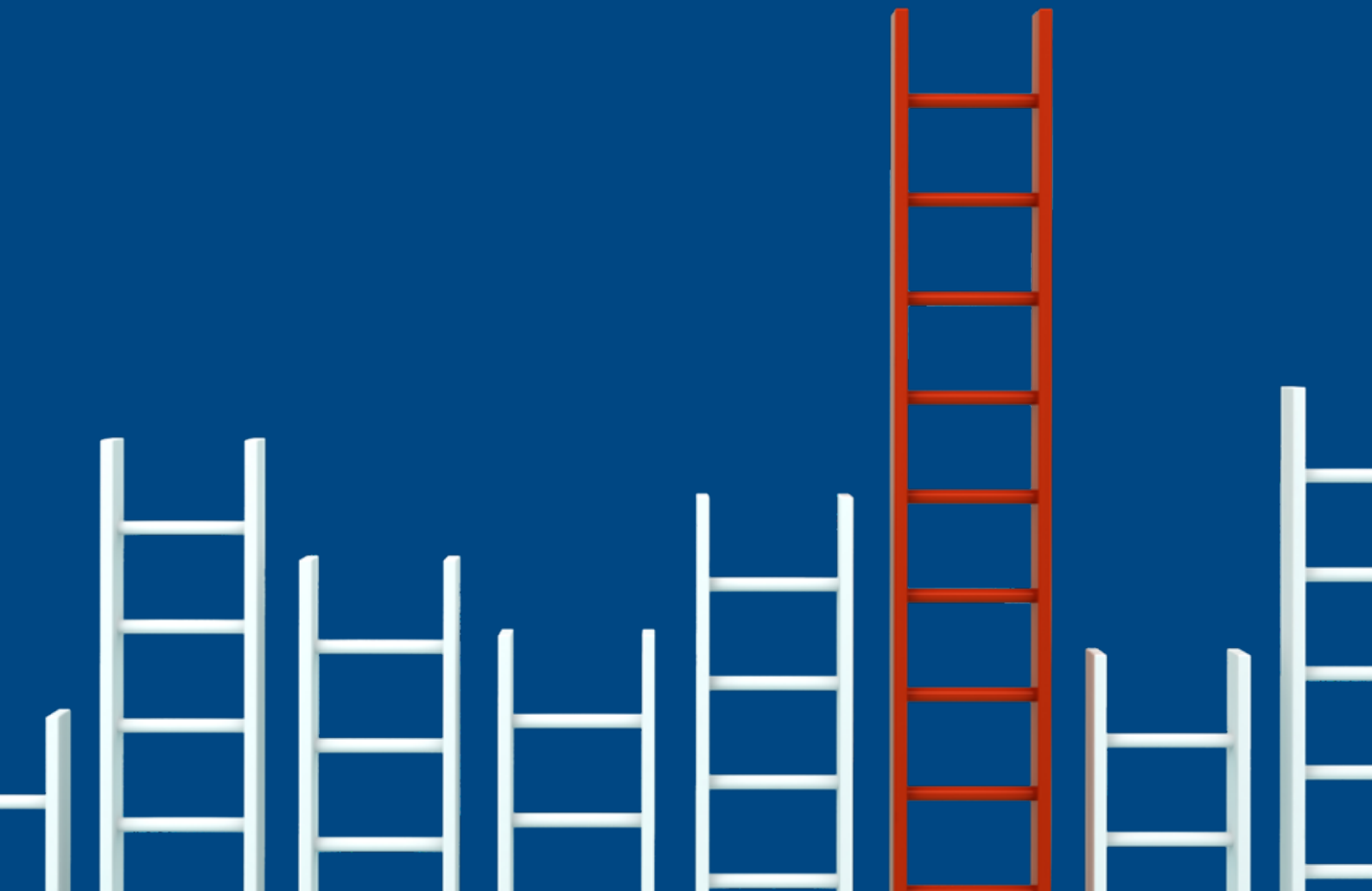


ROUTE TO THE TOP 2018

The destination may be the same, but research suggests that the path to the corner office varies across 12 Western European countries and the United States.



TODAY'S CEO

What do the current CEOs of some of the world's largest companies look like? Some 95% are male, two-thirds hold advanced degrees, and almost half have experience in finance or general management.

Heidrick & Struggles' fifth in a series of demographic studies of chief executives expanded this year from 5 countries to 13—12 in Western Europe plus the United States.

The picture of the typical CEO varies considerably from country to country. For instance, 84% of CEOs in the United States were promoted from within their companies, while the average across the 12 European countries was 64%. The proportion of chief executives who hold MBAs ranges from a high of 47% in Portugal to a low of 13% in Italy. And while the overall proportion of CEOs who were under 50 years of age when they were appointed stands at 44%, the figure ranges from a high of 64% in Norway to a low of 22% in the United States.

