



The “Fast Track Leadership Survey” on Business Ethics and Integrity

Summary of Research Results

August 2005

Summary Findings

The Fast Track Survey on leadership gathered responses from 1,665 respondents, 71% of whom live in the United States with 29% living outside the United States.

The objective of the survey was to gather respondent perceptions about specific characteristics of leaders in five categories: large companies, small companies, government, the media and their own companies.

In addition, respondents were asked to name a person who exemplifies great leadership and why, how they would reshape the CEO's role, the best metrics for measuring CEO effectiveness, and their opinion as to the role of the CEO's ethics in the way business gets done.

Four key points emerge from the survey results:

Ethics and integrity matter

- 95% of respondents said yes or absolutely when asked: "Do the ethics of the CEO play a meaningful role in the way the business gets done?"
- Integrity was mentioned frequently as a reason why respondents admired a particular person.

However, respondents perceive that large companies, the government and the media are letting them down on the integrity dimension:

- On the question "I believe leaders in the following organizations have integrity", the average score¹ was: 2.81 for large companies, 2.20 for governments, and 1.90 for the media.
- In small companies and their own companies, respondents had higher perceptions of leaders as having integrity with average scores of 3.53 for small companies and 3.87 for their own companies.
- The high integrity score in the respondent's own company indicates that there may be an image problem with large companies, government and the media.
- The percentage of respondents who gave each category a top score (4 or 5) also supported this conclusion. The percentages were: 28% - large companies, 17% - government, 11% - media as compared to 56% - small companies and 71% - own company.

¹ Respondents were asked to rate 5 categories of leaders on 17 different leadership characteristics by assigning a score from 0 to 5 (2.5 being the midpoint).

In the characteristics of people who were identified as admired leaders, “unselfish” was also an important quality. Respondents’ actual perception of leaders on the “unselfish” dimension was low across all categories.

- The question “I believe leaders in the following organizations are unselfish, altruistic” received average scores at the bottom or close to the bottom in all categories.
- Small companies and the respondent’s own company performed better on this dimension than large companies, government and the media. The percentage of each of these categories who received a 4 or 5 on this dimension were: own company – 37%, small companies – 28%, government – 13%, large companies – 12%, media – 7%.

Business leaders were rated higher than government and media leaders, with differences in the characteristics perceived highest in each category

- Overall, leaders in business (large, small and own company) received higher average scores on the leadership statements than leaders in government and the media industries. The overall averages listed from highest to lowest were: small companies - 3.54, own company – 3.46, large companies – 3.24, the media – 2.62, government – 2.15.
- There were differences in the leadership characteristics that respondents perceive in the leaders in the different segments. Specifically, the 3 highest scoring leadership dimensions in each category were (in parentheses average score and % scoring 4 or 5):
 - Large companies: international mindset (4.28, 87%), ruthless in the pursuit of success (4.12, 79%), strategic & visionary thinking (3.86, 70%)
 - Small companies: passionate about their work (4.46, 93%), drive and stimulate innovation (4.37, 90%), stamina & perseverance (4.03, 76%)
 - Government: empathize with people from different backgrounds (2.75, 29%), ruthless in the pursuit of success (2.72, 32%), stamina & perseverance (2.70, 27%)
 - Media: ruthless in the pursuit of success (3.82, 65%), passionate about their work (3.56, 57%), stamina & perseverance (3.11, 39%)
 - Respondent’s own company: passionate about their work (4.05, 77%), have integrity (3.87, 71%), stamina & perseverance (3.82, 68%)

Respondents named a wide range of people as being leaders that they admired and for three primary reasons

- The seven most frequently cited examples of great leaders were (in order of popularity); Jack Welch, Steve Jobs, Nelson Mandela, Colin Powell, Mahatma Gandhi, Bill Gates & George W. Bush.
- There were three broad categories of reasons why respondents nominated certain individuals as examples of great leaders:
 - Demonstrating entrepreneurship to build a lasting legacy – the majority of individuals in this category were business leaders who had built a successful, dynamic global organization from scratch.
 - Having a core belief and working tirelessly to achieve its goal – this covered many of the political, academic and religious leaders nominated.
 - Demonstrating a high level of personal integrity and tenacity – this category related primarily to sporting, entertainment and personal leaders.

Most respondents do not believe that the CEO's role needs to be restructured, but instead reshaped, with greater focus on listening to employees and customers and different measurement metrics

- Only 1% of respondents indicated that the CEO's role needs to be restructured, for example by separating the CEO's role from that of the Chairman, the President or the COO.
- The majority of respondents suggested that the CEO's role needs to be reshaped by how the role is executed. The most frequently occurring suggestion (21% of responses) was that CEOs get closer to their employees and customers by listening to them and being "in the trenches" frequently to understand the core issues of the business and the people involved.
- Additional suggestions to reshape the CEO's role were to restructure/lower compensation (9%), focus on providing a strategic vision as compared to worry about the day- to-day details (8%), focusing on people by building a strong management team, developing talent, and empowering those people to get the job done (6%), and defining the accountability of the CEO and the top management team and holding them to their responsibilities (6%).
- Suggested metrics by which to measure CEO effectiveness included increased market share and ROI, long-term profitability, and employee retention.

2. Demographic Statistics

Overview Demographics

Of the 1,665 respondents, the demographics can be summarized as:

- The gender split was 66.5% Male, 33.5% Female
- >50% of respondents were between the ages of 31 and 45
- Equal numbers of respondents had only lived within the USA when compared to those who had lived outside of the USA
- The majority of respondents (71%) currently live in the USA, with European based respondents (10.9%) being the next largest proportion
- Middle and senior management positions were the most common amongst respondents (56.7%), with little representation of self-employed people
- The most common industries that respondents worked in were construction & manufacturing (17.0%) and education & training (9.7%), with a wide spread across other industries.

