
Six-Country Financial Times/Harris Poll Shows How Badly Economic Crisis Has Hurt Reputation of Business Leaders

ROCHESTER, N.Y. – April 15, 2009 – A new poll in the United States and the five largest European countries shows how very badly the economic and financial crisis has damaged the reputation of business leaders. Large majorities of the public in all six countries say their opinions of business leaders have become worse, that the recent behavior of “business leaders in general” has been unethical, and that they are generally paid too much.

These are some of the findings of a **Financial Times/Harris Poll** conducted online by Harris Interactive among a total of 6,449 adults (aged 16-64) within France, Germany, Great Britain, Spain, and the United States and adults (aged 18-64) in Italy between March 25 and 31, 2009.

The Reputation of Business Leaders Has Been Badly Hurt

Fully 68% of American adults and between 57% and 75% of those in Britain, France, Italy, Spain and Germany say that “as a result of the current economic situation” their opinions of business leaders have become worse.

Even more people (including 76% of Americans and between 65% and 81% of adults in the five European countries) believe “the recent behavior of business leaders in general” has been unethical.

Business Leaders Are Paid Too Much

Fully 79% of Americans, and similar majorities in the five European countries, believe that business leaders “are generally paid too much.” In Germany, a massive 88% of the public believe this.

Government Should Claw Back Bonuses

Majorities, from 68% in the United States and Britain, to 81% in France and 82% in Germany, believe that governments should claw back bonuses or pensions of business leaders whose companies have been bailed out with government money.

However, there are big differences between the two English speaking countries and those in continental Europe on the payment of bonuses in the future. Large majorities in Spain (79%), Italy (73%), France (67%), and Germany (65%) favor bonuses forming a lower part of pay for business leaders in the future. Opinion is split on this idea in the United States (37% to 35%) and Britain (38% to 36%).

Support for Linking Pay to Profits

Clear but not large majorities favor linking business leader's total pay to the profits made by their companies, and relative few people oppose this. In Britain, a 48% to 18% plurality favor this linkage.

Job Security Should be in a Higher Priority than Increasing Profits by Cutting Jobs

Massive majorities of the public in all six countries, from 87% in the United States and 85% in Britain to 95% in France and Spain believe that securing the jobs of their employees should be a higher priority for companies than increasing their profits by cutting their employees.

So What?

The reputation of business and business leaders is not just a beauty contest. When business leaders become more unpopular, it affects not just the public but how governments handle business issues, how the media report business stories and how other interest groups interact with them. Perhaps the most dangerous effect of being very unpopular is that it increases the likelihood of governments adopting tough anti-business policies on everything from regulation to taxation.

One striking problem for business leaders in a recession is that the public – overwhelmingly in all six countries – thinks employee job security should trump increased profitability. While many business leaders try to keep job losses to a minimum; they usually regard their shareholders' interest as their highest priority. The public disagrees.

TABLE 1
OPINION OF BUSINESS LEADERS HAS BECOME WORSE

“As a result of the current economic situation has your opinion of business leaders (e.g., company chief executives, finance directors) in your country...?”

Base: All EU adults in five countries and U.S adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
BECOME BETTER (NET)	6	2	4	4	6	3
Become much better	2	1	2	1	3	1
Become somewhat better	4	2	2	3	3	2
Stayed about the same	26	31	25	40	32	22
BECOME WORSE (NET)	68	67	71	57	62	75
Become somewhat worse	35	33	41	32	29	33
Become much worse	33	34	30	25	33	42

Note: Percentages may not add up to 100% due to rounding

TABLE 2
RECENT BEHAVIOUR OF BUSINESS LEADERS SEEN AS UNETHICAL

“Thinking about the recent behaviour of business leaders in general, would you say that this is...?”

Base: All EU adults in five countries and U.S. adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
ETHICAL (NET)	7	5	6	5	5	4
Strongly ethical	3	1	2	1	2	1
Somewhat ethical	5	4	4	4	3	2
Neither ethical nor unethical	16	28	17	30	21	15
UNETHICAL (NET)	76	67	76	65	74	81
Somewhat unethical	35	33	34	40	30	25
Strongly unethical	41	35	42	25	44	56

Note: Percentages may not add up to 100% due to rounding

TABLE 3
BUSINESS LEADERS PAID TOO MUCH

“How much do you agree or disagree that business leaders in [the UK, France, Italy, Spain, Germany, the US] are generally paid too much?”

