

# Room at the top

Women leaders and the role  
of executive search



Recruitment &  
Employment  
Confederation

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# FOREWORD

Why does the UK have such an abysmally low ratio of women to men in boardrooms and executive teams? The evidence is clear that women are willing and able to take on top jobs. However, it is equally clear that there are continuing inefficiencies in the sourcing and recruiting of female talent for top jobs.

This report is asking for executive search firms to become more transparent and open, without compromising their client confidentiality, so that the real value of their role in recruiting for top positions can be more fully understood.

Balanced boards better represent their customers and stakeholders, make better decisions and deliver better financial results. And yet still some businesses are missing out by not listening to advice from executive search firms to widen the talent pool and to question historical practices when it comes to senior appointments.

Executive search companies have a vital role in helping businesses source the talent they need to be competitive. However, their work is not widely understood or appreciated. The Davies Review in 2011 noted a lack of published research and analysis of the role of executive search firms that it could draw on for its recommendations about female representation on boards. We hope this report will educate and inform about how search firms are working with their clients to identify their needs, challenge preconceptions and explore untapped talent pools, as well as highlighting headhunters' role in encouraging quality candidates to reach the top.

Positive steps have already been taken by many FTSE 100 companies but this is no time for complacency. Chairs and chief executives must increase the momentum so that the goal of 25% female board representation by 2015 can be reached and the pipeline for future appointments is developed. We don't believe in quotas but policymakers have been clear, we must up our game and ensure that female talent rises to the top.

**Kevin Green, Chief Executive**  
Recruitment and Employment Confederation

**DIVERSITY IS OUR  
DIFFERENTIATOR,  
BUT NEVER AT THE  
EXPENSE OF THE BEST  
CANDIDATE.**

FOUNDER, EXECUTIVE SEARCH FIRM

**01**

**INTRODUCTION**

Discussion on women at the top can often appear to be a blame game. Chairmen of big business point at the executive search firms and say that they present them with the same candidates, who are, more often than not, male. Women point at CEOs and chairmen and say that they only appoint people in their own image. The executive search firms say that suitable women candidates are not available in sufficient quantities and the hirer often also does not offer flexible working practices that support a diverse leadership. The reality is more complex than this.

Evidence shows that more diverse teams make better business decisions. Our research looks at how executive search firms are playing a critical role in getting more women into senior positions. The focus of this report is to define the role executive search firms play in redressing the under-representation of women in senior positions.

This research is based on the literature and interviews with 17 executive search firms that work in a variety of sectors. We included interviewees who place board members within FTSE 100 companies as well as organisations that serve UK and international clients. We also interviewed the chair of a regulatory body and four senior women from different industries outside of the recruitment industry. To ensure as much candour as possible, interviewees have been granted anonymity.

This report builds on the issues identified in the Davies Review. In August 2010, Ed Davey, the business minister, and Lynne Featherstone, the minister for women, asked Lord Davies of Abersoch to review gender equality at board level. His report was published in February 2011: it focused on FTSE 350 boards, set out the business case for gender-balanced boards and made recommendations to achieve change.

Our research looks at the good practice that currently exists within the executive search industry. It explains how the industry is responding to getting more women into senior roles, particularly further along in the pipeline at the senior management and senior executive levels. As a starting point and as described in a report by the Department of Business, Innovation and Skills,<sup>1</sup> we recognise that the executive search industry is far from homogenous and there are varying degrees of engagement and motivations in pushing the gender diversity agenda. However, there is strong consensus that finding the best candidate makes commercial sense and shows an ability to source hard-to-reach talent. Clients are increasingly asking executive search firms to provide a diverse candidate list and will seek out those firms that have a proven record – for some clients this means search firms that can interpret their needs and provide a candidate who complements rather than replicates their top team.

However, the demand for a diverse skill and knowledge set is high. Alongside this, women are under-represented at the top table, which shows that women are an untapped talent pool from which to draw. Executive search firms should

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<sup>1</sup> Women on Boards: The voluntary code for executive search firms – taking the next step, (2014) C, Sweeney, Department for Business, Innovation and Skills.

and do demonstrate their unique value by being the catalyst for gender diversity by drawing on the widest pool possible.

**'We expect them to look broadly, to source the best talent and seek people from different geographical and sector-specific boundaries. We draw on their work to brief us, to excite us and inspire us, and to bring us the candidates that we wouldn't necessarily source.'**

CEO, media agency



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WE EXPECT THEM [EXECUTIVE SEARCH FIRMS] TO LOOK BROADLY, TO SOURCE THE BEST TALENT AND SEEK PEOPLE FROM DIFFERENT GEOGRAPHICAL AND SECTOR-SPECIFIC BOUNDARIES  
CEO, MEDIA AGENCY

NOT LONG AGO, IF YOU WENT TO AN EXECUTIVE SEARCH FIRM AND SAID THAT YOU WANT A WOMAN ONLY SHORTLIST, THERE WOULD BE HEAD HUNTERS WHO WERE NOT HAPPY TO DO THIS. IN THE OLD DAYS THEY WOULD SAY THEY DON'T DO THAT. NOW IT IS DIFFERENT.

MANAGING DIRECTOR, INVESTMENT BANK

# 02

## DEFINING THE PROBLEM

In February 2011, the Davies Review issued a call to action to companies to redress the gender balance of boardrooms in the UK. The report highlighted that chief executives, chairs and executive search firms need to work in concert to achieve greater gender balance at this level.

The report set out the business case for this, drawing on research that shows that companies with more women on their board show a 42% higher return on sales, a 66% higher return on invested capital and a 53% higher return on equity.<sup>2</sup> Other research shows that homogenous teams underperform while gender-diverse top teams are positively associated with product innovation and turnover.<sup>3</sup>

Despite some of the benefits associated with more women at the top, a study published by Green Park Leadership in February 2014 did a 'root and branch' assessment of 10,000 of the most senior employees in the FTSE 100 companies and found that only 12 of the 289 CEOs, chairs and CFOs are women. The report concluded that the absence of diversity resulted in what they call a 'diversity deficit' that is 'self-defeating'.

Recognising the crucial role of executive search firms in promoting gender diversity as well as responding to the suggestion that they were not offering an adequately diverse candidate pool, the Davies Review asked the industry to set its house in order. Executive search firms were tasked with drawing up a voluntary code of conduct to set out best practice with respect to search criteria and processes to address gender diversity. The code of conduct is voluntary and self-regulating. The view is that more women in the boardrooms of FTSE 350 companies will prompt more senior women appointments across industries across the UK.

Lord Davies set a target of a minimum of 25% of female representation by 2015 in FTSE 100 boards. This figure now stands at 20.4%. Nonetheless, positive changes in the make-up of the top teams are increasingly evident. Appointments such as Inga Beale, the CEO of Lloyd's of London insurance, the first woman in its 300-year history, and Lloyds Bank's pledge to have 40% female representation at all levels of management by 2020 signals intent to voluntarily address gender imbalance.



# 25%

TARGET OF FEMALE REPRESENTATION BY 2015  
IN FTSE 100 BOARDS

<sup>2</sup> Women on Boards, February 2011.

<sup>3</sup> All in the mix? Top team demographics and business performance in UK firms, 2008–09, M. Nathan, LLAKES research paper 42.

