



Powering the world's most reputable companies

Reputation and CEO RepTrak®

May 17, 2018



Focus for Today



- A new model for measuring leadership
- Changing role of leadership
- What does it mean to be a successful leader?
- Top CEOs and what defines them
- Most reputable CEO reveal
- Honorable mentions
- Measuring your CEO

New Measurement System for CEO: *Introducing CEO RepTrak®*

G15 Economies: CEO RepTrak®

28,000+

Individual ratings

139

CEOs

Informed
General Public

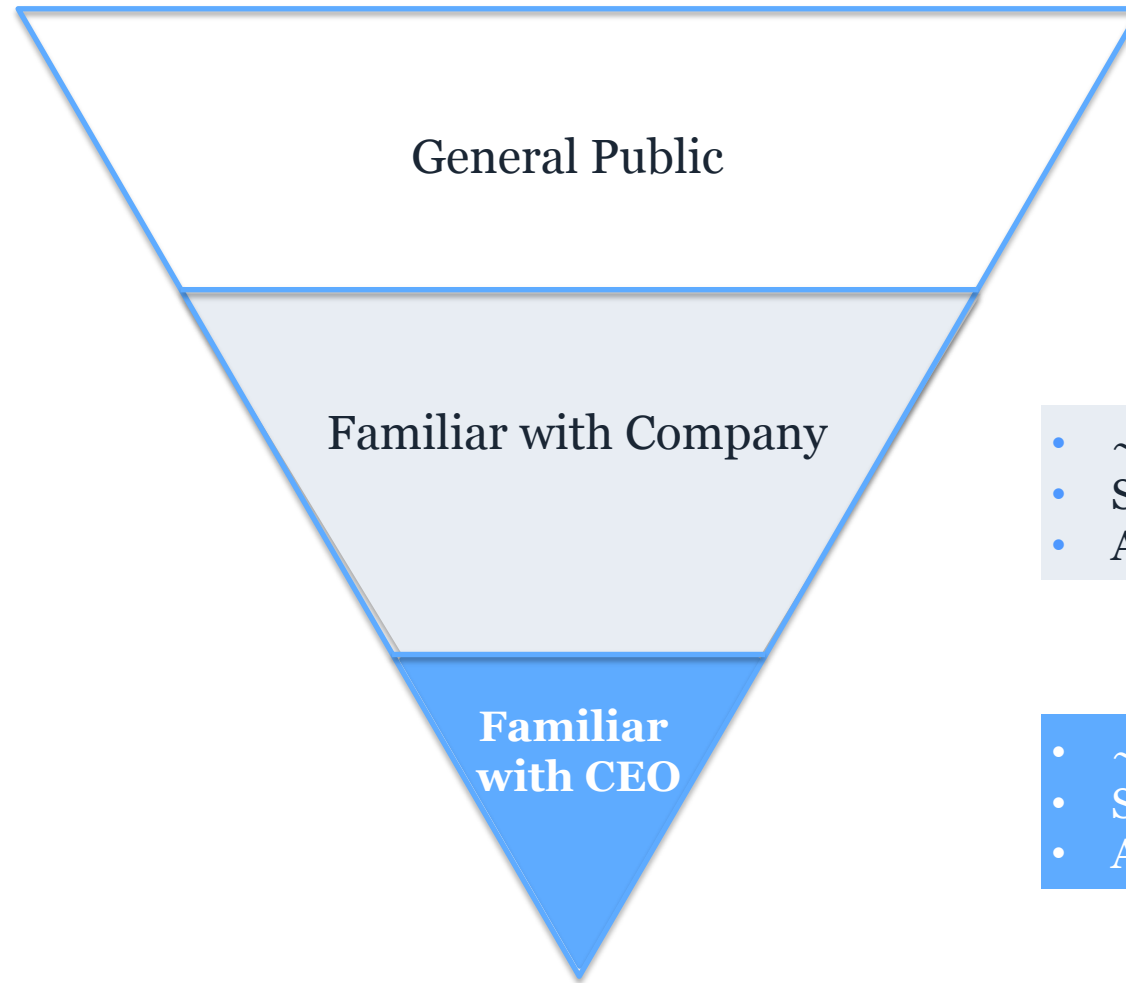
Somewhat or very familiar with
CEO's company and CEO

2 months

January-February 2018



CEO RepTrak® Methodology



- ~50% of the general public
- Somewhat or very familiar with [company]
- Able to complete [company] pulse rating

- ~12% of the informed general public
- Somewhat or very familiar with CEO
- Able to complete the CEO pulse rating

CEO RepTrak®: The Model

THINK

CEO REPTRAK® DIMENSIONS Cognitive Consideration

The CEO has a strong leadership image, clear strategic vision, and anticipates change.

The CEO has good communications skill, a global perspective, and is viewed as highly influential.

The CEO acts responsibly, behaves ethically, and cares about social causes.

The CEO is an effective manager who understands the business, and creates stakeholder value.

LEADERSHIP

INFLUENCE

RESPONSIBILITY

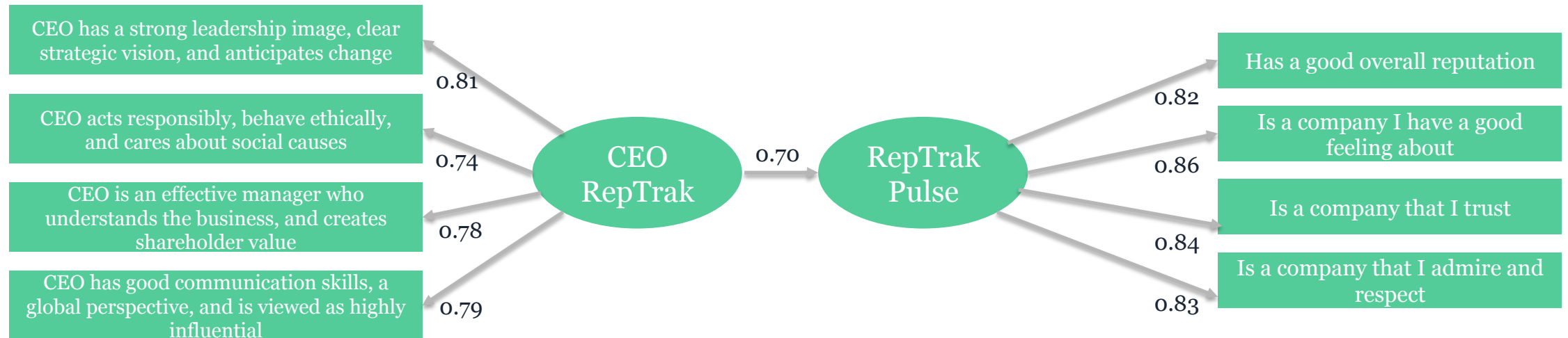
MANAGEMENT

FEEL

CEO REPTRAK® PULSE Emotional Connection



CEO vs. Company RepTrak® Validation



RepTrak® Model vs. CEO RepTrak® Dimensions

GFI: 0.974
CFI: 0.978
NFI: 0.978
RMSEA: 0.074

Changing Role of Leadership:

The rules of leadership are shifting

Global Importance of Leadership



Typical CEO Definition

“ Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion...as a CEO the expectation is to primarily deliver long term, risk adjusted shareholder value. ”

Jack Welch,
Ex-CEO,
General Electric

But a CEO's Reputation Can't Rely on Financial Results



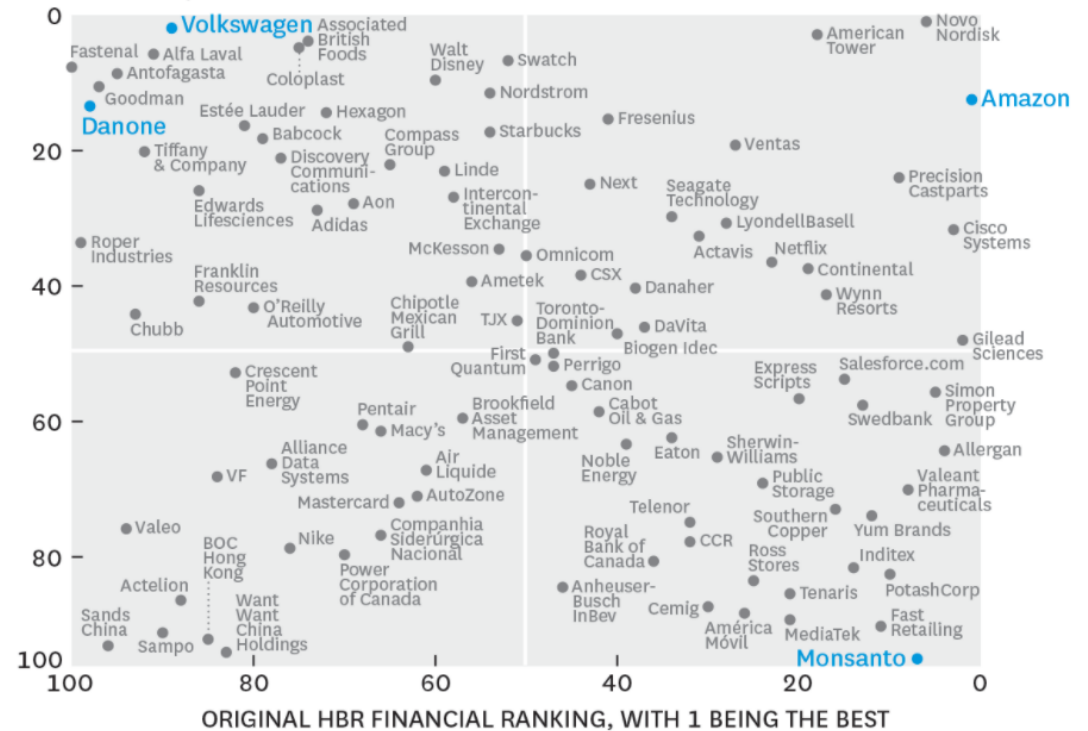
“Reputation Institute’s statistical analysis suggests that some 35% of a CEO’s legacy can be explained by financial performance, with the remaining 65% by non-financial criteria.

