



The Odgers Berndtson Global Corporate Leadership Barometer

How the UK's biggest companies and their leaders have become more international post-millennium

Key Findings

- At the end of 2016 40% of CEOs of FTSE 100 companies were non-UK nationals, almost double the level in 2001 (21%) and a significant increase since 2006 (31%).
- FTSE 100 CEOs are an increasingly international group, both in number and origin. At the end of 2016 they were drawn from 20 different nationalities, up from 12 nationalities represented in 2001.
- Other leadership roles have also seen a steep rise in non-UK nationals since 2001, with almost 30% of FTSE 100 Chair and CFO roles also non-nationals.
- The rise in non-UK national business leaders is partly explained by a five-fold increase in FTSE 100 companies based outside of the UK since 2001 – rising to 15% of the FTSE 100.
- The FTSE 100 has become an increasingly global index, now including companies headquartered in a total of 9 countries – more than double the number of countries represented in 2001 and significantly ahead of non-national representation on other international exchanges.

The success of London in attracting increasing numbers of companies headquartered elsewhere to list and establish a UK base partly explains the rise of non-UK nationals top executives in the FTSE 100 since the Millennium.

Amid great interest in the consequences of Brexit, and as the UK prepares to withdraw from Europe, this analysis of global business leaders from Odgers Berndtson highlights the extent to which the UK's biggest companies have become steadily more dependent on top executives originating outside the UK.

Since the Millennium, the number of FTSE 100 companies with chief executives originating outside the UK has doubled and there has also been a steep rise in the numbers of non-UK national chairs and CFOs. Over the same period, and across all leaders, the range of nationalities has expanded along with the numbers. The current list of FTSE 100 CEOs now extends to 20 different nationalities – almost double the number represented in 2006.

These numbers make the UK one of the most internationally diverse centres in the world for companies and business leaders. At CEO level, no other leading exchange analysed has more than a third non-nationals whilst in some over 90% of chief executives for whom a nationality of origin is available are native.

We believe the UK trend is partly explained by the success of London as a global business centre, attracting increasing numbers of international companies to list and headquarter in the UK since the Millennium.

For high standards of corporate governance and ready access to world-class business, financial and professional services, London is hard to beat. As a result, the UK benefits disproportionately from international corporations. FTSE 100 companies reportedly generate over three quarters of their revenues overseas, benefiting the UK and generating local employment and economic gains. A key question and concern in 2017 is the extent to which this can be sustained.

The success of London in attracting increasing numbers of companies headquartered elsewhere to list and establish a UK base partly explains the rise of non-UK nationals top executives in the FTSE 100 since the Millennium.

Excluding international companies and looking purely at British-based companies in the FTSE 100, our research shows that although the number of international CEOs has increased since 2001 progress has been slower than the overall trend and more in line with other centres. In 2001

81% of CEOs at UK-based FTSE 100 companies were of UK origin, falling to 69% by the end of 2016. This is comparable with the 2016 level of CEOs of national origin for companies listed on the German DAX (75%), and Dutch AEX (68%). On the French CAC 40, 86% of CEOs are French nationals, closer to the level of over 90% for the US S&P 500 based on nationality data available for analysis.

At the same time our analysis reveals a lack of UK representation in senior roles at FTSE 100 companies headquartered abroad. Of the 15 FTSE 100 companies currently headquartered overseas, 8 do not have a CEO, Chair or CFO of UK origin. In fact, only 1 in 15 CEO roles held at FTSE 100 companies currently headquartered abroad are held by UK nationals.

Meantime it also reveals that, whilst more international business leaders have come to the UK, there is little or no evidence of a significant rise in chief executives of UK origin heading international companies based outside the UK. At the end of 2016, for example, there was only one UK-born chief executive found across all the companies combined which were analysed and quoted on the German DAX, French CAC-40 and Dutch AEX.

Of the CEO's leading FTSE 100 companies, however, the clear majority originate from Europe. In 2001, 86% of CEOs were European (to include 79% UK nationals) and this figure has fallen slightly to 81% in 2006 and 2016. Of these, UK-born CEOs made up 69% of the European total in 2006, and 60% in 2016. This reflects a slight increase in the range and number of CEOs of wider international origin.

Alongside changes in the nationality of business leaders and companies represented in the FTSE 100, our analysis also reveals changes in sector breakdown. There has, for example, been a significant increase in representation of the support services and leisure and hotels industries. In 2001, these two sectors combined to make up 8% of the FTSE 100 – by 2016 that figure has more than doubled to 17%. Meantime banks, insurance and financial services accounted for 19% of FTSE 100 companies in 2001, all but four with UK-born chief executives. By the end of 2016 the sector still accounted for 19% of the FTSE 100 but CEOs had become more international, with the number of UK-born CEOs falling (from 15 to 12), and non-UK national CEOs rising (from 4 to 7).

Whilst more international business leaders have come to the UK there is little or no evidence of a significant rise in UK-born chief executives heading international companies based outside the UK.

