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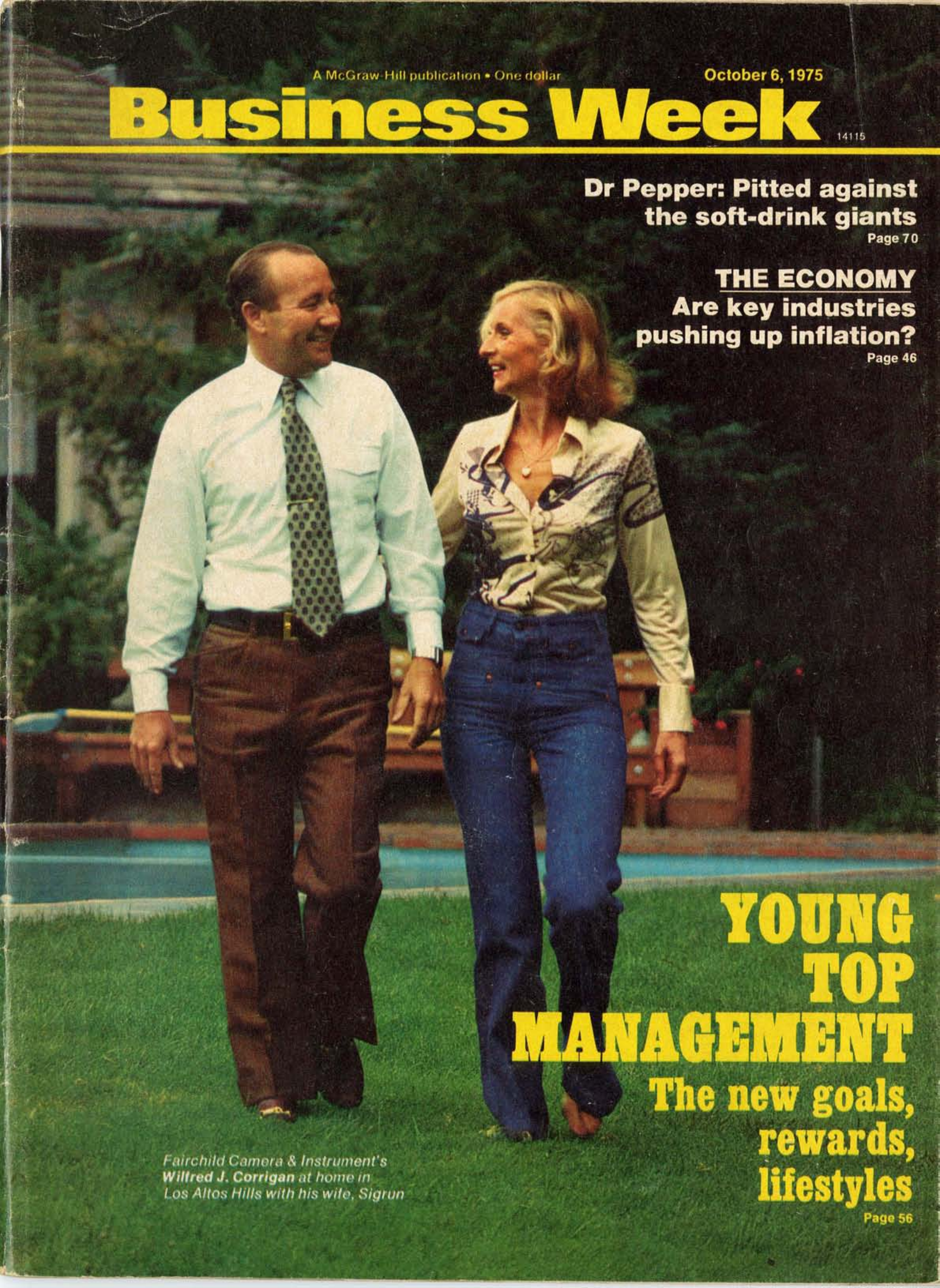

Fairchild Camera & Instrument's ***Wilfred J. Corrigan*** *at home in Los Altos Hills with his wife, Sigrun*

YOUNG TOP MANAGEMENT

The new goals, rewards, lifestyles

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lifestyle and independence it will buy. "I'm a very hungry individual," says John Walters, 28, a vice-president of Codesco, Inc., an IU International Corp. subsidiary, who drives a Mercedes sport coupe and is remodeling a carriage house on the posh Main Line of Philadelphia. "I want money. Working for a corporation is one way of achieving it."

But what really makes young executives run so hard is a desire to have an impact on their companies. It is not so much that they want to change fundamentally the organization as to make it more efficient. Few are trying these days, for example, to make the corporation more socially responsive. "In the late 1960s and early 1970s we got into a period where the young people we hired were very socially conscious. It was transitory," says Paul F. Anderson, who at 36 has been a vice-president of Booz, Allen & Hamilton, Inc., for five years and in October will move to Paris to take over the management consulting company's European operations.