The research¹ encompasses 674 current chief executives of the companies listed on the following country indexes: Denmark, OMX Copenhagen 20; Finland, OMX Helsinki 25; France, SBF 120; Germany, DAX and MDAX; Italy, FTSE MIB; Netherlands, AEX; Norway, OBX; Portugal, PSI-20; Spain, IBEX 35; Sweden, OMX Stockholm 30; Switzerland, SMI Expanded; United Kingdom, FTSE 100; United States, Fortune 100.

Key findings include the following:

- Some 67% of CEOs were promoted from within.
- The average age at appointment as chief executive is 50.
- The average age of CEOs across all 13 countries is 56.
- The proportion of CEOs who are women ranges from a high of just over 8% in the United Kingdom to a low of 0% in Denmark and Italy.
- Some 46% of all CEOs have previous experience as either CFOs or COOs.
- In 10 of the 13 countries studied, the vast majority of CEOs are nationals, with Switzerland being the only country where non-nationals outnumber locals.
- Almost half of all CEOs have worked in at least two countries; however, in the United States, only one in four has any cross-border experience.

50

Average age of CEOs at appointment

48%

of all CEOs have cross-border experience

1. All findings for the countries represented in the 2018 report are based on data that was collected during spring/summer 2018.

THE INSIDE TRACK

Internal promotions remain the most common route to the top.

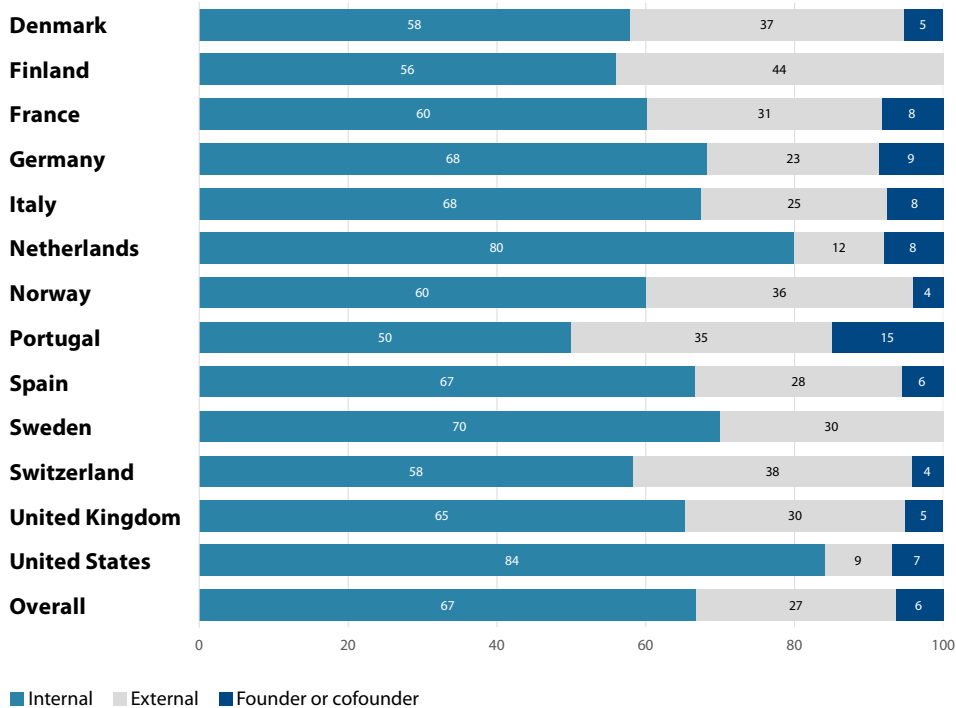
Internal vs. external promotions

Across the 13 countries in the study, 67% of CEOs were promoted from within (Figure 1). The United States had the highest percentage of internally promoted CEOs, at 84%, followed by the Netherlands, at 80%, and Sweden, at 70%. Portugal recorded the lowest percentage of internal promotions, at 50%.

67%

of CEOs are promoted from within

Figure 1. Promotion type by country,* %



*Numbers may not total 100%, because of rounding.

AGE AND TENURE

Overall, CEOs averaged 50 years of age at the time of their appointment.

Average age at and years to CEO appointment

In 10 of the 13 countries studied, the average age between internal and external appointees at the time of their appointment differed by no more than three years (Figure 2).

In the United States, however, external appointees were 59 years of age versus 53 years for internal appointees. In Denmark, external appointees were 54 years of age versus 49 years for internal appointees. In Portugal, external appointees were 53 years of age versus 48 years for internal appointees. Internally promoted CEOs in Denmark and the United States waited the longest—18 years—to attain the top job, while those in the United Kingdom waited only 11 years.

