

# HEIDRICK & STRUGGLES

## Differences Emerge in CEOs' Route to the Top

April 20, 2017

- Heidrick & Struggles' report explores path to corner office in U.S., France, Germany and U.K.**
- CEOs in U.S. Even More Likely to Rise From Inside the Company than those in Europe**
- Women CEOs Still Uncommon Globally**
- Percent of CEOs with MBAs Dropped Sharply in Past 5 Years**

CHICAGO, April 20, 2017 /PRNewswire/ -- Internal promotions are by far the most likely path to the role of chief executive in the U.S., more so than in Germany, the U.K. or France, according to a new study by [Heidrick & Struggles](http://www.heidrick.com) (NASDAQ: HSII), a premier provider of executive search, leadership consulting and culture shaping worldwide.

# HEIDRICK & STRUGGLES

Meanwhile, there has been no progress in the percent of CEO roles held by women among large American or European companies. In fact, in the U.S. the number of female CEOs among the largest 100 companies declined by one from a year ago.

Interestingly, the number of chief executives with Masters of Business Administration degrees has declined sharply in the past five years.

Heidrick & Struggles' Route to the Top study explores the background and experiences among those who have climbed the corporate ladder to the highest rung in the largest companies in the United States, France, Germany and the United Kingdom.

For the complete 2017 Heidrick & Struggles *Route to the Top* report, visit <http://www.heidrick.com/Knowledge-Center/Publication/Route-to-the-top-2017>.

### Internal Promotions the Most Likely Route to the Top

In the U.S., Germany and the U.K., 85 percent, 68 percent and 61 percent, respectively, of CEOs were promoted from within. By contrast, only 48 percent of CEOs in France rose to the top from an internal promotion.

"It may be surprising to find that U.S. corporations are even more likely than European companies to be led by a CEO who was promoted internally into the role," said Jeff Sanders, vice chairman and co-managing partner of the firm's global CEO & Board Practice. "U.S. companies are far more likely to be heavily influenced by shareholder concerns, which can often favor outside candidates."

Internally promoted CEOs in the U.S. wait longer than their counterparts in Europe to receive the nod, and European CEOs are typically younger when promoted. Prior to being tapped as CEO, the U.S. executives served, on average, for 20 years within their companies, while their European counterparts attained the top job after no more than 14 years, on average, on the inside. Internally promoted CEOs in the U.S. were, on average, 53 years old when appointed to the top job, compared with 50 years old in Germany and 48 years old in France and the U.K.

### No Real Progress for Women Being Named to CEO Roles

While the U.S. had the most female CEOs at 8 percent of the companies studied, that is down by 1 percentage point from the previous year. In the U.K., women accounted for 6 percent of CEOs, up 1 percentage point from a year earlier. Women CEOs remain significantly rarer still in France and Germany at only 2 percent and 1 percent, respectively, unchanged from the previous year.

"The small progress women have made over the years in being named to CEO roles has stalled," Gwin said. "Forward-looking companies should be mindful that their succession plans include both women and men, with a particular focus on ensuring they gain the critical experiences necessary to serve as CEO."

### CEOs with MBAs Decline Sharply

Only 35 percent of U.S. CEOs studied hold an MBA degree, down from 42 percent last year and 49 percent five years previously. In France, there has been a similar decline, with 26 percent of CEOs having an MBA, down from 37 percent five years previously. In Germany, where advanced technical degrees are more common in the corner office, CEOs with MBAs have declined to 11 percent from 16 percent five years previously. In the U.K., 30 percent of CEOs hold MBAs, unchanged from five years previously.

"Over time, boards have moved away from giving strong consideration to academic credentials of CEO candidates, except in particular instances," Gwin said. "Much more important are key experiences relating to the transformation of an operation or responding effectively to disruption."

Other key findings of the study include:

- **Companies based in the U.K. are more likely than those in other countries to be led by a foreign-national.** U.K. companies continue to have a higher percentage of non-national CEOs—40 percent in the most recent study—than the U.S. (at just 13 percent, which is up from 11 percent five years previously), Germany (at 17 percent) or France (at 10 percent).

- **Financial background most prevalent in three of the four countries.** Finance is the most common functional background for CEOs in the U.K. (36 percent), the U.S. (31 percent) and Germany (26 percent), while engineering is the leading functional background in France (24 percent).

The current report marks the fourth *Route to the Top* study by the firm analyzing the backgrounds of chief executives at the largest 100 companies in the United States as reported in the Fortune 500, the complete FTSE 100 in the United Kingdom, the DAX 30 and MDAX 50 in Germany, and the SBF 120 in France.

**About Heidrick & Struggles:**

Heidrick & Struggles (Nasdaq: HSII) serves the executive talent and leadership needs of the world's top organizations as a premier provider of leadership consulting, culture shaping and senior-level executive search services. Heidrick & Struggles pioneered the profession of executive search more than 60 years ago. Today, the firm serves as a trusted advisor, providing integrated leadership solutions and helping its clients change the world, one leadership team at a time. [www.heidrick.com](http://www.heidrick.com).

**Media Contact:**

Alex Brown - +1 312.496.1871  
[abrown@heidrick.com](mailto:abrown@heidrick.com)

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/differences-emerge-in-ceos-route-to-the-top-300442324.html>

SOURCE Heidrick & Struggles