WHERE THERE'S SMOKE, YOU MAY BE FIRED: THE SMOKING HABITS OF AMERICAN CHIEF EXECUTIVE OFFICERS*

Patrick Fleenor, Seattle University

David L. Kurtz, Seattle University

Louis E. Boone, University of South Alabama

ABSTRACT

This paper looks at the subject of CEO smoking behavior, as related to family social background, education, and occupational status. The article was developed from a data bank of 243 chief executive officers who responded to a comprehensive questionnaire about their personal habits and traits. Chief executives as a group contain far fewer smokers than the national average, and tend to discriminate against smokers. Career implications for aspiring junior executives are drawn.

Introduction

Ever since the 1964 report of the Surgeon General of the United States, the link between smoking and a number of diseases has been generally acknowledged. In consequence, the number of smokers has steadily dwindled in the nearly quarter of a century since that study was published. At the same time, smoking has become stigmatized in society and made illegal in many public places.

Chief Executive Attitudes Toward Smoking

Corporate employees often look to their chief executive officers as exemplars of correct behavior. The purpose of this paper is to examine the smoking behavior of top executives and the implications of this behavior for career progress of lower level employees.

A comprehensive questionnaire was developed and mailed to the chief executive officers of the 800 largest industrial corporations and service firms

identified by *Forbes* magazine. The questionnaire examined a wide range of factors that may have influenced the careers of senior executives. Occupational status, social class in which the executive grew up, personal health concerns, and smoking behavior are four of the factors analyzed.

A total of 243 responses was received from some of the nation's best-known CEOs, including David Roderick of USX Corporation, T. Boone Pickens of Mesa Petroleum, J. Peter Grace of W.R. Grace, and Roy Anderson of Lockheed. Their cooperation made possible the creation of an extensive data bank on CEO characteristics and traits. This article explores a few of those traits.

Some National Smoking Statistics

In the general population, 55 million people are currently smokers, about 35 million of them men. This comprises 36.5 percent of the adult (17+ years old) male population, down from 52 percent 20 years ago. Forty percent of

<u>Smoking Category</u>	<u>Men</u>	<u>General Population</u>
Never smoked	35.4%	46.1%
Ever smoked	63.7%	53.2%
Formerly smoked	27.1%	20.6 %
Currently smoke	36.5%	32.6%

Table 1: Smoking Category Comparisons for Men and the General Population
Source: Statistical Abstract of the United States, 1984: p. 127, Table 198

males between 45 and 64 years old smoke (the age group most relevant to our study).¹ Table 1 shows a comparison of males with the total adult population in 1980.

By contrast to the national norms, only 23 percent of our CEO sample currently smokes. Why? There are a number of interesting correlates to smoking behavior that might help us explain the low incidence of smoking among top executives.

The Cost of Smoking for Companies

Aside from well-documented health risks, smoking creates direct costs to an organization. Seattle University Accounting Professor William Weis concluded that it costs a firm over \$4600 more per year on average to employ a smoker over a non-smoker.² This is because smokers suffer substantially greater rates of absenteeism, disability, industrial accidents, and working-age mortality. In addition, smoke in a work place causes damage to sensitive equipment, and increases routine cleaning and maintenance costs. A survey by Weis and Fleenor showed that managers in general and top executives in particular believe that employees who smoke are less productive than those who don't. More than 53 percent of the managers surveyed indicated that they chose nonsmokers over smokers when faced with a choice between otherwise equally qualified applicants. Among top executives, 70 percent reported that they would hire a nonsmoker over an equally qualified

smoker.³

Occupational Status, Education, and Smoking Behavior

In a study of more than 2,500 white males, Covey and Wynder found that smoking was linked clearly to occupational level. In particular, they found that professionals and managers were more likely to have never smoked than other occupational groups. Those who did smoke tended to start at an older age than other groups. Among the job categories with above-average levels of never having smoked are "physicians, dentists, religious workers, business executives, engineers, farmers, and printers."⁴

John Pinney of Harvard has bluntly stated, "Smoking is slowly becoming a lower socioeconomic problem."⁵ A study by the Conference Board seems to confirm this observation. According to the Conference Board, the average U.S. household spends almost \$140 annually on tobacco and smoking products. The breakdown by education of the head of household:⁶

The relatively low expenditures in households headed by people with the lowest levels of education may be due to lack of sufficient income to spend on such products. As one would expect, chief executive officers tend to be highly educated. Among our CEO sample, 99 percent attended college and 91 percent hold degrees. About 60 percent of them attended graduate school, and 47 percent hold advanced

degrees.

