

# CEO performance problems - Failure to address key issues harms company prospects

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## Abstracts

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### SUMMARY

The CEO (chief executive officer) is the most influential figure in a company: a bad one can wreck a company; a good one makes sound business decisions, propelling their company to success. Yet there are several significant problems with how leading companies treat the role. Not only are performance problems common, but too much emphasis is also placed on the CEO. Too often companies suffer from problems relating to CEOs which are avoidable. Correcting issues will pay dividends over the long-term.

### KEY QUESTIONS ANSWERED

How do scandals happen under powerful CEOs?

How can entrepreneurs become successful CEOs?

Do CEOs have too much influence?

Why should companies have CEO succession plans?

### SCOPE

Explores the validity of CEO pay

Analyses the transition from founder to CEO

Looks at the power wielded by CEOs

Assesses how scandals can be traced back to CEOs

## **REASONS TO BUY**

Despite lucrative remuneration packages, experience and extensive range of power, several CEOs of major businesses have missed brewing scandal - indeed, in many instances the management philosophy of a CEO has been the root cause of scandal.

Blind faith in the decision-making abilities of CEOs represents a significant problem for the future prosperity of many companies. Not only that, but stock markets can share faith, inciting jumpy behavior regarding the value of a firm depending on the likelihood of a CEO departing or staying.

The problems of succession planning can strike even very large and successful companies. Samsung has been thrust into a power structure crisis following the imprisonment of Mr. Lee, the heir to the Samsung business empire. With the current CEO soon to be gone following a high-profile scandal, power vacuums could soon open.

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Despite power, CEOs persistently miss scandals

Volkswagen scandal reveals shortcomings of CEO system in major organizations

Wells Fargo demonstrates dangers of CEOs imposing poor working culture on companies

'Great man of history' approach does not work on CEOs

Blind faith in CEOs does not help companies to perform better

Illusions about transformative CEOs are unhelpful to company performance

Performance of CEOs can only be assessed years after major business decisions are taken

Succession poses serious difficulties for major businesses

Big changes at Samsung following imprisonment of Lee Jae-yong

Malaysian tycoons strike problems in handing over power to new generation

Succession planning is lacking in many large businesses, storing up future problems

CEO pay - validity arguments rumble onwards

Rewarding spectacular failures undermines belief in CEO worth to major companies

High pay can influence CEO decision making, causing problems to large businesses

Despite holding unfashionable views, advocates claim high pay improves company performance

Entrepreneurs have history of not making good CEOs

Entrepreneurs frequently fail transition from head of start-up to CEO

Founding CEOs can accrue too much power in attempt to solidify control of companies

Many changes are required for successful transformation from entrepreneur to CEO

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Problems associated with CEOs need to be addressed to improve business performance

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