



esade

Center for Corporate
Governance

Report

Managing the transition from executive to board director

What helps an executive join the board?

Do Good. Do Better.

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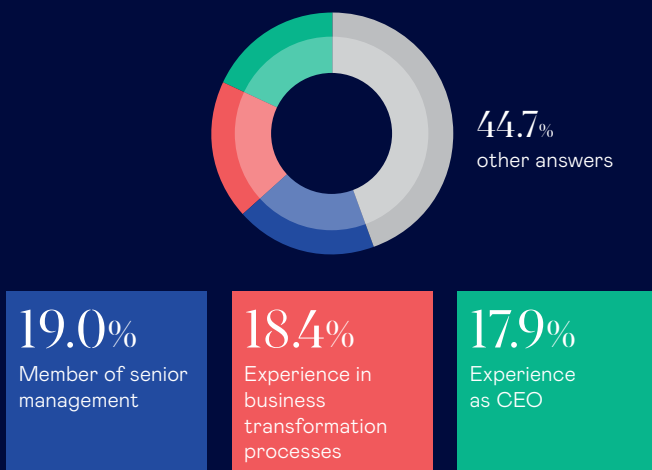
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1. Executive summary

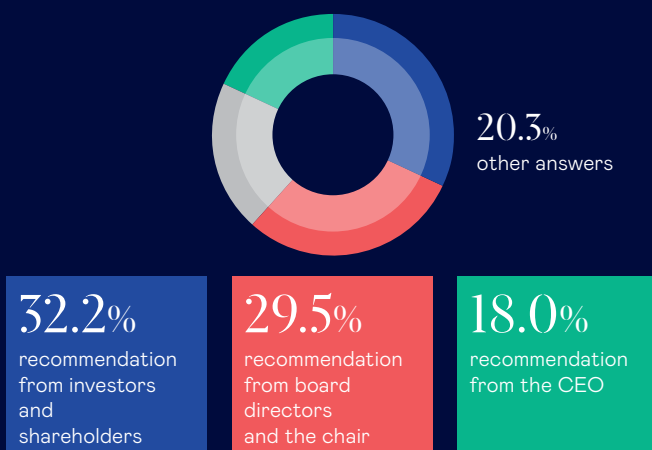
This study analyzes the key aspects for effectively managing the transition from executive to board level and explores the main challenges in this process – both now and in the years ahead.

Some of the main contributions of the study are highlighted below:

The top three career pathways facilitating a transition from executive to director are:



Board directors report that the three most successful ways to join a board are:



Data by gender tells us that **female directors place executive search firms in second place in the ranking (21.4%)**, while **male directors, in line with the overall data sample, place executive search firms in fourth position (7.1%)**.

The top five facilitators for reaching a board position are:

- 1 good management of personal contact networks
- 2 building a good account of your professional experience as a career story
- 3 acquisition of key knowledge about the board
- 4 development of relationships to gain the support of board influencers
- 5 an understanding of the new standards in corporate governance

The three areas of knowledge that are most valued for gaining a seat on the board are:

- Strategy
- Knowledge of the sector or industry
- Risk management

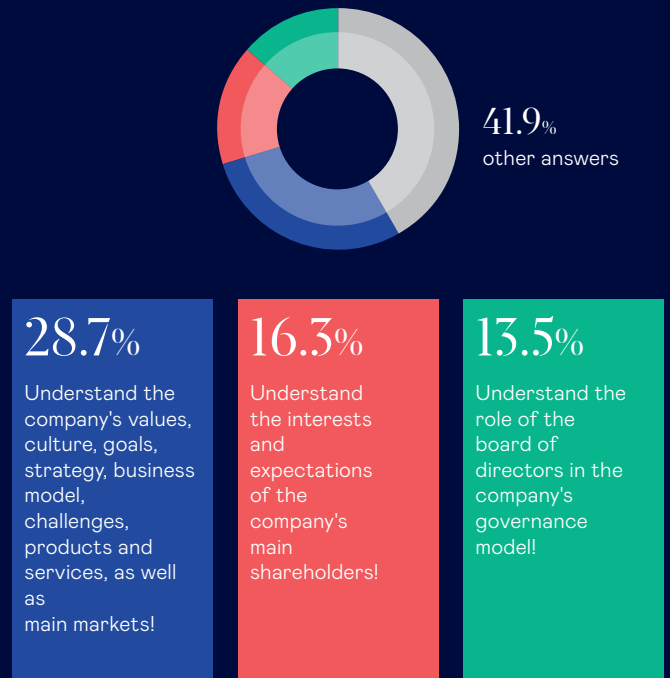
The three main skills that are prioritized to become a director are:

- 1 An ability to gain the confidence of shareholders and stakeholders by demonstrating integrity
- 2 Strength, courage, caution, and serenity when contributing judiciously to the board and executive team, while being able to make difficult decisions
- 3 Informed judgement and panoramic vision regarding complex markets and environments

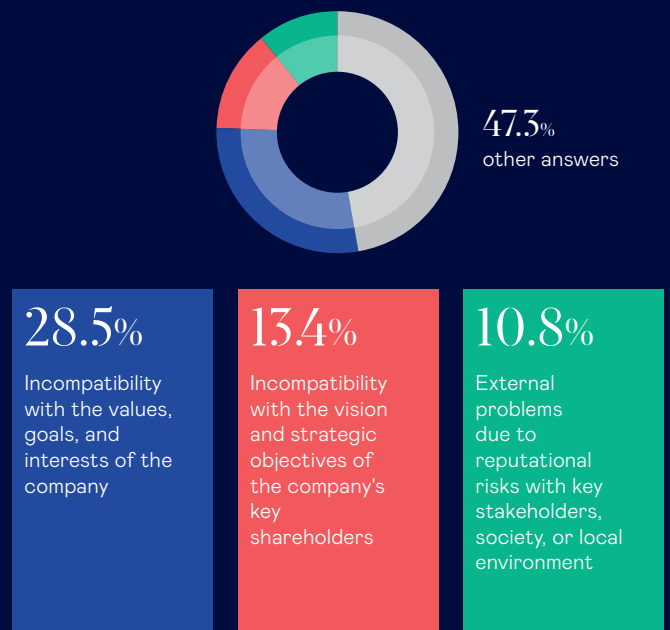
The three main contributions a company can make for one of its executives to become a director are:

- 1 Placement as a director in a subsidiary or investee
- 2 Recommend candidacy for other boards directly, or via headhunters and other actors!
- 3 Introduction as a company representative on the board of a foundation or relevant trade association.

The three main aspects to prepare well for interviews with a headhunter and/or the board/appointments committee are:



The top three reasons to reject a board position are:



2. Introduction

The transition from an executive position to board director is one of the most important career steps. Access to the highest decision-making body of a company represents the culmination of a professional career. This transition offers elements of recognition and social prestige that make it highly desirable for those beginning, what is often, the last phase of their professional career.

A board director participates, firstly, in the discussion and approval of key corporate decisions, in accordance with the regulatory framework and the internal regulations of each company. Likewise, a director is involved in the process of control and supervision of how the executive team implements the adopted decisions and achieves the business objectives and commitments agreed with shareholders.

Finally, a director supports the work of the executives by providing guidance and strategic advice. However, a successful career as an executive does not necessarily imply a successful career as a director. The roles of executive and director clearly differ, and they participate in different moments of the corporate governance process (Hilb, 2016). One of the classic problems of the governance model to be avoided (and therefore discussed in many articles and academic studies) is an excessive interference by directors in the role of executives which generates distortions that endanger corporate control (Monahan, 2016; Shekshnia, 2018; Subramanian, 2015). It is therefore important to keep in mind that the transition from executive to director also involves a change in focus and responsibilities for the individual.



As a senior executive, an individual may have focused on the day-to-day management of the company, whereas, as a director, their role is more strategic and long-term.

In addition, directors have a responsibility to the company's shareholders and must make decisions in the best interests of the company. Therefore, it is crucial that a director has a solid understanding of the company and its business, as well as a broad perspective on the issues and challenges facing the company.

The transition from executive to corporate director can be an important opportunity to continue contributing to the success of the company from a strategic and long-term perspective – but it also demands a change in focus and responsibilities, as well as a solid understanding of the business and its environment.

One of the recurring issues we are asked to address by participants in Esade board-level programs, and those who contact executive search firms to fill board positions, is how to acquire a better understanding of the key elements for successfully managing the transition from executive to board director. The goal of this study is to generate empirical evidence for the strategies, actions, and skills needed to maximize the opportunities that arise in the process of being appointed to a board position.

The challenges faced by a professional seeking appointment to a board of directors are unique in terms of the learning acquired throughout their professional career, the skills developed, the situations experienced, and the mistakes and difficulties encountered. The key factors are the relationships of trust that have been built, the knowledge that exists of the value of the market, and often the way we build a narrative of these elements of value and the impact we can generate when we

interact with advisors and decision-makers in the board appointment process.

This study helps us better understand the keys that can give us a better chance of success and accelerate this transition.

3. Method

3.1 Research design

This study was developed using a non-experimental research approach with cross-sectional data that included a survey and statistical and text analysis. The methodology followed the transparency steps recommended by academic experts in the field of administration (Aguinis et al., 2018).

The survey design was based on a five-part questionnaire. Part 1 involved four ordinal and categorical questions to assess respondent profiles. Part 2 was based on eight organizational segmentation questions regarding experience. Part 3 considered four sets of psychographic questions on a Likert-type scale from 1 to 5 on how transition facilitators are perceived. Part 4 included an ordinal rating question to assess respondent knowledge, two psychographic questions on a Likert-type scale from 1 to 5 to assess skills perception and the organizational support perceived by respondents, as well as two categorical questions to assess respondent rejection conditions and the key aspects of selection for the transition process. Finally, Part 5 presented an open-ended question about future challenges that was analyzed using content and network analysis techniques. In conclusion, the survey consisted of 22 simple and multiple-choice questions.

3.2 Data collection and study sample

An online survey was conducted to collect data for this study (using the Qualtrics tool) between February and March 2023. As the unit of analysis, the survey was mainly addressed to senior executives intending to join a board of directors, and directors with experience on the boards of listed and unlisted companies in Spain.

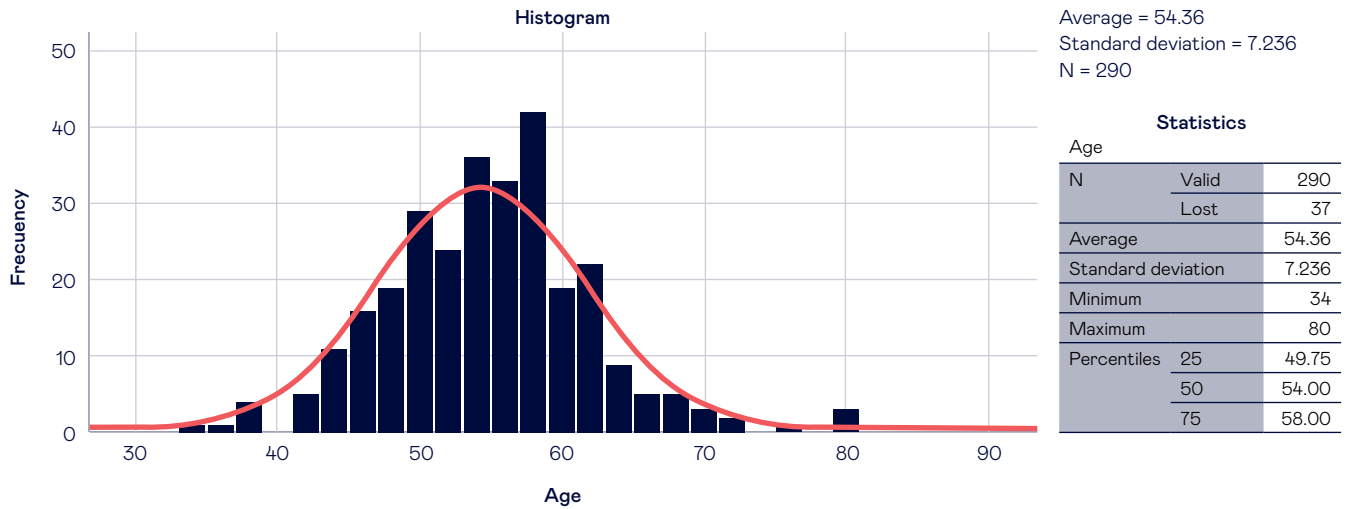
The survey was initially directed at a population of more than 2000 potential participants and obtained a target sample size of approximately 322 respondents at a confidence level of 95% and an error margin of 5%. The sample size amounted to the 327 respondents who answered the survey, with 290 valid responses being considered for analysis (corresponding to the respondents who completed the survey). For some questions, there was a variation in the number of responses collected and the subsequent sample size – with a minimum of 243 responses.

The data were collected, validated, and analyzed by the Esade Center for Corporate Governance research team during March and April 2023. In addition to the quantitative and descriptive analysis of the survey results, open-ended comments were provided by the respondents to provide information that enabled a triangulation of the figures, and this brought substantial value to the study. Therefore, the methodology includes a combination of quantitative (Hair Jr et al., 2019) and qualitative (Pollach, 2012) analysis.

A more detailed description of the sample follows below in four areas: profile of respondents by age; gender; education level; and career.

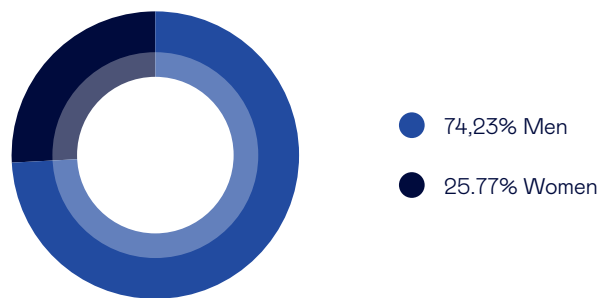
3.3 Respondent profile

Figure 1.
Distribution of respondents by age.



