

Transitioning from Board Member to Board Leader

Seasoned board leaders share their insights on how boards can create more intentional, inclusive succession and development plans

By Chuck Gray and Akiba Smith-Francis



In the last five years, boards in the United States have been more intentional about adding directors from underrepresented minorities. Our [2022-2023 Global Board Diversity Tracker](#) shows that 19 percent of directorships among Russell 3000 companies are held by non-white board members, which is an increase of 7 percent since 2020. However, that same level of progress is lagging when it comes to board leadership positions. Ninety percent of chair positions in Russell 3000 companies are held by white directors in 2022, and 87 percent of committee chair positions are held by white board members.

We believe diversifying board leadership is a critical next step for boards to ensure a pipeline of diverse representation at the board level and to build and maintain an inclusive board culture. We recently gathered 25 corporate directors in their first few years of board service and four experienced board leaders for a conversation about how to move from board member to board *leader*.

The Path to Board Leadership

While everyone's journey to a leadership role will look slightly different, we wanted to demystify the process from going from board member to board leader and how current directors can demonstrate their commitments and abilities to lead. "If you want to be a leader, it starts with you," said Adalio Sanchez, board member of ASM International NV, Avnet Inc., ACI Worldwide Inc. and Snap One Holdings Corp. "Are you going the extra mile to understand the company and the marketplace to be a real contributor on the board? When you do that, you are more involved in the conversation and people will seek you out."

The other key is preparation. If you are considering a leadership role in the future, make sure you are clearly signaling that you are interested and preparing for the position. This preparation may also involve additional training or experience in each committee when it comes to the board chair role.

Aspiring board leaders should also observe how the CEO and board chair or lead director think about the issues the organization is dealing with—beyond just what they say in a board meeting. "You need to be seen as someone who appropriately balances challenge and support, and demonstrate that you can achieve that balance," explained Clarence Otis, lead independent director of Verizon Communications Inc. and board member of The Travelers Companies Inc. and VF Corp. "Show that you are working in service to the organization to make it succeed, not simply grandstanding and showing what you know."

Board members must also be ready to step into a leadership role when it's needed most—even if they weren't considering it yet. Shannon Nash, CFO of Wing and Lead Independent Director of UserTesting, shared that her leadership role on the board came about because she was urged to do it. "I wasn't averse to it, but I wasn't thinking about it," she said. "The message was 'We need you to be a leader, and we need you to show up on that board as a leader—it does volumes for so many other people.'"

"Be prepared to raise your hand, and lift as you climb," added Rodney Adkins, Chair of Avnet and board member of PayPal Holdings Inc., WW Grainger Inc. and UPS Inc. "For board leaders in those roles, be responsible to reach out. We all play a role in advancing the opportunities for people of color in those leadership roles."

The Value of More Voices

While every board member plays a critical role in setting the agenda, board leaders have a more direct impact, providing board feedback to the CEO and other top management that helps to set the organization's agenda. When it comes to underrepresented minorities' views, it's critical those perspectives are on that agenda to enable the organization to build a diverse and inclusive workforce.

Diversifying board leadership may take some time—as boards have become more diverse in representation there is a learning period as those newer directors come up to speed with the workings of the board. But it also comes down to intention. "We have the platform today that if we are intentional, we will get the numbers up," Sanchez said. "We aren't where we need to be with the minority perspective, but once we have more representation, we can help mentor directors for board leadership positions as well."

Selecting the Right Committee Role for You

Becoming a board leader starts at the committee level. While skill sets and experiences will partially dictate what committee chair role might be the best fit, your passions and where you want to have an impact also carry weight. For example, if you are interested in how the board itself operates, chairing the nominating and governance committee may be the best choice. If you are focused on human capital management, consider the compensation committee chair role. If your interest is in how the organizations spends its resources and builds wealth, the audit committee chair role is likely a good option.

Your selection may also be situational. Sanchez shared his experience about being on the board of a company that went public. "I started on the audit committee because it's where you learn the most about the company," he noted. An attendee agreed that the audit committee is an excellent place to start when you want to immerse yourself in the organization at a rapid pace.

One participant shared that she has been on a public company board for about 1.5 years serving on the compensation committee, and she was recently asked if she'd considering chairing that committee. She expressed some hesitation about taking on the role being that she is a newer board member, although she has invested significant time with the compensation consultant outside of board meetings to prepare and understand the company more deeply.

The panelists and attendees urged her to say yes. "No one comes to the table knowing compensation aside from a CEO or CHRO", Otis said. "You will be well supported by the CHRO and the independent compensation consultant." Added Adkins: "What a compliment from your peers to have anointed you. It says a lot about your engagement—your value is recognized, and your colleagues are raising your hand for you."

Another attendee who is in his second year of board service and is a sitting CFO previously was approached to chair the audit committee, but he declined due to the responsibilities of his day job. He was recently asked to take on the role again, and is seriously contemplating it, but notes it is not something he is taking lightly, given the expansion into cyber and ESG. "Your situation is a matter of timing," Nash said. "You will be an audit chair is what I read. It may not be your season today with your reporting calendar and the board's reporting calendar."

The Role of Current Board Leaders

Board members who aspire to be board leaders have some preparation to do, but current board leaders play a critical role in diversifying committee chair and board chair roles as well. Chairs and lead directors must ask themselves if their boards have a clear development process in place for board members, and if not, make changes so that the process is transparent and open to all. A place to start is for the board chair to spend time with each director to hear about their aspirations on the board and what development journey they want to pursue. The chair can also engage with current committee chairs about the committee's expertise needs both today and in the future. Together, these insights can start to inform a succession plan based on necessary expertise while also considering diverse representation across the range of leadership roles.

For additional information on inclusive board succession planning, download our [Framework for Board Leadership Succession](#).

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