

THE D&I DISCONNECT: LEGAL & COMPLIANCE TALENT POOLS

ADAMSON &
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LEGAL & IP EXECUTIVE SEARCH

Adamson & Partners undertook a review of diversity ratios across General Counsels (GCs) and Chief Compliance Officers (CCOs) in some of the largest, publicly listed companies in EMEA's core markets. This exercise was inspired by the growing requests from clients to present balanced Diversity and Inclusion (D&I) shortlists of candidates when hiring into Legal and Compliance functions. In our experience, clients tend to focus on gender and ethnic diversity as the most visible markers. However, as our review shows, the various markets do not offer much depth of proven GC or CCO talent for hiring organisations to be "D&I compliant".

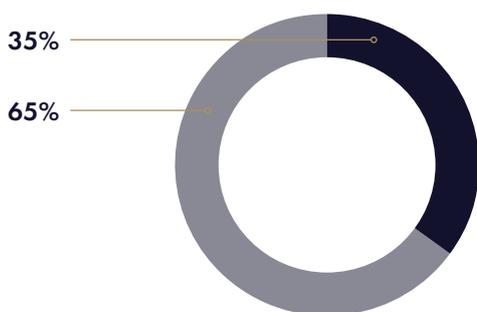
For the purpose of this desk-based exercise and in order to emphasise the disconnect between expectations and talent pools, we have focused on these most visible markers, gender and ethnic diversity. Furthermore, we incorporated CCOs/ Group Heads of Compliance into our statistics, given that these roles often are being held by lawyers and increasingly have access to the top decision-makers regardless of functional reporting lines.

Looking at CCOs provided us with additional granularity as with the rise of ESG their roles within business is bound to become more visible and, given the legal background of some of these individuals, CCOs form another talent pool in the GC succession planning and hiring strategies.

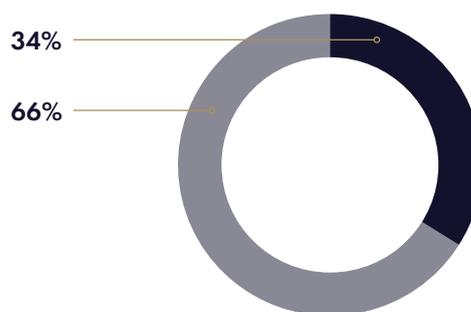
The outcome may have been somewhat predictable, but we believe that it is always useful to be able to underpin assumptions with figures. These figures indicate that the gender and ethnic diversity ratios among GCs and CCOs are in line with those for most other corporate functions. Compared to certain areas, the numbers for Legal & Compliance look even more promising, however, if equality is the aim, it remains a work in progress. Another point of note is that with the exception of the UK, historically the European legal profession has not been known for attracting a large proportion of ethnically diverse talent, with our research revealing that no market in the review reached even a 10% mark for ethnic diversity.

UNITED KINGDOM

DIVERSITY IN GCs
FTSE 100



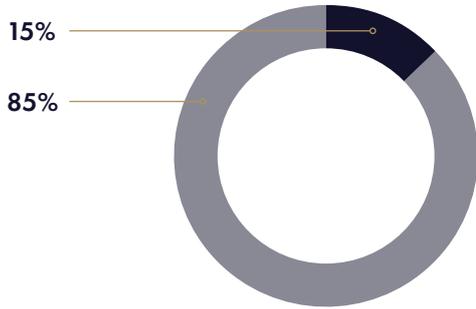
DIVERSITY IN CCOs
FTSE 100



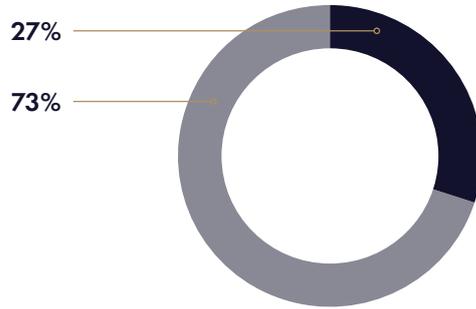
● Female & Ethnic Diversity ● Male & Non-Ethnically Diverse