Out of the 290 respondents for our study, the average age of the sample is 54 years, the minimum age is 34, and the maximum is 80. The sample can be grouped into four age groups: less than or equal to 49 years; between 50 and 54 years; between 55 and 59 years; and greater than or equal to 60.

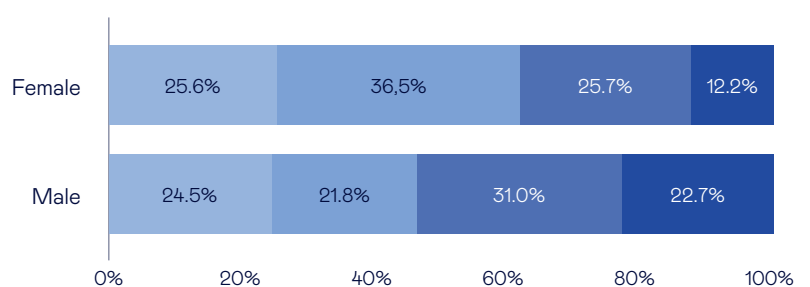
Figure 2.
Distribution of respondents by gender.



The overall study sample share is 25.77% women and 74.23% men.

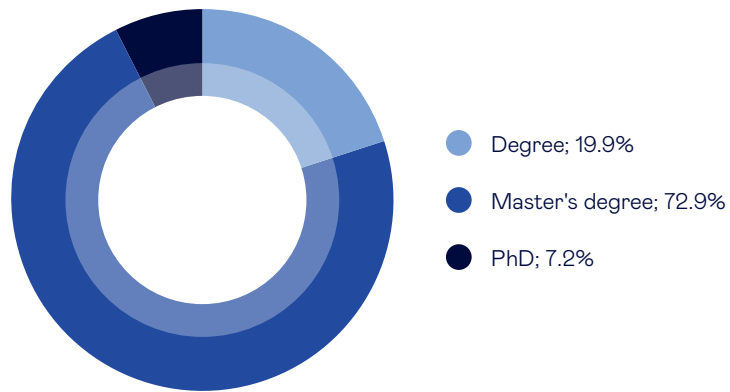
Figure 3.
Distribution of respondents by age and gender.

- 49 or less
- Between 50 and 54
- Between 55 and 59
- 60 or more



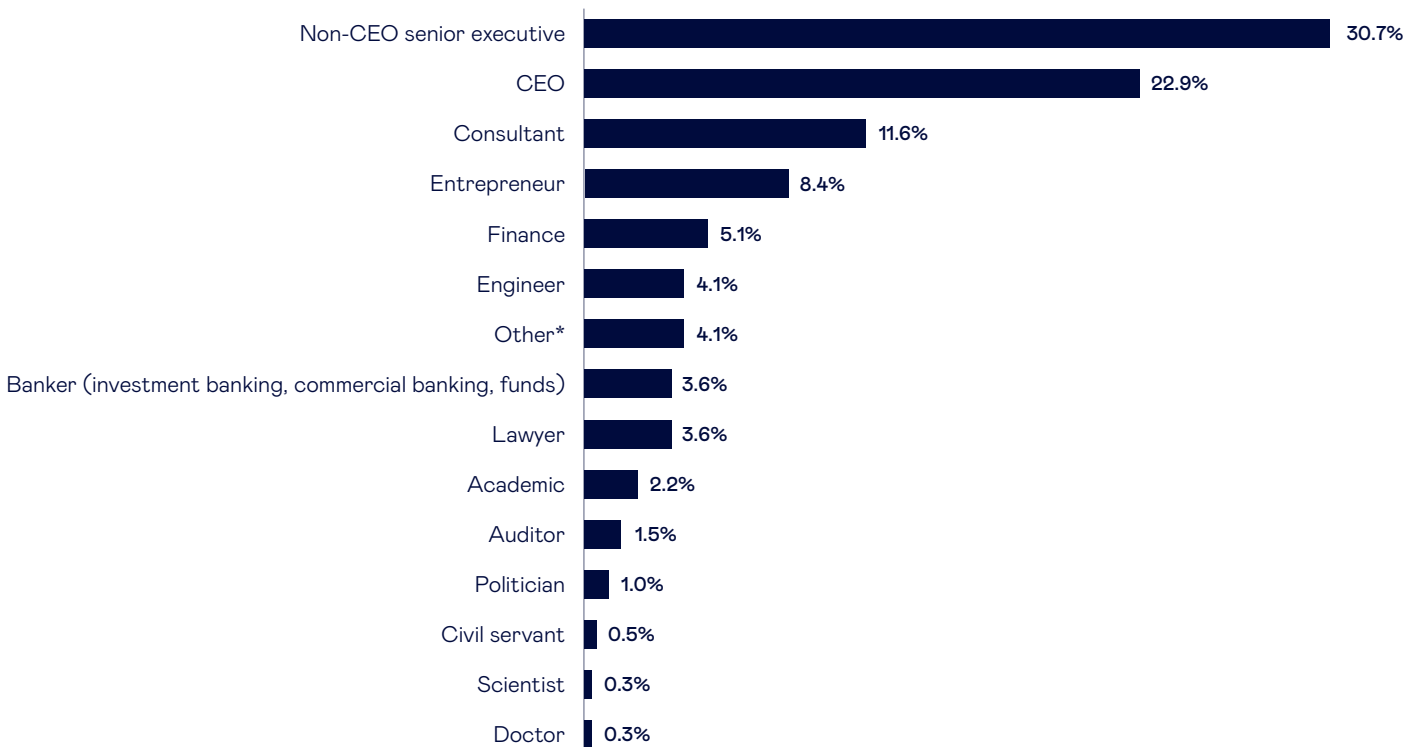
Likewise, an analysis by age and gender shows that the largest percentage of male respondents is between 55 and 59 years of age, while the largest percentage of female respondents is between 50 and 54. The smallest percentage of male respondents is between 50 and 54 years of age, while the smallest percentage of female respondents is 60 or older. These profiles show the growth in the participation of women on boards of directors; and how the increasing access by women to boards is rejuvenating the governing bodies of Spanish companies.

Figure 4.
Distribution of respondents by educational level.



Of 291 respondents, 19.9% have a university degree, while 72.9% have a master's degree and 7.2% have a PhD.

Figure 5.
Main professional profiles in the career of the respondents (total sample).



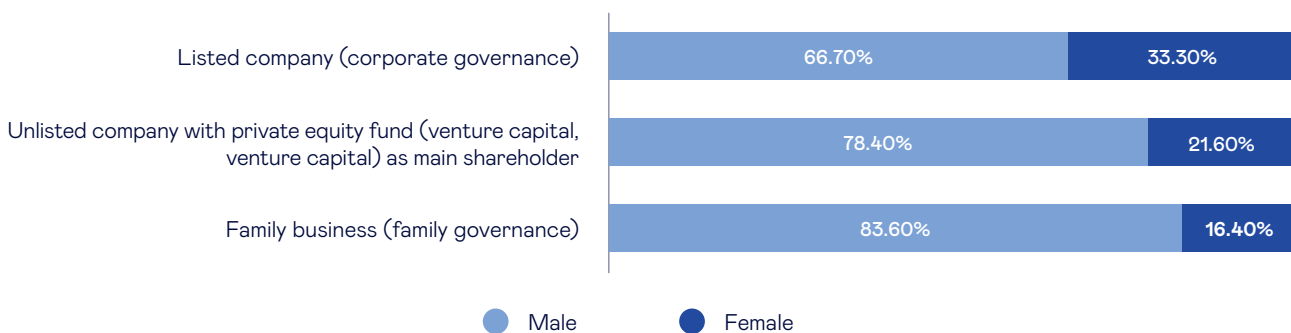
Out of 293 respondents, the two main professional profiles are non-CEO senior executives (30.7%) and CEOs (22.9%).¹

Figure 6.
Main professional profiles in the career of the respondents (sample of directors only).



Considering only respondents who declared themselves to be board directors, the top five professional profiles are reaffirmed with similar percentages. However, after the six most declared professions by board directors, we find bankers, engineers, auditors, lawyers, academics, and finally 'Other'* (considered as profiles oriented to human resource management).

Figure 7.
Distribution of respondents by gender and governance system.*¹



¹ The three most representative governance systems are considered for the significant study samples (N=234). Component 1 shows existing governance structures and systems.

The profile of the respondents is concentrated in three governance systems: listed companies (N=87); unlisted companies with a private equity fund as main shareholder (N=74); and family businesses (N=73). Of these three systems, in the first, 66.7% are men and 33.3% are women; in the second, 78.4% are men and 21.6% are women; and in the third, 83.6% are men and 16.4% are women.



COMPONENT 1:

4. Experience

Professional background and leadership experience (especially for CEOs) are important for demonstrating leadership and management skills (Gray & Nowland, 2013). Executives with a strong professional track record can often be considered ideal candidates for a board position.

Previous participation as a director (Tejerina-Gaite & Fernández-Temprano, 2021) in other governance structures can provide valuable experience in corporate governance and board-level decision making. This experience may be transferable to a new board and can help a director adapt to a new role.

Having served as chair of the board can provide a clear understanding of the board director's role and leadership responsibilities. This experience can be especially useful in orienting new directors and managing relationships with key shareholders and other stakeholders.

In addition, being chair of one of the board's advisory committees or commissions can provide an understanding of the board's function and associated processes, and this can be useful in leading and effectively participating on committees for a new board.

Experience as a board chair (including as CEO) can provide a clear understanding of the relationship between the board and senior management – which may provide valuable insight for ensuring an effective alignment between the board and executive management and so ensure an effective strategic management.

Recommendations from external and internal agents (such as investors, shareholders, board directors, CEOs, senior management, and executive search firms) are important avenues for board recruitment, as these individuals and firms have wide networks of contacts and industry experience for identifying and assessing potential board candidates.

Investors and shareholders are often interested in the composition of the board, as this structure can directly affect financial performance. Therefore, they can be valuable sources of recommendations for candidates with the necessary skills and experience.

Board directors, the CEO, and senior management understand the company's culture and objectives, and can help identify candidates who will fit these aspects. In addition, they may have valuable industry contacts who can recommend high-level candidates.

Headhunters and executive search firms are experts in identifying and evaluating candidates for senior positions and can use their networks and search skills to find qualified candidates with relevant board experience.

Therefore, experience and key recommendations can be important for joining a board, as they can help in the identification and evaluation of qualified candidates who possess the needed skills and experience.

The findings for this component are detailed below.

4.1 Experiences according to career path

Figure 8.
Main career experiences that support the first board appointment.



Question B1. What were the three career experiences that most helped you obtain your first board appointment (or will enable you to obtain your first board)? N=261.

According to the responses of 261 respondents, the top three career experiences that facilitate the transition from executive to board were: membership in senior management teams (management committee member) with 19.0% selecting this option; experience in business transformation processes (culture/ leadership/people transformation) with 18.4%; and experience as a CEO with 17.9%.

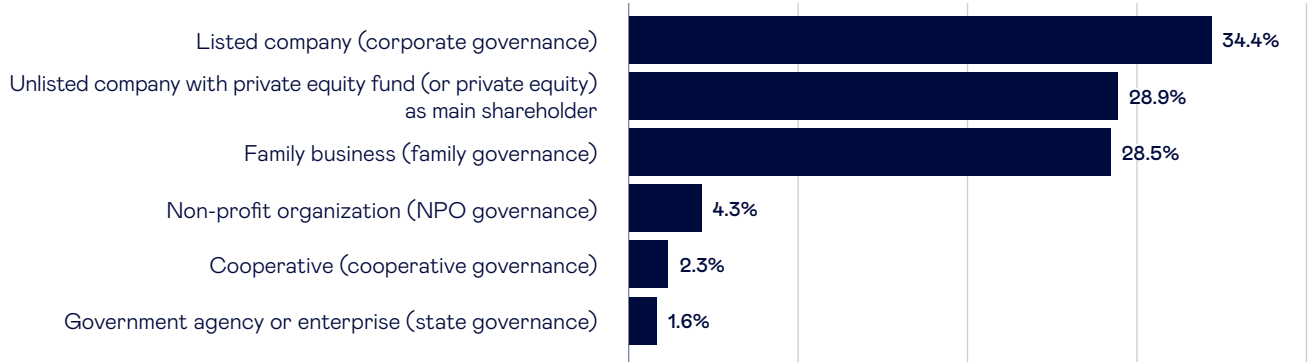
The great importance given to experience in business transformation processes supports an identified trend regarding the role and participation of boards of directors as a key for the success of strategic decisions adopted by boards (such as corporate

operations, and digital or technological transformation projects).

A noteworthy area is international experience, which without reaching levels as high as the first three, is still highly valued in companies that are already internationalized or are considering entering new markets (11.7%).

4.2 Experience as a director

Figure 9.
Experience in different types of governance structures and systems.



