

# BIGGER THAN THE BOARDROOM

The Role CEOs Are Expected to Play Today

CEO BRAND INTEL



# BIGGER THAN THE BOARDROOM

<a href="#">Introduction</a>	3
<a href="#">Approach and Methodology</a>	4
<a href="#">CEO-Specific Data</a>	5
<a href="#">Key Findings</a>	6
<a href="#">What Drives CEO Reputation Today</a>	7
<a href="#">A CEO's Role in Combating Racial &amp; Social Inequality</a>	18
<a href="#">The COVID-19 Moment</a>	30



## INTRODUCTION

In early March, the COVID-19 pandemic forced CEOs to take on the role of Crisis Executive Officer as they led their companies, employees, and consumers through unprecedented times. More recently, they are being asked to authentically lead with purpose as the country reckons with racial inequality.

**To help organizations better understand the role their leaders should play, Morning Consult surveyed thousands of consumers, investors, and public opinion leaders on what they expect from CEOs today, and how that is evolving as new challenges emerge at a rapid pace.** This research looks at both the most important brand drivers for CEOs when it comes to their reputation and job performance, as well as key insights into how COVID-19 and the Black Lives Matter movement are changing those expectations.

## — APPROACH & METHODOLOGY

Morning Consult surveyed over 11,000 consumers, financial decision-makers, high net worth individuals, politically-engaged audiences, and key opinion leaders in May and June 2020 to provide unparalleled insight on evolving expectations, performance evaluations and overall perceptions of top CEOs and business leaders.

Morning Consult determined the drivers behind CEO reputation by asking respondents to assess 315 CEOs and business leaders, including CEOs of most Fortune 250 companies and nearly all of the CEOs of the 200 most advertised brands in the U.S. Respondents were asked a range of questions about a given CEO, including an evaluation of favorability, news buzz, and overall job performance. Respondents also rated CEOs on 48 attributes, evaluating their public persona, leadership style, vision, personal integrity, shareholder value, stakeholder engagement, societal impact, handling of COVID-19, and more.



# WANT DATA ON A SPECIFIC CEO?

Morning Consult tracks the reputation and job performance of over 300 CEOs across a range of metrics and demographics, including consumers, retail investors and decisionmakers. Contact us to request a custom report on a specific CEO.

GET IN TOUCH

[bit.ly/2MGAQ8x](https://bit.ly/2MGAQ8x)

## Overview Of Findings

### **A CEO's Role in the Context of Society Is Rapidly Expanding**

CEOs are in the spotlight today more than ever, and the events of recent months and weeks have only accelerated the evolution of a CEO's remit: The most important attribute that contributes to a CEO's reputation is that they are contributing positively to society.

### **Stakeholder Capitalism is Here to Stay**

Prioritizing customer and employee needs while also acting in the best interest of shareholders, suppliers and society is important to decisionmakers and also drives CEO reputation and performance. This trend has been strengthening since late 2019, when the importance of employees began gaining precedence while that of shareholders began waning.

### **The Current Challenge & Evolving Opportunity**

Sixty-nine percent of adults say that how CEOs react and express themselves on topics such as Black Lives Matter will permanently affect their decision to buy from their company and 71% of consumers feel CEOs are responsible for helping during the pandemic. Companies that step up for consumers in this time will benefit in terms of favorability and loyalty.

CEO BRAND INTEL

# WHAT DRIVES CEO REPUTATION TODAY



## DRIVERS OF CEO REPUTATION

### **What Matters – And What Doesn't**

To determine what drives CEO reputation and performance, Morning Consult looked at 48 CEO attributes, comparing those which respondents said were and weren't important to them to the proven drivers of CEO performance across KPIs. The results from the driver analysis reveal what matters now, what doesn't, and what could matter in the future.





## WHAT DRIVES CEO REPUTATION TODAY

### The Top Drivers of CEO Reputation

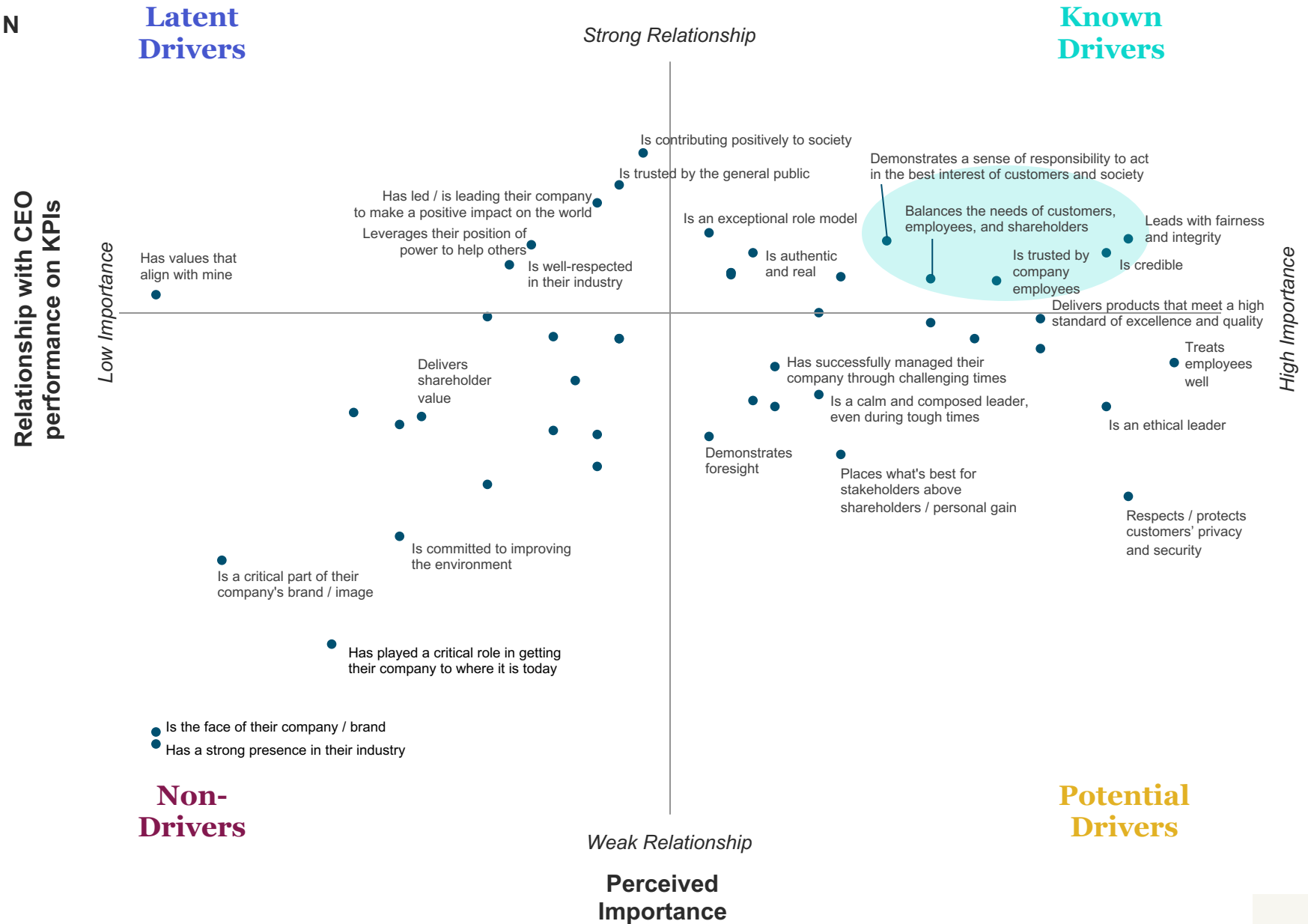
Of the 48 attributes tested, these 10 had the strongest relationship with CEO reputation and performance

