



Who Wants to Be CEO?:

Understanding CEO Capital™

“Who Wants to Be CEO: Understanding CEO Capital™”
is the fifth wave of Burson-Marsteller’s award-winning
CEO reputation research and continues the firm’s
ongoing studies into the impact of CEO reputation
on corporate performance.

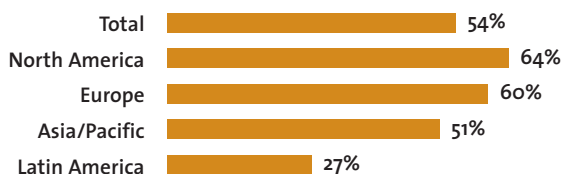
Accelerating CEO turnover, unrelenting and increasingly intrusive media scrutiny, and a stringent regulatory environment are making the CEO position far less appealing to the next generation of leaders. Although being named CEO once represented the pinnacle of a fast-track professional's career, executives are now thinking twice before setting their sights on the corner office.

As part of global communications consultancy Burson-Marsteller's most recent 2005 research conducted with the Economist Intelligence Unit, global business influentials¹ were asked about the attractiveness of being CEO today. Burson-Marsteller has been conducting landmark CEO and corporate reputation research since 1997.

Who Wants to Be CEO?

More than one-half (54 percent) of global business influentials report not wanting to be CEO if given the choice.³ CEO disillusionment is greatest in North America and Europe (64 and 60 percent would decline the job offer, respectively). Asia/Pacific business influentials (51 percent) are divided about seeking the CEO role, with Latin Americans the least negative – only 27 percent do not want to be CEO.

Global Business Influentials Who Do Not Want to Be CEO



Why Be CEO?

The leading explanations given by global business influentials who would consider a CEO offer focus on seeing their thoughts in action.

Specifically, the top three reasons given for why they would take the job are the opportunity for complex problem-solving (56 percent), ability to have a personal impact on the business (43 percent) and satisfaction of having their ideas implemented (36 percent). A personal connection to company success is clearly evident in business influentials' rationale for seeking the top job.

Also high on global business influentials' list for wanting to be CEO is building an enduring and lasting company. Nearly one-third report that helping a company go from "good to great" and being "built to last" – to quote revered management guru Jim Collins – would factor into their primary reasons for wanting to be CEO today.

Although generous CEO compensation, perks and prestige dominate headlines worldwide, they are among the least compelling reasons given by global business influentials for wanting to be CEO. "Perhaps the widely publicized salaries of many CEOs, particularly in the U.S., are not enough to compensate for the sobering and weighty responsibilities of 21st century CEOs," said Dr. Leslie Gaines-Ross, Burson-Marsteller's worldwide chief knowledge & research officer and CEO reputation expert.

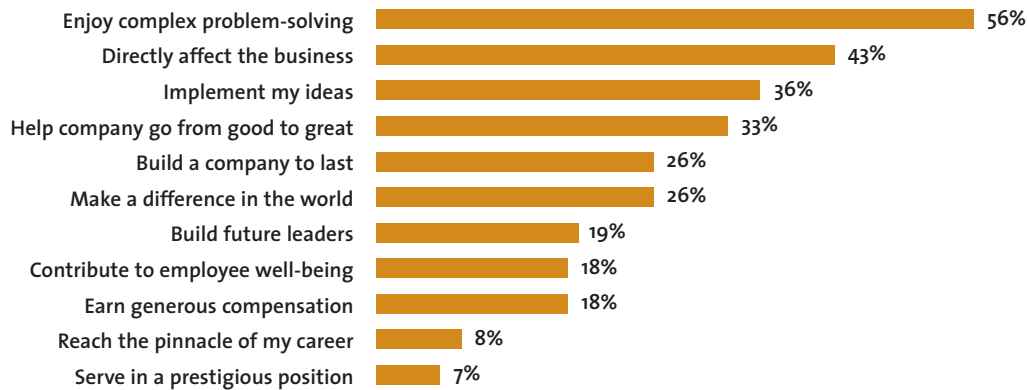
Why Not Be a CEO?

The overriding factor in choosing not to be CEO is the absence of a work/life balance. More than six out of 10 global business influentials (64 percent) rank this as the number-one obstacle to pursuing the corner office. This response is not surprising considering the harsh demands on CEOs' time as they attempt to satisfy an expanding portfolio of stakeholders such as shareholders, employees, customers, the media, board members and global markets.