A great CEO’s legacy is never as one-dimensional as the ledger.”

Dr. Charles Fombrun, *How Do You Rank the World’s Best CEOs?*, HBR 2015

DELIVERING STRONG FINANCIAL RESULTS DOES NOT GUARANTEE A GOOD REPUTATION

REPTRAK RANKING, WITH 1 BEING THE BEST

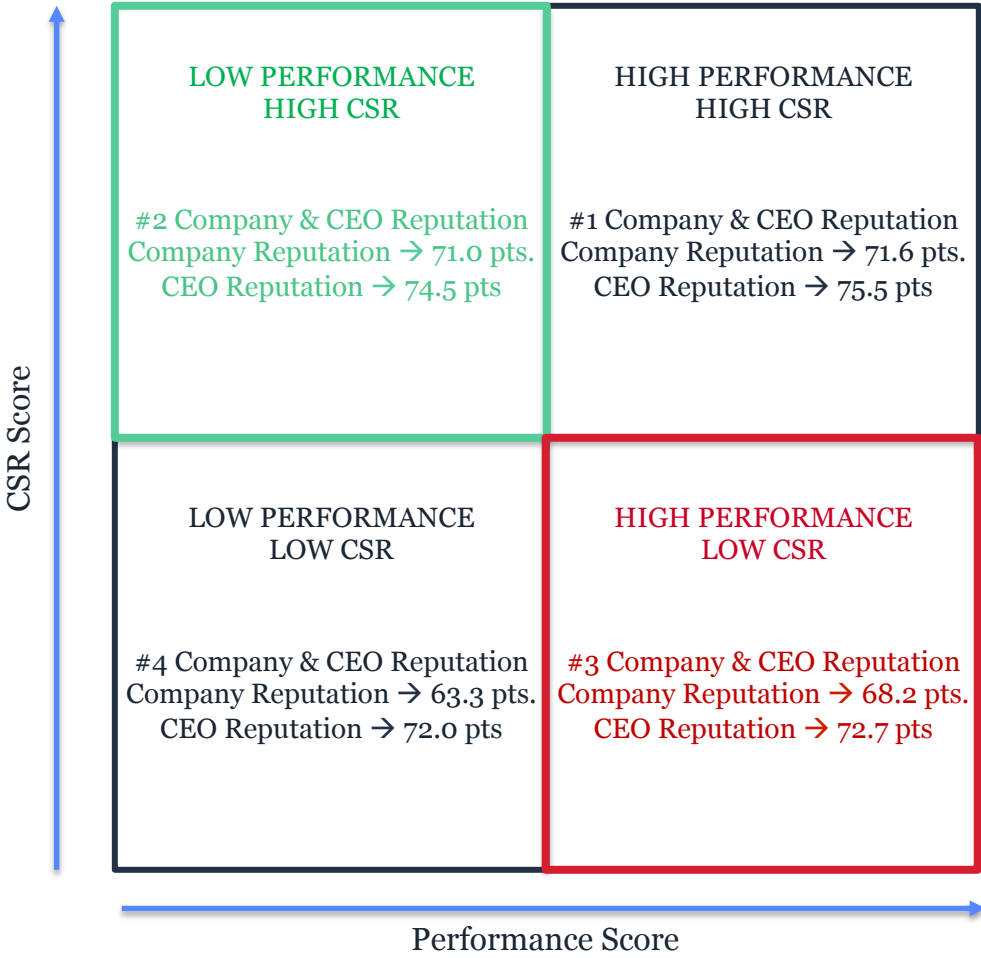


SOURCE REPUTATION INSTITUTE

HBR.ORG

Financial Performance ≠ Strong Reputation

Companies that **prioritize CSR** have a stronger corporate and CEO reputation than those who focus on financial metrics.

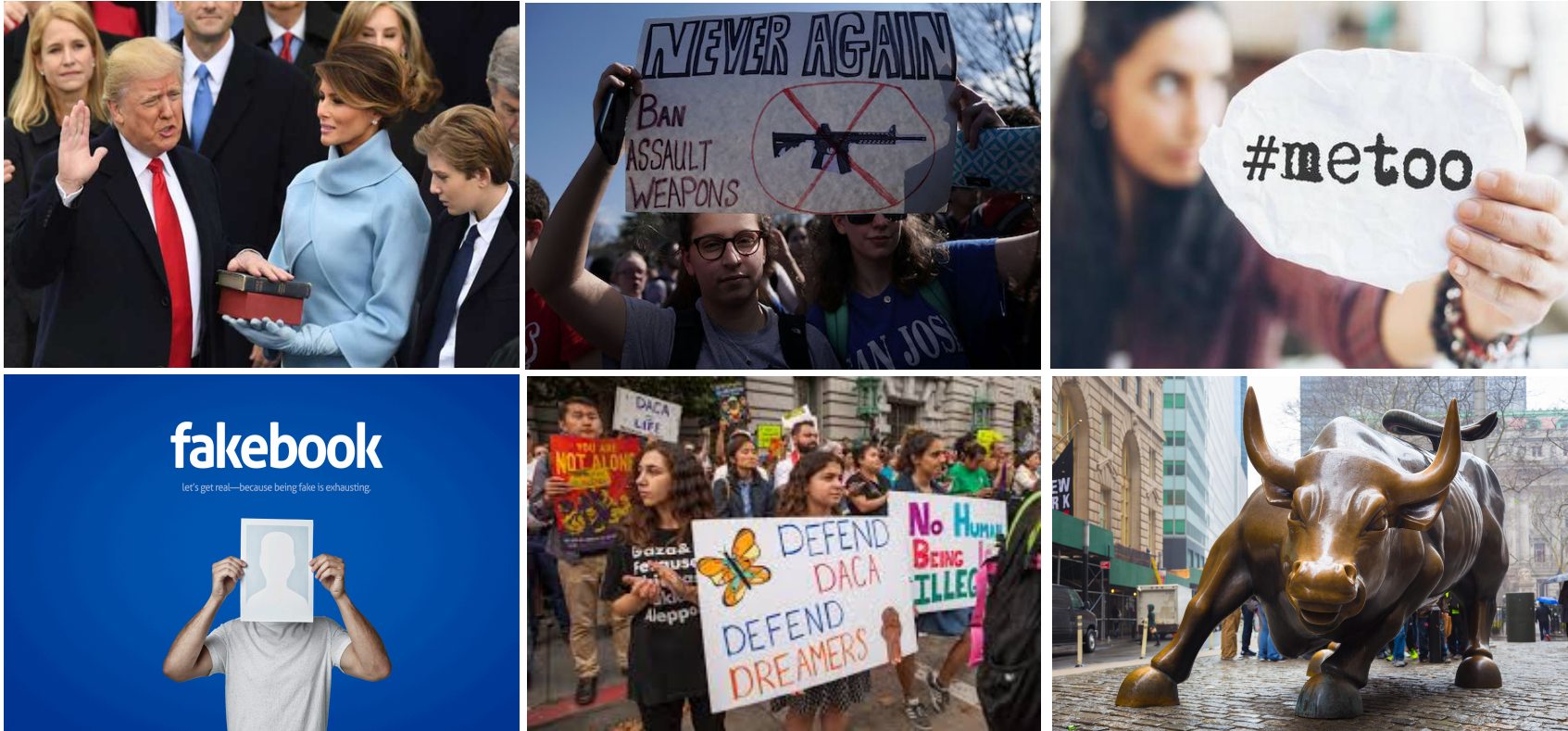


No Longer the Era of the Celebrity CEO

Celebrity CEOs focus on personal brand, populism, and character – these CEOs are used to predominantly focus on leading with products and innovation.



