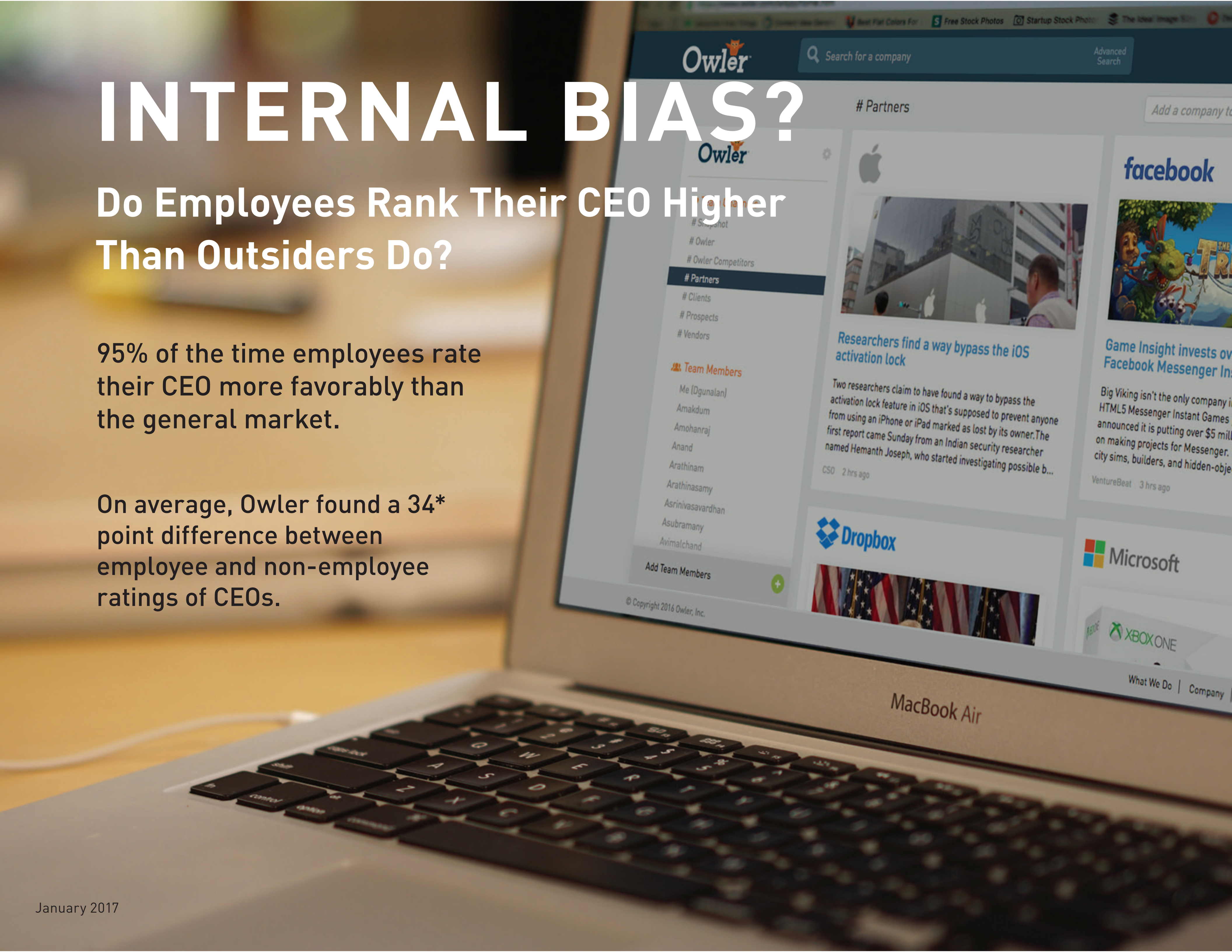
INTERNAL BIAS?

Do Employees Rank Their CEO Higher Than Outsiders Do?

95% of the time employees rate their CEO more favorably than the general market.

On average, Owler found a 34* point difference between employee and non-employee ratings of CEOs.



January 2017

CEO ratings

A CEO rating can tell you a lot. It can be a good indicator as to whether you want to invest in, work at, or associate with a given company.