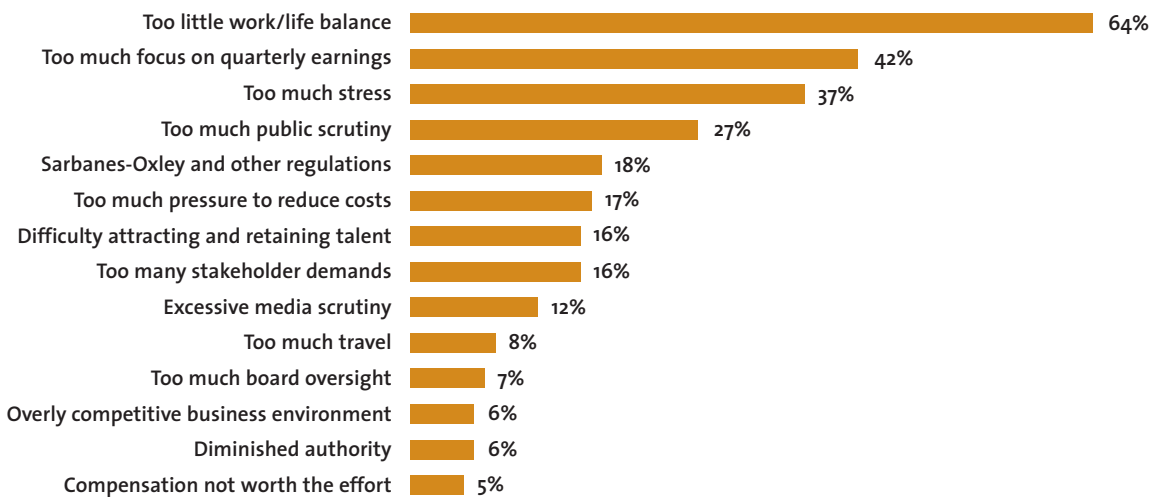
Few could have spoken more directly to these leadership demands than General Electric CEO Jeff Immelt when he remarked in *Fortune*³ that he consistently works 100-hour weeks and spends 60 percent of his time on the road. Other barriers mentioned by business influentials are the tyranny of quarterly earnings, persistent stress and intense public scrutiny. These concerns should come as no surprise to business observers who personally witness the seemingly endless challenges facing CEOs today.

Interestingly, global business influentials are less likely to cite the actual pressures of running a business – regulatory oversight, cost-cutting, talent development, stakeholder demands and critical

Reasons Why Global Business Influentials Would Want the CEO Job Today



Reasons Why Global Business Influentials Would Turn Down the CEO Job Today



media – as the primary reasons why they would turn down the CEO position if offered.

Least problematic for global business influentials is too much competition (6 percent), diminished power due to greater board involvement (6 percent) and compensation (5 percent).

Regional Differences

On a global scale, the business influential class thinks alike when it comes to CEO perceptions. However, there are some minor differences.

Reasons for Wanting to Be CEO

- Europeans are more likely than other regional business influentials to report that idea implementation is a key attraction to being CEO.

- Latin American business influentials are more compelled than their regional peers by the thought that being CEO represents the pinnacle of career success.

Reasons for Not Wanting to be CEO

- North American business influentials report greater concern about Sarbanes-Oxley and other regulatory issues than their European, Asia/Pacific and Latin American counterparts.
- European business influentials look most negatively at cutting costs.
- Asia/Pacific business influentials worry most about attracting and retaining talent.
- Latin American business influentials are relatively less bothered by a CEO's lack of work/life balance and are most concerned about the accompanying stress than their regional peers.

CEOs' Point of View

CEOs in North America, Europe, Asia/Pacific and Latin America were also asked what they liked most and least about being CEO. Interestingly, their responses are very similar to those of the non-CEO business influentials previously reported. "Positively, business influentials have a realistic view of the CEO job today," said Patrick Ford, chair of Burson-Marsteller's Global Corporate/Financial Practice.

Top reasons cited by global CEOs for job satisfaction are opportunities for complex problem-solving, having a direct business impact and implementing their ideas. Leading reasons for CEO dissatisfaction are too little work/life balance, quarterly earnings reporting and stress overload.

Where global CEOs do differ from global business influentials is less concern over the public scrutiny that comes with being CEO. Instead, global CEOs

are more likely than global business influentials to be concerned about talent recruitment. "Evidently, CEOs accept being on display 24/7 and understand how the right talent is critical to company success," said Dr. Gaines-Ross.

Agenda for 21st Century Companies

Reluctance to accept the top slot comes at a time when there has never been a stronger need for talented, ethical and credible leaders in global business. Successfully restoring trust in CEOs and global commerce lies in the willingness of upcoming qualified CEOs to take calculated risks, roll up their sleeves, execute on the details and be mindful of the consequences of their conduct.

With continuing senior executive churn, the demand for leaders will only continue to grow in the years ahead. Yet, shifts in workforce and global demographics will result in a vastly more limited leadership pool in 10 years. Coupling this greater demand and expected demographic shortage with a reticence to assume the chief executive title suggests that companies will be challenged when filling CEO positions.

Leadership training and development must include best practices on managing work/life balance, crisis situations, stress, communications with diverse audiences and stakeholder expectations. Otherwise, unless highly qualified executives become more willing to become CEOs, many companies will be left largely leaderless for years to come.

¹ Burson-Marsteller's 2005 CEO Capital™ research was conducted among global business influentials—CEOs, senior executives, financial analysts, business media and government officials in North America, Europe, Asia/Pacific and Latin America. The research was conducted with the Economist Intelligence Unit.

² CEOs are excluded in this analysis.

³ *Fortune*, September 19, 2005

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