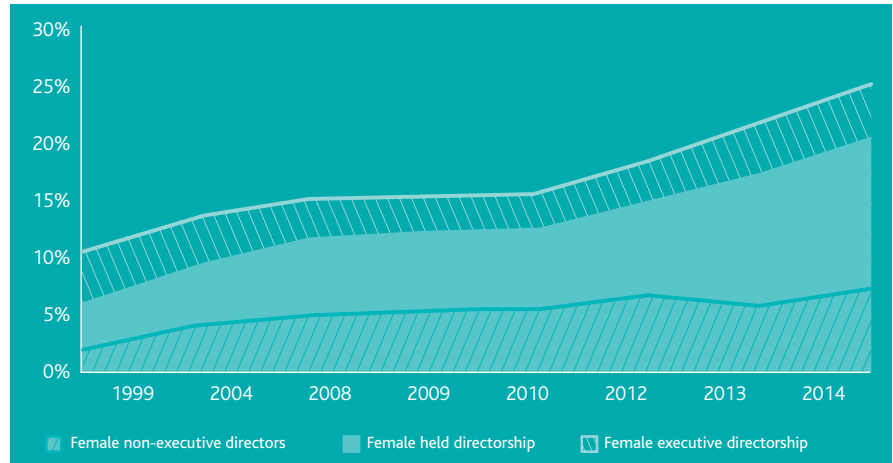


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**NOW THE  
 WORKPLACE IS FULL  
 OF WOMEN WHO ARE  
 ‘BOARD-READY’**  
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**IN 2013, THERE WERE  
 13 MILLION WOMEN  
 IN THE WORKPLACE,  
 REPRESENTING 67%  
 OF WOMEN AGED  
 16 TO 64 YEARS  
 OLD. IN 1971, THIS  
 PROPORTION STOOD  
 AT 53%**  
 (Office for National Statistics)

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**FIGURE 1 / BOARDWATCH: WOMEN ON FTSE 100 BOARDS**



Boardwatch: Women on FTSE 100 boards (Source: Professional Boards Forum BoardWatch)

	1999	2004	2008	2009	2010	2012	2013	2014
Female held directorships	6.20%	9.40%	11.70%	12.20%	12.50%	15.00%	17.30%	20.40%
Female executive directorships	2.02%	4.10%	4.80%	5.20%	5.50%	6.60%	5.80%	7.20%
Female for non-executive directors	10.82%	13.60%	14.90%	15.20%	15.60%	18.30%	21.80%	25.10%

Positive change is also happening because, put simply, there are more women in the workplace. As a consequence, redressing the gender balance of top teams is pragmatic. In 2013, there were 13 million women in the workplace, representing 67% of women aged 16 to 64 years old. In 1971, this proportion stood at 53%. More women in the workplace will lead to more senior women available to fill top roles. In the UK, 34.8% of women are managers, directors and senior officials, slightly higher than the EU average of 33%.

**‘There is a changing tension. They [chairs and CEOs] are recognising that they don’t have women over the age of 40.’**

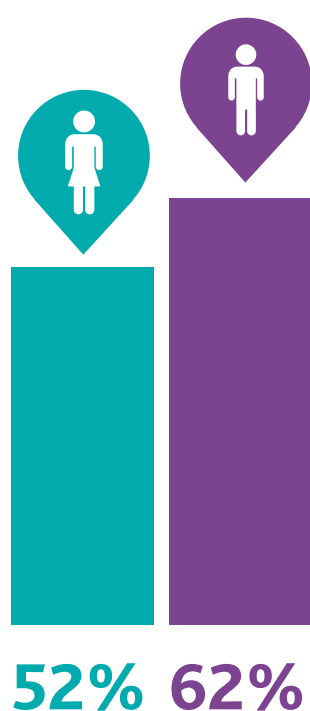
CEO, executive search firm

**‘Now the workplace is full of women who are “board-ready”, but you have to make sure you are tenacious in the way that you find talent.’**

CEO, executive search firm

**‘Men have been in the external hiring game for longer than women. The breadth of female leaders is only now available. It used to be the exception rather than the rule for women to enter a career and progress upwards. These [senior women] are the wives and daughters of people who sit on the board and who now feel that women should be on the board.’**

Managing director, executive search firm



OF WOMEN HAD BEEN PROMOTED INTERNALLY BY THEIR ORGANISATION INTO THE ROLE ON THE EXECUTIVE COMMITTEE, COMPARED WITH 62% OF MEN WHO HAD BEEN INTERNALLY PROMOTED

This provides fertile ground and will hold some traction for executive search firms in the work of good executive search firms.<sup>4</sup>

There are junctures within a woman's career progression that executive search firms can influence. In thinking about progression, the Female FTSE 100 report, produced by Cranfield University's School of Management, finds that executive committees are the path towards executive directorships. Yet in the assessment of the data, 52% of women had been promoted by their organisation into the role on the executive committee, compared with 62% of men who had been internally promoted. Therefore women are more likely to move between companies to take up executive committee roles.<sup>5</sup>

Women actively evaluate their career paths. The Up, out or different?<sup>6</sup> report revealed that of the 2,500 women participating in the research, more than 50% were considering which career path to take, a proportion that rises to 54% for senior managers. The majority of women make decisions on whether to pursue a different career, leave their organisation or progress upwards within their organisation. This suggests that a significant proportion of women are potential candidates who are constantly evaluating their career options.

It also suggests that in some instances the decision is to get out. Women are exiting the labour market and companies are leaking valuable resource. There is a wealth of literature that identifies why women abandon their careers.

It is useful to summarise the most pertinent issues raised in the literature to contextualise the points raised in this report. The workplace has traditionally been the domain of men. The established structures, cultures and processes in the workplace can serve to bar women from accessing senior roles. In some instances these are described as soft, less tangible barriers, such as cultural norms and resistance to change. In other instances, such as 'presenteeism', long working days and the expectation to participate in social activities are evidence of these barriers.<sup>7</sup>

The following section of the report draws on our interviews to identify ways in which executive search firms are identifying and supporting women into senior leadership roles.

<sup>4</sup> Female FTSE 100 report 2013, School of Management, University of Cranfield.

<sup>5</sup> Female FTSE 100 report 2013, School of Management, University of Cranfield.

<sup>6</sup> Up, out or different; The career dilemma for UK women, Talking Talent, 2012.

<sup>7</sup> The balancing act: a study of how to balance the talent pipeline in business, Inspire Board Network and Harvey Nash, 2013.

EXECUTIVE  
SEARCH FIRMS  
OFTEN SAY THAT  
WE WORK FOR  
THE CLIENT.

CEO, EXECUTIVE SEARCH FIRM

03

THE CLIENT RELATIONSHIP

This report recognises that there are three main actors in this story: the executive search firm, the hirer and women themselves. In thinking about gender diversity, there can be an inherent tension between the three groups that can serve to constrain the good intentions of all parties. Our report works within these constraints and identifies how executive search firms are meeting this challenge.

Executive search firms feature significantly in the appointment process. The Davies Review notes that 73% of FTSE 100 and 66% of FTSE 250 companies stated that they use executive search firms in the appointment process. The report highlighted their role as 'gatekeepers' into the executive level in the UK.<sup>8</sup> This is aggravated by the limited evidence on how executive search firms actually influence the process of board appointments and how this has an impact on redressing the gender balance.