Headwinds are Changing CEO Expectations



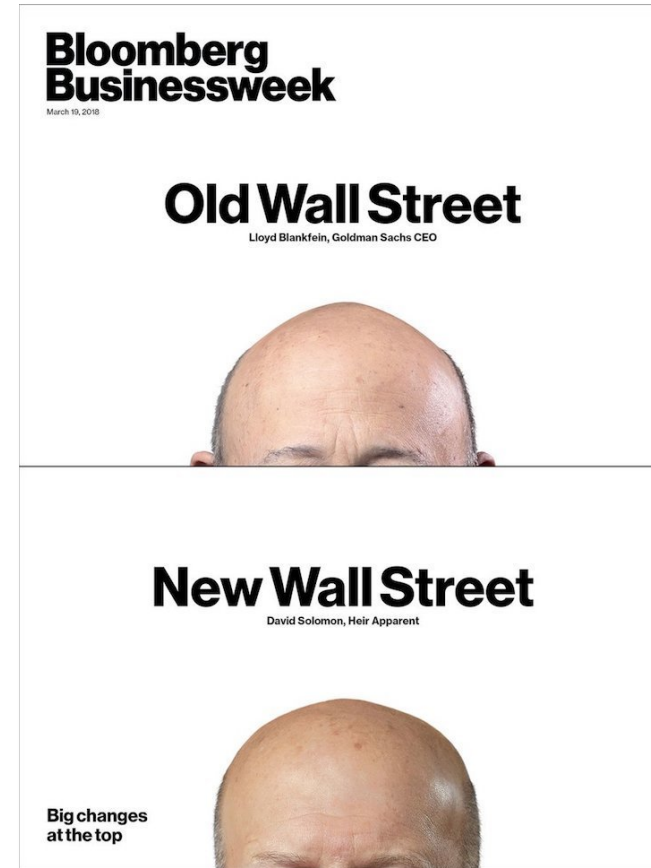
There is a new era emerging in which the **intangibles of reputation** are driving political, social, and economic change and **giving CEOs reason to reconsider their role.**

2018: Increasing CEO Turnover

CEO turnover in 2018 is the highest it has been in 8 years – **over 132 CEOs stepped down** in January 2018.

In our data **4% of measured CEOs have been replaced.**

As CEOs are before replaced, are companies hiring the **right new CEOs?**



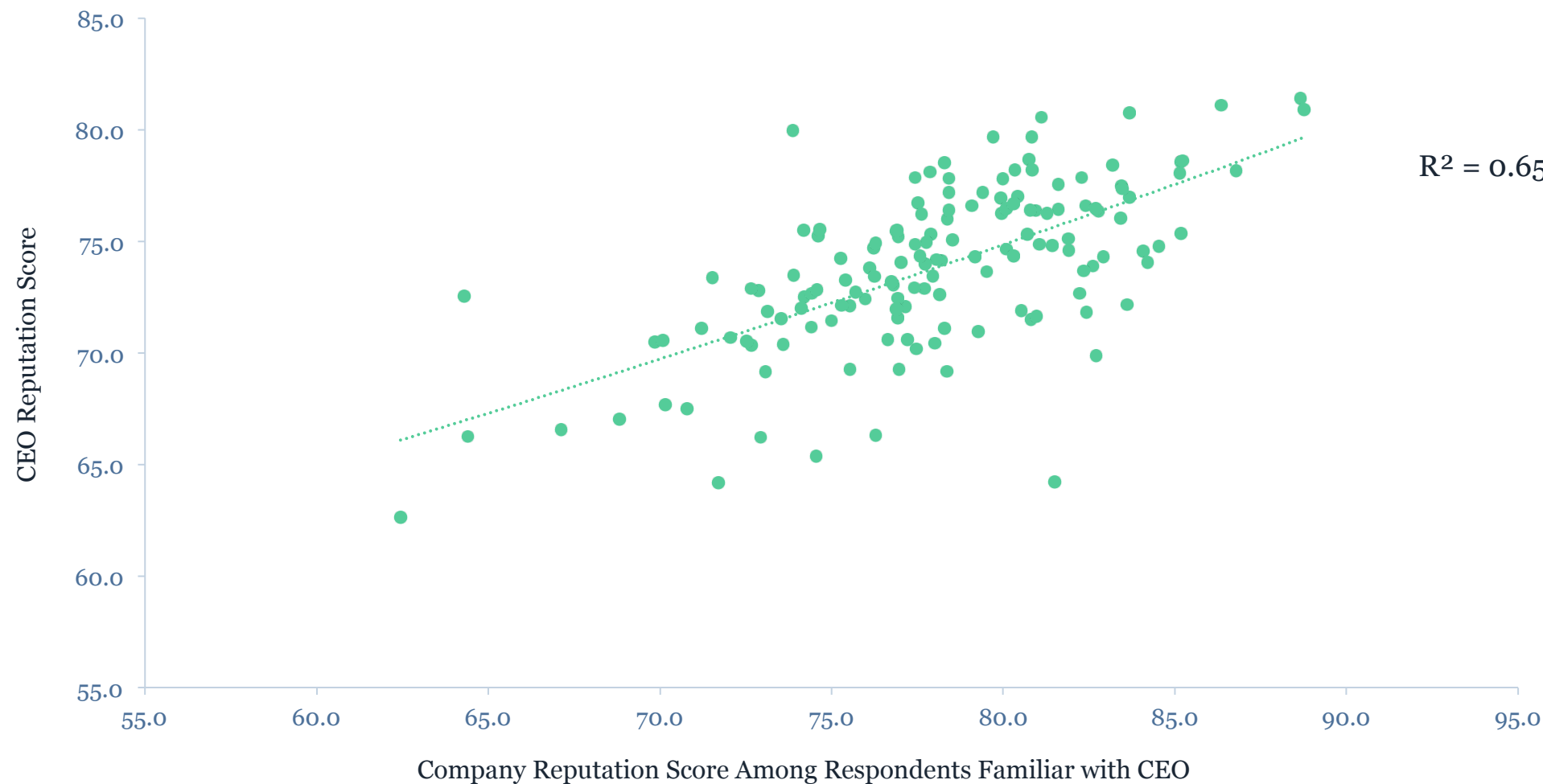
Digging Deeper:

What does it mean to be a successful leader?

1 Unleash the Voice of the CEO

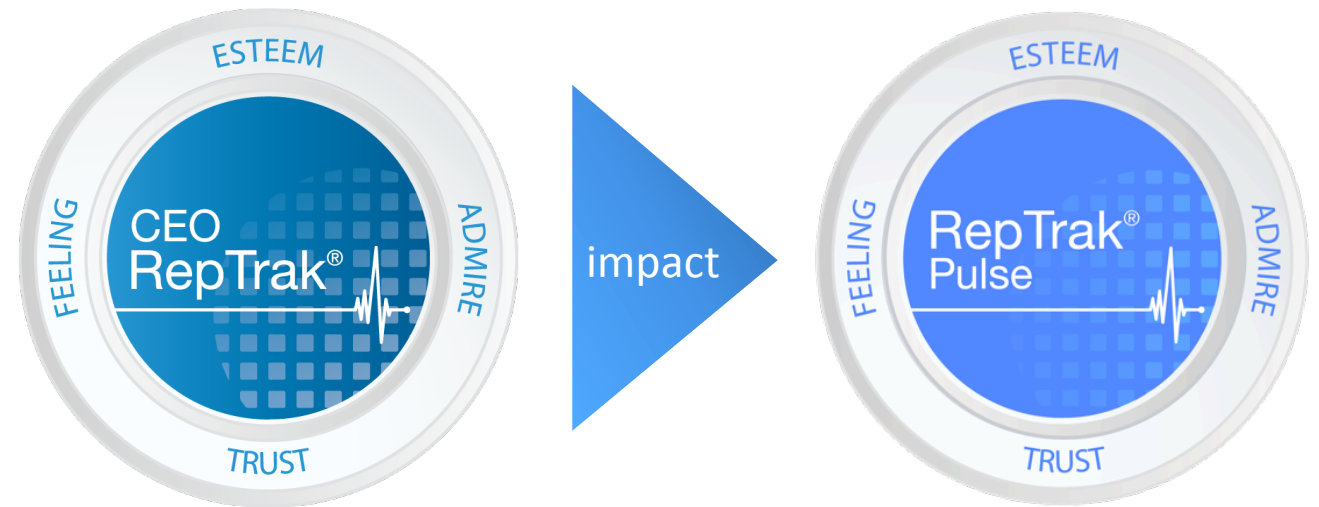
CEO Shapes Company Reputation

Association Between CEO Reputation and Corporate Reputation



CEO's Impact on Corporate Reputation

- Overall, CEO reputation globally accounts for **14% of corporate reputation**
- CEO reputation in the US accounts for **16% of corporate reputation** -- this is one of the highest globally.