Appendix

Summary of Key Findings

FTSE 100	2016	2006	2001
CEO Role	60% UK nationals 81% European 20 Nationalities	69% UK nationals 81% European 11 Nationalities	79% UK nationals 86% European 12 Nationalities
Chair Role	70% UK nationals 86% European 15 Nationalities	78% UK nationals 86% European 14 Nationalities	77% UK nationals 85% European 10 Nationalities
CFO Role	71% UK nationals 80% European 14 Nationalities	89% UK nationals 92% European 10 Nationalities	92% UK nationals 93% European 6 Nationalities
FTSE 100	85% of companies HQ in the UK* 9 countries incl. UK *Carnival has dual HQ in the UK and the US and has been counted twice	93% of companies HQ in the UK* 6 countries incl. UK *Carnival has dual HQ in the UK and the US and has been counted twice	97% of companies HQ in the UK 4 countries incl. UK
Overseas HQ Companies	1/15 (7%) CEO roles at foreign HQ companies are held by UK nationals *Carnival has dual HQ in the UK and the US - for the purpose of this section the CEOs have been counted twice	1/7 (14%) CEO roles at foreign HQ companies are held by UK nationals *Carnival has dual HQ in the UK and the US - for the purpose of this section the CEOs have been counted twice	0/3 (0%) CEO roles at foreign HQ companies were held by UK nationals
UK HQ Companies	59/86 (69%) CEOs of companies HQ in the UK are UK nationals *Carnival has dual HQ in the UK and the US - for the purpose of this section the CEOs have been counted twice	68/94 (72%) CEOs of companies HQ in the UK are UK nationals *Carnival has dual HQ in the UK and the US - for the purpose of this section the CEOs have been counted twice	79/97 (81%) CEOs of companies HQ in the UK are UK nationals

2016 International Indices and CEO Nationality

- **CAC 40** – of the 37 CEOs analysed, 32 are French – 86.5%. 0 UK nationals.
- **DAX** – of the 24 CEOs analysed, 18 are German – 75%. 1 UK national.
- **AEX** – of the 25 CEOs analysed, 17 are Dutch – 68%. 0 UK nationals.

European figures include UK Nationals.

S&P 500. Of 503 CEO records returned, 304 had nationality data available. Of these 282 are US citizens and 3 UK nationals.

2016 FTSE 100 Nationality Data – CEOs, Chairs and CFOs

2016 Highlights

- **85% of FTSE 100 companies HQ in the UK – 9 countries represented** (including the UK).
- **FTSE 100 CEOs:** Of the 100 records analysed **60% are UK nationals, 40% non-UK nationals, 20 nationalities represented** in total.
- **FTSE 100 Chairs:** Of the 101 records analysed (Mondi has co-chairs) **70% are UK nationals, 30% are non-UK nationals, 15 nationalities represented**.
- **FTSE 100 CFOs:** Of the 100 records analysed **71% are UK nationals, 29% non-UK nationals, 14 nationalities represented** in total.

(NB. One South African record has dual UK citizenship – included in the South Africa data)

2006 FTSE 100 Nationality Data – CEOs, Chairs and CFOs

2006 Highlights

- **93% of FTSE 100 companies HQ in the UK – 6 countries represented** (including the UK)
- **FTSE 100 CEOs:** Of the 100 records analysed **69% were UK nationals, 31% non-UK nationals, 11 nationalities represented** in total.
- **FTSE 100 Chairs:** Of the 100 records analysed **78% were UK nationals, 22% are non-UK nationals, 14 nationalities represented** in total.
- **FTSE 100 CFOs:** Of the 99 records analysed **89% are UK nationals, 11% non-UK nationals, 10 nationalities represented** in total.

2001 FTSE 100 Nationality Data – CEOs, Chairs and CFOs

2001 Highlights

- **97% of FTSE 100 companies HQ in the UK – 4 countries represented** (including the UK)
- **FTSE 100 CEOs:** Of the 100 records analysed **79% are UK nationals, 21% non-UK nationals, 12 nationalities represented** in total.
- **FTSE 100 Chairs:** Of the 100 records analysed **77% are UK nationals, 23% are non-UK nationals, 10 nationalities represented** in total.
- **FTSE 100 CFOs:** Of the 100 records analysed **92% are UK nationals, 8% non-UK nationals, 6 nationalities represented** in total.

Notes

- I. Data sourced from BoardEx with additional information sourced from Mint UK, Companies House and Factiva.
- II. All data sourced December 2016.
- III. Historical FTSE 100 lists for 2001 and 2006 sourced from the Cranfield University Report on Female directors in the Top 100 Companies Index, 2001 and Hemscott respectively.
- IV. Please note that some executives holding the Executive Chair position will have been included on both the CEO and Chair lists.

About Odgers Berndtson

Odgers Berndtson helps organisations recruit the best people for their most important jobs. In an increasingly connected and complex world, and in a time of widespread economic uncertainty, we believe our services are more critical than ever.

With a network of over 50 offices in 28 countries worldwide, we know that effective leadership is a vital quality regardless of national borders.

The Author



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Kit Bingham is a Partner in the Board Practice at Odgers Berndtson, and Head of the Chair & Non-Executive Director Practice. Kit joined after a career in financial journalism and financial public relations. He was Senior Writer at Financial News, a Dow Jones publication, covering both corporates and the capital markets, with a particular focus on corporate governance reform. In 2007, he joined The Communication Group as a Director of the Financial Practice, with a mix of professional services and financial services clients. He developed and tutored an MBA in board effectiveness at Henley Management College, and graduated from Balliol College, Oxford University, in 1991.

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