Yet, up until now, there hasn't been any dependable data on CEO favorability. Most information on CEO popularity comes from informal water-cooler conversation, online message boards, or anonymous review sites where disgruntled or overly enthusiastic employees blast individual opinions at high volume for general consumption by patrons of the World Wide Web.

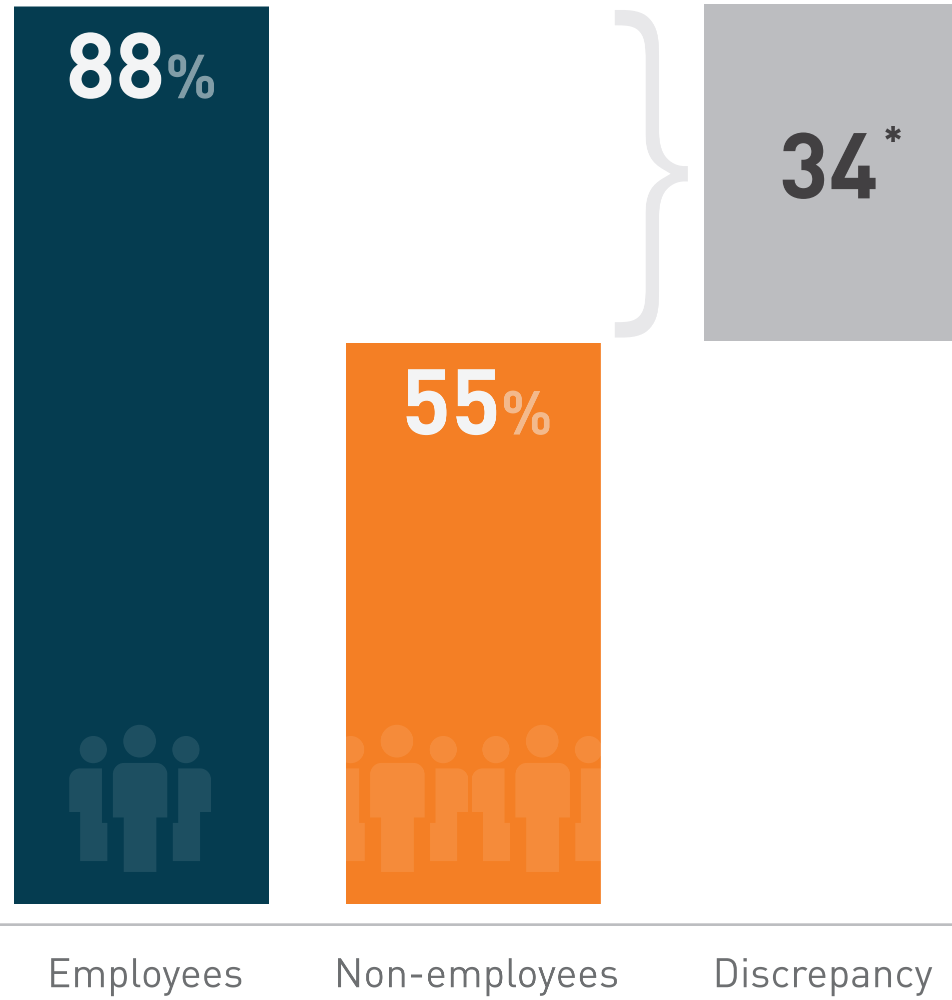
Owler, the crowdsourced business insights platform, has gathered more than a 100,000 competitive insights on CEO favorability from the over 1 million business professionals in their online community. These opinions come from employees and non-employees alike, so Owler decided to dig into the numbers and find common threads when it comes to the discrepancy between employee versus non-employee perception of CEO performance. These numbers are based on ratings gathered and analyzed in December 2016. Their crowdsourced insights continue to grow at the rate of one member contribution every six seconds.

The Owler study includes insights about 350 popular companies on their platform, from 17 different countries and 30 states. These businesses operate within 22 industries, though just over half of them (176) are software companies. For the most part, the Owler study is split down the middle between private and public companies.