Demographics Statistics Full Results

Total Respondents – 1,665

| Gender | Number | % Of Total |
|---------------|---------------|-------------------|
| Male | 1,108 | 66.5% |
| Female | 557 | 33.5% |

| Age | Number | % Of Total |
|------------|---------------|-------------------|
| Under 25 | 26 | 1.6% |
| 25-30 | 155 | 9.3% |
| 31-35 | 242 | 14.5% |
| 36-40 | 314 | 18.8% |
| 41-45 | 289 | 17.4% |
| 46-50 | 249 | 15.0% |
| 51-55 | 208 | 12.5% |
| 55 or over | 182 | 10.9% |

| Lived Outside USA? | Number | % Of Total |
|---------------------------|---------------|-------------------|
| Yes | 824 | 49.5% |
| No | 841 | 50.5% |

| Geographical Location | Number | % Of Total |
|------------------------------|---------------|-------------------|
| Northeast US | 264 | 15.9% |
| Southeast US | 200 | 12.0% |
| Mideast US | 62 | 3.7% |
| Midwest US | 277 | 16.6% |
| Mountain States US | 45 | 2.7% |
| Southwest US | 153 | 9.2% |
| West Coast US | 181 | 10.9% |
| Africa | 8 | 0.5% |
| Asia | 73 | 4.4% |
| Canada | 149 | 8.9% |
| Europe | 181 | 10.9% |
| Latin America | 26 | 1.6% |
| Middle East | 7 | 0.4% |
| Oceania | 39 | 2.3% |

| Company Position | Number | % Of Total |
|----------------------------|---------------|-------------------|
| CEO / President / Chairman | 257 | 15.4% |
| Senior Management | 462 | 27.7% |
| Middle Management | 482 | 28.9% |
| Lower Management | 196 | 11.8% |
| Self-Employed | 149 | 8.9% |
| Other | 119 | 7.3% |

| Company Size | Number | % Of Total |
|---------------------|---------------|-------------------|
| Less than 100 | 668 | 40.1% |
| 100-499 | 243 | 14.6% |
| 500-999 | 118 | 7.1% |
| 1,000-4,999 | 206 | 12.4% |
| 5,000-9,999 | 86 | 5.2% |
| Over 10,000 | 344 | 20.6% |

| Industry | Number | % Of Total |
|--|---------------|-------------------|
| Agriculture | 5 | 0.3% |
| Architecture & Design | 24 | 1.4% |
| Arts & Entertainment | 40 | 2.4% |
| Coaching | 85 | 5.1% |
| Construction & Manufacturing | 283 | 17.0% |
| Consulting & Professional Services | 0 | 0.0% |
| Education & Training | 162 | 9.7% |
| Engineering | 8 | 0.5% |
| Event Management & Conferences | 0 | 0.0% |
| Finance & Investing | 115 | 6.9% |
| Food Services & Hospitality | 79 | 4.7% |
| Government | 0 | 0.0% |
| Human Resources | 21 | 1.3% |
| Insurance | 37 | 2.2% |
| Law | 12 | 0.7% |
| Law Enforcement & Emergency Management | 1 | 0.1% |
| Logistics, Shipping & Transportation | 26 | 1.6% |
| Materials & Life Sciences | 13 | 0.8% |
| Media (Publishing, Broadcasting, etc) | 62 | 3.7% |
| Medicine & Healthcare | 90 | 5.4% |
| Nonprofits & Associations | 95 | 5.7% |
| Other (not listed) | 58 | 3.5% |
| PR & Advertising | 57 | 3.4% |
| Real Estate | 18 | 1.1% |
| Retail & Consumer Goods | 69 | 4.1% |
| Sales & Marketing | 76 | 4.6% |
| Student | 1 | 0.1% |
| Technology & Computers | 126 | 7.6% |
| Telecommunications | 63 | 3.8% |
| Travel, Tourism & Lodging | 16 | 1.0% |
| Utilities & Energy Services | 23 | 1.4% |

| Referral Company | Number | % Of Total |
|------------------------------|---------------|-------------------|
| <i>Fast Company Magazine</i> | 1,404 | 84.3% |
| IMD MBA | 141 | 8.5% |
| Egon Zehnder International | 120 | 7.2% |

3. Statistical Analysis

Respondents answered 17 questions about specific leadership qualities in large corporations, small corporations, government, the media and their own companies.

The question started "I believe leaders in the following organizations: "

Respondents were asked to rate each question on a scale from 0-5 (the midpoint of this range is 2.5).

Overall, leaders in business (large, small and own company) received higher average scores on these leadership characteristics than leaders in government and the media. The specific scores by question and overall averages are below.

| Question | Large | Small | Govern- ment | Media | Own Company |
|--|-------------|-------------|-----------------|-------------|----------------|
| Are able to drive and stimulate innovation | 3.12 | 4.37 | 1.94 | 2.74 | 3.61 |
| Understand themselves and their strengths and weaknesses | 3.11 | 3.40 | 1.94 | 2.33 | 3.33 |
| Have an international mindset | 4.28 | 2.62 | 2.59 | 3.07 | 3.09 |
| Empathize with people from different backgrounds | 3.07 | 3.16 | 2.75 | 2.96 | 3.57 |
| Have stamina and perseverance | 3.77 | 4.03 | 2.70 | 3.11 | 3.82 |
| Are ruthless in their pursuit of success | 4.12 | 3.58 | 2.72 | 3.82 | 3.16 |
| Are passionate about their work | 3.27 | 4.46 | 2.19 | 3.56 | 4.05 |
| Trust other people | 2.56 | 3.29 | 1.90 | 1.90 | 3.28 |
| Are able to collaborate with others and build teams | 3.42 | 3.64 | 2.25 | 2.37 | 3.61 |
| Have integrity | 2.81 | 3.53 | 2.20 | 1.90 | 3.87 |
| Have capacity for strategic & visionary thinking | 3.86 | 3.72 | 2.19 | 2.60 | 3.66 |
| Develop, attract & retain people | 3.57 | 3.37 | 1.88 | 2.77 | 3.27 |
| Are open | 2.58 | 3.40 | 1.81 | 2.36 | 3.33 |
| Get results | 3.74 | 3.88 | 2.06 | 2.96 | 3.59 |
| Can admit mistakes | 2.35 | 3.28 | 1.45 | 1.79 | 3.14 |
| Are unselfish, altruistic | 2.03 | 2.78 | 1.96 | 1.63 | 3.01 |
| Are accountable for driving change in their field | 3.45 | 3.65 | 2.01 | 2.63 | 3.38 |
| Average | 3.24 | 3.54 | 2.15 | 2.62 | 3.46 |