Figure 2. Average age at and years to appointment

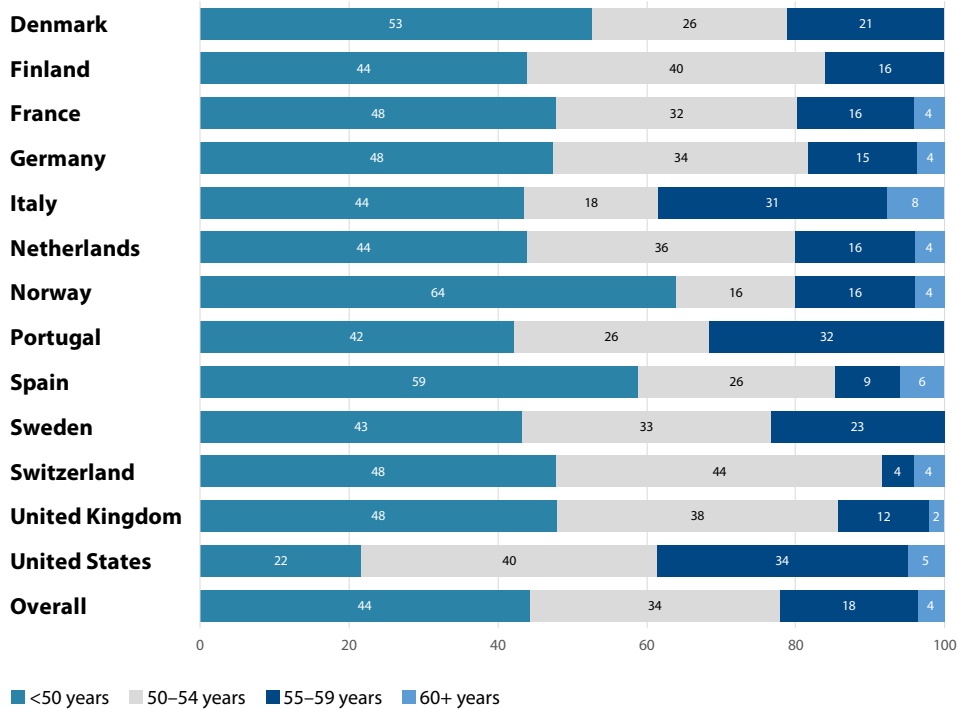
	Average age at appointment			Average years to appointment	
	Overall	Internal	External	Founder or cofounder	Internal
Denmark	51	49	54	50	18
Finland	49	49	50	N/A	13
France	49	50	50	41	13
Germany	50	51	50	37	14
Italy	51	50	53	49	12
Netherlands	50	51	52	39	13
Norway	47	46	48	56	12
Portugal	51	48	53	54	17
Spain	49	50	48	33	15
Sweden	50	49	50	N/A	13
Switzerland	49	49	51	43	13
United Kingdom	50	49	52	44	11
United States	52	53	59	34	18
Overall	50	50	51	41	14

CEO age at appointment

The greatest percentage of CEOs under 50 years of age at the time of their appointment was found in Norway, at 64%, followed by Spain, at 59%, and Denmark, at 53% (Figure 3). By far, the smallest percentage of CEOs under 50 years of age at the time of appointment was found in the United States, at 22%.

Overall, 44% of appointees were under 50 years old at the time of their appointment.

Figure 3. Distribution of age at appointment,* %



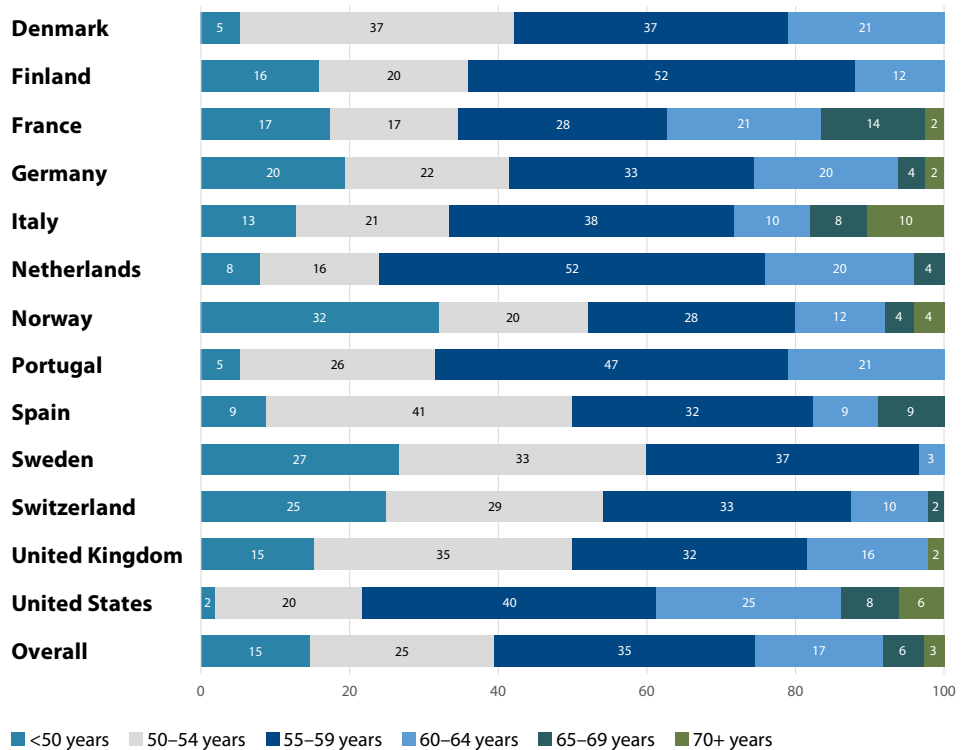
*Not all age ranges are represented in each country; numbers may not total 100%, because of rounding.