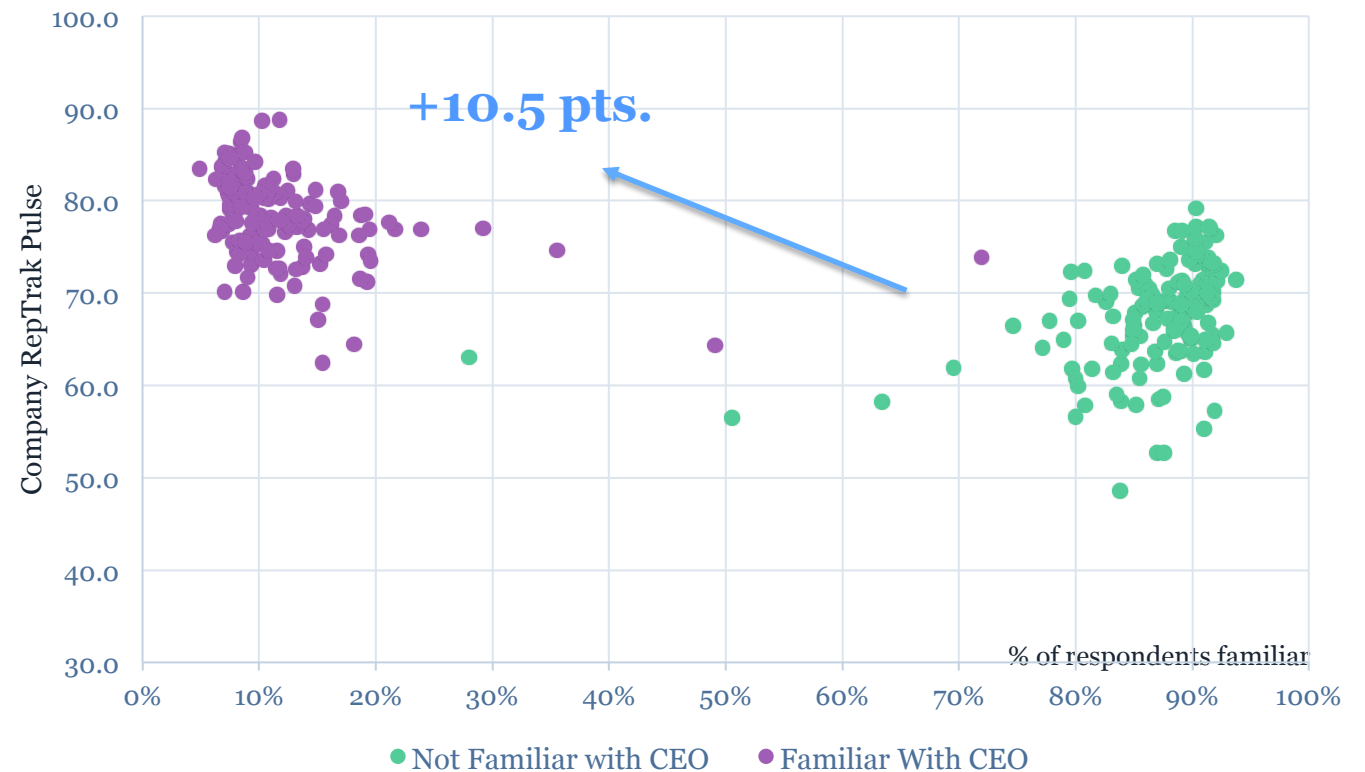
Be Visible, Build A Depth of Understanding

CEOs have an average of 12% familiarity among the public.

CEOs need to create depth of understanding of what they stand for – familiarity can create a reputation lift:

+10.5 pts

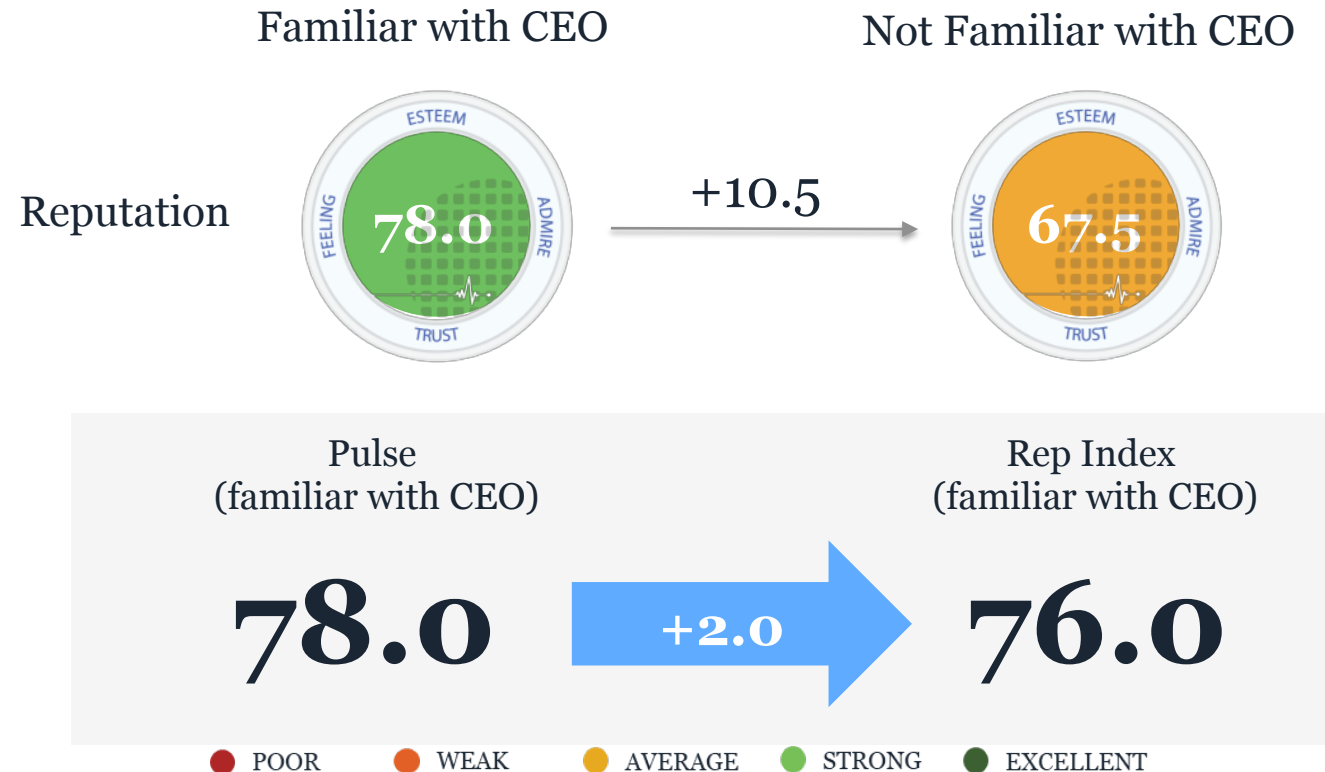
Association Between CEO Familiarity and Corporate Reputation



Build Emotional Equity

- Among respondents who are familiar with the companies' CEOs, the companies' reputations have **a +10.5 point reputation lift**
- Respondents familiar with the CEO have a stronger emotional connection **+2.0 points vs. Rep Index**
 - That's 2x higher when compared to those not familiar with the CEO

