

HEIDRICK & STRUGGLES

Dynamic Governance the Next Horizon for High-Performing Companies

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Heidrick & Struggles' Long-Standing European-Wide Corporate Governance Report, First Published in 1999, Calls for a New Spirit of Agile and Responsive Governance Rooted in Board Leadership

LONDON, Feb. 13, 2014 (GLOBE NEWSWIRE) -- Governance must undergo a shift from box-ticking compliance to a leadership imperative that is capable of enabling and empowering business performance, concludes the latest European Corporate Governance report from global leadership firm Heidrick & Struggles International, Inc. (Nasdaq: HSII).

Towards Dynamic Governance 2014 sets out a new charter for governance based on the firm's work with high-performing boards and the proprietary biennial research on European board behaviours which it has undertaken for the past 15 years.

Will Moynahan, Managing Partner in the Board Practice said: "The demand for dynamic governance is based on two realisations. First, leadership starts at the board level. Second, governance is a means of enabling and driving business performance. All things being equal, well-governed companies excel." He continued: "The best companies do not wait to be governed, they shape the debate and set best practice with agile and responsive leadership that adapts quickly to the changing circumstances of business."

Heidrick & Struggles has identified six key characteristics that define a new era of dynamic governance:

Deep Business Knowledge – It is critical that board members understand the commercial DNA of the company and that chairmen and boards possess deep insights into the business. The report reveals that one in five boards in Europe still combine the role of CEO and Chairman, holding management to account becomes a challenge in such circumstances.

Diversity of Thought – Boards need to contain a range of personalities, characters, skills and backgrounds if they are to function successfully. Encouragingly, boards are becoming more international in their mix with non-national directors making up 30% of the director pool in Europe. Yet, female representation is still lacking -- Europe's worst performers are Poland and Portugal with 40% and 30% respectively of company boards without any female directors.

Engaged Leadership – The best chairmen work hard on team dynamics; this requires a sophisticated understanding of people. A total of 93% of survey respondents identified the leadership styles of the Chairman as an important contributor to board effectiveness. Of particular concern however, only 76% of respondents thought their own Chairman was doing a satisfactory job in this respect.

Strategic alignment and execution – Boards must use their knowledge and experience to help executives develop robust and sustainable strategies. Given the length of service, with one in five directors on European boards being in the role for more than nine years, it is crucial that board experience is kept current.

Capacity to adapt – Boards must do more to create the conditions within which innovation and adaptation can thrive. While 80% of respondents agree that innovation and adaptability are important, only 63% felt the performance of their own boards was satisfactory in this area.

Leadership talent – Talented people lie at the heart of dynamic governance and drive the boardroom's transformation agenda. Fully 92% of respondents agree that top talent performance and engagement in succession planning are important yet only 55% believe it is being satisfactorily delivered by their board.

Notes to Editors:

Towards Dynamic Governance 2014 analysed the board composition and habits of Europe's top 400 publicly listed companies -- the six elements of dynamic governance were then used to construct a board effectiveness survey, completed by 236 senior board members across Europe.

Towards Dynamic Governance 2014 is available to download from www.heidrick.com

About Heidrick & Struggles International, Inc.

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