

Knight Gianella

Excellence in Executive Search and Board Appointments
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Knight Gianella Board Survey 2022/23 in Collaboration with IMD

**Results of surveying board members
of publicly listed and large non-public Swiss enterprises**

Conducted by gfs-zurich

Knight Gianella Board Survey 2022/23 in Collaboration with IMD

The importance of ESG continues to grow, changing corporate culture, and is more important to women than men.
Investors/owners are the driving force.

The sustainability debate, which is increasingly named ESG (Environment, Social, Governance) in the boards of directors, ranks as the fourth most important current challenge (26%). Women consider this topic significantly more relevant than men (36% versus 21%).

Consequently, ESG also appears for the first time on the list of the top 5 key topics of current board work, after the three topics of «strategy», «cyber risks», «inflation and price increases» and before the topic of «talent management and development».

Investors/Owners (27%) are cited as the driving stakeholder groups for ESG in the company, followed by the board of directors (24%) and management (21%).

Environmental policy is part of the strategy (89%) and is regularly discussed by the board of directors (83%). The social aspects of ESG are less present on the board, and executives generally give themselves a good report card on governance. Spontaneous mentions that the biggest barriers to ESG implementation are proportionality of costs and benefits, lack of standards, and measurability of goals.

Most respondents say that diversity and inclusion is changing the dynamics in management (70%) and the corporate culture (70%). Only a minority (27%) think it takes a Chief Sustainability Officer to accentuate ESG issues.

The proportion of women on Boards of Directors has increased. «Diversity Wishing» is not enough at management level. Further measures are absolutely necessary.

Our results reflect the fact that the proportion of women on boards of major Swiss companies continues to rise.

The boards represented here currently have 27.6% women on the board, and respondents expect this to rise to 35.4% within three years. At executive board level, the current figure is 15.2 % and the expected figure is 26.6 %. Achieving this will require extraordinary efforts. The low priority given to these issues according to our board survey is indicative of «diversity wishing» at management level. As with «green wishing», people support the idea ideologically and hope for a positive development without taking the necessary measures in hand.

The following existing measures can be strengthened: Part-time work even at management level (currently 31%), home office (19%), and flexible working models (16%), to name just the most important three.

In addition to improving the compatibility of family and career (80% at least partially implemented), the CEO's «clear and consistent stance on gender diversity in words and deeds» (80%) and the «empowerment of the top HR function» (68%) are being implemented.

Individual taxation (or abolition of the «marriage penalty» and consequently the associated tax progression) is considered by 69% of women and by 54% of men as a possible, effective policy measure to ensure that women remain in the labor force after marriage.

Research Partnership in the Field of Management Board

About IMD. Real Learning. Real Impact (www.imd.com)

The International Institute for Management Development IMD in Lausanne is one of the best business schools in the world, according to rankings by the Financial Times, The Economist, Bloomberg, Forbes and other publications (www.imd.org/why-imd/rankings-awards/).

IMD focuses on education and training of global leaders and supports organizations in their transformation processes. Research at IMD is always application-oriented and evidence-based and is grouped in several research centers:

IMD Global Board Center

Global Center for Digital Business Transformation

IMD World Competitiveness Center

Elea Center for Social Innovation

IMD Global Family Business Center

IMD CEO Learning Centre

About Knight Gianella (www.knightgianella.ch)

Since 1965, the executive search consulting firm Knight Gianella has focused on national and international search and evaluation of key executive, CEO, and board positions.

Founded as a member of an American consulting group, Knight Gianella has been an independent boutique partnership with a Swiss mindset since the mid-nineties. Knight Gianella is often consulted for specific and carefully designed succession plans or new appointments.

The success rate over recent years has been 98 percent, and repeat business is over 70 percent. In the past years, partners Sandro V. Gianella, Dr. Fabienne E. Meier, and Stephan Reifferscheid have successfully and sustainably filled around thirty key positions at executive management, CEO, and board levels each year.

The partners of Knight Gianella guarantee independent cooperation at eye level characterized by mutual trust, without conflicts of interest. They have the courage for new solutions with the goal of finding the best possible staffing for their clients.

For discussion and to answer your questions, Sandro V. Gianella as initiator of the Knight Gianella board survey will be happy to answer your questions at +41 44 421 29 03 or svg@knightgianella.ch.

Research Method and Institute for Survey Research

Description of the study

Target group and research method

The study was conducted online in German by the IMD in Lausanne in the third quarter of 2021. All of those interviewed were informed in writing by Knight Gianella in advance. The answers are anonymous, so it is not possible to draw conclusions about individual people or companies.

Of the 180 participants, 66% hold a mandate at listed companies, 46% at family-dominated companies and 13% at state-related companies. The majority serve on at least one audit committee (55.6%), compensation committee (48.9%), and nomination committee (48.9%). Due to multiple responses and mandates, the total number is higher than the number of all the participants.

With a very high response rate of over 21.1% of the 853 board members surveyed, and a steady percentage of women at 32%, the results can be considered representative.

Participants were involved in an average of 3.9 administrative boards at the time of the study.

If men's and women's answers differ significantly, we have marked it with this symbol. Because the average age of female participants is younger, we tested age as a control variable in the significance tests.



If the answers of different age groups differ significantly, we have marked them with the green symbol. In the case of fewer than n=10 responses, we have refrained from using the significance test.



About gfs-zurich (www.gfs-zh.ch)



The gfs-zürich research institute can fall back on 60 years of experience. After the foundation of the holding company in 1959, gfs has established as one of the most renowned players in market and social research. Since January 2004, gfs-zürich has been managing its proven competencies in the field of market and social research as an independent public limited company. Thanks to its know-how and its networking with circles in science and business, gfs-zürich enjoys an excellent reputation in Switzerland as a high-quality market research institute.

gfs-zürich is at home in all areas of market research, with a special branch in social research. We also have special know-how in the field of economic research.

In the quantitative field, gfs-zürich has broad experience in all types of classic population surveys (telephone, online, face-to-face, written), as well as in surveying special target groups such as B2B (especially SMEs), employees, members, or customers.

In qualitative market research, gfs-zürich has proven expertise in focus groups and expert interviews. gfs-zürich has extensive experience and specially trained discussion leaders in both group surveys and individual guided interviews.

This project was personally supervised by the head of the institute, Dr. Andreas Schaub.

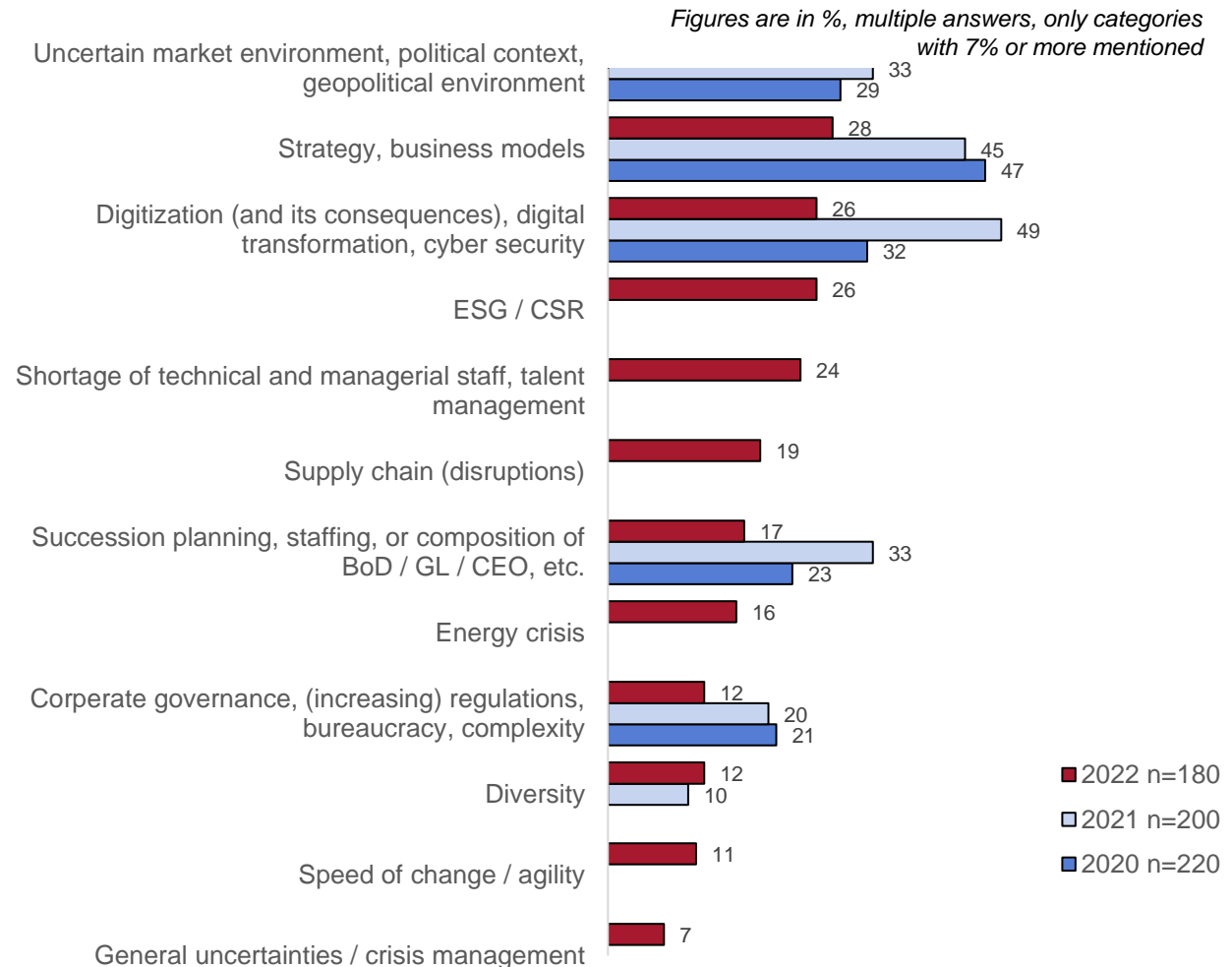
Current Challenges for Boards of Directors in a Multi-Year Comparison

2022: «In your opinion, what are the current challenges for boards of directors and CEOs? Please write down a few keywords.

a) Challenges for boards of directors:...

It is not surprising that the geopolitical environment, the political context, and the uncertain market environment are considered to be the greatest challenges. This means that the topics of strategy and business models and digitalization are becoming relatively less important. New on the list of spontaneously mentioned challenges are ESG/CSR, shortage of specialists and managers, and the supply chain, including the energy crisis. Diversity remains a challenge but is only explicitly mentioned by 12%.

Note: Coded analyses of qualitative responses, thus only comparable to a limited extent.