As one interviewee noted, the role of executive search can be seen as something of a 'dark art'. Executive search is a maturing sector, with evolving processes and practices. And while the outcome is clear, the inputs and processes that lead to appointments can be less so. The performance measures used are myriad and can include quality of long and shortlists, time to shortlist, depth and breadth of referencing, percentage of candidate conversion rates, stick rates and the impact of placed candidates over a defined period of time.<sup>9</sup> In addition, as an Association of Executive Search Consultants (AESC) report points out, the value proposition is undergoing some change. Nonetheless, the value of the sector is evident. As the AESC report suggests, clients are likely to leave the more senior and complex searches to executive search firms.<sup>10</sup>

The Time for Change report<sup>11</sup> points out that the UK has one of the more process-driven systems of appointments. Boards will often use a combination of networks and the formal headhunting process but the boundaries between the two approaches can be blurred. There is often a long-standing relationship between the chair and the executive search firm and, as one interviewee remarked, the chair may even use the same firm to find their own next role. As such, there is an inherent complexity in the relationship between the executive search firm and their client.

**'In view of the market conditions, hirers can be risk averse in their hiring profiles. They want people with proven records, who have had a similar role in a similar job. When we get briefed they say they want more women on boards. But the profile will be of someone with a proven track record and they will not be willing to take on a woman with less experience.'**

Founder, executive search firm



# 73%

OF FTSE 100 COMPANIES USE EXECUTIVE SEARCH FIRMS IN THE APPOINTMENT PROCESS (WOMEN ON BOARDS, FEB 2011)

<sup>8</sup> Gender diversity on boards: the appointment process and the role of executive search firms. Dolder, E; Vinnicombe, S; Gaughan, M, Sealy R, EHRC Research report 85, International Centre for women leaders, Cranfield school of Management, Cranfield University.

<sup>9</sup> Executive search in transition (2012), Association of Executive Search Consultants.

<sup>10</sup> Executive search in transition (2012), Association of Executive Search Consultants.

<sup>11</sup> Time for Change: recruiting for Europe's boardrooms, 2013, Ernst and Young.

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**THE DAVIES REVIEW  
HIGHLIGHTS THE  
ROLE OF THE  
CHAIR AND THE  
BOARD INCUMBENTS  
IN MAKING  
RECRUITMENT  
DECISIONS**

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Our research seeks to unpack the processes to understand the tangible ways in which executive search firms operate within the parameters of these performance measures, in order to influence gender diversity.

**'On the QT someone might say that they only want a man ... while we have a female on the shortlist, you know she won't stand a chance. If, for instance, you have a 30% retained search fee for a £200,000 role, that is a £60,000 search fee. You are not going to turn that down.'**

Managing director, executive search firm

In an increasingly competitive market, the performance metrics can weigh more heavily on how an executive search firm interacts with the client. The statement above by a managing director was used to make explicit the financial cost of not acquiescing with a client.

The Davies Review highlights the role of the chair and the board incumbents in making recruitment decisions, which is 'driven by a director's personal, social, professional and business networks'. This stance can contradict the desire for a diverse candidate pool. This is problematic for executive search firms that prioritise looking for the best and most diverse person for the job, particularly as executive search firms are not the final decision-maker.

**'It becomes easy to blame the lack of talent and say that it is not diverse. Recruiters are not responsible for the final decision but they can ensure diversity on a shortlist. They are responsible for helping to hire the right pool but I have yet to see a headhunter persuade a client to choose a candidate that they don't want. This is not our role.'**

Senior consultant, executive search firm

**'Unlike other organisations, we work for the client. Some recruiters look to work for candidates. The argument goes that the client said that this is what they want. And they could be recruiting in their own image.'**

Senior consultant, executive search firm

Nonetheless, executive search firms are negotiating this tension between the client and commercial pressure and are demonstrating their value in promoting women at the top by tackling some of the barriers that their candidates encounter. This is particularly evident when teasing out some of the invisible hurdles that hinder women.

**'The client isn't always that sophisticated. At recruitment stage, the companies start talking about cultural fit, which means nothing at all. It becomes easy to then provide the low-hanging fruit and that will rarely be a diverse candidate.'**

Chair, executive search firm

The majority of interviewees felt that CEOs and chairs were open to discussions about gender diversity and had faced little resistance. Only in a minority of cases had people encountered discomfort with discussing gender diversity. However, the difficulty for female candidates often surfaced when attempting to translate good intentions into appointments.

The Davies Review has placed gender diversity on the table and interviewees felt that it has given people permission to talk about the issue. It is apparent that clients are increasingly addressing the gender balance and executive search firms are tasked with translating intention into fact. However, only a small minority of executive search firms had been asked to provide management information on their record of diversity, or asked if they were signatories of the voluntary code of conduct.

**'People are talking about gender diversity a lot. We are like teenagers when they discover sex. Everyone starts talking about it and everyone thinks everyone else is doing it and no one really knows how to do it well.'**

CEO, executive search firm

**'I am afraid that there is resistance to capable, board-ready women to come through. The larger the organisation is, the more difficult it is to talk about gender diversity. This is surprising at board levels as I thought that with the HR function sitting at board level that would change.'**

Chair, executive search firm

**'I do get a sense that this is growing. A FTSE 100 company asked us about our approach to delivering on diversity when we responded to their preferred supplier. This is a growing issue in the private sector.'**

Head of board practice, executive search firm

## Unpacking the client brief

**'If it is a client you know, then you can shape the brief. You want to deliver a good list within the timeframe. The longer the research takes, the more money you spend and this will be a pressure point for a search firm. The client can never know how exhaustive your research is.'**

Director, executive search firm

The executive search firm seeks to recruit the best candidate for the role. However, the literature identifies an inherent bias at the point in which they are presented with a brief, leading to possible tension arising. For instance, in the banking sector, women report that men recruit and promote in their own image and through networks that are male-dominated.<sup>12</sup> The prevalence of men in senior positions was

<sup>12</sup> Women in banking, Institute of Leadership and Management, 2012.

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IF YOU FAIL TO  
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ASSIGNMENT  
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therefore perceived to have an impact on access to senior positions for women. This perception was held by 70% of female bankers, while just under half (48%) felt that career progression within the organisation was determined less by merit and more by who you know.<sup>13</sup>

The report also found that as women moved into more senior roles within banking, the more likely they were to report barriers to career progression and, in contrast, men in senior positions were less likely to see evidence of these barriers. In fact, 70% of female bankers view the attitudes of senior managers and the proportion of men in senior roles as barriers.

These barriers become more problematic where these biases influence recruiting decisions and come into play when developing the candidate brief. Executive search firms can tease out these unconscious biases, as these are termed, with clients. Unconscious bias can be apparent particularly when selecting equally qualified applicants. In the *Women in Banking* report, a senior manager noted that 'a male manager would just go for the man because that's where they feel [more of a] rapport than with a woman'.

The interviewees felt that this is an essential role for executive search to play. As one interviewee stated: 'If you fail to test the brief, your candidate assignment will fail.' Interviewees suggested that the need to test the brief is heightened when there is a commitment to providing a gender-diverse shortlist.

