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FOR IMMEDIATE RELEASE**Executive C-Suites Still Soft on Minorities, Women and Succession Planning
According to Global 2,000 Companies*****IMD International Search and Consulting
Finds Demographics Slow to Change in “C-Suite”***

MORRISTOWN, N.J. (June 5, 2008) – Following decades of discussion and attempted initiatives, the business world is not yet embracing women and minorities in the C-Suite, nor has executive level succession planning been an effective strategy in easing the talent crunch facing most international companies, according to an in-depth assessment of the Global 2,000 and other market leading companies by IMD International Search and Consulting, one of the world’s largest executive search organizations.

In a survey entitled “The Changing Face at the Top,” nearly 400 senior human resources executives from 24 countries around the world shared their insights on the demographic make-up of the C-Suite (the Chairman/CEO and executive management team), as well as trends regarding talent demand and acquisition, diversity and succession planning. The IMD International survey results uncovered some interesting and alarming trends, including:

Women, Minorities & Diversity

- Only 20 percent of all executive committee members are female, with nearly one-half of respondents reporting no females whatsoever among their executive committee members.
- 78 percent of respondents believe diversity is an important strategy, but only 13 percent believe the number of minorities in the executive suite will increase over the next three years.
- Approximately 20 percent of C-Suite executives are a different nationality than the country in which their headquarters are based. However, less than 10 percent (9.2 percent of CEOs, 9.9 percent of CFOs and 8.1 percent of COOs) are of an ethnic minority.

“There is no doubt that women have progressed considerably among our global workforce, especially over the last few decades,” said Sherilyn Shackell, CEO of Highfield Human Solutions (United Kingdom) and an IMD International board director. “Yet, despite reports that women are breaking through the ‘glass ceiling,’ it appears that the ceiling is just ‘slightly cracked’ rather than broken. With C-Suite turnover still alarmingly high and shareholder scrutiny driving some of the most significant and impactful changes in the past several decades, the survey numbers show that only 6.8 percent of CEOs are women, while 9.9 percent and 10.9 percent have risen to CFO and COO respectively. Unfortunately, these numbers do not bode well for the advancement of women into the C-Suite.”

When looking at the complete gender and diversity survey picture, Thomas Fuller, general managing partner of Epsen Fuller/IMD International Search Group (United States) and also an IMD International board director, had this to say about the results: “We believe that a broader pool of both women and diverse executives in the C-Suite will enhance diversity in perspective and drive a more open decision-making process, therefore giving companies a competitive advantage. Those organizations that nurture diversity of thought and ideas being exchanged in a workplace will be more connected to the rapid changing global marketplace, better able to adapt to the speed of those changes, and more able to compete and win in an increasingly competitive and diverse global market.”

Talent Shortage, Succession Planning & Baby Boomer Impact

- Internal senior management development is falling short, as nearly one-third of CEOs, 30 percent of COOs, and one-half of CFOs are from outside the organization.
- Even more alarming, only 30 percent indicated they have an identified successor in place for CEO, CFO and COO positions.
- While 63 percent of respondents indicated that their organizations engage in succession planning, only 44 percent felt that it was making a tangible and positive impact.
- Simultaneously, nearly two-thirds of respondents believe the impending baby boomer retirement will further increase the severity of the executive talent shortage.
- Almost 80 percent said talent acquisition is more difficult today than three years ago, but only two-thirds of respondents agreed that talent acquisition is among the top three concerns at the board level.

“While all developed countries are facing baby boomer retirement, the survey results show that most leading companies are not prepared to handle the profound effect these retirements will have on their individual organizations or international business as a whole,” said Albert Hiribarrondo, managing partner of Sirca/IMD (France) and chairman of the IMD International board. “Succession planning should already be in place, though the survey results show otherwise, as the oldest of the massive baby boomer generation are set to reach their traditional retirement age in the year 2011. Generations X and Y are not as plentiful, with most governmental and labor board statistics showing an upcoming 40 percent shortfall in workforce numbers across all developed nations. So, where will tomorrow’s leaders come from? Today’s management boards must change and adapt to position their organizations to meet this talent shortfall and maintain a competitive advantage.”

Clearly many respondents feel that the talent shortage has worsened in recent years, and believe it will continue in severity. What strategies are being adopted to expand the talent pool? Are the ranks of females and members of minority groups being seriously considered as potential pools of previously untapped talent? While the survey results don’t reveal much positive momentum toward this as a solution, there are numerous reasons above and beyond expanding the potential talent pool as to why this makes sense, including:

- Developing a better understanding and increase market share among multi-cultural customers
- Creating a corporate reputation as being socially responsible
- To encourage diversity of thought and perspective among the workforce
- To enhance the organization’s reputation as an “employer of choice” among the diverse population

“When reviewing the full results of ‘The Changing Face at the Top’ survey, several potential long-term strategies stand out, including expanding the talent pool through increasing diversity in the executive ranks, proactive bench building, succession planning driven from the top, and a variety of others,” said Fuller. “While these strategies are all potential arrows in the quiver for corporate boards’ intent on winning the war for talent, the survey results still showed that the Global 2,000 and other market leading companies around the globe are not as ready as they should be for the talent shortfall predicted as a result of the baby boomer retirement.”

About IMD International Search and Consulting

Founded in 1972, IMD International Search and Consulting is the world’s 14th largest organization of global executive search firms with more than 40 offices and 175 consultants in 24 countries in The Americas, Asia-Pacific, Europe and the Middle East. Providing instant access to a world-class executive talent pool serving the global economy, IMD International specializes in placing top-tier executives throughout the world in the areas of telecommunications and technology, pharmaceutical and life sciences, consumer goods and media, industrial and manufacturing, and financial and professional services. For more information, visit www.imd-search.com.