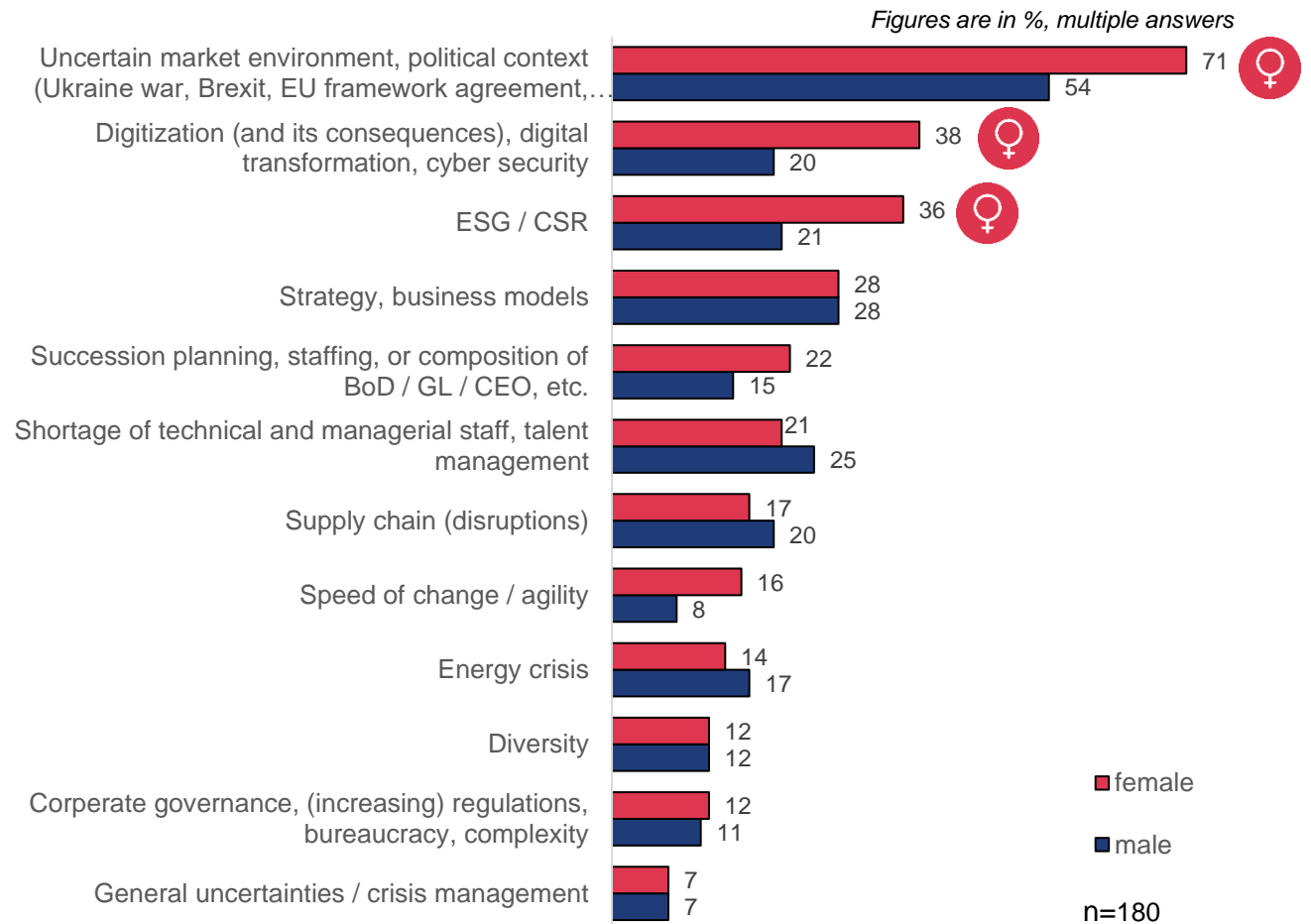
Current Challenges for Boards of Directors by Gender

2022: «In your opinion, what are the current challenges for boards of directors and CEOs? Please write down a few keywords.

a) Challenges for boards of directors:...

The gender differences in the challenges mentioned are not only significant for three answers, but also surprisingly big. Women refer to the geopolitical context and the uncertain market environment even more frequently than men. Digitalization and ESG are also mentioned much more frequently. Again, this is unsurprising considering that we know from previous studies that boards of directors have been growing stronger in recent years with women with these skills.

Note: Coded analyses of qualitative responses, thus only comparable to a limited extent.



Current Challenges for CEOs in a Multi-Year Comparison

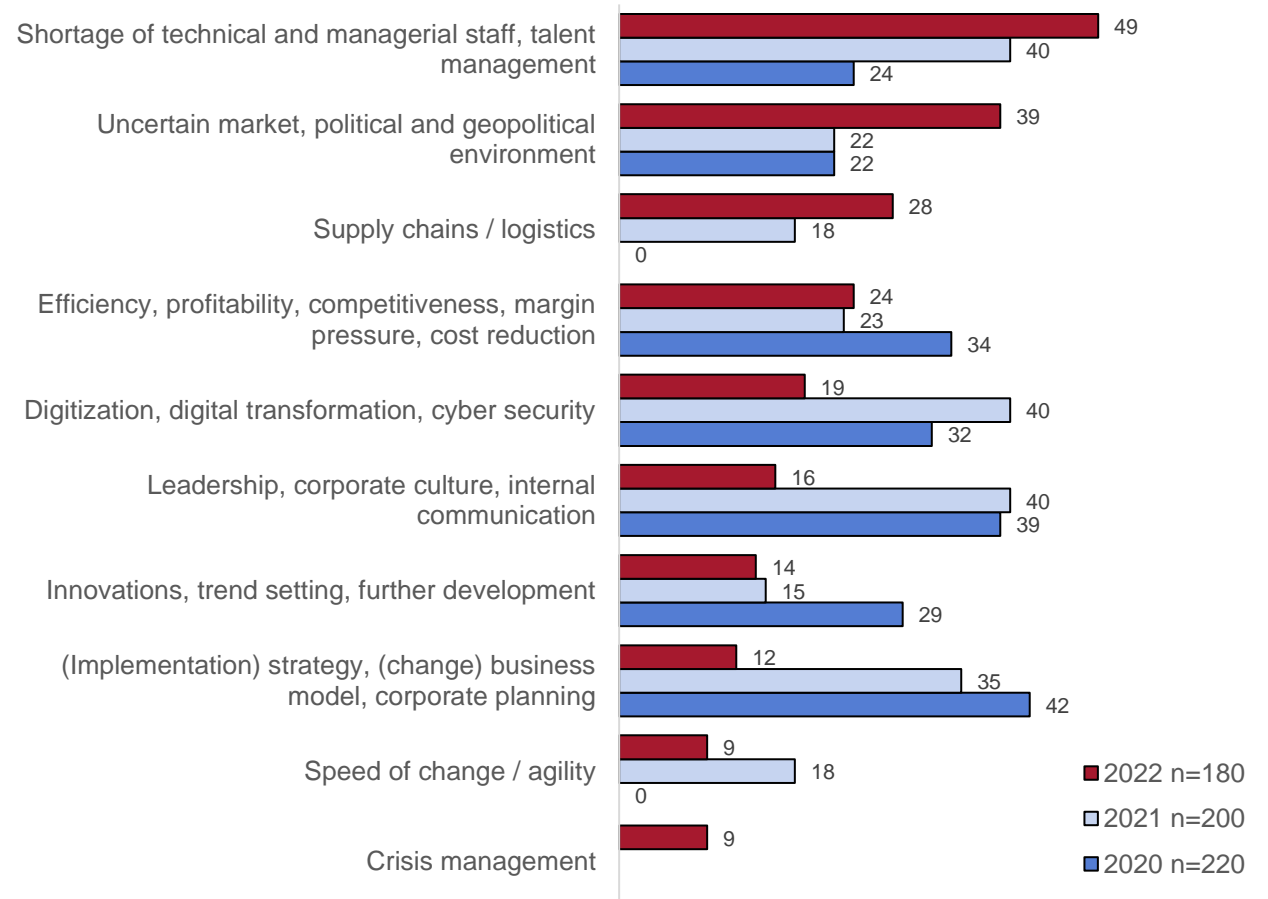
2022: «In your opinion, what are the current challenges for boards of directors and CEOs? Please write down a few keywords.

a) Challenges for CEOs:...

When boards list the challenges CEOs face, we find a strong shift from internal issues (e.g., leadership, culture, strategy execution, digital transformation) to external issues (skills and leadership shortages, geopolitical and political environment, market uncertainties, and supply chains). There are no significant differences between genders. Both ESG and diversity are rarely or not at all mentioned.

Note: Coded analyses of qualitative responses, thus only comparable to a limited extent.

Figures are in %, multiple answers, only categories with 7% or more mentioned



What Requirements for Board Members Do You Think Will Change in the Next Two Years? (Topic Expertise)

2022: «What requirements for board members do you think will change in the next two years? Note: As mentioned above, CSR refers to activities of organizations with regard to sustainability. ESG refers to criteria that measure CSR activities of organizations. a) Topic expertise»



In addition to the familiar topics of cyber risks and digitalization, the demands placed on board members in terms of supply chain, talent management and development, disruptive change, and working environments/new work will increase sharply. The requirements regarding ESG will continue to increase. The standard topics such as business model, growth, compliance, restructuring and finance will remain relevant.

What Requirements for Board Members Do You Think Will Change in the Next Two Years? (Topic Expertise)

2022: «What requirements for board members do you think will change in the next two years?

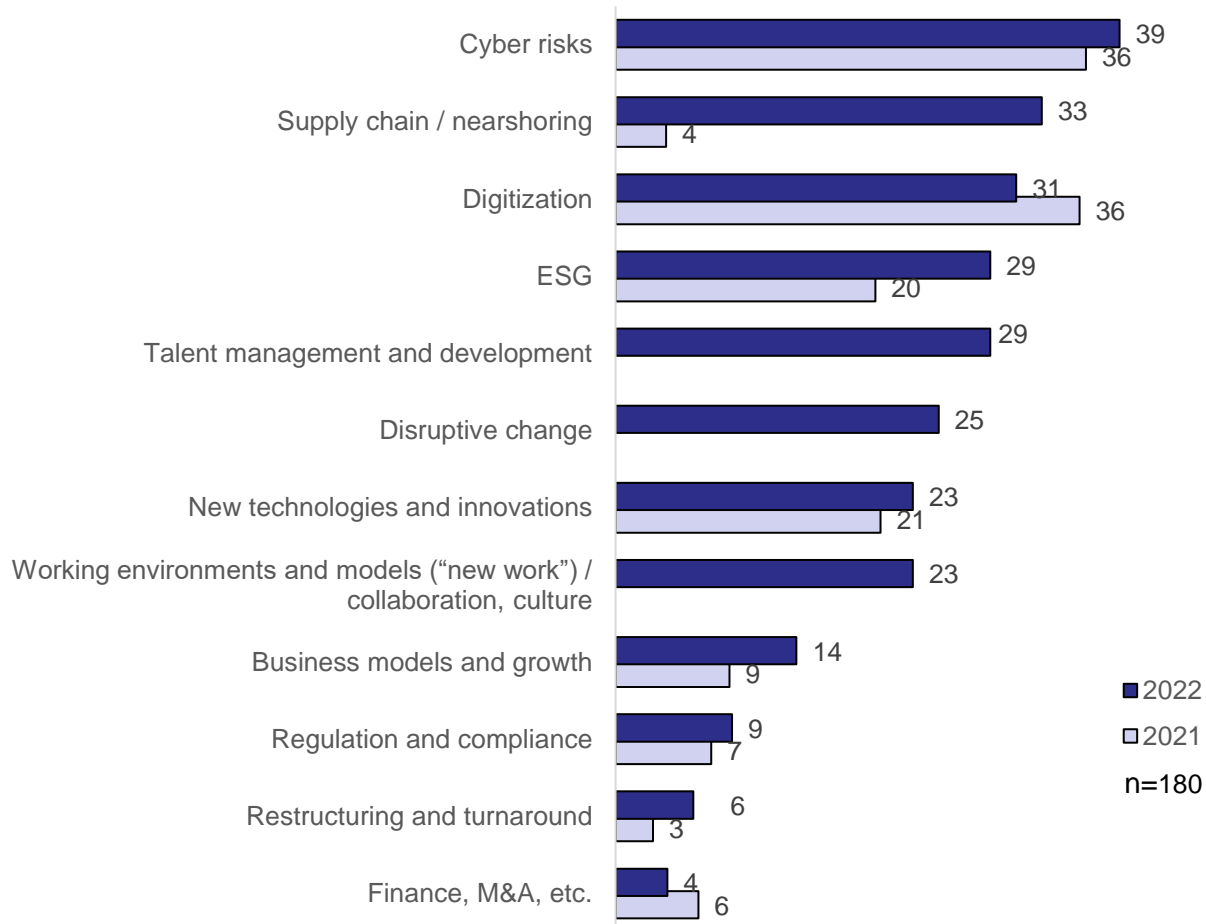
a) Topic expertise»

Note: «As mentioned above, CSR refers to activities of organizations regarding sustainability. ESG refers to criteria that measure CSR activities of organizations. »

Expertise on cyber risks and digitalization are still in high demand. Respondents see the biggest gap in expertise on supply chain, disruptive change, and new work (work environments and models, culture). As expected, requirements in ESG continue to grow.

