

### Alexander Hughes Board Survey – Volume 3

Alexander Hughes Executive Search Consultants has once again released a comprehensive analysis of the boards of all companies in Denmark with +100 employees. Besides analyzing changes during 2012 - that is, people who joined or left a board during the year, we have in this year's survey also performed a full analysis of the boards of all companies with +100 employees. The analysis focuses on **continuity** versus **innovation** and **diversity** on the boards in terms of gender balance and representation of foreigners including the nationalities represented, as well as the time of which the members have served in their positions.

Like last year this year's analysis is conducted on the basis of registrations at The Danish Business Authority managed through BiQ. The analysis includes a total of 1,500 active companies (1,511 companies to be exact) with +100 employees. The results presented are based on the fiscal year 2012 and the year end 2012 respectively.

In the following the term "company" refers to companies with +100 employees unless something else is specifically mentioned.

Together with this year's analysis we also take the opportunity to present the longest serving Chairman of the Board, Mr. Ib Andresen, Chairman of the Board of Ib Andresen Industri A/S. We have had the pleasure of meeting Mr. Ib Andresen in person and to talk to him about board work, value creation, innovation, diversity etc. You will find a summary of the interview with Mr. Ib Andresen attached in a separate document.



**619 companies had one or more new board member(s) in 2012:**

619 (41 %) of all companies in Denmark had one or more new Board Members during 2012. All in all 1,267 people joined a board position during 2012. This equals approx. 18% of the total number of board positions in the included companies.

15 % of the new members were women and 85 % were men. In 2011, the split between the genders was the same. Looking at the overall number of board members in comparison to new board members during the past year, the split between women and men is 14 % and 86 % respectively. Based on this there is no clear indication that the balance between the two genders will level out in the near future.

The distribution of the new board members across the Danish geography is fairly even in relation to the average change of 18 %. Fyn however had the lowest renewal of 15% and the Copenhagen area had the highest with 20 % new board members.

Sector-wise there are bigger differences: **"Education"**, **"Real Estate"**, **"Culture, Sports and Entertainment"** and **"Agriculture and Forestry, Fishing and Raw Materials"** all have change rates of less than 10 %, close to half of the average, while **"Publishing, Media and Communication"**, **"Finance"** and **"Organizations and Societies"** have the highest rate of new board members, with 24, 22 and 21 % respectively.



## Foreigners on Boards of Directors

### New in 2012:

295 equaling 23 % of the board members appointed during 2012 are foreigners or have foreign residence. Out of these, 106 or 8% are from the Nordics and 149 or 12 % are from the rest of Western Europe, while 24 equaling 2 % are from the Americas and 9 equaling less than 1 % are from Eastern Europe. 5 new board members equaling another less than 1% are from Asia and only two new board members are from the Middle East and Africa.

### All Board Members:

Of all currently serving board members (by the end of 2012) 1,192 are foreigners equaling approx. 17 % compared to the above mentioned 23 % of the board members appointed during 2012 (see Fig. 1).

