THE NEW CLOSED SHOP: WHO’S DECIDING ON PAY?

THE MAKE UP OF REMUNERATION COMMITTEES

GLOBAL CEO APPOINTMENTS: A VERY DOMESTIC ISSUE
About the High Pay Centre

The High Pay Centre is an independent non-party think tank established to monitor pay at the top of the income distribution and set out a road map towards better business and economic success.

We aim to produce high quality research and develop a greater understanding of top rewards, company accountability and business performance. We will communicate evidence for change to policymakers, companies and other interested parties to build a consensus for business renewal.

The High Pay Centre is grateful to its supporters for funding this work.

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This report was prepared for the High Pay Centre by David Bolchover. David Bolchover is the author of Pay Check: Are Top Earners Really Worth It? and he sits on the advisory board of the High Pay Centre.

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Foreword

The existence of a global talent pool for business leaders is part of the mythology that has grown up around high executive pay. It is given as one of the reasons for its sharp rate of increase in the past decade.

Top bosses are prepared - at short notice - to head overseas to a new assignment for a bigger package, runs the argument. They must be incentivised to stay with their employer or they will leave for pastures new.

This argument has always appeared a little self-serving, if not somewhat demeaning, to suggest that chief executives are motivated only by money.

There are plenty of other reasons why someone would want to run a premier company other than just the rewards on offer. In fact, shareholders should probably be wary of the person who was incentivised purely by the bonus – that is what led us into the financial crisis.

In interviews, chief executives say their jobs are about much more than money. They are keen on developing a company strategy, turning their business into a world leader and bringing on good people.

This report debunks the myth about those internationally mobile executives. The statistics do not back up the idea that they are all flying round the world for new roles. The Fortune Global 500 biggest companies in the world show little propensity to hire from outside their own country. In fact, the global talent pool is more like a drop in the ocean.

Deborah Hargreaves, founding director of the High Pay Centre

Executive summary

Only 4 chief executives (CEOs) out of 489 companies for which executive career histories were publicly available (those for 11 CEOs, all Chinese, were not), were poached while CEOs of another company in a foreign country. All four companies (Peugeot Citroën, Bayer, Holcim and International Airlines) are in Western Europe. Cross-border poaching of current CEOs therefore amounts to 0.8% of total CEO appointments in the Fortune Global 500.

Only one CEO was poached while CEO of another company in another continent. In 2010, Bayer (a German-based company) appointed Marijn Dekkers, a Dutch national, when he was at the time CEO of Thermo Fisher Scientific in the United States. Cross-regional poaching of current CEOs therefore amounts to 0.2% of total CEO appointments.

Only 14 CEOs were poached from another country while occupying a role beneath CEO. 11 of these are in Europe, one in China, one in South Korea and one in Australia. Cross-border poaching from beneath the top level therefore amounts to 2.9% of total CEO appointments.

In North America, Japan, Latin America and Eastern Europe, not one CEO was appointed from outside the country where the company is based.

80% of CEO appointments in the world’s largest companies are internal promotions; 20% were external appointments.

Just 32 (6.5%) current CEOs were poached from another company while serving as a CEO.

A mere 13 out of 500 CEOs are women, a proportion of 2.6%. 97.4% are therefore men.
Introduction

When Sir Martin Sorrell, the chief executive (CEO) of the media company WPP, was asked in 2011 to justify his own pay package, he asserted that his company was forced to compete internationally for top executives. “Look at what chief executives of media companies are paid in other parts of the world,” he said. “We are a worldwide company; we are the leading company in our industry. The comparison, whether you like it or not, is with other companies in the world.”

Jeffrey Rosen, the deputy chairman of an investment bank who chairs the company’s remuneration committee, subsequently used similar arguments to defend Sir Martin’s £12.93 million pay package for 2011, a reported 56% increase on the previous year. “Whenever WPP recruits a senior executive, we look at international norms,” he said.2

Pay consultants, headhunters and others who seek to justify high pay routinely refer to this supposed global market for executive talent, and to the dangers of a brain drain of allegedly precious individuals if compensation levels do not reflect what they claim is the highly competitive nature of this market. If this view holds sway, CEO packages throughout the world would have to equal those offered in the market where overall remuneration is highest, the United States.3

However, High Pay Centre research on CEO appointments at the largest 500 companies in the world (the Fortune Global 500) reveals that the international market for CEOs is, in reality, extremely limited. Indeed, only a very insignificant proportion of CEOs of the largest companies in the world are recruited from another company in another country.

