

# Route to the Top 2021





Thanks to the following Heidrick & Struggles  
colleagues for their contributions to this report:

---

**Bonnie Gwin**  
New York

**Jeremy Hanson**  
Chicago

**David Hui**  
Hong Kong

**Jeffrey Sanders**  
New York

**Claire Skinner**  
London

**Lyndon Taylor**  
Chicago

# About the report

This year's *Route to the Top* draws on an analysis of the profiles of the 1,095 CEOs at the largest publicly listed companies in 24 markets as of July 5, 2021. Australia and New Zealand, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Mexico, Netherlands, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States are included in this report.

## 4 Introduction



## 5 A turn back toward pre-pandemic trends



## 10 The changing of the guard: New CEOs compared to their predecessors



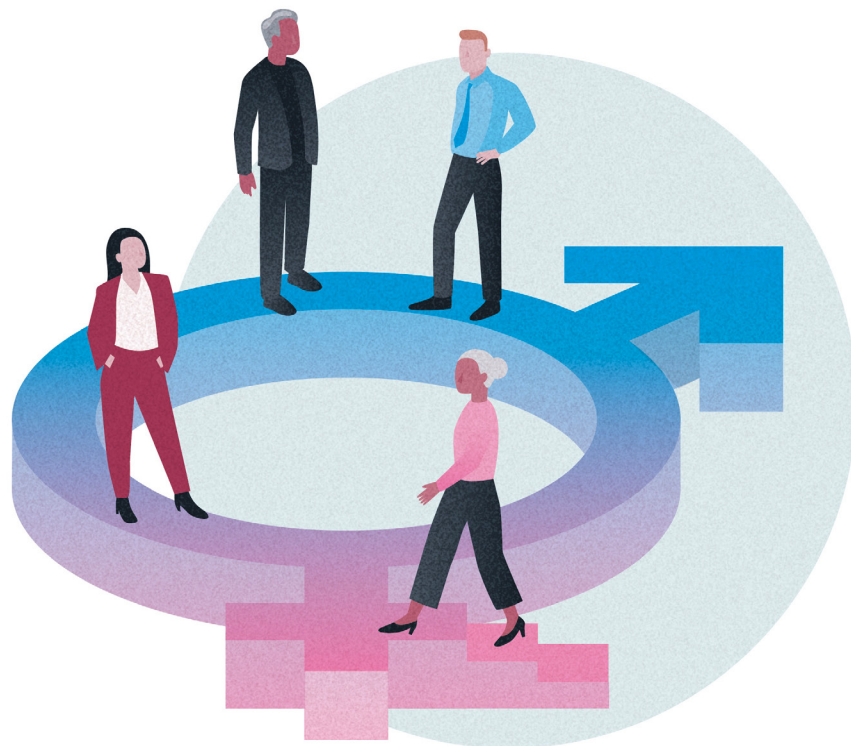
## 12 Route to the Top 2021: Snapshot



## 15 Looking ahead



# Introduction



This year, we were curious to see if the sharp and immediate impact of the COVID-19 pandemic on CEO succession planning—in which we saw a markedly slower planning process and newly appointed CEOs who fit into a traditional comfort zone—continued, or if earlier trends toward greater diversity among new CEOs would be restored.

Indeed, we once again see a broader understanding of what makes a good CEO among the new appointments. We also explored how the profiles of these newly appointed CEOs differed from their direct predecessors in order to gain an understanding of how much CEO expectations have changed compared to the previous generation.

Our key findings include the following:

- The first half of 2021 shows a record number of CEO appointments, the highest since 2018.
- The share of women CEOs appointed in the same period doubled: 13% of all CEOs appointed in the first half of 2021 were women, compared to 6% in the previous six months—though absolute numbers are still very low.
- More new CEOs have C-suite experience beyond the traditional CFO and COO roles, including roles such as chief risk officer, chief strategy officer, and chief technology officer.
- After a period of increased external appointments early last year, the balance shifted toward internal appointments.

- Compared to their direct predecessors, new CEOs are more likely to be women, to be from countries other than where the company is headquartered, to have cross-border experience, and to have advanced degrees.

Our findings show us that companies are returning to a more expansive view of CEO succession. The steady increase of CEOs appointed internally—while ensuring those CEOs have various sources of fresh perspective—also highlights that many companies are strengthening their succession pipeline so they can tap into a larger number of leadership roles within the organization.

# A turn back toward pre-pandemic trends

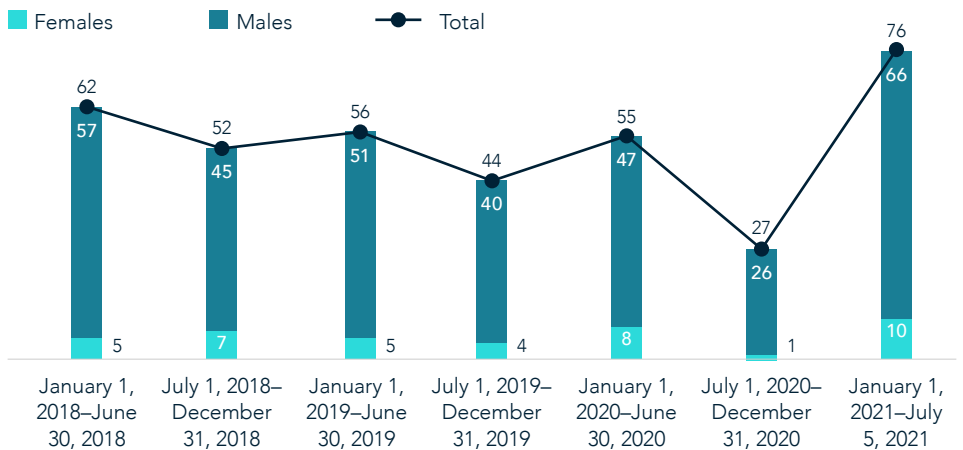


New CEO appointments rose dramatically in 2021. After a significant slowdown in appointments in the second half of 2020, companies made a record number of CEO appointments in the first half of 2021, which signals confidence in both their company's prospects and their ability to find the right leader.