CEO age by country

The greatest percentage of current CEOs under 50 years of age is found in Norway, at 32%, followed by Sweden, at 27%, and Switzerland, at 25% (Figure 4). The smallest percentage of CEOs under age 50 is found in the United States, at 2%, followed by Denmark and Portugal, both at 5%. The largest percentage of CEOs who are 65 or older is found in Italy, at 18%, followed by France, at 16%, and the United States, at 14%.

Overall, 35% of all current CEOs are 55 to 59 years old, followed by 25% who are 50 to 54 years old.

Figure 4. CEO age distribution by country,* %



*Not all age ranges are represented in each country; numbers may not total 100%, because of rounding.

CEO age range

Sweden has the lowest average CEO age, at 53, while the United States, at 59, has the highest (Figure 5). Across all countries, CEO age ranges from a minimum of 29 in Germany to a maximum of 88 in the United States.

56

Average CEO age
across countries

Figure 5. CEO age range by country

	Average	Minimum	Maximum
Denmark	56	48	63
Finland	55	44	63
France	58	41	72
Germany	55	29	79
Italy	58	42	80
Netherlands	57	47	68
Norway	54	41	72
Portugal	57	48	62
Spain	56	41	68
Sweden	53	42	62
Switzerland	54	42	68
United Kingdom	55	43	73
United States	59	34	88
Overall	56	29	88

Current CEO tenure

CEOs who were promoted internally in France, Italy, and Portugal have, on average, been on the job for eight years (Figure 6). At the other end of the scale, the average tenure for CEOs promoted internally in Sweden stands at three years. CEOs who were hired externally have served, on average, for eight years in Spain, seven years in the United States, and six years in Finland, France, Germany, and Norway. By contrast, tenure for externally hired CEOs averages two years in Italy and three years in Sweden.

Internally promoted CEOs have been on the job for an average of six years versus five years for externally hired chief executives.

Figure 6. Current CEO tenure by country

	Current tenure (years)	
	Internal	External
Denmark	6	4
Finland	5	6
France	8	6
Germany	5	6
Italy	8	2
Netherlands	6	4
Norway	7	6
Portugal	8	5
Spain	5	8
Sweden	3	3
Switzerland	5	4
United Kingdom	5	4
United States	6	7
Overall	6	5

FEW WOMEN IN THE CORNER OFFICE

Only 1 in 20 CEOs
are women.