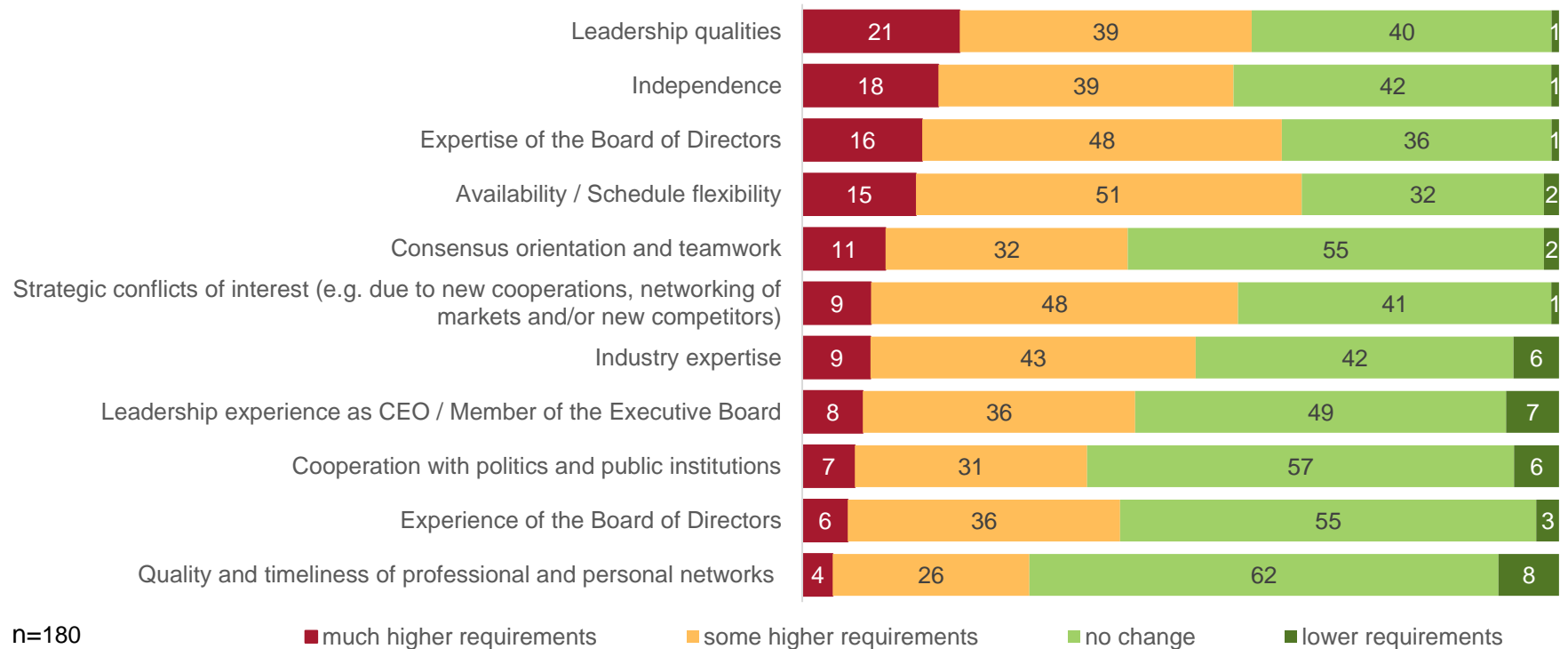
For this evaluation, «some higher requirements» were not taken into account..

Figures in % of respondents who answered «Much higher requirements»



What Requirements for Board Members Do You Think Will Change in the Next Two Years? (Properties of the Board of Directors)

2022: «What requirements for board members do you think will change in the next two years?»



The requirements regarding leadership qualities, independence, competence, and availability are signs of a very turbulent phase. There are very large and significant differences in consensus orientation and teamwork. 24% of the younger board members (up to 49 years) see much higher requirements here compared to 10% of those over 50.

What Requirements for Board Members Do You Think Will Change in the Next Two Years? (Properties of the Board of Directors)

2022: «What requirements for board members do you think will change in the next two years?»

The question about the requirements for board members in the next two years shows major shifts in the most frequently mentioned categories and can be summed up under the term resilience (resistance to crises): Leadership qualities, board competence, independence, and availability are in demand. Consensus orientation, cooperation with politics, and personal networks become relatively less important.

This is a clear indication of the demand that administrative bodies professionalize themselves and reshape their composition accordingly, away from personal networks.

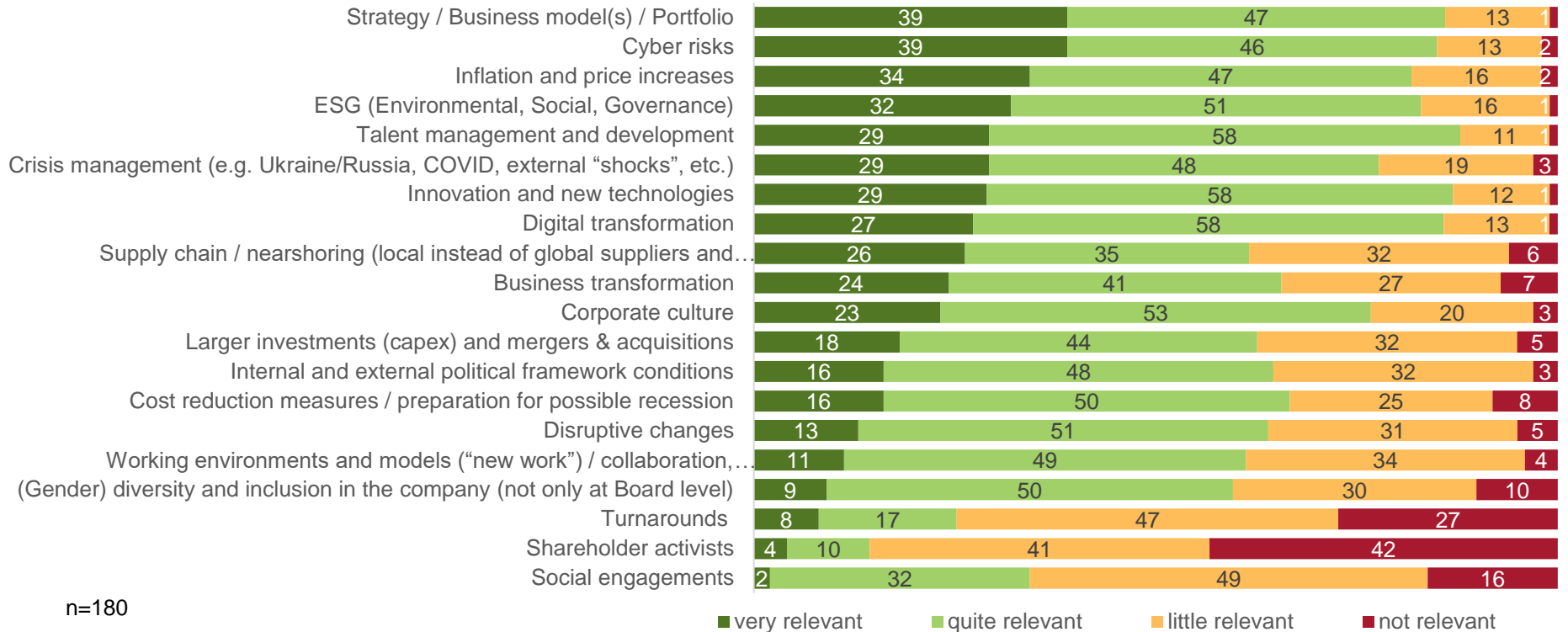
For this evaluation, «some higher requirements» were not taken into account.

Figures in % of respondents who answered «much higher requirements»



Current Key Topics of Your Work on the Board of Directors

2022: «How relevant are the following topics currently on the agenda of «your» board of directors and discussed in «your» board?
a) Topics»

