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Press release

Knicht Gianella Board Survey 2019

Board members want to see more businesspeople in politics

- **75 percent of those surveyed would like business figures to get more involved in politics**
- **Brexit, the EU framework agreement and trade conflicts are the subjects of most concern to board members in 2019**
- **Digitalization is no longer an isolated trend – it is now an overarching topic and an integrated element of corporate strategy**
- **Business certainly needs digital natives; but at the leadership level there is also a demand for managers who have successfully implemented digital transformation processes**
- **A renewal of ageing boards is imminent; only 16 percent of board members are under 50**
- **Three-quarters of respondents believe that the Responsible Business Initiative (KOVI) will do great harm to Swiss business**

Zurich, November 29, 2019 - Boards of directors are now much more concerned about political issues than previously: this is one of the clear findings of the sixth board survey commissioned by Swiss executive search firm Knicht Gianella, carried out for the first time this year by IMD (International Institute for Management Development in Lausanne). 47 percent of the board members surveyed name international political and economic themes as the biggest challenges for today's boards of directors.

214 directors who sit on the boards of 647 listed and large unlisted companies in Switzerland took part in the representative survey.

Sandro V. Gianella explains: "By contrast with previous surveys, it's not topics like digitalization and lack of talent coming to the fore. Board members are most concerned about developments

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on the national and international stage. In Switzerland, the EU framework agreement is one of the external factors causing great uncertainty on boards.”

Board members are aware that they should be more politically active and that business figures should take on more responsibility in wider society. 75 percent of respondents would like to see businesspeople getting more involved in politics. 68 percent are worried about the increasing rejection of globalization. 64 percent believe that Swiss business is doing much more to tackle climate change than the public realizes; but 36 percent think that business is nevertheless still not doing enough on climate change. 75 percent believe that the Corporate Responsibility Initiative (KOVI) would do great harm to the Swiss economy. 30 percent think that KOVI would be adopted today, while 46 percent think it will be rejected.

“In spite of the increased commitment to social responsibility, the study shows that while boards may think about sustainability issues, they don’t incorporate them sufficiently into their work on strategy,” explains Sandro V. Gianella.

Second on the list of subjects that most concern boards of directors comes digitalization and its consequences, which is named by 44 percent as a major challenge. Digitalization is the thing that has most changed the demands placed on boards in the last 5 years. Board members have had to acquire expertise about digitalization and digital transformation. In recent years they have felt a great need to get up to speed on cyber-risks. 95 percent of those surveyed said that these requirements had changed significantly.

91 percent of board members say that digitalization is no longer an isolated specialist subject, but an “integrated element of corporate strategy”. Only a small proportion of respondents consider the topic as irrelevant or less relevant. The number of companies that are only “at the start” of their digital transformation, has fallen from 19 to 9 percent in just one year.

The call for more digital natives on boards of directors is as loud as ever. However, being a digital native is no longer a unique selling point on its own. The people who are really in demand are managers who have taken their companies through a digital transformation and successfully pushed through the strategic, operational and cultural changes,” said Sandro V. Gianella.

According to the survey, digital transformation is creating a new corporate culture. It is having a direct and wide-ranging impact on the management of most companies. Agility is in demand. Respondents believe that “company structures are getting more agile”, “adventurous approaches have to be allowed”, “flatter hierarchies are important”; while at the same time “companies have to stay on course financially”. The faster pace and the desire for

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experimentation require a greater tolerance of mistakes: “Error culture is crucial for innovation,” says one respondent.

Boards will face dramatic changes over the years to come. 64 percent of respondents know that one or more members of their boards are set to be replaced in the near future. Ageing board members are a definite concern. According to [Knight Gianella’s board survey](#) the most heavily represented age-group on Swiss boards is the 50 to 59-year-old cohort, which accounts for 49 percent of all board members. Under 50 year-olds only account for 16 per cent. 36 percent of the members of boards of directors in Switzerland are older than 60. Women accounted for 24 percent of the members of boards on which respondents sat as their main mandate.

You can find the survey results at

<http://www.knightgianella.ch/verwaltungsrats-umfrage/>

Contact:

Sandro V. Gianella

E-mail: svg@knightgianella.ch

Tel.: +41 44 421 29 03

About Knight Gianella

The executive search consulting firm Knight Gianella focuses on the national and international direct search for executives and provides advice on filling key positions in management and on boards of directors. Founded in 1965 as a member of a US consultancy group, since the mid-nineties Knight Gianella has been an independent, Swiss thinking and acting partnership with a boutique character. Knight Gianella is often consulted for specific succession plans and new appointments where the process is sensitive. The success rate in recent years is 98%, repeat business over 70%. Over the last years, the two partners Sandro V. Gianella and Stephan Reifferscheid have successfully and sustainably filled approximately thirty positions at top management and board of director’s level.