The percentage of respondents who responded with a 4 or 5 on each question was:

| Question | Large | Small | Govern- ment | Media | Own company |
|--|-------|-------|-----------------|-------|----------------|
| Are able to drive and stimulate innovation | 37% | 90% | 10% | 28% | 60% |
| Understand themselves and their strengths and weaknesses | 40% | 50% | 10% | 15% | 48% |
| Have an international mindset | 87% | 17% | 27% | 41% | 45% |
| Empathize with people from different backgrounds | 39% | 37% | 29% | 35% | 58% |
| Have stamina and perseverance | 66% | 76% | 27% | 39% | 68% |
| Are ruthless in their pursuit of success | 79% | 55% | 32% | 65% | 40% |
| Are passionate about their work | 41% | 93% | 16% | 57% | 77% |
| Trust other people | 20% | 46% | 9% | 10% | 46% |
| Are able to collaborate with others and build teams | 51% | 60% | 15% | 17% | 61% |
| Have integrity | 28% | 56% | 17% | 11% | 71% |
| Have capacity for strategic & visionary thinking | 70% | 62% | 16% | 25% | 63% |
| Develop, attract & retain people | 57% | 47% | 8% | 27% | 47% |
| Are open | 20% | 51% | 8% | 19% | 48% |
| Get results | 66% | 71% | 9% | 33% | 59% |
| Can admit mistakes | 16% | 46% | 6% | 12% | 43% |
| Are unselfish, altruistic | 12% | 28% | 13% | 7% | 37% |
| Are accountable for driving change in their field | 53% | 62% | 14% | 28% | 51% |

In addition, there were differences in the leadership characteristics that leaders in the different segments display. For example, the highest scoring characteristics of leaders in large companies are “international mindset” and “ruthless in pursuit of success” while the highest scoring characteristics in small companies are “passionate” and “able to drive innovation”. These differences are highlighted below.

| Rank | Question | Large | Question | Small | Question | Gov | Question | Media | Question | Own |
|------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| 1 | International | 4.28 | Passionate | 4.46 | Empathize | 2.75 | Ruthless | 3.82 | Passionate | 4.05 |
| 2 | Ruthless | 4.12 | Innovation | 4.37 | Ruthless | 2.72 | Passionate | 3.56 | Integrity | 3.87 |
| 3 | Strategy | 3.86 | Stamina | 4.03 | Stamina | 2.70 | Stamina | 3.11 | Stamina | 3.82 |
| 4 | Stamina | 3.77 | Results | 3.88 | International | 2.59 | International | 3.07 | Strategy | 3.66 |
| 5 | Results | 3.74 | Strategy | 3.72 | Collaboration | 2.25 | Empathize | 2.96 | Innovation | 3.61 |
| 6 | People | 3.57 | Accountable | 3.65 | Integrity | 2.20 | Results | 2.96 | Collaboration | 3.61 |
| 7 | Accountable | 3.45 | Collaboration | 3.64 | Strategy | 2.19 | People | 2.77 | Results | 3.59 |
| 8 | Collaboration | 3.42 | Ruthless | 3.58 | Passionate | 2.19 | Innovation | 2.74 | Empathize | 3.57 |
| 9 | Passionate | 3.27 | Integrity | 3.53 | Results | 2.06 | Accountable | 2.63 | Accountable | 3.38 |
| 10 | Innovation | 3.12 | Open | 3.40 | Accountable | 2.01 | Strategy | 2.60 | Know Selves | 3.33 |
| 11 | Know Selves | 3.11 | Know Selves | 3.40 | Unselfish | 1.96 | Collaboration | 2.37 | Open | 3.33 |
| 12 | Empathize | 3.07 | People | 3.37 | Innovation | 1.94 | Open | 2.36 | Trust | 3.28 |
| 13 | Integrity | 2.81 | Trust | 3.29 | Know Selves | 1.94 | Know Selves | 2.33 | People | 3.27 |
| 14 | Open | 2.58 | Mistakes | 3.28 | Trust | 1.90 | Integrity | 1.90 | Ruthless | 3.16 |
| 15 | Trust | 2.56 | Empathize | 3.16 | People | 1.88 | Trust | 1.90 | Mistakes | 3.14 |
| 16 | Mistakes | 2.35 | Unselfish | 2.78 | Open | 1.81 | Mistakes | 1.79 | International | 3.09 |
| 17 | Unselfish | 2.03 | International | 2.62 | Mistakes | 1.45 | Unselfish | 1.63 | Unselfish | 3.01 |
| | Average | 3.24 | Average | 3.54 | Average | 2.15 | Average | 2.62 | Average | 3.46 |

4. Qualitative Analysis

Introduction

In the second section of the survey, respondents were asked to answer the following five open-ended questions:

1. Name a person who exemplifies great leadership for you.
2. Why do you name that person?
3. How would you re-shape the CEO's role to make it most effective?
4. Which metrics are best for measuring CEO effectiveness?
5. Realistically, do the ethics of the CEO play a meaningful role in the way business gets done? Why?