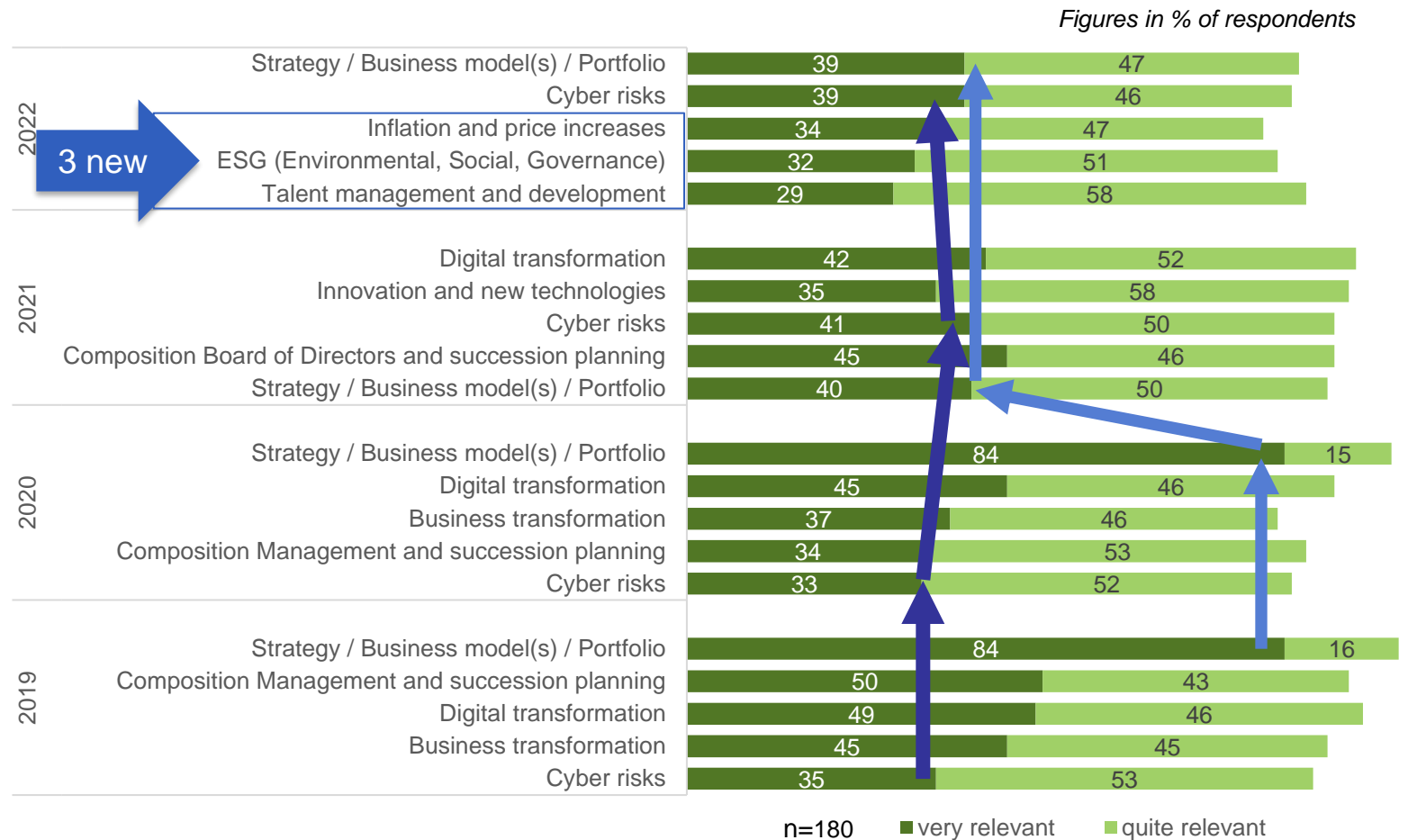


The top 10 topics in board work fall into the following three categories: Strategy (business model(s), innovation, transformation), current challenges (cyber risks, inflation, crisis management, supply chain) and sustainability (ESG, talent management). There are no significant differences between genders.

Current Key Topics of Your Work on the Board of Directors

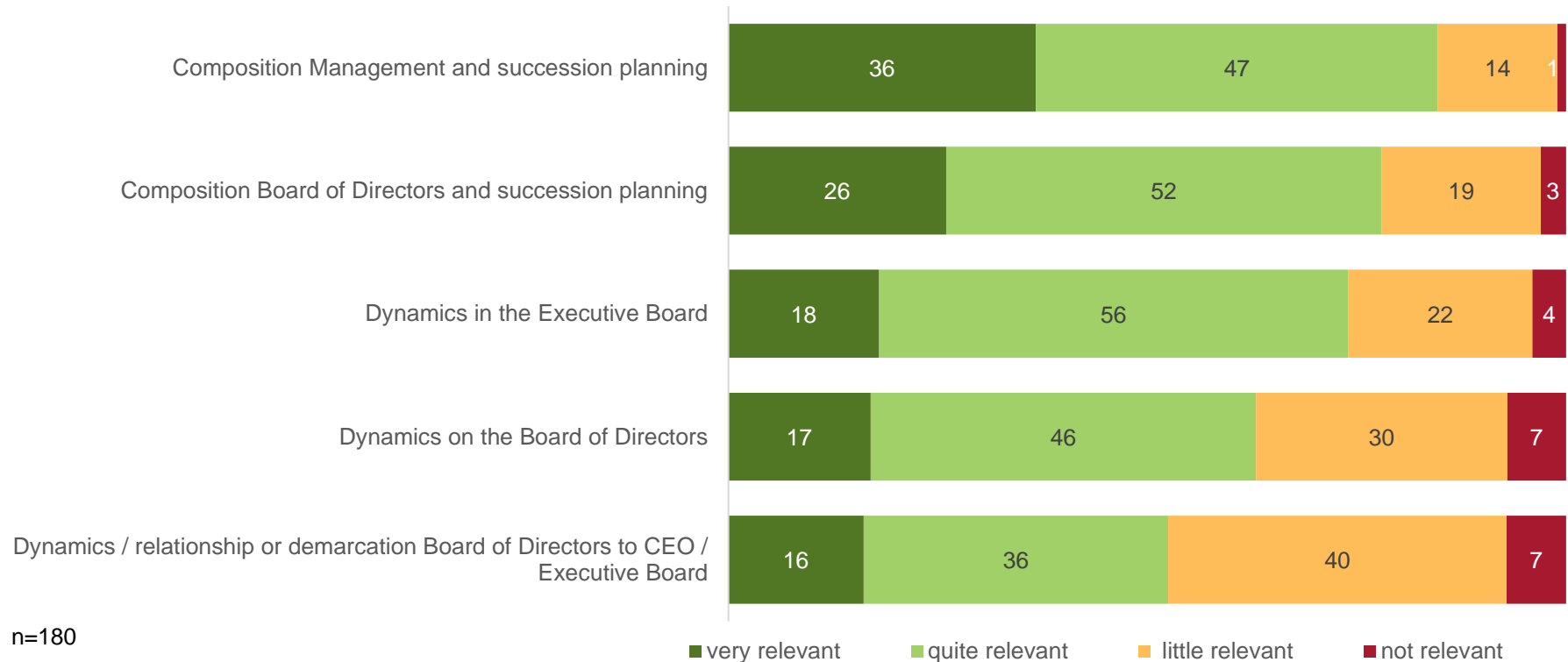
2022: «How relevant are the following topics currently on the agenda of «your» board of directors and discussed in «your» board? a) Topics»

In addition to the existing priorities of strategy and cyber risks, there are three new topics in the top 5: Inflation and price inflation, ESG, and talent management and development.



Current Key Topics of Your Work on the Board of Directors

2022: «How relevant are the following topics currently on the agenda of «your» board of directors and discussed in «your» board?
 b) Composition and dynamics»



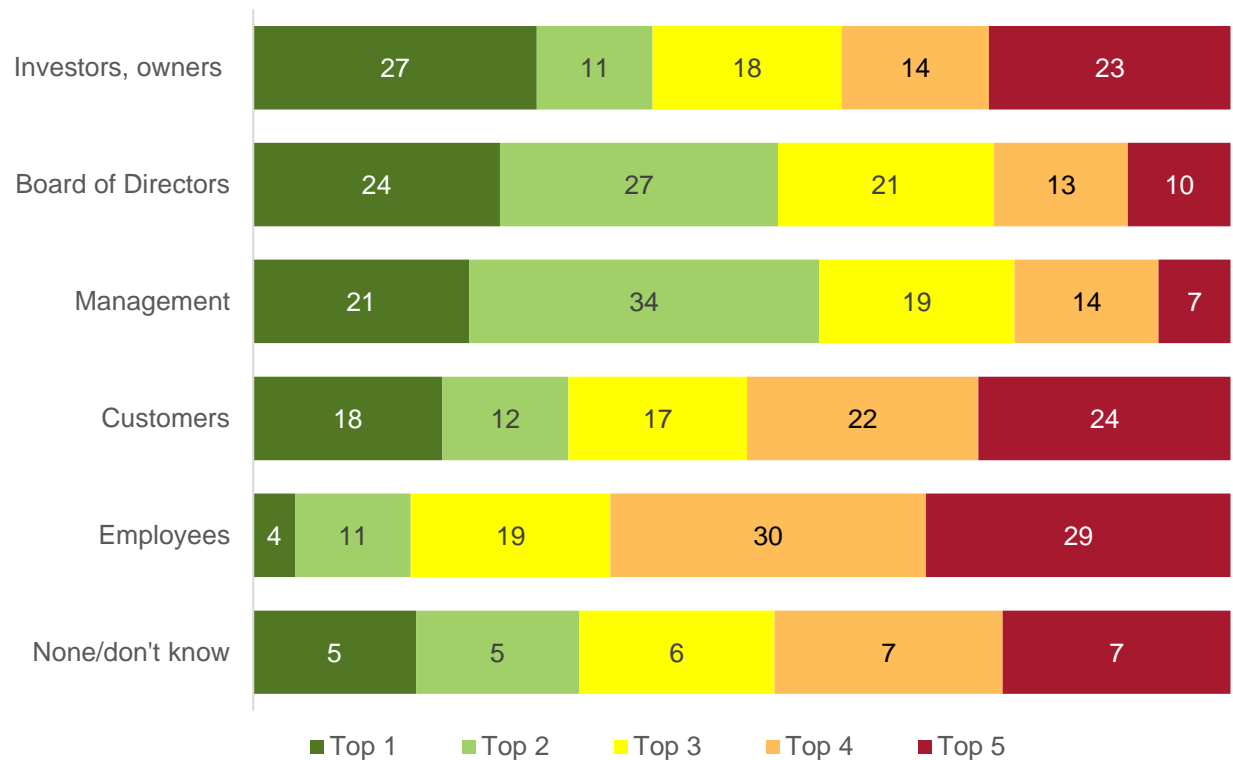
The composition of the executive board and the board of directors, including succession planning, remain very relevant topics in the work of the board of directors. Greater emphasis is being placed on the dynamics within and between these bodies (board of directors and executive board). In times of great external turbulence, dynamic cooperation becomes more imperative.

ESG (Environment, Social, Governance)

2022: «The term «ESG» (Environment, Social, Governance) refers to those criteria that measure the corporate social responsibility of the organization. In other words, the contribution of business to sustainable development that goes beyond the legal requirements. To what extent do you agree with the following statements?»

a) Which stakeholder group is the driving force for embedding ESG in «your» company? Rank the following stakeholder groups from most important to least important.»

Investors and owners are the most important drivers for ESG standards that go beyond what is required by law. They are followed by the board of directors, management, customers, and employees.



