

Moving from a seat at the table to the head of the table: Lessons from female board chairs

Despite recent progress, the position of board chair is still rarely held by women. We spoke with a number of current and former female chairs at large companies around the world on their experience getting the top job and how to thrive in the role.



The share of women appointed to public-company boards of directors has risen markedly in recent years (see the figure for the rise in Fortune 500 companies, for example), but in the United States and Europe, female chairs are still rare. Indeed, at the end of 2018, there were only 30 female chairs among the Fortune 500 and the FTSE 100 combined, though the overall shares of board seats held by women were 22.5% and 29.0% respectively.¹ Turnover among board chairs at large companies is, of course, slower than the turnover of board seats overall, but that alone doesn't explain the low number. In our experience, in a non-crisis transition, many nominating committees are reluctant to appoint chairs who have not been CEOs or held similar roles.

Yet given the increasingly powerful evidence that female leadership is correlated with high corporate performance—as well as the increase

At the end of 2018, there were only 30 female chairs among the Fortune 500 and FTSE 100 combined.

in pressure for diversity from the full range of stakeholders (including investors, regulators, and the public)—companies need to diversify at the chair level. We interviewed a number of female board chairs from around the world to gain their insights on landing—and succeeding in—the role of chair (see sidebar, “About the interviewees”).

Getting to the top spot

Overcoming cultural norms came up in our conversations with several chairs when talking about the path to the chair position. Becoming chair, these women said,

About the interviewees

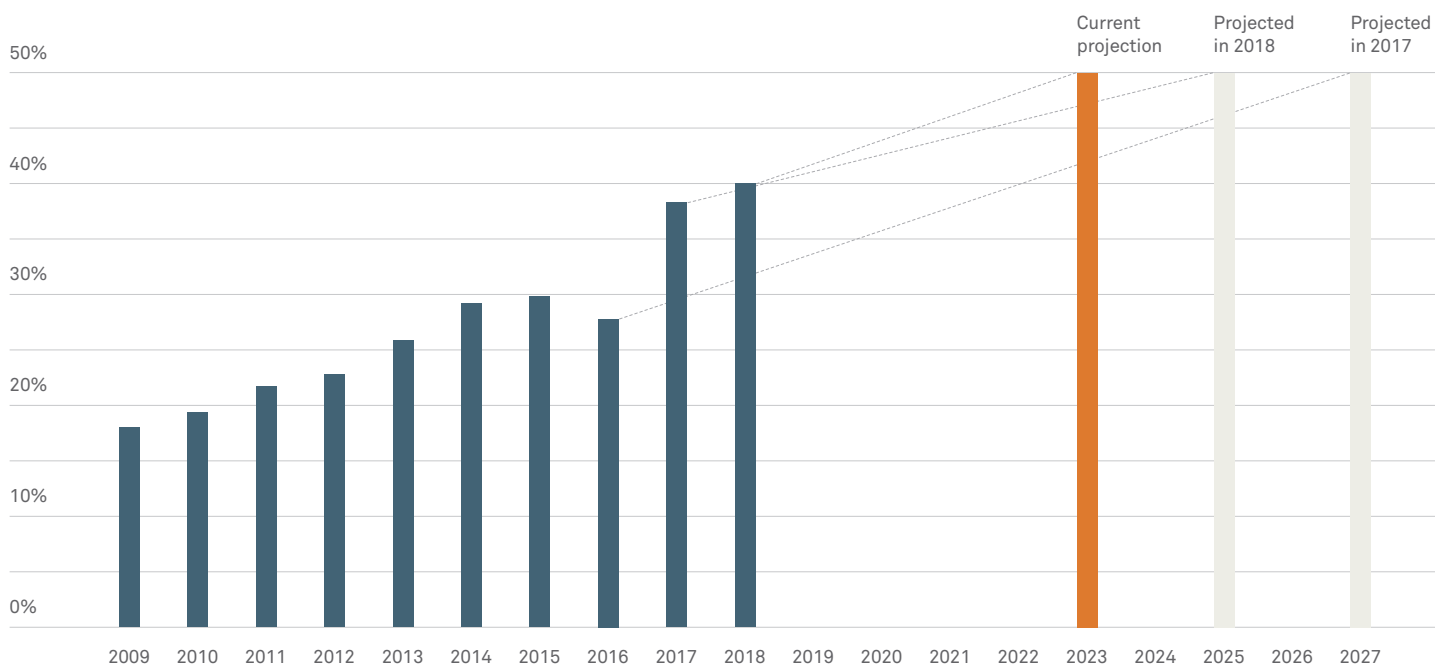
The female board chairs we spoke with included **Kathleen Cooper**, chair of the nominating and governance committee, and former chair of the board, of the Williams Companies; **Elizabeth Ashburn Duke**, chair of Wells Fargo & Company; **Maryellen Herringer**, former chair of ABM Industries; **Cressida Hogg**, chair of Landsec; **Cynthia Jamison**, chair of Tractor Supply; **Marjorie Magner**, chair of Accenture; **Elaine Rosen**, chair of Assurant; **Sheila Penrose**, chair of Jones Lang LaSalle; **Jane Shaw**, former chair of Intel Corporation; **Elizabeth Tallett**, chair of Anthem; **May Tan**, chair of CLP Holdings and MSIG Insurance HK; and **Phyllis Yale**, chair of Blue Cross Blue Shield of Massachusetts and former chair of Kindred Healthcare.