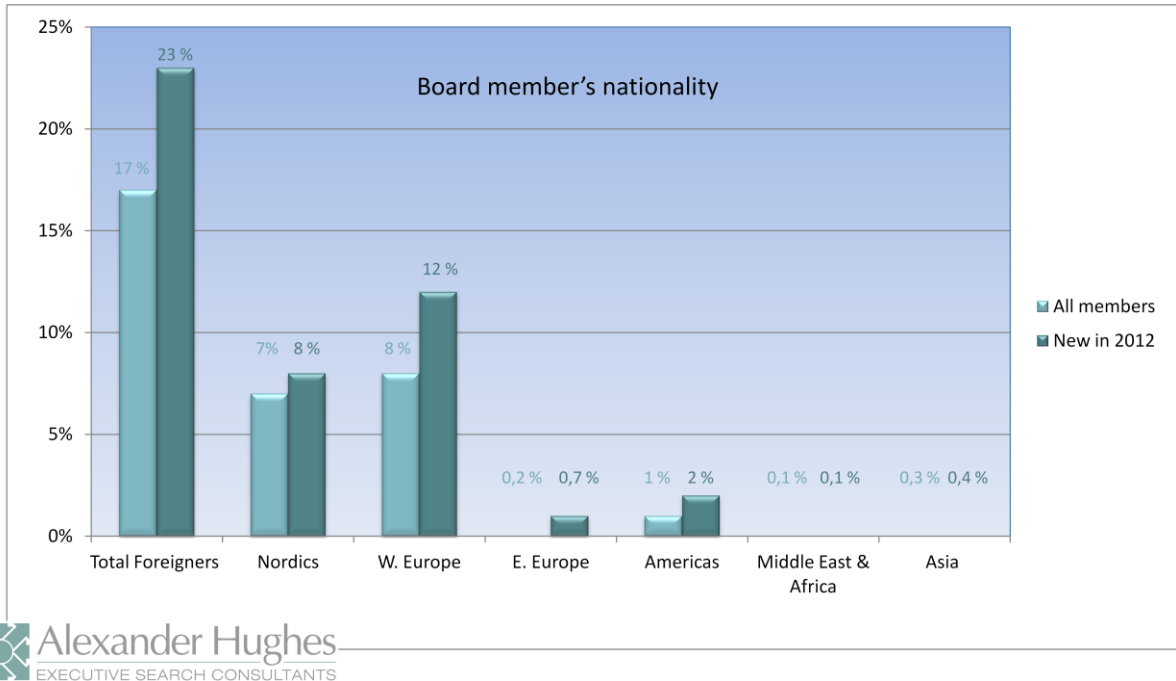
This could indicate that the share of foreigners on the Boards of companies in Denmark is increasing.

However the share of board members from remote markets is still on a very low level. Only 24 members corresponding to 0.3 % are from Asia and 6 are from the Middle East and Africa accounting for less than 0.1 %.



## Alexander Hughes Denmark Board Analysis

Fig. 1



### Innovation versus continuity

From the resigned board members, 16 %, corresponding to 1/6 of all resigned board members have been in their position for less than one year while 29 % have been on the board for 1 - 3 years. This together means that close to half of all resigned board members have been on the board for less than 3 years. 22 % of the resigned board members have served for 3 - 5 years, 23 % for 5 - 10 years and 10 % for more than 10 years (see Fig. 2).

### Board of Directors' profile in 2012

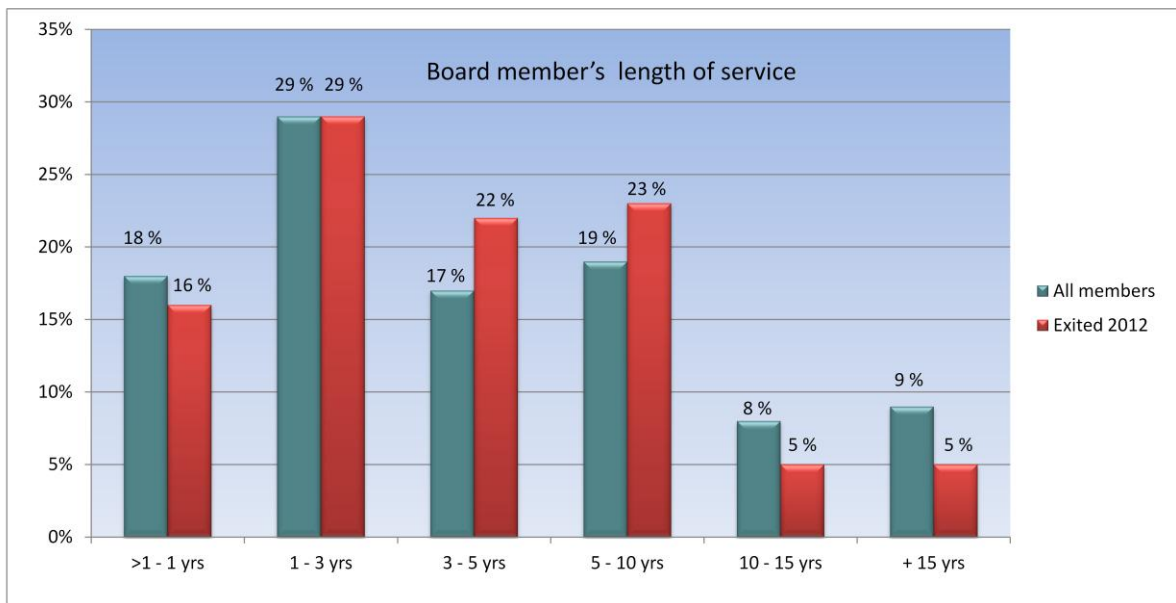
As mentioned above, 18 % of all board members joined their positions during 2012, thus have served for less than one year. 29 % have served 1-3 years, 17 % have served 3 - 5 years, 19 % have served 5 -10 years and 17 % have served