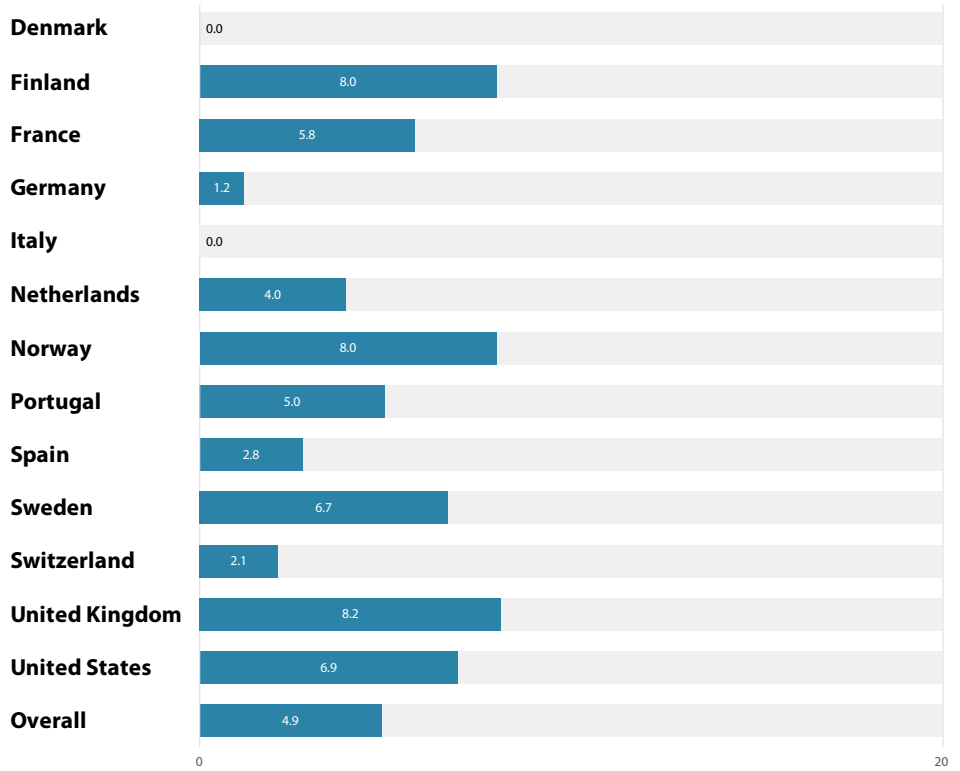
Overall, women represented only 4.9% of CEOs (Figure 7). The United Kingdom led the way, with 8.2% (a rise from 6.0% in 2016), followed by Finland and Norway, both at 8.0%. At the bottom were Denmark and Italy, both at 0%, and Germany, at 1.2%.

In the United States, the percentage of female CEOs (6.9%) was down from 8.0% in 2016, continuing the gradual decline since 2015 in the number of women CEOs in the country.

4.9%

of CEOs are female

Figure 7. Female CEOs by country, %



EDUCATIONAL ATTAINMENTS



7/10

CEOs hold
advanced degrees

CEO educational background

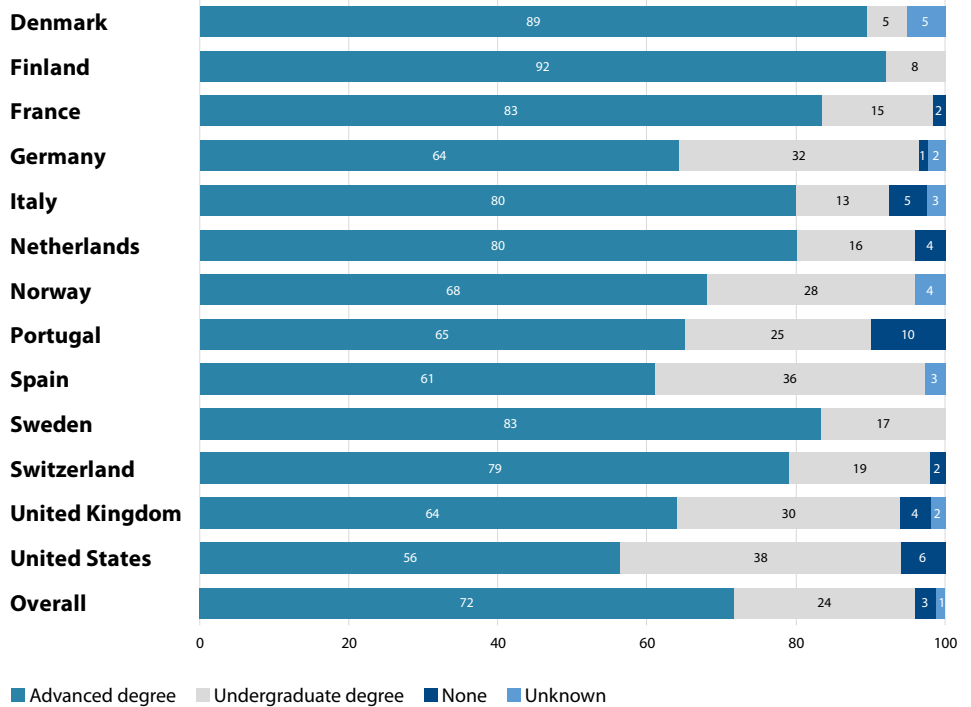
The highest proportion of CEOs with advanced degrees² is found in Finland, at 92%, followed by Denmark, at 89%, and France and Sweden, both at 83% (Figure 8).

The United States, at 56%,³ had the smallest proportion of CEOs with advanced degrees, followed by Spain, at 61%, and Germany and the United Kingdom, both at 64%.

2. Advanced degrees are defined as Master of Arts/Science, Master of Business Administration, or a doctoral degree.

3. Previous editions of *Route to the Top* counted honorary degrees in the numbers for US CEOs. Those degrees have been excluded here.

