

How \$766,000 Year Corporate Executive Put ITT Together

NEW YORK — (NWS) — In 1959, an ambitious British-born executive named Harold S. Geneen, then 49, took command of a modest, foreign-oriented communications company called International Telephone & Telegraph Corp. It was a stolid and slightly stagnant firm — but not for long.

Through a series of acquisitions and mergers, Geneen built ITT into the world's largest conglomerate holding company with 20,000 employees worldwide. And in the process he became not only a board-room legend but the highest-paid executive in American industry (his 1970 salary: \$766,000).

Controversies

Success can have its burdens, though, and along the way Geneen's corporate empire has been involved in controversies with critics ranging from Ralph Nader to the Securities and Exchange Commission. And today, they are embroiled in the most explosive controversy of all — the charge that an ITT subsidiary's \$400,000 pledge to the Republican National Convention in San Diego led to the settlement of a Justice Department antitrust action against the company.

But no attacks on ITT have ever noticeably blunted Geneen's hard-driving executive style which subjects him and his associates to 16-hour work days in pursuit of growth and success.

"You work for money to begin with," he once said, "but not for long. After that, you work for pride."

Geneen is proud of ITT's breath-taking growth since

he became chairman and president 13 years ago. He has increased sales tenfold to \$7.3 billion since then and in an era when some conglomerate-makers fell by the wayside, Geneen's touch has never deserted him.

How did he do it?

Says a former associate: "Perhaps it's his brilliance and drive more than anything else which made him successful. He talks lightning fast and thinks rapidly, three steps ahead of everyone around. He is not a kind or pleasant person. He doesn't have time. Frankly, he's tough, hard-nosed as hell, direct like a drill sergeant."

He was born in England where his father managed concert performers. In 1911, the family came to the U.S. and Harold Geneen as a child became a naturalized citizen. He started work at 16 as a Wall Street page and studied accounting at night.

Rapid Advances

Geneen's way with corporate numbers added up to rapid advances and in 1950, after sojourns with American Can Co. and Bell & Howell Co., he became a vice president with Jones and Laughlin Steel Co. Next came a top post at Raytheon Corp. followed by the call to ITT.

He began diversifying rapidly but carefully, acquiring everything from baking companies to car-rental firms.

Geneen, who prefers to describe ITT as a "highly centralized management company" rather than a conglomerate, explains his success this way:

"It's a thousand little things you have to know and



HAROLD S. GENEEN
Empire builder

do. You have to get all sorts of information before you can solve a problem. You can't delegate anything effectively if you don't understand it. If I had enough arms and legs and tie I would do it all myself."

Working Hours

His trademark at the ITT headquarters on New York's Park Avenue is bulging briefcases he carries home after herculean working hours.

ITT director Felix G. Rohatyn observes about the current controversy that Geneen had an "evangelic belief" that an antitrust official "was out to destroy the company, the economy and the nation." So, Rohatyn says, it was natural that Geneen would have contacted "every government official he could talk to."

And that would be in line with one of Geneen's rules for running his vast corporation.

"I want to know what's going on all the time," he has said, "so as to head off trouble."