

Talent Management

How to Identify Game-Changing Director Skills

By Phyllis Deiso

When you think about the attributes of an effective director, what words come to mind? Some attributes are a given for all directors, such as ethical, intelligent, and articulate, just to name a few. But is the board as a whole more effective if a more thoughtful approach to director selection is taken beyond the core requirements? And what makes a board member the game changer in the room?

If you are part of a very high-functioning board, you know the attributes of your individual members make the board effective and efficient. This is why now is the time to take note of which attributes make the board effective—and which attributes would be missing upon the resignation of any one director.

If you are part of a board that is not high-functioning, it may take some analysis to determine which attributes are missing. While there is no single complement of skills that will suit every board, one way to shape the analysis is to think more broadly about diversity.

There is a lot of discussion about diversity in terms of ethnicity and gender, both of which are important elements in any organization. When it comes to the profile for directors, there are other factors to consider:

■ **Strengths.** What does each incumbent director do best? A good place to start is by using the well-known Clifton-Strengths talent assessment tool. Does it seem like the boardroom is filled with those who can easily execute and influence (i.e., lots of achievers and maximizers)? Perhaps there is a need for more deep thinkers (i.e., those who are analytical, futuristic, or strategic), or good relationship builders, such as those who

possess the strengths of connectedness, positivity, or harmony.

■ **Risk appetite.** Is there a healthy balance in the room?

■ **The company itself.** Consider, for example, a tech company, which might attract directors who are inquisitive and entrepreneurial. Is there a need for directors who are more transactional? Could the board of a sage financial institution benefit from the insights of a successful

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35-year-old entrepreneur?

■ **Competencies.** Given the stage of the company's development, is there a need for certain hard skills, such as experience in law, accounting, economics, human resources, information technology, or marketing?

■ **Industry experience.** Is it required? Should there be a board member who is at one end or the other of the economic continuum (e.g., someone with manufacturing experience on the board of a distributor)? It may not be a bad idea to include someone from outside the industry.

■ **Age or tenure.** Could fresh perspectives enhance the creativity and innova-

tion of the company? Or, is it the synergy of experience that allows the board to tackle tough issues?

■ **Closeness to management.** Some boards are handpicked by the CEO or board chair. Although technically independent, are all board members indeed independent? Given the mandates of the Securities and Exchange Commission and the NYSE and Nasdaq, consider taking a hard look at the board's willingness to challenge ideas, conduct, and omissions of management.

Whether yours is a new board or one that is always mindful of its succession planning, it is important to consider which competencies and skills the board as a whole does and should possess.

And, of course, the skills of every director can be enhanced through formal director education courses, as well as through informal, real-world insights gained from professionals such as attorneys and auditors who advise public companies on a myriad of issues. Board effectiveness and efficiency is improved when members receive meaningful, fundamental information together with timely updates regarding developments about governing principles, such as risk oversight, financial reporting, fiduciary duties, and effective communication.

Boards will be most effective when all those at the table are game changers—and the breadth of the team allows each player to contribute in a meaningful way.



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