In North America, not one CEO in the 142 companies surveyed was hired in this way. Only in Western Europe do cross-border appointments have any statistical significance. However, even there, only four existing CEOs (2.6% of the total in that region) were poached from abroad while acting as the head of another company. •

Benchmarking CEO salaries even among domestic rivals could therefore be of limited value in North America, and in other regions where external hiring is low (such as Japan and some other Asian countries). Ambitious internal candidates are highly likely to accept the role of CEO, and subsequently perform to their utmost, even for a small increase on their current salary. (Indeed, according to a 2012 PricewaterhouseCoopers survey, senior executives in the United States would accept, on average, a pay cut of 35% for their ideal job).4 Moreover, the possibility that they will later be snapped up by a competitor appears remote. Even if they are poached, the company concerned could then revert to a system of internal promotion which seems to satisfy so many of their counterparts.

The five CEOs who were recruited while heading another company are: David Cote (Honeywell), recruited from TRW in 2002; James McNerney (Boeing), who came from 3M in 2005; Robert Dutkowsky (Tech Data) who was recruited from the much smaller Egenera in 2006; Richard Anderson (Delta Air Lines) who was brought in from rival Northwest Airlines in 2007 (the two companies merged a few months after his appointment); and Hubert Joly (Best Buy), recruited from Carlson in 2012 to change the fortunes of the ailing consumer electronics retailer. Only one of the largest North American companies therefore currently boasts a CEO who was poached in the last five years while serving as the head of another company.

A further 13 CEOs were recruited from outside the company, but weren’t at that time leading another organisation. These include Mondelēz International (formerly Kraft Foods) CEO Irene Rosenfeld who returned in 2006 to the company she served for twenty years after a brief interlude as head of Frito-Lay, a division of Pepsico, and Meg Whitman, appointed as CEO of Hewlett-Packard in 2011, having resigned from a similar position at eBay four years previously.

These two women help to boost the percentage of women who occupy the top position in the largest North American companies to nine (one

1 BBC News website, “David Cameron and Nick Clegg criticised directors’ 50% pay rise", 28 October 2011
2 The Telegraph, “WPP chain hits back at UK institutional investors over Sir Martin Sorrell’s pay”, 12 May 2012
3 For evidence that CEO pay in the United States is highest, see, for example, Ebert, F, Torossi, R & Papadakis, K., “Executive compensa-
tion: Trends and Policy Issues”, International Institute for Labor Stud-
is, 2008
4 PricewaterhouseCoop-
ers, “Making executive pay work: The psychol-
ogy of incentives”, 2012

Regional Analysis

North America: Staying home

Not one current CEO of the 142 North American companies in the Fortune Global 500 was an external hire from abroad. We can therefore conclude that companies elsewhere in the world should not pay too much attention to CEO salaries in North America. Companies in that region have no evident interest in hiring executives from abroad, even though they are generally lower paid and thus, presumably, easier to recruit.

Even within North America, only five current CEOs (3.5%) were poached while CEO of another company, and a further 13 (9%) were recruited from beneath the top tier in another company. The vast majority of companies (87%) appear to prefer to recruit their CEO from the considerable pool of experienced executives who have proven themselves within the organisation and understand its culture.

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Global CEO appointments: A very domestic issue

of those, Angela Braly of WellPoint, resigned after the survey was completed), amounting to 6.3%, a significantly higher proportion than in the rest of the world. Indeed, if we take this region out of the equation, only 1.1% of CEOs are women (four out of 358).

The entrepreneurial nature of the United States is reflected in the fact that seven CEOs, including Michael Dell (Dell), Warren Buffett (Berkshire Hathaway) and Jeff Bezos (Amazon.com), were the original founders of the company concerned. There are another 11 founder/CEOs in all other countries combined, including one in Canada (Gerald Schwartz of private equity firm, Onex).

### North America: Number of companies per country in study

- USA: 131
- Canada: 11

Western European companies appear more inclined than their North American counterparts to recruit their CEO externally. Moreover, four companies (out of a total of 153) poached their CEO while he was serving in a similar capacity in another country.

In total, 43 companies (28%) hired their CEO from outside the company, 26 domestically and 15 from abroad. Almost three in four companies therefore appointed from within.

Of those hired domestically from another company, 12 had been poached while serving as a CEO. The most recent of these was the French retailer Carrefour, who brought in their former employee Georges Plassat in 2012 from Vivarte, the fashion conglomerate, in a bid to arrest a three-year decline in the company’s stock price.

Two of these domestic appointments involved the relevant individual moving from one state enterprise to another – Jean-Paul Bailly, who in 2002 left RATP, the Paris transport network, to take over the reins at La Poste, the mail service; and Ulrich Schröder, who was recruited in 2008 to head the German government-owned national development bank, KfW Bankengruppe, having occupied a similar position at one of its regional equivalents, NRW.

In the United Kingdom, two CEOs were at the helm at their previous company before taking on their current job – Richard Cousins, who left the building materials company BPB to take over at the food service company Compass in 2006; and Stephen Hester, appointed by the bailed-out financial institution Royal Bank of Scotland in 2008, after a stint at British Land, the property investment company.