Looking at the 14 countries<sup>1</sup> we've tracked since 2018, the first six months of 2021 had significantly more appointments than any similar period, outstripping the next highest half-year period by 14 placements, or 22.6%, and was very close to the overall number of appointments in 2020 in these 14 countries: 82.

## Appointment trends over time (#)

For the 14 countries tracked since 2018 (January 1, 2018–July 5, 2021)

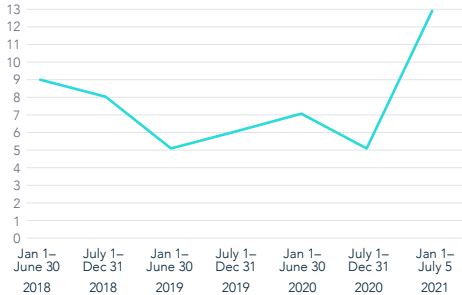


<sup>1</sup> We have tracked 14 countries since 2018: Australia, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

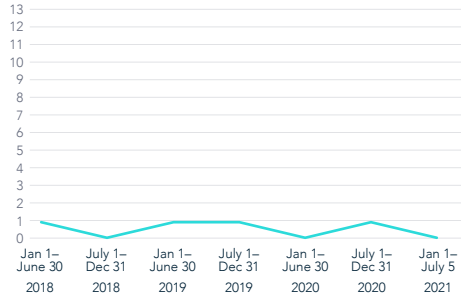
### CEO appointments by market (#)