As it turns out, there are some decisive trends. Ninety-five percent of the time, employees rate their CEO more favorably than non-employees. Their difference of opinion isn't trivial: out of the 350 companies included in the study, the average discrepancy stands at 34 points. Overall, employees awarded their CEO at 88 percent favorability, while non-employees granted a lukewarm rating of 55 percent. So, it seems like we're all much happier with our own business executives than we are with the leadership at other companies.

CEO
Approval Rating

Employees vs. Non-Employees

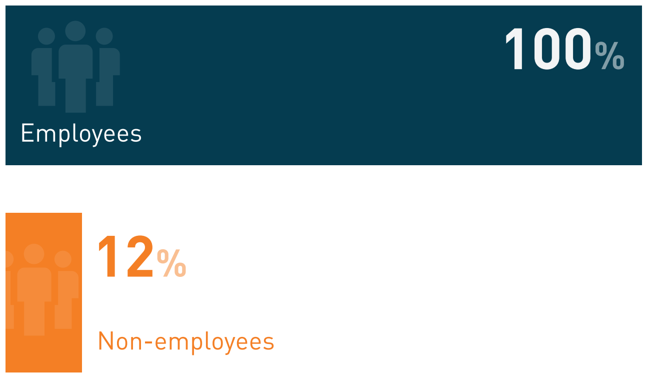


Source: Owler.com
*Based on Absolute Value

Among the CEOs with the largest discrepancies is the professional networking site LinkedIn's Jeff Weiner. While the public gives Weiner a frigid 12 points, his employees are nonetheless overwhelmingly satisfied with his tenure as CEO, scoring him at a perfect 100 and yielding a 88 point gap.

Approval Rating

LinkedIn CEO Jeff Weiner



Source: Owler.com

Approval Rating

Qualcomm CEO Steve Mollenkopf

Source: Owler.com

Additionally, the telecommunications equipment company Qualcomm's Steve Mollenkopf fared far better with his employees than he did amongst the general market. Though his employees approve of his leadership—rating him 95—the public rates Mollenkopf at an unenviable 12 points, leaving him with an 83 point gap.

Approval Rating

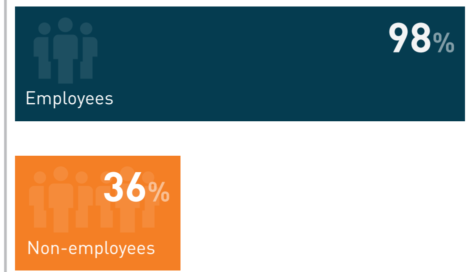
Bank of America CEO Brian T. Moynihan

Source: Owler.com

Not surprisingly, other publicly disliked yet internally favored CEOs included leaders of companies where customer service is a key to the product's performance. Ratings for Bank of America, Visa, Comcast, and Aflac all yield discrepancies well above average, at 81, 62, 61, and 71 points, respectively. And though the public is largely unimpressed with these companies, employees overwhelmingly approve of their CEO, with respective ratings of 100, 98, 97, and 92.