**'Most executive search firms will try and test the candidate briefs. This is to understand what the levers are. There are always nuances in the brief. It is in our interest to have a broad field as possible.'**

Head of practice, executive search firm

## Gender bias

**'What does gravitas mean?'**

Director, executive search firm

The literature finds different views on whether the glass ceiling exists.<sup>14</sup> It is clear that subjective filters do come into play when deciding who is the best candidate. This applies as much to the headhunter as it will to a hiring manager within the organisation. One way to avoid these barriers to career progression is to make them more visible and decisions more objective.

In some instances, executive search firms have to challenge the brief by critiquing the job description and candidate requirements. This is easier where there is trust or it is a long-standing relationship. Nonetheless, there was acknowledgment that this can be a difficult discussion to have, with one interviewee describing it as 'a loaded conversation'.

<sup>13</sup> *Women in banking*, Institute of Leadership and Management, 2012.

<sup>14</sup> *Women in banking*, Institute of Leadership and Management, 2012.

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DEFINITIONS OF  
SUCCESS ARE**

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Nonetheless, the interviewees provided a number of examples that showed how they asked the difficult questions, testing the candidate brief to ensure that it does not filter out candidates from diverse backgrounds.

**'The chair has to pay more attention to the recruitment processes. I have seen interviews done by chairs – they lack rigour and they are focusing on chemistry between me and you. Executive search firms can influence for more transparency, more professionalism. The consultants play a critical role in helping to shift the mindsets between what is old and what is new with the clients.'**

Chair, executive search firm

Executive search firms play a critical role in questioning, challenging and surfacing questions about the candidate brief. The challenger role is particularly pertinent when rooting out gender-biased definitions of success and deciphering the language in the candidate brief. The consultant will draw out the assumptions within the candidate brief.

**'The person and the job profile for a new role is often done quickly without a lot of thought. The terminology around leadership and decision-making is done without thinking of the environment. What does gravitas mean? Does it mean overbearing or does it mean paying greater attention to detail?'**

Director, executive search firm

**'What needs to be considered is how gender-biased the definitions of success are. For the recruitment industry we have to take this language and translate it into what is a candidate brief.'**

Director, executive search firm

Interviewees felt that challenging clients can be difficult and does require brave discussions. As one interviewee noted: 'Be brave enough to talk to the client. Is this [requirement] a want or a need? We need strong relationships with clients to say "tell me why".'

This is particularly evident when shortlists are presented and clients hesitate over an appointment. Executive search firms are key in providing assurance and facilitating discussion between a prospective employee and a female candidate. Several interviewees noted that female candidates' experience can differ from traditional career progression, which can cast doubt in the minds of the hirer. It is at this point that executive search firms facilitate and respond to doubts that emerge.



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YOU HAVE TO  
WALK THEM [THE  
HIRER] THROUGH  
THE JOURNEY OF  
A WOMAN  
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**'In theory, clients would like more women in C-suite roles. The challenge is when women present their experience, it looks different. It doesn't look like talent.'**

Senior consultant, executive search firm

The participating executive search firms highlighted the areas where hirers had most doubts, such as whether an employer can accommodate flexible work. They also identified the way in which they often challenged these doubts and reinforced the attributes of some of the non-traditional pathways of a woman's career progression. This process is instrumental in helping clients to adopt filters to measure and judge success and to make alternative career pathways credible and legitimate.

**'Men often have a vertical trajectory. They have a different perception of success. Women drop off at 35 years old and may want to come back or their career becomes static. Their journey does not reflect a traditional career structure. How do you prove on paper that you are successful?'**

Senior consultant, executive search firm

**'Fewer hours doesn't mean less committed. Even if [they] have had one or two absences due to maternity leave, women in the company will stay twice as long. The company will get the loyalty of that person.'**

Director, executive search firm

**'We have to be quite consultative. You have to explain more with women. You have to walk them [the hirer] through the journey of a woman. For instance, you can have a woman on the shortlist and see that she is earning £40,000 less. This will be remarked on. But we have to explain that she worked three days a week and that she has less pay and that this is why she has a lower remuneration. This is not about capability.'**

Principal, executive search firm

Most selection processes centre on competency-based interviews and formal and informal conversations between hirer and prospective candidates. However, as one interviewee noted, at more senior levels the filtering process is less about competency and what a candidate can do, and more about 'cultural fit' or 'chemistry'. This was used to describe whether a candidate grasps the strategic direction of the company and understands the pressures of the organisation, be it macroeconomic risks or brand development. However, chemistry also includes whether the hirer connects with the candidate and can envisage working with them.

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**THE CLIENT WILL SAY THINGS LIKE 'DOES SHE HAVE TOO MUCH ON HER PLATE?', WHICH IS CODE FOR DOES SHE HAVE CHILDREN AND DOES SHE HAVE A SUPPORTIVE HUSBAND?**

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There are mixed views as to the extent this masks unconscious bias. As one interviewee noted: 'I am more likely to respond positively to a women in her mid-thirties, with children, as I will be able to identify with them.' Other interviewees felt that a connection is important in forging successful working relationships.

Nonetheless, executive search firms encourage hirers to use different vetting tactics to measure candidates. This included adopting techniques that demonstrate skills or suggesting joint interviews.

**'As part of the selection process, if one of the criteria involves some element of team-working, we ask candidates to facilitate a brainstorming session with the senior management team. This can work very well in favour of women.'**

Director, executive search firm

Executive search firms are working with clients to grapple with gender diversity. As one interviewee said, 'everyone is talking about it'. However, while some executive search firms have developed tangible processes to overcome barriers to appointing women, the majority are tackling the softer, more nuanced barriers when working with clients. This takes the form of probing, questioning and challenging sometimes long-held assumptions, revealing biases and providing assurances when clients talk through their discomfort. As interviewees noted, there is generally an appetite to deliver more on gender balance, but cultural shifts are rarely instant. Executive search firms are nudging clients in the right direction.

**'The client will say things like "does she have too much on her plate?", which is code for does she have children and does she have a supportive husband? Because women will have less traditional career paths, the clients will need more assurance.'**

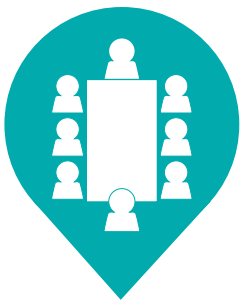
Managing director, executive search firm

However, this does not overlook the fact that executive search firms are monitored on performance measures that for the most part do not account for diversity. As margins fall in a competitive environment, the pressure can be to fill placements quickly and to avoid the 'loaded conversations'. However, the firms included in this study see their role as consultative, to test the brief and identify assumptions. This ultimately supports them to deliver on the best candidates.

# 04

**CANDIDATE SUPPORT:  
WORKING WITH WOMEN**

In December 2013, Moya Greene, a Canadian who heads the Royal Mail, is reported to have said that the lack of female bosses is 'weird'. She asked: 'Where are the women? There is no shortage of great female talent in Britain'.<sup>15</sup> This question is more pressing in light of persistent skills shortages. The UK Commission's Employer Skills survey of 2013 identified a sharp rise in skills shortages in several sectors. One response to this rise is to look to women to fill the gap. Beatrice Bentley, a recruitment expert, presents this as an opportunity for women. She is quoted as saying: 'Today there is a huge opportunity for women to fill the skills gap.'<sup>16</sup> Therefore, there is a clear line of sight between gender diversity and talent shortages.