1. Is contributing positively to society
2. Is trusted by the general public
3. Has led / is leading their company to make a positive impact on the world
4. Is an exceptional role model - sets an example of strong and effective leadership for others to follow
5. Leads with fairness and integrity
6. Demonstrates a sense of responsibility to act in the best interest of customers and society
7. Leverages their position of power to help others, give back and/or make a difference in society
8. Is authentic and real
9. Is credible - delivers on promises
10. Is well-respected in their industry

## DRIVERS OF CEO REPUTATION

### The Reputation Drivers We Tested and Where They Ranked

Comparing *claimed drivers* of CEO perception with *proven drivers* of CEO performance across KPIs reveals important insights around what matters – and what doesn't



## DRIVERS OF CEO REPUTATION

### KNOWN DRIVERS

Respondents say these are important, and they are

- Leads with fairness and integrity
- Is credible – delivers on promises
- Is trusted by company employees
- Balances the needs of customers, employees, and shareholders appropriately
- Demonstrates a sense of responsibility to act in the best interest of customers and society

### LATENT DRIVERS

Respondents say these are not important, but they appear to be

- Has values that align with mine
- Is well-respected in their industry
- Leverages their position of power to help others, give back, and/or make a difference in society
- Has led/is leading their company to positively impact the world
- Is trusted by the general public
- Is contributing positively to society

### POTENTIAL DRIVERS

Respondents say these are important and may become more so soon

- Demonstrates foresight
- Has successfully managed company through challenging times
- Is willing to place what's best for customers, employees and/or other stakeholders above personal gain
- Respects / protects customers' privacy and security
- Treats employees well

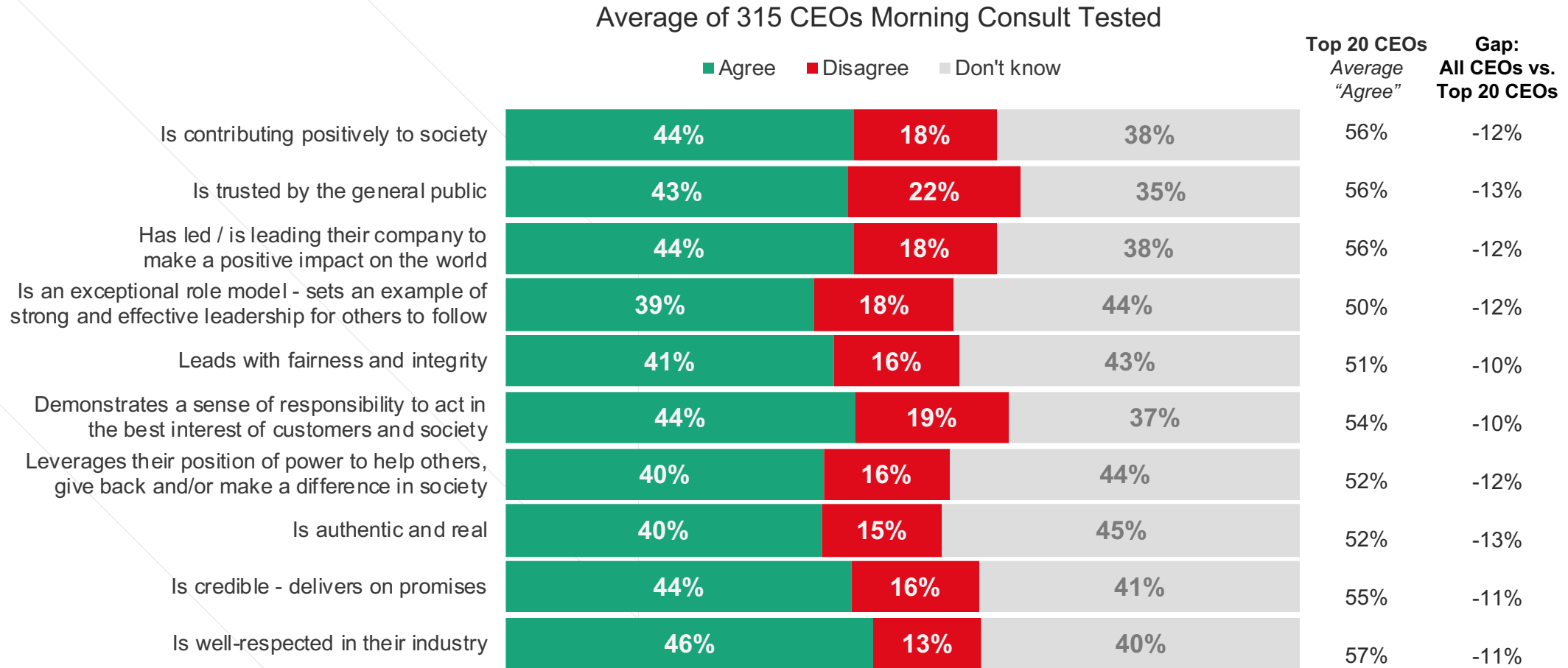
### NON-DRIVERS

Respondents say these are not important, and they aren't

- Has a strong presence in their industry
- Is the face of their company / brand
- Is a critical part of their company's brand / image
- Has played a critical role in getting company to where it is today
- Is committed to improving the environment