Of the 15 CEOs in Western Europe hired from abroad, four (2.6% of all companies in this study from this region) had been CEOs of another company immediately prior to their appointment:

- Philippe Varin, a French national who returned to his home country in 2009 to take charge at Peugeot Citroën after several years running Anglo-Dutch steelmaker Corus and then Tata Steel Europe (although technically not a CEO of an overall corporate organisation at the time of his appointment at Peugeot Citroën, he had been CEO of Corus in 2007 when he oversaw its merger with Tata Steel);
- Bernard Fontana, who took over at the Swiss-based global materials company Holcim in 2012, having previously headed Aperam, the ArcelorMittal spin-off headquartered in Luxembourg;
- Willie Walsh, who left Aer Lingus in 2005 to become CEO of British Airways (hardly a major international leap given the close business and cultural links between Britain and Ireland), and subsequently of International Airlines Group, a product of the merger between the British airline and Iberia, its Spanish equivalent;
- Marijn Dekkers, the one and only CEO in our study to be poached from a different continent while occupying the top position at another company. In 2010, the Dutch national left Thermo Fisher Scientific, the US-
based laboratory manufacturer, to join Bayer, the German chemical and pharmaceutical company (see profile).

The remaining 11 (7.2% of the regional total) of these foreign-sourced hires were not previously working as CEOs. This comprises three Italian nationals who returned home from other countries in Europe to lead ENI, Intesa Sanpaolo and Assicurazioni Generali respectively; and eight who were recruited from roles beneath the top position in companies in North America, including three who are not European nationals.

Stephen Elop, a Canadian who was head of Microsoft’s Business Division, was recruited by Nokia, the Finnish telecommunications company, in 2010; Joseph Hogan, a US national, was leading GE Healthcare, a division of General Electric, beforeABB, the Swiss-based engineering company, hired him as CEO in 2008; and, in 2007, Cynthia Carroll, another American, joined the UK-based mining company Anglo-American from Alcan, a Canadian aluminium manufacturer, where she had led one of its divisions. (Carroll resigned from Anglo-American in late 2012 following shareholder criticism of the company’s performance).

We can conclude, therefore, that the only inter-continental movement of executives in our study meriting any prolonged discussion involves senior personnel from below the top tier in North America who take up the CEO position at a company in Europe. (Aside from Marijn Dekkers, the only other inter-continental hires moved from non-CEO positions at Saudi, British and US companies to South Korea, Australia and China respectively).

However, this movement is still more of a trickle than a flow, with the eight appointments constituting just 5.2% of total CEO appointments in Western Europe. Even if the movement was more significant, its effect on CEO pay in Western Europe should be limited by the fact that the most senior executives just below the top level in North America, and indeed elsewhere, are generally paid significantly less than CEOs there.

For example, the median total compensation for Chief Finance Officers (CFOs) in the US S&P 500 was $3.3 million, compared to $9.6 million for CEOs. One might also argue that such executives would be eager to seize the career opportunity of the top position at another company, and remuneration may therefore not be their primary concern.

Marijn Dekkers: Uniquely global

Born: Tilburg, Netherlands in 1957
Education: Bachelor’s degree in Chemistry at the University of Nijmegen and PhD in Chemical Engineering from the University of Eindhoven
Career: 1985-1995 – General Electric: Scientist in the corporate research centre in the United States and Netherlands
1995-2000 – AlliedSignal (later to become Honeywell International) – Led various divisions, including its Electronic Materials unit
2000-2002 – Chief Operating Officer of Thermo Electron Corporation, the world’s leading manufacturer of laboratory instruments (later renamed Thermo Fisher Scientific following the acquisition of laboratory supplier Fisher Scientific)
2002-2009 – CEO of Thermo Fisher Scientific
2010- CEO of Bayer
Citizenship: Dutch and US

Western Europe: Number of companies per country in study

Austria: 1
Belgium: 4
Denmark: 1
Finland: 1
France: 33
Germany: 32
Ireland: 2
Italy: 9
Luxembourg: 2
Netherlands: 11
Norway: 1
Spain: 8
Sweden: 4
Switzerland: 14
Turkey: 1
UK: 26
UK/Netherlands: 2
UK/Switzerland: 1


China: From state to state

Major companies in China have a relatively high proportion of externally hired leaders. 21 out of the 61 (34%) company leaders whose career details were available were hired from outside the company. Seven of those had been heads of other organisations in their previous role, but 14 had not occupied the top position.

However, in the case of China, “external” refers, in the vast majority of cases, to an individual moving from one state-owned (or controlled) enterprise to another. If we were to take the Chinese state as one large employer, then there would be only two external appointments among the sample.

In 2012, Yusuf Alireza left his job as co-President of Asia at the US-based investment bank Goldman Sachs (he was also a member of the company’s Global Management Committee) to become CEO of Noble Group, the Hong Kong-based commodities trader. Alireza is thus the only CEO in China to have been recruited from abroad, and indeed from another continent.

