Challenger, Gray & Christmas, Inc.
The original outplacement company

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FOR IMMEDIATE RELEASE

C-Suite Scandals

TEN CEOS LEAVE DUE TO SCANDAL, FIRING IN 2017

CHICAGO, July 13, 2017 – Last month's prominent resignation of Uber CEO Travis Kalanick brought corporate culture and executive scandal once more to the forefront. Despite a handful of newsworthy items, the number of scandal-ridden CEOs who have left their posts seems to be declining, according to data collected by global outplacement and executive coaching firm Challenger, Gray & Christmas, Inc.

"We have seen a decrease in CEOs who have left due to scandal or firing so far this year. The vast number of companies are run without any sort of scandal, which is why it is such a newsworthy item when it occurs," said John Challenger, Chief Executive Officer of Challenger, Gray & Christmas, Inc.

"With Kalanick's resignation late last month, Uber is now without a CEO, COO, CFO, CMO, and a slew of other top executives, and it has been trying to fill many of these positions for months. After facing sexual abuse allegations, rape-mishandling allegations, and allegations that Uber is illegally trying to skirt regulations, according to an article published by CNN Tech, the still-growing company needs to change its culture if it wants to continue growing and eventually go public," said Challenger.

Despite this high-profile case, according to its monthly CEO turnover report, Challenger has tracked just ten Chief Executive Officers, including Kalanick, who were fired or left due to scandal through June of 2017, significantly fewer than the 25 who left for those reasons through the same period last year.

REASONS FOR LEAVING CEO ROLE

		Full Year	
	2017*	2016	2015
Scandal	4	6	1
Ousted	6	45	27
Legal Trouble		1	12
	10	**52**	**40**
Total CEO Departures	**567**	**1,248**	**1,221**
*2017 Data Through June			
Source: Challenger, Gray & Christmas, Inc. ©			

Those that do find themselves departing due to scandal or legal trouble are not limited by region or industry. Last year, scandals took place from the upper levels of non-profits to the automobile industry across the country. One of the most notable being John Stumpf at Wells Fargo. He left after it was discovered that fake customer accounts were being created internally, leading to millions in fines and over 1,000 firings, according to Business Insider.

Whether or not the decrease in C-Suite scandals and firings reflects a changing corporate culture is not yet clear. What is clear is that consumers are more supportive of scandal-free companies and employees value working with bosses who are transparent and moral.

It is impossible to know for sure whether or not an employee will be a good leader, or a moral executive, but it is possible to identify bad bosses before scandal erupts. Challenger identified three types of bad bosses to look out for and the traits associated with them.

The Conqueror - The Conqueror tends to micro-manage and control every aspect of employees' work. They are often physically imposing and domineering.

The Performer - Performers thrive on feeling empowered. They feel threatened by other successful people. It is common for a Performer to target other employees to try to make them seem less impressive or effective.

The Manipulator - Manipulators care more about themselves than the company. They blame others and take credit for as many successful projects as they can. A lack of accountability is one of the key traits associated with a Manipulator.

Being mindful of these traits can help an organization hire the best people for leadership positions, as well as coach those who may display some of these characteristics. By managing talent most effectively, companies can avoid scandals and prove to shareholders that upper-level executives are working in the best interests of the company.

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