¹ See Deloitte and Alliance for Board Diversity, *Missing Pieces Report: The 2018 Board Diversity Census of Women and Minorities on Fortune 500 Boards*, 2019, deloitte.com; and Susan Vinnicombe, Elena Doldor, and Ruth Sealy, *The Female FTSE Board Report 2018*, Cranfield University and Aviva, 2018, cranfield.ac.uk.

The pace of change has accelerated

This year's rise in appointments allows us to extrapolate that new appointments of women will reach parity with men in 2023.

Actual vs. projected share of women appointed to Fortune 500 boards



requires a degree of self-assertion that historically women on boards may have been reluctant to exhibit. This reluctance likely stems from the deep-seated (and at times conflicting) expectations of how women in positions of power should behave and how much their views should matter. “How, as a woman, do you voice a strong opinion or insist on a point without being thought shrill?” asks Cressida Hogg, chair of UK-based Landsec, a property-management company. Taking the reins also requires the self-confidence to overcome any lingering “impostor syndrome” that keeps some women from fully appreciating their own qualifications. “You have to step through the self-doubt,” says Hogg, “and take on any leadership role on the board you can.” Men typically have fewer qualms about their abilities, and any hesitation on the part of a female board leader may prove decisive in how she is perceived.

Having role models can help. Hogg credits influences like Sarah Hogg (no relation), who in 2002 became the first woman to

**“You have to step through the self-doubt and take on any leadership role on the board you can.”
—Cressida Hogg, chair of Landsec**

chair an FTSE 100 company board. Another chair found a source of inspiration in a female colleague on the board. In the past decade, research into the influence of sponsorship has also highlighted the powerful effect of individual relationships in ensuring both that women and other minorities have access to opportunities for career advancement and that they

have the best chance to succeed in those opportunities.²

In addition, lengthy experience of course builds confidence. Jane Shaw, chairman of Intel Corporation from 2009 through 2012, served as an independent director for 16 years before assuming leadership of the board; during her board tenure she chaired the audit and compensation committees and served on the nominating and governance committees. And Maryellen Herringer, the former chair of ABM Industries, a US facility services provider, adds, “Chairing committees is critical because when the need for a new chairman arises, you become one of the candidates.”

² For example, see Herminia Ibarra, Nancy M. Carter, and Christine Silva, “Why men still get more promotions than women,” *Harvard Business Review*, September 2010, hbr.org; Heather Foust-Cummings, Sarah Dinolfo, and Jennifer Kohler, *Sponsoring Women to Success*, Catalyst, August 17, 2011, catalyst.org; and Christiane Bisanzio and Maria Mihailevscaia, “Want to get more women to the top of European finance? Sponsor them,” *Heidrick & Struggles*, February 28, 2018, heidrick.com.