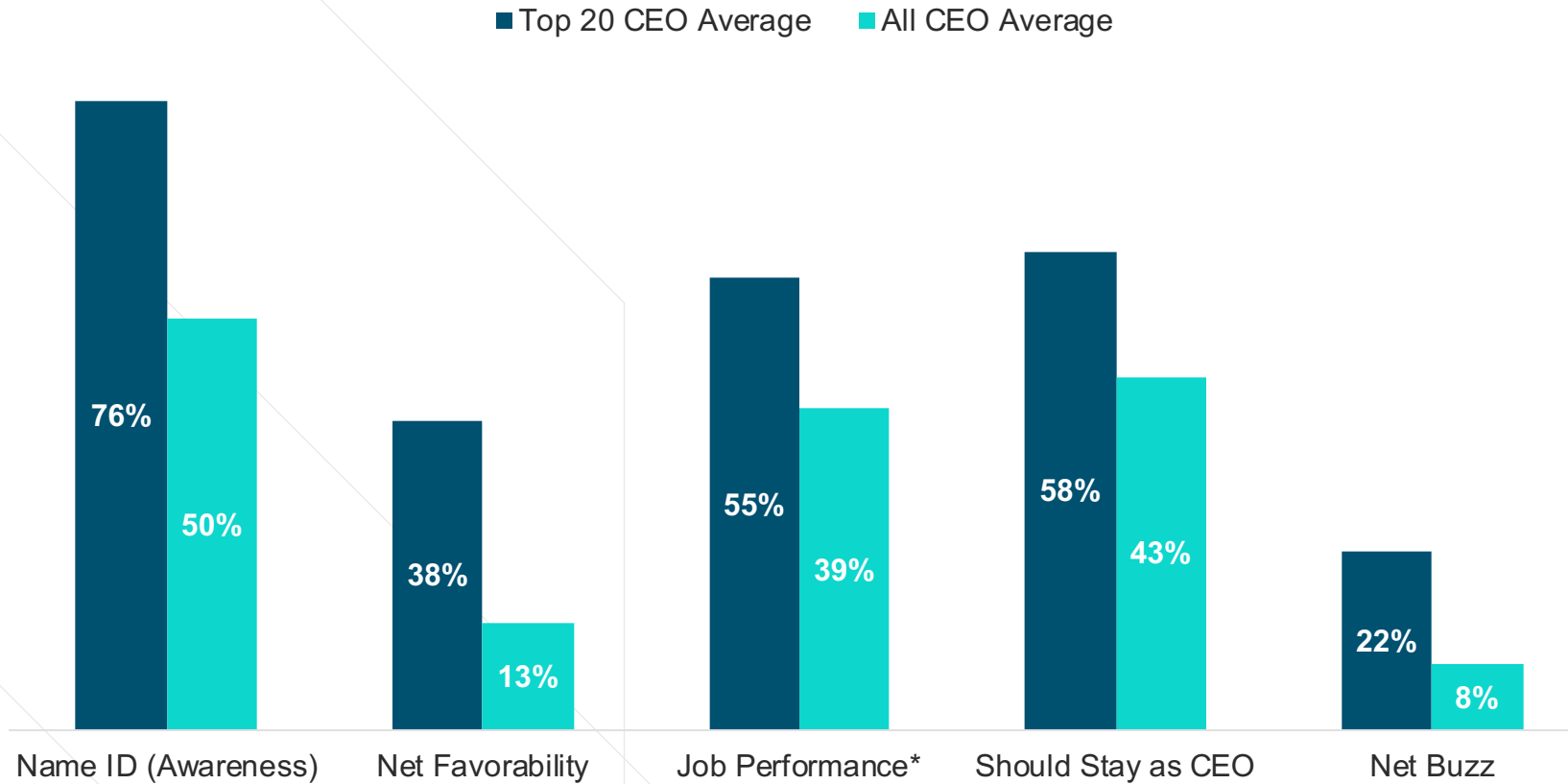
## DRIVERS OF CEO REPUTATION

### The Average CEO Scores Lower on Top Drivers of Performance, Especially Relative to Top CEOs



## DRIVERS OF CEO REPUTATION

# Highest-Performing CEOs Also Significantly Outperform the Average CEO Across Other Key Performance Metrics



## COMPANY & CEO REPUTATION

Higher Favorability Among CEOs Strongly Corresponds with Higher Brand Favorability



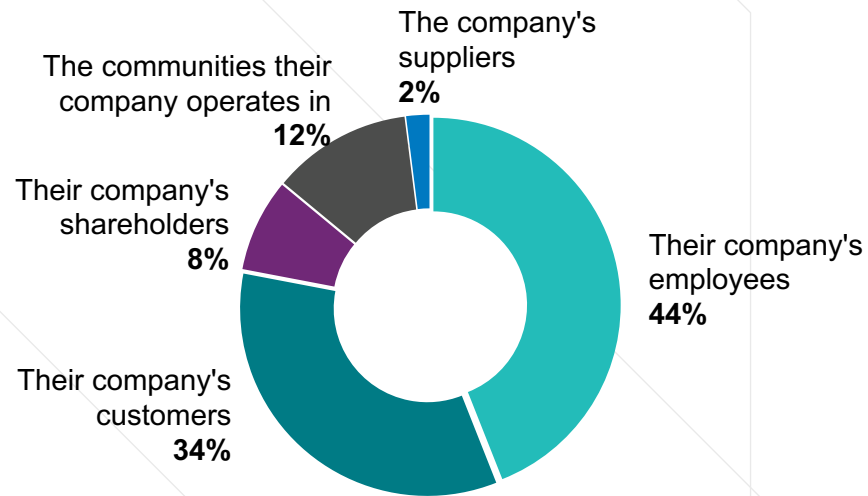


## THE RISE OF STAKEHOLDER CAPITALISM

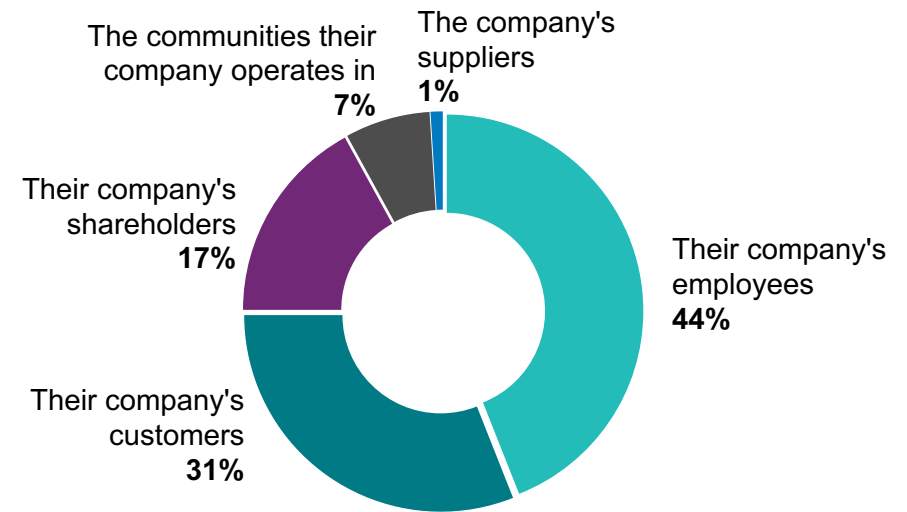
# US Investors and Consumers Alike Overwhelmingly Want Companies to Prioritize Talent and Customers Above All Other Stakeholders – Even Shareholders

Whose interests and wellbeing do you think CEOs should prioritize most?

*All adults*



*Retail investors*



## THE RISE OF STAKEHOLDER CAPITALISM

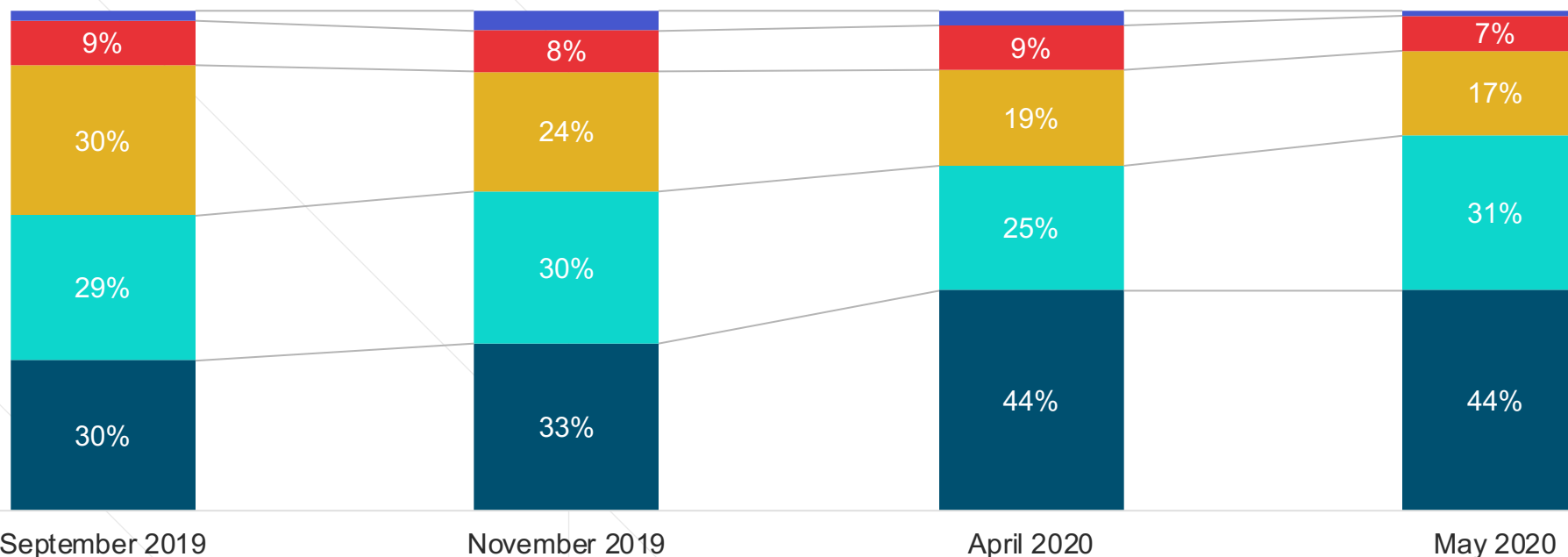
# Stakeholder Capitalism Has Continued to Grow In Importance Over Time