## 31 out of 48 women

BETWEEN JANUARY 2012 AND JANUARY 2013  
31 OF THE 48 FEMALE APPOINTMENTS TO FTSE 100  
DID NOT HAVE PRIOR BOARD EXPERIENCE IN THE  
FTSE 350

There is an imperative to draw on a wider pool. As the Davies Review reinforced, search firms need to look beyond those candidates who have sat on a FTSE-listed board in the past or have held careers exclusively within those companies. The shift of focus is already evident. The Cranfield report highlights that between January 2012 and January 2013, of the 48 female appointments to the board in the FTSE 100, 31 women did not have prior board experience in the FTSE 350.<sup>17</sup>

There is still some way to go, though. The Cranfield report suggests that search firms should go further and draw on a more diverse pool outside the corporate mainstream.

**'Most people who have taken time off for that long would go back to an existing role or use their existing networks to get a job. We knocked a woman off the shortlist because she had been out of the workplace for four years. It is a step too far. If you look at all the elements of a career move, you are outside of your comfort zone, you have to establish credibility and new relationships and all you bring to bear is your experience, which includes your last four years. It is unhelpful in the ability of the individual to be successful.'**

HR director, business

Interviewees did not perceive inherent skills gaps among female candidates. However, they did identify a number of barriers to targeting women for shortlists. While no skills gaps were evident, both the literature and the interview responses highlight significant differences between men and women in the workplace.

A study by Korn Ferry provides evidence of the differences between the genders. Analysis of its data shows that across the leadership competencies, women score higher in 17 of the 67 leadership skills. In contrast, men generally score higher in four. These included areas that focused on strategic skills and financial acumen.

<sup>15</sup> UK's lack of female bosses is weird, says Royal Mail's Moya Greene, *The Guardian*, 29 December 2013.

<sup>16</sup> See <http://realbusiness.co.uk/article/25382-skills-shortage-is-huge-opportunity-for-women-to-enter-manufacturing-sector>

<sup>17</sup> The female FTSE Board report 2013, *False dawn of progress for women on boards?* R. Sealy and S. Vinnicombe, Cranfield International Centre for Women Leaders.



52%

OF MEN IN SENIOR MANAGEMENT POSITIONS EXPECTED TO HAVE MADE IT TO EXECUTIVE OR BOARD LEVEL



29%

OF WOMEN IN SENIOR MANAGEMENT POSITIONS EXPECTED TO HAVE MADE IT TO EXECUTIVE OR BOARD LEVEL

Women excelled at 'building talent, engaging employees, collaboration and customer focus'.<sup>18</sup>

The same study also noted that women's work experience had fewer opportunities for business growth, operational and high visibility experience. In addition, the report finds that women are held to higher standards than their male counterparts and are motivated by engaging in interesting work rather than having influence. Nonetheless, the report concludes: 'Women are as qualified as men to lead organisations in top executive roles. Their skills tend to be even stronger, and their leadership and decision styles well aligned to the best-in-class profile for C-level executive roles.'<sup>19</sup>

Women are clearly filtering the information on the organisational, cultural and sector-specific norms and managing their expectations of their progression through their career. In the report, *Women and Banking*, 52% of men in senior management positions expected to have made it to executive or board level; for women this figure was 29%. The manifestation of these low expectations may be perceived as a lack of confidence but may in actual fact be based on a rational assessment of the options available to them.

Within this context, women are aware of the skills required for progression. The report, *Up, out and different*, notes that women are less concerned about fulfilling the functional requirements of roles, but recognise that self-belief and confidence were deemed by the majority as the right skills. This view chimes with the opinions of the executive search firms participating in our research.

## Building trusting relationships

**'We should shift the way we engage with skilled female candidates away from purely transactional, short-term relationships.'**

Managing director, executive search firm

The interviewees recognised these challenges. For executive search firms this can result in women feeling reticent about engaging with them. Interviewees reflected on what challenges this gives rise to but also what approaches they have adopted to respond to those challenges.

In some instances, interviewees felt that women did not want to have conversations about career changes as this was 'disloyal'. This contrasts with the approach taken by men.

<sup>18</sup> Career playbook – practical tips for women in leadership, Korn Ferry Institute, 2013.

<sup>19</sup> Career playbook – practical tips for women in leadership, Korn Ferry Institute, 2013.

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**AT PARTICULAR  
INFLECTION POINTS,  
WOMEN LOSE  
MOMENTUM IN  
THEIR CAREER**

”

**'Men are less likely to see their job as a lifelong path. They think of their career as a suitcase which they fill up with skills and take from one job to the next. They will use their different skills in different sectors and get more stripes. They will therefore ratchet up compensation. They will acquire a broader set of skills in different sectors and different geographies. At particular inflection points, women lose momentum in their career.'**

Senior consultant, executive search firm

In addition, when deciding to change roles women factor in family responsibilities, for instance caring for older parents or children.

**'Women stay longer with an employer at middle management. It is harder to convince them to move roles if they are in their mid-thirties and they are in their principle managerial role. I struggle to shift them. They will be thinking about having children: "Will I qualify for maternity? I don't know what the maternity benefits are?'"**

Founder, executive search firm

This can mean that women appear to be much more reluctant recruits.

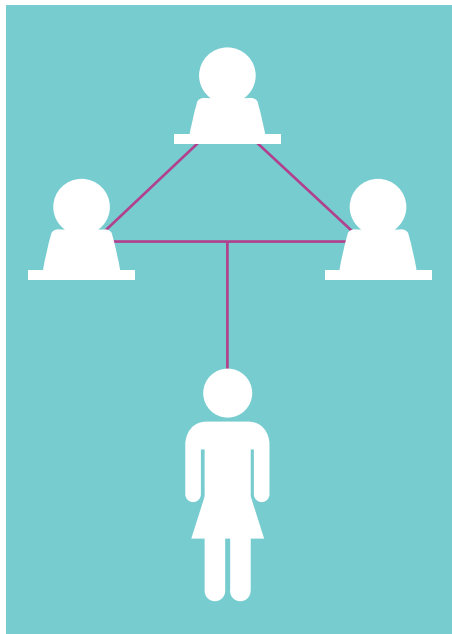
**'Women often undersell themselves and they are less likely to have a CV ready or be able to articulate what their value proposition is. Therefore, the conversations with a headhunter are less likely to feel productive or successful'.**

Managing director, executive search firm

**'I have had contact with a couple of them [executive search firms] who have talked about non-executive roles but they haven't really gone anywhere. I guess I am not in their pool'.**

CEO, media company

The executive search professionals are more likely to adopt different techniques for 'wooing' women. A number of interviewees noted that they develop 'less transactional relationships' with female prospective candidates, instead positioning themselves as interested in their long-term development. In some cases this can mean delving into the personal lives of their candidates, as the example below illustrates.