For the 14 countries tracked since 2018

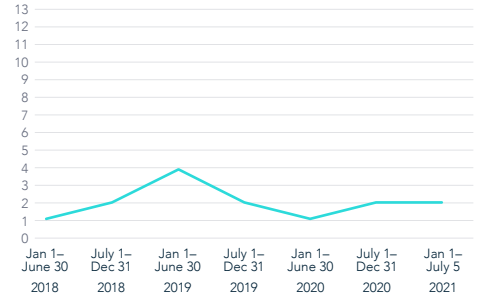
Australia



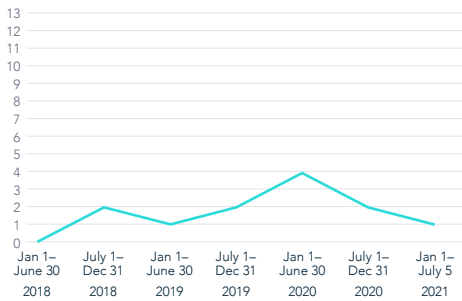
Belgium



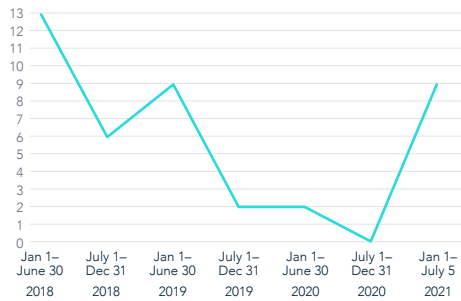
Denmark



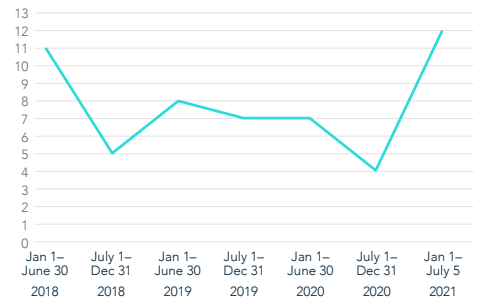
Finland



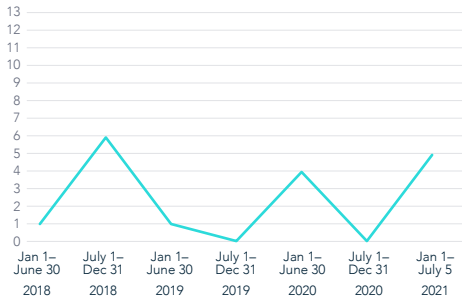
France



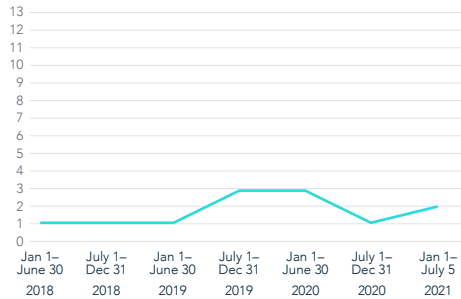
Germany



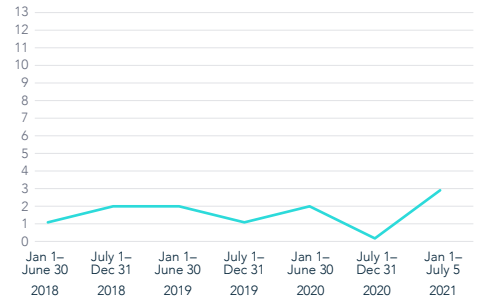
Italy



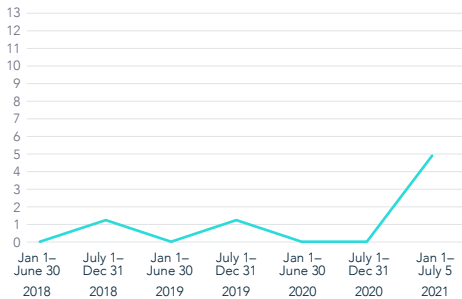
Netherlands



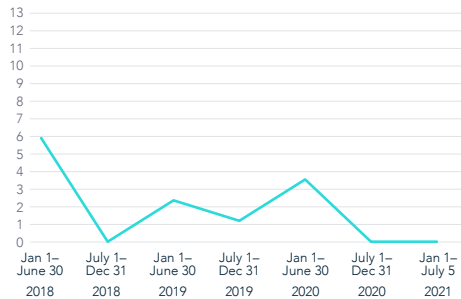
Portugal



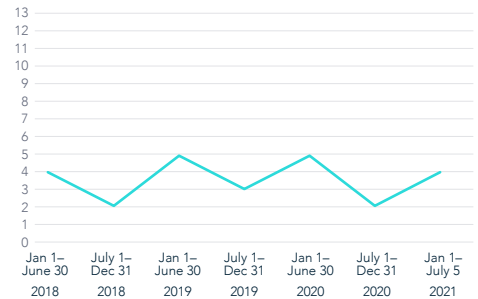
Spain



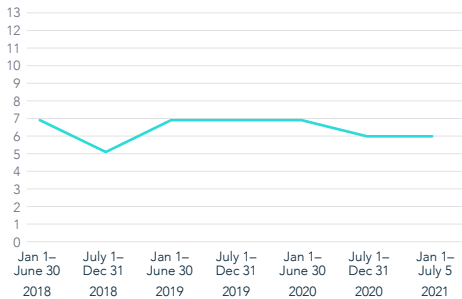
Sweden



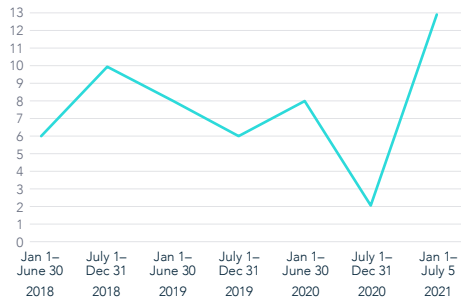
Switzerland



United Kingdom



United States



Companies that did make a change early in the pandemic on the whole reverted to their comfort zone of appointing executives with prior CEO experience and a successful leadership track record, who were often men.<sup>2</sup> Across the 24 markets in our study, we saw that progress toward gender equity surged forward in 2021 after last year's pause: the share of women appointed

to CEO roles had dipped to 6% in the second half of 2020 but rose to 13% in the first half of 2021. This is likely the result of the combined impact of regulatory requirements for gender balance in corporate ranks implemented by many countries in our study, stakeholder pressure, and a conscious decision to gain fresh perspectives through a fairer gender balance.

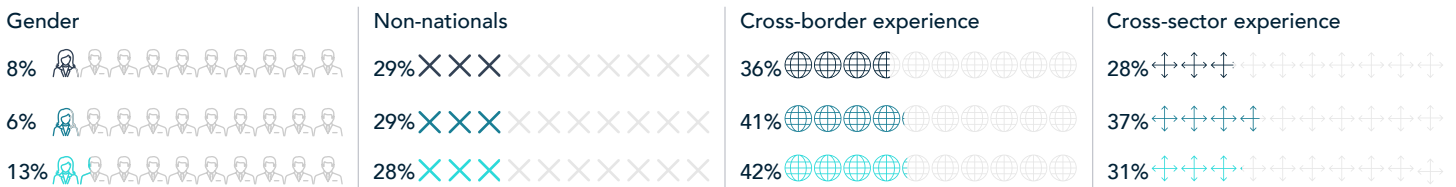
Other sources of diversity and fresh perspectives, such as having a nationality different from the home country of the company's headquarters, cross-border experience, and cross-industry experience, have held steady through the past 18 months. We have, however, seen an increase in the share of new CEOs with MBAs or other advanced degrees over the past 12 months.

<sup>2</sup> Route to the Top 2020, Heidrick & Struggles, on heidrick.com.

### Fresh perspectives also return in CEO profiles in the first half of 2021

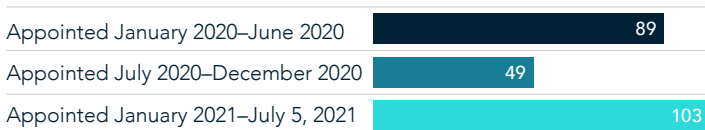
■ January 2020–June 2020   ■ July 2020–December 2020   ■ January 2021–July 5, 2021

#### Fresh perspectives: Diversity



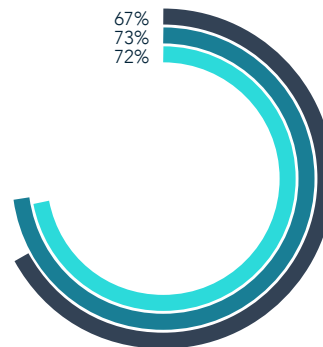
#### CEO appointments rebound in the first half of 2021 (#)

Appointment timeline

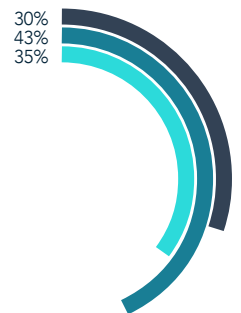


#### Education

Advanced degree



MBA



An increasing share of new CEOs have held other roles in the C-suite, signaling that companies are increasingly reaching beyond the traditional ranks of CFOs and COOs. In fact, the proportion of

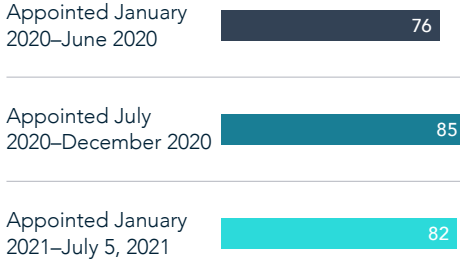
new CEOs who had held other C-suite roles more than doubled from January 2021 to June 2021 compared to the same period in 2020. The number of former CFOs took a notable dip,

particularly compared to the previous six months. C-suite roles that are moving up in paving the way to CEO include chief risk officer, chief strategy officer, and chief technology officer.

