should not be made with outside interests».

CLOSING REMARKS

The unorthodox extravagant methods of Onassis have been at times in contrast to the mundane tactics of today's management. In an age of conglomerate management, Aristotle Onassis was a «one man» enterprise that enjoyed international recognition with a celebrity status. He developed a close network of personnel, created opportunities and ventures to accomplish his goals, endlessly searched for new customers, extended himself for an idea of doubtful success, and through continuous exploration of new entrepreneurial challenges, he used any and every means of informal sales pressure. Today, a growing number of

conglomerate executives appear that may be drawing from the flamboyant touch of Onassis with an emphasis on personality and prestige.

For long the interests of corporations have been concerned with profitable operations coupled with a reputation in industry leadership and community affairs. Within general management practices, marketing has been recognized as a consumer philosophy with the power to manipulate markets ; it has helped in generating symbolic images and product quality perceptions. In an abstract way, personality styles of executives may be viewed as a part of the overall reputation of a corporation.

However, the real executive is born with super equipment. He is endowed with a hormonal constitution that insures his energy, self-reliance, and optimism. In addition, he has a sturdy constitution and health, without which he could never withstand the pressures and stresses. With this basis of a cast-iron disposition and a physical endowment, the executive develops a personality market by obsessive drives subsequently directed toward the acquisition of power, recognition, and money.

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