This trend has been strengthening since late 2019, when employees began taking precedence as a priority while shareholders began declining in importance

Of the following, whose interests and wellbeing should CEOs prioritize most?

*Among retail investors*

- Their company's employees
- Their company's shareholders
- Don't Know/No Opinion
- Their company's clients
- The communities their company operates in



## Recap: What Drives CEO Reputation Today

### **The Top Drivers of CEO Reputation**

The most important attributes that contribute to a CEO's reputation is that they are “contributing positively to society,” followed by “trusted by the general public,” and “leading their company to make a positive impact on the world.”

### **The Relationship Between A Brand & Its CEO**

There is a strong relationship between a brand and its CEO when it comes to reputation. It's clear that higher favorability among CEOs strongly corresponds with higher brand favorability.

### **Stakeholder Capitalism's Growing Influence on CEO Reputation**

US investors and consumers alike overwhelmingly want companies to prioritize talent and customers above all other stakeholders – even shareholders. This trend has been strengthening since late 2019, when employees began taking precedence as a priority while shareholders began declining in importance.

CEO BRAND INTEL

# A CEO's ROLE IN COMBATING RACIAL & SOCIAL INEQUALITY





# 66%

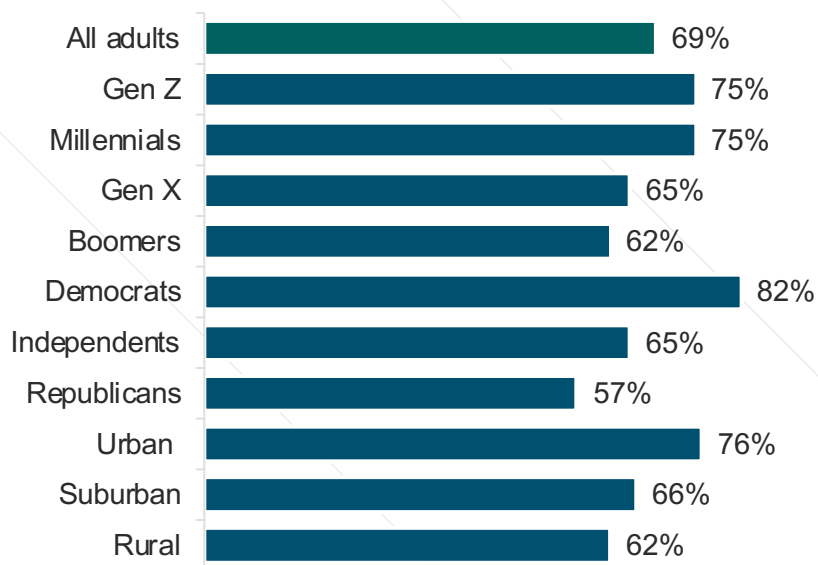
of adults expect every company, regardless of their industry or location, to have a point of view on or make a statement about Black Lives Matter.

## A CEO'S ROLE IN COMBATING RACIAL & SOCIAL INEQUALITY

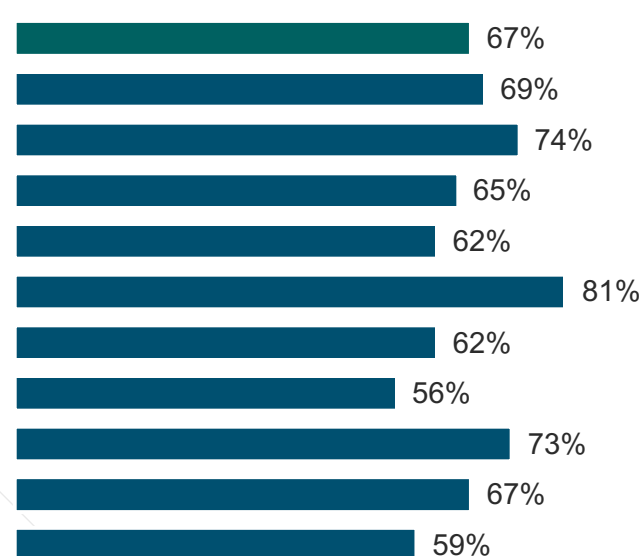
### How CEOs & Companies React Today Could Have Long-Term Effects on Consumers' Buying Decisions

Given protests and demonstrations across America in response to the death of George Floyd, to what extent do you agree or disagree with the following? *Among those who said "somewhat" or "strongly agree"*

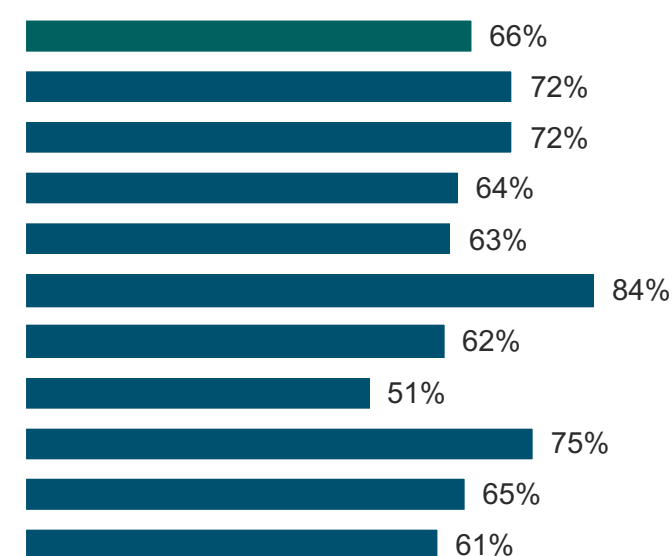
**How company CEOs react and express themselves on topics such as Black Lives Matter will permanently affect my decision to buy from their company**



**How businesses react and express themselves on topics such as this will permanently affect my decision to buy from them**