As corporate vice-president for personnel at Booz Allen, Anderson thinks he already has had an effect on the operation. He helped start a "development account," a fund on which officers can draw for personal development activities. And he expects that the firm, as a result of his effort, will have at least a pilot sabbatical program within the next two years that will provide a six-month leave for every five years of employment.

Often the biggest change young executives make is in management

WILFRED J. CORRIGAN: PRESIDENT OF FAIRCHILD CAMERA & INSTRUMENT CORP.

'Creative tension' in a growth company

Steering his sleek, silver $14,000 Jensen Interceptor into his reserved parking stall at Fairchild Camera & Instrument Corp. in Mountain View, Calif., Wilfred J. Corrigan has definitely "arrived." At 37, he is president and chief executive of a $385-million-a-year company, the third largest in the semiconductor industry behind only Texas Instruments, Inc., and Motorola, Inc. With 16,300 employees and 20 manufacturing facilities in four states and seven countries under his tight command, Corrigan claims that his is "a fun-sized company," and for the first time in his fast-paced 15-year career he is comfortable in a job and not edgy about moving on to something "bigger and better."

For one thing, Corrigan is well paid for his 60-hour average work week. His annual salary, bonuses, and fees total $174,384. In addition, there is $58,580 in annual pension contributions and rights to purchase 60,000 shares of Fairchild stock at $18.38 to $28.41 per share. The company's stock has recently been trading at over $50, but Corrigan, who owned 6,250 shares last January, says that in the cyclical electronics industry, executives become blasé about the actual value of their holdings. "We've all felt wealthy at some point," he says.

In the semiconductor industry, salaries and incentives are often dazzling enough to both attract executive talent and keep it. "Once you are through the middle-management level and as your tax base goes up," says Corrigan, "material rewards become less of a driving factor." Far more important to this supremely self-confident chief executive is running a growth company and "managing change."

Keep moving. Corrigan successfully steered Fairchild through the 1974-75 recession after becoming chief operating officer in 1973 and president in July, 1974. This summer he led the company from making just components to making end products when he announced a Fairchild line of electronic watches, and he has even grander plans for the company over the coming decade. Within those 10 years he expects it to move into the $1-billion class. "Whether a company or a country, you go either forward or backward; there is no way of standing still," he says.

That certainly has been Corrigan's personal and business philosophy. The son of a dockworker in Liverpool, England, Wilf (as he is still known to first- and second-tier Fairchild managers) knew from the age of 10 that he was going to leave England. One summer, between semesters spent earning a chemical engineering degree from the Imperial College of Science in London, Corrigan hitchhiked around the U. S. Favorably impressed, he later accepted a $7,000-a-year job as a product-line engineer in a Boston electronics plant over offers from a chemical plant in Germany and a gunpowder factory in Australia. Today about the only things Corrigan has from England are his Liverpool accent, his two-year-old sports car, and his wardrobe of $400 Savile Row suits.

Corrigan was recruited in 1961 by C. Lester Hogan, then executive vice-president of Motorola, as a junior-level engineer in the company's Phoenix semiconductor division. From his early Motorola days, Corrigan recalls, "I knew I wanted to be president of something." When Hogan resigned in 1968 to become president of Fairchild, seven of his lieutenants—including Corrigan—were quick to follow. Corrigan's title was group director of discrete devices. Says Hogan: "I knew he would be general manager of semi-

Nick Pavloff

Corrigan, 37: An English dockworker's son, he rolls to work in his $14,000 Jensen.

conductor component operations [Fairchild's largest division], but I felt Wilf had to earn his stripes first." Although Corrigan was cocky and occasionally insensitive to people's feelings, Hogan maintains that he had all style itself, inviting participation and handing down authority as their predecessors never did. Almost all of the fastest rising young managers graduated from B-schools, where the fine art of delegation is part of the course. Besides, young executives who must learn much in little time sometimes need all the help they can get.

David A. Bloomfield, 36, vice-president and general manager of the Ruco division of Hooker Chemicals & Plastics Corp., turned losses into profits at his $80-million operation by dividing the business into segments and giving each manager profit responsibility and the tools to deal with the problems. "I put great emphasis on personnel selection," says Bloomfield. "I tend to get people with strong ambitions who may be likely to leave after a couple of years, but if they do I know they will leave a strong organization behind."

The new organizations built by these young executives are often more participative than traditional businesses. "I don't want to be controlled by an organization, and I don't want my organization to control other people," says 32-year-old William W. George, president for two years of Litton Industries, Inc.'s Microwave Cooking Products Div. "We get together as peers. It doesn't matter whether you're president or an engineer. Authority goes to competence." George holds what he calls "sensing sessions" at least monthly with the company's 600 hourly employees. "I don't believe in waiting for contract time. I want to avoid a we-they attitude."