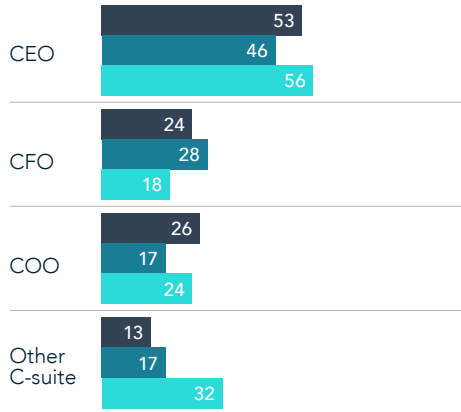
### More new CEOs have previous C-suite experience (%)

■ January 2020–June 2020   ■ July 2020–December 2020   ■ January 2021–July 5, 2021

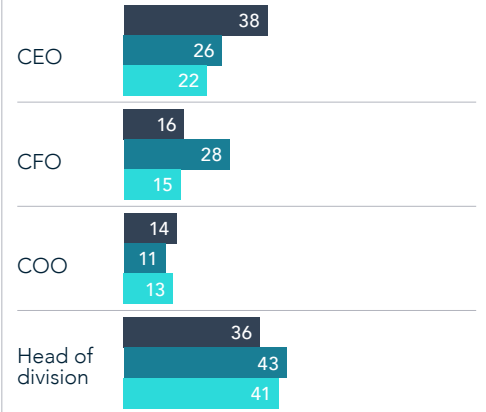
#### C-suite experience overall



#### Type of C-suite experience

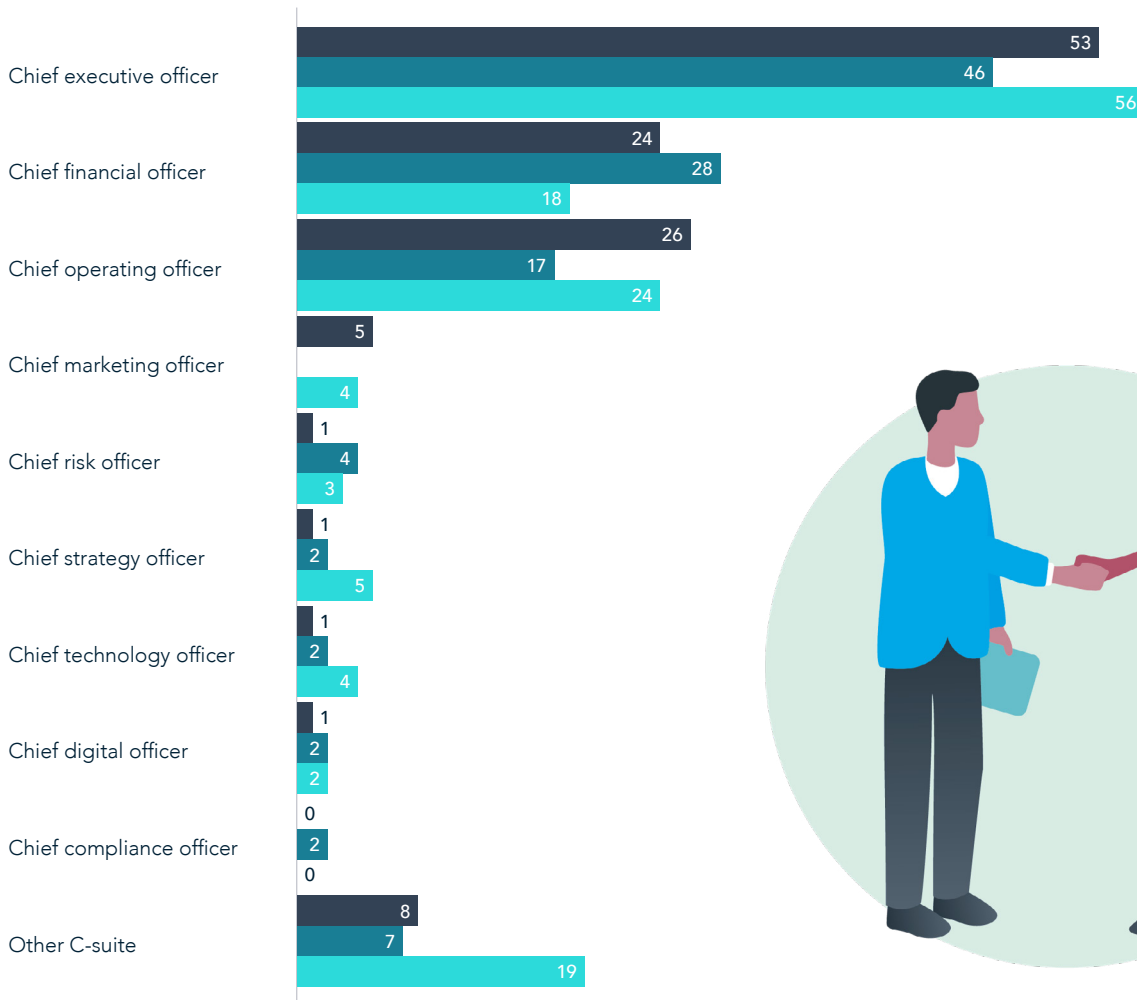


#### Most common type of experience in previous 2 roles



Sample size: 148

#### Type of C-suite experience



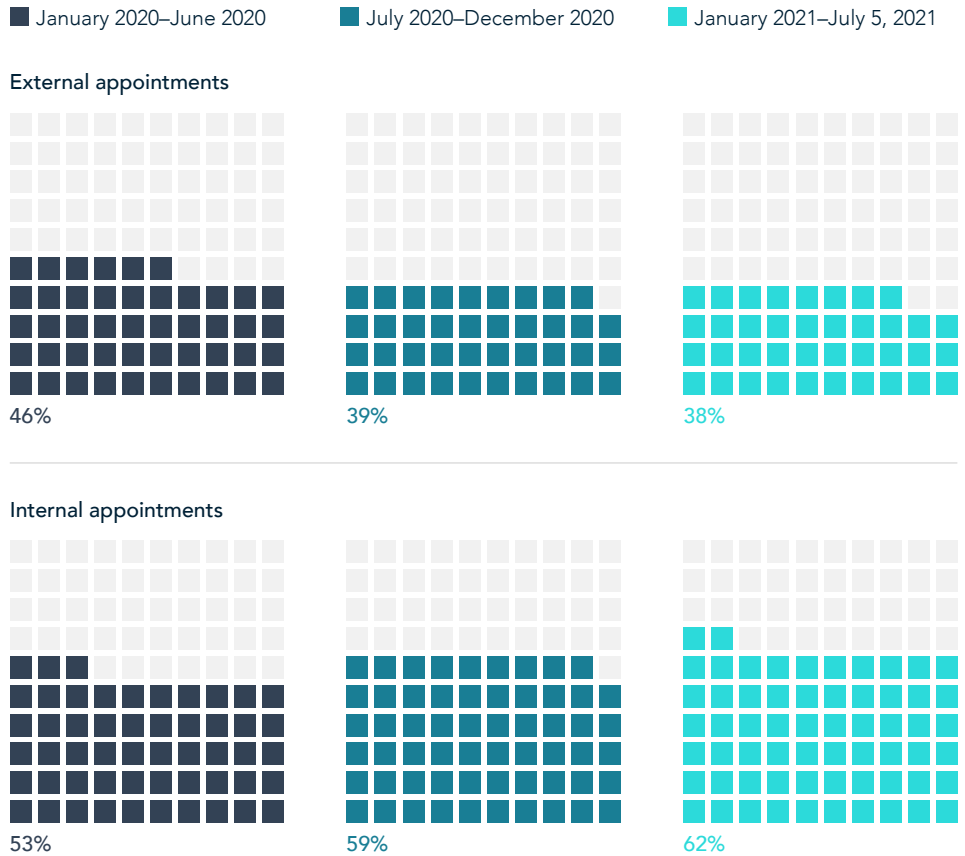
Sample size: 148



In addition, head of division roles have become increasingly common stepping-stones to the top job: 41% of the new CEOs this year had held such roles. Indeed, many companies have elevated the heads of their main divisions to their executive teams in recognition of the roles' importance and to ensure that those leaders take part in key decisions. Such practices also give division heads firsthand experience with executive committees and make them stronger contenders for CEO roles.

Data from the past 18 months also show increasing shares of internal appointments from January 2020 to July 5, 2021. This suggests that improvements many companies have made to their internal leadership development