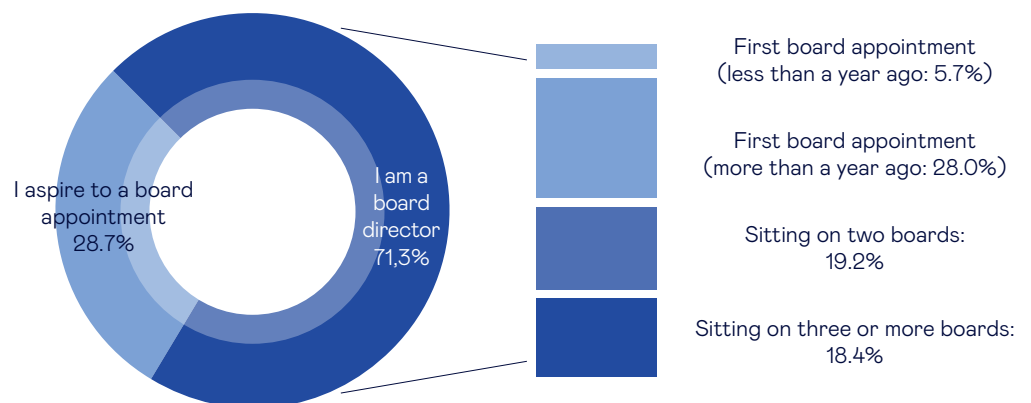
Question B2: In which types of governance structure have you worked, or would you be primarily involved as a board director? N=256.

Of the 256 respondents, experience in companies based on a shareholder or ownership structure (Federo et al., 2020) combines those directors in listed companies (34.4%); unlisted companies with a private equity/venture capital fund in their shareholding (28.9%); and family businesses (28.5%).

The importance of family companies is evidence of a strengthening of governance structures in family businesses and growing professionalization.

From the whole sample, we can see the importance of private capital in the shareholding of many nonlisted companies that have highly professionalized governance models.

Figure 10. (a)
Board experience.

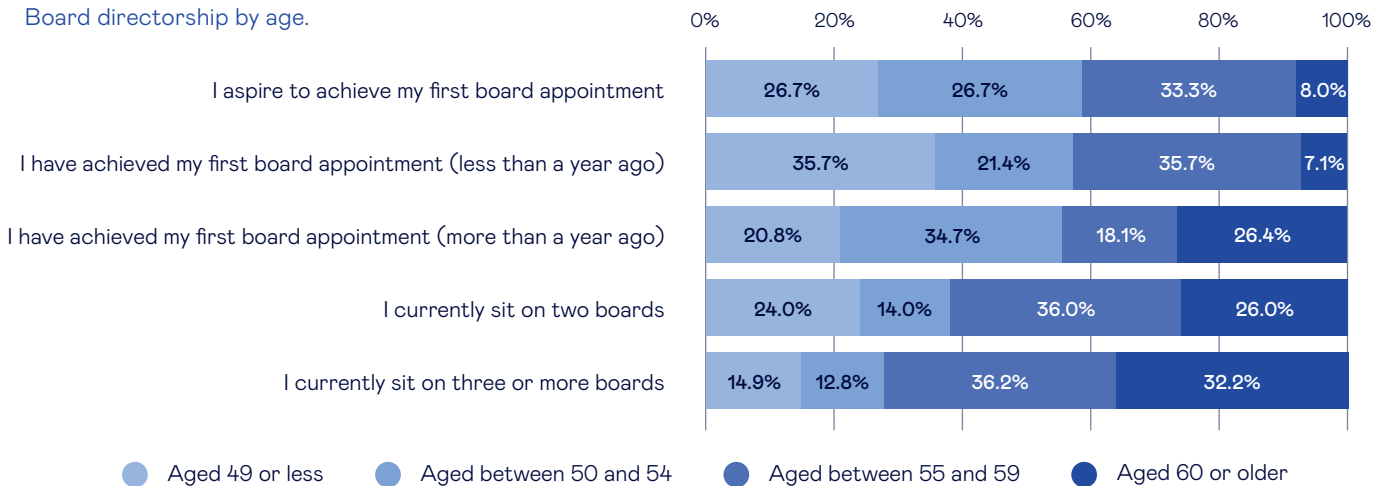


Question B3: Duration of board directorship N=261.

Of the 261 respondents, 28.7% are in the initial stages of becoming a board director and aim to achieve their first board appointment, while 71.3% are already board directors of at least one company. Of the latter, 28% have been on their first board for more than a year, and only 5.7% report being on their first board for less than a year. In addition, some 19.2% of the respondents with board experience report sitting on two boards, while 18.4% report sitting on three or more boards. It is increasingly common for companies to include a limit in their internal regulations on the number of boards they allow their directors to sit on. We have also seen increased demands from investors in listed companies, and their proxy advisors, to limit the number of boards on which a director can sit so as not to be considered ‘overboarded’.

Figure 10. (b)

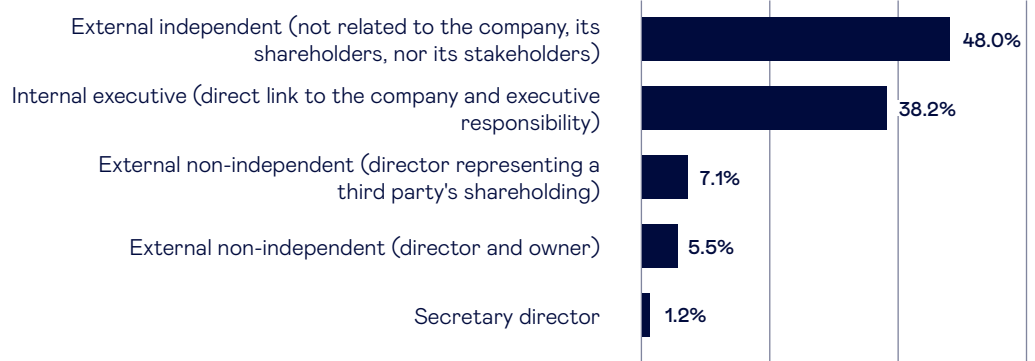
Board directorship by age.



A more detailed analysis by age range confirms an expected result regarding the relationship between age and career as a board director. More than a quarter of the respondents who aim to achieve their first board appointment are executives aged 49 or less (26.7%) and more than a third of the respondents who achieved their first board appointment less than a year ago are in the same age range (35.7%), while more than one-third of the board directors who declared sitting on three or more boards are 60 or older (36.2%).

Figure 11.

As a director, do you primarily consider yourself as an:



Question B4: As a director, do you primarily consider yourself as: N=254.

Some 48% of the 254 respondents identified themselves as independent external directors with no connection to the company, its shareholders, or stakeholders; while 38.2% identified themselves as internal executive members who have a direct connection to the company and executive responsibilities.

Only 12.6% of the respondents considered themselves to be nominee directors, either representing a third party shareholding (7.1%) or owning part of the capital directly (5.5%).

Finally, only 1.2% sit on a board as secretary.

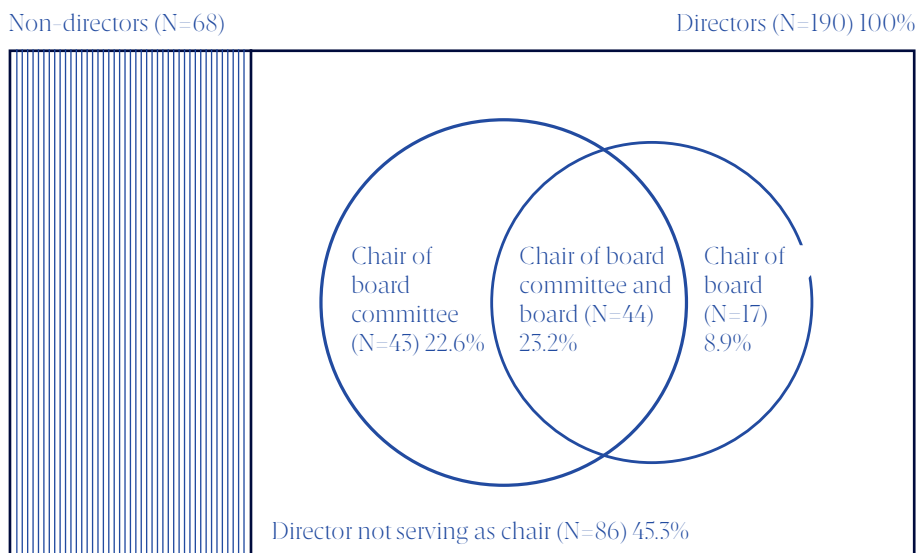
Table 1.
Experience as chair of the board and chair of board committee.

		... chair of the board			
		N=190	No	Yes	Total
... chair of a board committee	No		45.3%	8.9%	54.2%
	Yes		22.6%	23.2%	45.8%
	Total		67.9%	32.1%	100.0%

Question B5: As a company director, have you been selected as: a) chair of the board; or b) chair of a board committee? N=190.

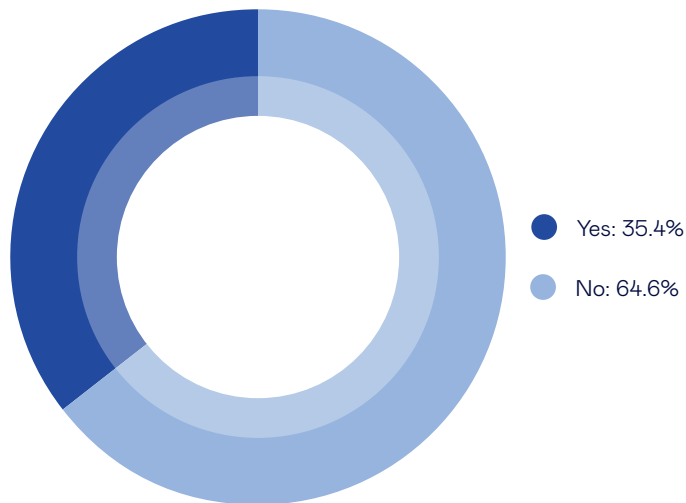
From the overall study sample, 190 respondents reported being board directors and from this group some 67.9% declared not to have chaired the board, while 32.1% said that they were board chairs; in addition, 54.2% said that they did not chair a board committee, while 45.8% said they chaired at least one board committee.

Figure 12.



It is significant for our conclusions that 104 participants in the sample (54.7% of the board directors who participated) chair a board or a board committee.

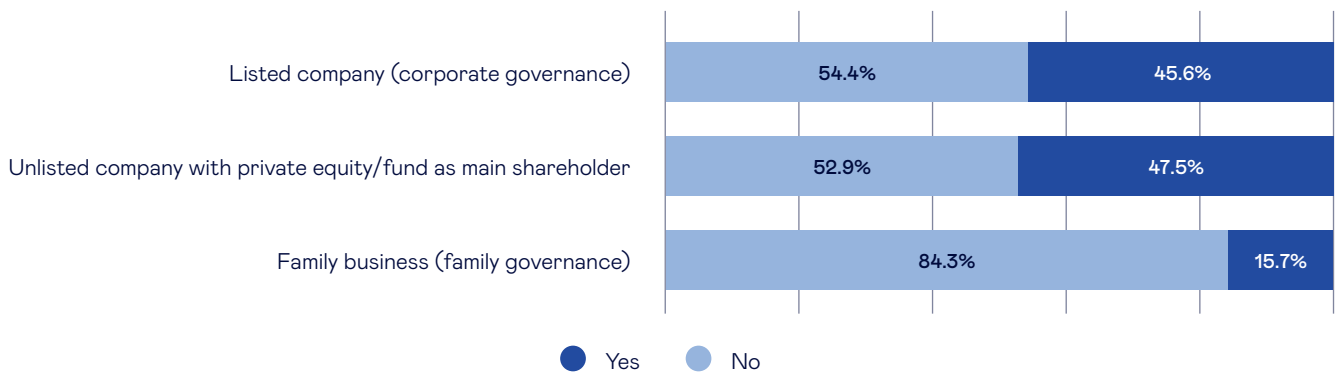
Figure 13 (a).
Experience as CEO and board chair.



Question B6: As CEO of a company, have you also chaired the board? N=175.

A total of 175 respondents from the overall study sample said they had served as company CEO. Of this total, only 35.4% confirmed a dual leadership position by also chairing the board of directors. Meanwhile, 64.6% stated that as CEO they worked alongside an independent structure for the chairship of the board.

Figure 13 (b).
As CEO, did you also chair the board (given the governance system).



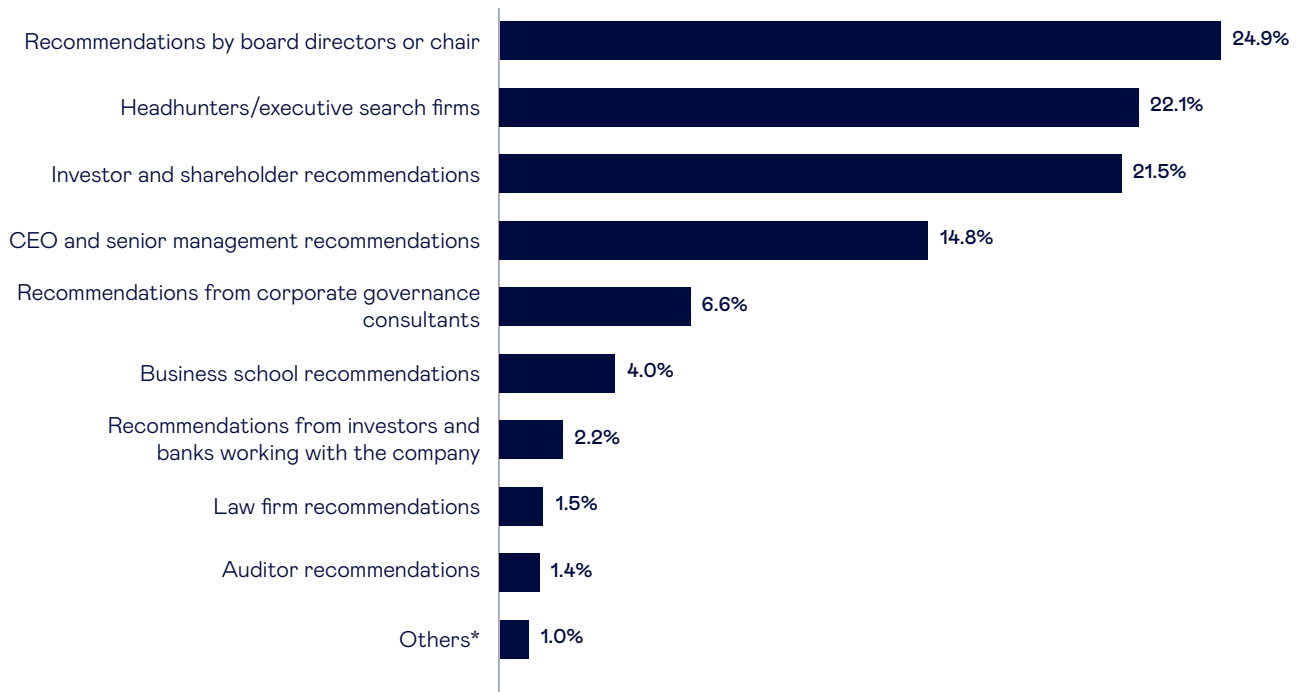
Likewise, by analyzing in terms of the governance system, we can see that of the three most representative structures, more than 45% of listed and unlisted companies with private capital as the main shareholder have CEOs who also chair the board. Meanwhile, in family governance structures, CEOs who also chair the board

account for just 15.7% of the total. These results reveal that listed and unlisted companies with private equity have no difficulties managing dual leadership structures (Krause et al., 2014) in which a single individual assumes two top-level positions, while family firms in the study tend toward a separation of ownership and control with independent leadership structures in their governance.

