

Crisis-hit Nissan CEO resigns amid pay probe

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Saikawa is seeking to repair the damage at Nissan left by the ouster of Carlos Ghosn

Nissan's CEO said Monday he will step down next week, deepening the crisis at the Japanese car giant still reeling from the arrest and ouster of former chief Carlos Ghosn's over alleged financial misconduct.

It is yet another blow for the firm that has seen sales plunge and been forced to slash jobs since Ghosn's stunning arrest for allegedly hiding part of his salary from official documents to shareholders.

Hiroto Saikawa said he would leave the company on September 16, following the results of an investigation into excess pay he received after altering the terms of a bonus.

Saikawa is suspected of improperly adding 47 million yen (\$440,000) to his compensation under a scheme in which directors can earn a bonus if their company's share price rises above a certain level in a set period.

Nissan officials were keen to stress that there was no illegality but that he should not have delegated the task to a junior executive.

"At the end of the day, the operation which should have been carried out by the president himself was... delegated to others, which is a violation of the rules," said Motoo Nagai, a board member.

Saikawa admitted handing the task to a company secretariat and said he was "not proud" of this but insisted it was not the same as the misconduct of which Ghosn is accused.

He was it was "totally different from the intentional wrongdoing that was uncovered" during the internal Nissan probe into Ghosn and his right-hand man, US executive Greg Kelly.

The controversial "share appreciation" scheme has now been scrapped, the Nissan board announced.

Current chief operating officer, Yasuhiro Yamauchi, will take over as acting CEO on September 16, when Saikawa officially leaves, and Nissan hopes to find a permanent replacement by the end of October.

Alleged overpayments

The carmaker is currently undergoing an overhaul intended to strengthen governance after the Ghosn scandal.

In June, Nissan shareholders voted in favour of various measures including the establishment of three new oversight committees responsible for the appointment of senior officials, pay issues and auditing.

They also approved the election of 11 directors as the firm restructures, among them two Renault executives as well as Saikawa.

The reforms were designed to put Nissan on a more stable footing after the arrest of Ghosn, who has been sacked from his leadership roles at the Japanese firm and others.

He is awaiting trial on charges of under-reporting millions of dollars in salary and of using company funds for personal expenses.

Ghosn has denied any wrongdoing and accuses Nissan executives opposed to his plans to further integrate the firm with France's Renault of plotting against him.

'Dark side'

Saikawa, a one-time Ghosn protege, turned sharply against his former mentor after his arrest, referring to the "dark side" of the tycoon's tenure and accusing him of accruing unchecked power that allowed his alleged wrongdoing to go undetected.

But the CEO himself came under pressure in the scandal's wake, facing

calls to resign from shareholders who view him as too heavily associated with the Ghosn era.

And while he resisted calls to step down immediately, he has always said he planned to hand over the reins after Nissan is back on track.

The Ghosn scandal has proved disastrous for Nissan, which in July announced that net profit plunged nearly 95 percent in the April-June quarter, and confirmed it would cut 12,500 jobs worldwide.

The Japanese firm has also struggled to steady its relationship with Renault as part of a tripartite alliance with Mitsubishi Motors that Ghosn founded and once led.

Asked how he felt towards his once-mentor Ghosn and Kelly, Saikawa said he believed their actions had put the company in the difficult position in which it now finds itself—with hardship for customers, staff and dealers.

"This is the biggest responsibility... and I think they should think about this, they should feel bad about this. But they haven't expressed any apology for creating this situation," said Saikawa.

"I want Mr Kelly and Mr Ghosn to feel bad about the situation they have created."

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