Figure 8. CEO educational background by country,* %



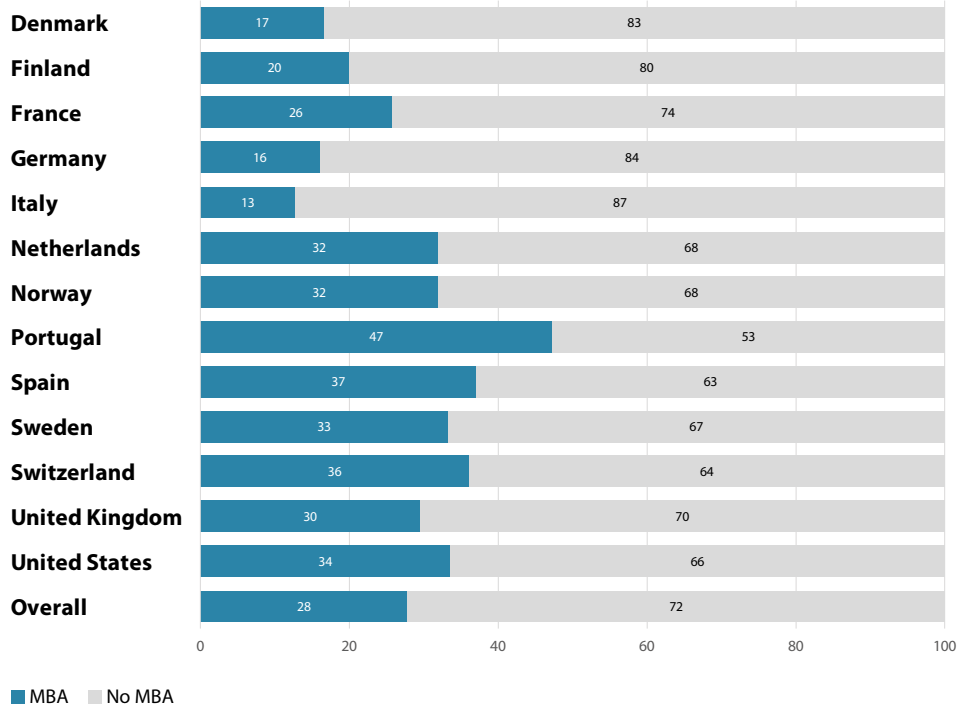
CEOs with MBAs

Fewer than 3 in 10 CEOs hold an MBA.

Overall, some 28% of CEOs in our study have earned MBAs (Figure 9). Portugal has the greatest percentage of CEOs who have earned the degree—some 47%—10 percentage points higher than Spain, at 37%, which has the second-highest proportion of CEOs with MBAs. Italy, at 13%, has the smallest percentage of leaders at the top with MBAs.

The figure is 16% in Germany, where CEOs are more likely to have pursued doctoral degrees. In France, where the figure is 26%, most executives graduate from one of the country's elite *grandes écoles*, highly selective institutions that typically focus on a single subject such as business or engineering and do not offer MBAs. In the United States, the birthplace of the MBA program, 34% of CEOs hold the degree, a figure that is sharply down from 49% seven years ago.

