



## Board Recruiting: Insight to the Executive Perspective

Written by Belen Gomez, Program Manager for Personal Leadership Development & Professional Mentoring



### Article Highlights

- Historically, active or retired CEOs were selected most frequently for open board seats. However, recent data indicates that the demand for these individuals far outweighs availability.
- Professional development was most often cited by individuals who were very interested in pursuing board service and actively encouraged by their CEOs and boards of directors.

As XCEO vigorously expands its Board Succession program utilizing a fresh, data-driven approach to finding new corporate director talent, we have embarked on a variety of search opportunities for our board clients. As a result of these ongoing searches, we have gained interesting insight into board recruiting trends. More specifically, insight regarding the search for C-suite executives, who are not board members currently, but interested in serving on corporate boards.

We often hear of active or retired CEOs being selected for open board seats, however, the data certainly indicates that the demand for these individuals far outweighs their availability<sup>1</sup>. As discussed in the December *Directors & Boards* e-Briefing that I contributed to regarding board succession, in recent years it has become substantially more difficult to recruit outstanding directors who are qualified and available to serve. Thus, corporate boards are looking to other senior executives, active or retired, to fill the inventory of available board seats.

In the past, executives with financial expertise dominated the new director wish list, and for the most part that background is still highly desired, but we are also seeing interest in international, operations, marketing and sales experience. It would seem that with so many options to explore, that identifying and recruiting qualified candidates would be exponentially easier.

During our own search processes, I have experienced some interesting and varying responses when approaching these very executives who are assumed to be eager, willing and ready to serve. Furthermore, I have come across

significantly less data regarding executives' perspective (non-CEOs, specifically) on pursuing board service. So, I thought I would share some of my findings, though not scientific by any means, as we recruit from the historically untapped executive ranks.

In a recent search we conducted for a \$4 billion manufacturing company, the responses I received when reaching out to potential candidates (specifically, non-CEO executives in a variety of functional areas) really ran the gamut from extreme enthusiasm to curt responses relaying the message, "I just don't have time". In most cases, where time management was referenced as an issue, I was told that board service was an exciting opportunity that he/she was interested in exploring after retirement.

In my conversations with other individuals, I also found that if organizations did not provide a policy on board service, they often had a self-imposed limit, "I only have capacity for one board at this time". No doubt, the task of balancing dual-roles as an executive of a multi-billion organization and serving as a director for a multi-billion organization is no simple matter, and must be given careful consideration.

However, I continue to be optimistic regarding the number of individuals I reached out to who were very interested in pursuing board service and actively encouraged by their CEOs and boards of directors. In one case, I spoke to a gentleman whose company hired a third-party to specifically find him a board seat to further his professional development. Actually, in the cases where individuals were given a high level of support, the reason cited most often for such encouragement



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was leadership development.

Still, even with strong support, these executives have to obtain board approval to serve, and it wasn't always guaranteed. One gentleman shared that even though he had a board opportunity lined up and an interesting opportunity to him personally, his board did not believe the company pursuing him offered a "good enough" opportunity and did not approve his service.

This topic proved to be a major issue mostly only for those who had not broached the subject of board service with his/her CEO and the board of directors. I believe it is critically important for executives pursuing board service to inform their CEOs of their ambitions and to ensure that the board would be supportive prior to engaging in any recruitment activities. By doing so, the executive will more likely receive counsel from his or her CEO and have a better understanding of company policy and the opportunities that the board is more likely to approve.

I understand that most board candidates, in any executive role, likely experience many of the same thoughts and considerations. However, I am trying to highlight that these exceptionally well-qualified board candidates, non-CEOs or current directors, are being selective and are carefully considering new opportunities being presented.

I've heard a number of times over the past few months, "I've been seriously considering board service, and it has to be the right opportunity." As qualified, eager, and prepared as these executives are for board service, the question still remains: Do I pursue this specific opportunity? I believe that executives would be better prepared to answer this question if they had a good sense of how their CEOs and boards will respond to the opportunity presented. Also, understanding the level of support they will receive to address some of their concerns taking on additional responsibilities is critical for consideration.

In any case, through our Board Succession process we have surfaced many qualified executives who are eager to pursue the

right board opportunity for which their diverse sets of skills and expertise are a good match. I look forward to active participation with these future board members, observing how issues are addressed, challenges are overcome and how they change the dynamics of board composition.

C.E.O.

## References

<sup>1</sup> Spencer Stuart Board Index 2011

## About the Author



Belen Gomez

Ms. Gomez manages XCEO's professional mentoring programs and leadership development services. Belen has been supporting the professional mentoring programs for three years, and is actively engaged in implementing XCEO's professional mentoring curriculum. In this role, Ms. Gomez has worked with CEOs and other senior executives from Silicon Valley start ups to Fortune 500 companies, on personal leadership and entrepreneurial initiatives as well as professional advancement strategy and positioning.

Ms. Gomez earned a BS in Psychology from Santa Clara University in Santa Clara, California in 2006. She received her MBA from Santa Clara University in 2012 with a concentration in Marketing. Before joining the XCEO team, she worked for SRI International doing research in behavioral development and education.

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