In addition, Ma Weihua was hired in 1999 by China Merchants Bank, the first shareholder-owned commercial bank in China, after serving at the People’s Bank of China, the country’s central bank, where he was deputy director of the planning office and a regional director.

Far more representative of the overall CEO cohort in the country is China Telecommunications chief Wang Xiaochu, who joined one state-owned telecommunications company from another when he left the top position at China Mobile in 2004.

Although hidden perks and privileges are reputedly awarded to Chinese executives, it is still clear that they earn far less than their Western counterparts. For example, the 2011 official salary of Jiang Jianning, the head of state-owned Industrial and Commercial Bank of China, was 1.96 million Chinese Yuan, equivalent to around US$ 300,000. As Western companies are clearly not queuing up to recruit Chinese executives, this comparatively low salary should not exert downward pressure on remuneration levels in other regions. However, it is nevertheless interesting to note that Mr. Jianning felt sufficiently motivated by his salary to preside over net company profits of US$ 33.1 billion in 2011.

Japan: Decades on a ladder

Japanese CEOs are almost exclusively recruited from within. Only one CEO out of 69 in our survey was recruited from outside the company. In 2009, Japan Post, the state-owned postal service, appointed Jiro Saito, who had been CEO of the Tokyo Stock Exchange.

The classic Japanese CEO is over 60 (the average age of all Japanese CEOs in the survey is 62.5, the highest average age per region in this study), and has served in the same company for his entire career. For example, Hiroaki Nakanishi was given the top job at Hitachi forty years after he joined the company in 1970. Also in 2010, Ken Kobayashi was appointed as CEO of Mitsubishi, having started work there in 1971.

As might be reasonably expected in a country where there appears to be no market for CEOs, pay is suppressed to a comparatively low level. In 2010, PricewaterhouseCoopers estimated that average CEO pay at Japan’s public companies was $560,000. Although this study focused on a much larger sample of companies (close to 4,000), we also know that several CEOs at high-profile companies, such as at Panasonic and Toyota Motor, did not that year cross the $1.1 million threshold at which companies were required to disclose executive salaries to the authorities.

China and Japan: Number of companies per country in study

China: 61
Japan: 69
(11 Chinese CEOs were excluded because their career histories were not available)

* See Time.com, “Does China have an executive compensation problem”, 21 May 2012
7 South China Morning Post, “Worlds apart on pay scale”, 11 October 2012
8 China Daily, “ICBC 2011 net profit up 25.6%”, 30 March 2012
9 Businessweek, “In Japan, Underpaid – And Loving It”, 1 July 2010
Rest of Asia: More introspection

The vast majority of the 33 companies in other Asian countries have also recruited their CEO from within their own ranks. Not one of the four who was hired from outside had previously been a CEO.

Three of the four external hires were recruited domestically. In 2011, Ranbir Singh Butola joined Indian Oil from another state-controlled oil company, Oil and Natural Gas Corporation, where he headed one of its subsidiaries; Kangsoo Choo was recruited by Korea Gas in 2008, having in the past been a senior executive at Hyundai; and Ray Chen took over at Compal Electronics as far back as 1989 after occupying a senior position at Kinpo Electronics.

One CEO in the region was recruited from abroad, and indeed from another continent. In 2012, Nasser Al-Mahasher became CEO of S-Oil in South Korea, having previously worked for Saudi Aramco as global refining co-ordinator.

Eastern Europe: Putin’s boys

Of the nine companies in Eastern Europe, four were hired from outside, although none had been a CEO elsewhere.

Three of the external hires are Russian. Alexey Miller (Gazprom), Igor Sechin (Rosneft) and Herman Gref (Sberbank) all have a background in politics, all worked with Vladimir Putin in his St.Petersburg local government administration in the 1990s, and were all appointed to their current roles while Putin was president of the country. Agencies of the Russian state have a controlling stake in each of these companies.

One CEO in the region was recruited from outside, although none had been a CEO elsewhere.

Latin America: Impregnable borders

There are three Latin American CEOs, out of a sample of 13, who were recruited from outside the company. One was poached while acting as a CEO. Javier Gutiérrez Pemberty moved from one Colombian state-controlled company to another when he joined Ecopetrol from Empresa de Interconexión Electrica in 2007.

No Latin American CEO was recruited from outside the relevant country.

Australia: Some musical chairs

Among nine companies in Australia, three were recruited externally. Two were poached domestically while serving as a CEO of another company, and one was recruited from abroad while serving in a capacity below the top position.

In 2008, Westpac hired Gail Kelly from domestic rival St. Georges Bank, shortly before the two companies merged. Julian Segal was recruited in 2009 by Caltex Australia, the petrochemical company, having previously been CEO of Incitec Pivot, the chemicals and explosives manufacturer. Lastly, Mike Smith, formerly head of Asian operations for HSBC, the British-based multinational financial services company, became CEO of Australia and New Zealand Banking Group in 2007.

