William Howell

As JCPenney's CEO, William Howell was known as a caring leader and a valued corporate citizen. As an Exxon board leader his non-confrontational, but determined style helped smooth the way for the giant Exxon-Mobil merger. And as United Way of America chair- man, Howell skillfully guided the organization—and the non-profit world—through one of memory's biggest charity scandals. All these experiences have defined "W.R." Howell's success, but to many corporate admirers his signature role was in the Exxon-Mobil merger. Many people familiar with the deal say that, considering its size, it went through remarkably smoothly. Normally, mergers can create snags and major disappointment among certain managers, says Michael Boskin, Stanford economics professor and Exxon director. "I think that the many Mobil employees who may have had some apprehension after Mobil was acquired thought the results were fair."

Fairness was a prime objective for Howell and his colleagues. At the time he chaired Exxon's compensation committee and he worked closely with the merged company's board, management and human resource department.

Lee Raymond, Exxon chair and CEO, says Howell's compensation committee and the board as a whole deserve high compliments for the merger's success. They skillfully chose the right executives for the right posts, calculated bonuses for managers who had been involved with the merger and handled executive departures.

Howell's careful handling of the people issues achieved real results. At a recent special board meeting, Raymond and directors reviewed the performance of about 90 top company executives. "At the end someone observed that at no point had anyone made note of which company an executive had come from originally," says Raymond. "It was irrelevant. And it's remarkable that this kind of integration could be accomplished in a two to three-year period."

The successful integration can in part be traced to Howell's ability to raise tough issues and challenge management decisions—in a collegial style. His boardroom persona helps "lead to a dialogue and to the resolution of policy questions," says William Gray. The president of the United Negro College Fund. Gray serves on the Pfizer board with Howell. Both served on Warner Lambert's board prior to
its acquisition by Pfizer.

“He’s just a darn good director. There are many situations when I’ve seen him calm things down and refocus the board on the real issues,” says Gray.

As chairman of the United Way of America, Howell also demonstrated his ability to calm the waters. He was asked to chair the non-profit organization just as the details of a major scandal began to surface. In 1995, UWA President William Aramony was convicted of embezzlement.

Trouble at UWA, one of the country’s largest non-profits, caused problems for the entire charitable community’s fund-raising efforts. Chair Howell’s task was to rescue the organization’s reputation. “UWA had to go through some dramatic and serious strategizing in budget reductions to stabilize at a time when it risked permanent damage,” says Bailey. “W.R.’s integrity was unquestioned and his commitment to the organization was heartfelt. His goals were in the highest purpose.”

Some people give, and others have to be convinced to give to charity, says Howell. “The damage control involved educating people that the company’s process wasn’t bad, it was just that an individual had succumbed to temptation. Unfortunately, the incident reflected badly on the whole organization.”

Many people were furious that their money had been squandered. In response, Howell went traveling, holding the microphone at numerous UWA regional meetings. “I gave people assurances, telling them it was just a setback. We went about the job of cleansing not by denying or hiding facts, but by being very public.”

Bailey also speaks of Howell’s direct approach: “His objective was not about avoiding personal embarrassment, but to do the right thing even if it seemed painful or challenging in the short term.”

The personal attributes that have made Howell an esteemed CEO and director were developed at a very early age. As a child he played in the Claremore, Oklahoma JCPenney store where his father worked as a manager.

Howell says he not only played in the store, he learned the principles of integrity and respect. These are the principles that his father saw in the company and its founder, James Cash Penney. It’s no surprise then that Howell, after graduating from Oklahoma University, decided to join the retail chain as a management trainee. At that time he says he had no particular ambition to be CEO, a chair he occupied from 1983 to 1995.

By the time he retired as board chair in 1997, JCPenney had undergone some major changes. Under his chairmanship, sales rose from $12 billion to $21 billion. One of his more notable and bold moves was the 1987 decision to move the company’s head-quarters from New York to Dallas.

At the time, the company was having trouble convincing many managers to relocate to the Big Apple. In addition, “We wanted to be closer to the heart of JCPenney shoppers,” he explains.

It was a gutsy move, say some directors. “He risked not being able to carry forward his best staff,” says Dr. Gerald Turner, president of Southern Methodist University and a JCPenney director. “There also was a lot of criticism from New York people. I’m sure if it wasn’t a success it would have been a very big burden to carry. Fortunately JC bloomed those first ten years.”

“His deep caring for JCPenney has led to his success,” says Keith Bailey, chairman and CEO of the Williams Companies, where Howell is a director. “He has had an emotional commitment that I respect a great deal. He’s shown this sensitivity in every experience I’ve had with him.”

Without exception, Howell throws his heart and soul into whatever he takes on. As chair of Southern Methodist University’s Board of Trustees, he helped launch the institution’s largest fund drive. Howell is not an SMU alumnus, which “was a big part of the drive’s ultimate success,” says Turner.

Howell convinced many corporate and private donors, many of whom had not attended SMU, that helping an outstanding university in this area would help all who live here.” The drive generated about $500 million, about 40% of which came from non-SMU grads. Recently, SMU’s Cox School of Business was ranked ninth by the Wall Street Journal.

Fellow directors say that Howell’s influence is omnipresent. Observes Turner: “If it’s something that’s basically good for this part of the world, W.R.’s been involved with it.”