

New Report on Ethics and Corporate Governance Highlights Need for Strategic  
Succession Management Planning  
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CHICAGO, May 20 /PRNewswire/ -- Only 53 percent of board directors, chief executives, and other U.S. business leaders believe that existing succession management practices are yielding a strong talent bench, according to a new report on ethics, corporate governance and succession management.

The report also reveals a distinct difference of perception between CEOs and board directors about whether corporate leaders today are making business decisions that are both ethical and in the best interest of the company. While fully two-thirds -- or 66 percent -- of the CEOs surveyed indicated they had an "excellent" level of assurance that they have the right leaders in place to make such decisions, only 27 percent of board directors had the same level of assurance.

The report was produced from surveys and interviews with board members and chief executives of leading U.S.-based, public companies; leaders from the investment community and shareholder interest groups; and other governance experts. This research was conducted by Heidrick & Struggles (Nasdaq: [HSII](#) - [News](#)), the executive search and leadership consulting firm, Lore International Institute, the talent management and professional development firm, and Neisendorf & Associates, the human resources risk management and consulting firm. The report was presented at The Conference Board's Succession Management Seminars.

Additional findings included in the report:

- Boards and CEOs know too little about the character and values of their business leaders relative to their understanding of professional experience and skills.
- Existing succession management programs are not doing enough to support the business.
- Boards do not have enough active involvement in succession management planning.

Commenting on these findings, Heidrick & Struggles Chairman and CEO Thomas J. Friel said: "In these times of increased corporate scrutiny due to Sarbanes-Oxley and other governance reforms, organizations need to trust that their key executives are making decisions that ethically represent a wide range of shareholders. Now, it's more important than ever to consider character and values -- along with experience and business skills -- when assessing executives."

The report includes a checklist for board directors and senior managers to gauge whether their succession management programs identify that executives in key positions are

making ethical and responsible business decisions, as well as a list of "Top Ten Tips for Action."

To obtain a copy of the full report, "Assuring Ethical and Responsible Leadership: How to Meet the Challenge," send an email message to [CEO@heidrick.com](mailto:CEO@heidrick.com).

About Heidrick & Struggles International, Inc.

Heidrick & Struggles International, Inc. is the world's premier provider of senior-level executive search and leadership services, including executive assessment and professional development. For 50 years, we have focused on quality service and built strong leadership teams through our relationships with clients and individuals worldwide. Today, Heidrick & Struggles leadership experts operate from principal business centers in North America, Latin America, Europe, and Asia Pacific. For more information about Heidrick & Struggles, visit [www.heidrick.com](http://www.heidrick.com).

About Lore International Institute

Lore International Institute is a leading professional development firm dedicated to developing their clients' talent to achieve organizational objectives. Founded in 1989, Lore now has more than 40 employees and over 170 coaches, consultants, and faculty members globally. Service offerings include Executive Coaching, Organizational Consulting, Executive Education, and Business Development.

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Source: Heidrick & Struggles International, Inc.