If the entry of the fourth generation of Fords to the Ford Motor Co. board of directors was inevitable, last week's election of Edsel B. Ford II and William Clay Ford Jr. to board seats should have surprised no one.

Among the Fords of their generation, the two cousins have shown the most promise within the company founded by their great grandfather.

For Edsel Ford, the 39-year-old general sales manager of Lincoln-Mercury Division, the appointment came four months after the death of his father, former company chairman Henry Ford II. William Clay Ford Jr., who at 30 is managing director of Ford of Switzerland, joins his father, Vice Chairman William Clay Ford, on the board.

But experts on board affairs pointed out that despite the logic behind it, the decision could not have come without careful consideration. And the fact that they were picked serves as an endorsement of their talents and ability to handle the responsibility.

"There are a lot of risks here, believe me," said Robert Neuschel, a specialist on board behavior and professor of corporate governance at Northwestern University. "I think they are going to have to handle themselves extremely maturely, because if they don't, they are going to have a very difficult time."

Neuschel suggested that it will be no small task to integrate two relatively young Ford managers into a group essentially made up of corporate chief executives and Ford's senior officers. He and other observers believe that the cousins' bosses will face an awkward challenge in supervising individuals who rank below them in the corporate hierarchy but tower above them by virtue of their board seats.

And perhaps the biggest challenge will come to the two Fords themselves. They now have to juggle their status as board members and family members while attempting to move up the corporate ladder by virtue of their ability.

Initially, though, the move brings more family clout to the board. By all rights, observers said, the board needed a change to reflect the fact that the family controls 40 percent of the voting shares of Ford stock. With the announcement, three of the 20 board seats are now occupied by Fords.
The appointments could also help restore an intangible yet potentially valuable asset -- what one observer called the "Ford mystique" -- to the company. And from an executive training point of view, two rising stars in the company will gain an insight into company affairs that is normally reserved for officers in their 50s.

In an interview last week, the two Fords were quick to point out that their jobs within the company and their positions on the board have to be looked at separately. They said one mission will be to look out for the family's interests.

"The general sales manager of Lincoln-Mercury and the managing director of Ford Switzerland aren't normally board members," said William Ford Jr. "So, clearly, the fact that we're family members is why we're on the board.

"But I would add that if they didn't think that we would be contributing members and worthy of it, they wouldn't have put us on."

But as several experts pointed out, stepping into a boardroom for the first time can be a heady experience, regardless of age. Eugene Jennings, a professor of business at Michigan State University, questioned whether a 30-year-old can hold his own.

"I think we should be cautious about putting that young a person on the board," Jennings said. "They are simply not going to exert the kind of pressure that board members should exert. So you are not going to get the independence of judgment a board member should give."

On the other hand, it has been noted that corporate boards -- which aren't noted for their demographic diversity -- could benefit from opinions offered by a bright and energetic young manager.

It was also suggested that the two Fords' contributions to the board might be indicated by the kind of committee assignments they hold several years from now. Committee assignments have not yet been discussed, the cousins said.

Aside from allowing themselves a period to absorb the proceedings, Edsel Ford and William Ford Jr. say they don't expect to be anything but full-fledged members. "We're not going to be wallflowers," said William Ford Jr.

At the same time they will be proving themselves on the board, they will have to be careful to leave the title in the boardroom as they deal daily with their own supervisors.

"I think it's major challenge," said Edsel Ford. "We'd be foolish not to recognize that that is going to be somewhat of a sticky issue to deal with.

"But I think that Billy and I are both mature enough to straddle the line with one foot in the board of directors and the other foot doing our job."

The flip side of the issue is how well their bosses deal with an employee who just happens to a board member. But in a sense, a similar challenge has been faced before simply because of their distinction as Ford. And there's no reason why the experience can't be viewed as an opportunity.

"It would be very exciting to be a supervisor for either of these young men," said Rene McPherson, former chairman of Dana Corp.

William Ford Jr. noted that the potential for conflict should be minimal as long as he and his cousin continue working hard.

"What's helped both of us is that we have established a great deal of credibility in that we take our jobs seriously and we don't cash in on the fact that we are family members," he said. "We stand on our own accomplishments. I think that our immediate supervisors know that and treat us as such."
The board appointments, the cousins said, won't give them a push along their career paths. They say they hope to be judged by their merits as any other managers would be.

In a historical sense, though, their appointment was not that unusual. The previous generation -- Henry Ford's three grandsons, Henry II, Benson and William -- took seats on the board in their early 20s. But that was before the company went public, and the family and the company were virtually synonymous.

Edsel Ford hopes that the mystique surrounding the family name can be rekindled.

"If there is such a thing as a Ford mystique, I guess I believe that it (the appointment) probably enhances it," he said. "It just shows that the fourth generation is committed to the welfare of the company, and in that sense I think it's a very positive move -- and should be viewed as one."

By naming the two cousins to board posts simultaneously, the company avoided putting one Ford ahead of the other. While Edsel has had more experience and has climbed higher in the organization, William has distinguished himself in a variety of positions over the last decade.

A graduate of Princeton, William Ford Jr. joined the company's product planning office in 1979. He worked with the launch of the Escort and Lynx and then became a zone sales manager in New York.

Over the years, he also has held jobs in labor relations, marketing, finance, advertising and product planning. He interrupted his career earlier in the decade while pursuing a management degree at Massachusetts Institute of Technology.

Before taking his current job in Switzerland, he headed commercial vehicle marketing for Ford of Europe. He recently told Automotive News that while the variety of experience has been helpful, he is hoping to slow down the pace of change and spend more time in each job.

Edsel Ford joined the company as a product analyst in 1974 after graduating from Babson College. After early training in the sales side of the business, he worked as managing director of Ford Australia from 1978 to 1980.

Since returning to the United States, he has worked in Ford and Lincoln-Mercury divisions. Last summer, he became L-M's general sales manager.

Graphic

Picture 1, Edsel B. Ford II, left, and William Clay Ford Jr., AUTOMOTIVE NEWS/JOE WILSSENS; Picture 2, The cousins said board appointments won't give them a career push, AUTOMOTIVE NEWS/JOE WILSSENS