Figure 9. CEOs with MBAs by country, %



FUNCTIONAL BACKGROUND AND C-SUITE EXPERIENCE

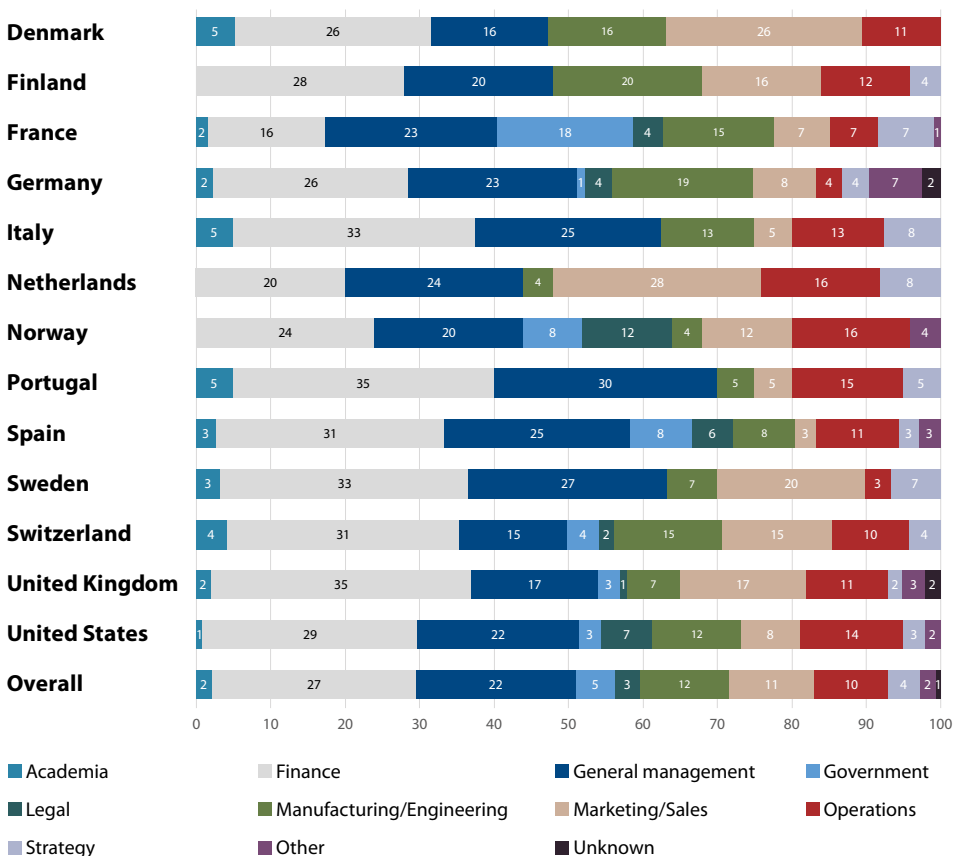
Almost half of CEOs have experience in either the finance function or general management.

CEO functional background

Some 27% of CEOs have experience in the finance function, while 22% have general management experience (Figure 10).

Portugal and the United Kingdom, both at 35%, have the largest proportion of CEOs with finance experience, followed by Italy and Sweden, both at 33%. Finance is outstripped by other experience among CEOs in only two countries: in France, 23% of CEOs have general management experience versus 16% with finance backgrounds; in the Netherlands, 28% have sales and marketing backgrounds and 24% have general management experience versus 20% with finance experience.

Figure 10. CEO functional background by country,* %



*Not all backgrounds are represented in each country; numbers may not total 100%, because of rounding.

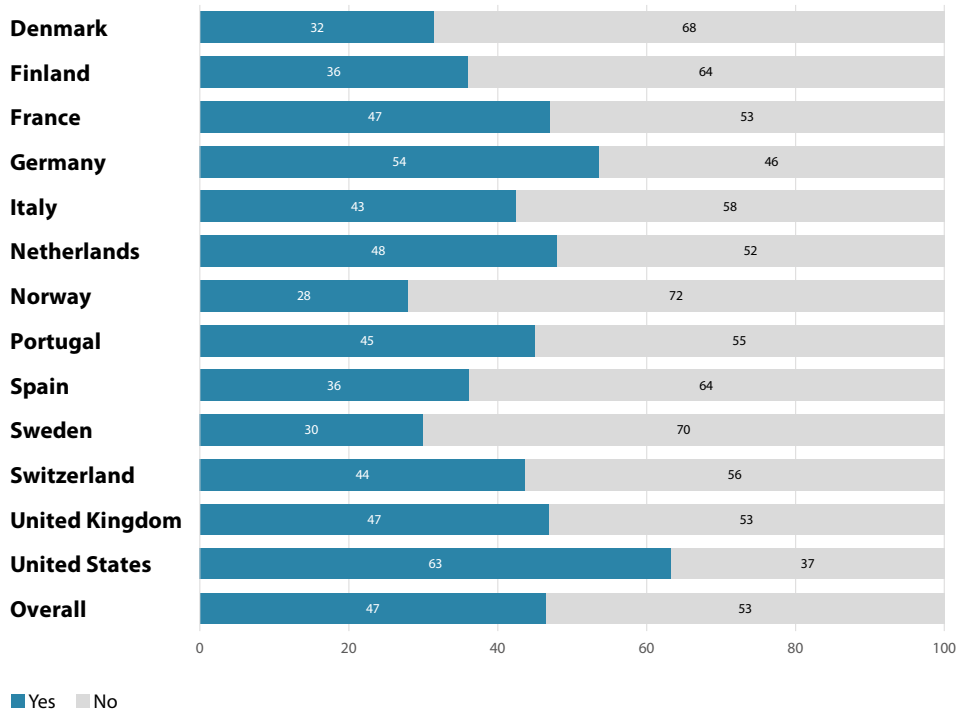
C-suite experience

Some 47% of CEOs among the 13 countries we studied have previous experience as a member of a C-level executive team (Figure 11).

In the United States, the figure is 63%, followed by Germany, at 54%. Norway, at 28%, had the smallest proportion of CEOs with C-suite experience, followed by Sweden, at 30%.

Nearly half of CEOs have previous experience in the C-suite.