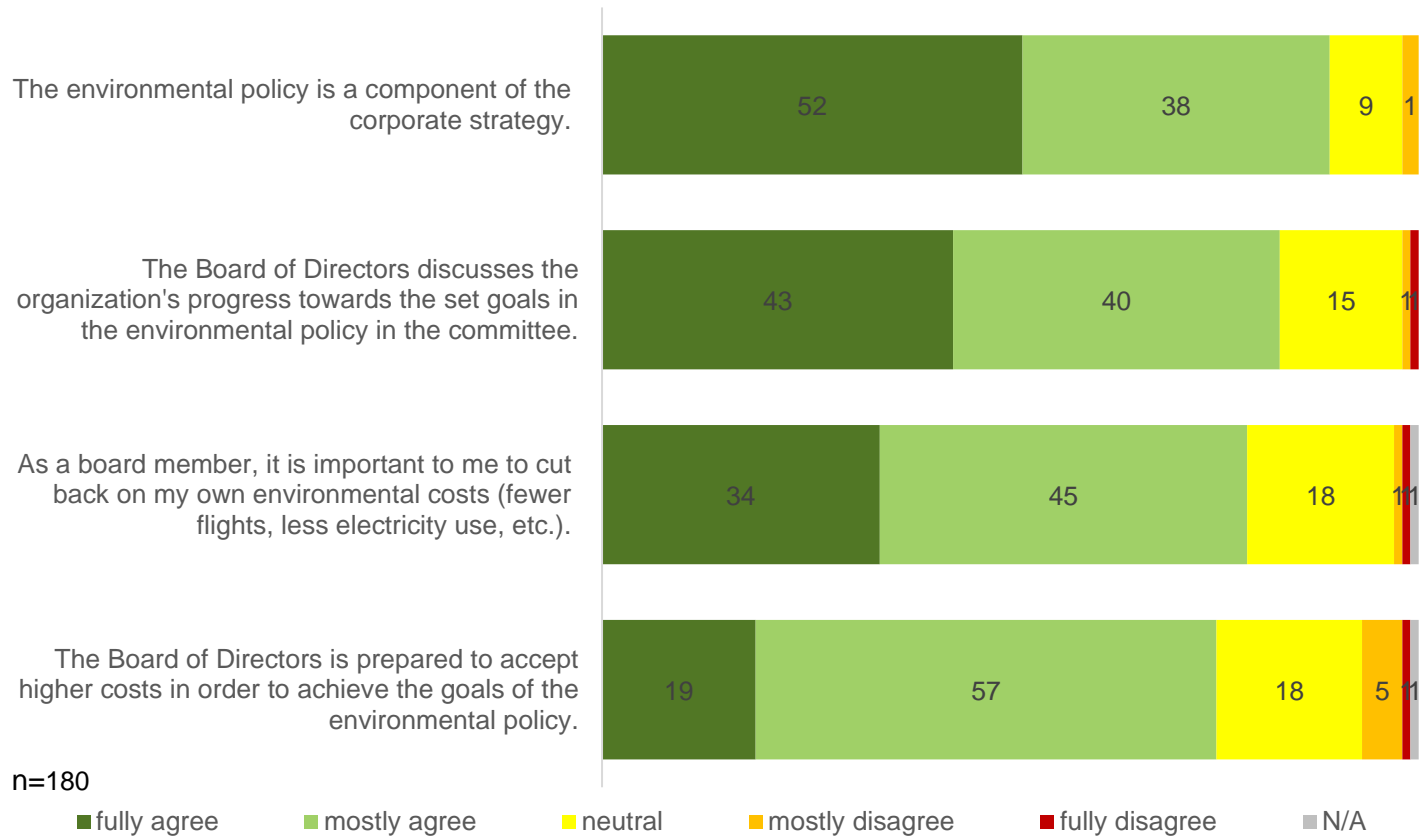
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ESG Environment: Environment

2022: «The term «ESG» (Environment, Social, Governance) refers to those criteria that measure the corporate social responsibility of the organization. In other words, the contribution of business to sustainable development that goes beyond the legal requirements. To what extent do you agree with the following statements? b) Environment»

The vast majority of board members consider environmental policy to be part of the corporate strategy and discuss the organization's progress towards the environmental policy goals set in the board. The divergence between these responses and the previous statements are signs of «green wishing»* at the board level.

*In «Green Washing», a company claims to be acting in an environmentally friendly manner when in fact it is not. In green wishing, environmentally friendly measures are approved, and corresponding targets are set, but without investing in adequate measures.

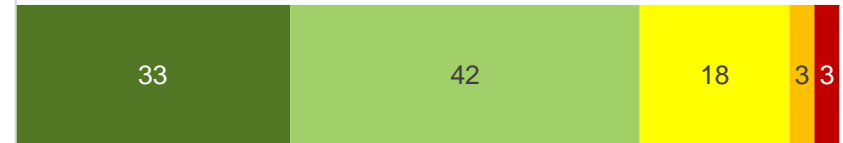


ESG Social: Social

2022: «The term «ESG» (Environment, Social, Governance) refers to those criteria that measure the corporate social responsibility of the organization. In other words, the contribution of business to sustainable development that goes beyond the legal requirements. To what extent do you agree with the following statements? c) Social»

The social aspects of ESG within the organization are supported, but with slightly less priority than environmental goals. Only 33% of respondents fully agree that diversity and inclusion in the workforce is an important concern for the board. If the proportion of women on boards is indeed to increase to 26.6% (see next slides), then the priority should be higher.

Diversity and inclusion in the workforce is an important concern for the Board of Directors.



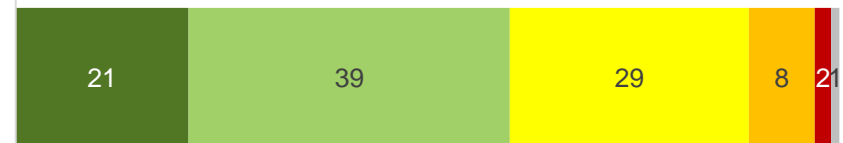
As a board member, I am personally involved in social projects and/or I am politically active.



The organization participates in social and/or political engagements.



The wellbeing and work-life balance of employees are discussed by the Board of Directors.



n=180

■ fully agree
 ■ mostly agree
 ■ neutral
 ■ mostly disagree
 ■ fully disagree
 ■ N/A

ESG Governance: Governance

2022: «The term «ESG» (Environment, Social, Governance) refers to those criteria that measure the corporate social responsibility of the organization. In other words, the contribution of business to sustainable development that goes beyond the legal requirements. To what extent do you agree with the following statements? d) Governance»

The members of the administration surveyed attest to their own high level of competence in data security, liability issues, and handling conflicts of interest. For a majority, crisis management could still be improved.

As a board member, I am familiar with the handling of data and the associated risks.



As a board member, I know the relevant laws and regulations that affect “my” business and could involve liability.



On the Board of Directors, I point out to colleagues when they might have a conflict of interest or an ethical problem.



The Board of Directors has defined a crisis organization and crisis communication, and Board members know what to do in the event of a crisis.



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■ fully agree
 ■ mostly agree
 ■ neutral
 ■ mostly disagree
 ■ fully disagree
 ■ N/A

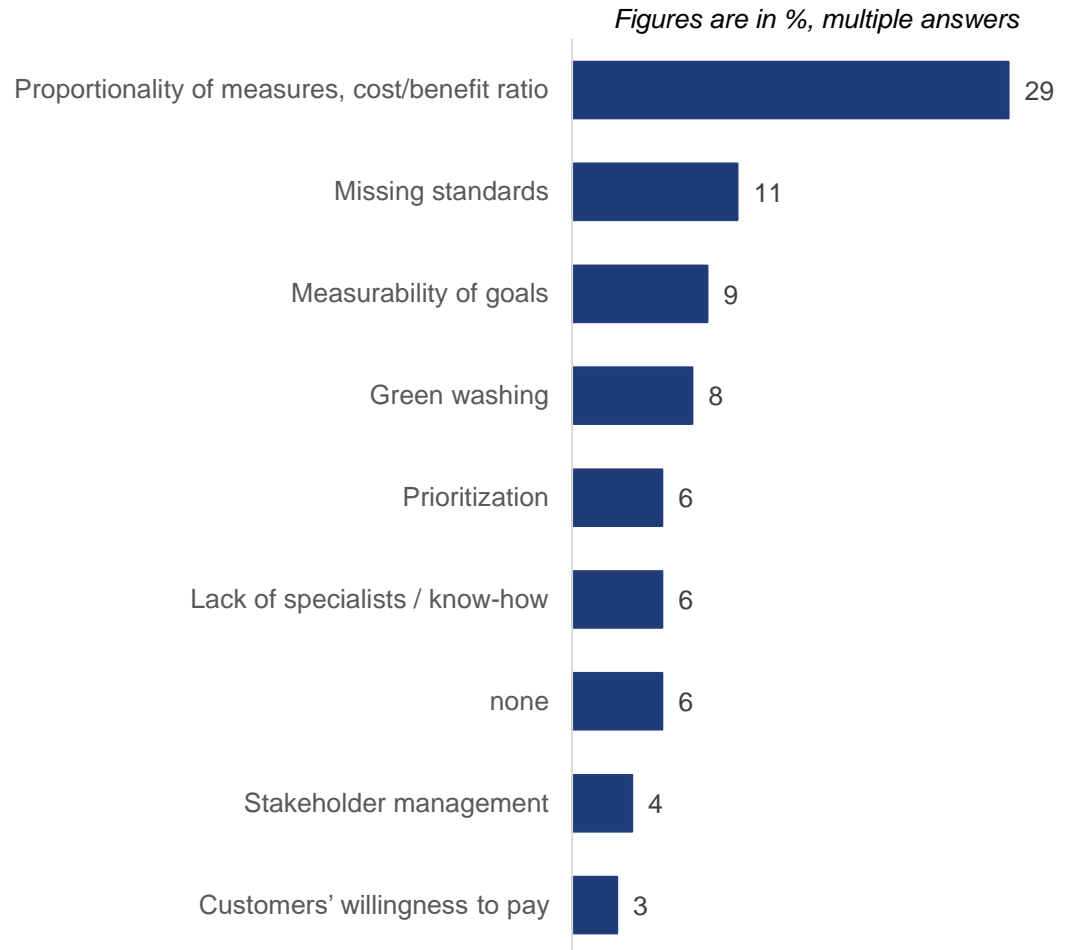
ESG (Environment, Social, Governance)

2022: «What «trade-offs» (trade-offs of goods, dependencies, dilemmas, difficulties, etc.) do you see in your board activities when implementing ESG measures?
e) Trade-Offs»

The biggest hurdle for board members in defining and enforcing ESG goals is the proportionality of the measures (cost/benefit ratio), the lack of standards and the associated difficulty in measuring the goals.

Note: Coded analyses of qualitative responses, thus only comparable to a limited extent.

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Impact of ESG on Corporate Culture

2022: «The term «ESG» (Environment, Social, Governance) refers to those criteria that measure the corporate social responsibility of the organization. In other words, the contribution of business to sustainable development that goes beyond the legal requirements. To what extent do you agree with the following statements? f) Impact of ESG on corporate culture»

While half of the respondents see the head of Human Resources in senior management, only a quarter believe that a Chief Sustainability Officer is needed to accentuate ESG issues. Diversity and inclusion issues are changing executive dynamics and corporate culture.