Rest of Asia: Number of companies per country in study

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<td>Saudi Arabia</td>
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<td>Singapore</td>
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<td>Taiwan</td>
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<td>Thailand</td>
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Eastern Europe: Number of companies per country in study

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<td>Poland</td>
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<td>Russia</td>
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Latin America: Number of companies per country in study

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<td>Mexico</td>
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<td>Venezuela</td>
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</table>
High CEO appointments: A very domestic issue

Conclusion

High CEO pay relies on the notion that only a tiny few individuals have the necessary ability to run a major global company. Of course, companies also say that they have to motivate any executive to achieve stated targets, and to align his interests with those of shareholders. However, it would be hard to argue that CEOs of major companies in previous eras, or in smaller modern-day companies, have worked any less hard for their much lower salaries. It is the supposed scarcity of talent, and what is often claimed to be the highly competitive market for that talent, which is principally responsible for pushing pay up to the current high levels.

But, in reality, companies do not feel they need to search far and wide for their next CEO. The vast majority prefer to look within their own company for an individual who, by definition, has never proved himself to be capable of handling what we are repeatedly told are the inordinately complex challenges of leading a major corporate concern. Of the remainder, only an extremely small number look outside their own country to find a successor who is at the time in another CEO role. Only one looked outside their continent to find such an individual.

The results of our study, which analyses companies’ actions rather than their words, thereby contradict the habitual claims of those who seek to defend high executive pay. Companies do not generally scour the world to locate CEO talent, leading us to the logical conclusion that they don’t actually believe that it is as rare as they often make out. We can contrast the actions of these companies with those of, say, major football clubs, who recruit players of proven rare talent from every corner of the world in what genuinely is a highly competitive global marketplace.

Perhaps the most crucial finding of the study, as far as international executive pay levels are concerned, emanates from the United States. Not one CEO there was recruited from another country. It seems, therefore, that the rest of the world needn’t worry too much that their prized executives will be tempted away by the more lucrative rewards on offer from major corporations in the United States.

The competitiveness of the international market for CEOs, which is said to drive up executive pay, has often been heavily exaggerated. The evidence from this paper should serve to deflate what seems to be an enduring, and self-interested, myth.

Miscellaneous facts

- The CEOs of 18 companies are also their founders. Seven are in the USA, three in Japan, two based in Luxembourg, China and Taiwan and one each in Singapore and Canada.
- A further 15 CEOs are either the son, grandson, great-grandson, great-great grandson, or nephew of the founder (four in the USA, two in India, two in Brazil and one each in Canada, Taiwan, Italy, Mexico, South Korea, Japan and France).
- 13 CEOs are women. Nine are in the USA (one has resigned since the research was completed), two in the UK (one has since resigned), one in Brazil and one in Australia.
- The mean average age for all CEOs is 57.2. The highest average age per country is in Japan (62.5). The youngest average age per region is Eastern Europe (51.1).
- The youngest CEO is John Elkann of Exor, an investment company based in Italy, who is 36. Exor is controlled by the Agnelli family. Elkann is the great great grandson of Giovanni Agnelli, who founded the predecessor company.
- The oldest chief executive is Paul Desmarais Sr., the CEO of Power Corporation of Canada, who is 85.

Methodology

The study consisted of an analysis of chief executive appointments at the 2012 Fortune Global 500, an annual ranking of the top 500 companies worldwide as measured by revenue.

We refer to the leading executive of an organisation as CEO, even though in some regions the term “President” or “Chairman” is often used.

Executives are sometimes awarded the title of CEO for being the head of a division of a company. As they are not the leading executive of an overall organisation, we do not count them as CEOs for the purposes of our study.

The study was conducted in September-October 2012. Where companies were in the midst of recruiting a new permanent CEO to fill a current void at the top, we looked at the career history of the last incumbent.

Where companies had a joint CEO (Deutsche Bank in Germany, and Hyundai Heavy Industries in South Korea), this counted as only one CEO for the purposes of the study. All four CEOs of these companies were promoted internally.
### Global CEO appointments: A very domestic issue

### Appendix: Companies in the study

<table>
<thead>
<tr>
<th>Number of companies in study</th>
<th>Internal hire</th>
<th>Domestic external hire (not CEO elsewhere when appointed)</th>
<th>Domestic external hire (CEO elsewhere when appointed)</th>
<th>External hire from abroad (not CEO elsewhere when appointed)</th>
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<td>51</td>
<td>28</td>
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* Details on the career histories of 11 Chinese CEOs were unavailable

### Founder-CEOs

**USA**
- Warren Buffett – Berkshire Hathaway
- Michael Dell – Dell
- Jeffrey Bezos – Amazon
- Frederick Smith – FedEx
- Larry Page – Google
- Larry Ellison – Oracle
- Rupert Murdoch – News Corporation