and succession planning processes, such as broadening the experience of heads of divisions, are now working. These internally appointed CEOs are more often women than are their externally appointed peers and have more often held less traditional C-suite roles. It's also little surprise that they less often have cross-sector experience.

### More CEOs are appointed internally



CEOs appointed January 2020–July 5, 2021		External (%)	Internal (%)
Fresh perspectives	Women CEOs	7	11
	Non-nationals	32	26
	Cross-border experience	40	39
	Cross-sector experience	54	16
C-suite experience	C-suite experience overall	80	82
	CEO	67	44
	CFO	16	27
	COO	19	27
	Other C-suite	15	27

# The changing of the guard: New CEOs compared to their predecessors



---

It is perhaps no surprise that CEOs appointed over the past year differ significantly from the CEOs they replaced. After all, the departing CEOs' average tenure was seven years, and in those years the world has

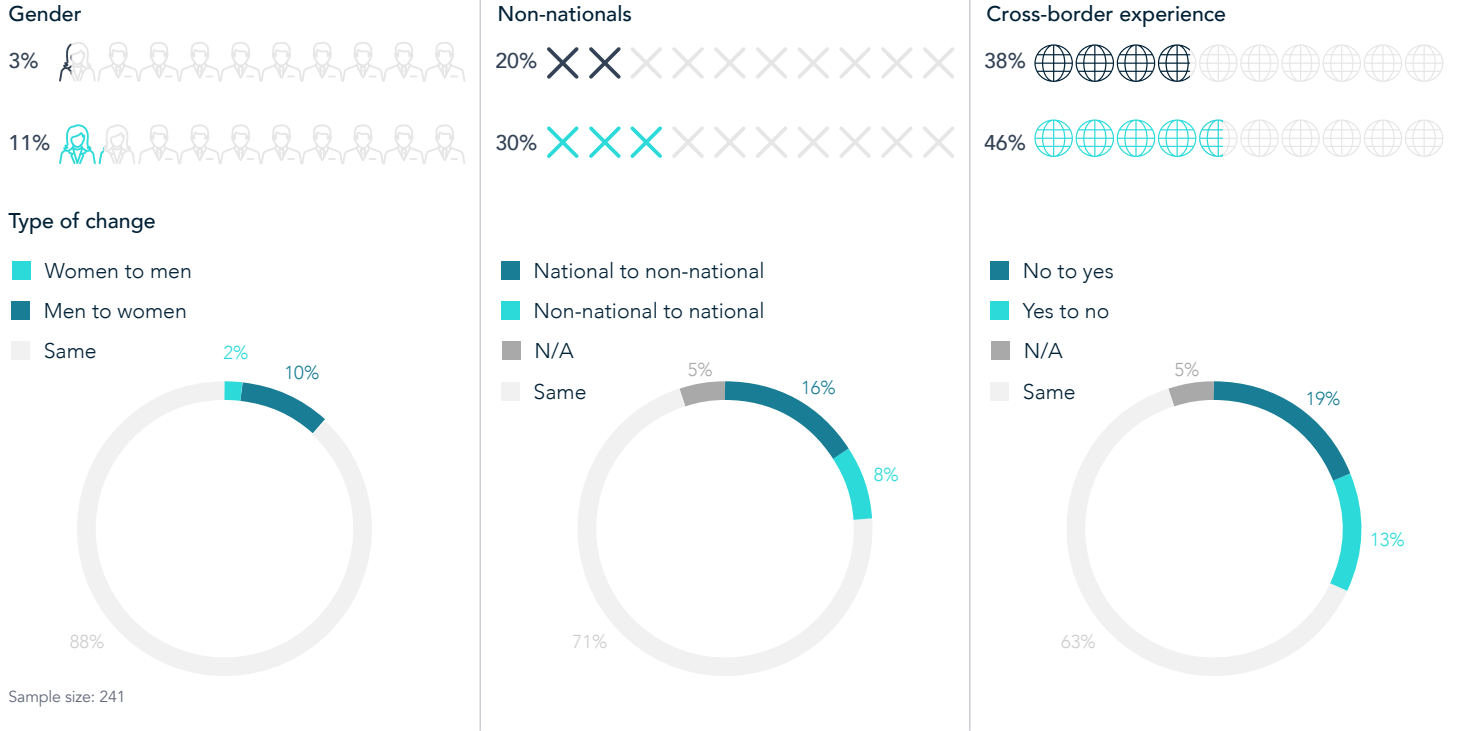
changed markedly. The new CEOs in this year's report are more likely than their predecessors to be women, to be non-nationals, to have cross-border experience, and to have advanced degrees.

