

The Global Capability Imperative For U.S. Boards

It's no surprise that, over the past five years, U.S. companies have been busy adjusting their global strategy and talent to better align with long-term growth opportunities. What has been surprising is the continuing disparity between a rapidly expanding global footprint of U.S. companies and the board capabilities of those same companies to guide and advise on global opportunity and risk.

boardroom conversations

On S&P 500 boards, the share of directors who are foreign nationals is 7% and the share with meaningful international work experience is 14% - still not close to reflecting relative international revenues. What does this tell us? Is the demand for global directors simply outpacing supply? That's part of it, but another answer may simply be that recruiting global board talent remains a tough nut to crack.

Know what you want, and why

Finding the right candidate requires up-front consensus and thoughtful decision-making about what is truly needed. When the specification is not clear, the recruiting process becomes time-consuming and frustrating for both the board and the candidate.

Too often, boards focus on just adding a director to fit the optics of globalizing a board, but it isn't that simple. The specification for this director must tightly align with the company's strategic global opportunity or risk in a way that is truly additive.

Avoid obvious pitfalls

Recruiting global talent in the boardroom is a complex, multi-dimensional task with no silver bullets. There are plenty of known pitfalls boards can avoid if they plan carefully, proceed with caution, and ask themselves and their candidates important and sometimes never-before-considered questions. This is a sensitive, complex, and critical realm. And the considerations don't end when the ideal candidate is selected; they must be reviewed continually.

- What, exactly, will be expected of this new board member in terms of their contribution to the international dialogue in the boardroom?
- Does the board need someone who resides overseas, or would a domestic candidate with overseas experience or exposure suffice?
- If the candidate resides overseas, does she/he have the bandwidth to attend all meetings and engage in time-intensive committee matters?
- Is the candidate versed in U.S. governance and board culture?
- Given the different cultural values and standards from country to country, can you trust the candidate with your most confidential matters?
- What level of English proficiency does the candidate have, and how will that proficiency be assessed and confirmed? Will this new member be able to properly participate in nuanced discussions?

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1 + 1 = 3

A highly customized approach to recruiting the international director really does matter. When boards truly align their board succession agenda with their global strategy, they are able to move beyond the homogenous boards of yesteryear and benefit from the immeasurable advantages this diversity brings.

Author



Kim Van Der Zon

Egon Zehnder, New York
kim.vanderzon@egonzehnder.com
+1 212 519 6160

Kim Van Der Zon leads the Global Board Practice of Egon Zehnder. She has successfully served *Fortune* clients across a broad spectrum of global companies from financial services and consumer packaged goods to pharmaceuticals and technology.

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