**Japan**
- Masayoshi Son – SoftBank
- Han Chang-Woo – Maruhan Corp
- Noboru Yamada – Yamada Denki

**China**
- Ren Zhengfei – Huawei Investment and Holding Co
- Li Shufu – Zhejiang Geely

**Taiwan**
- Terry Gou – Hon Hai Precision Industry
- Barry Lam – Quanta Computer

**Luxembourg**
- Lakshmi Mittal – ArcelorMittal
- James Ratcliffe – Ineos Group Holdings

**Canada**
- Gerald Schwarz – Onex

**Singapore**
- Kuok Khoon Hong – Wilmar

**Well-connected CEOs**

**Name – Company – Relationship to founder**

**USA**
- John B Hess – Hess Corporation – Son
- Daniel Amos – Aflac – Son
- David Dillon – Kroger – Great-grandson*
- Brian Roberts – Comcast – Son
  *Founder of Dillon Stores, later bought out by Kroger

**Japan**
- Canon – Fuji Mitarai – Nephew

**Brazil**
- Wesley Batista – JBS – Son
- Alfredo Egydio Arruda Villela Filho - Itaúsa-Investimentos Itaú – Great-grandson

**India**
- Ratan Tata – Tata Motors – Great-grandson
- Mukesh Ambani – Reliance Industries – Son

**Canada**
- W Galen Weston – George Weston – Grandson

**Taiwan**
- Wilfred Wang - Formosa Petrochemical Corp – Nephew

**Italy**
- John Elkann – Exor Group – Great great grandson

**Mexico**
- Daniel Haji Aboumrad – America Movil – Son

**South Korea**
- Bon-Joon Koo – LG Electronics – Grandson

**Japan**
- Canon – Fujio Mitarai – Nephew

**France**
- Martin Bouyges – Buoyges – Son

**Woman CEOs**

**USA**
- Meg Whitman – Hewlett Packard
- Virginia Rometty – IBM
- Patricia Woertz – Archer Daniels Midland
- Indra Nooyi – Pepsico
- Angela Braly (has since resigned) - WellPoint
- Irene Rosenfeld - Mondelez International
- Ellen Kullmann – DuPont
- Carol Meyrowitz – TJX
- Ursula Burns – Xerox

**UK**
- Cynthia Carroll (has since resigned) – Anglo American
- Alison Cooper – Imperial Tobacco

**Brazil**
- Maria das Graças Silva Foster – Petrobras
Global CEO appointments: A very domestic issue

Australia
Gail Kelly – Westpac Banking

*At least two further women CEOs were due to start to commence their roles on January 1, 2013, both in the United States – Phebe Novakovic at General Dynamics, and Marilyn Hewson at Lockheed Martin. Both are internal promotions.

Region by region
North America

Internal hire
Exxon Mobil
Wal-mart Stores
Chevron
ConocoPhillips
General Motors
General Electric
Berkshire Hathaway
Fannie Mae
AT&T
Valero Energy
McKesson
Bank of America
Verizon Communications
JP Morgan Chase
Apple
CVS Caremark
IBM
Citigroup
Cardinal Health
UnitedHealth Group
Kroger
Costco Wholesale
Wells Fargo
Procter & Gamble
AmerisourceBergen
Marathon Petroleum
Walgreen
MetLife
Home Depot
Medco Health Solutions

Microsoft
Target
Pfizer
PepsiCo
US Postal Service
Johnson & Johnson
State Farm Insurance Company
Dell
WellPoint
Caterpillar
Doow Chemical
Bunge
United Technologies
Comcast
Intel
United Parcel Service
Manulife Financial
Lowe’s
Prudential Financial
Amazon.com
Merck
Lockheed Martin
Coca-Cola
Express Scripts Holding
Sunoco
Enterprise Products Partners
Safeway
Cisco Systems
Sears Holdings
Walt Disney
Johnson Controls
Suncor Energy
Morgan Stanley
Sysco
FedEx
Abbott Laboratories
DuPoint
Google
Hess
Royal Bank of Canada
United Continental Holdings
Humana
Goldman Sachs Group
Ingram Micro
Supervalu
Oracle
Liberty Mutual Insurance Group

World Fuel Services
New York Life Insurance
Plains All American Pipeline
Aetna
Sprint Nextel
News Corp
Power Corp of Canada
George Weston
General Dynamics
Allstate
HCA Holdings
American Express
Tyson Foods
Deere
Murphy Oil
Philip Morris International
Nationwide
3M
Time Warner
Magna International
Northrop Grumman
Toronto Dominion-Bank
Publix Super Markets
Bank of Nova Scotia
McDonald’s
Avnet
Macy’s
Onex
Rite Aid
International Paper
Travelers
Staples
Alcoa
Northwestern Mutual
Raytheon
Halliburton
Eli Lilly
Emerson Electric
Massachusetts Mutual Life Insurance
Occidental Petroleum
AMR
Fluor
TJX
Sun Life Financial
Goodyear Tyre and Rubber
Xerox

