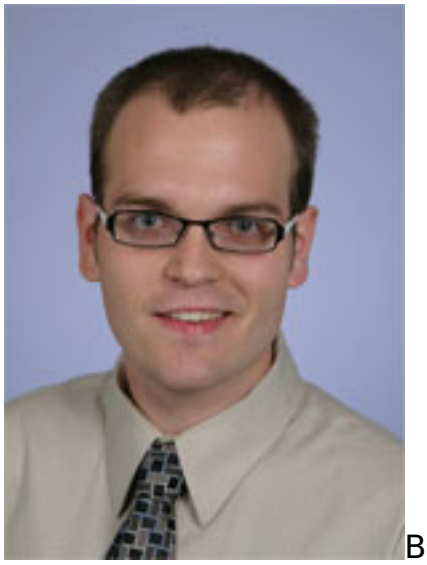
Paychecks Over People

 By JOEL HANS, Associate Editor, IMPO

Let’s talk about CEOs, all right?

CEOs are important people, to say the least. They’re the figureheads of some of the world’s biggest entities, entire nations notwithstanding. They get to make the big decisions that either carry a company into our hearts and minds (not to mention wallets), or drive them into bankruptcy. Regardless of what you think of American business, they are giants at the top of their respective games, and they have an enormous deal of clout in the direction they take entire sectors of our economic hydra, if you will.

Some CEOs, and their upper management friends, make a great deal of money. Sometimes, like in the case of Whirlpool CEO Jeff Fettig, it feels like the company board got together, had a few margaritas (white collar drunks are the funniest), and played “pin the salary on the executive.”

The immense compensation for CEO’s typically doesn’t bother me—they’re big, important people doing big, important work—except in two situations. First, when a company pays said CEO salaries and bonuses using taxpayer money (see federal bailout); and second, when a company and its CEO rakes in the cash while shipping more than a thousand jobs overseas, like Jeff over there (I call him by his first name because I have little respect for him).

In case you haven’t heard, Whirlpool is closing its Evansville, Ind. plant, putting 1,100 employees out of work, and taking those jobs to Monterrey, Mexico. This makes me think Jeff’s $10.8 million salary is better served elsewhere. I understand that $10 million isn’t enough to keep a manufacturing plant open indefinitely—it’s probably not enough for a few months. Divide Jeff’s compensation by 1,100 and it only comes down to $9,800 per laid-off worker, and that doesn’t even count the

enormous expenses of maintaining equipment, utility costs, or shipping in materials from the supply chain.

I'm not going to yell and complain until Jeff gives up his *enormous* paycheck for sending jobs overseas—I'd lose my voice. This isn't even meant to be a diatribe against CEOs or upper management, because a select few have already done a great deal of damage as they glide back down to earth on their golden parachutes. All I'm going to point out is that every manager—CEO or not—has a decision to make.

Managers like to proclaim, "The people are this company's most important asset." Yet rare is the person who has the tenacity to stand by their claim. Are you the kind of manager who would stick his or her neck out for their people, or would you rather take a bigger Christmas bonus over the empty wallets of all the people you once said were colleagues and friends?

Management is, in many ways, the last and best defense against outsourcing. *IMPO* tries to reach these people for this very reason. We try to provide information that will make your business prosper, but we can't save American manufacturing. Long-term economic policy might help America recover some of its lost manufacturing prowess, but we've yet to see any tangible prospects. Say what you will, but the average plant worker won't save manufacturing, either—not when someone else is willing to do his work for pennies on the dollar. This effort comes down to managers (eight-figure salaries or not), because if they don't stand up for the little guy, who will?

When profits become more important than the people who make a manufacturing business possible, I'll be the first to guide the complicit management onto Jeff's fifty-foot yacht. Just be careful, though—the ship's hull, along with its occupants, is a little lacking in integrity.

For an example of CEO integrity, see US Steel's John Surma, who took an 83 percent pay cut *[1] as a result of his company's financial struggle. Then direct your demands on where this hypocritical editor should send his own paycheck to* Joel.Hans@advantagmedia.com *[2].*

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