### HEAD OF PRACTICE, EXECUTIVE SEARCH FIRM

'We identify those people that we know quite well and have established a relationship with over the last few years. This will be 50% of the people on our lists. Then there are the recommendations and data that you receive. We triangulate the information we receive about a person.

We take a view of that person and we spend a few hours with them. We ask them questions around their motivations: where did they grow up, are they a single child, do they have children?

We get a sixth sense about the individual. How they would manage their careers. We ask them in-depth questions, but you may start with a safe hygiene question such as how do you feel about relocating. What is their ability to take on the role? We build up the pieces around the edges. What is going on with you at the moment? How did you feel when you had to make all those people redundant?

You do your due diligence and find out about all those assumptions that will emerge when you do the vetting. You place the questions within a context. Are you the primary wage earner? There is no point in talking about a role if they are not prepared to travel. The key is to put all the assumptions on the table.'

Women can appear to be passive candidates and therefore executive search firms develop relationships with what one interview deems the 'not right now' candidates.

**“  
WE ACTUALLY  
PHONE WOMEN AND  
ASK THEM ABOUT  
THEMSELVES. WE  
GET TO KNOW THEM  
WHEN THEY ARE NOT  
LOOKING AT ALL  
”**

**'We actually phone women and ask them about themselves. We get to know them when they are not looking at all. There is no opportunity for you right now but we know that at some point you will be ready. But do you prioritise getting to know a candidate who will get a job in two years or do you service the client right now? You have to invest in the pipeline.'**

CEO, executive search firm

In addition, as the Korn Ferry research pointed out, women can be less visible. This is particularly acute in some sectors such as engineering or manufacturing. For some executive search firms this makes it harder to identify women. As one interviewee remarked, in some sectors there are no women at a sufficiently senior level.

**'Headhunters often find it difficult as these women have a low profile. They are not in the press, not on the database. They are less likely to be on the tip of someone's tongue. They are less likely to tell people they are looking and they are less likely to have an external profile.'**

Managing director, executive search firm

“

**YOU DON'T WANT YOUR FAMILY LIFE TO BE ONE OF THE COMPETENCIES USED FOR THE ROLE**

”

## **Making informed choices**

**'This is the choice of women. These are her choices and her demands.**

**This is the female choice.'**

CEO, executive search firm

For executive search firms this means looking further upstream in the talent pipeline. Many of the interviewees talked about helping to shape the choices that women make. Executive search firms lever their support and help candidates to make more informed choices.

**'I have those conversations with them. It is easier to have children the higher up you are in the job ladder. You have more flexibility if you are higher up in the food chain. You have proven yourself and you get the flexibility because you have proven yourself.'**

Founder, executive search firm

Executive search firms were helpful in supporting women think through practical working arrangements and pushing forward their demands. Balancing family demands with work commitments does feature prominently for women. Executive search firms facilitate those discussions between the client and the female candidate.

**'For men it is not a choice between starting a family and a career. The travel is difficult. I had to breastfeed in the toilets at times.'**

**'You would hope that the executive search firm knows the background of the role and their circumstances and what the candidate will do and won't do. The executive search firm should take account of the broader considerations. All too often how that person works becomes secondary. Where a woman gets rejected is usually because the employers have not considered how they can accommodate the candidates.'**

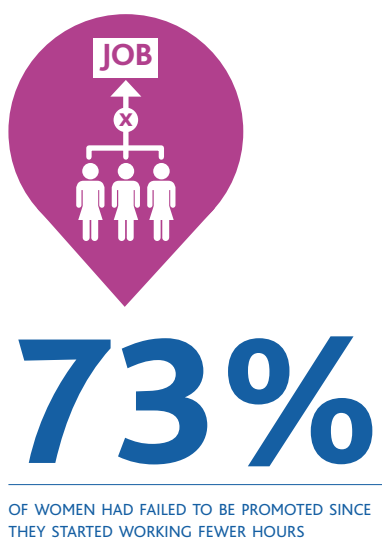
CEO, media company

**'We can have confidential conversations about childcare and flexible approaches to work. Candidates can feel less confident about asking these questions as they think the employer is making a mental note and that they would be disadvantaged. You don't want your family life to be one of the competencies used for the role.'**

Director, executive search firm

In addition, the interviewees were attuned to some of the pitfalls, particularly where women have a more varied portfolio. The interviewees highlighted their





role in supporting women to communicate their strengths in a more beneficial way. One interviewee reiterated: 'You have to understand that employing men and employing women are different things. There are fundamental differences and women have different trajectories.'

Some of the differences are beneficial to the hirer. As one interviewee stated: 'Women are more likely to be loyal to an organisation and they are collaborative.'

Interviewees noted that at key transitional points women can struggle to make the next move. This can be either trying to move from one sector to another, or making the step up to a senior executive role. This transition point is particularly difficult where the career progression is less traditional.

A Timewise report pointed out that while 74% of respondents rated their employer's flexible working practices as 'good, very good or excellent', 73% had failed to be promoted since they started working fewer hours. In addition, 63% feel that promotion with their current employer would only be possible if they increased their hours. In addition, approximately 70% per cent of respondents expected to downgrade their level of seniority in order to take up a part-time role.

The above findings suggest that for women working flexibly, the next move in their career can be fraught with assumptions on both the candidate side and the hirer side. Executive search firms can support women to negotiate better terms with a potential employer, operating as a detached third party and helping clients to understand this transition.

In addition, as was noted earlier in this report, executive search helps clients to take a much broader view of what talent looks like and assure clients.

Executive search firms are instrumental in persuading clients to take risks. This is particularly evident when women seek to move from one sector to another and present their transferable skills. However, it is also a challenge to persuade the prospective employer.

**'Women are a more stable part of the workforce. If they become a parent, they are less likely to move for incremental increases in the amount of money they earn. What often happens is that men are often pulled out of their organisations. Women are often pushed out – if they don't get promotion or if they are overlooked.'**

Director, executive search firm

**'The real issue is moving females across the sectors. This is a risk for the hirer and therefore 85% of people appointed will come from within their sector. When there is a job briefing, the client will say that they are open to new roles but what generally happens is that people don't stray from their roles.'**  
CEO, executive search firm

The executive search firms interviewed also conduct outreach, attending talks at business schools and feeding into mentoring programmes. This serves to identify suitable prospective candidates early on and to provide them with advice and information.

I WASN'T AWARE  
OF THE CODE OF  
CONDUCT FOR  
EXECUTIVE SEARCH  
FIRMS. IT IS NOT  
SOMETHING THAT  
HAS BEEN DISCUSSED  
WITH US.

CEO, MEDIA COMPANY

05

DEVELOPING PROCESSES

Interviewees were invited to comment on the processes and practice they employ to redress the gender balance at C-suite level. Specifically, interviewees commented on the voluntary code of conduct. Recommendation 8 of the Davies Review directed executive search firms to establish a voluntary code of conduct. In July 2011, a voluntary code was published.

**'The Davies report was very good and it got the issue out in the open. They were not too extreme in their recommendations. For instance, it was not just about using quotas. It was an important step to get things out in the open.'**  
Founder, executive search firm

## VOLUNTARY CODE OF CONDUCT<sup>18</sup>

### SUCCESSION PLANNING

Search firms should support chairmen and their nomination committees in developing medium-term succession plans that identify the balance of experience and skills that they will need to recruit for over the next two to three years to maximise board effectiveness. This timeframe will allow a broader view to be established by looking at the whole board, not individual hires; this should facilitate increased flexibility in candidate specifications.