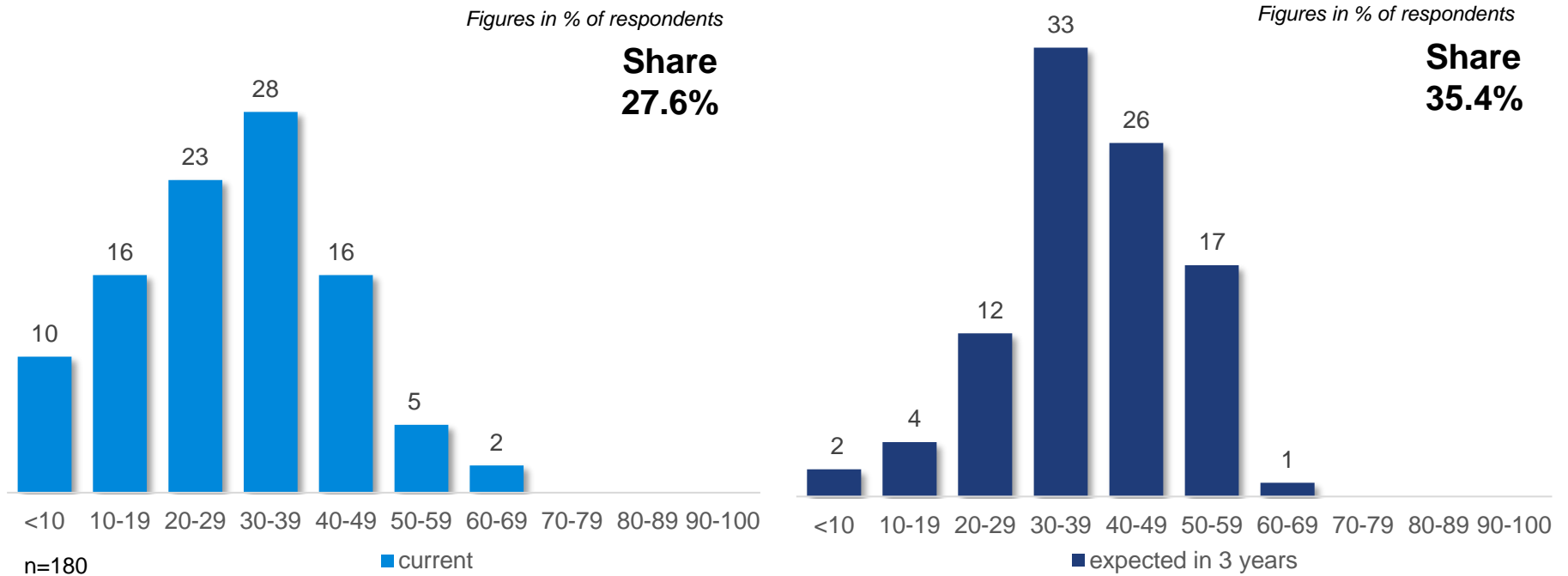
Women weight the change in corporate culture due to the ESG issue significantly higher than men (average 4.0 versus 3.6).



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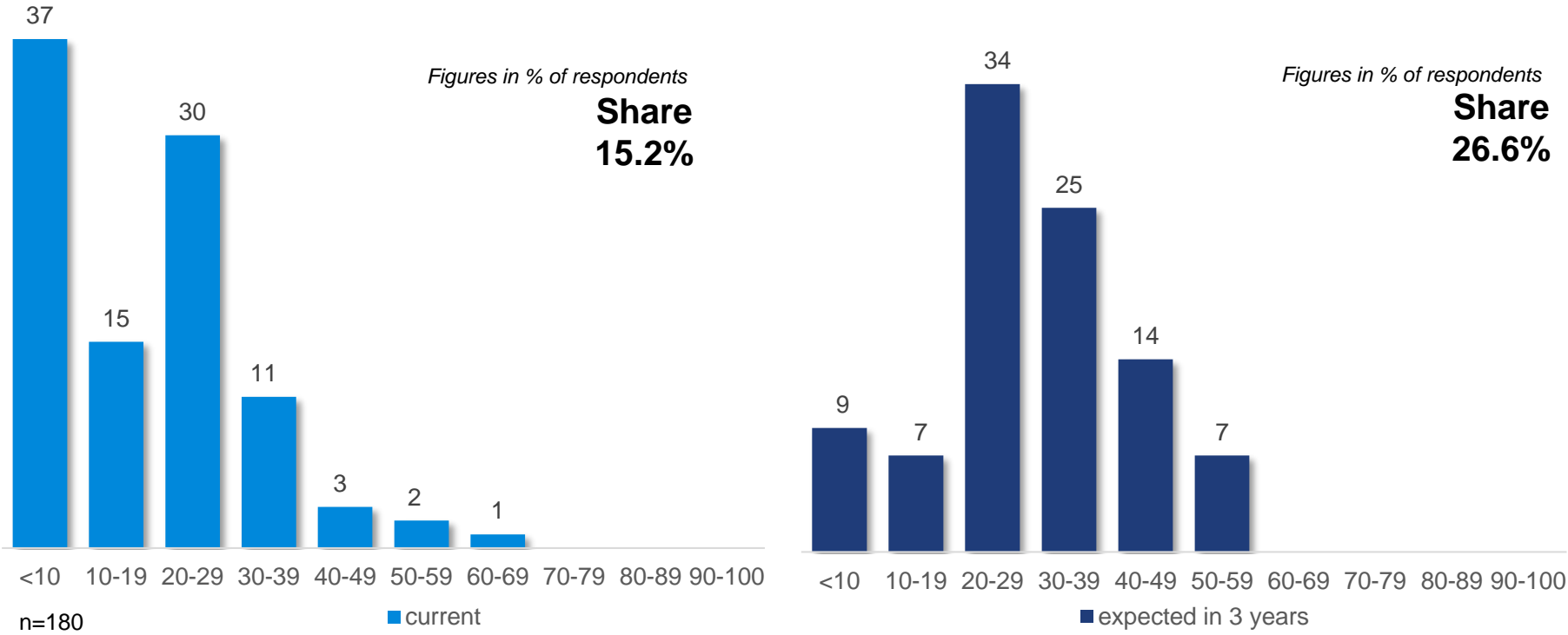
Proportion of Women on Board of Directors

a) «What is the percentage of women (current and expected in 3 years)?»



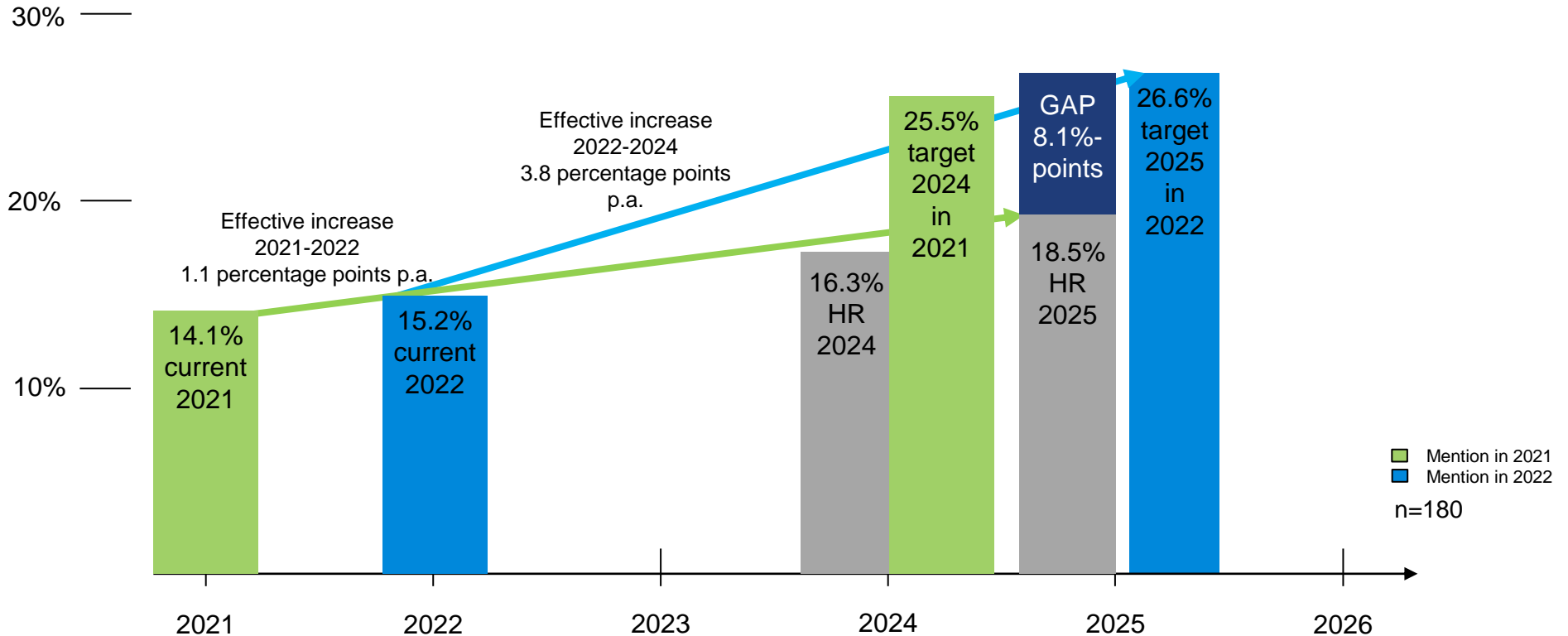
Proportion of Women in Executive Management

a) «What is the percentage of women (current and expected in 3 years)?»



Diversity Wishing at Management Level?

a) «What is the percentage of women (current and expected in 3 years)?»



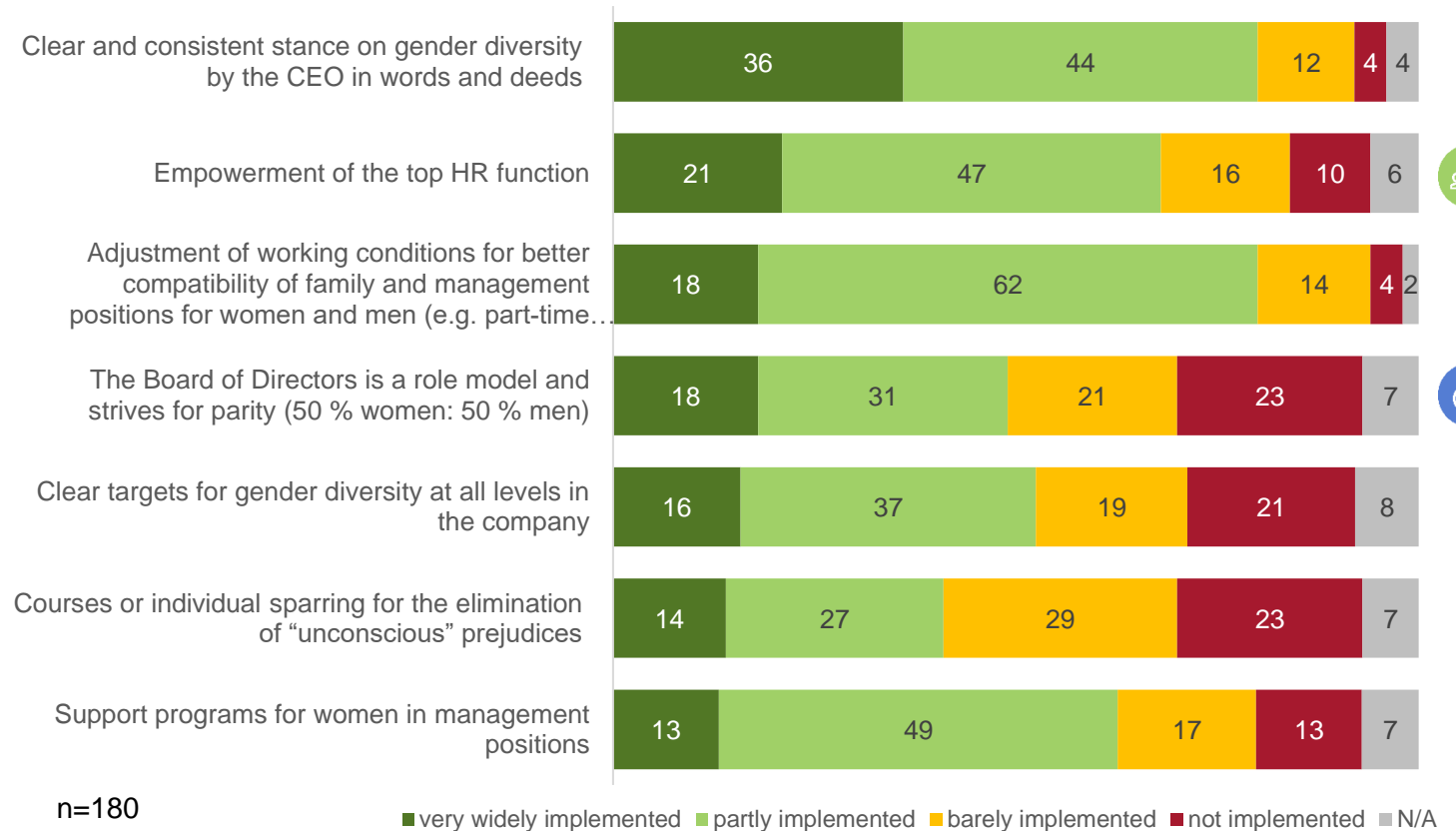
According to the board members surveyed, the actual development of the proportion of women at executive management level (1.1 percentage points p. a., or 3.3 percentage points over the next three years) lags behind the expected development (3.8 percentage points p. a., or 11.4 percentage points over the next three years), which indicates a need for action at executive management level.

