

The Executive & Board Resourcing Code

April 2019

A code of conduct for search professionals to adhere to in the placement of diverse talent across senior roles in organisations, with the support of business decision makers



Introduction

Search professionals, whether external or internal to an organisation, are committed to helping their client organisations increase the effectiveness of their boards and senior executive teams in the selection and appointment of diverse talent. Working in partnership with Chairs, Nomination Committees, CEO's and HRD's they take the appropriate steps to ensure focus, action and success throughout the execution of the resourcing process, whether through external search or in-house competitions.

The Executive & Board Resourcing Code, outlined below, lays out the key diversity principles for search professionals to follow from initial brief to final appointment. The supplementary expected behaviours outline how those principles should be delivered by search professionals; and the supporting actions that organisations can adopt in order to partner effectively for successful outcomes.

The Code

Code of Conduct Principles: What we commit to achieve



1. Strategy & Goals

A clear statement of commitment to better diversity balance, including business strategy inclusion, targets, assigned accountability and sustainable planning



2. Talent Pipeline

A greater pipeline of credible talent through a combination of awareness raising, transparency of process, transferable skills building and sponsorship



3. Process

An effective resourcing process, operated in good faith, that will attract the broadest candidate pool, ensure selection decisions are made on appropriate bias-neutral judgement, and appointments contribute to the diversity of the group based on better balance, competence and capabilities



4. Monitoring & Reporting

A system of transparent and regular reporting that provides an internal benchmark for progress and external commitment to agreed standards and outcomes, for market comparison

How the Code is applied

Executive search firms and search professionals, as signatories to the Code, commit to following the Code's provisions in their board and senior executive search processes, irrespective of sector or company; and to ensuring that the principles and key behaviours are embedded in their day to day practices. A list of signatories is published, and signatories are also encouraged to publicise their compliance through their website and through public reporting of measures of success.

Individual organisations are actively encouraged to support the principles set out in the Code and to work in collaboration with the executive search partner, whether in-house or external, in ensuring the Code is upheld; and that ultimately greater balance is achieved across senior decision-making functions with particular emphasis at board and C-Suite executive levels. In particular, it is anticipated that Nomination Committees will encourage the adoption of the principles and the suggested behaviours in both Board and internal selection processes, supported by the CEO and the HRD.

The expected behaviours in support of the Code of Conduct Principles

| Code of Conduct Principles What we commit to achieve | Executive Search Commitment How we will partner effectively – key behaviours | Organisation Collaboration How we will support - key behaviours |
|---|--|---|
| <p>1. Strategy & Goals</p> <p>A clear statement of commitment to better diversity balance, including business strategy inclusion, targets, assigned accountability and sustainable planning</p> | <ul style="list-style-type: none"> • Set and communicate a diversity strategy and standards which will be applied in all interactions - client and in-house • Provide input into clients' succession planning processes based on market awareness and skills forecasting • Understand the clients' diversity profiles and target goals and reflect in sourcing process | <ul style="list-style-type: none"> • Set and communicate diversity targets for Board and senior leadership levels • Build medium term succession plans with a 2-3 year forecast and set initiatives to support build or potential buy initiatives • Embed diversity ambitions into strategy planning |
| <p>2. Talent Pipeline</p> <p>A greater pipeline of credible talent through a combination of awareness raising, transparency of process, transferable skills building and sponsorship.</p> | <ul style="list-style-type: none"> • Support training initiatives designed to raise board readiness • Provide and promote an appropriate vehicle for candidates to express an interest in roles, particularly at Board level • Actively engage with industry bodies and external networks to improve access to a range of talent • Encourage cross industry considerations in search options | <ul style="list-style-type: none"> • Align succession and senior leader development plans to grow individual competence and capability • Celebrate cross functional moves and release of talent • Support initiatives to improve board readiness, and board apprenticeship skills development • Include cross industry considerations and transferable skills in succession and talent planning |
| <p>3. Process</p> <p>An effective resourcing process, operated in good faith, that will attract the broadest candidate pool, ensure selection decisions are made on appropriate bias-neutral judgement, and appointments contribute to the diversity of the group based on better balance, competence and capabilities</p> | <ul style="list-style-type: none"> • Optimise breadth and reach in sourcing the initial applicant pool, including open advertising to generate longlists • Strive for composition rates of 50% long list, and 30% short list and challenge parameters and preconceptions • Use appropriate assessment tools and methodologies to eliminate bias and encourage focus on competence and capability | <ul style="list-style-type: none"> • Set out clear role specifications that prioritise competence, capability, and transferable skills rather than an exclusive focus on functional expertise • Train Hiring Managers in best practice to recruit, and enable diverse teams • Set, and commit to minimum target standards in longlist and shortlist expectations |
| <p>4. Monitoring and Reporting</p> <p>A system of transparent and regular reporting that provides an internal benchmark for progress and external commitment to agreed standards and outcomes, for market comparison</p> | <ul style="list-style-type: none"> • Monitor and highlight diversity ratios throughout all stages of resourcing process • Report annual aggregate outcomes to identify progress, challenges and trends | <ul style="list-style-type: none"> • Include diversity ambitions in balanced scorecard performance assessments for senior teams • Report on diversity targets and achievements in financial statements and market updates |



Diversity at senior levels in organisations leads to greater innovation, stronger financial performance and ultimately to better business outcomes for customers, employees and wider stakeholders. Achieving greater diversity of talent is a function of the organisation's resourcing process, whether through direct hires, or deployment of talent. This Code highlights the principles for success, based on commitment and collaboration between the search professional and the hiring organisations, working in partnership for more balanced outcomes. At the 30% Club Ireland we are very proud to be co-sponsors of this Code and to support all parties in delivering on the commitment that it represents.

Carol Andrews, Country Lead, 30% Club Ireland



Countries and companies around the world are realising the untapped potential of diverse talent and taking strides towards greater balance at senior management, executive and board level. A vital aspect of how we achieve this is by making smarter hiring decisions based on wider talent pipelines that consider 100% of the available talent and challenge the norms and prototypes that may have governed resourcing decisions in the past. This Code represents a commitment from search professionals and employers alike to consciously and repeatedly focus on increasing the diversity of their candidates and hires and in turn, the effectiveness of their senior executive teams and boards.

Danny McCoy, CEO, Ibec

A copy of the Code and current search firm signatories is available at www.ibec.ie