Reputation and Emotional Connection Familiar with CEO vs. Not Familiar with CEO

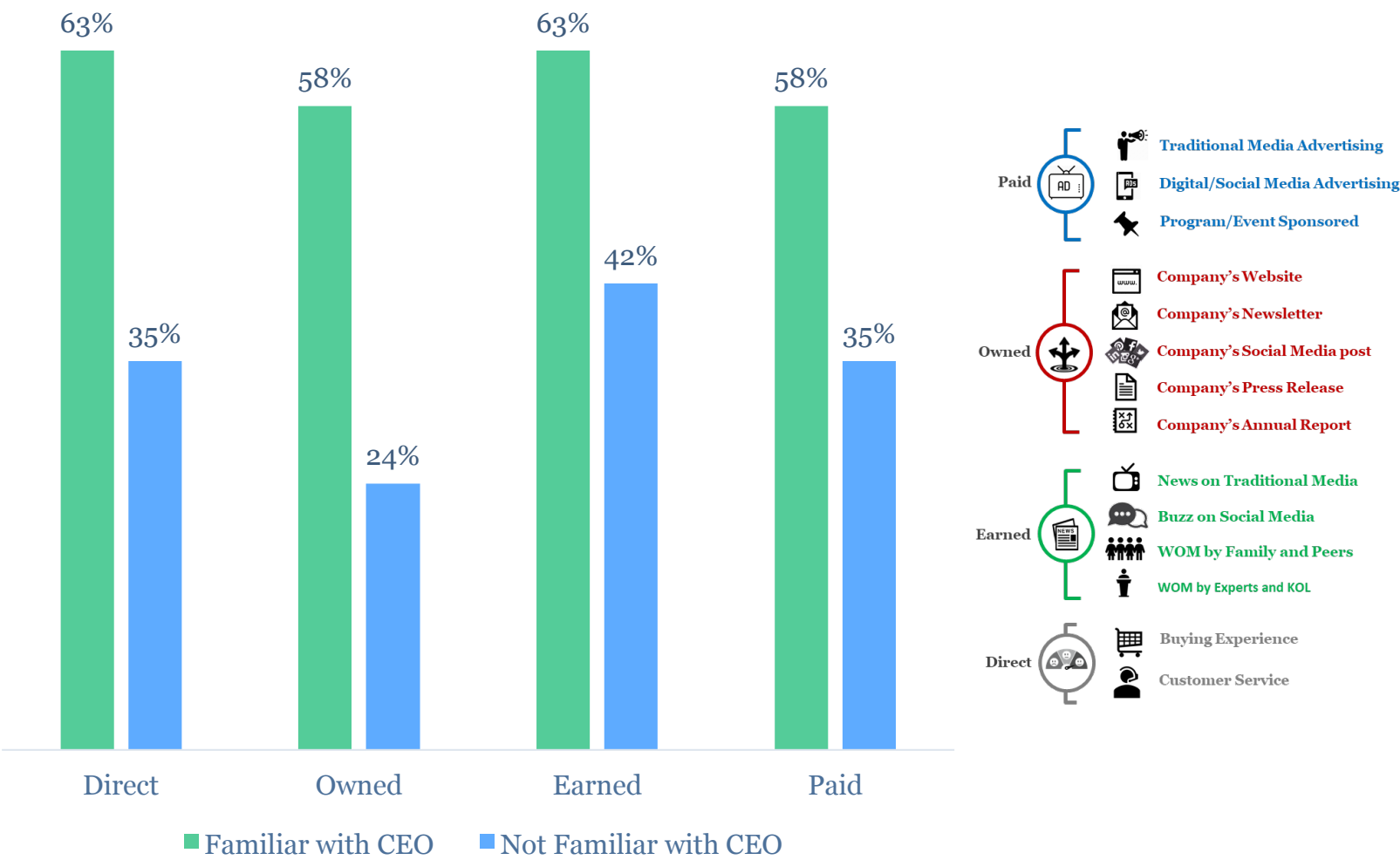


Significant difference > 1.4

CEO's Impact on Communication

Communication reach of corporate communication among respondents familiar with a company's CEO is **2X** than among those not familiar with the CEO

CEOs' must build familiarity and help facilitate meaningful and focused communication with an even stronger reach



2 CSR Focus

New Definition of a CEO

“Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society.”

Larry Fink,
Chairman and CEO, Blackrock
2018 Letter to CEO's

New Era of CEO Activism

- Good leadership is **linked with societal contribution** and ethical and transparent behavior.
- The highest dimension lifts among those familiar with CEOs are in the key dimensions of citizenship and governance.

CEO Reputation Impact Company Dimensions

Respondents Familiar with CEO		Respondents Not Familiar with CEO
72.0	Citizenship + 9.9 points	62.1
73.1	Governance + 9.6 points	63.5
77.2	Leadership + 8.1 points	69.1

Significant difference > 1.4

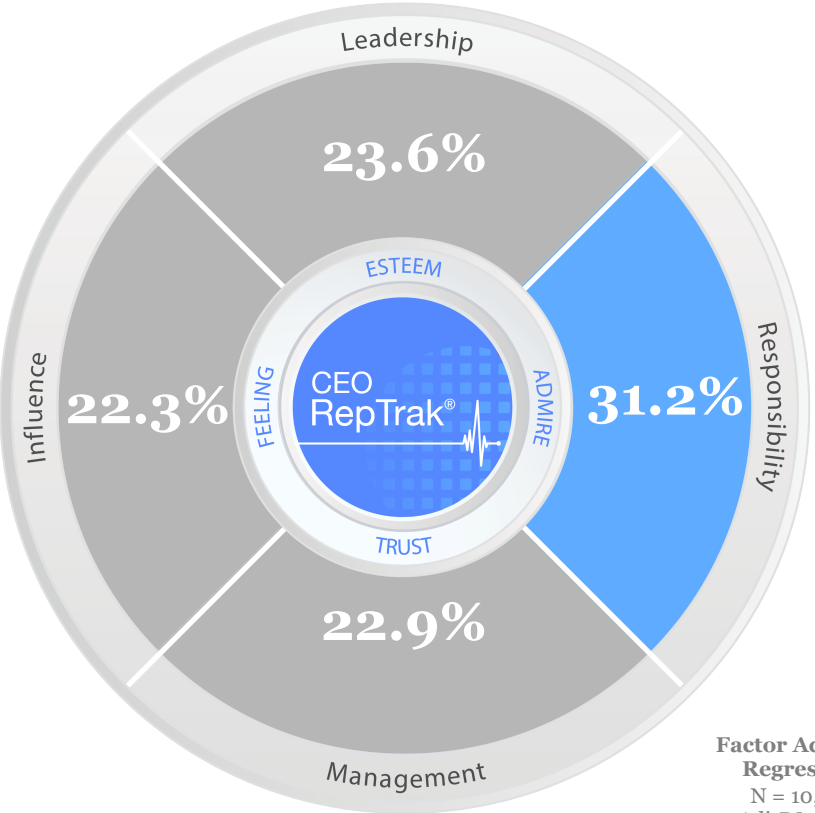
● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

3 CEO Reputation Drivers

CEO Dimension Weights

Being responsible,
behaving ethically and
caring about social causes drives
almost one third of a CEO's
reputation.

Global 2018 CEO Dimension Weights



Factor Adjusted
Regression
N = 10,500
Adj-R² = 0.51

Optimal CEO Persona

Brand Persona Impact on Reputation



To have a positive impact on reputation CEOs need to be charming, exciting and genuine. The archaic “greed is good” CEO personality has a negative impact on reputation.

Recognizing the Top CEOs: What Defines Them

Top 10 CEOs



Keith Barr
(InterContinental Hotels Group)



Tatsumi Kimishima
(Nintendo)



Sundar Pichai
(Google)



Denise Morrison
(Campbell Soup Company)



Dirk Van de Put
(Mondelez International)



Ralph Hamers
(ING)



Bernard Hess
(The Kraft Heinz Company)



Jeff Weiner
(LinkedIn)



Fabrizio Freda
(The Estée Lauder Companies)



Giorgio Armani
(Giorgio Armani)



Global CEO RepTrak

- 6 out of the top 10 CEOs are executives of US companies
- 3 of them are CEOs of European companies and one of a Japanese
- The top 10 CEOs belong to the following industries: financial, technology, food & beverage, consumer and hospitality

Top 10 CEOs: What Defines Them



Keith Barr
(InterContinental Hotels Group)



Tatsumi Kimishima
(Nintendo)



Sundar Pichai
(Google)



Denise Morrison
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Giorgio Armani
(Giorgio Armani)



- Empathy
- Trust
- Consistency
- Doing Good
- Openness

Empathy

- For CEOs in the top 10 their reputation score is almost in alignment with the CEOs scores in the 4 dimensions (leadership, responsibility, management and influence)
- For the rest of the CEOs their rational score (74.9) is 1.5 points higher than their reputation score (73.4) – there is a lack of emotional connection

TOP 10 CEOs

Difference between
Emotional Score (CEO
Pulse) and Rational Score
(CEO Dimensions)

0.2 pts

Rest of CEOs

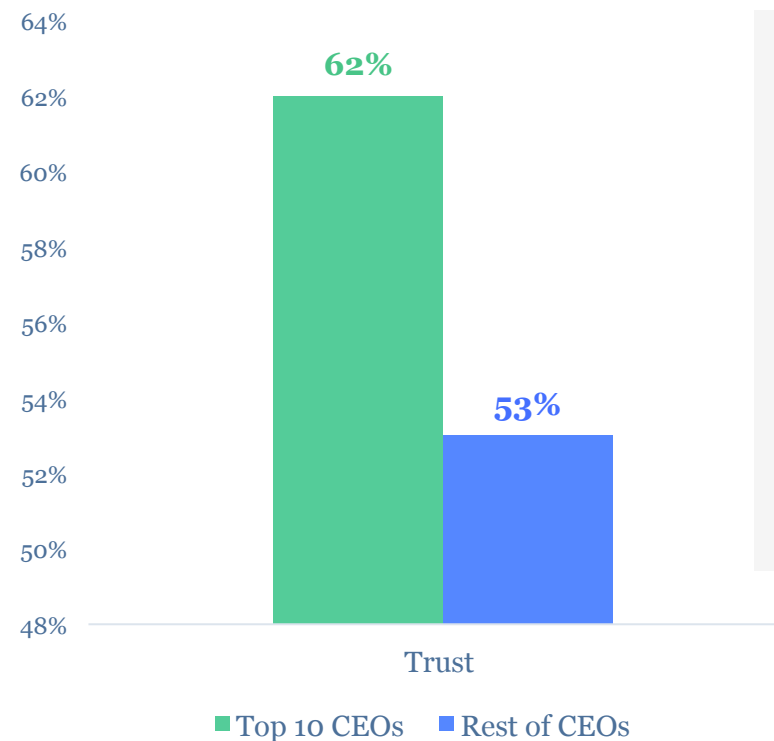
Difference between
Emotional Score (CEO
Pulse) and Rational Score
(CEO Dimensions)

