

London

Synthesis

# Perspectives from Egon Zehnder's Women on Industrial Boards Dinner Series

*#mindthegap*

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**EgonZehnder**



Egon Zehnder London hosted its second event in a dinner series for women directors of industrial boards. Hosted by Susan Kilsby as our anchor guest, we gathered a group of women directors of FTSE 100 industrial and b2b boards and discussed a number of key themes, including:

## **The path to Chair for women**

It is very rare to be appointed Chair from outside of the company; the female chairs we had around the table had largely been promoted from within. Most felt it is important that boards see potential in people, particularly in first-time chairs. The search firms as well as the nomination committees could do more to introduce female candidates that are Chair-ready – utilize Egon Zehnder’s Potential Model and reference candidates ferociously to make sure they are ready for the step-up. Holding the role of Senior Independent Director (SID) opens up the opportunity to be seen as ‘chair-ready’; but normally on a different board because of timing/sequencing and because the SID typically handles the chair succession on their own boards and thereby are conflicted.

“The SID is like a Barcelona goal keeper: most of the time you won’t have to do much, but there are moments where you’ll have to work bloody hard.”

## **The role of the RemCo Chair: A blessing or curse?**

It seems like chairing the remuneration committee is becoming a stereotypical ‘woman’s job’ on the board, as more and more women are being approached and appointed as RemCo chairs. Is that potentially diminishing the role? Most of our guests agreed that – on the contrary – the RemCo chair role has become a very important role on the board: It is often the toughest board leadership role these days, particularly given the scrutiny of pay and benefits. It therefore requires a lot of skill and provides the committee’s leader with the opportunity to have exposure to investors. This in turn is helpful in building an external profile; which is additive on the journey to becoming Chair. Another benefit is that it gives the committee leader the opportunity to refine her board leadership skills – and demonstrate to

her fellow directors that she is growing in the role and getting ready for bigger responsibilities around the table.

**“Good chairs of Rem will make really good candidates for chair – this is where it is all happening and they will have mastered the art of mediation.”**

### **What are the virtues (if any?) of having a digital director on the board?**

Bringing a digital expert or a ‘disruptor’ to a board can bring significant diversity of thought and help reset mindset and paradigms. However, the integration has to be done well; many directors see this skillset as a ‘specialty’ with too narrow focus, and they are questioning whether the digital director can add value to the broader discussions of the board. As a topic, the room was evenly divided:

- “The term ‘digital director’ makes me cringe!”
- “It’s not about digital per se; it’s about disruption.”
- “We can discuss audit issues for an hour, but once we start discussing operations and how to use AI to transform the business, many board directors get bored very quickly. This worries me.”
- “The digital director is like the woman on the board 10 years ago: You need to embrace them.”
- “It is important that the digital director can contribute more broadly.”
- “You need someone with a strategy view rather than an expert view.”

### **The pace of transformation on boards: Too slow?**

Most organizations are in transition – but does the board transform at the same pace?

We could think about two tracks for directors: One track will be those who stay for the long term (maybe even beyond 9 years) to be the foundational/institutional custodians. The other could be those who are brought in to impact shorter term disruptions and are more open to rolling off sooner, once the organization has moved ahead. The goal is to have a ‘fit for the future’ board – and this needs a strong Chair and SID. Most directors are not as aware of the future needs of a business/market/sector as they should be.

“I want a board that comes from the future; comes from where we are going as a business.”

### **The path to CEO & the role of the NomsCo**

“Boards and nomination committees can play a very important role in making sure that women are considered for CEO succession: we can challenge the assumptions, make sure we include women in the process, and request from the search firm that they challenge us back. The nomination committee is pivotal to getting more women appointed as CEO.”

“There is an inherent assumption that women will not travel or move for an executive promotion, but they are often not even asked about it! ... and if you asked her, did you make it compelling for her to do so?”

The NomsCo should relish the challenge to operate as a proper committee in the same way that audit and remuneration do. Otherwise they can find themselves clambering about, rather than properly considering succession.

Perhaps there would be merit in splitting up the roles of NomsCo chair and Chair of the board? It would give others a chance to have greater exposure and responsibility.

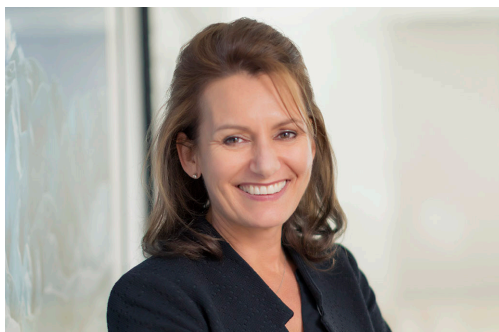
### **Conclusion: Our duty as women**

“Boards are designed by men and for men.” We as women, have an opportunity to proactively lead the discussions that are critical, particularly around engagement & executive succession planning. We have to advocate for better diversity in a proactive way and at every opportunity. “Boards are no different than society at large: 51 percent of the world, and of consumers, are female. Boards should reflect the reality of the human race.”

## Hosts



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## **About Egon Zehnder**

Egon Zehnder is the world's leadership advisory firm, sharing one goal: to transform people, organizations, and the world through great leadership. We know what great leaders can do and are passionate about delivering the best leadership solutions for our clients. As One Firm, our more than 450 Consultants in 68 offices and 40 countries bring our individual strengths to form one powerful collaborative team. We partner closely with public and private corporations, family-owned enterprises, and nonprofit and government agencies to provide Board advisory services, CEO search and succession, executive search, executive assessment, leadership development, and organizational transformation. We share a commitment to and pride in doing work that contributes to successful careers, stronger companies, and a better world.

For more information, visit [www.egonzehnder.com](http://www.egonzehnder.com) and follow us on LinkedIn and Twitter.