### DIVERSITY GOALS

When taking a specific brief, search firms should look at overall board composition and, in the context of the board's agreed aspirational goals on gender balance and diversity more broadly, explore with the chairman if recruiting women directors is a priority on this occasion.

### DEFINING BRIEFS:

In defining briefs, search firms should work to ensure that significant weight is given to relevant skills and intrinsic personal qualities and not just proven career experience, in order to extend the pool of candidates beyond those with existing board roles or conventional corporate careers.

### LONG LISTS

When presenting their long lists, search firms should ensure that at least 30% of the candidates are women – and, if not, should explicitly justify to the client why they are convinced that there are no other qualified female options, through demonstrating the scope and rigour of their research.

<sup>20</sup> Voluntary code of conduct, 2011. [Executive search firm advisory group members of the voluntary code drafting group].

### SUPPORTING SELECTION

During the selection process, search firms should provide appropriate support, in particular to first-time candidates, to prepare them for interviews and guide them through the process.

### EMPHASISING INTRINSICS

As clients evaluate candidates, search firms should ensure that they continue to provide appropriate weight to intrinsics, supported by thorough referencing, rather than overvaluing certain kinds of experience.

### INDUCTION

Search firms should provide advice to clients on best practice in induction and 'onboarding' processes to help new board directors settle quickly into their roles.

Interviewees generally welcomed the voluntary code of conduct. The Davies Review gave the issue of diversity some profile. But the code has not compelled executive search firms to significantly adapt their approaches in light of the code. A number of interviewees felt that their own processes better suited them and promoted diversity.

**'The VCC hasn't made a lot of difference. We are signatories to the VCC and we are fully appraised of gender diversity in our sector.'**

CEO, executive search firm

**'I don't take a jot of notice of the voluntary code of conduct because what we do is better. For some it is nothing more than a PR stunt.'**

CEO, executive search firm

Interviewees felt that there are some inherent weaknesses in the code, namely that clients do not require them to present any evidence of compliance and there is little accountability. In addition, the requirements within the code are not sufficiently compelling. Similarly, those interviewees who were clients did not request information on the code.

**'No clients have asked us about the voluntary code of conduct. They have not asked if we are signatories. It doesn't hold anyone accountable. It means nothing. The voluntary code of conduct is on almost every website. There is no quality assurance, no threshold.'**

Head of practice, executive search firm

**'The voluntary code is necessary but it is not regulated. It is woolly and bland. There are too many escape routes. It should go much further.'**

Director, executive search firm

**'The Davies report recommended a voluntary code of conduct, and so what? Has it resolved the issue? Has it enhanced diversity goals, created gender-balanced long lists, has anyone evaluated the processes? I think a lot of individuals looked at this as a way of marketing and branding.'**

Chair, executive search firm

There was a general perception the voluntary code of conduct needs 'more teeth'. A number of suggestions emerged which centred on public accountability. This included publicising the proportion of women on:

- Long lists;
- Shortlists;
- Placements (including by type);
- Salary bands; or
- Attrition rates during the recruitment process.

However, the above performance measures are not without challenges. Specifically, they do not give a measure of the quality of the candidates and they play to the advantage of larger firms that have the breadth and depth of the candidate pool to draw on and fulfil targets. However, there is clearly a desire to have a code that enshrines a higher compliance threshold.

“

**IT IS ABOUT ENSURING THAT THE 50% WHO ARE SHORTLISTED ARE ACTUALLY RIGHT FOR THE ROLE**

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## TWO VIEWS FROM EXECUTIVE SEARCH FIRMS

1. It is all about 'trying' really. There is no guarantee or explanation of why you don't have women. This is too easy. It doesn't mean anything really. We should be able to be more ambitious. Even from a PR perspective it is not very useful, we have never been asked about it. Why not make it mandatory for all levels with clear metrics? Our industry is not overly regulated. We could start soft with mandatory information for clients. Why not make it mandatory for all recruitment agencies to publish data on diversity?
2. The issue of publicising the shortlists is difficult. You have to maintain confidentiality and protecting people's right to have off-the-record discussions. They are not actually applying for roles and therefore you can't be that transparent. Also, it is easy to get the wrong outcome and you can skew the processes. It is about ensuring that the 50% who are shortlisted are actually right for the role, otherwise you can be left with a crude count and you end up counting the wrong thing. It might be better to ask you to account for the outcomes of your work. That is the number of people appointed. But we are not responsible for the appointments. We can ask hirers to explain the rationale but sometimes it is down to chemistry, which you can't measure. If someone understands the culture, understands the business agenda and there is chemistry all we can ask is why did you come to this conclusion? Why was this person the best candidate?

## Quotas

Interviewee responses to the question of quotas are mixed. While the voluntary code of conduct is the carrot to nudge executive search firms in the right direction, quotas are generally viewed as the stick. Viviane Reding, the EU Vice-President and Justice Commissioner, has suggested that she will mandate quotas in the event that the numbers do not improve sufficiently. In the event that quotas are put in place, boards will have to be made up of at least 30% women by 2015 and 40% by 2020.

The majority of respondents did not think that quotas are helpful. For some, the Davies Review had created 'sufficient noise' to promote progress. In addition, some interviewees suggested that there were insufficient women in the pipeline to meet any targets set. A number of interviewees suggested that the focus should always be on the right candidate for the right job. However, some interviewees took a different view.



### DIFFERENT VIEWS ON QUOTAS

'I can see the merit in quotas, particularly given progress in the last ten years. Quotas as a threat have been useful. UK businesses have responded much faster but they don't like being told what to do. Reporting and naming and shaming appears to be the best thing to do.'

'There could be three great candidates and they are all male. I will put them forward.'

'I think quotas are useful. I don't have time to wait for people to think about what to do about gender diversity. I don't think I need to justify why 30% of boards should be made up of women. There is some argument that it will make business less profitable. But the reality is that sometimes people on boards underperform and there are processes to work out how to review performance.'

'I think quotas are an important device because the calibre of talent is out there. I am not worried that women are less capable because the calibre of talent is fabulous. Women who are over the age of 50 do support quotas but women under 50 tend to be more ambivalent. Women will never admit it publicly. They will bite their tongue in the boardroom as they don't want to be seen as whingeing feminists.'

## Levers to measure progress

At a board level, boards do provide detail on the appointment process. According to the Davies Review, 73% of boards provided 'reasonable detail' about the process of appointment and, of the FTSE 250, 50% did so. The report also notes that among the FTSE 100 only 20% had mentioned gender. This was significantly lower for FTSE 250 companies, where this figure stood at 7%.<sup>21</sup>

What is apparent is that the interviewees identify a range of levers to measure and quantify progress. Executive search is still a 'dark art' and there are limitations in the way that the selection process can be quantified. Nonetheless, what emerges is that executive search firms can differentiate themselves by being explicit about how they monitor and track progress.

<sup>21</sup> The Davies Review.

