



## **SPEAKERS SERIES**

### **How to Land Your First Board Position**

February 25, 2020

#### **PANELISTS:**

- Diane Casey-Landry, Former COO of the American Bankers Association and former CEO of America's Community Bankers, Board member and Chairman of the Risk Committee, Cenlar FSB and Cenlar Capital Corporation
- Timothy L. Holt, Jr., Member of the Chief Executive Officer & Board of Directors and global Financial Services practices, Heidrick & Struggles
- Martin Pfingraff, Former Senior Deputy Comptroller for Large Bank Supervision, Office of the Comptroller of the Currency, Board member PNC and PNC Bank
- Elizabeth St-Onge, partner in Oliver Wyman's Financial Services practice group, leading the firm's work with financial institutions to understand, evaluate, measure and refine their culture and conduct.

#### **SUMMARY:**

Diane Casey-Landry started off the program discussing her path to obtaining a board position. She noted that she maintained close relationships with several trade association members and had let them know that she was interested in a board position. Diane said that a combination of her deep bank regulatory expertise and experience dealing with boards, a skill-set she had developed through her C-suite positions at two bank trade associations, were important to landing a position with Cenlar FSB's board. Diane also noted the importance of networking and advised the audience to reach out to colleagues, law firms, and accounting firms to let them know of their interest in sitting on a board.

Tim Holt began by noting that the large search firms are only involved in a minority of the total board recruitments in any given year, approximately 10% with the other 90% of searches filled through word of mouth and connections. Of those 10%, his firm engages primarily in two types of board searches. A "spot" search involves finding a particular candidate for either an immediate or forthcoming need. The other type of search involves looking at the contours of the board over time and projecting what the board will need over 3, 5 and 7 year periods. Tim described the firm's client base as running the gamut from some of the largest financial institutions to smaller banks and credit unions, noting, however, that it is unusual for the firm to be hired by non-public financial services firms. He noted that tone at the top matters for fostering diversity and inclusion, and that D&I must be part of the board's discussion and metrics. Tim agreed with Diane that prior experience in dealing with boards was an important skill set and offered that he frequently finds candidates through networking with board directors that he has previously placed. He also encouraged finding creative ways, even informal, through, for example,

enterprise projects, to gain visibility and access to the board. He indicated that technical expertise is important, but that boards are also looking for redundancy and succession in order to fully staff committees. He noted that last year was a banner year in financial services firms for first-time directors. Tim suggested looking for boards that had hired first-time directors because they are more hospitable to newcomers.

Marty Pfinsgraff offered his perspective, both as a former bank supervisor and as a current bank board member, about the importance of a gender-diverse board to a bank's culture, risk-management and profitability. Marty stated that women comprised 37% of PNC's Board, noting that several of the women had expertise in commercial real estate, cybersecurity and other areas of strategic importance to the bank. He said skills are important. Noting that 50% of PNC's customers and employees were women and racially diverse, Marty described PNC's D&I efforts as motivated by enlightened self-interest and driven by the CEO and the Nominations and Governance Committee of the board. Marty noted the need for "intentionality" in hiring at the board level to increase diversity and the need for boards to network and reach out to their contacts to achieve diversity. From a regulatory perspective, Marty discussed the OCC's heightened expectations guidance for large banks as emphasizing the need for a qualified board. He also indicated that the embrace of diversity at PNC has not been made because of a supervisory focus, reiterating it is rather in the bank's enlightened self-interest. Diane added that regulators are focused on board members who can pose credible challenges to management.

Elizabeth St-Onge discussed her extensive research in this area, noting how important efforts by investors, regulators, customers and other external influences are in pushing for greater board diversity specifically focusing on efforts undertaken by Goldman-Sachs, State Street and Black Rock. Elizabeth noted that diversity is important to a sustainable and resilient organization. There is a need for people who think differently and ask different questions. Cognitive and behavioral differences are important to bring to bear in the workplace. They are an indication of a broader and healthier culture and regulators see this, said Elizabeth. Elizabeth noted that the industry is vastly underserving women as customers, failing to recognize that women's financial lives are structurally different. She sees a need to bring these various pieces together, noting there is a war for talent and companies can't afford not to attract and retain women.

In response to audience questions, panelists noted the need for experience, skills, availability and being free from conflict as important to obtaining a board seat. They also indicated that cybersecurity and technology skills are increasingly being sought after by boards, which are skills particularly prevalent among younger people.

In conclusion, all agreed it was important to get exposure to boards, either at work by undertaking special projects or seeking positions on non-profit boards.