Progress Together

Aligning talent strategies alongside executive search firms

Progress Together Roundtable
23rd September 2025

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Introduction

On 23rd September 2025, Progress Together convened Chief People Officers, Global HR Directors from Financial Services organisations, and senior leaders from executive search firms. The discussion focused on improving the representation of individuals from lower socio-economic backgrounds in senior roles through external recruitment.

Progress Together and the Association of Executive Search Consultants (AESC) launched a practical toolkit designed to support Financial Services organisations in working more effectively with executive search partners. The toolkit aims to embed socio-economic diversity considerations into recruitment strategies, foster long-term collaboration, and drive accountability across the hiring process.

> “The toolkit must hold search firms to account”
> – Executive Search firm

Together, the group of leading firms identified seven key recommendations

1 Establish Mutual Accountability for Socio-economic Diversity Goals

Financial Services organisations and Executive Search firms must collaborate closely and hold each other accountable for progress on socio-economic background and broader diversity objectives.

2 Integrate Socio-economic Background into Strategic Conversations

Use the toolkit as a catalyst to embed socio-economic diversity into ongoing discussions between Financial Services organisations and Executive Search partners.

> “Most clients don’t ask for diversity”
> - Executive Search firm.

3 Embed Long-Term Talent Mapping into Workforce Planning

Partner with Executive Search firms to develop long-term talent pipelines and market mapping strategies that align with future workforce needs.

> “Quick hiring decisions impact diversity, so it’s important to undertake talent mapping internally, as well as an external market map to help with long-term succession planning”
> – People Leader

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4 **Leverage Data and Storytelling to Build the Commercial Case**

Combine robust data with compelling narratives and real-life examples to demonstrate the business value of socio-economic diversity, particularly when engaging middle managers and client-facing teams.

5 **Adopt Skills-Based Hiring Practices**

Shift towards skills-based hiring to broaden access to larger talent pools and reduce reliance on traditional credentials.

6 **Collaborate on Inclusive Onboarding**

Jointly design onboarding processes that support candidates from adjacent sectors and non-traditional backgrounds, ensuring a smooth and inclusive transition.

7 **Broadening the Talent Pool**

Executive search firms should look beyond the sector to avoid perpetuating existing diversity issues, bringing in skills from adjacent sectors and identifying high-potential individuals who may not have held similar roles before. This requires long-term candidate relationships and investment, which may not always be feasible.

Several important considerations emerged from the Executive Search firms

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Role of Executive Search Firms

Search firms highlighted their advisory role, particularly in identifying gaps in diversity within leadership teams. They emphasised the importance of building strong, trusted relationships with clients, enabling them to provide honest feedback about diversity shortcomings.

Using Data to Drive Change

Participants acknowledged the need to be braver in using available data on candidate characteristics to increase diversity, moving beyond traditional hiring patterns that often favour white men from higher socio-economic backgrounds. The toolkit encourages organisations to leverage this data to break the mould.

Diversity in Candidate Lists

One search firm shared that they send a DEI survey to all candidates but noted that the socio- economic background question is the least completed. While diverse longlists are provided to clients, these are sometimes narrowed down to less diverse shortlists, which can prompt important conversations about selection criteria.

Limitations and Legal Considerations:

It was noted that hiring managers can feel uncomfortable about the appropriateness of identifying specific diversity characteristics for their shortlisted candidates to increase underrepresented groups in their workforce. Executive search firms pointed out that they cannot produce candidate lists based solely on a single diversity characteristic, due to legal and ethical constraints. There was also discussion about internal concerns around GDPR compliance when handling candidate data, despite socio-economic background not being a protected characteristic.

Value of Search Firm Knowledge

The unique, holistic knowledge that executive search firms have about candidates was recognised as a key differentiator. This insight often brings forward candidates who may not be immediately considered by CEOs or boards, broadening the talent pool.