Approval Rating

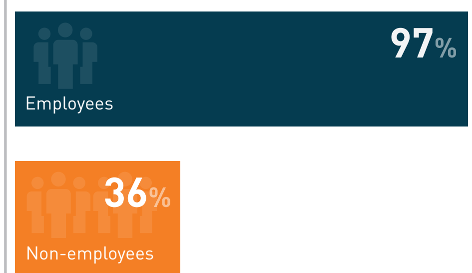
Visa CEO Charles W. Scharf



Source: Owler.com

Approval Rating

Comcast CEO Brian L. Roberts



Source: Owler.com

Approval Rating

Aflac CEO Daniel P. Amos

Source: Owler.com

Companies that look better from the outside

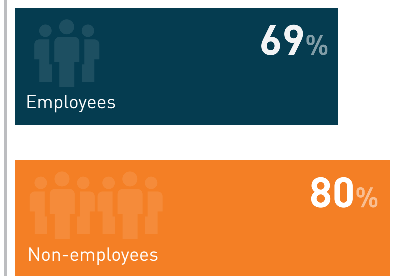
Approval Rating

TripAdvisor CEO Stephen Kaufer

Source: Owler.com

Approval Rating

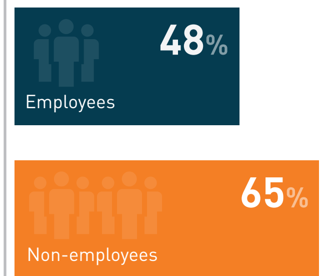
Yelp CEO Jeremy Stoppleman



Source: Owler.com

Approval Rating

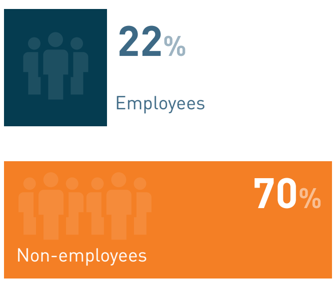
Kohl's CEO Kevin Mansell



Source: Owler.com

Approval Rating

Genetech CEO Ian T. Clark



Source: Owler.com

While Owler data is heavily skewed toward higher employee approval, a small fraction of CEOs—4.6 percent—receive higher ratings from people who don't work for them. Out of 350 popular companies analyzed, only 16 companies showed public perception of a CEO to be more favorable than that of employees. At these companies, the discrepancy averages near 15 points. Additionally, at two out of the 350 companies (0.7 percent) employee ratings were exactly the same as non-employee ratings.

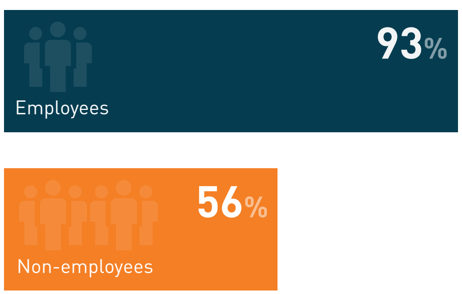
Corporate media darlings average

Owler also looked at how corporate media darlings, who receive predominantly positive press, might fare in this comparison.

Upon looking at scores for nine tech trendsetters, Owler found that public perception of these companies wasn't exactly what you'd expect. While overall, employees tended to rate their CEOs extremely well—an average of 93 percent—the public wasn't so keen on their leadership, awarding an average rating of 56 points. That comes out to a 36 point discrepancy, two points greater than the discrepancy of all companies included in the study.

Approval Rating

Corporate Media Darlings Average

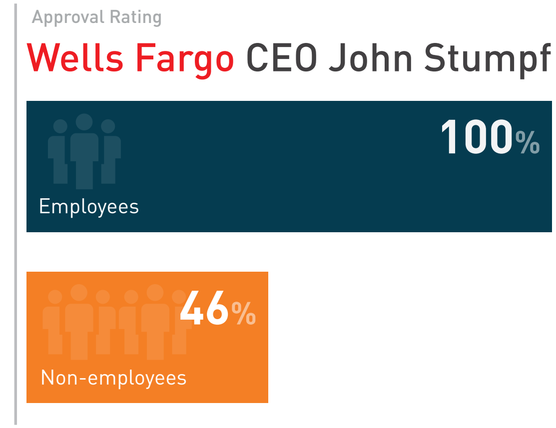


Source: Owler.com

Media Darling	Employees	Non-employees	Discrepancy
Airbnb	100%	70%	30
Amazon	100%	53%	47
Box	98%	48%	50
Dropbox	80%	76%	4
Google	67%	18%	49
LinkedIn	100%	12%	88
Netflix	90%	68%	22
Twitter	100%	99%	1
Uber	100%	68%	32

Source: Owler.com

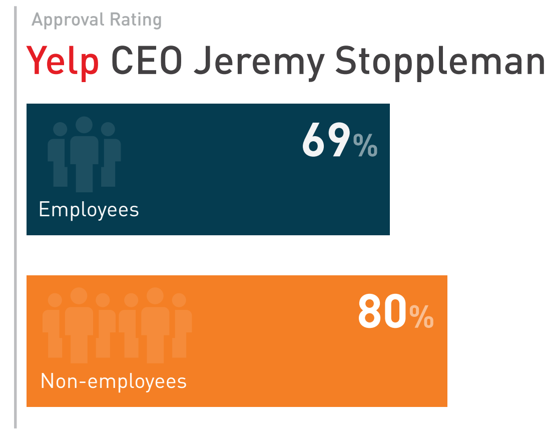
Who takes the fall? When scandal unfolds, CEO approval drops



Source: Owler.com

Wells Fargo's infamous scandal of 2016 mainly targeted customers—resulting in a sub-50 percent public rating for former CEO John Stumpf. However, his employees didn't seem to mind, awarding him a perfect score.