Finally, the process of chair selection is crucial. To find a female chair and set her up for success, the process must be fair, wide-ranging, and rigorous. Even in cases where a woman is the obvious successor or in a clear number-two role, several of our interviewees said that any female candidate should insist the board undertake a process that includes consideration of other candidates: not only will this ensure a fair process, but it will also strengthen the female candidate's leadership position from the onset. Phyllis Yale did just that before she became chairman of US-based Kindred Healthcare. "When my name came up during an open discussion of the board, I said, 'I'm flattered, but the nominating committee needs to take this on, talk to each board member to determine what qualities are going to be required, and consider who would best meet those criteria.'" She made the same request when she was first approached about becoming chairman of Blue Cross Blue Shield of Massachusetts. "In both cases," she says, "I knew I would have a lot more credibility if I had been subjected to a fair and thorough selection process."

Thriving as chair

Chairing a board is not simply a matter of being first among equals: it is a qualitatively different experience requiring distinctive leadership skills, often in the face of daunting challenges. Hogg, for example, is steering her board during the United Kingdom's current breakup with the European Union. Kathleen Cooper began her tenure as chairman of the Williams Companies, a US energy company, after a takeover bid by a rival collapsed, six board members resigned, and a hedge fund shareholder attempted to replace the remaining directors. Yale, as chairman of Kindred Healthcare, helped guide the sale of the company to Humana and two private equity firms. She led not only the board but also the transaction committee, which oversaw an exceptionally complicated process with three buyers, more than a dozen advisors, and a hundred people attending due diligence meetings. "It's an unnatural act for a board to sell the company, because you are essentially firing yourself from an association you enjoy," she says. "But you have to get people focused on the shareholders."

Following are three of the US most critical leadership skills that the female chairs have identified as success factors and that are linked to cultural norms that shape their success as a chair:

- **Listen first.** "You should be the last to speak," says Elaine Rosen, chair of US-based Assurant, a global provider of risk-management products and services. In the meantime, listen empathetically, solicit other points of view, and, she adds, "Be the most prepared, even though you don't talk the most." Elizabeth Ashburn Duke, the current chair of Wells Fargo & Company, concurs: "As a chair, I find my best advice would be to be authentic as a leader, always come prepared, and be a phenomenal listener." Further, says Hogg, you should not be afraid to reach out to other chairmen or other highly knowledgeable people for help and advice: "No one will turn you down, and most people are eager to help." Elizabeth Tallett, chair of US health insurer Anthem, notes that "succeeding as a chair all boils down to clear communication and listening."
- **Build relationships.** "All the work of a chairman is relational," says Cynthia Jamison, chair of Tractor Supply, a US farm-supply company. That includes building relationships with management—most critically, the CEO—and other board members. The relationship with the CEO must be comfortable enough, says Yale, so that he or she will confide in you but also be willing to engage in robust debate and tolerate honest disagreement. Says Hogg, "If the CEO never rings you or reaches out when something important comes up, you likely have a relationship that is lacking." A chairman must also cultivate closer working relationships with the other board members than

she may have had as just another director, including maintaining contact in the months between meetings. Sheila Penrose, the chair of global commercial real estate services firm Jones Lang LaSalle, adds, "An effective boardroom is all about candor . . . the ability to discuss openly as a group fosters transparency and builds trust." Duke also highlights the importance of a healthy culture, noting that "it is important to foster the culture of a board: staying laser focused on your agenda, communicating individually and collectively, and taking the time to thoughtfully onboard new directors."

- **Reach decisions consultatively.** While the chairs we talked with agree that a new chair must establish her leadership style at the start of her tenure, they largely agree too that unilateral decision making is likely to be unwelcome in a room full of people who are highly accomplished and accustomed to exerting great influence in their domains. Intel's Shaw was clear that "no matter how smart you are, being dictatorial is not going to get the kind of results a collegial board—which is most likely to be a successful board—is going to embrace." Maryellen Herringer adds, "My job as chair was to wait until everyone's voice had been heard and then not just build consensus, but *find* consensus."