**It is now more important to me that companies I buy from have a diverse management team**

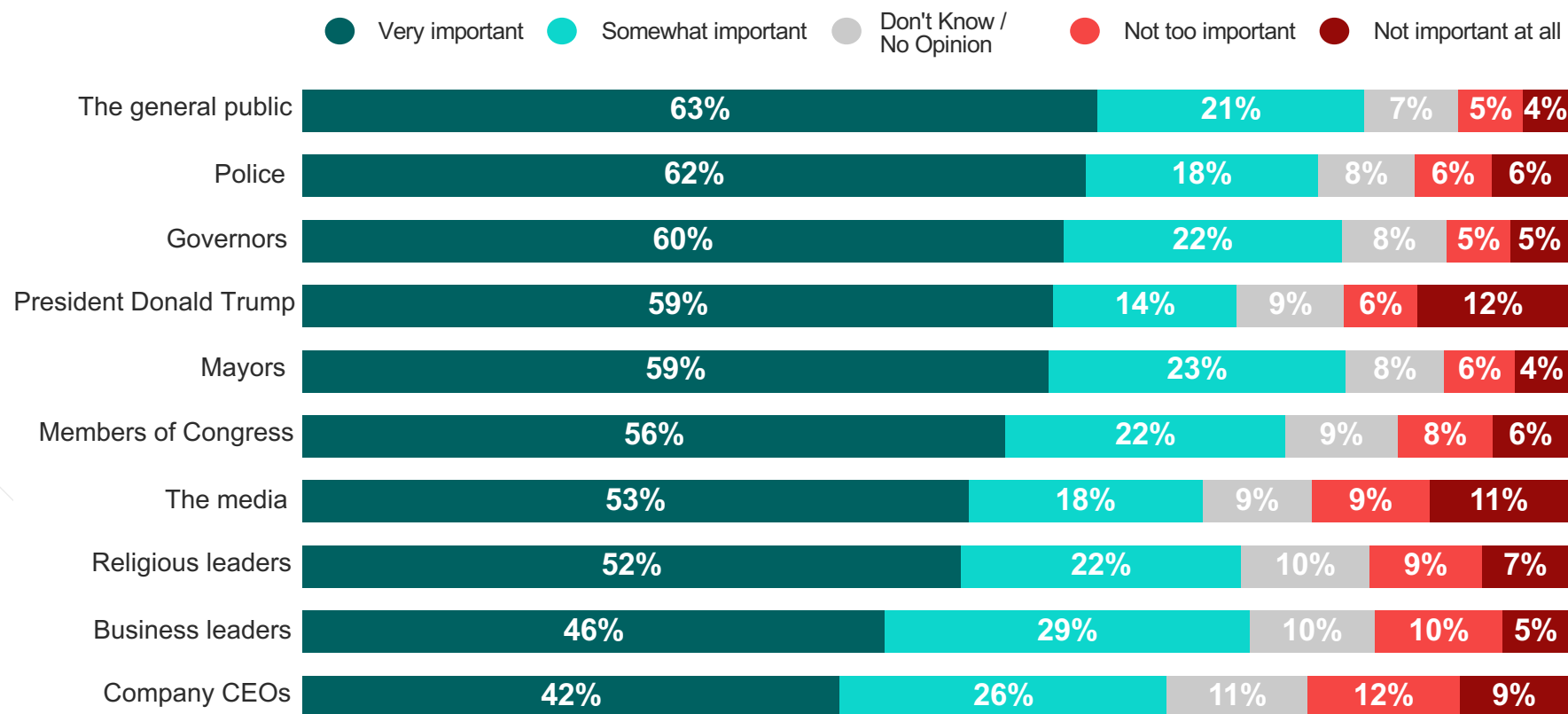




## A CEO'S ROLE IN COMBATING RACIAL & SOCIAL INEQUALITY

### 68% of Americans Say it's Important for CEOs to Address Racial Inequality in the U.S.

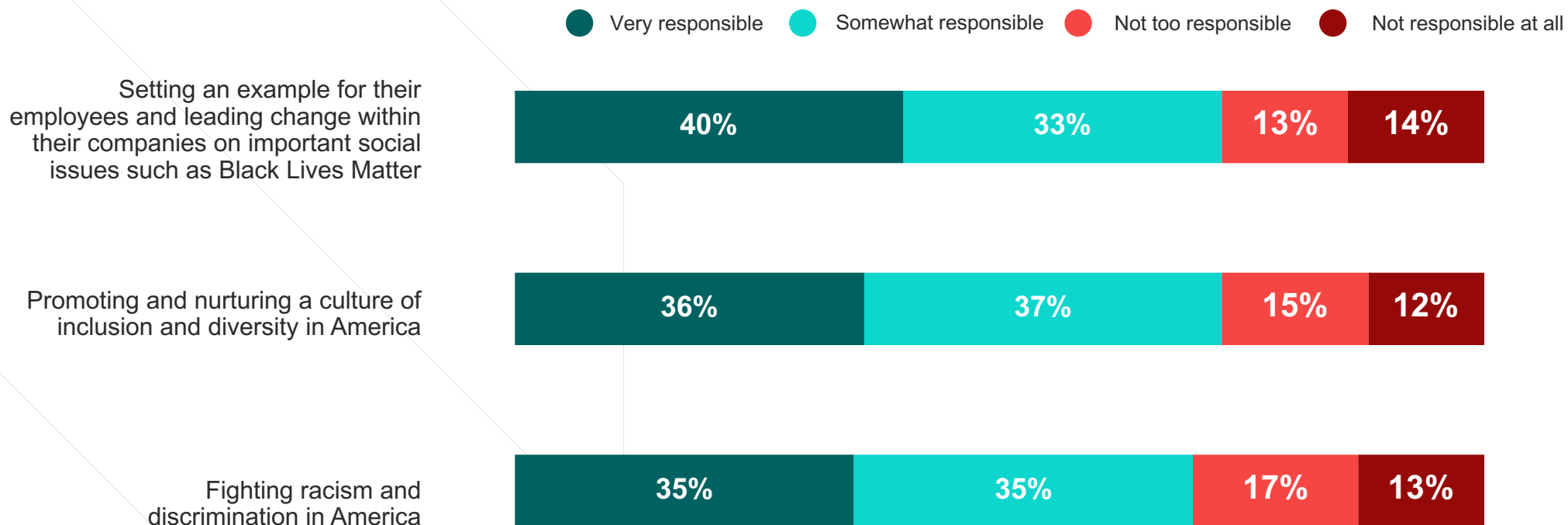
How important is it for each of the following to address racial inequality in the U.S.?



## A CEO'S ROLE IN COMBATING RACIAL & SOCIAL INEQUALITY

### Americans Hold Executives Responsible For Setting an Example Around Diversity and Inclusivity Within Their Organization and America More Broadly