## Alexander Hughes Denmark Board Analysis

more than 10 years (8 % have served 10 - 15 years and 9 % have served more than 15 years).

Fig. 2



On the island of Funen there are almost 50 % more board members who served for 15 years or more than the average for the whole country. Apart from that the distribution of the length of service of board members is roughly the same across the country.

Business sector wise there are also quite small deviations on the length of service for board members compared with the average for all business sectors: In the "**Publishing, Media and Communication**" sector there are 33 % more board members with less than one year's length of service. The business sectors "**Agriculture, Forestry, Fishing and Raw Materials**", "**Public Service, Defense and Social Security**" and "**Health Services**" have 66 % less board members with more than 15 years of service than the average.



## Diversity

Of all board members in all companies 999 are women and 6009 are men representing 14 % and 86 % respectively.

In the business sector "**Others**" covering Laundries and Hairdressers, 33 % of board members are women, while in "**Education**" 44 % and in "**Health Care**" 45 % are women. Counted in numbers, however, they are relatively few, only 33 women in total for these three sectors. So, in the overall picture the numbers do not affect the total numbers heavily.

For diversity in terms of nationalities, the picture is as follows: 17 % equaling 1,192 individuals are foreign board members (including Danish board members with foreign residence). Out of these, 502 equaling approx. 42 % of the foreign board members are from the other Nordic countries, 548 equaling approx. 46 % are from the rest of Western Europe, 96 or 8 % are from Americas, 24 equaling 2 % are from Asia and 16 are from Eastern Europe, equivalent to 1.3 %.

In the business sectors "**Culture, Sports and Entertainment**", "**Education**" and "**Public Services and Social Security**" there are no foreign board members, while in business sectors like "**Agriculture, Forestry, Fishing and Raw Materials**", "**Construction**", "**Finance**" and "**Real Estate**" there are approx. 50 % less than average foreign board members. On the other hand, business sectors like "**Manufacturing**", "**Wholesale and Retail**", "**Health Services**" and "**Organizations and Societies**" all have between 20 – 25 % more foreign board members than average.

Nationwide, the average percentage of foreign board members is 17 %. Distributed by geography the numbers are as follows: the Copenhagen area has around 50 % more than average of foreign board members while Zealand has 35 % more than the average. The share of foreign board members is slightly lower than the average in the rest of Denmark and Funen is the part of the country with the lowest percentage of foreigners on the boards, only 14 %.



## Alexander Hughes Denmark Board Analysis

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### **Alexander Hughes' Annual CEO Survey**

This year we will also expand our CEO survey to all CEOs of companies with +100 employees instead of only analyzing the changes over the past year. Therefore the CEO survey will not be ready to be released until after the summer holidays.

For additional information, please contact:

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