1. Examples of great leaders & reasons why

1,471 survey respondents gave an example of a person that they believed exemplified great leadership. A summary of the results can be seen below:

| <i>Leadership Category Nominated</i> | <i>Numbers</i> | <i>Percentage</i> |
|---|-----------------------|--------------------------|
| Political | 568 | 39% |
| Corporate | 543 | 37% |
| Personal | 203 | 14% |
| Religious | 71 | 5% |
| Academic | 75 | 5% |
| Sporting / Entertainment | 11 | 1% |

The results were also categorized into whether the leader named was currently active in their formal role or not. A summary of these results can be seen below:

| <i>Leadership Category Nominated</i> | <i>Active in formal Role</i> | <i>Not Active in formal role</i> |
|---|-------------------------------------|---|
| Political | 38% | 62% |
| Corporate | 80% | 20% |
| Personal | 93% | 7% |
| Religious | 11% | 89% |
| Sporting / Entertainment | 83% | 17% |
| Academic | 64% | 36% |

There are three broad categories of reasons why respondents nominated certain individuals as examples of great leaders:

- Demonstrating entrepreneurship to build a lasting legacy – the majority of individuals in this category were business leaders who had built a successful, dynamic global organization from scratch.
- Having a core belief and working tirelessly to achieve its goal – this covered many of the political, academic and religious leaders nominated.
- Demonstrating a high level of personal integrity and tenacity – this category related primarily to sporting, entertainment and personal leaders.

Overall Leadership Table

The table below shows all individuals, across all categories, who were nominated by more than 10 survey respondents:

| Leader | Number of Nominations |
|--------------------|------------------------------|
| Jack Welch | 80 |
| Steve Jobs | 77 |
| Nelson Mandela | 55 |
| Colin Powell | 49 |
| George W. Bush | 42 |
| Mahatma Gandhi | 42 |
| Bill Gates | 42 |
| Rudolph Guiliani | 33 |
| Abraham Lincoln | 30 |
| Jesus | 28 |
| Winston Churchill | 27 |
| Bill Clinton | 24 |
| Oprah Winfrey | 20 |
| Tony Blair | 19 |
| Martin Luther King | 19 |
| Richard Branson | 18 |
| Lance Armstrong | 12 |
| Pope Jean Paul II | 12 |
| Michael Dell | 12 |
| Warren Buffett | 11 |
| Dalai Lama | 10 |

Political

The majority (62%) of political leaders cited were no longer in office and many of these were deceased.

Nelson Mandela was the most frequently named political leader, 10% of all political nominations, followed by Colin Powell, Gandhi and George W. Bush. The majority of the other political leaders were split among American and British leaders.

| Political Leader | % Of Political Nominations |
|-------------------------|-----------------------------------|
| Mandela | 10% |
| Powell | 9% |
| Bush (G.W.) | 7% |
| Gandhi | 7% |
| Clinton | 6% |
| Guiliani | 6% |
| Churchill | 5% |
| Others | 50% |

Many ex-Presidents and Prime Ministers were mentioned. Abraham Lincoln was the most frequent followed by Jimmy Carter, John F. Kennedy, Ronald Reagan and Franklin Delano Roosevelt. In addition to these politicians, political activists such as Martin Luther King, Jr. were also frequently mentioned. A small number of ancient leaders were mentioned, for example Caesar and Napoleon.

Of the political leaders currently in office, George W. Bush and Tony Blair were the most frequently mentioned. A range of other current political figures was also mentioned, each once or a few times, these included; specific US Senators and the Presidents or Prime Ministers of other countries, for example Condoleezza Rice.

Interestingly, two other figures that have been heavily involved in the recent G8 political summit were also mentioned: Bob Geldof and Bono.

"Keen sense of self-awareness - emotional intelligence. Commitment to learning engagement and mobilization. Relevant global message. Significant personal experience that translate into a meaningful, relevant and accessible story." **Nelson Mandela**

"Grit, Charisma, Character, Honor, Style." **Winston Churchill**

"Compassion, integrity and courage!" **Gandhi**

"Integrity. Ability to lead and take responsibility. Loyalty to superiors and to staff." **Colin Powell**

"He has been steadfast in doing what is right even under a barrage of criticism. His persistence has paid off and led to global changes." **George W. Bush**

"Honest, inspiring, straight to the point, grace under pressure, speaks with conviction, high integrity." **Tony Blair**

"He's altruistic, passionate, honest and direct. He has taken leadership of humanitarian work with no direct benefit to him. He exploits his talents to the benefit of others." **Bono**

The primary reason given for why a certain political leader was a great leader centered around that person having conviction in their views and then unwaveringly following that conviction through hardships to achieve their goal.

Corporate

Of the 399 respondents who cited a corporate leader as their example of great leadership, approximately one half gave a common example and one have gave unique examples.

Jack Welch was the most frequently nominated corporate leader with 15% of all corporate nominations. Of the other common examples, leaders who had an entrepreneurial background were by in the majority. For example, Steve Jobs at Apple Computer and Bill Gates at Microsoft.

| Corporate Leader | % Of Corporate Nominations |
|-------------------------|-----------------------------------|
| Jack Welch | 15% |
| Steve Jobs | 14% |
| Bill Gates | 8% |
| Richard Branson | 3% |
| Michael Dell | 2% |
| Warren Buffett | 2% |
| Others | 56% |

"Perpetually thinking ahead and consistently innovative." **Steve Jobs**

"Quietly gives back to society while demanding accountability from his social investment." **Bill Gates**

"Without any formal training as a business owner, he taught himself how to build businesses and make them successful. Also that he's an admirable family man in an age of philandering business execs." **Richard Branson**

"Commitment to social entrepreneurship. Can generate profit and retain commitment to company values." **Anita Roddick**

The half of responses that were unique examples generally had a personal element to them. For example, the CEO of a company that the respondent was currently working for, or the CEO of a company that they had a particular affiliation to.

Personal

14% of respondents gave a unique personal example of a great leader. These personal examples could be classified into three categories: a family member, a local leader (either in society or the workplace) or a personal hero.

Close family members, generally spouses or parents, were frequently cited and the reason for them being great leaders was generally given as their high level of personal integrity and commitment to the local community.