-1.5 pts

Trust

- Among respondents familiar with the Top 10 CEOs, companies receive a trust of **62%**
- For the companies among respondents familiar with the rest of the CEOs the trust level is 9% points lower: **53%**

**Supportive Behavior (T2%)
Among those Familiar with CEO**

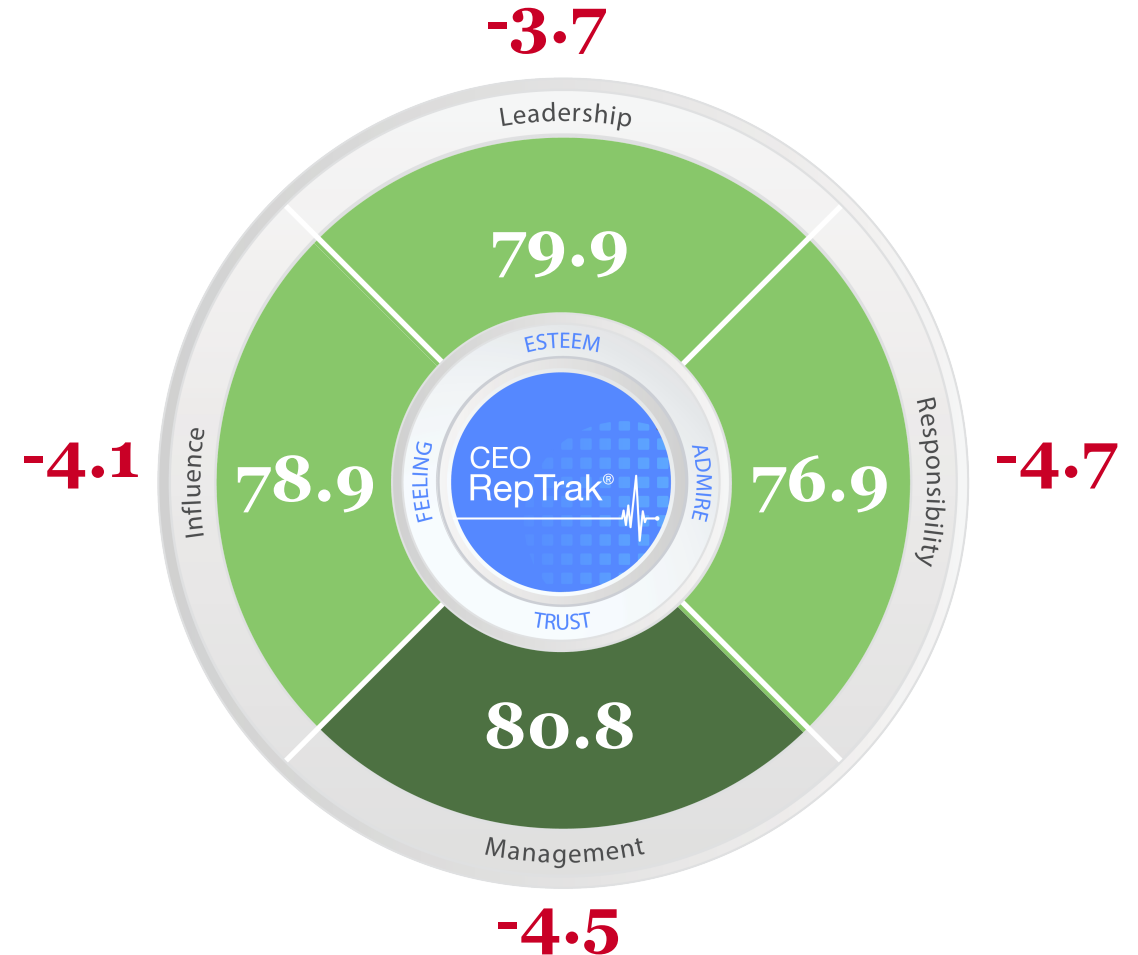


The impact on trust among those familiar vs. not familiar with the Top 10 CEOs is **1.4X** stronger than the impact of the rest of the CEOs

Consistency

- Across the 4 CEO dimensions the Top 10 CEOs outperform the rest by an **average of 4 points**
- The dimension in which the difference is the highest is the most important CEO dimension – **responsibility**

Top 10 CEOs Dimension
Scores vs. Other CEOs



● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

Doing Good

- Among respondents familiar with CEOs of the Top 10, the companies have a very strong CSR score of 78.9
- This **CSR score is 3.4 pts higher** than the respondents familiar with CEOs of the rest of the companies
- CSR dimensions governance and citizenship are global key drivers of reputation

Company CSR Scores Among those Familiar with CEO

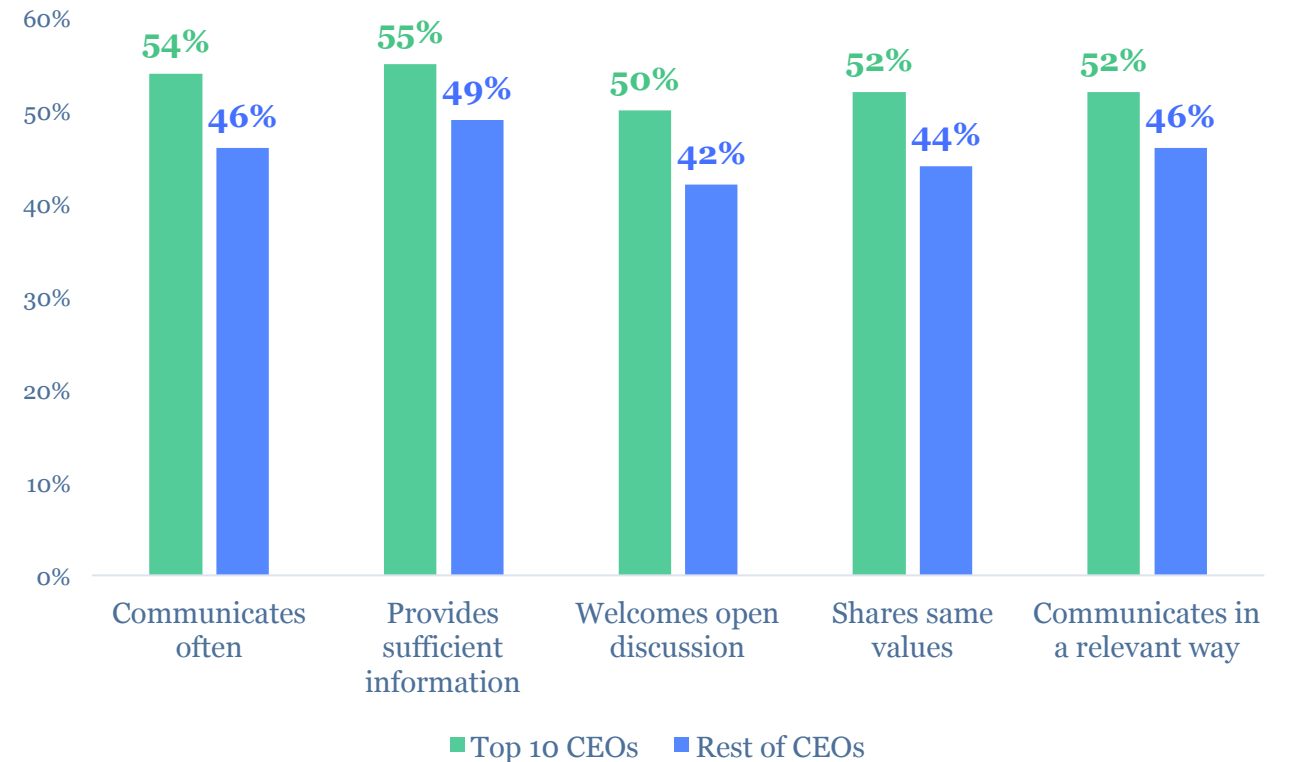


● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

Openness

Among respondents familiar with the Top 10 CEOs, they perceive the companies as facilitating open, frequent, purposeful and relevant communication -- as well as to share same values as the general public

**Company Brand Expressiveness %
Among those Familiar with CEO**



Most Reputable CEO in the World

Top 10 CEOs: Who is the Most Reputable?