Aflac
Manpower

Domestic external hire (not CEO elsewhere when appointed)
Ford Motor
Archer Daniels Midland
Intl FCStone
Mondelez International
CHS
TIAA-CREF
Tesoro
DirecTV
Husky Energy
Hewlett-Packard
Freddie Mac
American International Group
Sears Holdings

Domestic external hire (CEO elsewhere when appointed)
Boeing
Best Buy
Honeywell
Delta Air Lines
Tech Data

Western Europe

Internal hire
OMV Group
Anheuser Busch-InBev
Delhaize Group
JBC Group
Total
AXA
BNP Paribas
GDF Suez
Credit Agricole
Societe Generale
France Telecom
Group Auchan
Renault
Saint-Gobain
Global CEO appointments: A very domestic issue

CNP Assurances
Vinci
Fonciere Euris
Veolia Environment
Bouygues
SNCF
Vivendi
Schlumberger
Christian Dior
Schneider Electric
Michelin
L’Oreal
Danone
Lafarge
Sodexo
Volkswagen
E.ON
Daimler
Allianz
BASF
BMW
Metro
Munich Re
Deutsche Telekom
Deutsche Post
Deutsche Bank
Robert Bosch
RWE
Landesbank Baden-Wurttemberg
Continental
Lufthansa Group
Heraeus Holding
DZ Bank
Edeka Zentrale
Phoenix Pharmahandel
Commerzbank
TUI
Marquard & Bahls
Fresenius
Bertelsmann
Accenture
CRH
EXOR Group
Enel
UniCredit Group
Firmmeccanica
ArcelorMittal
Ineos Group Holdings
ING Group
EADS
Aegon
Royal Ahold
Rabobank Group
Royal Philips Electronics
SHV Holdings
Heineken Holding
Randstad Holding
Banco Santander
Banco Bilbao Vizcaya Argentaria
ACS
Mapfre Group
Volvo
L.M. Ericsson
Vattenfall
Nordea Bank
Glencore International
Nestle
Novartis
Zurich Insurance Group
Roche Group
Credit Suisse Group
UBS
Alliance Boots
Coop Grou
Swiss Re
Migros Group
Koc Holding
BP
HSBC Holdings
Tesco
Vodafone Group
Barclays
Aviva
Rio Tinto Group
Prudential
SSE
GliaxosSmithKline
AstraZeneca
BT Group
Legal and General Group
BAE Systems
British American Tobacco
Standard Chartered Group
Imperial Tobacco Group
National Grid
Royal Dutch Shell
Domestic external hire (not CEO elsewhere when appointed)
Dexia Group
Groupe BPCE
Air France-KLM
ThyssenKrupp
Deutsche Bahn
Franz Haniel
Energie Baden-Wurttemberg
Telecom Italia
Poste Italiane
Lyondell Basell Industries
GasTerra
Telefonica
Gas Natural Fenosa
Lloyds Banking Group
J Sainsbury
Xstrata
Domestic external hire (CEO elsewhere when appointed)
A.P. Moeller Maersk Group
Carrefour
Electricite de France
La Poste
Alstom
KFW Bankengruppe
Statoil
Iberdrola
Repsol YPF
Adeco Group
Royal Bank of Scotland
Compass Group
External hire from abroad (CEO elsewhere when appointed)
Nokia
Sanofi
Siemens
Assicurazioni Generali
Intesa Sanpaolo
ENI
ABB
Centrica
Anglo American
William Morrison Supermarkets
Unilever
External hire from abroad (CEO elsewhere when appointed)
Peugeot Citroën
Bayer
Holcim
International Airlines Group
China
Internal hire
Sinopec Group
China National Petroleum
State Grid
Industrial and Commercial Bank of China
China Mobile Communications
China State Construction Engineering
China Railway Group
SAIC Motor
Dongfeng Motor Group
China FAW Group
China Minmetals
Baosteel Group
China Communications Construction
China North Industries Group
China Resources National
Shenhua Group
Ping An Insurance
Aviation Industry Corp of China
China Post Group
HeBei Iron and Steel Group
Jardine Matheson
Shougang Group
China National Aviation Fuel Group
Wuhan Iron and Steel
China Guodian
Jiangsu Shegang Group
Global CEO appointments: A very domestic issue

Huawei Investment and Holding
Hutchison Whampoa
China National Building Materials Group
Lenovo Group
China Ocean Shipping
CIFC
ChemChina
China Electronics
China Shipbuilding Industry
Shandong Weiqiao Pioneering Group
China Pacific Insurance
Ansteel Group
Zhejiang Geely
Xinxing Cathay International Group

**Domestic external hire (not CEO elsewhere when appointed)**

China Construction Bank
Bank of China
China National Offshore Oil
China Life Insurance
China Telecommunications
China Metallurgical Group
Bank of Communications
China United Network Communications
China Datang
China Huadian
China Power Investment
Greenland Holding
China Merchants Bank