"He exemplifies an excellent balance between his civic and professional responsibilities. He has no hidden agendas and has a very high degree of personal integrity." **My Dad**

Local leaders, generally religious or work based, were often nominated for the personal support that they had given to the survey respondent. This support could take the form of both coaching and emotional support or inspirational mentoring.

"Joan is my boss, and she understands how to motivate people, how to reward, how to lead. She goes for the win-win every time in an environment that is mostly lose-lose right now. That's leadership!" **My Boss**

Personal heroes included a wide range of individuals from local entrepreneurs to adventurers and celebrities. The reasons given for these people were generally around inspiration.

"He is leading a large, volunteer organization that deals with intangibles with regard to success and effectiveness and does it in a way that honors the organizations "bottom-line" and the people involved." **Bill Hybels**

Religious

Of religious leaders cited, Jesus and Pope Jean Paul II were the most frequently mentioned, covering 50% of the respondents. Other religious leaders included various American evangelical church leaders, the Dalai Lama, Mother Teresa, and Archbishop Desmond Tutu.

| Religious Leader | % Of Religious Nominations |
|-------------------------|-----------------------------------|
| Jesus | 35% |
| Pope Jean Paul II | 15% |
| Dalai Lama | 13% |
| Mother Teresa | 9% |
| Billy Graham | 9% |
| Others | 19% |

"He founded a great institution which has not only survived but thrived for thousands of years. His business model is based on all the right values."
Jesus

"Authentic, humble, a role model who naturally attracts followers. Is grounded in realism yet bases all actions on positive emotion and compassion."
Dalai Lama

"Servant Leadership"
Mother Teresa

Sporting / Entertainment

Oprah Winfrey was the most widely nominated entertainment/sporting great leader. Other sporting leaders named were: Martina Navratilova, Lance Armstrong, various coaches of basketball and baseball teams (e.g. John Wooden and Mike Krzyzewski) and Michael Jordan.

| Sport / Entertainment Leader | % Of Sport / Entert. Nominations |
|-------------------------------------|---|
| Oprah Winfrey | 28% |
| Lance Armstrong | 17% |
| Ernest Shackleton | 10% |
| Other | 45% |

"She inspires change in people without being patronizing. She speaks from the heart and experience. She is sincere - it's easy to respect her. She thinks about others more than herself."
Oprah Winfrey

"He's infectious, sets the tone, and gets the level of loyalty, performance, and results he demands."
Lance Armstrong

Academic

Of the 11 academic leaders cited by survey respondents, the majority were business academics that were either personally known or respected for specific theories, for example Henry Mintzberg. The other academic leader cited was Albert Einstein.

*"He transformed the world on the strength of his ideas." **Einstein***

*"Challenges traditional thinking leads without authority." **Mintzberg***

3. How would you reshape the CEO's role to make it most effective?

The majority of respondents do not believe that the CEO's role needs to be restructured, but instead reshaped, with greater focus on listening to employees and customers.

| Category | Total | % of total |
|---|--------------|-------------------|
| Close to employees, customers, organization | 351 | 21% |
| Compensation | 153 | 9% |
| Vision, big picture vs. day to day activities | 133 | 8% |
| People: build teams and focus on people | 108 | 6% |
| Accountability | 103 | 6% |
| Long term vs. short term focus | 73 | 4% |
| Depends on the company | 29 | 2% |
| Balance stakeholders | 27 | 2% |
| Reshape the person in the role, not the role itself | 23 | 1% |
| Separate CEO, Chairman, COO, President | 22 | 1% |
| No reshape required | 21 | 1% |
| | 1,043 | 63% |
| Total responses | 1,665 | |

As illustrated above, only 1% of respondents indicated that the CEO's role needs to be restructured, for example by separating the CEO's role from that of the Chairman, the President or the COO.

The majority of respondents suggested that the CEO's role needs to be reshaped by how the role is executed. The most frequently occurring suggestion (21% of responses) was that CEOs should get closer to their employees and customers by listening to them and being "in the trenches" frequently to understand the core issues of the business and the people involved.

Respondents made suggestions that CEO's should:

- Communicate with employees at all levels using management by walking around. Communicate with the shop floor.
- Be in touch with the daily activities of the organization, and work in the trenches.
- Spend time with and be responsive to customers and clients.

Additional suggestions to reshape the CEO's role were to

- Restructure/lower compensation (9%) by tying it to performance, eliminating "golden parachutes" and making CEO compensation a maximum multiple of the salary of the lowest level employee.
- Focus on providing a strategic vision as compared to worrying about the day-to-day details (8%). This was further defined as providing the company's vision, direction, purpose for growth, framework for success, and corporate culture.
- Focusing on people by building a strong management team, developing talent, and empowering those people to get the job done (6%).
- Defining the accountability of the CEO and the top management team and holding them to their responsibilities (6%).

A more detailed list of answers receiving over 20 responses is provided below:

| Classification | Total | % of total |
|---|--------------|-------------------|
| Communicate with employees at all levels, management by walking around, communicate with shop floor | 171 | 10% |
| Restructure / lower compensation | 153 | 9% |
| Be in touch with the daily activities of the organization, work in the trenches | 141 | 8% |
| Define accountabilities and hold them to it. | 81 | 5% |
| Provide vision, direction, purpose for growth, framework for success, corporate culture | 73 | 4% |
| Manage the organization, strategy, vision, not day to day tasks | 60 | 4% |
| Long term vs. short term focus | 48 | 3% |
| Team: Build strong teams and empower them | 44 | 3% |
| Clients / customers: responsive, spend time with them | 39 | 2% |
| People: focus on them, develop them | 39 | 2% |
| Depends on the company | 29 | 2% |
| Balance between all stakeholders: employees, investors, customers | 27 | 2% |
| Develop future leaders, talent in organization | 25 | 2% |
| Focus on business, not on Wall Street | 25 | 2% |
| Reshape the person in the role, not the role itself | 23 | 1% |
| Accountable to customers, employees and other stakeholders | 22 | 1% |
| Separate CEO, Chairman, COO, President | 22 | 1% |
| No reshape required | 21 | 1% |
| | 1043 | 63% |
| Total responses | 1665 | |