Keith Barr
(InterContinental Hotels Group)



Tatsumi Kimishima
(Nintendo)



Sundar Pichai
(Google)



Denise Morrison
(Campbell Soup Company)



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Sundar Pichai
Google

Most Reputable CEO: Sundar Pichai

- Sundar Pichai, Google's CEO has **an excellent reputation** and the highest reputation out of the eligible 139 CEOs measured
- Across the CEO dimensions, he has an excellent scores in leadership, management and influence and a **very strong score in responsibility**
- Pichai is a CEO with a strong leadership image, clear strategic vision, and known for anticipating change



Sundar Pichai: Doing No Evil

- Although private by nature, Pichai speaks out about what he believes in -- and more importantly implements them within Google
- Pichai has been outspoken and taken actions to provide relief for Puerto Rico before the federal aid was sent in -- he stood his ground on immigration and climate change when the government took actions against it
- Internally, Sundar fired an employee who wrote a controversial memo on workplace diversity, stating that “it is important for the women at Google, and all the people at Google, that we want to make it an inclusive environment”



"Let's not let fear defeat our values. We must support Muslim and other minority communities in the US and around the world."

(Pichai, Business Insider)

CEO Dimensions: Sundar Pichai

Influence

- Took actions and stood for diversity in the controversial employee memo scandal
- Taking a leadership stance on AI development: “We have a deep responsibility to get this right”

Management

- Drives growth, partnerships and product innovation
- Is regarded as one of the highest rated CEOs by employees (96% in 2017 on Glassdoor)



Leadership

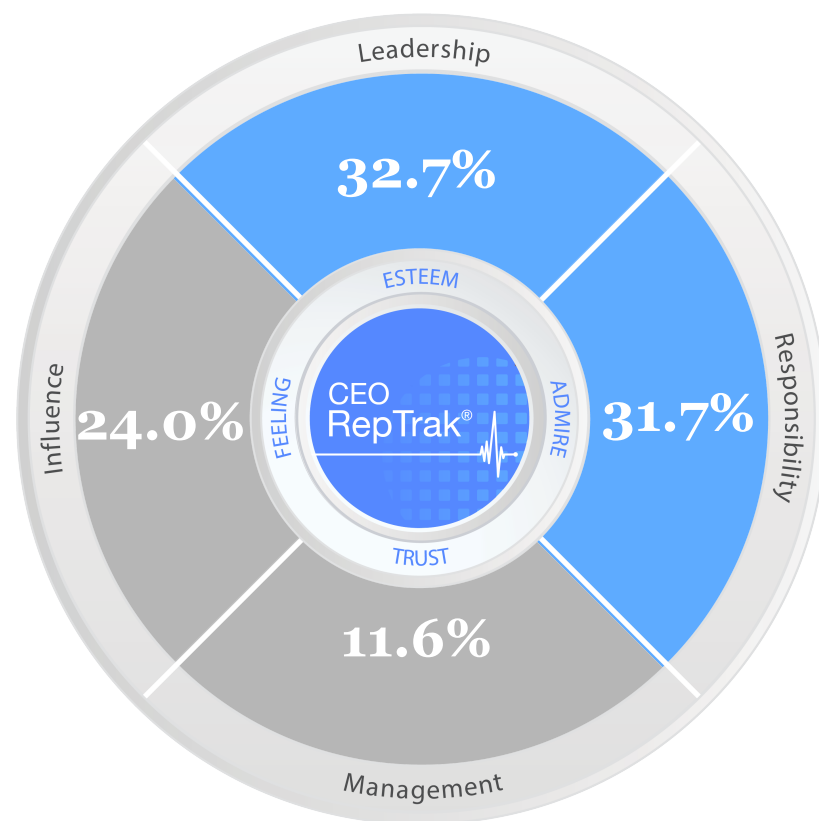
- Style of leadership is to let others succeed
- Primary focus on results rather than ego

Responsibility

- Pledged donations to aid countries post-natural disasters - Puerto Rico hurricane, Mexico earthquake and South Asia flooding
- Speak out and lobby for DACA, immigration and climate change

Sundar Pichai: Social and Digital Media Narrative

The most prevalent CEO reputation dimensions on social/digital media



In the media space, Sundar Pichai has a well rounded profile, with the dimensions of leadership, responsibility and influence all being discussed at a similar level.

A key topic discussed under responsibility is Pichai speaking out over the anti-diversity memo.

CEOs of Honorable Mention

Honorable Mention: Denise Morrison -- Campbell's

- Denise Morrison, Campbell's Soup's CEO has **a strong reputation** and is the female CEO with the highest reputation
- Across the four CEO dimension Denise Morrison has strong scores
- Morrison has a positive impact on Campbell's reputation with a 11.8 point lift bringing Campbell's from an average (67.9) to an almost excellent reputation (79.7)

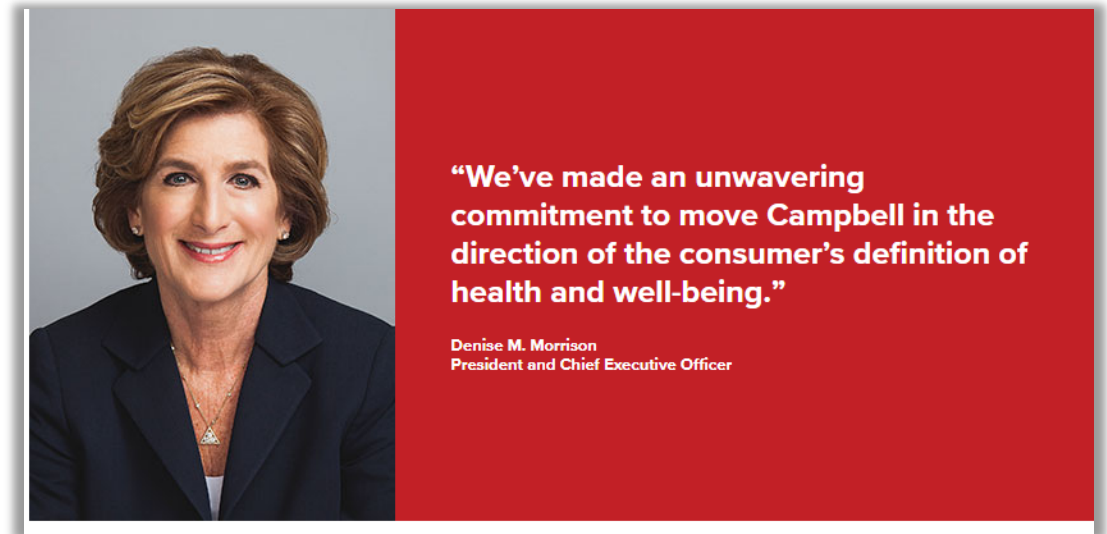
Denise Morrison
Global CEO RepTrak® Pulse



● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

Denise Morrison: Purpose-Driven Leadership

- Denise Morrison has taken Campbell's Soup from quick, "canned food company" to a company that is a strong advocate for fresh food and ingredient transparency – she is a CEO who is leading change with a purpose.
- In 2017 Campbell's left the GMA due to its stance on GMO labeling that no longer aligned with Campbell's values – Morrison told investors that "the move was not for financial reasons but instead was "driven by purpose and principles." (*Politico*)



"Guided by our purpose, 'Real food that matters for life's moments,' [we've evolved] from being reliant on soup to a more diversified and dynamic company."

-Campbell's Soup CEO, Denise Morrison

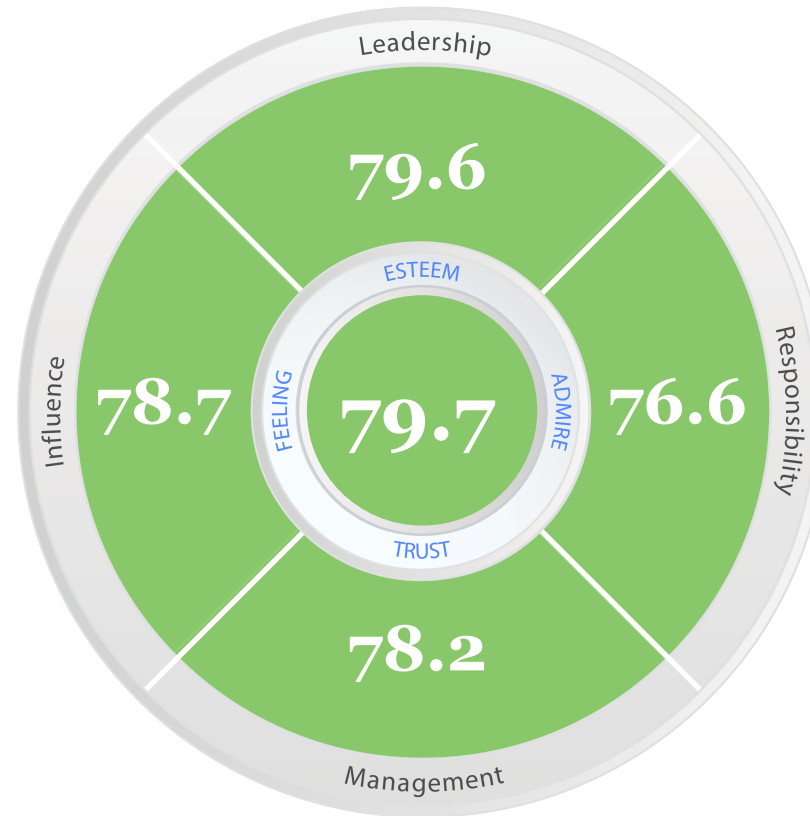
CEO Dimensions: Denise Morrison

Influence

- Focus on turning Campbell's into a force of good and setting the standards for the food & beverage industry
- First woman CEO at Campbell's Soup