Change is bound to come in the flexible new organizations. As a rule, major appliance makers take 24 to 40 months to introduce a new product. "That's just the way it is in the industry and nobody changed the rules," says George. "I insisted we make product introductions in 9 to 18 months. I can afford to take the risk and break the rules. I'm at an age where if I make

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the attributes of a top executive: "no-nonsense" toughness, stamina, a "mind like a sponge," and the uncanny ability to "always make the right decision." Corrigan became vice-president in charge of semiconductor operations in 1971 and chief operating officer in 1973. "I was grooming him for the top spot from the moment he arrived," says Hogan.

But it was Corrigan who finally took the initiative that actually put him in the presidency. He went over Hogan's head to Fairchild's Walter Burke, former chairman of the company and still president of a foundation that controls 13% of the company's stock, and threatened to resign if he were not named to Hogan's post. He got the job, and Hogan was moved upstairs to vice-chairman.

Stiff payments. Corrigan's meteoric rise had its price. In 1970, when Fairchild was facing a recession, an internal liquidity crisis, and plunging sales and profits, Corrigan says he was working "literally all the time." He rarely saw his two sons and two daughters (now aged 7 to 13), and his Norwegian wife, Sigrun, was as "uptight" as he was. "When you're a workaholic," Corrigan recalls, "you tend to lose your mental equilibrium and go through periods when you feel persecuted." So Corrigan decided to put into Fairchild "whatever it takes" during the week but to save weekends for his family. With this two-dimensional view of life, Corrigan does not have time for the "trivia" of outside directorships, but he usually does manage to keep his weekend date with the family.

Although his wife has little doubt that work is the most important thing in Wilf's life, and Corrigan concedes that "it probably is," he still enjoys the time he spends at his seven-bedroom $200,000 home, an "English country cottage" in fashionable Los Altos Hills, Calif., where he takes an occasional swim in his new pool.

At the office, where Corrigan still spends long days, he feels he is adept at delegating authority without abandoning it and at maintaining an efficient and responsive organization. There is a monthly review of the objectives of each of the 11 divisions, each product line, and each individual product, and Corrigan spends fully a quarter of his time in financial and planning reviews. He also devotes considerable attention to listening to customers, distributors, competitors, and lower-level managers. "It's dangerous when you hear just what you want to hear," he says.

A tough style. Corrigan has strong feelings about which management techniques work and which do not. One he rejects is "the Noah's Ark philosophy, where there are two managers in every chair." When a company is overly concerned about what happens when an officer leaves and "puts an organizational safety belt on everything," he says, it builds in political pressure and high overhead. "I don't believe in redundancy. We don't carry safety parachutes," he says.

What he does believe in is "creative tension," a state in which workers are under enough pressure to get their jobs done but not so much that it panics them. "I want to create enough tension to keep the adrenalin flowing, but I don't want to overdo it," says Corrigan. Says Vice-President Thomas A. Longo: "Wilf makes sure people don't get comfortable in their jobs."

A half-dozen vice-presidents and other top executives left in various shakeups and resignations during Corrigan's rise to power, and only one other of "Hogan's heroes" still remains. One former division vice-president was fired without warning at 9:15 one morning and told to be out of Fairchild's headquarters by noon. He claims that Corrigan is not only bright and gutsy but also "very calculating and ambitiously ruthless—he is effective in cutting costs and people, but there is icewater in his veins."

With penetrating eyes, shortish hair combed straight back from his receding hairline, and a somewhat brittle manner, Corrigan does not exude warmth. Another former vice-president suggests that the "hard shell" might be a way Corrigan compensates for his youth. And Hogan thinks Corrigan is mellowing, no longer moving managers in and out as quickly as he was.

Not everyone agrees. In the past seven years there have been five managers of metal oxide semiconductors (MOS) products at Fairchild, and one former executive suggests, "If Corrigan doesn't see results in 18 months, he assumes it must be the guy who's running it rather than the fact that MOS is a long-term investment."

Industry analyst James R. Berdell of the San Francisco brokerage house of Robertson, Colman, Siebel & Weisel agrees that MOS is Fairchild's "Achilles heel" and adds that although Corrigan did well in the recession, "the jury is still out on how effectively he can run the company during an upturn."

Corrigan talks as though he expects a more or less unlimited upturn in his own business, which he grandly calls "the heartland of the universe." He says component companies like his will dominate the watch market and that sales of microprocessors—used in computers, auto and industrial controls, and cash registers—will grow from last year's $45 million to $300 million by 1980. He sees microprocessors being used in products as diverse as voice-activated typewriters and industrial robots. "Integrated circuitry is making possible products Flash Gordon would have ridiculed," says Corrigan. With such an electronic-oriented view of the world, it is no wonder Corrigan is happy in his job. "Why diddle around with things that aren't mainstream?" he asks. "There is no status quo in this business."