4. Which metrics are best for measuring CEO effectiveness?

A mixture of financial and non-financial metrics was proposed, with financial metrics the most cited.

| Metric Proposed | Total | % Total |
|-------------------------------|--------------|----------------|
| Increase Market Share and ROI | 483 | 30% |
| Long term profitability | 200 | 12% |
| Employee Retention | 195 | 12% |
| Company Growth | 106 | 7% |
| Employee Satisfaction | 112 | 7% |
| EVA | 118 | 7% |
| Other | 94 | 6% |
| Customer Satisfaction | 83 | 5% |
| Social Responsibilities | 59 | 4% |
| Communications | 47 | 3% |
| Innovation | 35 | 2% |
| Balanced Scorecard | 35 | 2% |
| Employee Development | 24 | 1% |
| Productivity Increases | 12 | 1% |
| ROE | 12 | 1% |
| | 1615 | |

Note: 1,615 of the 1,665 respondents answered this question.

Of the 30% of respondents who mentioned increasing market share and ROI as the most important metric for CEOs, 8% commented that this should be accompanied by some softer measures such as employee satisfaction.

Long-term profitability was the second most cited metric; in most cases respondents were clear to point out the importance of profitability being sustained in the long term. Many respondents also mentioned that short-term profitability should be forfeited for long-term profitability when necessary.

Metrics that concerned employees were centered on retention, satisfaction and development. Respondents mentioning employee satisfaction often suggested that employee satisfaction surveys were the best way to measure this.

While 95% of survey respondents indicated that CEO ethics play an important role in business management (see question five), only 4% mentioned Social Responsibility as a metric by which to measure CEOs.

5. Realistically, do the ethics of the CEO play a meaningful role in the way business gets done? Why?

Overwhelmingly, yes! 95% of participants responded yes, absolutely.

They said the reasons for their response were:

- Leadership starts at the top; leaders must lead by example.
- It has an influence on people in the organization both in terms of hiring/who works in the organization and how those people act.
- The CEO represents the brand/reputation of the company. He/she is the "face of the company."
- Businesses are built on trust.
- Good ethics can save you money.

For those 5% who responded no, their reasons were:

- Ethics is not (no longer) important.
- The CEO doesn't impact front line employees.
- Business is all about profitability and the bottom line.
- It depends on the context.

Detailed quotes for each of these points are included below.

Yes: Ethics Plays a Role

Leadership starts at the top: leading by example

Leadership starts at the top.

Yes - great leaders inspire by example. The behavior of ethical CEO's trickles all the way down into an organization.

Absolutely. A fish rots from the head.

Leading by example sets the pace for the rest of the organization...and the competitors.

As the old saying goes, "if you don't stand for something, you will fall for anything."

Influence on people in the organization: hiring, employees, actions

Without question. It affects the way in which the CEO chooses people with whom to surround himself/herself. If there were ever a case where the CEO were corrupt as Capone but happened to have a leadership staff full

of high-minded, integral people around him, the company would likely behave and perform just fine. That's a nearly impossible scenario, though.

YES. The CEO has an enormously important role in setting, joining, leading, and responding to breaches of organizational ethics. If the CEO doesn't care, it's demoralizing and anxiety producing for all others associated. When the CEO cares and acts consistently and speaks to ethics, others are heartened and encouraged, and held accountable, and all involved feel proud of and identify with their organizations.

Yes, the actions of the CEO including ethics are seen as the way the company should be run. One time early in my career I worked directly for the Chairman of a Fortune 500 firm. Despite his name on the door, the man flew coach class and devoted a great deal of time talking to the support personnel. The employees would walk through walls for this man.

Absolutely. If the CEO has shoddy ethics, other senior managers know they can get away with little things, and the bigger things. Then middle managers catch on, and on through the ranks. It penetrates the corporation like a plague.

The ethics of the CEO play a huge role in how employees make decisions. As soon as they question his/her integrity, they have the license to act in a questionable fashion.

Ethics is everything. How can a company expect to retain good, hardworking, honest employees if the CEO is on the take or enriching him/herself at the expense of the company. It's totally a scam and no company that is run for the sake of greed can last for long.

Yes. In a fundamental way, people want to trade with, work for and invest with individuals who act in an ethical manner. If given a choice, most people will associate with a company that sets a high ethical standard for its operations.

CEOs represent the brand: They are the face of the corporation

Yes, they [CEO's] are the "face" of the corporation.

If leaders misinform their people, make false claims to justify their actions, and base their actions on the convenient point of view that the "ends justify the means," they will lose the credibility and ultimately the ability to lead.

Yes. The corporate culture and ultimately the 'brand' are developed from the top down.

Businesses are built on trust

Yes, ethics and integrity is the cornerstone of good business - ask ENRON!

The ethics helps to develop good relations with other (customers, suppliers, competitors, authorities, etc.) to maintain the stability of a business and to avoid many problems.

The CEO's ethics play a huge role in the organization's health and strength. Their ethics either energize and inspire or slowly spoil everything about an organization inside and out. His/her ethics affect everyone in the organization, reputation of the collective entity, customer and supplier perceptions.

Yes. Ultimately businesses are built on trust (we have contracts because we don't trust each other). Nobody wants to do business with someone they don't trust and nobody wants to work for a crook - unless he's one too - which is a different problem. It may get results in the short run but it's demoralizing and destructive.

Reputation connects with human emotion; if you compromise the reputation of an organization, it's the same as violating personal trust...and that impacts customers, employees and investors. It is next to impossible to overcome.

Absolutely. At some point being unethical or even being ethically "cloudy" will come back to bite you and/or your organization. This may not happen over the short term but it will happen eventually. A CEO is the face of his/her company and key constituents (clients, vendors, customers, partners, employees, government officials, the financial community, the media, the public at large) will attach the values of the CEO with the values of the company.