Management

- Increased Campbell's stock price
- Expanded the focus of the company and allowed it to compete with younger companies



Leadership

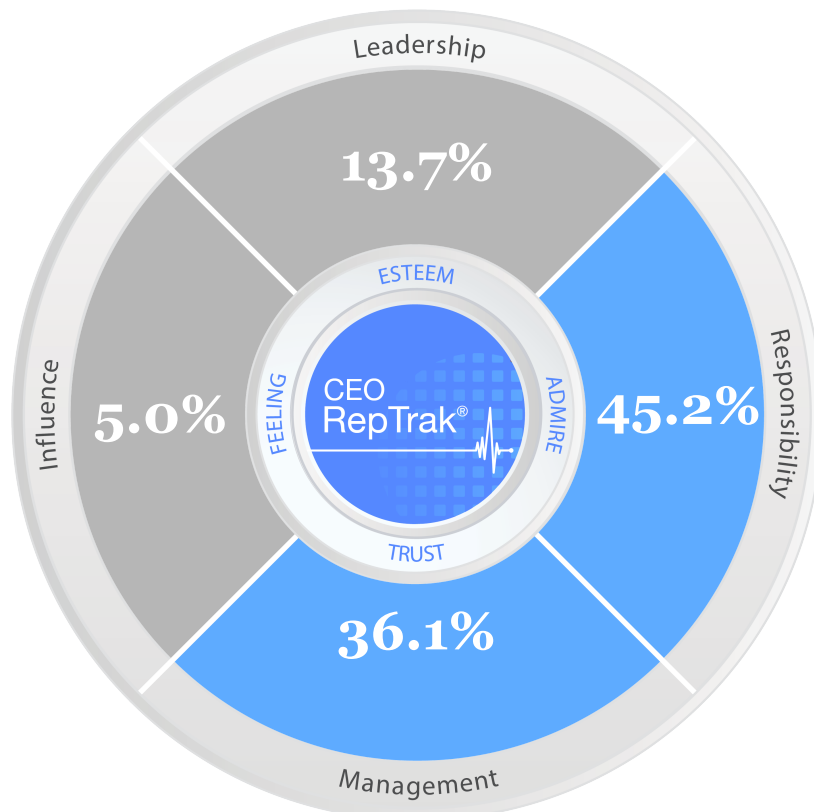
- Reshaped the culture of Campbell's to keep it relevant and young
- Multiple acquisitions and changed the direction of the company
- Win loyalty of millennials through focus on healthy and fresh food

Responsibility

- Advocate for ingredient transparency and fresh food
- Outspoken about women in leadership roles and a mentor to women at Campbell's

Denise Morrison: Social and Digital Media Narrative

The most prevalent CEO reputation dimensions on social/digital media



For Denise Morrison, the largest part of the media **conversation falls under responsibility**, especially related to her leaving the Trump Advisory Council

Another key conversation is under management pertaining to the acquisition of Snyder's-Lance.

Honorable Mention: Tatsumi Kimishima -- Nintendo

- Tatsumi Kimishima, Nintendo's CEO has **an excellent reputation globally**
- Kimishima has an excellent score in leadership, management and influence and a strong score in responsibility
- Kimishima has a positive impact on Nintendo's reputation with a 15.7 point lift bringing Nintendo's strong reputation to an excellent: 88.8 points

Tatsumi Kimishima Global CEO RepTrak® Pulse



● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

Tatsumi Kimishima: Support Creative Legacy

- Tatsumi Kimishima became Nintendo's leader in an emotional time after the passing of Iwata and took on the **task of running the company during a difficult time**
- Kimishima's leadership style focused on long-term success and setting up Nintendo for the future by utilizing the talent and creating force within the company



What we really want to do...in the organization is to leverage all of that knowledge and all of that experience they have, to really look at the future of Nintendo, to bring that creative force into crafting and developing what we are going to be in the future. And I'm not talking about just the next year or two, but the future, and you can hear the capital 'F' there I think.

As far as the second big role that they have, it's really working day to day with the talented staff that we have at Nintendo and growing and nurturing that creative force.

- Tatsumi Kimishima, Nintendo

CEO Dimensions: Tatsumi Kimishima

Influence

- “Fellow” positions to foster a creative force
- Going beyond games to deliver value to consumers (*My Nintendo* program)

Management

- Focus on consumer engagement to continue growth and development of games
- Development of Nintendo IP
- Point-of-contact for Nintendo investors and financial analysts due to his previous experience in banking



Leadership

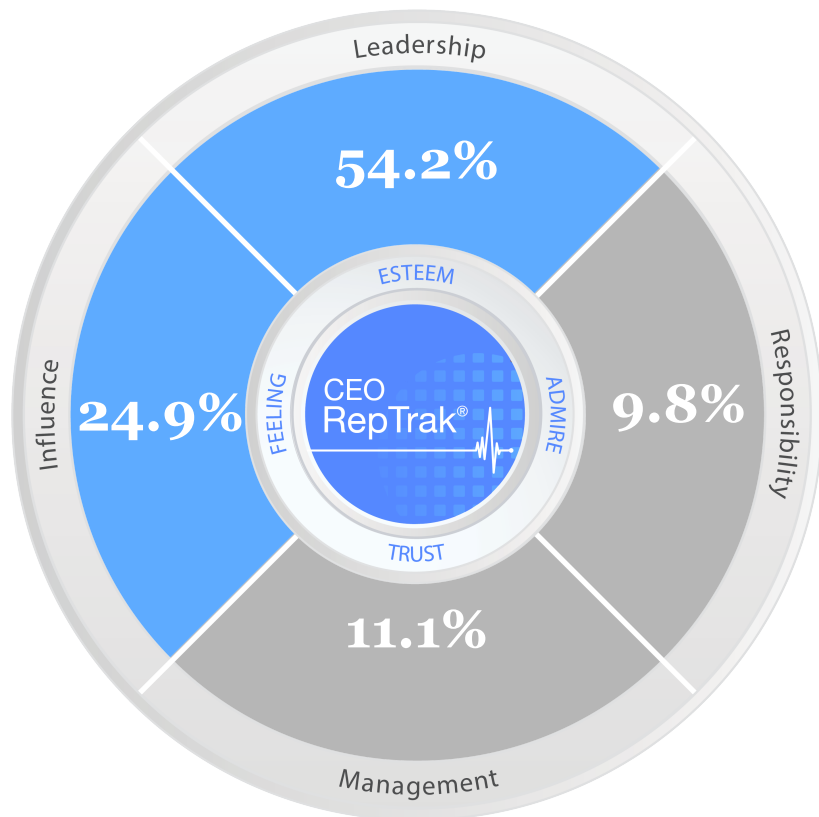
- Retaining stability and vision for Nintendo after the passing of Iwata
- Taking responsibility to see through major Nintendo initiatives
- Focus on internal structure to allow for product development

Responsibility

- Focus on young employees development and empowerment

Tatsumi Kimishima: Social and Digital Media Narrative

The most prevalent CEO reputation dimensions on social/digital media



Kimishima’s conversations are particularly high in **leadership and influence** – he is seen as a good communicator and highly influential within his industry

The conversations around leadership and influence mainly focus on the Nintendo Switch and games

Do you know the reputation
of your CEO?

CEO RepTrak®

- Do people even know, or care about the CEO?
- What is the CEO reputation relative to the company?
- What added value does the CEO reputationally create?
- How to unleash the CEO voice for the benefit of the company?



CEO RepTrak®: Types of Programs



Global CEO RepTrak

Annual measurement program assessing CEO reputation across multi-national companies based on Global RepTrak study

Program scope:

- Annual measurement G15 markets
- **Informed General Public**
- 1,500+ ratings per Company
- Approx. 150-200 ratings per CEO
- Workshop in-person (1)

Added value:

- Reputation Leaders Network



Continuous CEO RepTrak

Expansion of continuous tracking assessing the CEO reputation on a country-by-country (e.g., US only)

Program scope:

- Monthly measurement in country
- **Informed General Public**
- 2,000 ratings for Company
- 1,200 for ratings for benchmarks
- Approx. 150-250 ratings per CEO
- Workshops in-person (2)

Added value:

- Reputation Leaders Network



Multi-stakeholder CEO RepTrak

Recurring measurement assessing CEO reputation based on custom multi-stakeholder ecosystem definition

Program scope:

- Measurement in country of choice
- **Employees, Regulators, Media, Investors, or Opinion Elites**
- Number of ratings of CEO and Company will vary accordingly
- Workshops in-person (TBD)

Added value:

- Reputation Leaders Network

Reputation data on your CEO vs. 3 peers / CEO impact on Company reputation

Thank You

www.reputationinstitute.com

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