4.3 Experiences of different pathways to the board

Figure 14.

The main pathways for joining a board according to the reported experience of third parties:



Question B7: From the experiences of third parties you know, what do you consider as the three most successful pathways for joining a board. N=261.

According to what 261 respondents report as the experience of third parties, 24.9% perceive that recommendations from board directors and chairs are the main pathways for joining a board, followed by recommendations from headhunters and executive search firms at 22.1%, and recommendations from investors and shareholders at 21.5%.

In fourth place, also with a significant volume of responses, are recommendations from the CEO or senior management at 14.8%.

Additionally, as reported from third-party experiences, 4% of respondents point to recommendations from business schools.

Subsequently, other recommendations from external agents are considered successful by less than 2.5% of respondents.²

Table 2.

Main pathways for joining a board by gender. According to the reported experience of third parties.

N=261	Rank	% Female	Rank	% Male
Headhunters/executive search firms	1	25.6%	3	20.9%
Recommendations from board directors and chair	2	25.1%	1	24.8%
Recommendations from investors and shareholders	3	18.5%	2	22.6%
Recommendations from CEO and senior management	4	13.3%	4	15.2%
Recommendations from consultants advising the company on corporate governance	5	5.1%	5	7.2%
Business school recommendations	6	5.6%	6	3.4%
Auditor recommendations	7	2.6%	9	1.0%
Recommendations from investors and bank working with the company	8	1.5%	7	2.4%
Law firm recommendations	9	1.5%	8	1.5%
Others	10	1.0%	10	1.0%

When comparing responses by gender, we see that there is a difference in the ranking of pathways to the board. Female respondents consider headhunters and executive search firms as the most important pathway, according to the reported experience of third parties. The importance of other pathways follows the ranking of the overall sample (from board director and chair recommendations to business school recommendations). However, the ranking then changes with more value given by women to audit firm recommendations, followed by recommendations from banks and lawyers.

For male respondents, the main pathway is recommendation from board directors and chairs (as in the overall results). However, second in the male ranking is recommendation from investors and shareholders, and then headhunters and executive search firms. From this point and downwards, the male ranking resembles the overall ranking (CEO or senior management recommendations to recommendations from audit firms and others).

² The category "Others*" includes personal or independent means such as internal promotion.

Figure 15.

Main pathways for joining a board according to personal experience.



Question B8: If you are already a board director, from your personal experience, what has been the most important pathway for you to join a board. N=190. Note: Only respondents who were board directors were considered.

Regarding the three most successful pathways for joining a board, from the personal experience of those who have already joined a board, 32.2% say that the main pathway is through recommendations from investors and shareholders, followed by recommendations from board directors and the chair (29.5%), and the third most successful path is through recommendations from the CEO and senior management (18%). Access via headhunters and executive search firms falls to fourth place with only 10.9%.

These results show that the three most important pathways according to personal experience are those related to the three levels of internal corporate governance (investors, board, and executive management), with specialized search firms in fourth place, and personal or independent means such as internal promotion (reflected in the 'Other*' category) in fifth place. Exceptionally, some respondents acknowledge from their personal experience the rest of the external actors related to corporate governance.



Table 3.

Main pathways for joining a board by gender. According to personal experience.

N=190	Rank	% Female	Rank	% Male
Recommendations from board directors and chair	1	40.5%	2	26.4%
Headhunters/ executive search firms	2	21.4%	4	7.1%
Recommendations from CEO and senior management	3	19.0%	3	17.9%
Recommendations from investors and shareholders	4	11.9%	1	38.6%
Others*	5	7.1%	5	5.0%
Recommendations from corporate governance consulting firm	-	0.0%	6	2.1%
Business school recommendations	-	0.0%	7	0.7%
Recommendations from investors and banks working with the company	-	0.0%	8	0.7%
Law firm recommendations	-	0.0%	9	0.7%
Auditor recommendations	-	0.0%	10	0.7%

When comparing responses by gender, we see that there is a difference in the ranking of pathways for joining a board. Female respondents mainly consider five pathways. Firstly, recommendations from board directors and the chair. Secondly, headhunters and executive search firms. Thirdly, recommendations from the CEO and senior management. Fourthly, recommendations from investors and shareholders, and fifthly, other personal and independent channels such as internal promotion.

For male respondents, the top ranked pathway is recommendation from investors and shareholders. Secondly, recommendation from board directors and the chair. Thirdly, recommendations from the CEO and senior management. Fourthly, headhunters and executive search firms. Fifthly, other personal or independent pathways such as internal promotion. Sixthly, recommendations from consulting firms that advise the company on corporate governance – and finally (with the same percentage), other channels.

Therefore, we can conclude that for women, headhunters and executive search firms, as well as recommendation from board directors and the chair are the main pathways, followed by recommendations from the CEO or senior management. For men, recommendation from investors and shareholders, as well as from board directors and the chair, are the main pathways, followed by recommendations from the CEO and senior management.

Table 4.

The main pathways for joining a board.

The most important pathway for joining a board	Rank	From personal experience	Rank	From thirdparty experience
Recommendation from investors and shareholders	1	32.2%	3	21.5%
Recommendation from board directors and chair	2	29.5%	1	24.9%
Recommendation from the CEO and senior management	3	18.0%	4	14.8%
<i>Headhunters/ executive search firms</i>	4	10.9%	2	22.1%
Others*	5	5.5%	10	1.0%
Recommendation from corporate governance consultants	6	1.6%	5	6.6%
Business school recommendations	7	0.5%	6	4.0%
Recommendation from investors & banks working with the company	8	0.5%	7	2.2%
Law firm recommendations	9	0.5%	8	1.5%
Auditor recommendations	10	0.5%	9	1.4%
		100.0%		100.0%

A comparative table enables us to examine the differences in ranking between the personal experiences and the reported experiences of third parties. Based on personal experiences, recommendations from elements of the company (such as from investors, board directors or chair, and the CEO or senior management) are highly important; while, based on the experience of third parties, the ranking is topped by board directors and chair, followed by headhunters and executive search firms, and then recommendations from investors.

With respect to the 'Other' category, respondents mentioned (mostly as personal experiences) internal promotion or recommendations from high-level directors of the governance structures within the company as a pathway to achieve board directorship.

COMPONENT 2:

5. Transition facilitators

After working with board candidates and other participants in corporate governance training programs, the authors of this study identified the factors that accelerate a transition from executive management to the boardroom. Visibility, training, relationships, and a career story are the keys for giving effective signals of preparedness for promotion to the board (Connelly et al., 2011). These are also factors that can be influenced individually.

Visibility is crucial so that executives seeking to join a board can be identified for opportunities that arise and be recognized as outstanding leaders in their field.

Training is essential for directors to acquire a clear understanding of the role and responsibilities of a director and how boards function. Training can also provide knowledge of best practices and trends in corporate governance, and this can help directors better adapt to their new roles. Additionally, access to up-to-date knowledge on key issues for today's board agendas can strengthen and differentiate the profile of a candidate for a board position.

Relationships are crucial as they provide opportunities to network with industry leaders, executives, and directors of other companies. These relationships can help executives gain a better understanding of best practices and trends in corporate governance and may provide opportunities to meet the advisors, influencers, and decision-makers in the selection process for new directors.

A good **career story**, or how we share the learnings and experiences gained throughout our professional career, is vital for executives who wish to effectively communicate the value of what they can bring to a board of directors. A strong and compelling career story can help executives be seen as ideal candidates

and increase their chances of being selected. The way in which we present our career story for a board position is very different from the traditional way in which a resume or CV is presented for an executive position.

Visibility, training, relationships, and career story are key enablers to effectively signal readiness for joining a board. The data below highlights the most valuable elements or strategies within these four aspects.

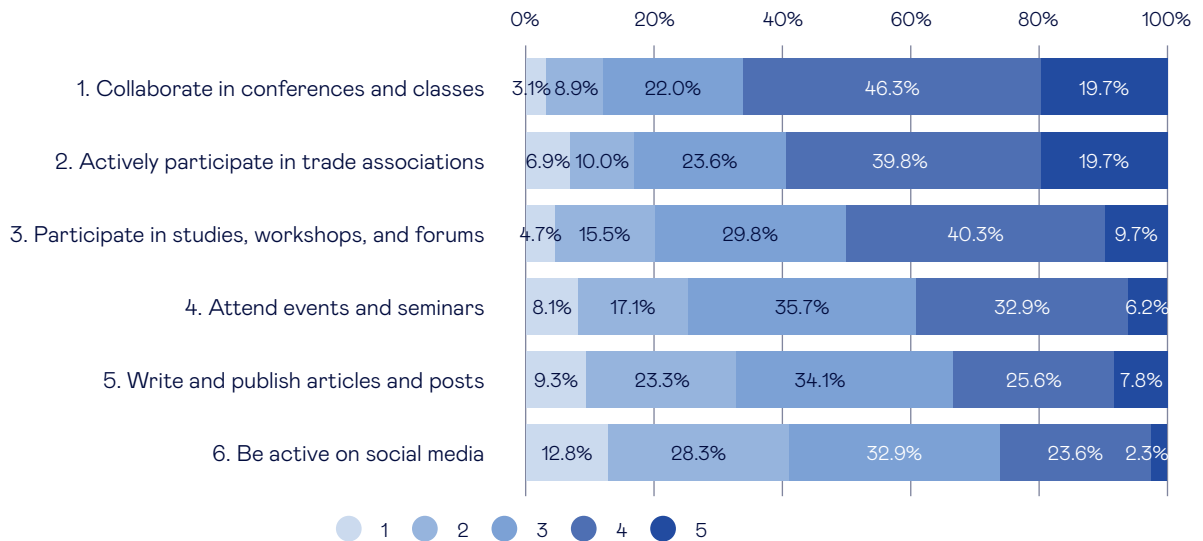
The findings for this component are detailed below.



5.1 Visibility dimension

Figure 16.

Ranking the effectiveness of **visibility** strategies and actions for joining a board.



Question B9a: From your perspective, what level of effectiveness (from 1 to 5) would you give to the following actions for joining a board. N=259.

Out of 259 respondents, collaboration in conferences and classes was ranked first with an average of 3.7 (± 1) out of 5 points; actively participating in trade associations ranked second with an average of 3.6 (± 1.1); participating in studies, workshops, and forums ranked third with an average of 3.3 (± 1); attending events and seminars ranked fourth with an average of 3.1 (± 1); writing and publishing articles and posts ranked fifth with an average of 3 (± 1.1); and finally, being active in social networks ranked sixth with an average of 2.7 (± 1).

These results show that more than 50% of respondents consider the first three aspects of the visibility dimension to be of primary importance. Indeed, the first aspect of collaborating in conferences and classes is considered important or very important by 66% of respondents (levels 4 and 5). Similarly, 59.5% of respondents consider the second aspect of actively participating in trade associations as important or very important. Finally, 50% of respondents consider participating in studies, workshops, and forums to be important or very important (levels 4 and 5).



Table 5.

Importance of visibility strategies or actions for being effective in the process of joining a board according to board membership and number of posts.

	I aspire to my first board appointment			Achieved first board appointment (less than a year ago)			Achieved first board appointment (more than a year ago)			I sit on two boards			I sit on three or more boards		
	Rank	Average	Standard deviation	Rank	Average	Standard deviation	Rank	Average	Standard deviation	Rank	Average	Standard deviation	Rank	Average	Standard deviation
Collaborate in conferences & classes	1	4.07	0.90	2	3.8	0.77	2	3.51	1.00	1	3.62	1.01	1	3.52	0.99
Actively participate in trade associations	2	3.77	1.06	1	4.0	0.93	1	3.53	1.21	2	3.32	1.13	2	3.35	1.06
Participate in studies, workshops, forums	3	3.58	1.02	4	3.3	0.88	3	3.42	0.97	3	3.28	0.97	3	2.98	1.04
Attend events and seminars	4	3.43	0.87	6	3.1	1.06	4	3.10	0.97	4	2.98	1.22	5	2.83	1.04
Write and publish articles and posts	5	3.22	1.01	3	3.4	1.18	5	2.92	1.02	5	2.74	1.14	4	2.90	1.13
Active on social media	6	3.07	0.97	5	3.2	1.01	6	2.74	1.00	6	2.48	1.05	6	2.40	0.98

While the first results show some agreement with the importance given by all the respondents, when comparing the results according to levels of board directorship, the overall ranking resembles the ranking of those aspiring to their first board appointment and those sitting on two or more boards.