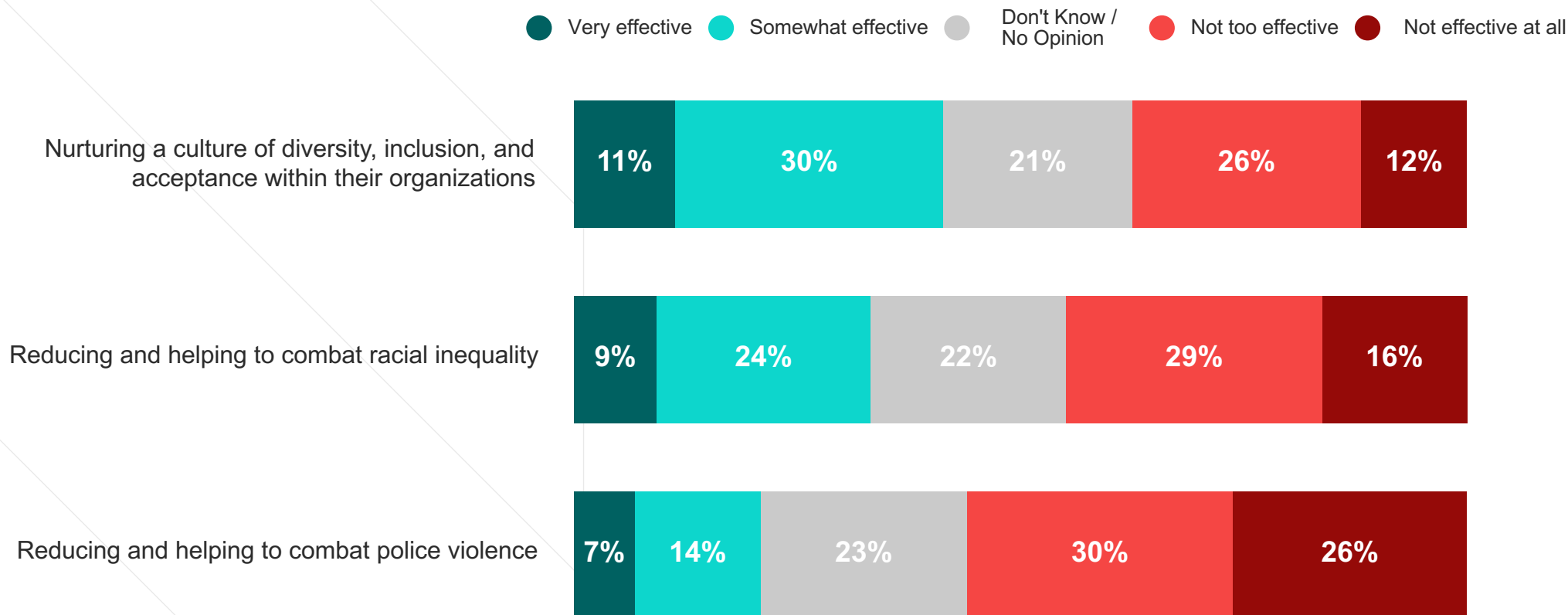
How responsible do you think CEOs and company executives are for each of the following?



## A CEO'S ROLE IN COMBATING RACIAL & SOCIAL INEQUALITY

### However, Americans Feel Companies and Their Leaders are Failing to Effectively Combat Racial Inequality Within Their Organizations and More Broadly

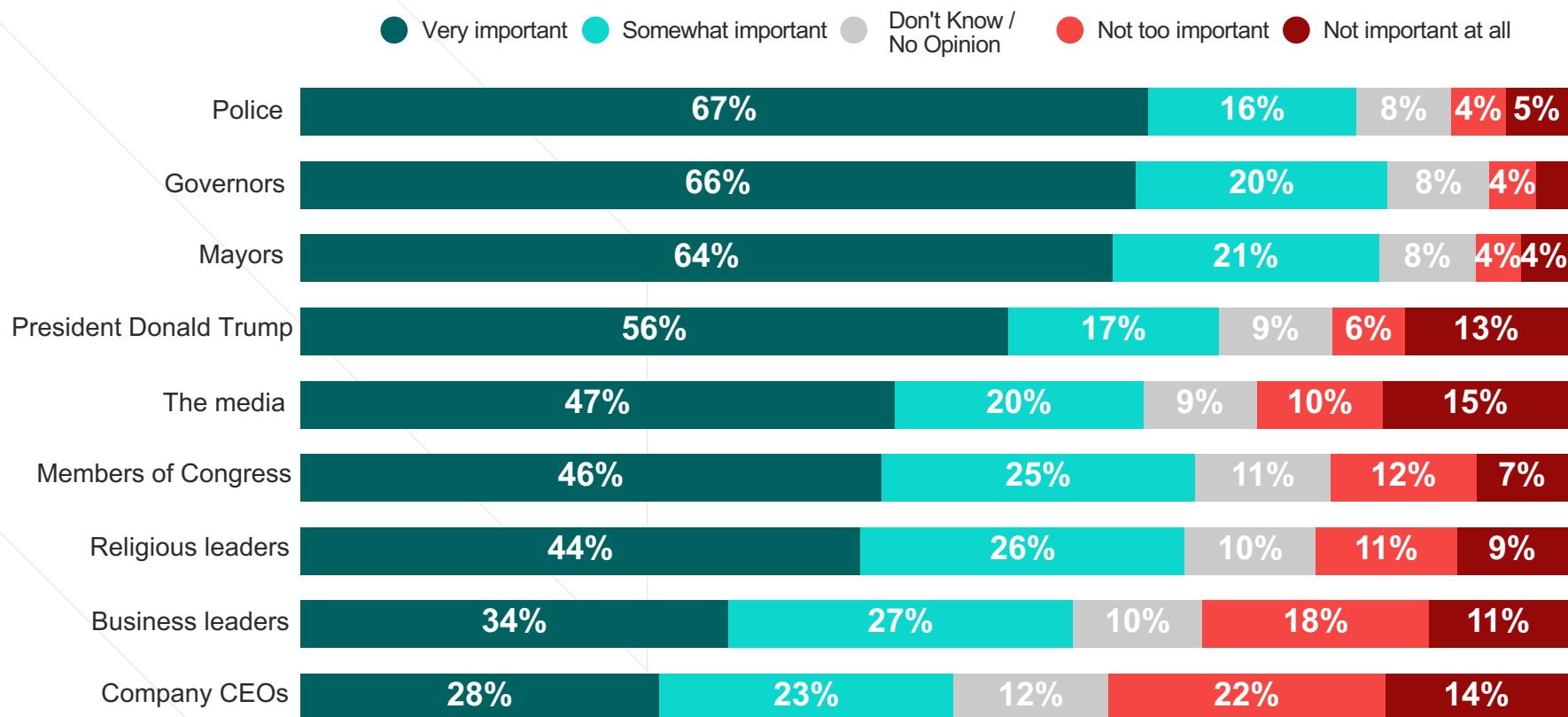
How effective do you think companies and their leaders are at each of the following?