Figure 11. C-suite experience,* %



*Numbers may not total 100%, because of rounding.

C-suite experience by role

In Germany, 32% of CEOs have previously served as a CFO, the largest proportion among the 13 countries in the study, followed by Portugal, at 30%, and Spain, at 25% (Figure 12). The United States had the largest proportion of CEOs who have been COOs, at 47%, followed by the Netherlands, at 32%, and France, at 31%.

46%

of all CEOs have previous experience as either CFOs or COOs

Figure 12. C-suite experience by role, %

	CFO	COO	Other C-suite
Denmark	11	16	16
Finland	20	16	8
France	17	31	10
Germany	32	17	15
Italy	20	25	10
Netherlands	16	32	12
Norway	24	8	0
Portugal	30	20	10
Spain	25	11	3
Sweden	23	7	10
Switzerland	21	13	19
United Kingdom	16	27	9
United States	23	47	16
Overall	21	25	11

GLOBAL AND LOCAL PERSPECTIVES

The vast majority of CEOs are nationals, and almost half have cross-border experience.



CEO nationality

Switzerland is the only country with a majority of non-national CEOs, with 52% hailing from other countries, up from 48% in 2016 (Figure 13).

In the United Kingdom, the share of non-national CEOs is 43%, up from 40% in 2016, while in the Netherlands, the proportion of non-national CEOs is 40%. In the other 10 countries in our study, the vast majority of CEOs are nationals—fully 100% in Portugal, 90% in the United States, 89% in Spain, and 88% in France.

Figure 13. Global leaders by nationality,* %

	National	Non-national	Unknown
Denmark	68	32	0
Finland	84	16	0
France	88	11	1
Germany	79	15	6
Italy	85	13	3
Netherlands	60	40	0
Norway	84	16	0
Portugal	100	0	0
Spain	89	11	0
Sweden	73	27	0
Switzerland	48	52	0
United Kingdom	55	43	2
United States	90	10	0
Overall average	77	22	1

*Numbers may not total 100%, because of rounding.

Cross-border experience

Some 48% of CEOs have worked in at least two countries (Figure 14). In the Netherlands, 78% have worked across borders, followed by Switzerland, at 74%, and Sweden, at 67%.

By far the smallest proportion was found in the United States, where only 23% of CEOs have cross-border experience. In all countries except France, Italy, and Spain, the percentage of external appointees with cross-border experience matched or exceeded the proportion of internal appointees who have such experience.

Figure 14. Cross-border experience by appointment, %

	Internal appointment	External appointment	Overall
Denmark	55	71	61
Finland	50	64	56
France	47	42	45
Germany	45	47	45
Italy	63	60	62
Netherlands	75	100	78
Norway	40	44	42
Portugal	50	71	59
Spain	46	30	41
Sweden	67	67	67
Switzerland	61	94	74
United Kingdom	45	48	46
United States	22	33	23
Overall average	46	55	48



CEO & Board Practice

Heidrick & Struggles' CEO & Board Practice has been built on our ability to execute top-level assignments and counsel CEOs and board members on the complex issues directly affecting their businesses.

We pride ourselves on being our clients' most trusted advisor and offer an integrated suite of services to help manage these challenges and their leadership assets. This ranges from the acquisition of talent through executive search to providing counsel in areas that include succession planning, executive and board assessment, and board effectiveness reviews.

Our CEO & Board Practice leverages our most accomplished search and leadership consulting professionals globally who understand the ever-transforming nature of leadership. This expertise, combined with in-depth industry, sector, and regional knowledge; differentiated research capabilities; and intellectual capital enables us to provide sound global coverage for our clients.

Leaders of Heidrick & Struggles' CEO & Board Practice

Global

Bonnie Gwin

New York

bgwin@heidrick.com

Jeff Sanders

New York

jsanders@heidrick.com

Europe and Africa

Sylvain Dhenin

Brussels

sdhenin@heidrick.com

Sandrine Roseberg

London

sroseberg@heidrick.com

Asia Pacific

Fergus Kiel

Sydney

fkiel@heidrick.com

HEIDRICK & STRUGGLES

Heidrick & Struggles is the premier provider of senior-level executive search, culture shaping, and leadership consulting services. For more than 60 years we have focused on quality service and built strong relationships with clients and individuals worldwide. Today, Heidrick & Struggles' leadership experts operate from principal business centers globally.

www.heidrick.com

WE HELP OUR CLIENTS
CHANGE THE WORLD,
ONE LEADERSHIP TEAM
AT A TIME®

Copyright © 2018 Heidrick & Struggles International, Inc.

All rights reserved. Reproduction without permission is prohibited.

Trademarks and logos are copyrights of their respective owners.