GERMANY

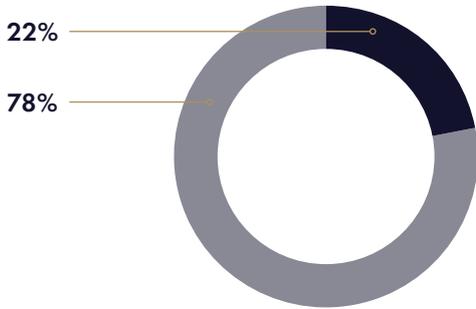
DIVERSITY IN GCs
DAX



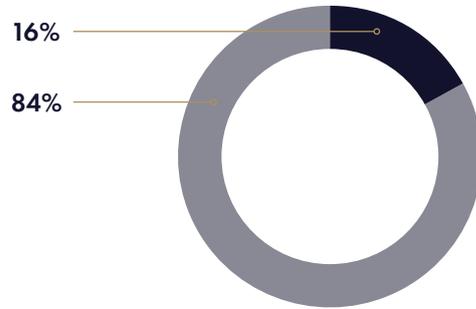
DIVERSITY IN CCOs
DAX



DIVERSITY IN GCs
MDAX

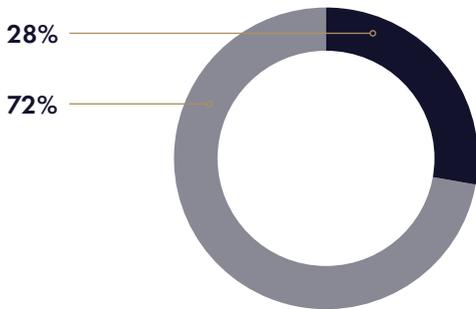


DIVERSITY IN CCOs
MDAX

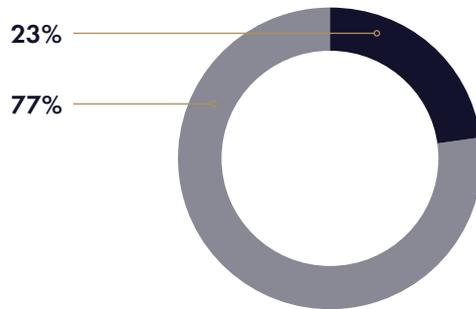


SWITZERLAND

DIVERSITY IN GCs
SMI EXPANDED



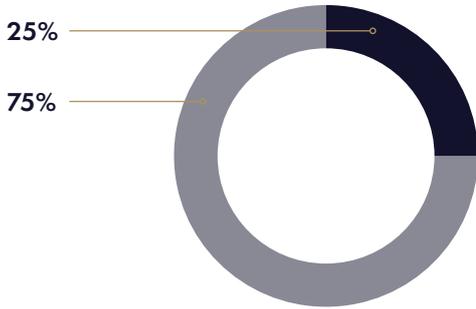
DIVERSITY IN CCOs
SMI EXPANDED



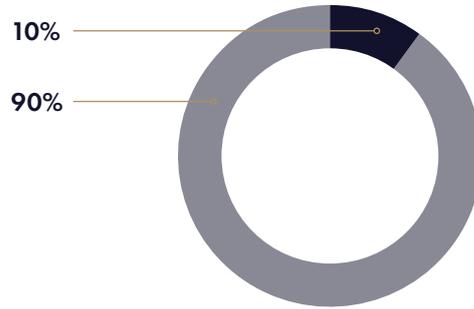
● Female & Ethnic Diversity ● Male & Non-Ethnically Diverse

FRANCE

DIVERSITY IN GCs
CAC 40

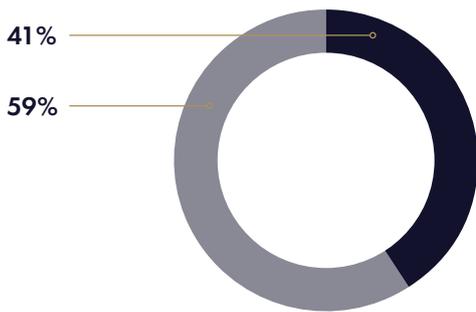


DIVERSITY IN CCOs
CAC 40

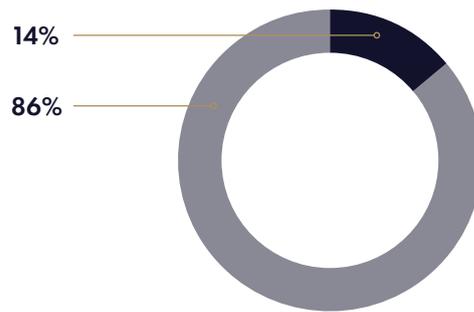


THE NETHERLANDS

DIVERSITY IN GCs
FORBES GLOBAL 2000 NETHERLANDS

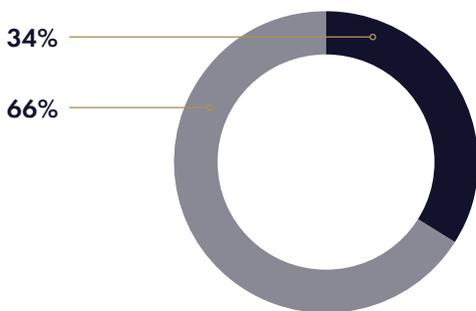


DIVERSITY IN CCOs
FORBES GLOBAL 2000 NETHERLANDS

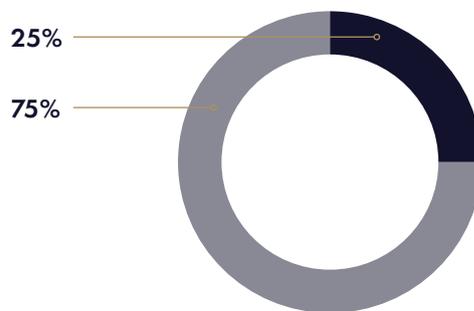


SCANDINAVIA (including Denmark, Norway, Sweden, Finland, and Iceland)