Executive Smoking Patterns

It is clear that business executives form one of the groups that have lower rates of smoking than the national average. It may be, as Harvard's Phinney suggests, that the affluent pay more attention to their longevity and think they can do something about it, so they shun smoking.

A few studies have focused at least partly on the smoking behavior of top executives. In a Howard-Sloan Associates study, 84 percent of their CEO respondents were non-smokers.⁸ This compares with just over 75 percent of our sample.

Industry Patterns

While only 23 percent of our chief executive officers are smokers, there is substantial variation among industries, from a high of nearly 40 percent in banking to a low of zero percent in wholesaling, as Table 3 shows.

Only in the banking industry were CEOs smokers at a higher rate than the national average. While slightly higher than the national average of 36.5 percent for adult males, it is slightly lower than the 40 percent of the reference group of males between 45 and 64 years old. All other industry groups are substantially lower than the national average.

Social Class and Smoking Behavior

The social class background of our CEOs during their childhood seems to have had little effect on their current smoking habits. Those from middle class backgrounds reported the highest level of current smoking, while those from an upper class background reported the lowest rate of smoking. Still, there is so little difference between the groups that it is impossible to say that CEO smoking is linked to social class background, as we can see in Table 4.

It is interesting to note that, while lower class Americans are much more likely to be smokers than people from

Grade school or less	\$113.53
Some high school	190.18
High-school graduate	171.07
Some college	128.98
College graduate	103.23
Graduate school	77.15

Table 2: Annual Expenditures on Smoking Products by Education Level of Head of Household

<u>Industry</u>	<u>Percent Smokers</u>
Banking	38.2%
Retail	29.4%
Food Products	27.3%
Medical Products	25.0%
Services	22.0%
Manufacturing	18.5%
Utility	11.6%
Transportation	10.0%
Wholesale	0.0%

Table 3: CEO Smoking Data Classified by Industry

the middle and upper classes, CEOs from lower class backgrounds are no more likely to be smokers than their colleagues with more advantaged backgrounds. Apparently it is one's current state in life that predicts smoking behavior rather than one's background.

Smoking and Health

While the negative relationship between smoking and health is no secret, it is interesting to view how smoking executives differ from their non-smoking brethren in their exercise habits.

As is quite clear, those CEOs who smoke are much less likely to exercise, showing that the two types of health-consciousness go together. We can see that those who do not smoke are over four and one-half times as likely to exercise as those who do smoke.

Conclusion

It is abundantly clear that not only do considerably fewer CEOs smoke than

the national average for men of their age group (23 percent versus 40 percent), but those who do not smoke are much more likely to be health-conscious in terms of exercise than those who do smoke.

Can smoking be hazardous to the careers of aspiring executives? We believe so. Our own research and that of others documents a negative stereotype of smokers by non-smokers. Managers as a group have fewer smokers than average - CEOs have far fewer. Do they discriminate against smokers? They tell us that they do. Clearly, the most important attributes for any executive are consummate skill and high motivation, but there are large numbers of people who meet those specifications. And many of them don't smoke.

**The findings in this article are based on a major work to be published by Michigan State University Press.*

<u>Class Background</u>	<u>Current Smokers</u>
Upper class	22.0%
Middle class	24.0%
Lower class	23.0%

Table 4: Social Class and Smoking

<u>Exercise</u>	<u>Smoking</u>	
	<u>Yes</u>	<u>No</u>
Yes	17.8%	82.2%
No	47.7%	52.3%

Table 5: Smoking Behavior and Exercise

Footnotes

1. *Statistical Abstract of the United States*, 1984: P. 127.
2. Weis, William L., "Can You Afford to Hire Smokers,?" *Personnel Administrator* (May, 1981): pp. 71-78.
3. Weis, William L., and C. Patrick Fleenor, "Cold-shouldering the Smoker," *Supervisory Management* (September, 1981): pp. 31-35.
4. Covey, Lirio S. and Ernest L. Wynder, Smoking Habits and Occupational Status," *Journal of Occupational Medicine* (August, 1981): pp. 537-542.
5. Quoted in Trish Hall, "Smoking of Cigarettes Seems to be Becoming a Lower-Class Habit," *The Wall Street Journal* (June 25, 1985): p. 1.
6. Conference Board data on tobacco and smoking supplies expenditures reported in *The Wall Street Journal*.
7. Hall, T. *op. cit.*
8. Quoted in Charles Borney, "All Worked-Up Over Work," *American Way* (February 15, 1985): p. 85.