Implemented Gender Diversity Measures

2022: «By gender diversity, we mean all measures and instruments that lead to an appropriate representation of both genders in the management bodies of organizations and to the achievement of gender benchmarks.

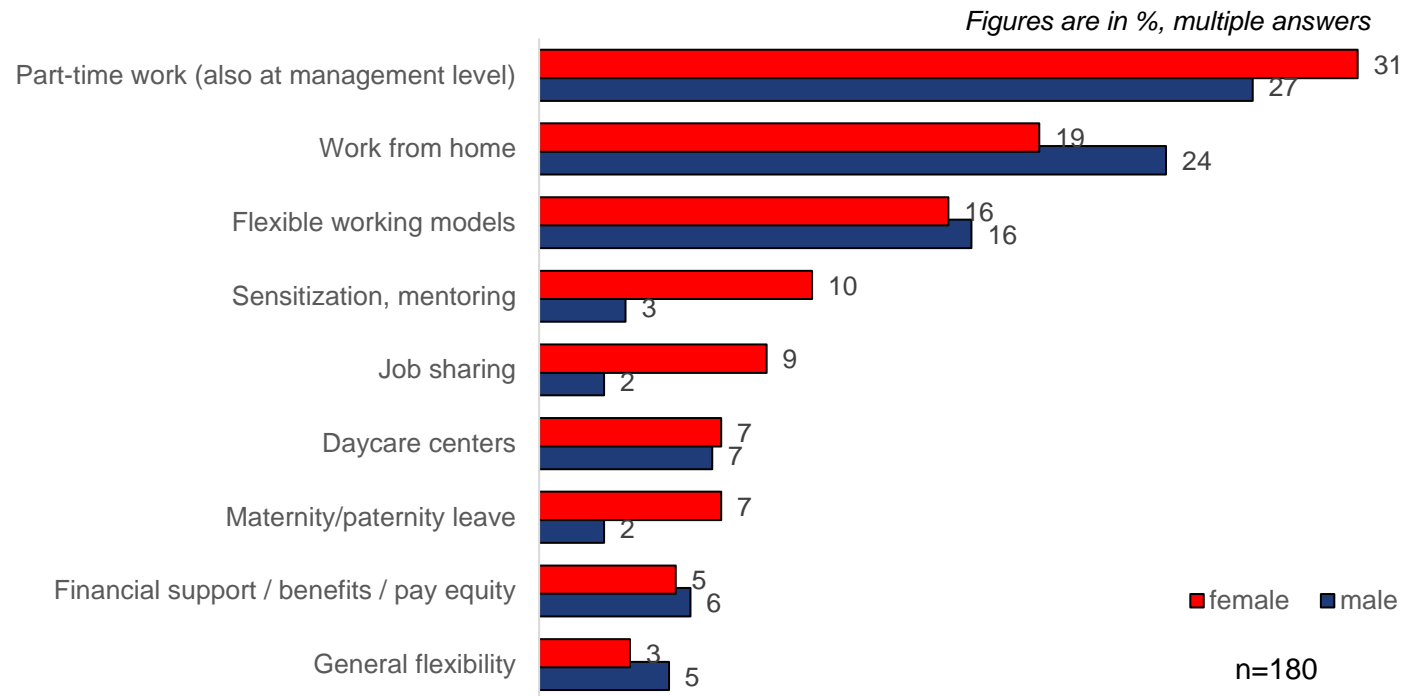
b) To what extent are these measures currently implemented in «your» company?»

The respondents consider gender diversity to be a «matter for the boss». Opinions are divided on the extent to which the board of directors should set a good example and strive for parity. Measures to improve the compatibility of family and management positions and support programs for women in management positions have only been partially implemented. When it comes to striving for parity, men are much more likely to state (29%:12%) that these measures have «not at all» been implemented. In the case of empowerment of the top HR function, 35% of board members under 50 years of age state that these have «hardly» been implemented; this figure is only 11.5% for those over 50 years of age.



Gender Diversity and Measures

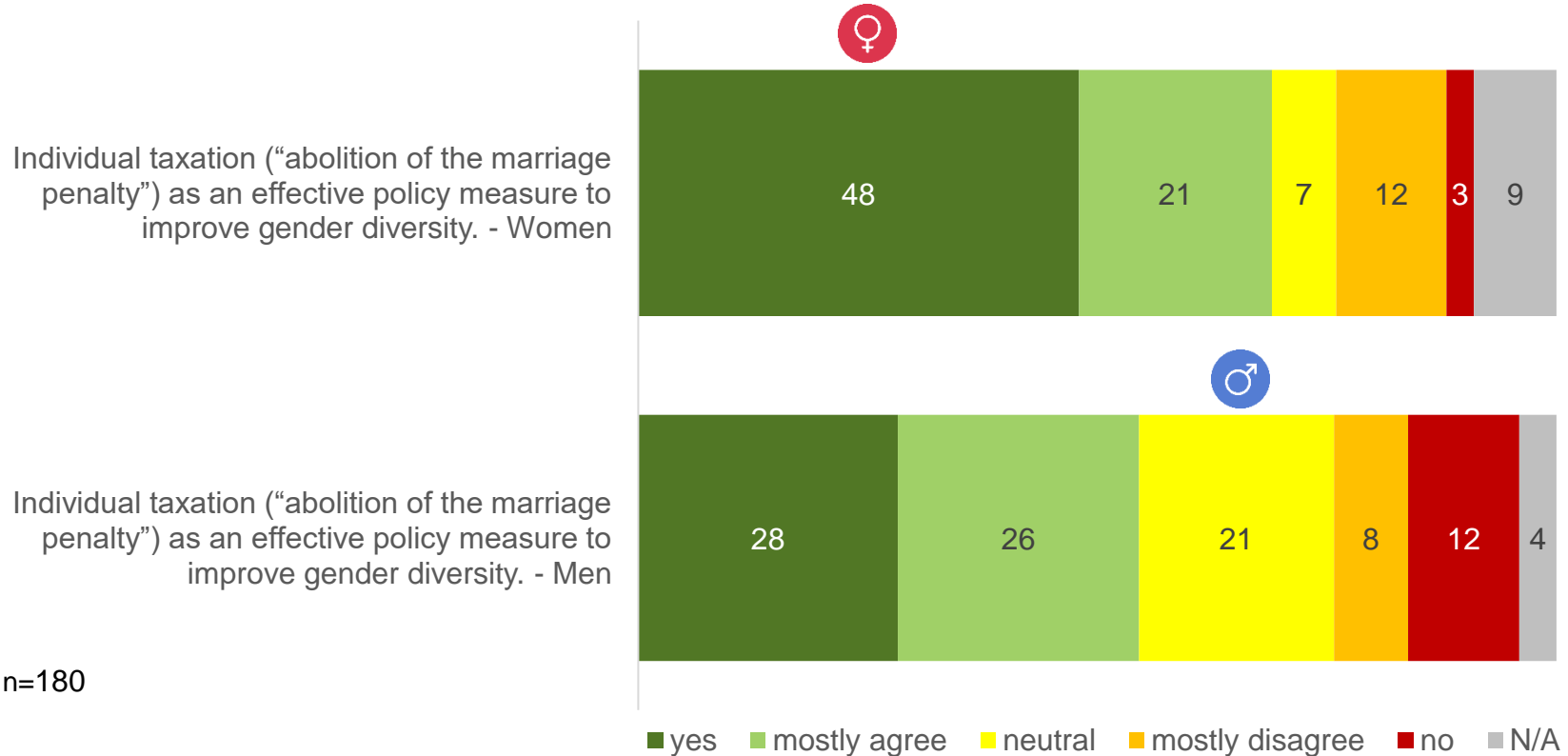
2022: «c) Reconciling family and management positions at all levels of the company is one of the greatest challenges to establishing gender diversity. What does «your» company offer in concrete terms to ensure compatibility?»



The measures most frequently mentioned to ensure the compatibility of family and management positions are part-time work, home office and flexible working models. The frequencies of the mentions by women and men are not significantly different.

Gender Diversity and Individual Taxation

2022: «d) Do you personally consider individual taxation (abolition of the «marriage penalty» and consequently the associated tax progression) to be an effective political measure to ensure that more women remain in the workforce after marriage or starting a family?»



69% of female board members and 54% of male board members support individual taxation (or the abolition of the «marriage penalty» and consequently the associated tax progression) as a possible, effective policy measure to keep women in the workforce after marriage. Across both genders, more than half (58%) do. However, 21% of men are neutral on the issue. This is an indication that opinion is still being formed and can be influenced by politicians and companies.

Your Board of Directors Mandates

2022: «a) What is the board structure of your main mandate?»

n = 180

	Women	Men	Total	Figures in %
Up to 39 years	14	10	24	2 %
40 to 49 years	138	52	190	15 %
50 to 59 years	239	349	588	46 %
60 to 65 years	93	270	363	28 %
66 to 72 years	14	97	111	9 %
73+ years	0	13	13	1 %
Total	498	791	1289	100 %
Figures in %	39 %	61 %	100 %	