Advice for boards

For boards selecting a chair, it's crucial, in our experience, to remember that culture and process are essential to success. Will a new chair have to overcome cultural

Moving from director to chair

We offer the following recommendations for women on boards who aspire to become chairs:



Assess yourself. Listen carefully to your annual board reviews as well as any other feedback on your performance as a board member, and determine your strengths and what board skills you need to develop further, such as listening or consensus building.



Come to play. Ensure that you are engaged, prepared, and diligent, and set the standard for board commitment.



Raise your hand. Volunteer for and take on board-committee leadership roles.



Signal interest in moving up. Express interest in the board chair role and advocate for a thoughtful selection process.



Seek counsel. Ask other chairs for advice about how they got there and how they achieved success.

norms on the board, as many of our interviewees did? Does the board value and select for diverse backgrounds and experience in its members and its chair? Answers to questions like these can significantly affect the chair's, and the board's, performance.

In that context, we recommend the following guiding principles for boards selecting a new chair:

- **Think broadly.** Ask what skills are really needed for the organization today, and think hard about whether a chair needs to have experience as a CEO to be effective or whether that bias might be narrowing the talent pool too much.
- **Run a high-quality process.** Make sure the selection process is fit for purpose and thoughtful and follows best practices, rather than simply following the same process the board used the last time.
- **Make diversity a priority, today and for the future.** Ensure you have a diverse

slate of candidates for the chair position, and future-proof your pipeline by recruiting board members for their leadership qualities, resulting in a broader pool of candidates when the day comes to select a new chair.

For all chairs of public-company boards, the commitment of time is significant, the work is challenging, and public scrutiny is intense. All public companies, and private ones as well, will benefit from having the best chair possible. Asking the right questions to increase the diversity of the pool they choose from, ensuring the eventual choice has the skills to lead as chair, and using a process that sets that person up for success will help companies thrive through our era of ever-increasing disruption. And for chairs themselves, those who build their skills, seek counsel and sponsorship, and gain relevant experience will be putting themselves in the best position to succeed when they are called to lead.

About the authors

Bonnie W. Gwin (bgwin@heidrick.com) is a vice chairman and co-managing partner of Heidrick & Struggles' CEO & Board Practice; she is based in the New York office.

Victoria Reese (vreesee@heidrick.com) is the global managing partner of the Legal, Risk, Compliance & Government Affairs Practice and is based in the New York office; she leads the firm's diversity and inclusion efforts globally.

Thanks to the following Heidrick & Struggles colleagues for their contributions to this article: Matt Aiello, Lisa Baird, Sam Carey, Chantal Clavier, Ted Dysart, Lee Hanson, David Hui, Mary MacDonald, Julia Penrose, Dave Pruner, Sandrine Roseberg, Sara Spiering, and John Thompson

CEO & Board Practice

Heidrick & Struggles' CEO & Board Practice has been built on our ability to execute top-level assignments and counsel CEOs and board members on the complex issues directly affecting their businesses.

We pride ourselves on being our clients' most trusted advisor and offer an integrated suite of services to help manage these challenges and their leadership assets. This ranges from the acquisition of talent through executive search to providing counsel in areas that include succession planning, executive and board assessment, and board effectiveness reviews.

Our CEO & Board Practice leverages our most accomplished search and leadership consulting professionals globally who understand the ever-transforming nature of leadership. This expertise, combined with in-depth industry, sector, and regional knowledge; differentiated research capabilities; and intellectual capital enables us to provide sound global coverage for our clients.

Leaders of Heidrick & Struggles' CEO & Board Practice

Global

Bonnie Gwin
New York
bgwin@heidrick.com

Jeff Sanders
New York
jsanders@heidrick.com

WE HELP OUR CLIENTS CHANGE THE WORLD,
ONE LEADERSHIP TEAM AT A TIME®

Copyright © 2019 Heidrick & Struggles International, Inc. All rights reserved. Reproduction without permission is prohibited. Trademarks and logos are copyrights of their respective owners.

Illustrations: © Michael Kirkham