A woman with short, styled hair, wearing a white textured blazer, is leaning over a desk. She is looking towards the camera with a slight smile. Her right hand is resting on a silver laptop, and she is holding a pen. The background is a bright, modern office with large windows and recessed ceiling lights.

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how to select a board member

Changing times require nominating committees and CEOs to ask hard, fundamental questions about their own boards: Is every director qualified to perform the critical oversight function? Does each director truly understand the business today?

The governance and accounting scandals that have scarred the business landscape in recent years have had at least one positive effect: They have given executives, investors and the public a renewed appreciation for the vital role of corporate boards. A best-in-class board is a bulwark against questionable practices and a necessity for any corporation that aims to increase accountability and enhance shareholder value.

Recognition of the critical importance of boards is implicit in the Sarbanes-Oxley Act of 2002, as well as in the rules issued by the U.S. Securities and Exchange Commission in response to the Act. Together, Sarbanes-Oxley and the SEC decrees have served to radically reshape board structure, processes and accountability. In effect, they've mandated new responsibilities and requirements that demand an increased level of participation and independence from the board. This has motivated corporations to make a stronger effort to build better boards – boards that are active, integrated, informed and independent. Such a move is an ethical, legal business necessity, but it is far from easy.

meeting the strategic needs of the company

In the past, directors were viewed primarily as advisors to the chief executive officer. They frequently had business or personal ties to the CEO or other members of the board, and they were often chosen to add the luster of a well-known name. But a high public profile and a golf-course friendship with the CEO are no longer sufficient qualifications. As The Conference Board's Global Corporate Governance Research Center emphasizes in a special report on best practices, directors' new role "requires [that] they provide active oversight of the company's business to minimize corporate risk and promote the creation of shareholder value. The new challenge for boards will be to go beyond their traditional advisory role and increasingly focus on their oversight role. As fiduciaries, boards must be active monitors of management." Today, directors must add real value to the corporation and to its shareholders.

Changing times require nominating committees and CEOs to ask hard, fundamental questions about their own boards: Is every director qualified to perform the critical oversight function? Does each director truly understand the business today? Do the skills and experiences of our directors meet the specific strategic needs of the company? Strategic, financial and operating acumen are necessities in each board member. Collectively, the board should possess a blend of skills tailored to the company's current business needs and future goals. And no matter what the director's background, a proven reputation and a track record of excellence in his or her field are essential.

Board nominating committees must evaluate director candidates not only on the basis of their experience, but also their personal character. According to Joie Gregor, a Vice Chairman and member of the Board Practice at Heidrick & Struggles, "Ideal board members are pragmatic, strategic and tough-minded. They are willing and able to offer critical review, and are adept at giving direct guidance and feedback. Strong directors speak their minds, but they also have a real sense of partnership and of working together toward a common goal." Gregor also emphasizes that "with each potential nominee, the nominating committee should ask itself whether this candidate is deeply interested in making a meaningful contribution to the company.

"Every board today should undertake a thorough and objective assessment to determine the competencies and behaviors of each board member and of the group as a whole," counsels Gregor. "The goal is to identify areas where the board can improve to bring its performance up to a best-in-class level. It is a fairly rigorous exercise, but the best way to determine board effectiveness

is to understand how the board works – and how it might work better." In this context, nominating committees will be able to thoughtfully select new directors at the appropriate time.

it's about passion, commitment and time

Assessing a potential nominee's stature, skill set, depth of experience, wisdom, reputation, values and passion is only half the battle. The other half is time. Perfect attendance at full board meetings is a formidable commitment, even before allowing time for preparation, committee meetings, facility visits, training sessions, and travel to and from those activities. The time demands inevitably reduce the pool of willing and able candidates.

The increasing obligations of board service make it tougher than ever to recruit qualified directors. In addition, in the face of fierce public scrutiny and questions of potential liability, willing and qualified director candidates are growing ever more selective about the opportunities that they will entertain.

Although sitting CEOs have been the most sought after board candidates traditionally, looking beyond sitting CEOs is an excellent way to expand the pool of potential candidates. Presidents, chief operating officers, chief financial officers, and heads of large operating units can bring skills, passion and fresh perspective to the boardroom. Attracting great directors of this caliber is easier once they understand how much they stand to gain from serving on an outside board – the learning experience and the exposure will be invaluable in their own career development. Of course, mentoring and director education are essential for first-time directors.

executive search firms and best practices


Building excellent boards is hard at any time, but especially so in today's business environment. Evaluating and recruiting qualified and interested directors, already a full-time job, has only grown more challenging with the adoption of SEC rules that require the nominating committee of every board to disclose its process for identifying and evaluating nominees. In light of this mandate, many companies will opt to retain an executive search firm to ensure the assessment and selection process is rigorous and to gain access to a wider pool of candidates.

Enlisting the expertise of a qualified search firm is increasingly regarded as a best practice in director selection. Heidrick & Struggles thoroughly scans

the market to identify potential candidates, and we assess each candidate's skills, personal attributes, and specific fit for the board. Our track record of recruiting at the top gives us unique insight into the next generation of board members.

In addition to greatly expanding the pool of qualified and interested candidates for every board seat, Heidrick & Struggles professionalizes the nominating process by offering an objective analysis of a candidate's qualifications to serve. Our time proven process helps to affirm director independence by thoroughly screening candidates against areas of potential conflict.

The director's role is key to every company's long-term value creation. Heidrick & Struggles ensures that you will find the best possible person for this critical job.

A photograph of a desk with a pair of glasses, several water glasses, and some papers. The glasses are in the foreground, and the papers are in the background. The scene is lit with soft, natural light.

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