

## About Public Board Directorship

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*My Next Season*

**SURPRISINGLY FEW NEW DIRECTORS** are elected to public boards each year. According to the Spencer Stuart Board Index, the number remains stable around 350 new board appointments annually over the past few years. However, only one-third of those are first-time board directors. The small number of board seats available each year is due, in part, to the lack of turnover, with board tenure averaging over 8 years, mandatory retirement ages rising (if they exist), and board size hovering at 11.

*Boards are generally most interested in retired CEOs/COOs, financial executives, and leaders with global business experience.* The board wish list for new directors, in priority order: women, active CEO/COO, retired CEO/COO, minorities, finance executives, those with global leadership experience and orientation, and technology. There is a trend to look for active execs who are one or two layers below the CEO but are running a P&L center and are (or were) acting in a role as a CEO.

*The single best path to a board nomination is recommendation by current board members.* This comes from a PricewaterhouseCoopers study. Fully 87% of boards reported using board member recommendations to recruit. The study also listed leads from management and, interestingly, searching public data sites—think LinkedIn—to identify potential board members.

*Boards today are concerned with many issues:* risk, cybersecurity, activist investors, global economies, and politics. Today's directors spend an average of 250 hours per year on board work and are expected to meet with employees and investors, tour company facilities, and serve on several committees. Most of the work happens outside of the board meetings—preparatory reading, committee work, and government compliance take much of the time—and all this is in normal times, with no crisis happening. To convey this numerically, in 2016:

- There were 345 new directors—1/3 first-time, 1/3 female (32%), 15% minority, 12% investors. Only 4% of boards have term limits, although many more are considering this.
- Director tenure averages 8.3 years, with average tenure reported as between 6 and 10 years.
- 73% of boards have a mandatory retirement age—average 72 years—and 39% have a retirement age of 75 or higher.