Current Candidate Demographics

It was acknowledged that there remains a predominance of middle-class white men among available candidates, highlighting the ongoing challenge.

Collaboration with HR

The relationship between executive search firms and HR teams is crucial, with data serving as a key driver for meaningful conversations about diversity and inclusion.

There is a need to build internal buy-in within the employer

Recruitment Process & Candidate Experience

The recruitment process is a key opportunity to get to know candidates. Who is involved in this process matters, both in terms of who meets the candidate and who represents the firm. Including a diverse range of people in interviews can increase the likelihood of diverse appointments. For CEO recruitment, involving Board members thoughtfully ensures candidates can assess whether the organisation is a place where they can thrive.

Cultural and Social Mobility Initiatives

Some organisations are taking a culture-led approach, with executive committee members from lower socio-economic backgrounds championing change. For example, switching to apprentice-led recruitment, encouraging senior leaders to share their backgrounds, and replacing some graduate roles with school-leaver apprenticeships.

Progression and Senior Hiring Challenges

There are concerns about progression, especially at senior levels where roles need to be filled quickly. Despite a desire for diversity, hiring often defaults to familiar networks, making it challenging for diverse candidates to reach final interview stages. The limited pipeline in certain professions (e.g., actuaries) is partly due to historic lack of awareness of careers in this area among people from lower socio-economic backgrounds, though professional bodies are working to address this.

Skills-Based Hiring

Skills-based hiring is not yet common at senior levels but could help open up senior roles to a more diverse talent pool.

Balancing Speed and Diversity

The need to fill roles quickly can undermine diversity goals. For non-executive roles, there is a stronger commercial incentive for diversity, and this could be promoted more widely. Non-Executive Directors could champion diversity at other organisational levels. There was discussion about whether progression planning should prioritise long-term talent mapping (including external perspectives and market mapping) over speed, with some organisations working with executive search firms to support this.

> **"Senior roles need to be filled quickly. Recruiting managers talk about diversity, but then they recruit for likeness or who is in their network"**
> **- People Leader**

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Broadening the Talent Pool

Financial Services organisations should be open to working with Executive search firms to look beyond the sector to avoid perpetuating existing diversity issues, bringing in skills from adjacent sectors and identifying high-potential individuals who may not have held similar roles before. This requires long-term candidate relationships and investment, which may not always be feasible.

Support for Diverse Hires

Bringing in candidates from adjacent sectors or backgrounds requires more onboarding support.

Both the business and the search firm need to provide this to ensure success, as failures can reinforce negative perceptions about hiring from outside the norm. Targeting line managers on onboarding outcomes is helping improve support for new hires, and executive search firms can play a role here.

> **“Search firms need to check in on hires that are not a ‘plug and play’ to ensure retention” - People Leader**

Quotas and Incentives

There was discussion about the potential for quotas or bonuses to incentivise diversity hiring, and the need for resources to support onboarding and progression for diverse hires.

There is a need to build internal buy-in within the employer

Critical Nature of the Relationship

The relationship between organisations and executive search firms is crucial. While meaningful conversations often occur with HR contacts, these discussions do not always translate into engagement with internal business leaders. There is a need for more business leaders, not just HR, to be involved in the recruitment process to ensure broader organisational buy-in.

Board Sponsorship and Accountability

Board sponsorship is important so that hiring becomes a Board/Executive team priority, not just an HR initiative.

This is especially relevant at all levels of hiring, not just the most senior. Diversity often drops off between the shortlisting and offer stages, highlighting the need for continued focus and accountability.

> **“NEDS are influential. We have one annual Board meeting devoted to talent and diversity”**
> **- People Leader**

Challenges at Different Organisational Levels

While there is good buy-in at the C-suite level, challenges remain at the next level down, where the pressure to fill roles quickly can override diversity considerations. There is also a tendency to default to familiar networks, especially when revenue targets are a priority.