## A CEO'S ROLE IN COMBATING RACIAL & SOCIAL INEQUALITY

### More Than Half of Americans (51%) Find it Important for CEOs to Play a Role in Handling Recent Protests

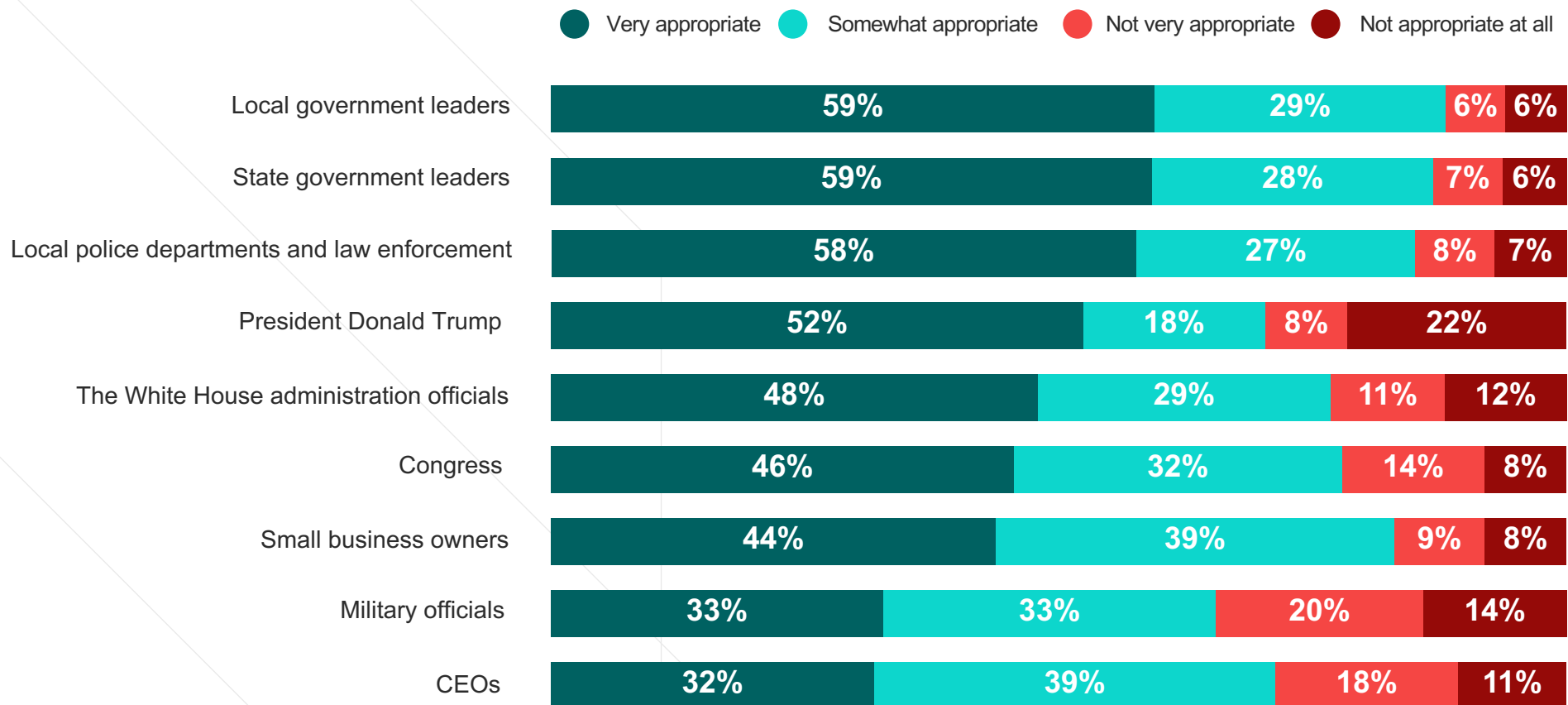
How important is it for each of the following to help handle the protests and demonstrations in dozens of U.S. cities in response to the death of George Floyd?



## A CEO'S ROLE IN COMBATING RACIAL & SOCIAL INEQUALITY

### And Nearly Three Quarters (71%) Find it Appropriate for CEOs to Deliver Statements About Recent Protests

How appropriate is it for the following to deliver statements on the protests and demonstrations?





# 83%

of Americans say that while they appreciate CEOs making a public statement about important social issues like Black Lives Matter, their actions speak louder than their words



## ACTIONS SPEAK LOUDER THAN WORDS

### What Consumers Want to Hear and See from CEOs in This Moment

Given protests and demonstrations across America in response to the death of George Floyd, to what extent do you agree or disagree with the following?

#### CEOs Should:

81%

Express or reaffirm their commitment to ensuring their organization's **hiring process is equitable**, inclusive, and accessible to diverse populations and provide specifics on how they will ensure this happens

79%

Express or reaffirm their organization's commitment to **fighting racism and discrimination**, and provide specifics on how they will ensure this happens

79%

Clearly outline how their organization is taking steps to **improve social, racial and economic equality in their organization** and how they will remain committed moving forward

79%

Express or reaffirm their organization's commitment to **promoting diversity, inclusion, equality, and advocacy**, and provide specifics on how they will ensure this happens

## ACTIONS SPEAK LOUDER THAN WORDS

### What Consumers Want to Hear and See from CEOs in This Moment

Given protests and demonstrations across America in response to the death of George Floyd, to what extent do you agree or disagree with the following?

#### CEOs Should:

78%

Express or reaffirm their commitment to **demanding diversity, inclusion, and equality throughout their organization's supply chain**, including partners, providers, and clients

77%

Express or reaffirm their commitment to **more diverse and equitable representation at all levels of their organization**, such as diversity pledges, and provide specifics on how they will ensure this happens

71%

**Use their power and influence to demand action from government** entities who have the power to enact systemic change

70%

Make a statement, whether official or personal, about **their commitment to be an ally**

## OVERVIEW OF RESULTS

### Recap: A CEO's Role In Combating Racial & Social Inequality

#### **What CEO's Do Today Could Impact Their Brand's Bottom Line in the Future**

Consumers across generations and regions as well as high-income and high-influence audiences say corporate responses to recent Black Lives Matter protests will influence how they view executives, and ultimately, where they decide to spend their money.

#### **CEOs Have A Lot More Work To Do Externally & Internally**

A majority of consumers want CEOs to address racial inequality, with 70% say CEOs are responsible for fighting racism and discrimination in America. Only 33% say companies and their leaders have been effective at reducing and helping to combat racial inequality.

#### **The Expectation to Say, And More Importantly, Do Something**

Eighty-three percent of Americans say that while they appreciate CEOs making a public statement about important social issues like Black Lives Matter, their actions speak louder than their words.