Yelp's February 2016 controversy didn't affect CEO Jeremy Stoppleman's public score much. However, his employees aren't on his side.



Source: Owler.com

Not all scandals are created equal

How do employees feel about their CEO in the company's darkest days?

Well, as with most things in life, it's complicated.

Owler compared CEO ratings from employees at two scandal-ridden companies to those of the general public. And what they found was nuanced, variable, and very interesting.

First, Owler zoomed in on what is arguably the most disreputable company of the year: Wells Fargo. As you've probably heard, in September 2016 the public learned that for years, Wells employees had been creating unauthorized accounts in customers' names. Seeing as much of the public are Wells customers (over 70 million people globally), this violation of trust triggered an avalanche of negative press, a barrage of angry customers, and $185 million in government fines. While Wells CEO John Stumpf was ultimately ousted and his public rating stands at an abysmal 46 points, overall employee opinion has stayed on his side: Wells Fargo workers give Stumpf 100 out of 100 points.

Yet, when Owler zeroed in on the lesser-known Yelp controversy, they saw the opposite effect. In February 2016, Yelp employee Talia Jane wrote an open **letter** to Yelp CEO Jeremy Stoppleman, describing the difficulties of trying to survive on a $35,000 salary in one of the country's most expensive cities. Talia's letter went viral, prompting a discussion about low pay for customer support in Silicon Valley. But though attention may have sparked discussion about Yelp's compensation package and entry level jobs in the Valley, the public rating nonetheless stood at an above average 80 percent. However, Yelp employees bestowed Stoppelman with a with 69 point rating, making Yelp one of the 5 percent of companies where public perception of the CEO is more favorable than that of his employees.

The drastically different post-scandal perceptions may seem counterintuitive, but once you consider the nature of each ordeal, the trends make more sense. In the case of the Wells Fargo scandal, the victims on these unconscionable and illegal actions were customers—i.e. the public. Whereas the Yelp controversy, on the other hand, was an issue of employee mistreatment, putting Stoppleman's employees on the receiving end of the unsavory business practices.

Silence talks

Noticeably absent from the scandals included in Owler's research were two of 2016's biggest business blunderers: Theranos's Elizabeth Holmes and Mylan's Heather Bresch.

In May, rising star in the biotech industry Theranos fell from grace when it voided all results from blood tests using proprietary Edison machines in 2014 and 2015, revealing that its "revolutionary" testing methods were essentially bunk. Then in July, the company was banned from owning or operating a lab for two years.

In September, the pharmaceutical company Mylan hiked the price of the EpiPen, an emergency treatment for people with lethal allergies, by 400 percent, spiking the cost to upwards of $600 dollars.

So, why did Owler leave these two trending headlines out of their study? This time, the answer is simple. While Owler had sufficient data on each company, it seems that employees just weren't voting. Whether this silence is indicative of unspoken approval, hushed reproach, or basic reluctance is anyone's guess.

About Owler

owler.com

Owler is the crowdsourced business insights platform that business professionals use to outsmart their competition, gain competitive insights, and uncover the latest industry news and alerts.

Since its launch in 2014, Owler has gathered millions of unique insights from their community of 1 million business professionals—including private company revenue estimates, competitors, and CEO ratings. From startups all the way to large enterprises (including 96 percent of the Fortune 500), CEOs, salespeople, marketers, product managers, and all types of business professionals use Owler daily. Owler is funded by Norwest Venture Partners and Trinity Ventures, and is headquartered in San Mateo, CA with offices in Coimbatore, India.

*Owler calculated the average discrepancy between overall employee and nonemployee perception using the absolute value of the differences.

**Owler calculated these numbers based on information gathered and analyzed in December 2016. Their crowdsourced insights continue to grow exponentially, currently at the rate of one member contribution every six seconds. While this ensures that Owler.com displays the most up-to-date and accurate numbers, it also leads to variability in ratings over time.