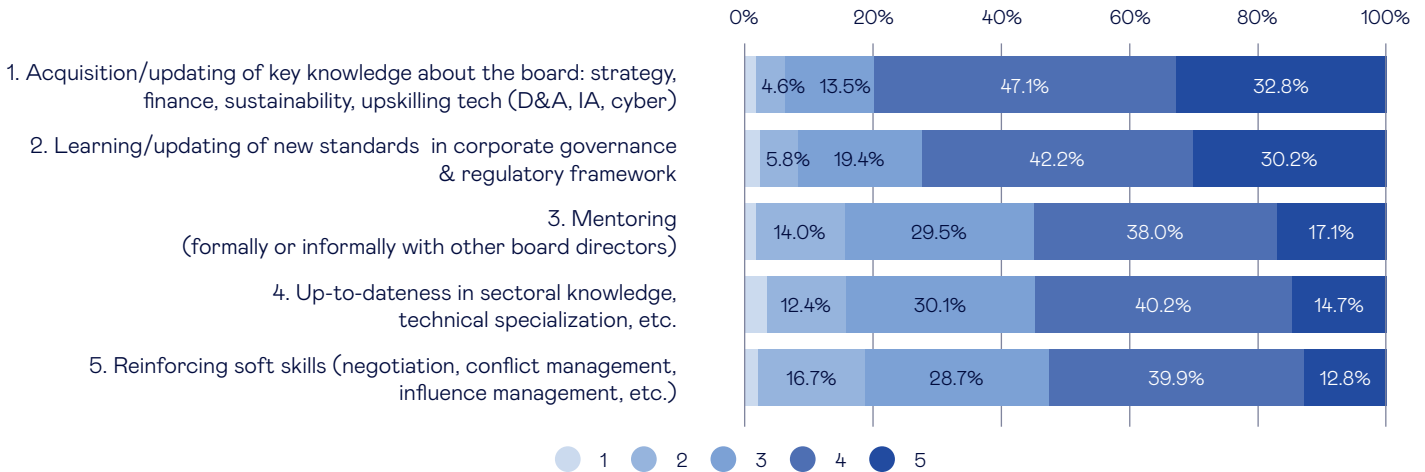
The ranking varies for those who have already been appointed to a board. For those directors who achieved their first appointment less than a year ago, the ranking of importance for activities is as follows: first, actively participating in trade associations; second, collaborating in conferences and classes; third, writing and publishing articles and posts; fourth, participating in studies, workshops, and forums; fifth, being active in social networks; and sixth, attending events and seminars.

While for those who achieved their first board appointment more than a year ago, the ranking closely resembles the overall ranking – except that the most and second-most important activities have swapped places.



5.2 Training dimension

Figure 17.
Importance of training for effectiveness in the process of joining a board.



Question B9b: From your perspective, what level of importance (from 1 to 5) would you give to the following aspects for effectiveness in the process of joining a board. N=259.

Out of 259 respondents, the ranking for aspects of training was: first, acquiring/updating board knowledge on strategy, finance, sustainability, and tech (such as D&A, IA, and cyber) with an average of 4 (± 0.9) out of 5 points; second, learning/updating new standards in corporate governance and regulatory framework with an average of 3.9 (± 1); third, mentoring (formally and informally with other directors) with an average of 3.6 (± 1); fourth, up-to-dateness in sectoral knowledge, and technical expertise, with an average of 3.5 (± 1); and finally, reinforcing soft skills (such as negotiation, conflict management, and influence management) with an average of 3.4 (± 1).

The results show that 79.9% consider it important or very important (levels 4 and 5) to acquire/update key knowledge about the board, while 72.4% give the same consideration to becoming updated on new standards and best practices in corporate governance. We were surprised that only 54.9% of respondents gave great importance to updates in sectoral knowledge, and 52.7% to the reinforcement of soft skills.



Table 6.

Importance of **training** strategies or actions for effectiveness in the process of joining a board – according to board membership and number of posts.

	I aspire to my first board appointment			Achieved first board appointment (less than a year ago)			Achieved first board appointment (more than a year ago)			I sit on two boards			I sit on three or more boards		
	Rank	Average	Standard deviation	Rank	Average	Standard deviation	Rank	Average	Standard deviation	Rank	Average	Standard deviation	Rank	Average	Standard deviation
Acquisition & updating of key board knowledge: strategy, finance, sustainability, upskilling tech (such as D&A, AI, and cyber)	1	4.03	1.01	2	4.13	1.06	1	4.18	0.73	1	3.90	0.99	1	3.98	0.84
Learning & updating new standards in corporate governance & regulatory framework	2	3.97	1.01	1	4.20	1.01	2	3.89	0.86	2	3.84	1.15	2	3.90	0.86
Mentoring (formally or informally) with other board directors)	3	3.79	0.99	3	3.73	0.80	3	3.63	0.96	5	3.36	1.01	5	3.21	0.92
Up-to-datedness in sectoral knowledge, technical specialization, etc.	5	3.45	1.05	4	3.47	0.92	4	3.63	0.94	3	3.54	0.97	3	3.44	0.97
Reinforcing soft skills (negotiation, conflict management, influence management, etc.)	4	3.58	0.98	5	3.07	1.03	5	3.51	1.00	4	3.38	1.01	4	3.35	0.89

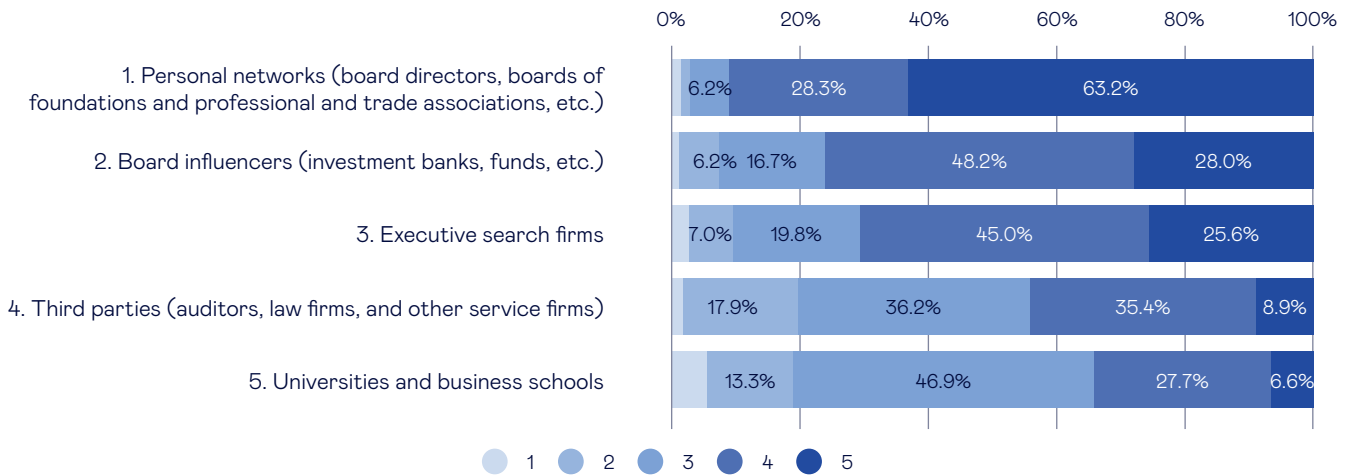
While the initial results show a ranking in agreement with the importance given by all respondents, when we compare the results according to types of board directorship, the overall ranking resembles the ranking given by those who achieved their first board appointment more than one year ago.

The ranking varies for other groups. For those who aspire to their first board appointment, although the ranking is similar for the first three aspects, it varies for positions 4 and 5. For those who reached their first board appointment less than a year ago, the ranking only varies in positions 1 and 2, with greater importance given to learning new standards in corporate governance and regulations. Both groups currently sitting on two or more boards share similar rankings, being similar in the first two positions with respect to the overall ranking, but ranking third the updating of sectoral knowledge, and in fourth position, reinforcing soft skills, and finally, mentoring.

5.3 Relationship dimension

Figure 18.

Importance of relationships to be more effective in the process of joining a board.



Question B9c: From your perspective, what level of importance (from 1 to 5) would you give to the following aspects for effectiveness in the process of being appointed to a board. N=259.

Out of 259 respondents, ranking for the **relationship** dimension was: first, personal networks such as board directors, trustees, boards of directors of professional and trade associations, and similar, with an average of 4.5 (± 0.8) out of 5 points (91.5% of the sample considering it important or very important); second, board influencers such as investment banks, funds, private equity and similar, with an average of 4 (± 0.9); third, executive search firms with an average of 3.8 (± 1); fourth, third parties such as auditing firms, law firms, or other service firms with an average of 3.3 (± 0.9); and finally, universities and business schools with an average of 3.2 (± 0.9).

Two aspects of similar importance highlighted by respondents are board influencers and executive search firms – with maximum importance levels of 28% and 25.6%, respectively.

From the results, networking stands out as the most important aspect of the relationship dimension for effectiveness in joining a board of directors. More than 63.2% of the respondents rank this aspect as the most important, with personal networking considered essential if an executive wishes to become a director.

Table 7.

Importance of **relationship** strategies or actions to be effective in the process of achieving a board appointment – according to current and aspiring board directors.

	I aspire to my first board appointment			Achieved first board appointment (less than a year ago)			Achieved first board appointment (more than a year ago)			I sit on two boards			I sit on three or more boards		
	Rank	Average	Stand ard deviation	Rank	Average	Stand ard deviation	Rank	Average	Stand ard deviation	Rank	Average	Stand ard deviation	Rank	Average	Stand ard deviation
Personal networks (directors of boards and foundations, boards of professional and trade associations, etc.)	1	4.56	0.75	1	4.80	0.41	1	4.53	0.71	1	4.34	0.96	1	4.49	0.72
Board influencers (investment banks, funds, venture capital, etc.)	3	4.11	0.74	2	4.00	1.00	2	4.04	0.81	2	3.71	0.94	3	3.88	1.02
Executive search	2	4.18	0.81	3	3.53	0.92	3	3.79	1.01	3	3.39	1.10	2	3.94	0.86
Third parties (auditors, law firms, other service firms)	4	3.51	0.84	4	3.07	1.16	4	3.48	0.84	4	3.10	0.96	4	3.10	0.97
Universities and business	5	3.46	0.89	5	3.00	1.00	5	3.15	0.97	5	2.94	0.88	5	3.04	0.90

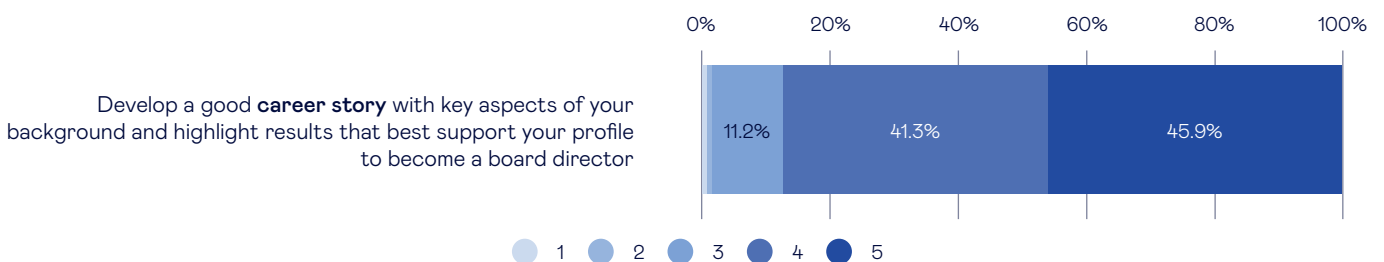
Although the first results show ranking according to the importance given by all respondents, when the results are compared according to the level of board directorship, the overall order is the same as for the group that had achieved their first board post and the group that currently sits on two boards.

It is noticeable that those who aspire to their first board appointment and those who belong to three or more boards place executive search firms in second place behind their own networks.

5.4 Career story dimension

Figure 19.

Ranking of career story for effectiveness in the process of achieving a board appointment.



Question B9d: From your perspective, what level of importance (from 1 to 5) would you give to a career story for effectiveness in the process of achieving a board appointment. N=259.

Out of 259 respondents, the preparation of a good career story (that highlights results supporting the case for becoming a board director) was ranked as one of the most effective aspects for joining a board – with an average evaluation of 4.3 (±0.8) out of 5 points. In 87.2% of cases, respondents gave positive or very positive evaluations (importance levels 4 to 41.3% and 5 to 45.9%). The construction of a good and convincing career story that highlights achievements (with evidence) of management and leadership in complex situations can reinforce the value of an individual and make it easier for decision-makers and influencers to identify the best candidates. Going beyond the traditional resume or CV that we are accustomed to submitting for an executive position is a clear challenge for executives who wish to obtain a seat on the board.

Table 8.

Importance of a career story for effectively achieving a board position – according to the level of current board directorship.

	Average	Standard deviation
I achieved my first board post less than a year ago	4.53	0.64
I am attempting to gain my first board appointment	4.41	0.72
I achieved my first board more than a year ago	4.32	0.78
I sit on three or more boards	4.21	0.74
I sit on two boards	4.18	0.83

Those who recently joined a board give more importance to the career story than those who have been board directors for longer periods and who have two or more board positions.

To obtain a global perspective of all the dimensions that we have considered for facilitating appointment to a board, we have combined the ten most important aspects that an aspiring board director should prioritize into a single figure.

Figure 20.

Global top ten for aspiring board directors.