**'This information may include, for example, detailed tracking and reporting on the number of women employed at different levels, how much they are paid in comparison to men.'**<sup>22</sup>

Senior consultant, executive search firm

## Monitoring and tracking progress

There are many ways by which to monitor and track progress:

- Joint interviewing and working with the client for the duration;
- Publicising the shortlist and long list gender balance;
- Publicising the placements;
- Use of dashboards.

## Initiatives and available support

“

**CADENCE PARTNERS' PILOT SCHEME AIMS TO INCREASE THE NUMBER OF WOMEN IN THE BOARDROOM, IN LINE WITH THEIR 25% TARGET FOR WOMEN ON BOARDS ANNOUNCED IN 2010**

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### CADENCE: ASPIRING LEADERS

Cadence Partners is an executive resourcing business. They have developed the Aspiring Leaders initiative, which is designed to help businesses and organisations develop their talented staff more quickly in preparation for board-level responsibility.

Working with government departments, professional bodies and top-rated companies, the initiative aims to fast-track potential female directors by giving them first-hand experience in a boardroom. Cadence Partners' pilot scheme aims to increase the number of women in the boardroom, in line with their 25% target for women on boards announced in 2010.

The Aspiring Leaders' programme offers real-life experience in a boardroom by providing one-year non-executive places for aspiring females who are in senior management positions. The programme supports the 'hosting' and the 'gifting' organisations as well as the senior women leaders.

### TEN2TWO

Ten2Two is a recruitment agency specialising in flexible and part-time roles. Its mission supports both local businesses that need high calibre professionals as well as those professionals who want to work flexible or part-time hours. Ten2Two holds a comprehensive database of professionals and works across a range of industries. Its membership is made up of women who wish to continue working or to re-enter the workforce. The agency provides support and information to ensure professionals are supported.

### **INSPIRE AND ASPIRE**

Founded by Carol Rosati, director of Harvey Nash's board practice, Inspire provides a business forum for senior board-level women to share and exchange ideas and experiences. Aspire is an executive business network for C-suite, director and VP-level women. This network supports women to progress to board executive and non-executive positions.

### **100 WOMEN TO WATCH**

100 Women to Watch supplements the Female FTSE 100 report produced by the Cranfield School of Management. The list made its debut in the 2009 Female FTSE 100 report. Each year, 100 women are identified. The women currently sit on the executive committees of FTSE-listed companies, in major financial institutions or professional service firms, or in senior executive roles in large charitable organisations. They are selected as they are deemed 'ready for a board position'.

### **ERNST & YOUNG: CAREER WATCH UK**

This sponsorship programme is geared towards high-potential senior managers. High-potential women are identified and paired with a partner within the organisation. The partner, or 'career watcher', helps the senior manager identify gaps in her experience and points out high visibility projects. The partner provides support and advice to help the senior manager achieve promotion.

### **LLOYDS BANKING GROUP: GENDER PROGRAMME**

Lloyds' Gender Programme includes a number of sponsorship and mentoring initiatives to develop the female talent pipeline. The programme has the following objectives: to promote visible executive commitment of gender diversity, to develop the female talent pipeline, to source external female talent, to make the company a great place to work for women, and to promote leadership's accountability around nurturing high-potential female employees.



**I AM A  
40-SOMETHING  
YEAR OLD  
WOMAN. WHEN  
I WAS 16 YEARS  
OLD THERE WAS  
A FEMALE PRIME  
MINISTER AND A  
QUEEN RUNNING  
THE COUNTRY.  
THIS HAS SHAPED  
MY MINDSET.**

**DIRECTOR, EXECUTIVE SEARCH FIRM**

**06**

**RECOMMENDATIONS**

Executive search firms are already demonstrating good practices that place more women at board and C-suite level. The threat of mandatory action, quotas and the commercial advantage of a representative leadership team make a persuasive case for increased focus and transparency on promoting the number of women in senior roles and at board level. Our recommendations are based on the examples of best practice identified in our research. In the spirit of the Davies Review, we suggest that this is not compulsory but driven by the industry.



AS A MINIMUM, THERE SHOULD BE DATA AND STATISTICS ON THE PROPORTION OF WOMEN ON LONG AND SHORTLISTS, PERCENTAGE OF FEMALE APPOINTMENTS AND PLACEMENTS BY SALARY BAND

1. Executive search firms should publish measurable data. As a minimum, there should be data and statistics on the proportion of women on long and shortlists, percentage of female appointments and placements by salary band. This should include not just board appointments but those to leadership and management teams. Data should be published periodically, for instance in the business annual report.
2. Executive search firms should explain what steps they take to promote and uphold the voluntary code of conduct and its values in their work, in their annual reports and on their websites.
3. Further research should be conducted on the impact of measurement on gender diversity at the different points at board level and the executive pipeline. This will allow the industry to track progress and quantify their impact on the number of women at board level and in senior management positions. If balanced long and shortlists are in place but appointments are still skewed towards males, this could highlight where the barriers lie and where the focus needs to be placed.
4. Develop a compendium of good practice. Our research points to a wealth of good practice. A comprehensive directory and toolkit of available initiatives and processes would help executive search firms continue to make progress. It will highlight the role of executive search firms and the transfer of good practice within the sector as well as encourage prospective candidates to come forward. In the box above we provide examples of what could be included in the good practice guide. This compendium will complement the code of conduct. The Recruitment and Employment Confederation would be interested in working with the industry and other interested parties to develop the compendium.
5. In addition, we recommend that it is helpful if executive search firms consider making public the gender make-up of their own board and senior teams.
6. The government must continue to focus on this issue and use its influence to drive progress.

Executive search is a vital part of this ongoing conversation and we expect that both the search industry and clients will continue to voluntarily take positive steps to ensure greater diversity. However, if progress stalls within the timeframes set out in the Davies Review, the implementation of mandatory quotas should not be ruled out.

# CONCLUSION

Positive strides have been made in redressing the gender balance at a senior management level. Our research shows that some executive search firms are leading the pack and developing new approaches, initiatives and ways of working to promote more women into senior roles. Nonetheless, this is not a time for complacency and the figures show there is still some way to go. The interviewees identified some of the commercial considerations that can act against pursuing gender diversity. Executive search firms operate in a commercially competitive environment where margins can be narrow. However, for the executive search firms leading the way, gender diversity is not only a matter of having a more representative senior team, it also makes commercial sense. Investing time and energy into a largely untapped talent pipeline may not yield much in the short term but as more and more corporate organisations seek out women for the top teams, the long-term gains are evident.

# ACKNOWLEDGEMENTS

This research is based on the views of 25 participants. This includes senior leaders from 17 executive search firms, three female directors and managing directors of businesses outside the recruitment industry, a CEO from a media company, and a chair of a regulatory body who were all interviewed in February 2014. All interviews were confidential and none of the statements were attributed.

We would like to acknowledge and thank the people that participated in the research. The considered responses are very much appreciated.

This research was conducted and authored by Nina Mguni, Senior Researcher at the REC.

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The Recruitment & Employment Confederation (REC) is the professional body for the recruitment industry. The REC represents 3,506 corporate members who have branches across all regions of the UK. In addition, the REC represents 4,744 individual members within the Institute of Recruitment Professionals (IRP). All members must abide by a code of professional practice. Above all, the REC is committed to raising standards and highlighting excellence throughout the recruitment industry.

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