Allen Murray

There are many things for which Allen Murray, an unassuming powerhouse of American industry, will be remembered. Murray died suddenly at age 73 in August 2002. One contribution is exceptional work on several corporate boards. Most recently, Murray drew kudos for an extra year’s work he put in on MetLife’s board, before retiring a second time earlier in 2002.

The first retirement didn’t take; Murray was retired barely a month from the MetLife board last year when CEO Robert Benmosche asked him to come back. There was a new board vacancy and a big job to do. It involved nothing less than a reshaping of the corporate culture. MetLife had to devise and install a bottom-line-driven pay-for-performance policy. The change was intended to reflect the company’s recent demutualization. MetLife was converting from a policyholder-owned mutual insurance company to a shareholder-owned stock life insurer.

At the time, Murray was 72 and a former chairman and CEO of Mobil. His career had begun in the mailroom of Gulf Oil. He was retiring to his family, his golf and his baseball games. He had left the board based on a policy stipulating that no director could stand for reelection after age 72. He had stopped working long enough to miss one MetLife board meeting.

Benmosche had savvy reasons for bringing Murray back. Murray already knew about the compensation system taking shape at MetLife. He’d chaired the company’s compensation committee and had spearheaded the policy’s initial development. Moreover, he had also been chairman or a member of compensation committees at Morgan Stanley Dean Witter, Lockheed Martin and 3M.

Murray had become the compensation committee chairman at MetLife after its IPO in April 2000. Benmosche says Murray provided valuable leadership as the company moved from a cash-based compensation plan to one that was performance-based. The new strategy also had significant amounts of options for senior people.

So, Murray rejoined the MetLife board in June 2001 and helped shape the new policy. He took on this Herculean duty enthusiastically, colleagues say, as a member of two committees addressing different aspects of the new strategy. The compensation committee designed bonus and stock option incentives for management and employees. The governance and finance committees addressed stock and option compensation for outside directors. Between the two committees there were 13 meetings in 2001, in addition to 11 board meetings.

Even though he was no longer the leader of the pay restructuring project, Murray was “giving us the constant support and counsel we needed as we went through the transition,” Benmosche says. Without him,

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Allen Murray died unexpectedly on August 11, 2002, following a golf outing. He was 73.

Murray is an Outstanding Director for 2002. He will be remembered for his selfless and expert contributions to MetLife, Morgan Stanley Dean Witter and other corporate boards. We regret his passing.

**BORN**
March 5, 1929; Queens, N.Y.

**EDUCATION**
B.S., New York University

**CAREER HISTORY**
Chairman and CEO, Mobil (1986-1994). Former director, MetLife, 3M, Lockheed Martin, Morgan Stanley Dean Witter

**FAMILY**
Survived by his wife Patricia, five children and 10 grandchildren
“we would have moved a little slower, perhaps not as focused.”

Murray “was involved in every detail, down to the minutiae,” says Helene Kaplan, chairman of the governance and finance committee. “Allen was the person most intimately involved in every detail.” Kaplan stresses that Murray did so “in an appropriate way,” without meddling in the plan’s execution.

Murray helped devise a plan tying pay strictly to performance at all levels of MetLife. For the top 1,000 employees, between 50 to 60 percent of pay is now based on year-by-year performance, says Benmosche.

“This,” he admits, “was very traumatic for the company,” but it was critical to align employees’ and shareholders’ interests.

These changes reflected a major shift in corporate culture, says Richard Mahoney, retired chairman and CEO of Monsanto and retired director of MetLife. “It’s making sure there’s a major difference between top performers and also-rans.” These things, Mahoney asserts, “don’t get as much attention when you’re a mutual company as when you’re a public company driving hard for net income.”

Murray insisted he would stay on the board just one more year, Kaplan recalls. “He knew we wanted to move ahead with getting new people, making sure we attracted younger people.” In keeping with that, Murray retired in April 2002. He also retired from his other boards.

Although colleagues remember his decision to rejoin MetLife as the most salient recent event in his directorial career, Murray made his mark on those other boards too.

Aulana Peters, who served on the 3M board with Murray, says he was ahead of the curve in demanding full and timely information from management. He was doing this a decade ago, before good corporate governance was the byword it is today, she adds.

For instance, “I and other members of an audit committee... found we by Murray became a regular event, Peters says. At each one, the committee would address a particular accounting topic. “Management was very appreciative, and it encouraged me, in other situations, to ask for the extra time,” she remarks. “I’ve since done it at other companies, and it works.”

Murray was on the board of Morgan Stanley when that firm merged with Dean Witter in 1997. In a move unusual for a board member, Murray set out to learn about the new company and to introduce himself to its directors, says Philip Purcell, CEO of the merged company.

“in a merger, it’s extremely important that directors immediately affiliate with the new entity as well as the old ones,” he says. By contrast, many directors at newly merged companies are “only a director of half the company,” Purcell remarks.

Murray’s international experience, drawn in part from his years at Mobil, was invaluable on the investment:

“He knew how people are financially positioned, what they’re thinking about, what to be cautious about.”

—Philip Purcell, CEO, Morgan Stanley