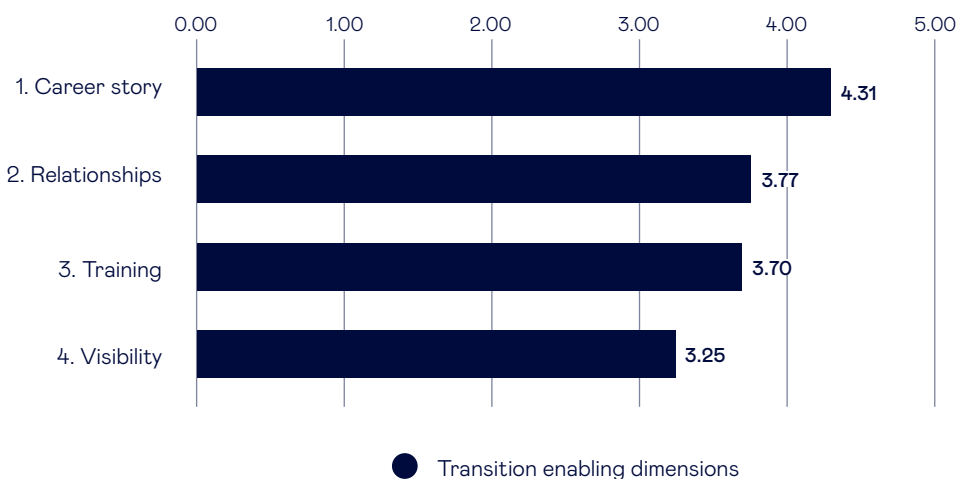


According to the ranking, the facilitators recognized by the respondents as highly important and critical have an average mark greater than 3.5 out of 5. The top ranked aspect was good management of personal networks (relationship dimension). Second, was the construction of a good career story. The acquisition of knowledge about the board (training dimension) was ranked third. Developing relationships to gain the support of board influencers (relationship dimension) was ranked fourth – and learning new standards in corporate governance and regulation (training dimension) was fifth. Access to executive search firms (relationship dimension) was ranked sixth.

Respondents ranked aspects considered in the visibility dimension (such as collaborating in conferences and classes, as well as actively participating in trade associations) in seventh and eighth positions. These two aspects show that the most valued type of visibility is that which involves attendance and active participation.

Finally, we can group and rank the four dimensions analyzed in the study.

Figure 21.
Ranking of the facilitating dimensions for joining a board.



Considering the four dimensions and the average responses of 259 respondents, top ranking is given to the career story with an average of 4.31 out of 5 points; second, to relationships with 3.77 points; third, training with 3.7 points; and finally, visibility with 3.25 points.

The assessment of these facilitators from a significant sample of board directors and board applicants will help in the preparation of a good personal plan to signal the market, make a good impact, and accelerate the process of obtaining a board position.

COMPONENT 3:

6. Knowledge and skills

The transition from executive to board director implies a significant change in responsibilities and work approach. Therefore, knowledge and skills become competitive advantages (Barney & Wright, 1998) for executives aiming to make a successful transition to a board position.

Executives seeking directorships should have a clear understanding of the expectations. Assessing knowledge about the roles and responsibilities of a director can help executives identify how they should adapt or develop their skills to excel in a board role.

To this end, we compare rankings of the importance of the knowledge and skills most demanded by executive search firms and the companies who approach Esade when seeking new directors from among the participants on our programs.

- **Strategic thinking and leadership** that enables participation in debate and key decision making on the board of directors. Directors should have their own criteria about how strategies can be deployed from the top executive level, while adequately involving the whole management team and employees.
- **Board directors must be able to communicate effectively** with other directors and executive management. Executive officers who have developed strong communication skills can clearly communicate their ideas and questions.
- **Independent thinking for a critical approach to making fair decisions** that challenge any groupthink and consider the social interest. Executive managers who are willing to question the status quo and have an objective perspective can be effective directors.

- **Relevant and applied experience** in various fields of business management enables directors to make their own judgments about the options presented by executives, and adequately monitor and control the decisions taken. Knowledgeable executives can ask relevant questions and challenge underlying assumptions.

In summary, key knowledge and skills are important for an executive to successfully make the transition to board director, as they enable him or her to understand the role, lead effectively, communicate clearly, be independently objective, and have solid knowledge of the areas that enable an understanding of board dynamics. These are important elements in the processes of discussion, decision making, and supervision of the implementation of board decisions.

In addition, the due diligence (Aguilera & Lara, 2020; Valeur, 2021) to which a board candidate will be subjected must be made clear, so that candidates understand the organizational support, the reasons why they might refuse to accept a directorship, and the aspects to be assessed in interviews with headhunters or nomination boards and commissions.

The findings of this component are described below.

6.1 Areas of expertise needed for joining a board

Table 9.

Ranking the areas of knowledge needed for joining a board.

Nº	Knowledge areas	Average	Median	Standard deviation
1	Strategy	1.60	1	1.32
2	Sector/industry knowledge	4.29	3	3.09
3	Risk management	5.59	5	2.46
4	Financial and accounting management	5.81	6	2.75
5	Partnership management and stakeholder relations	6.41	6	3.10
6	ESG (environmental, social, and governance)	6.55	6	3.15
7	Technology and innovation management	6.61	7	2.53
8	Audit and internal control	6.63	7	2.79
9	Compliance management	7.16	7	2.40
10	Knowledge of international markets	7.34	8	2.81
11	HR management (talent, occupational health and safety, etc.)	8.02	9	2.67

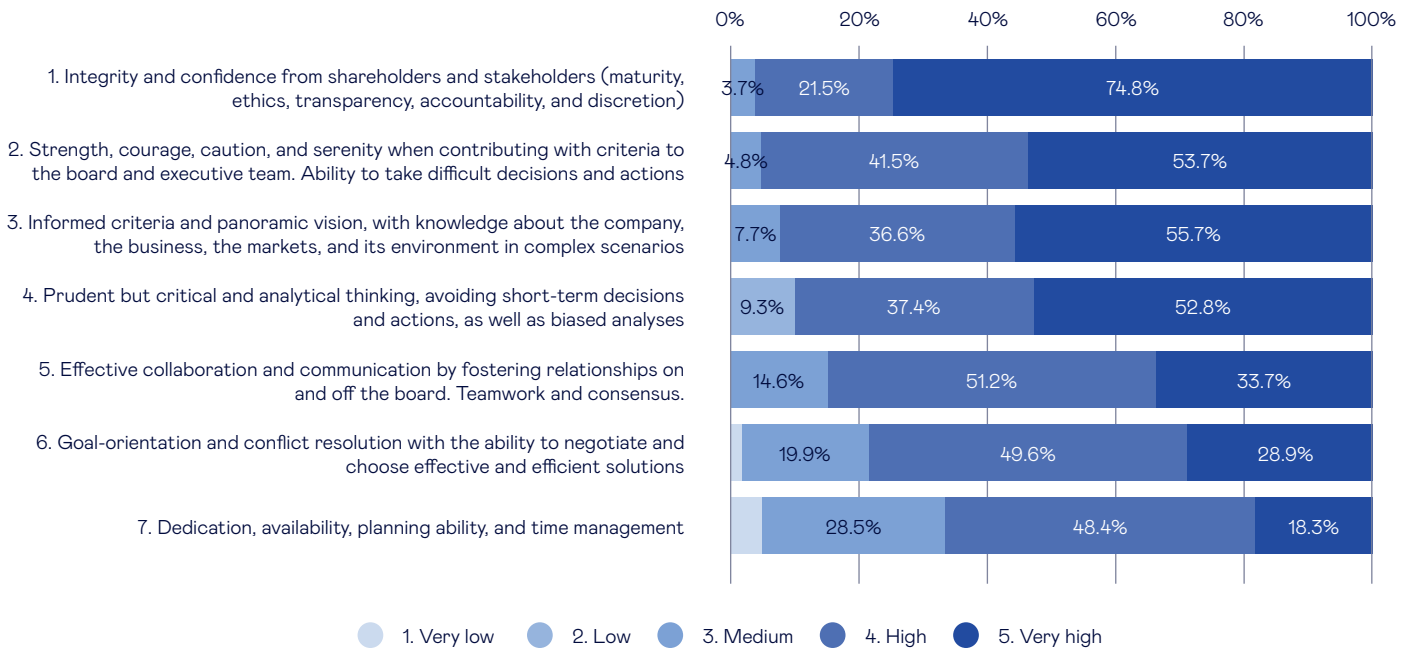
Question C1: According to your criteria, rank the areas of knowledge (from 1 to 11) needed by executives to join a board N=243.

Out of 243 respondents, the most highly ranked knowledge area is strategy – with an average of 1.60 and a median of 1 (most often mentioned as a priority by respondents) out of the 11 knowledge areas. In second place is sectoral and industry knowledge, with an average of 4.29 and a median of 3. These results show that it is important for candidates to have strategic business knowledge, as well as sectoral knowledge.

The other areas of knowledge range from an average of 5.59 to 8.02 from 1 to 11. It is worth noting that respondents place the least importance on the area of knowledge related to HR management (talent, safety, occupational health, and similar). This result is a surprise as it evidences that issues related to talent and people management are given greater importance by many boards than by the sample of respondents.

6.2 Skills and abilities needed to join a board

Figure 22.
Ranking of skills and abilities for joining a board.



Question C2: Use your criteria to rank the skills and abilities listed below that are needed by executives to join a board. N=246.

Out of 246 respondents, the ranking of skills and abilities needed to become a board director was: first, integrity and confidence from shareholders and stakeholders – with an average of 4.7 (± 0.5) out of 5 points; followed in second place by strength, courage, caution, and serenity when contributing to the board and the executive team, as well as the ability to take difficult decisions and actions – with an average of 4.5 (± 0.6); in third place was informed judgment and panoramic vision, with knowledge about the company, the business, the markets, and its environment in complex scenarios – with an average of 4.5 (± 0.6); in fourth place was prudent but critical and analytical thinking that avoided short-termism or biased analysis – with an average of 4.4 (± 0.7); in fifth place was collaboration and effective communication by fostering relationships on and off the board, teamwork, and consensus – with an average of 4.2 (± 0.7); in sixth place was goal-orientation and conflict resolution with skills to negotiate and choose effective and efficient solutions – with an average of 4.1 (± 0.7); and finally, dedication, availability, and an ability to manage time – with an average of 3.8 (± 0.8).

The results reflect an orientation that moves from internally focused to externally focused skills. Indeed, the first skill is strongly related to the ethical values that every company should consider in a board director's behavior and participation in decision-making. The second, third, and fourth skills are more related to an independent judgment and personality. The fifth and sixth skills are oriented to relationships and influence. Finally, the last skill relates to time management – and because this is likely considered as an inherent variable for an executive, other skills are perceived to be of greater priority for a board director.

Table 10.

Ranking of skills and abilities to join a board – according to whether respondents are board directors.

N= 246	Board director*			Aiming to join a board		
	Rank	Median	Standard deviation	Rank	Median	Standard deviation
Integrity and trust towards shareholders and stakeholders (maturity, ethics, transparency, accountability, responsibility, and discretion)	1	4.72	0.54	1	4.68	0.55
Strength, courage, caution, and composure, in order to contribute judiciously to the board and the executive team. Ability to make difficult decisions and take difficult actions	2	4.49	0.61	2	4.49	0.56
Informed judgement and overview, with knowledge of the company, the business, the market, and its environment in complex scenarios	3	4.49	0.62	3	4.46	0.67
Prudence with critical and analytical thinking – avoiding short-sighted decisions and actions or biased analysis	4	4.46	0.67	4	4.35	0.70
Collaboration and effective communication – developing interpersonal relationships within and outside the board. Teamwork	5	4.18	0.66	5	4.19	0.74
Goal orientation and conflict resolution with the ability to negotiate and choose effective solutions in an efficient manner	6	4.06	0.76	6	4.06	0.71
Dedication, availability, planning and time management skills	7	3.83	0.82	7	3.74	0.71

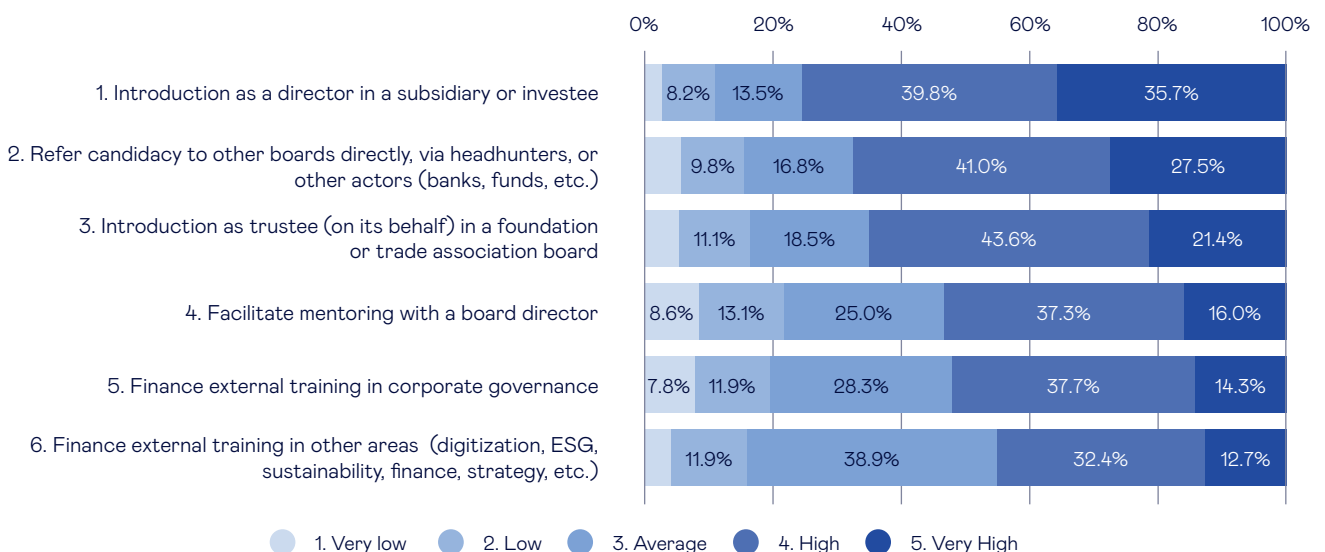
Note: The column 'Board director' includes directors who: achieved their first board position less than one year ago; more than one year ago; those who are currently on two boards; and those who are currently on three or more boards.