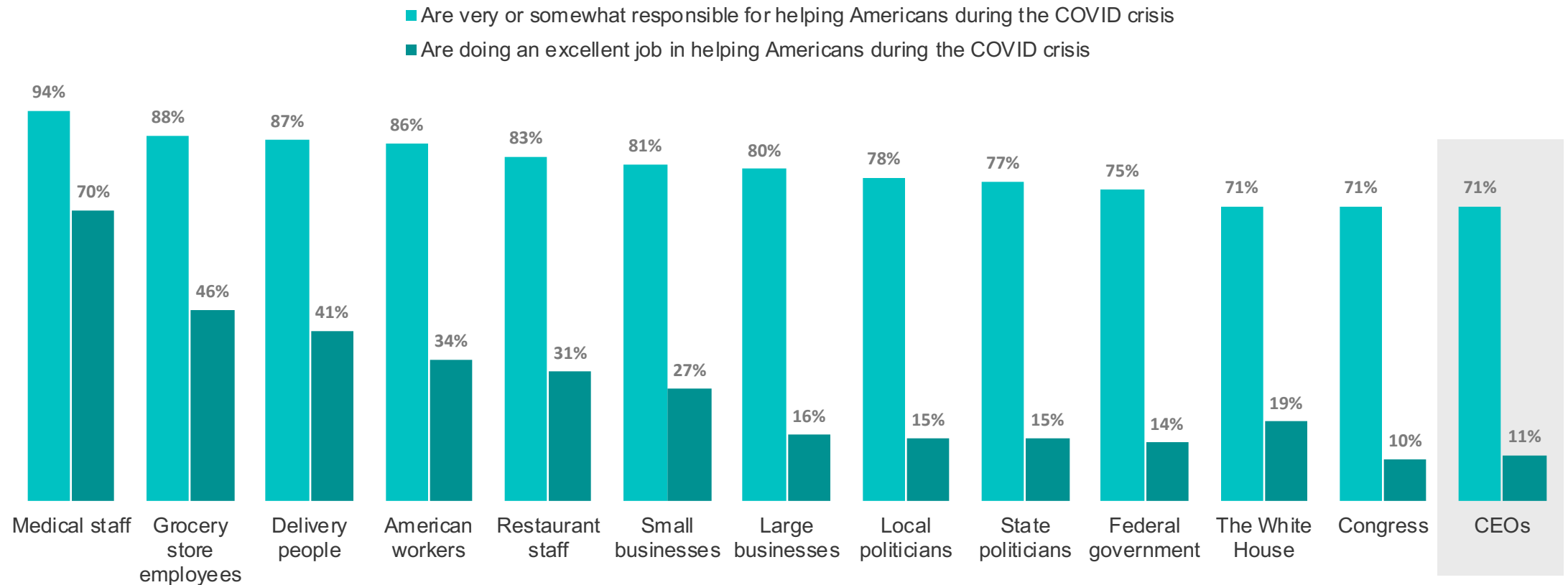
CEO BRAND INTEL

# THE COVID-19 MOMENT



## COVID-19 LEADERSHIP

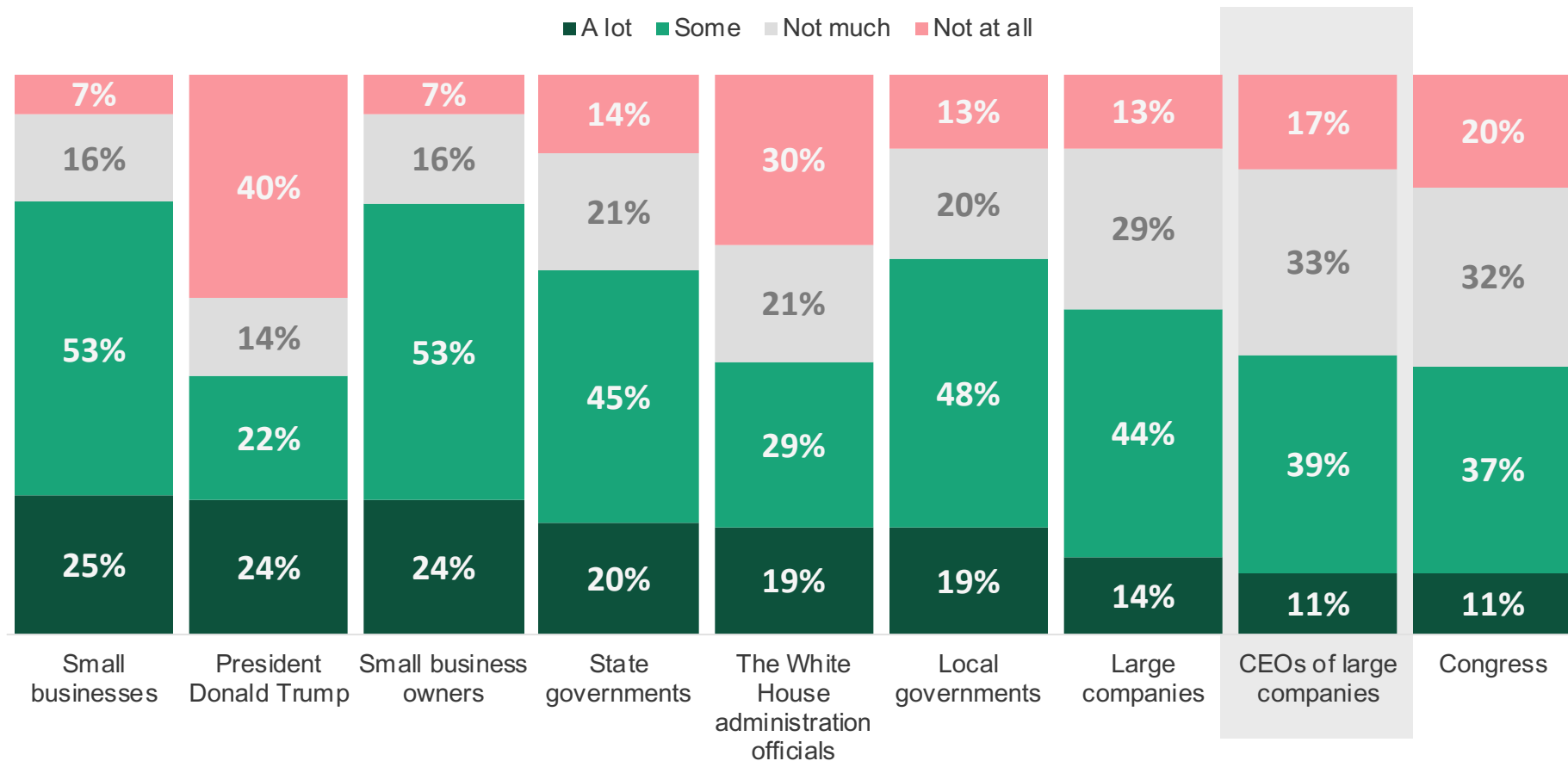
71% of Adults Consider CEOs at Least Somewhat Responsible for Helping Americans at This Time, but Only 11% Say They're Doing an Excellent Job at It



## COVID-19 LEADERSHIP

# Americans Trust CEOs and Large Companies to Lead the U.S. Through the COVID-19 Crisis Only Slightly More Than They Trust Congress To Do So

How much do you trust each of the following to lead the U.S. through the COVID-19 crisis?





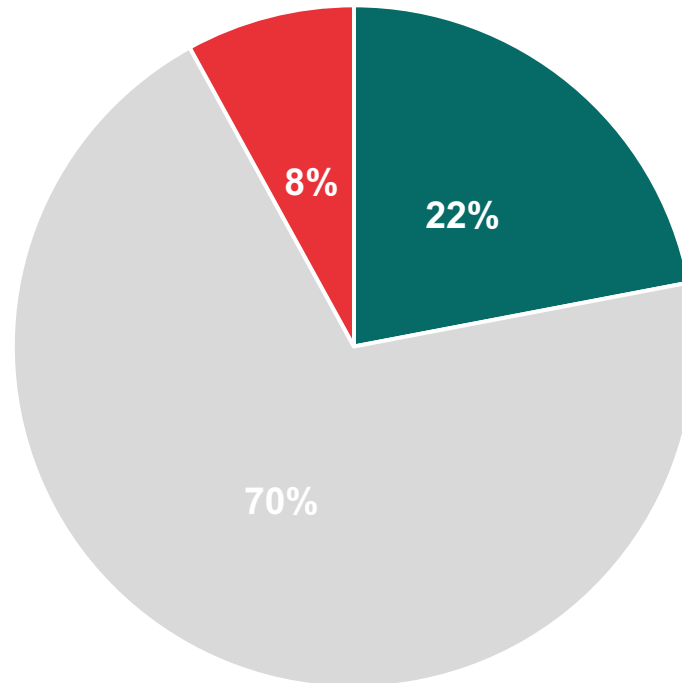
## COVID-19 LEADERSHIP

# Consumers Almost 3x More Likely to Say CEO's Handling of COVID-19 Has Made them More Favorable Toward CEOs than Less Favorable Toward Them

To what extent has CEOs' handling of or actions since the coronavirus outbreak impacted how you rated their favorability?

Average of 315 CEOs Morning Consult Tested

■ Made me more favorable ■ No impact ■ Made me less favorable



Report Author



**VICTORIA SAKAL**

Managing Director, Brand Intelligence

[vsakal@morningconsult.com](mailto:vsakal@morningconsult.com)

Victoria Sakal is the Managing Director of Brand Intelligence for Morning Consult, leading the company's brand intelligence research, focusing on the intersection of data with marketing strategy, brand reputation, and consumer trends, and is an expert in distilling actionable insights to develop impactful brand strategies.

# TRACK CEO REPUTATION WITH MORNING CONSULT

Morning Consult tracks the reputation and job performance of over 300 CEOs across a range of metrics and demographics, including consumers, retail investors and decision-makers. Contact us to request a custom report on your CEO.

**GET IN TOUCH**

[bit.ly/2MGAQ8x](https://bit.ly/2MGAQ8x)

 **MORNING CONSULT®**