Survey Summary: How Managers and Execs Rate Their CEOs

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Judging by news headlines — not to mention convictions — from the last few years, it's no surprise that most Americans take a decidedly inglorious view of today's chief executive officer.

The rap: They're egregiously overpaid. Or incompetent. Or incapable of telling the truth. Or some truly loathsome combination of all three. Even Whole Foods leader John Mackey, a "good guy" CEO perceived to be America's best-performing underpaid chief exec, has been shown to have serious defects as a leader and isn't the hero figure that even corporate governance gurus thought he was. Mackey's recent fall from grace is only the latest example of how public faith in the office has been undermined.

The Overall Report Card

CEOs got high marks for smarts and ethics, but low grades for accessibility and compassion

Of course, public perception often doesn't square up with the reality of running a business. That's one reason BNET recently commissioned an exclusive survey of 1,500 U.S. business managers and executives — arguably the CEO's toughest critics and those whose opinions matter most — to find out what they really think of the top boss: What are their CEO's key strengths and vulnerabilities? How well — or how badly — do they delegate, lead, inspire, share credit, make decisions, handle crises, foster good ideas and collaboration, and train future leaders?

The results, which we share and analyze in this exclusive BNET report and accompanying survey results, show that senior managers and execs don't consider their CEOs to be the fools and ne'er-do-wells that outsiders (and often shareholders) think they are. These leaders get high marks in many categories. By the same token, there's a gap in perception even from inside a company's management circle: The BNET survey shows that CEOs aren't doing nearly as good a job as they think they are. Grading their head honchos on a list of attributes that included ethics, leadership, and approachability, employees gave CEOs a lukewarm C+ grade overall. When the CEOs graded themselves, their grade jumped to a B+. CEOs got the worst marks from employees judging them on social skills like the ability to inspire, be compassionate, and approachable.

The report card did hold some good news for top execs. They got very high marks for the passion they had for their business, ethics, and intelligence. They also got mostly As and Bs for delivering results. By a large majority, both employees and CEOs agreed with this statement: "CEOs and company presidents tend to be overpaid."

Interestingly, in every criterion we asked about — from ethics to communication — the CEO's self-assessment was far rosier than the appraisal of those who worked for them. CEOs were almost twice as likely as employees to "strongly agree with the statement: "Most CEOs and company presidents do a good job leading there organizations." Frequently, the high marks CEOs gave themselves had little relationship to the scores given by employees. For example, CEOs and employees dramatically disagreed on whether the CEO was listening to innovative ideas from lower-level staffers. Nearly three-fourths of CEOs said that good ideas “always” or “often” percolated up through the organization, while roughly a third of employees agreed with that assessment. More disturbing still was that nearly 25 percent of the rank and file thought good ideas “never” or “rarely” made their way up the food chain.

BNET reviewed the survey with a number of business leaders, academics, and experts to get to the bottom of the results — particularly that troubling gap between the CEOs’ self regard and the opinions of their employees. Do CEOs have blind spots that make it impossible to get an objective view of their own performance? Are subordinates judging the CEO unfairly? Does a CEO have to be well-liked by his or her employees to do a good job?

CEOs might dismiss the evaluation of employees as inherently unfair. After all, employees don’t see everything a CEO does, and chief execs often are held accountable for problems entirely out of their control. If a storm in Timbuktu disrupts the supply chain, the CEO is likely to take the hit. Well-meaning CEOs may fall under suspicion simply because so many other unethical execs are making front-page headlines. Regardless, all of the experts we talked to warned against the natural tendency to explain away bad news.

“It doesn’t matter who’s right or wrong,” says Michael Abrashoff, a former Navy captain and the author of “It’s Your Ship: Management Techniques from the Best Damn Ship in the Navy.” “Negative perceptions about the CEO are a signal that not everyone is aligned with where the CEO wants to take the company. That is a problem worth taking seriously.”

“The issue here is not whether the evaluation of the CEO is fair or not,” adds William Wallick, who spent two decades in corporate human resources and now teaches business management courses at the University of Scranton in Pennsylvania. “The employees’ perception of the CEO is a reflection of the employees’ reality. When an employee gives low marks to a CEO, it means that the boss is not meeting their needs. It is not about whether the evaluation is fair or who is to blame. The issue is how do you fix it?”

Behind the Numbers

BNET’s CEO Report Card was culled from over 1,500 completed surveys among BNET registered users. Respondents came from a wide range of industries including health care, finance, and manufacturing. The majority work for large companies: nearly half of respondents worked in organizations with 1,000 people or more. And the vast majority — over 75 percent — listed themselves as senior managers or higher.