A further analysis by board status confirms the same ranking from respondents who are currently board directors and those who aim to become board directors.

6.3 Perceived organizational support for joining a board

Figure 23.

Level of support from the company for accelerating the process of gaining a board position.



Question C3: How can the company in which you work as an executive accelerate your career as a board director. N=244.

Out of 244 respondents, the most highly ranked type of support offered by companies to help executives become directors was as an introduction to become a board director in a subsidiary or investee – with an average of 4 (±1) out of 5 points; second, referring an executive to other boards directly, via headhunters, or other actors (such as banks, funds, auditors, and consultants) – with an average of 3.8 (±1.1); third, an introduction to become a trustee (representative) on a foundation or trade association board – with an average of 3.8 (±1.1); fourth, facilitation of mentoring with a director – with an average of 3.4 (±1.2); fifth, financing external training in corporate governance – with an average of 3.4 (±1.1); and finally, financing external training in other areas such as digitalization, ESG/sustainability, finance, and strategy – with an average of 3.4 (±1).

When the types of support are statistically grouped (factor analysis), the results show two major groups of perceived organizational support (Kurtessis et al., 2017): support that facilitates experience in good governance (supports 1, 2, 3, and 4), and support that finances external training to increase governance skills (supports 5 and 6).

Of the first group of corporate supports, the results show that the action most valued by respondents is support for developing capabilities as a future board director by introducing an executive to governing bodies through affiliations, referrals, patronage, or mentoring. This type of corporate support provides a practical boost and facilitates the acquisition of experience in governance structures and so brings executives closer to a successful transition to board directorship.

Of the second group of support, these are valued by respondents as future governance skills and include the funding of external training in corporate governance and other related fields (such as digital transformation, ESG, finance, and strategy).

Table 11.

Level of company support in accelerating career as a board director – based on board directorship or otherwise.

N= 244	Board director*			Aiming to join a board		
	Rank	Median	Standard deviation	Rank	Median	Median
Introduction as a director in a subsidiary or investee company	1	3.97	1.04	1	3.97	1.06
Refer executive to other boards directly, via headhunters, or other actors (banks, funds, auditors, consultants, etc.)	2	3.74	1.16	2	3.82	0.96
Introduction as a trustee (representative) in a foundation or trade association	3	3.64	1.12	3	3.66	1.04
Facilitate mentoring with a board director	4	3.37	1.19	6	3.44	1.09
Finance external training in areas such as digitalization, ESG/sustainability, finance, and strategy	5	3.31	1.04	5	3.55	0.82
Finance external training in corporate governance	6	3.30	1.15	4	3.61	0.98

Note: The column 'Board director' includes directors who achieved their first board appointment less than one year ago, more than one year ago, those who currently sit on two boards, and those who sit on three or more boards.

When comparing the results according to the length of service of board directors, we see that those respondents who sit on a board rank the company's support for accelerating their career as a board director in a similar order to the overall ranking. Only in the final type of support does the ranking vary, with the funding of external training in other areas of expertise ranked one place ahead of the funding of external corporate governance training.

However, with respect to the group of respondents who aim to become board directors, it is noteworthy that they value external corporate training support more than mentoring (meaning that it will become something of a challenge for companies to further strengthen the abilities of aspiring board directors by offering mentoring).

6.4 Reasons for rejecting a board appointment

Figure 24.

Reasons to reject a board appointment.



Question C4: What would you consider as the main three reasons for rejecting a board appointment? N=246.

Out of 246 respondents, the main reason – at 28.5% – for rejecting a board appointment is incompatibility with the company's shared values, goals, and interests. The second ranked reason – at 13.4% – is incompatibility with the vision and strategic objectives of the company's major shareholders. Finally, the third reason – at 10.8% – is external problems due to conflict or reputational risks with other key stakeholders such as customers, suppliers, or employees, as well as societal or environmental risks.

In addition to the main three reasons for rejecting a board appointment, we could group five lesser reasons ranked by between 5% and 10% of respondents. First, absence of robust assurances (compliance, audit, and risk management) at 9.6%. Second, tax and/or legal problems in the company or with one of its key professionals at 8.7%. Third, incompatibility with directors of the board, including the secretary (7.6%). Fourth, incompatibility with the company's management team, in particular with the CEO (7%). Finally, fifth, limited time availability when holding an executive and/or board position in other companies (6.5%).

Table 12

Reasons for rejecting a board position according to board directorship.

N= 246	Rank	Aiming to join a board	Rank	Board director*	Rank	Director on two or more boards**
Incompatibility with the values, goals, and interests of the company	1	29.2%	1	29.6%	1	26.9%
Incompatibility with the strategic vision and objectives of the main shareholders	2	12.3%	2	13.4%	2	14.3%
External problems due to conflict or reputational risks with other key stakeholders such as customers, suppliers or employees, as well as societal and environmental risks	3	10.7%	4	9.3%	3	12.2%
Absence of robust assurances (compliance, auditing and risk management)	4	9.1%	3	10.6%	4	9.3%
Tax and/or legal problems in the company or with any of its key professionals	6	7.8%	6	8.8%	5	9.3%
Incompatibility with board directors, including the secretary	5	8.2%	5	9.3%	8	5.7%
Incompatibility with the company's management team (in particular with the CEO)	7	7.8%	8	5.1%	6	7.9%
Little time availability when maintaining an executive position and/or directorships in other companies	8	7.4%	7	5.6%	7	6.5%
Little relevance or importance given to the voice and vote of the board	9	3.7%	9	4.2%	9	4.7%
Problems in latest results, balance sheets, management report, audit, non-financial information and/or outlook	10	3.3%	10	3.2%	10	2.5%
Low risk tolerance for latent crises due to the nature of the company or industry	11	0.4%	11	0.9%	11	0.7%

Note: The 'Board director' column includes directors who achieved their first board appointment less than one year ago and more than one year ago. The 'Director on two or more boards'** column includes directors who are currently on two boards, as well as those on three or more boards.*

When comparing the results according to length of board directorship, we see that every group prioritizes the first two and the last three reasons for rejecting a board appointment in a similar manner to the overall results. However, the rankings for the other reasons, between the third and eighth, differ according to the number and duration of board directorships.

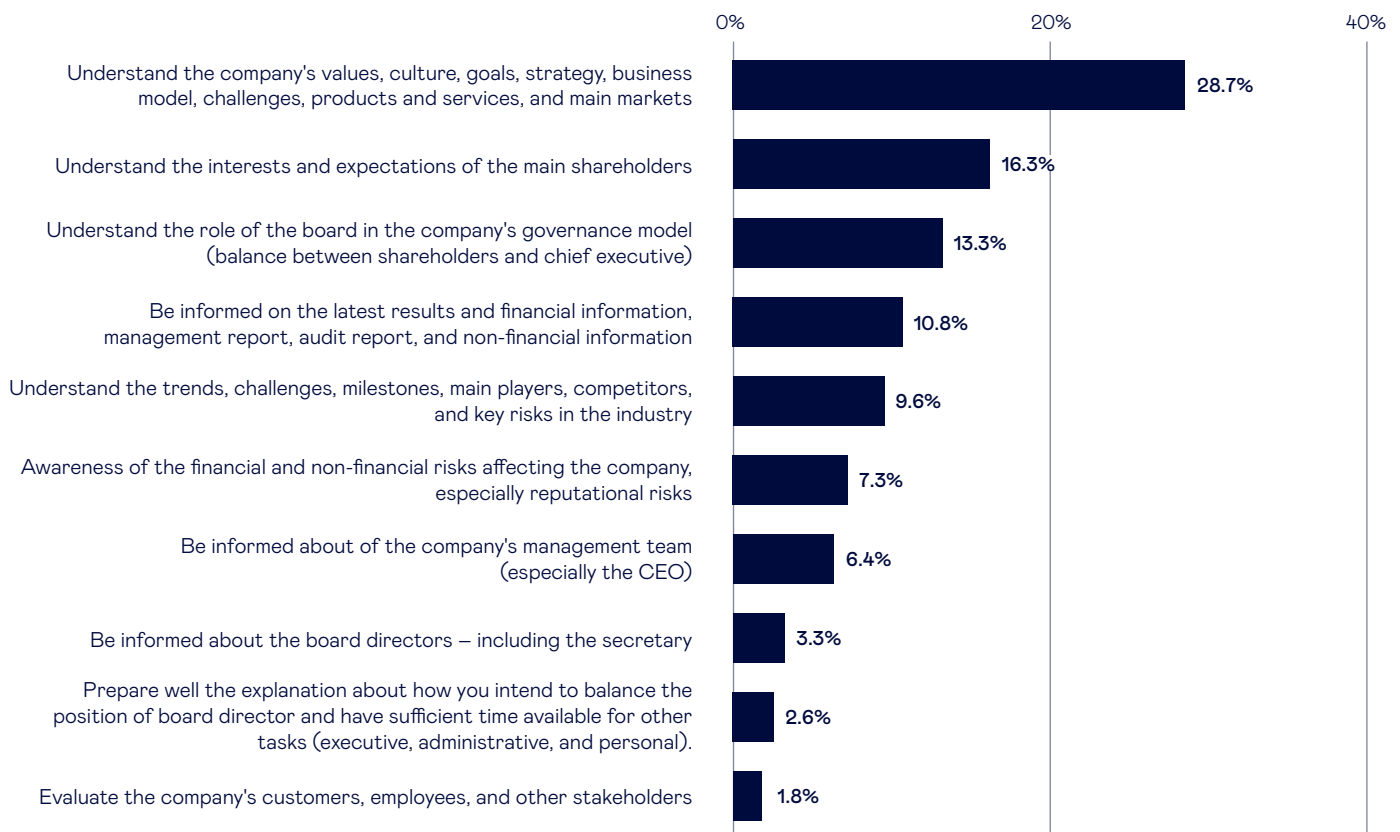
When we focus on aspiring board directors, their third reason for rejection is the absence of robust assurances, while the fourth reason for rejection is external problems due to conflicts of interest or reputational risks with

other key stakeholders. This order is reversed for directors belonging to one board and for those belonging to two or more boards.

For aspiring board directors and those who already belonging to a board, the fifth and sixth ranked reasons are incompatibility with board directors, including the secretary; and tax and/or legal problems in the company or with one of its key directors, respectively. For those directors belonging to two or more boards, their fifth reason is the sixth reason given by the other two groups: tax and/or legal problems in the company. The sixth reason is incompatibility with the company's management team, and particularly with the CEO.

6.5 Key aspects of selection processes for board appointments

Figure 25.
Important aspects when preparing for an interview for a board appointment



Question C5: Which three aspects would you focus on when preparing an interview for a board appointment with a headhunter, and/or the board/appointments committee? N=246.

Out of 246 respondents, the first ranked aspect at – at 28.7% – is to acquire a good understanding of the company's values, culture, goals, strategy, business model, challenges, products and services, and main markets. The second ranked aspect – at 16.3% – is to have a good understanding of the interests and expectations of the company's main shareholders. And the third ranked aspect – at 13.3% – is to understand the role of the board of directors in the company's governance model and the relationship between the shareholders and the CEO.

As well as these three main aspects for preparing for an interview for a board position, we could group together four other aspects that were ranked by between 6% and 11% of the respondents. First – at 10.8% – is to have information on the company's latest results, as well as public non-financial information. Second – at 9.6% – is to understand the trends, challenges, milestones, key players, competitors, and key risks of the industry. Third – at 7.3% – is having a good understanding of the financial and non-financial risks affecting the company, especially reputational risks. Finally, fourthly at 6.4%, is possessing information on the company's management team, and particularly the CEO.

Table 13.

Aspects to prepare well for an interview for a board position (according to whether the respondent is a board director).

N= 246

	Rank	Board director*	Rank	Aim to be board director
Understand the company's values, culture, goals, strategy, business model, challenges, products and services, and main markets	1	29.5%	1	26.9%
Understand the interests and expectations of the main shareholders	2	16.3%	2	16.2%
Understand the role of the board in the company's governance model (balance between shareholders and chief executive)	3	13.8%	3	12.0%
Be informed on the latest results and financial information, management report, audit report, and non-financial information	4	10.9%	4	10.6%
Understand the trends, challenges, milestones, main players, competitors, and key risks of the industry	5	9.4%	5	10.2%
Awareness of the financial and non-financial risks affecting the company, especially reputational risks	6	6.9%	6	8.3%
Be informed about the company's management team (especially the CEO)	7	5.6%	7	8.3%
Be informed about the board directors – including the secretary	8	3.4%	9	2.8%
Prepare well the explanation/justification of how to balance the position of board director and have sufficient time available for other tasks (executive, administrative, and personal)	9	2.3%	8	3.2%
Evaluate the company's customers, employees, and other stakeholders	10	1.9%	10	1.4%

Note: The column 'Board director' includes directors who achieved their first board appointment less than one year ago, more than one year ago, those who currently sit on two boards, and those who sit on three or more boards.

A further analysis by board directorship confirms the same ranking among respondents who are currently board directors and those who aim to become board directors.

COMPONENT 4:

7. Expert recommendations

Below are the recommendations gathered from respondent experiences regarding the skills and characteristics necessary for an executive to make a successful transition to board director.⁴

Figure 26.