**The departing CEOs' average tenure was seven years, and in those years the world has changed markedly.**

## New CEOs versus their predecessors

■ Predecessors ■ New CEOs appointed July 1, 2020–July 5, 2021

### Fresh perspectives: Diversity



### Education

■ Predecessors ■ New CEOs appointed July 1, 2020–July 5, 2021





Newly appointed CEOs also have more diversified areas of prior C-suite experience than their predecessors do. This difference could reflect the increased importance of functions such as technology, risk, or strategy. But this broadening of scope also reflects the fact that the CEO role itself is expanding

far beyond its historical day-to-day running of the business. CEOs today need to champion (both internally and externally) issues such as sustainability, social justice, DE&I, and cybersecurity, along with other issues specific to their business or geography. CEOs are in the spotlight more than ever, their actions

are scrutinized by a larger number of stakeholders, and they have to be much closer to and transparent with their own employees. In this context, leadership capabilities such as agility, empathy, role modeling the organizational purpose, and fostering inclusion matter just as much as specific areas of expertise.

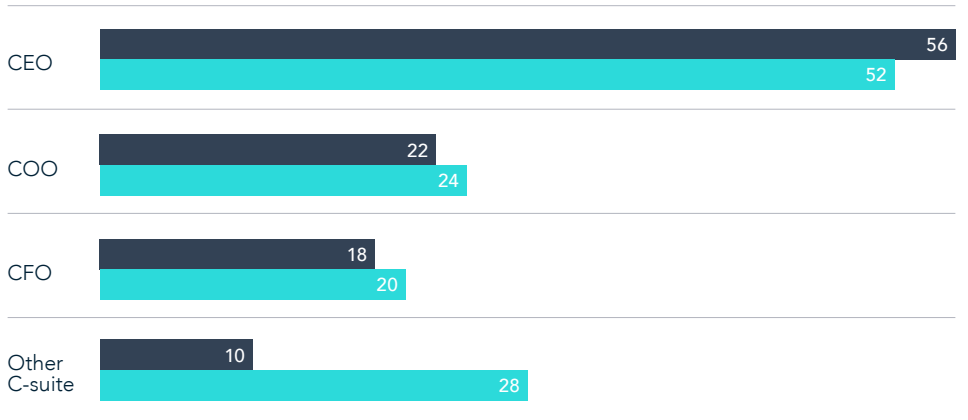
**Newly appointed CEOs have more diversified C-suite experience than their predecessors (%)**