**Domestic external hire (CEO elsewhere when appointed)**

Agricultural Bank of China
China Railway Construction
Sinochem Group
CITIC Group
China Huaneng Group
People's Insurance Company of China
Aluminium Corporation of China

**External hire from abroad (not CEO elsewhere when appointed)**

Noble Group

**CEO career histories unavailable**

China South Industries Group
Zhijhong Energy Group
China Railway Materials
Sinomach
Power China
Henan Coal and Chemical
Tewoo Group
Zhejiang Materials Industry Group
Shanxi Coal Transportation and Sales Group
Shandong Energy Group
Kailuan Group

**Japan**

**Internal hire**

Toyota Motor
Nippon Telegraph and Telephone
Hitachi
JX Holdings
Nissan Motor
Honda Motor
Panasonic
Nippon Life Insurance
Sony
Meiji Yasuda Life Insurance
Toshiba
Mitsubishi
Tokyo Electric Power
Mitsui
AEON
Mitsubishi UFJ Financial Group
Dai-ichi Life Insurance
Seven & I Holdings
China Southern Power Grid
Fujitsu
Marubeni
Itochu
Nippon Steel

Sumitomo Mitsui Financial Group
Idemitsu Kosan
MS &AD Insurance Holdings
Mitsubishi Electric
TDI
Canon
Tokio Marine Holdings
Sumitomo Life Insurance
Sumitomo
Mitsubishi Chemical Holdings
Softbank
JFE Holdings
Denso
NEC
Bridgestone
Mitsubishi Heavy Industries
Kansai Electric Power
NKSJ Holdings
Medipal Holdings
Mizuho Financial Group
Cosmo Oil
East Japan Railway
Suzuki Motor
Sharp
Chubu Electric Power
Alfresa Holdings
Asin Seiki
Showa Shell Sekiyu
Fujifilm Holdings
T&D Holdings
Suzukin
Sumitomo Electric Industries
Japan Tobacco
Mazda Motor
Komatsu
Sumitomo Chemical
Ricoh
Kobe Steel
Suzukin
Nomura Holdings
Daibwa House Industry
Yamada Denki
Nippon Yosen Kabushiki Kaisha
Mitsubishi Motors
Tokyo Gas

**Domestic external hire (CEO elsewhere when appointed)**

Japan Post Holdings

**Rest of Asia**

**Internal hire**

Reliance Industries
Bharat Petroleum
Hindustan Petroleum
State Bank of India
Tata Motors
Oil & Natural Gas
Tata Steel
Petronas
Sabic
Wilmar International
Flextronics International
Samsung Electronics
SK Holdings
Hyundai Motor
POSCO
LG Electronics
Hyundai Heavy Industries
GS Caltex
Korea Electric Power
Kia Motors
Woori Finance Holdings
Hyundai Mobis
Hon Hai Precision Industry
Quanta Computer
CPC
Formosa Petrochemical
Wistron
PTT
International Petroleum Investment

**Domestic external hire (not CEO elsewhere when appointed)**

Indian Oil
Korea Gas
Compal Electronics
<table>
<thead>
<tr>
<th>Country/Region</th>
<th>CEO Hires Types</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Europe</td>
<td>Domestic external hire (CEO elsewhere</td>
<td>S-Oil</td>
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<td>External hire from abroad (not CEO</td>
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<td><strong>Internal hire</strong></td>
<td>PKN ORLEN Group</td>
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<td>Lukoil</td>
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<td>TNK-BP International</td>
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<td>Sistema</td>
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<td>Surgutneftegas</td>
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<td>Latin America</td>
<td>Domestic external hire (CEO elsewhere</td>
<td>Mol Hungarian Oil and Gas</td>
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<td>when appointed)</td>
<td>Gazprom</td>
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<td>Rosneft Oil</td>
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<td><strong>Internal hire</strong></td>
<td>Petrobras</td>
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<td>Banco do Brasil</td>
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<td>Banco Bradesco</td>
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<td>Ultrapar Holdings</td>
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<td>Brazilian Distribution</td>
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<td>America Movil</td>
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<td>PDVSA</td>
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<td>Australia</td>
<td>Domestic external hire (CEO elsewhere</td>
<td>Ecopetrol</td>
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<td><strong>Internal hire</strong></td>
<td>BHP Billiton</td>
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<td>Wesfarmers</td>
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<td>Woolworths</td>
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<td>Commonwealth Bank of Australia</td>
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<td>National Australia Bank</td>
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<td>Telstra</td>
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<td>**Domestic external hire (CEO</td>
<td>Westpac Banking</td>
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<td><strong>Internal hire</strong></td>
<td>Caltex Australia</td>
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<td>Brazil</td>
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<td>Australia and New</td>
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<td>Zealand Banking Group</td>
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