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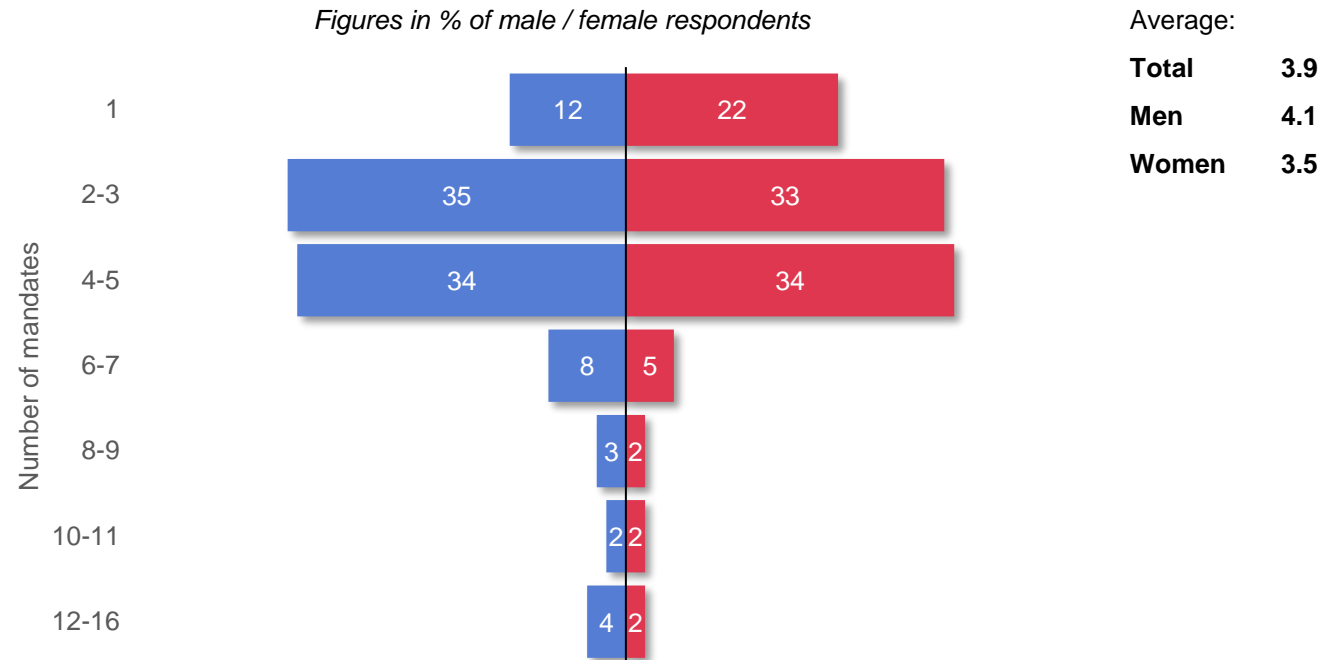
	CH	Non-CHF	Total	Figures in %
Up to 39 years	18	6	24	2 %
40 to 49 years	154	36	190	15 %
50 to 59 years	467	121	588	46 %
60 to 65 years	284	79	363	28 %
66 to 72 years	79	32	111	9 %
73+ years	11	2	13	1 %
Total	1013	276	1289	100 %
Figures in %	79 %	21 %	100 %	

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Consistent with the increase in the percentage of women on boards of directors, women tend to be younger at 53.5 years than men at 58.7 years.

Number of all Board of Directors Mandates

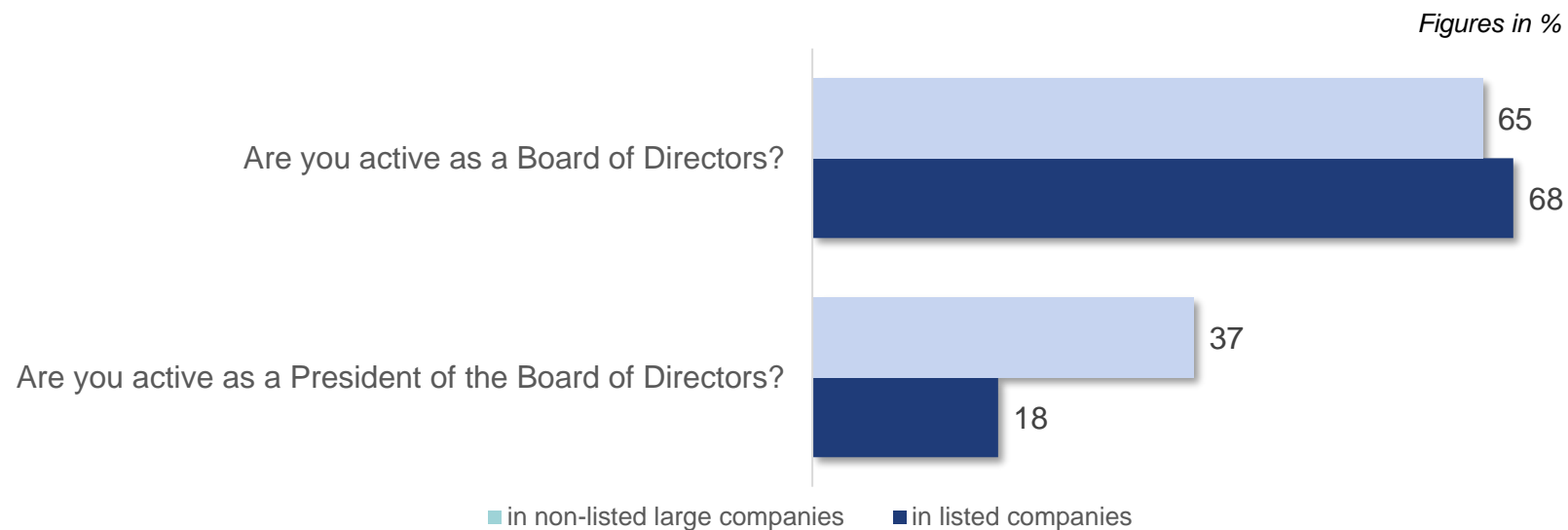
2022: «b) How many board of directors mandates do you have?»



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Company Typology of Board of Directors Mandates

2022: c) «Which role do you play?»

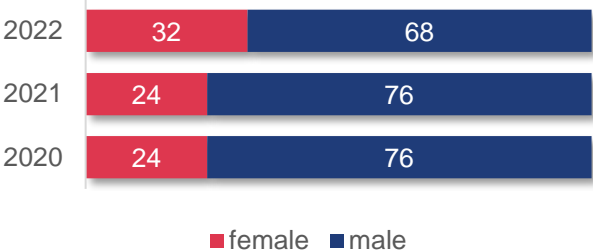


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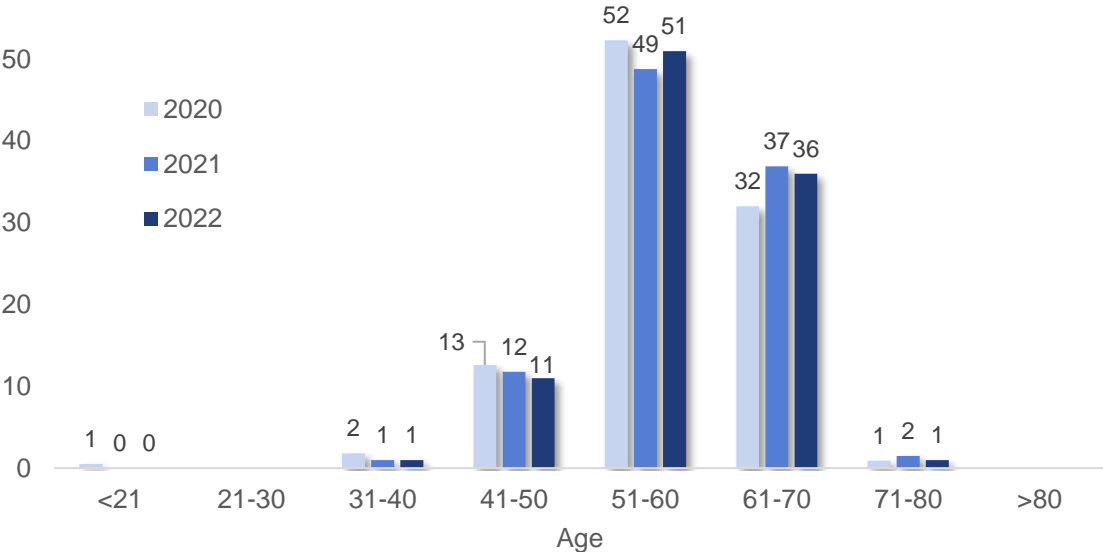
Demographic Information

2022: «e) Demographic Information»

Your Gender: *Figures in %*



Figures in % of respondents

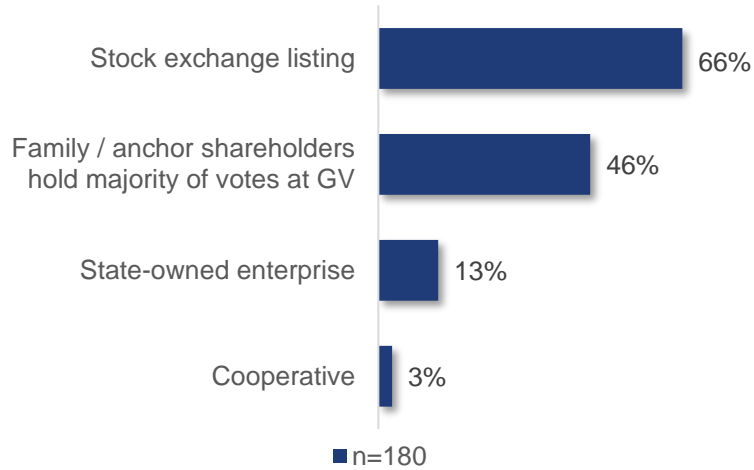


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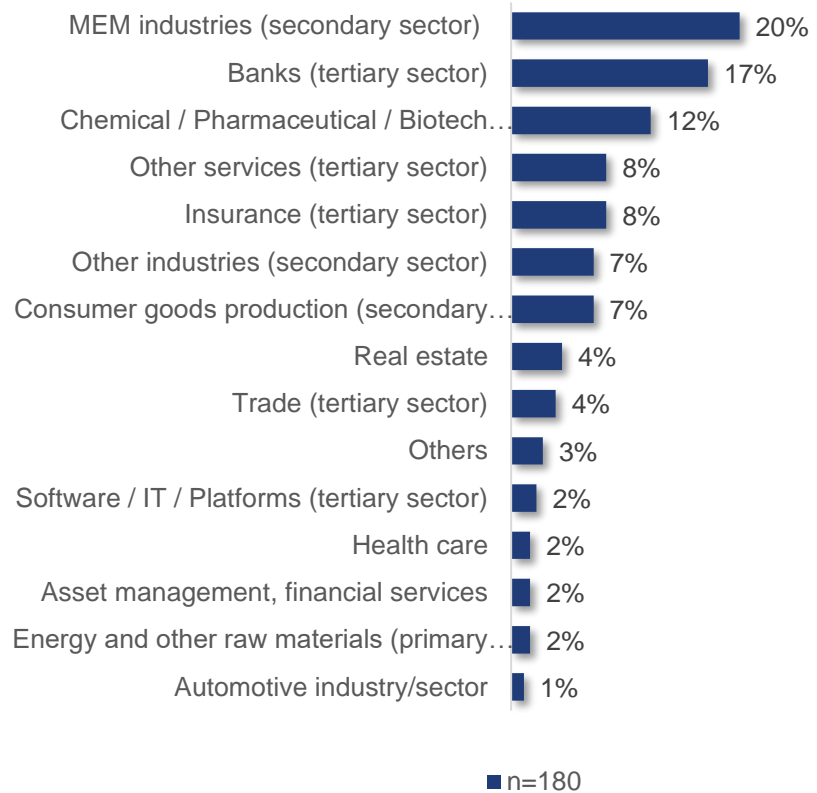
As expected, the proportion of women in this survey increases roughly in parallel with the proportion of women in the companies surveyed, which suggests statistical representativeness. The plateau in 2021 is presumably Covid-related because many recruitment processes and elections were postponed.

Demographic Information

Attributes to the company



Industry



Challenging what is and inspiring what could be.

We develop leaders who transform organizations
and contribute to society

IMD / Real learning
Real impact

TOP3	WORLDWIDE 10th CONSECUTIVE RANKING
2012-2022	Financial Times

TOP5	WORLDWIDE 18th CONSECUTIVE RANKING
2004-2022	Financial Times