■ Predecessors    ■ New CEOs appointed July 1, 2020–July 5, 2021

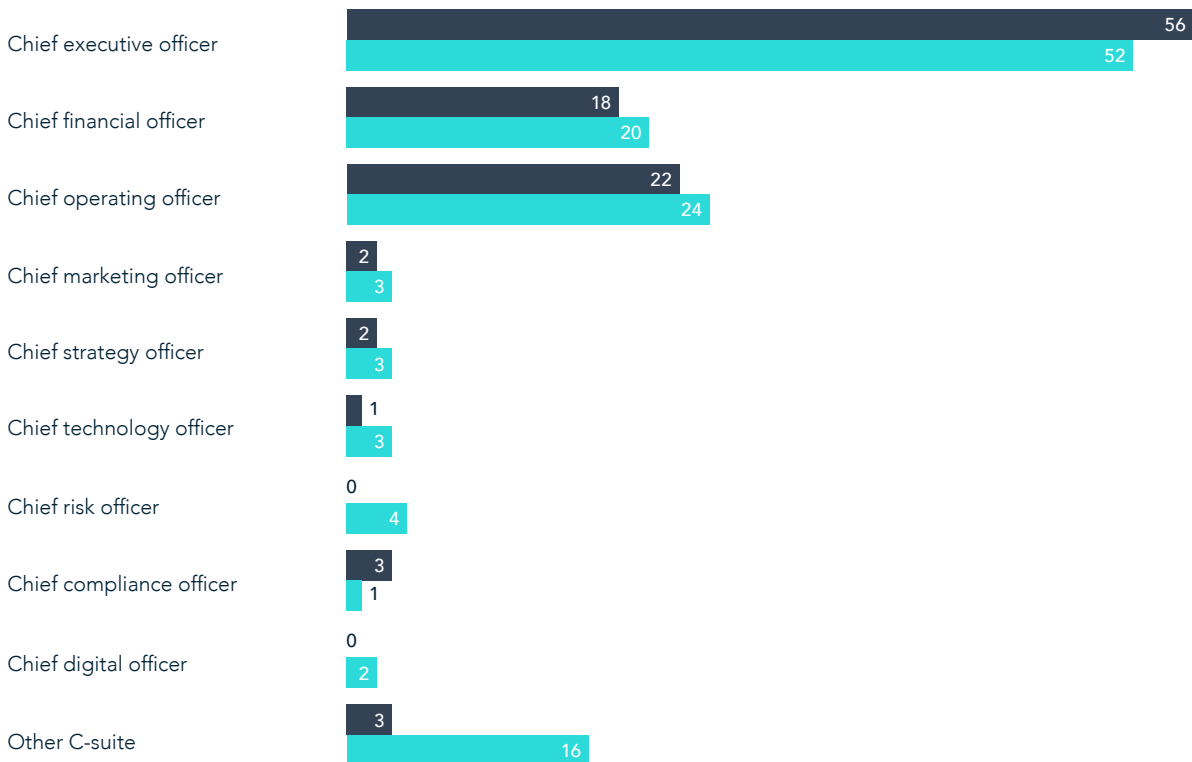
C-suite experience overall

82    83

Type of C-suite experience



Type of C-suite experience



# Route to the Top 2021: Snapshot

## All current CEOs

**49**

Average age at appointment

**56**

Average age now

**25%**

Appointed before age 45

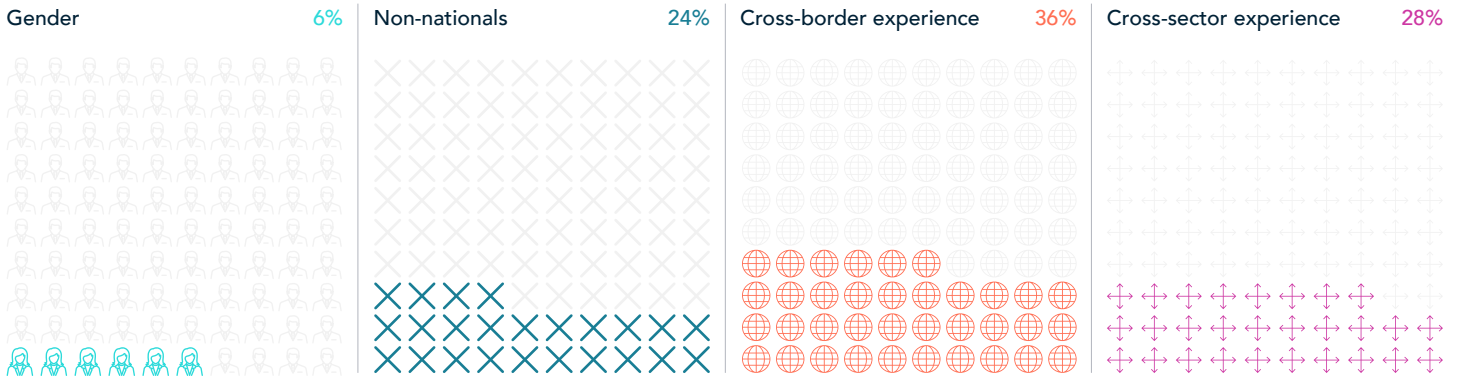
**14%**

New (<1 year)

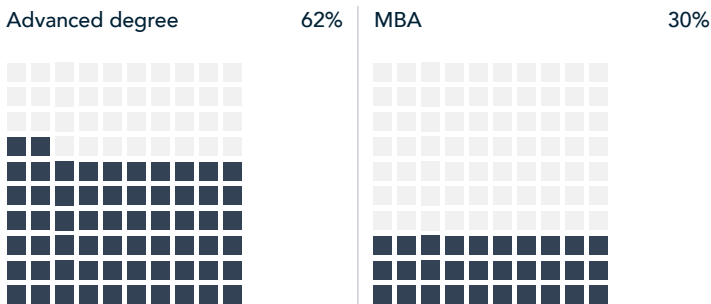
**6.6**

Average tenure (years)

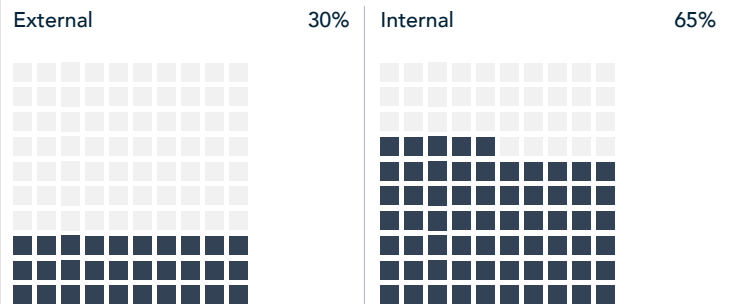
## Diversity



## Education



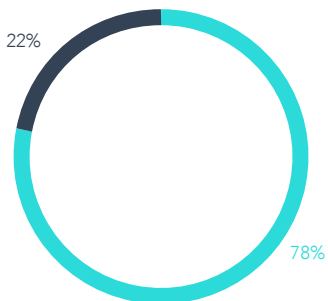
## Appointment type



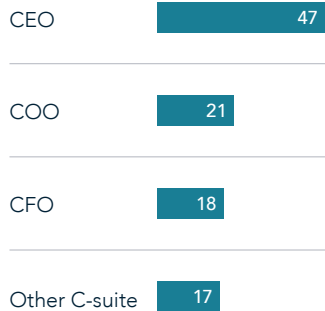
## Prior C-suite experience

C-suite experience overall

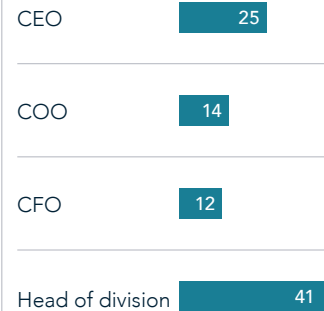
- Has prior C-suite experience
- No prior C-suite experience



Type of C-suite experience (%)



Most common type of experience in previous two roles (%)




























































































