

THE STANDARD VOLUNTARY CODE OF CONDUCT FOR EXECUTIVE SEARCH FIRMS

FTSE Women Leaders Review

Introduction

Search firms are committed to helping their clients increase the effectiveness of their boards and senior executive teams and acknowledge the value that diversity brings; they readily acknowledge the important role their profession needs to play in supporting chairs, nominations committees, CEOs and CHROs as they take steps to enhance the diversity on their boards, in both executive and non-executive roles, and in their senior executive ranks. The key areas of focus include increasing the proportion of women and broadening ethnic diversity.

The Voluntary Code of Conduct for Executive Search Firms (The Code), outlined below, lays out steps for search firms to follow across the search process, from accepting a brief through to induction. Since its launch following the Davies Review in 2011, it has been refined and enhanced over time, reflecting learnings from search firms themselves, the independent review of its effectiveness in 2014, the annual Hampton-Alexander reports and the Parker report in 2016.

Code of Conduct: Provisions

- 1. Board Succession Planning:** Search firms should support Chairs 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 time frame 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.
- 2. Executive Succession Planning:** Search firms should support nomination committees, CEOs and CHROs in developing clear, appropriate targets for enhancing diversity in senior executive roles and in developing plans to strengthen the pipeline of diverse candidates.
- 3. Diversity Goals:** When taking a specific brief, search firms should look at overall board or senior executive composition and, in the context of the business's agreed aspirational goals on gender balance and diversity more broadly, explore with the client if recruiting women and/or ethnically diverse individuals is a priority both generally and on this occasion.
- 4. Defining Briefs:** In defining briefs, search firms should work to ensure that significant weight is given to relevant skills, underlying competencies and personal capabilities and not just proven career experience, in order to extend the pool of candidates beyond those with existing board roles or conventional corporate careers. On Chair searches in particular, search firms should work to ensure that the briefs are framed in as open and inclusive a way as possible.

5. Longlists/Shortlists: When presenting their longlists, search firms should try to ensure that at least 40% 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.

Search firms should seek to ensure that the shortlist is appropriately reflective of the longlist. They should discuss with their clients each woman on the longlist and seek to have at least two women whom they would ‘strongly recommend’ that the client should meet for Non-Executive searches; they should have a similar aspiration on Chair searches as well.

Search firms should also discuss and agree with the client and meet specific targets for ethnic diversity on the longlist and seek to ensure that the shortlist is appropriately reflective of the longlist.

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

7. Supporting Candidate Selection: As clients evaluate candidates, search firms should ensure that they continue to provide appropriate weight to intrinsic competencies and capabilities, supported by thorough referencing, rather than over-valuing certain kinds of experience. Search firms should, as necessary, advise their clients on how to run their interview process to demonstrate the required rigour and professionalism and share best practices on how to reduce the impact of unconscious biases.

8. Induction: Search firms should provide advice to clients on best practice in induction and ‘on boarding’ processes to help new board directors or senior executive hires settle quickly into their roles.

9. Embedding Best Practice: Search firms should ensure that best practices in supporting clients on enhancing board and senior executive diversity are well documented and shared internally and that adherence to the Code is effectively monitored. They should discuss (or arrange training on) unconscious biases and how to reduce their impact.

10. Signalling Commitment: Search firms should signal their commitment to supporting diversity on boards and in senior executive ranks, and their adherence to the Code, through their websites, marketing literature and client discussions. They should share data on their track record on their website as appropriate and include case studies of their success.

11. Broadening the Candidate Pool: Search firms should seek to broaden their own networks of potential candidates, leveraging as appropriate external lists produced by relevant organisations. They are encouraged to invest time into developing relationships with the pipeline of future female and ethnically diverse candidates.

Embedding and developing the Code

The revised Code has now been signed up to by over 80 search firms, who collectively account for the vast majority of the board work in the UK. All have committed to following the Code's provisions in their board and senior executive search processes, irrespective of sector, company and organisation and to ensuring that the 11 provisions of the Code are embedded in their day-to-day practices.

We will continue periodically to review the effectiveness of the Code and progress towards improving board diversity, with the FTSE Women Leaders and Parker Steering Groups and other key stakeholders and recommend changes as appropriate.

October 2021

Signatories to the Voluntary Code of Conduct – as at 4 September 2023:

Number:	Executive Search Firms
1	The Association of Executive Search and Leadership Consulting
2	Advised Consulting Group
3	AMC Executive Search
4	Audeliss
5	Baxter Neumann
6	Beaumont Bailey
7	Boyden
8	Capita Resourcing
9	Carbon
10	Carlyle Associates
11	Clifton Hill Associates
12	Cornforth Consulting Limited
13	Directorbank Executive Search Ltd
14	Distinctive People HR & OD
15	Dixon Walter
16	Drax
17	Egon Zehnder
18	Fidelio Partners
19	First Flight
20	Fletcher Jones
21	Founders Keepers
22	FWB Park Brown
23	Gatenby Sanderson
24	Godliman Partners
25	Goodson Thomas
26	Green Park
27	Harvey Nash
28	Hays Executive

29	Hedley May
30	Heidrick & Struggles/JCA Partners
31	Henley Insights Group
32	Holtby Turner
33	HopkinsLongworth
34	Independent Search Partnership
35	Infosec
36	HW Global Talent Partners
37	Interactive Selection
38	JD Haspel and BoardiD
39	Korn Ferry
40	Lavelle Executive Search
41	Leathwaite
42	Leila McKenzie Associates LTD
43	Level Consulting AG
44	Liftstream
45	Longwater Partners
46	Lygon Group
47	Maven
48	Miles Partnership
49	Miles Advisory
50	Mitchell Rayner
51	Mullwood Partnership
52	MWM Consulting
53	NGS Global
54	Norman Broadbent Executive Search
55	Oryx Executive Search Ltd
56	Odgers Berndston
57	PageGroup
58	Partner Executive (part of Partner Group)
59	Per Ardua
60	Perrett Laver
61	Redgrave Partners
62	Ridgeway Partners
63	Russell Reynolds Associates
64	Sainty Hird & Partners
65	Sam Allen Associates
66	Sapphire Partners
67	Selint International
68	Savannah Group
69	Saxton Bampfyfylde
70	Society
71	Spencer Stuart
72	Stonehaven
73	Taylor Bennett
74	Ten2Two
75	The Good Board
76	The Inzito Partnership

77	The Nakedheadhunter
78	The Virtual Advisory Board
79	Thewlis Graham Associates
80	Titan Executive
81	Trinity Search Group
82	True Search
83	Trust Associates LLP
84	Tyzack Partners
85	Veredus
86	Warren Partners
87	Wickland Wescott