Good ethics can save you money

Absolutely. When your reputation precedes you and trust is one of your tools, you have the ability to find solutions to tough problems that elude lesser leaders. It may be a bit old fashioned, but a man is only as good as his handshake and what stands behind it.

Ethics as a collective idea is meaningless, in my opinion. Ethics are always an individual thing. The need for ethics exists from a utility perspective. It pays off to display ethical behavior. However, this is not the reason one should be ethical. The CEO should be ethical because it takes him from the competitive plane to the creative plane. It allows him to focus on his own abilities rather than the strengths of others.

Ethics are key to everyone. Not just the CEO. Why is simple -- the media keys in on ANYTHING that is scandalous. Some poor ethical judgments might save you a couple of million dollars, but it could cost you 100s of millions in bad PR. Good ethics can save you money.

No: Ethics Does Not Play a Role

Ethics is not (or no longer) important

Unfortunately I believe that in the past decade ethics has been not even a pot on the back burner but more of a frozen dinner forgotten about in the back of the freezer. When you look at the Enron and WorldCom debacles it is obvious that the CEO's ethics were on permanent vacation, and unfortunately I believe that there are many more CEOs in the business world that do not have the integrity or ethics necessary to manage their corporations properly.

No. I think for most companies that are large enough to have CEOs they have lost their way and ethics are no longer in their vocabulary.

No. Today, the focus is to understand ethics so that one can twist words so that the changes a CEO wants to make are "ethical."

They should but don't.

They tend to become less ethical once they get to the top. Something about power corrupting I think.

CEO doesn't impact front line employees, can't do it alone

One person and his or her ethics do not affect the way business gets done. There are too many stakeholders who drive a corporation - CEOs who rock the boat in one direction or another tend to be weeded out very quickly. I don't believe that a CEO alone has the power to enforce a strong sense of ethics when the system is entrenched in rewarding the lack thereof.

Unfortunately, no. Organizations can and do run on their own. CEOs and leaders are not one and the same. Organizations have within their ranks verifiable leaders who do believe what they are doing is the right thing. There is a disconnect between the organization's output and the CEO's (and direct reports) ethics.

No, too far removed from day to day running of the business.

Probably not. So much business gets done with or without an ethical CEO. Significant, public problems related to ethics can certainly hamper a business, but the vast majority of business moves along despite or in spite of the CEO's ethics.

No, the front-line employees are shielded from the "C" level.

It's all about profitability, not ethics

Corporate America in general has a very limited approach to ethics. I am yet to meet a CEO who would not stop paying suppliers for a few weeks to have a better-looking balance sheet for the next quarterly release. Our current standards are so low that I doubt they would pay any part in how business is conducted. Values might play a more meaningful role.

No. In major companies only ethic is profit and boards reward even failure by huge payouts to failed CEOs.

Unfortunately, there is a double standard. I have heard people in executive positions say, 'There are ethics and then there are ethics,' implying that the ends justify the means only when the ends equal large sums of money.

No - money and results talk. The rest is just peripheral bull.

They should, but I don't believe they always do when things get tough. Short-term profit sales drive the train.

Do they? No, because right now, most CEOs are paid based on profitability only. Should they? Absolutely!

Not really. Ethics is seen by most CEOs as an irritant that gets in the way of bottom line stats and stakeholder relationships...especially relationships with stockholders. Ethics gets in the way of greed for many CEOs.... When the financial end justifies the means, ethics is an impurity not a catalyst in the financial equation.

Depends on the context

In a smaller company, I think they play a larger role (realistically) than in a larger company.

Yes and no. It depends on the industry. Take Microsoft as an example, given their power within the market they will continue to be successful regardless of their ethical practices as long as they continue to innovate (or buy innovation). They can afford to take negative blows in the media and public eye while still maintaining the majority of the market. If you are fighting for dear life to maintain market share you are in deep trouble if unethical dealings surface. Your devoted customers will leave and you are up a creek.

Depends on the industry and who your peers are. Lots of rich people with rich peers got away with murder at Enron, MCI, HealthSouth & Adelphia.

