


Sign in with Facebook  Connect w/ Facebook Or use your Businessweek account

Email Password [Forgot password?](#)

☐ Remember me

Already a Bloomberg.com user?

Sign in with the same account.

Don't have an account? [Sign up.](#)

[Help! I can't access my account.](#)

Bloomberg Businessweek

Business Schools

The Worst CEOs of 2012

Posted by: [Louis Lavelle](#) on December 13, 2012

<http://www.businessweek.com/articles/2012-12-13/the-worst-ceos-of-2012>

Who are the absolute worst chief executives of 2012? Sydney Finkelstein thinks he knows. The longtime professor at Dartmouth College's Tuck School of Business is the author of 11 books with such titles as *Why Smart Executives Fail* and *Think Again: Why Good Leaders Make Bad Decisions*, so he knows a thing or two about utter failure. He's been putting out his list for three years now, and last year it included the chief executives of Netflix ([NFLX](#)), Research in Motion ([RIM](#)), and Hewlett-Packard ([HPQ](#)). Here's the list (except where noted the companies didn't respond to a request for comment):

1. Brian Dunn, who resigned as chief executive of Best Buy ([BBY](#)) in April after allegations surfaced that he had an inappropriate relationship with a much younger subordinate. That's not why he's on the list, though. Declining stock price, cratering same-store sales, loss of market share to more nimble competitors, and an addiction to share buybacks that cost the company \$6.4 billion with little to show for it—that's why he's on the list.

2. Aubrey McClendon, the CEO of Chesapeake Energy ([CHK](#)) who apparently has trouble keeping his company's finances and his own apart. According to Reuters, McClendon borrowed as much as \$1.1 billion over three years in [undisclosed loans](#) against his stake in thousands of company wells and ran a [\\$200 million oil-and-gas hedge fund](#) on the side, an "obvious conflict of interest," Finkelstein says. Use of the company jet (and company employees) for personal purposes and a corporate sponsorship deal for Oklahoma City Thunder while McClendon was an owner of the basketball team also didn't help. Jim Gipson, a spokesman for Chesapeake Energy, declined to comment.

3. Andrea Jung, who stepped down as chief executive of Avon ([AVP](#)) in April but remains as chairman through the end of this year. Jung has been unable to fix the company's operational problems, failed to groom a successor, and turned down a \$10.7 billion offer from the beauty-care company Coty that, in retrospect, it

should have leaped at. Since 2004, the company's market value has fallen under her watch from \$21 billion to \$6 billion. And the company has had to spend \$300 million in legal expenses related to allegations that it violated the Foreign Corrupt Practices Act, which bars bribery of foreign officials.

4. Mark Pincus, the CEO of Zynga ([ZNGA](#)), the mobile gaming company that brought the world *Farmville*, among other online distractions. Zynga stock is down 75 percent so far this year, and the company is losing top executive talent. Pincus has a fairly illustrious pedigree—he got a bachelor's degree in economics from Wharton in 1988 and his MBA from [Harvard Business School](#) in 1993. But Finkelstein says he's made some rookie mistakes, including hitching his company's wagon much too securely to Facebook ([FB](#)), which Zynga relies on for a big chunk of revenue. And he hardly expressed confidence in the company's prospects with his move to unload 16 million shares after the IPO lockup period ended. Joe Libonati, a spokesperson for Zynga, declined to comment.

5. Rodrigo Rato, who resigned as chairman of the Spanish lender Bankia ([BKIA](#)) in July. Rato is one of Spain's former finance ministers and a former managing director of the IMF. He's under investigation for fraud, price-fixing, and embezzlement in connection with Bankia's spectacular collapse and bailout by the Spanish government. Rato has an MBA from the UC-Berkeley [Haas School of Business](#). In 2011, Bankia announced profit of €309 million; after Rato resigned, it was restated to a €3 billion loss. Carmen de Miguel Hombria, a spokesperson for Bankia, declined to comment.

Two other executives—Mark Zuckerberg at Facebook and Andrew Mason at Groupon ([GRPN](#))—almost made the list. The rap on Zuckerberg is his “massive ego,” while both men get demerits for immaturity and shares that move in only one direction, and not the right one. Says Finkelstein: “There's no reason to believe they have the management skills to run a major public company.”

And don't get him started on the hoodie.

Join the discussion on the Bloomberg Businessweek [Business School Forum](#), visit us on [Facebook](#), and follow [@BWbschools](#) on Twitter.

©2013 Bloomberg L.P. All Rights Reserved. Made in NYC [Ad Choices](#)