## Fresh perspectives: Sector view

	Female		Non-nationals		Cross-border experience		Cross-sector experience	
Automotive & aerospace	9%		24%		38%		35%	
Banks	10%		20%		28%		11%	
Chemicals	13%		25%		53%		34%	
Construction	2%		22%		41%		31%	
Consumer goods & retail	6%		29%		42%		16%	
Healthcare	4%		21%		36%		14%	
Industrials	4%		26%		43%		26%	
Insurance	9%		24%		26%		17%	
Manufacturing	0%		30%		47%		47%	
Pharma	8%		54%		64%		17%	
Power & utilities	3%		19%		29%		29%	
Real estate	8%		17%		22%		33%	
Technology	6%		21%		29%		29%	
Transport & logistics	2%		12%		31%		61%	
Media & entertainment	4%		17%		35%		59%	
Travel & hospitality	8%		31%		35%		40%	
Other	0%		33%		41%		62%	
Other finance	4%		13%		31%		40%	



## Fresh perspectives: Market view

	Female	Non-nationals	Cross-border experience	Cross-sector experience
Australia/New Zealand	7% 	15% 	51% 	35% 
Belgium	10% 	38% 	38% 	42% 
Brazil	1% 	6% 	13% 	33% 
Canada	0%	32% 	20% 	19% 
China	2% 	2% 	10% 	17% 
Denmark	8% 	40% 	56% 	40% 
Finland	8% 	24% 	48% 	44% 
France	5% 	17% 	39% 	15% 
Germany	3% 	25% 	39% 	36% 
Hong Kong	5% 	76% 	19% 	19% 
Ireland	14% 	19% 	57% 	29% 
Italy	0%	13% 	35% 	30% 
Mexico	0%	9% 	60% 	21% 
Netherlands	8% 	35% 	54% 	38% 
Portugal	6% 	6% 	39% 	39% 
Singapore	11% 	29% 	57% 	30% 
South Africa	8% 	30% 	33% 	15% 
Spain	5% 	10% 	55% 	23% 
Sweden	10% 	17% 	55% 	45% 
Switzerland	2% 	55% 	74% 	28% 
United Arab Emirates	5% 	42% 	16% 	12% 
United Kingdom	8% 	46% 	46% 	34% 
United States	12% 	9% 	14% 	18% 

# Looking ahead



Looking ahead, as the role of the corporation is reimagined in the wake of COVID-19 and growing societal expectations surrounding climate, equity, cyber concerns, and other external realities, boards are reconsidering the CEO succession planning process itself. We expect to see even more investment in the development of internal candidates and a more continuous review of both internal and external candidates against the backdrop of rapidly evolving geopolitical scenarios and across multiple time horizons. As part

of that effort, companies should be preparing for potential emergency CEO succession needs; these emergency plans require much closer scrutiny to make sure boards have in sight the right candidates for the context they would need to step into.<sup>3</sup>

All this means that we expect companies to broaden their search for fresh perspectives even further. In addition, we expect increased focus on leadership capabilities rather than specific skill sets. Though there will always be differences in emphasis based on sectors, markets,

and individual companies' scale and business models, other recent research by Heidrick & Struggles has found that there are four capabilities in which future-ready leaders consistently excel: leading through influence, driving execution, creating new thinking, and having an ownership mindset.<sup>4</sup>

Finally, considering the ever-expanding role of the CEO, companies will benefit by putting more weight than ever before on such capabilities—both when they assess current CEOs and as they look for future ones.

<sup>3</sup> Lee Hanson and John S. Wood, "Considerations for emergency CEO successions," Heidrick & Struggles, on [heidrick.com](https://heidrick.com)

<sup>4</sup> TA Mitchell and Sharon Sands, "Future-ready leaders: Finding effective leaders who can grow with your company," Heidrick & Struggles, forthcoming on [heidrick.com](https://heidrick.com).

# 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

**Jeffrey Sanders**  
New York  
jsanders@heidrick.com

### Americas

**Nancie Lataille**  
Toronto  
nlataille@heidrick.com

**Lyndon A. Taylor**  
Chicago  
ltaylor@heidrick.com

**Paulo Mendes**  
Sao Paulo  
pmendes@heidrick.com

**Juan Ignacio Perez**  
Mexico City  
jperez@heidrick.com

### Europe and Africa

**Stafford Bagot**  
Dublin  
sbagot@heidrick.com

**Marie-Hélène De Coster**  
Benelux  
mhdecoster@heidrick.com

**Imke Lampe**  
Amsterdam  
ilampe@heidrick.com

**Nicolas von Rosty**  
Munich  
nvonrosty@heidrick.com

**Oliver Schiltz**  
Zurich  
oschiltz@heidrick.com

**Kit Bingham**  
London  
kbingham@heidrick.com

**Sylvain Dhenin**  
Paris  
sdhenin@heidrick.com

**Véronique Parkin**  
Johannesburg  
vparkin@heidrick.com

**Tuomo Salonen**  
Helsinki  
tsalonen@heidrick.com

**Luis Urbano**  
Madrid  
lurbano@heidrick.com

**Niccolo Calabresi**  
Milan  
ncalabresi@heidrick.com

**Vladimir Kochukov**  
Moscow  
vkochukov@heidrick.com

**Tobias Petri**  
Copenhagen  
tpetri@heidrick.com

**Stefano Salvatore**  
Madrid  
ssalvatore@heidrick.com

**Flavio Zollo**  
Milan  
fzollo@heidrick.com

### Asia Pacific and Middle East

**Alain Deniau**  
Dubai  
adeniau@heidrick.com

**David Hui**  
Hong Kong  
dhui@heidrick.com

**Gauri Padmanabhan**  
New Delhi  
gpadmanabhan@heidrick.com

**Guy Farrow**  
Sydney  
gfarrow@heidrick.com

**Aya Iinuma**  
Tokyo  
aiinuma@heidrick.com

**Linda Zhang**  
Shanghai  
lzhang@heidrick.com

**Hnn-Hui Hii**  
Singapore  
hhhii@heidrick.com

**Fergus Kiel**  
Sydney  
fkiel@heidrick.com

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

Copyright © 2021 Heidrick & Struggles International, Inc. All rights reserved. Reproduction without permission is prohibited. Trademarks and logos are copyrights of their respective owners.