Non-Traditional Hires and Revenue Concerns

There is hesitation to hire non-traditional candidates due to concerns about their immediate impact on revenue, particularly in specialist areas like trading. This is compounded by a lack of awareness about career opportunities in these fields, especially among underrepresented groups.

Education and Diversity

There is a need for better education around diversity, particularly regarding socio-economic background (SEB), which underpins many other diversity challenges but is often overlooked. The importance of diversity of thought was emphasised, and there is a long way to go in how SEB and DEI are discussed and understood.

Inclusion and Perceptions

There are concerns about candidates from higher socio-economic backgrounds feeling excluded, and about candidates being approached solely because they meet a diversity characteristic. It is important to communicate that diversity initiatives are not about lowering standards but widening the search to bring a wider pool of talent to the bar.

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Regional Disparities

The discussion highlighted that socio-economic background is a national issue, not just a London-centric one. Access to opportunities can vary significantly across regions due to differences in educational investment and employment opportunities.

Implementation of Recommendations and Toolkit Uptake

Financial Services organisations and Executive Search firms should share the AESC and Progress Together toolkit with colleagues. The toolkit provides Financial Services with key questions to hold search firms to account and provide Executive Search firms with the knowledge to raise diversity issues with clients. Data collection and sharing are key to tracking progress and focusing efforts.

Intersectionality

Recognising that individuals have multiple, intersecting characteristics is important. Supporting people at all levels to tell their own stories can help build a more inclusive culture.

Charting the way forward – practical short- and medium-term actions

Short-Term Actions

There is concern that as the regulatory focus on DEI has waned, it risks deprioritising these efforts at senior levels. The commercial case for diversity should be reinforced, using staff attrition, promotion and performance data to demonstrate the link between socio-economic background and business outcomes.

Both financial services organisations and executive search firms must hold each other accountable for progress, especially regarding socio-economic background (SEB) representation.

> **"We must champion the business case. It's about driving value through diversity of thought"**
> **- Executive Search firm**

A multi-strand approach is essential and organisations should pursue multiple impactful diversity and inclusion initiatives. Internally, regular and consistent monitoring of workforce data on characteristics is key. Executive committees should discuss this data frequently to drive accountability and progress.

Data collection remains a challenge, with not all colleagues providing information. However, organisations that have built trust and encouraged staff to reconfirm their data have seen strong responses, particularly among new hires. Gamifying data collection has also proven effective in increasing participation.

Medium-term Actions

To support progression, organisations need robust career infrastructure, not just promotion pathways. Training and development structures should be reviewed to ensure they are flexible and inclusive, rather than tailored to a single demographic. Job requirements and selection criteria should be contextualised, avoiding defaulting to middle-class norms.

Sector-Wide Considerations

Progress on diversity has often focused on gender and race, with less attention to socio-economic background. Executive search firms rarely receive requests for candidates based on socio-economic background, though Progress Together data shows that across its membership, 26% of senior management comes from lower socio-economic backgrounds, suggesting this is an achievable target when it comes to the long list of candidates. Proactive conversations about socio-economic background, both internally and with executive search firm partners, are needed to move the agenda forward.

For visible characteristics, it is easier to have open discussions, but organisations should also strive to represent unseen characteristics, such as socio-economic background, to better reflect their customer base. Board-level conversations and toolkits can help embed these priorities at the top of the organisation.

Collaboration and Accountability

Ultimately, both financial services organisations and executive search firms must collaborate and hold each other to account on socio-economic background and broader diversity goals. This requires ongoing, open dialogue, and a willingness to adapt approaches as the sector evolves.

Thank You

Thank you to Nomura for hosting this roundtable discussion on the vital relationship between financial services organisations and executive search firms in ensuring socio-economic diversity in external recruitment for senior roles.

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References

Progress Together roundtable report 2024

Progress Together Non-Executive Director roundtable report 2025

AESC and Progress Together Toolkit 2025