DIVERSITY IN GCs
FORBES GLOBAL 2000 SCANDINAVIA



DIVERSITY IN CCOs
FORBES GLOBAL 2000 SCANDINAVIA



● Female & Ethnic Diversity ● Male & Non-Ethnically Diverse

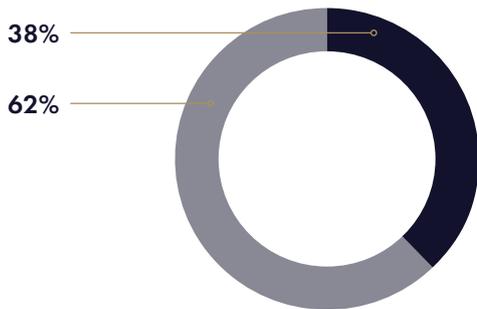
THE NEXT GENERATION

Whilst these statistics may not come as surprise, they emphasise the disconnect between the current talent in the market and the focus of companies on diversified shortlists. Due to this disconnect at the senior end of the in-house legal and compliance talent pool, we decided to extend our research beyond the slate of current General Counsels and Chief Compliance Officers. We undertook light horizon scanning to see what potential the level of direct reports holds, the 'Next Generation' if you will. To avoid presenting a dry line-up of charts, we have decided to highlight the Next Generation of legal and compliance professionals from the German DAX and MDAX as the split is broadly representative of what we are seeing across the other jurisdictions.

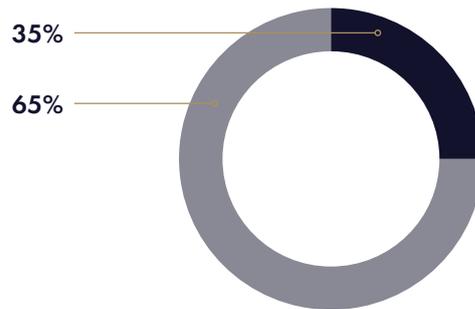
The Next Generation data covers diversity across 191 individuals for the DAX and 175 individuals for the MDAX. We have included the senior professionals within an organisation that possess the relevant qualifications and hold key regional or specialist legal roles which could put them on the path to Group General Counsel, such as EMEA General Counsel or Head of Legal, Corporate.

GERMANY

DAX NEXT GENERATION



MDAX NEXT GENERATION



● Female & Ethnic Diversity ● Male & Non-Ethnically Diverse

These statistics display a positive step towards gender parity in the legal function. However, there is more to be done to encourage equality for incoming generations and to close the gender pay gap. Providing the tools and training to grow,

the right mindset, culture, and business environment as well as mentorship opportunities (ideally with other diverse leaders), will help not only prepare diverse talent to rise through the ranks but also show them that it is possible to progress.

LOOKING TO THE FUTURE

From a talent attraction, management, and retention perspective there are several takeaways: for example, if you are an organisation with a promisingly diverse next generation of legal and compliance professionals, you should allow for the fact that other companies in a less enviable position may poach talent from your business. This means there is no time to rest on your laurels and you should create a diversified bench of talent and ensure those professionals in the succession planning for the General Counsel or Chief Compliance Officer remain engaged and continue to develop their skillset and leadership experience. These Next Generation figures indicate that the odds for a more balanced picture look promising and that investing in your young talent is fundamental. D&I hiring should also start at more junior levels, with the topic of how law firms and in-house functions can support and encourage greater diversity being the subject for another piece of research altogether. In addition, businesses cannot risk waiting for the right candidates to apply proactively once a role is being advertised. If a CEO or CFO find themselves with a gap or indeed a lack of real choice in the legal and

compliance succession planning, it will be easier to ensure a balanced D&I shortlist by partnering with a highly specialised executive search consultancy, like Adamson & Partners who can help to facilitate a more balanced D&I shortlist and most importantly have a thorough understanding of the skills and attributes effective General Counsels possess. Furthermore, like most clients we have focused in our analysis on the visible D&I marker but we will always try to guide our clients to apply a broader lense and not to ignore further marker, such as age, nationality, marital status, disability, sexual orientation, religion or belief, to name but a few. Given the keen competition for talent, only an in-depth understanding of various talent pools, established networks, a research-driven approach, and a consistent and compelling narrative will enable companies to attract the best talent and, at the same time, satisfy any D&I ambitions that they may have for new appointments.

FOR MORE INFORMATION, PLEASE CONTACT:

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Peter is a seasoned Executive Search and Talent Management consultant who specialises in the Legal, Risk, and Compliance areas across all industry sectors. Peter began his career with a London recruitment firm developing a European Audit & Risk Management practice and has since worked with leading businesses in the Legal & Compliance space.

Peter remains connected with his clients and candidates, following them throughout their careers as a trusted advisor. He offers expert guidance throughout the search process and connects clients with the best talent available in the market. Peter would be happy to discuss and support you in the hiring, succession planning or internal development strategies for your Legal & Compliance function.



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