Base: All EU adults in five countries and U.S. adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
AGREE (NET)	79	81	75	79	77	88
Strongly agree	54	56	41	51	58	61
Somewhat agree	25	26	35	28	19	27
Neither agree nor disagree	12	13	18	10	8	9
DISAGREE (NET)	9	6	7	11	14	3
Somewhat disagree	5	3	5	6	5	2
Strongly disagree	4	2	2	5	9	1

Note: Percentages may not add up to 100% due to rounding

TABLE 4
BONUSES AS A LOWER PART OF PAY IN FUTURE?

“How much do you support or oppose bonuses forming a lower part of pay for business leaders in the future?”

Base: All EU adults in five countries and U.S. adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
SUPPORT (NET)	37	38	67	73	79	65
Strongly support	19	19	41	45	56	44
Somewhat support	18	18	26	28	23	21
Neither support nor oppose	28	26	15	20	13	19
OPPOSE (NET)	35	36	18	8	8	16
Somewhat oppose	15	14	7	4	4	8
Strongly oppose	20	22	10	4	4	8

Note: Percentages may not add up to 100% due to rounding

TABLE 5
SUPPORT FOR GOVERNMENTS CLAWING BACK PENSIONS/BONUSES FROM LEADERS OF BAILED OUT COMPANIES

“Some governments have considered measures to claw back pensions or bonuses of business leaders at companies that have received government help in the form of bailout. How much do you support or oppose such measures in your country?”

Base: All EU adults in five countries and U.S. adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
SUPPORT (NET)	68	68	81	76	75	82
Strongly support	48	46	56	52	54	55
Somewhat support	20	22	25	24	21	26
Neither support nor oppose	13	17	10	15	13	10
OPPOSE (NET)	14	9	6	6	8	6
Somewhat oppose	7	5	3	5	5	5
Strongly oppose	7	4	3	1	3	1
Not sure	5	5	3	2	4	2

Note: Percentages may not add up to 100% due to rounding

TABLE 6
LINKING BUSINESS LEADERS' PAY TO COMPANY PROFITS

"Some have suggested that business leaders of commercial companies would best serve the general interests of the economy if their total pay is linked to the profits made by their company. How much do you agree or disagree with this statement?"

Base: All EU adults in five countries and U.S. adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
AGREE (NET)	57	48	54	57	65	54
Strongly agree	21	15	13	27	29	22
Somewhat agree	35	33	41	29	36	33
Neither agree nor disagree	19	25	23	24	17	20
DISAGREE (NET)	16	18	18	15	12	21
Somewhat disagree	9	12	13	11	5	14
Strongly disagree	7	5	5	4	7	7
Not sure	9	10	5	4	6	5

Note: Percentages may not add up to 100% due to rounding

TABLE 7
PRIORITIES OF COMMERCIAL COMPANIES DURING A RECESSION: JOBS OR PROFITS?

"In an economic recession, which one of the following should be the highest priority for commercial companies?"

Base: All EU adults in five countries and U.S adults

	United States	Great Britain	France	Italy	Spain	Germany
	%	%	%	%	%	%
Secure the job positions of its employees	87	85	95	89	95	92
Increase their profitability by making job positions redundant	13	15	5	11	5	8

Note: Percentages may not add up to 100% due to rounding

Methodology

This **FT/Harris Poll** was conducted online by Harris Interactive among a total of 6,449 adults aged 16-64 within France (1,093), Germany (1,021), Great Britain (1,164), Spain (1,029) and the United States (1,078), and adults aged 18-64 in Italy (1,064) between 25 and 31 March 2009. Figures for age, sex, education, region and Internet usage were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are

misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult populations of the respective countries. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

These statements conform to the principles of disclosure of the National Council on Public Polls and of the British Polling Council.

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