Keyword cloud expressed by experts.



The recommendations based on the word cloud (Figure 26) include:

The words ‘company’ and ‘board’ are directly related to the role of a board director in a company. A director oversees the company’s management and performance while providing advice and guidance to executives.

“Understand the main challenges that the company faces within the framework of its sector.”

“Have a genuine interest in the role and enjoy advising and assisting the company in its growth strategy.”

“Firstly, to support the company’s objectives you need a profound knowledge of the company, its internal and external economic and social circumstances. Secondly, you need critical and analytical thinking to create useful criteria for the management team and board to guide the company’s results. And finally, you need to collaborate as a director with integrity and serenity to ensure good governance and sustainability.”

⁴ C6. Based on your experience or the experience of directors you know well – what advice would you give an aspiring first-time board director to be successful?

Knowledge, training, and experience: these elements are essential for an executive to become a successful board director. A director must have a wide range of knowledge and skills in areas relevant to the company, as well as a solid background and experience in the field.

“Be clear about where somebody can add value by being on the board and offer the best version of their abilities (whether it’s technology, compliance, finance, or whatever). This means somebody known for continuous personal development.”

Networking, relationships, and teamwork: a good director must be able to establish and maintain relationships with other leaders and stakeholders in the company (a skill often referred to as networking). He or she must also foster cohesion and teamwork and be committed to doing what is best for the company and its stakeholders.

“A board seat is an immense responsibility. You must analyze the company in detail and be sure you have the skills required for the position. If you really want to get on a board, the best approach is to network with board directors and senior executives.”

“Demonstrate a solid and consistent career path; train adequately and expand your network of relationships.”

“The board is a team, and to be successful you must be clear about which team you want to play on.”

Values, vision, and strategy: a board director must have a clear vision for the future of the company, as well as a strong set of values to guide decisions. A director must also have a clear and aligned strategy for the company to achieve its long-term goals.

“For a first board appointment, align the company’s values, culture, and goals with the applicant’s personal values.”

Professional competence, judgment, and risk assessment: a director must have a proven ability to make informed and balanced decisions. A director must also have the good judgment to make informed decisions and be willing to take calculated risks for the benefit of the company. These aspects are associated with the consolidation of a professional reputation.

“Build a professional and personal reputation rather than focus on your area of technical expertise. Learn about the economic, business, and geopolitical environment, as well as strengthening your soft skills.”

“It is necessary to make a thorough and rigorous due diligence study of the company and assess your compatibility with the project. You must understand why you are on the board, and what is expected of your presence. You must assess the risks and confirm confidence in the CEO.”

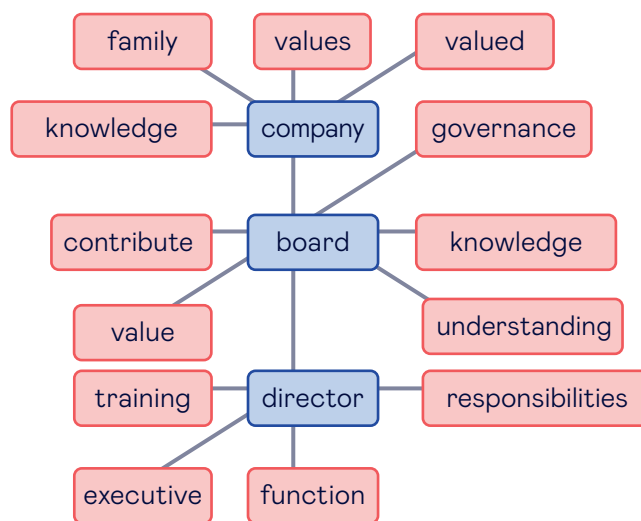
Dedication, understanding, and input: a director must have great dedication and understanding to apply his or her knowledge and skills effectively.”

“Devote sufficient time to your role as a director and do not approve any matter that you do not understand – you must ask the why of things as often as needed.”

In conclusion, a successful transition from executive to board director requires a combination of knowledge, experience, abilities, interpersonal skills, professional capacity, vision, strategy, and commitment to the company's values.

The qualitative results show that the dimensions of the company and its board of directors are closely related (Figure 27). The board of directors is a key body within a company, and its main function is to supervise and control the company's activities.

Figure 27.
Main keywords according to experts.



Keywords for these dimensions were gathered from the answers of the respondents

Company dimension:

Values are important to any company and a key aspect of corporate governance. An effective board of directors ensures that the company's values are reflected in the company's operations and decisions.

Governance in family businesses maintains a corporate balance and stability. The board of directors can help ensure that family governance is effective and kept separate from the day-to-day management.

Listed companies have additional requirements for corporate governance and transparency. A well-structured and experienced board of directors ensures that the company meets these requirements.

Knowledge is critical for informed decision making in any business. The board of directors brings experience and expertise to help the company make strategic and operational decisions.

Board of directors dimension:

Effective management is essential to the success of any business. The board of directors oversees the management of the company to ensure that objectives and strategies are met.

A board of directors must understand the value it brings to the company and provide value in its functions and decisions.

Director dimension:

Directors have several legal and ethical responsibilities. The board must ensure that directors understand these responsibilities and fulfill them.

Continuous training is important to keep directors up to date on the latest trends and developments in business and corporate governance.

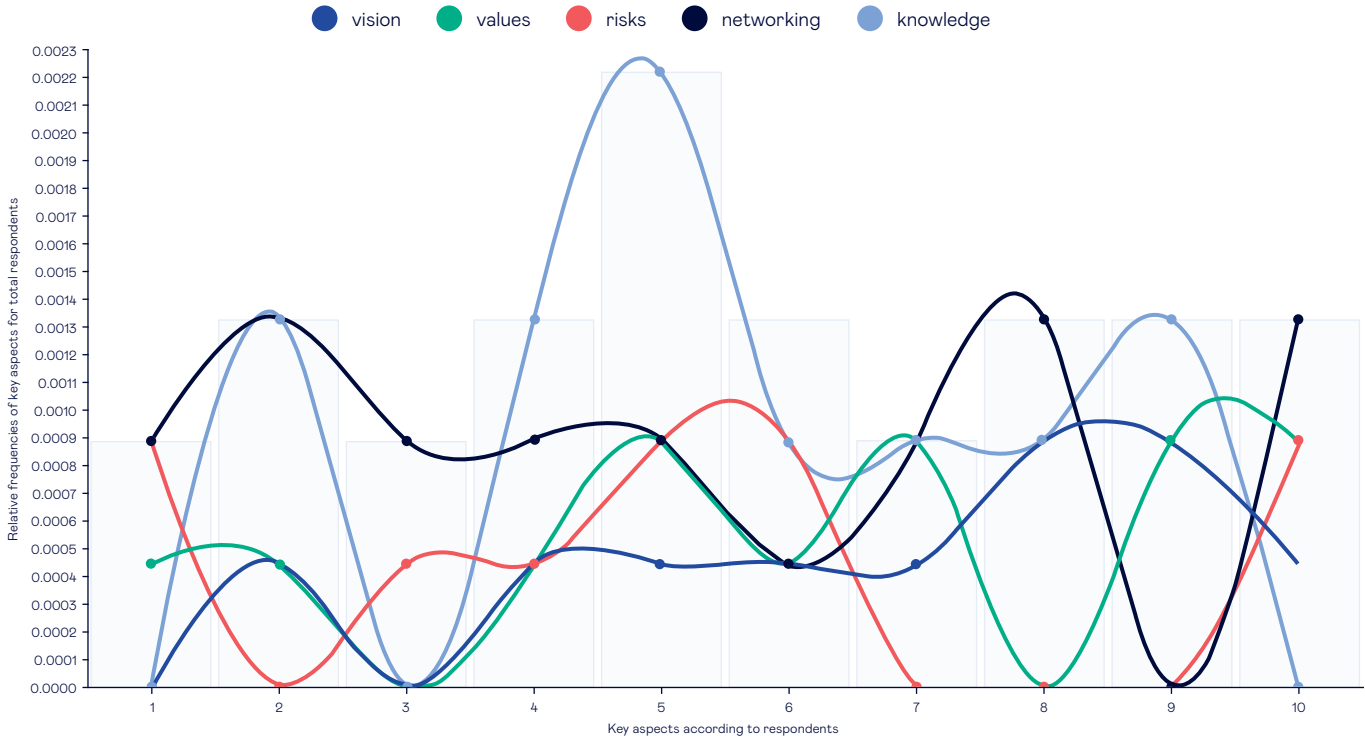
Directors are not responsible for the day-to-day management of the company, but rather for supervising and controlling the company's activities. The board should ensure that the directors understand the executive function and perform their supervisory and advisory roles accordingly.

In summary, the company, the board, and its directors are interrelated dimensions that must work together to ensure corporate success. The board is essential to oversee and control the company's activities, while the directors must fulfill their legal and ethical responsibilities and bring value to the company through their knowledge and experience.



Figure 28.

Five key aspects most mentioned by experts.



Aspects that may be important for each of these elements are described below:

Vision: It is important to have a clear and broad vision of the business and its environment. It is necessary to understand the big picture of the industry and the company's position within it. The ability to identify emerging trends, changing market conditions, and potential opportunities is critical. A clear vision of the future can help a board director make informed strategic decisions.

Values: Ethical and professional values are fundamental to serve as a director. Directors must maintain high standards of integrity and corporate responsibility because their decisions and actions have an impact on the company and society. The values of the transitioning director should be aligned with those of the company to ensure congruence and consistency.

Risk management: as a director, it is necessary to understand business risks and take measures to mitigate them. The executive in transition to director must have experience in risk management, identifying and assessing business risk and proposing solutions to minimize impact. The ability to balance risk and opportunity is essential in the board role.

Networking: The ability to establish and maintain strong and productive relationships with other board directors, investors, and stakeholders is critical to success as a director. The transitioning director must be able to interact effectively with people from different backgrounds and perspectives, while establishing connections that can help the board be effective.

Knowledge: an executive transitioning to director with experience and knowledge in the same industry brings differential value as a candidate; in addition, he or she must be up to date on trends and have a deep understanding of the company's specific challenges and opportunities.

Therefore, the transition from executive to director requires a combination of abilities, skills, and attributes that include vision, values, risk management, networking, and knowledge. The ability to understand the business and make informed strategic decisions is essential for success.

8. Conclusions

1. The career experience that respondents believe contributes the most to achieving that first appointment to a board is serving as a member of a top management team or as a CEO. Great importance is also given to experience in business transformation processes.
2. Based on the experience of our respondents, we are struck by how little value is placed on entrepreneurship or on having participated in internationalization processes, especially considering the structure of Spanish business and the challenges it faces.
3. There is a significant presence in our sample of directors from non-listed companies owned by private equity funds, as well as family-owned companies. This demonstrates a sustained professionalization and strengthening of governance structures that extends beyond listed companies.
4. The transition from management to board is increasingly common for young women. This trend reflects a greater maturity in issues of gender diversity.
5. Executives are being promoted to their first board position at an increasingly young age. More than one-third of newly appointed board directors are under 50 and only 7% are over 60.
6. The increasing number of directors sitting on more than three boards explains why many companies are including in their internal regulations a limit on the number of additional boards on which their directors can sit. In the case of listed companies, we have seen investors, and their proxy advisors, increasingly demand a limit on the number of boards on which a director can serve in order not to be 'overboarded'.
7. Progress in the professionalization of family business governance can be seen in the number of CEOs (175 participated in our sample) who were chairs of their boards. Almost 85% of CEOs in family companies were not board directors (15 points above the total for the whole group).
8. The most effective pathways to the board for men and women differ. When the participants in the study speak from personal experience, executive search firms are reported to be more important in helping female executives gain their first board appointment (the role of these firms being almost twice as important for women than men). However, for male executives, access to a first board appointment following a recommendation from investors and shareholders is three times more frequent than that reported by their female counterparts.
9. It is important to emphasize the role of executive search firms for appointments to a first board position. There is a 'halo' of success around the importance of these firms for gaining a first board position, and this can be seen in the great difference that exists when respondents report if they obtained their first board position by this approach (12.3%) versus when respondents tell us about third parties obtaining a board position with help from headhunters (22.1%).
10. Key to success in gaining that first appointment to a board is the preparation of a coherent career story that highlights (with evidence) how elements of differential value will enable a candidate to contribute to various channels as a director. This point is especially emphasized by those who joined their first board less than a year ago.
11. Of all the aspects analyzed to understand how individuals are assessed and given their first

board appointment, the most critical element for success is the development and management of a solid base of personal contacts who understand the capabilities and ambition of an individual. It is the professionals who know a candidate after sharing work and personal experiences who can best appreciate what somebody can contribute.

12. The training dimension is valued as more important than visibility for obtaining a first board appointment. The responsibility, complexity, and demands of the role of a board director explain this finding. Businesses wanting to incorporate a new director into their company are looking for individuals who have been trained for the role.
13. The group of board directors who sit on the largest number of boards is the group that most values the development of soft skills for success as a board director. Integrity and ethical behavior are especially valued. Those who joined their first board less than a year ago place the highest value on corporate governance training. The rest of the sample places more value on being up to date in key areas of knowledge other than corporate governance (such as strategy, finance, technology, and sustainability).
14. In transitioning to a career as a board director, an executive's employer can play a key role by offering the opportunity to be a director in an investee company or foundation, or by referring an executive to influencers and decision-makers (including executive search firms).
15. The three main reasons for rejecting a board position are: incompatibility with the company's values, goals, and interests; incompatibility with the vision and strategic objectives of major shareholders; or reputational risks.
16. Finally, candidates for a board directorship must take care to fully understand the values, culture, and aim of the company – in addition to identifying the keys to its strategy and business model. These are the most important aspects when preparing for discussions with the directors of a board or an executive search firm advising a company.

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