Appendix: Correlation table

| | Profit | Shar | Innov | Self | Intl | Emp | Stam | Ruthl | Passi | Collab | Integri | Strate | Attr | Open | Result | Admit | Mistak | Unself | Accou | Live | outsid | Intl | Over | Gend | Sr | Co | 1000+ | EZI | FC | IMD | |
|--------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|--------|---------|--------|-------|-------|--------|-------|--------|--------|-------|-------|--------|-------|-------|-------|-------|-------|-------|------|----|-----|--|
| Profit growth | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Market share | 0.42 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Drive innovation | 0.17 | 0.12 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Self understanding | 0.16 | 0.12 | 0.62 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International | 0.10 | 0.11 | 0.26 | 0.28 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Empathize | 0.07 | 0.06 | 0.44 | 0.50 | 0.36 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stamina | 0.18 | 0.16 | 0.49 | 0.49 | 0.28 | 0.44 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | | |
| Ruthless | 0.12 | 0.13 | 0.17 | 0.12 | 0.25 | 0.10 | 0.22 | 1.00 | | | | | | | | | | | | | | | | | | | | | | | |
| Passionate | 0.16 | 0.11 | 0.57 | 0.54 | 0.24 | 0.46 | 0.58 | 0.17 | 1.00 | | | | | | | | | | | | | | | | | | | | | | |
| Trust others | 0.16 | 0.10 | 0.46 | 0.51 | 0.18 | 0.44 | 0.40 | 0.05 | 0.51 | 1.00 | | | | | | | | | | | | | | | | | | | | | |
| Collaborate | 0.13 | 0.16 | 0.52 | 0.55 | 0.29 | 0.52 | 0.48 | 0.12 | 0.56 | 0.57 | 1.00 | | | | | | | | | | | | | | | | | | | | |
| Integrity | 0.15 | 0.12 | 0.50 | 0.56 | 0.19 | 0.50 | 0.50 | 0.04 | 0.57 | 0.58 | 0.58 | 1.00 | | | | | | | | | | | | | | | | | | | |
| Strategic | 0.21 | 0.19 | 0.58 | 0.59 | 0.33 | 0.48 | 0.53 | 0.20 | 0.62 | 0.51 | 0.64 | 0.61 | 1.00 | | | | | | | | | | | | | | | | | | |
| Attract people | 0.18 | 0.20 | 0.51 | 0.52 | 0.30 | 0.47 | 0.46 | 0.17 | 0.52 | 0.50 | 0.58 | 0.56 | 0.63 | 1.00 | | | | | | | | | | | | | | | | | |
| Are open | 0.12 | 0.11 | 0.52 | 0.56 | 0.22 | 0.48 | 0.44 | 0.08 | 0.54 | 0.59 | 0.59 | 0.61 | 0.58 | 0.60 | 1.00 | | | | | | | | | | | | | | | | |
| Get results | 0.21 | 0.23 | 0.55 | 0.56 | 0.29 | 0.43 | 0.56 | 0.26 | 0.55 | 0.48 | 0.61 | 0.56 | 0.66 | 0.63 | 0.57 | 1.00 | | | | | | | | | | | | | | | |
| Admit mistakes | 0.09 | 0.06 | 0.49 | 0.57 | 0.22 | 0.45 | 0.44 | 0.06 | 0.49 | 0.53 | 0.53 | 0.59 | 0.57 | 0.52 | 0.64 | 0.55 | 1.00 | | | | | | | | | | | | | | |
| Unselfish | 0.08 | 0.08 | 0.39 | 0.44 | 0.13 | 0.42 | 0.33 | -0.04 | 0.42 | 0.50 | 0.44 | 0.57 | 0.48 | 0.46 | 0.56 | 0.40 | 0.57 | 1.00 | | | | | | | | | | | | | |
| Accountable | 0.23 | 0.24 | 0.52 | 0.50 | 0.33 | 0.44 | 0.47 | 0.22 | 0.54 | 0.43 | 0.54 | 0.49 | 0.62 | 0.53 | 0.53 | 0.59 | 0.51 | 0.44 | 1.00 | | | | | | | | | | | | |
| Live outside US | 0.00 | -0.01 | 0.07 | 0.05 | 0.21 | 0.09 | 0.02 | 0.10 | 0.05 | 0.06 | 0.07 | 0.02 | 0.06 | 0.05 | 0.06 | 0.08 | 0.04 | -0.05 | 0.05 | 1.00 | | | | | | | | | | | |
| Intl experience | 0.00 | -0.01 | 0.03 | 0.00 | 0.20 | 0.06 | 0.01 | 0.03 | 0.02 | 0.01 | 0.03 | -0.05 | 0.02 | 0.00 | 0.01 | 0.03 | 0.01 | -0.06 | 0.03 | 0.53 | 1.00 | | | | | | | | | | |
| Over 40 | -0.08 | -0.05 | 0.05 | 0.03 | -0.03 | 0.04 | 0.06 | -0.05 | 0.02 | 0.02 | 0.06 | 0.07 | 0.01 | 0.02 | 0.03 | 0.02 | 0.07 | 0.07 | 0.01 | -0.14 | -0.11 | 1.00 | | | | | | | | | |
| Gender | -0.03 | 0.04 | -0.01 | -0.03 | -0.06 | -0.03 | 0.01 | -0.03 | 0.04 | -0.05 | 0.03 | -0.01 | 0.02 | 0.01 | -0.04 | 0.02 | -0.02 | -0.05 | 0.01 | -0.16 | -0.10 | 0.01 | 1.00 | | | | | | | | |
| Sr Mgmt | 0.03 | -0.02 | 0.13 | 0.10 | -0.05 | 0.05 | 0.08 | 0.00 | 0.12 | 0.09 | 0.10 | 0.15 | 0.05 | 0.08 | 0.11 | 0.08 | 0.11 | 0.10 | 0.07 | 0.06 | 0.05 | 0.21 | -0.12 | 1.00 | | | | | | | |
| Co 1000+ | 0.02 | 0.11 | -0.17 | -0.11 | 0.18 | -0.03 | -0.07 | 0.14 | -0.20 | -0.13 | -0.08 | -0.14 | -0.07 | -0.03 | -0.13 | -0.03 | -0.16 | -0.14 | -0.02 | -0.01 | 0.00 | -0.07 | 0.03 | -0.26 | 1.00 | | | | | | |
| EZI | -0.03 | -0.04 | 0.02 | 0.01 | 0.11 | 0.01 | -0.03 | 0.03 | -0.03 | 0.00 | 0.01 | -0.02 | -0.02 | 0.00 | 0.02 | 0.02 | -0.01 | -0.05 | 0.03 | 0.33 | 0.24 | 0.03 | -0.14 | 0.19 | 0.04 | 1.00 | | | | | |
| FC | -0.02 | 0.03 | -0.03 | -0.03 | -0.19 | -0.04 | -0.01 | -0.09 | 0.00 | -0.03 | -0.03 | 0.00 | -0.01 | -0.04 | -0.05 | -0.07 | 0.00 | 0.08 | -0.05 | -0.50 | -0.38 | 0.14 | 0.18 | -0.09 | -0.07 | -0.64 | 1.00 | | | | |
| IMD | 0.05 | 0.00 | 0.02 | 0.03 | 0.14 | 0.05 | 0.04 | 0.10 | 0.03 | 0.04 | 0.03 | 0.02 | 0.03 | 0.04 | 0.05 | 0.07 | 0.01 | -0.05 | 0.04 | 0.34 | 0.28 | -0.21 | -0.11 | -0.06 | 0.05 | -0.08 | -0.71 | 1.00 | | | |