

Member Profile

An Interview with Julie Hembrock Daum, leader,
North American Board Practice, Spencer Stuart
and director, Seacoast Banking Corporation

By Judy Macdonald



Q1. As the leader of the North American Board Practice for Spencer Stuart, you play a critical role in shaping board composition. How are companies, from pre-IPO to the S&P 500 approaching board refreshment?

In the US, board turnover is slow (approximately 8% per year in the S&P 500) but, at the same time, the business environment is dynamic.

When a board opening occurs, boards recognize an opportunity to add a director who will be a valuable long-term contributor. Most boards use a skills

matrix to start their recruitment process. This matrix highlights the skills that are important on the board given the current strategy, the skill sets the board currently has and the skill sets that will be lost when a director retires.

In addition, boards are having conversations about the experience needed in the future given the transformation occurring in every industry. Boards then prioritize their needs to create a profile of the requirements for the board opening. Boards cast a wide net to look for potential directors who have the required experience and background. Most boards consider cultural fit as important as skill sets and will interview several people for the board seat.

Many of our clients are thinking about board refreshment as an ongoing exercise and will keep a list of people they would like to get to know, to keep in the pipeline for future openings.

Q2. Do you believe in mandated diversity quotas for public company boards?

I do not believe in having quotas for diversity recruitment, but it certainly is a method that has worked in other countries.

In the US, we have been discussing the benefits of boardroom diversity for 30 years, yet we have seen little progress.

Recently the institutional investors decided diversity was a business imperative and that they would hold boards accountable for increasing their diversity. It is no coincidence that this pressure has resulted in a record number of women and minorities joining boards this year. Sadly, it does seem to take outside pressure to see results.

Q3. What are the skills that boards are seeking today and do those skills help next-gen directors obtain board seats?

Companies find themselves in a world that is changing rapidly. Board members still tend to be older, long-tenured and often retired. These directors may bring experience and wisdom to discussions, but they have not competed in a world with fast-changing technology, different methods of reaching customers and a global marketplace. Therefore, boards and management teams are looking for directors who are active executives, who are not planning to retire, and who have the right skills and qualifications - they understand technology or the impact of digital. This has opened the door for younger directors.

We've seen a trend toward more directors under 50 and more first-time directors joining corporate boards. Spencer Stuart has a program for younger directors designed to provide them with a network and resources for being an effective director. Since most boards continue to use age as the methodology for driving turnover, and with almost half using 75 or older as the retirement age, we will continue to see younger directors enter the room to bring the required skills and experience to the conversation.

Q4. What qualities do you value in a fellow director?

Most directors have the experience and resume to be in the room but the attributes that make a good director revolve more around interpersonal skills

and strategic mindset. A board is a group of peers and therefore it is important that everyone listen to one another and be mindful not take up too much airtime.

Also, it is important for directors to stay out of the weeds and allow management to spend their time on the company and not the care and feeding of board members.

Finally, it is important that is the board is able to come to consensus, so individual directors need to be able to argue effectively for their position but then support the board consensus without having to always be right.

Q5. What are the top trends or issues for directors to watch in 2020?

Diversity will continue to be a topic for discussion in 2020. This past year many boards were focused on recruiting women, but the conversation will continue as directors look at age diversity, ethnic diversity and tenure diversity.

Another big issue will be ESG and how to define ESG in the context of the company and the industry. Investors care about these issues and will want to engage and have meaningful discussions.

Q6. All S&P 500 companies now have at least one woman on board, which is great news. In your opinion, how long will it take to finally reach gender parity?

I have been working with boards for more than 25 years to recruit directors and to discuss governance. Although it is true that during this past year there were more women joining boards than ever before, the needle barely moved from 24% of board seats held by women in 2018 to 26% of board seats held by women in 2019.

We are also beginning to see pushback from people who think boards are spending too much time talking about diversity. So, I don't believe we will continue to see this high of a percentage of women

joining boards in a given year and I am not optimistic that women will achieve parity in the near future.

Q7. You are involved with the Women’s Refugee Commission, a non-profit organization that improves the lives and protects women and children displaced by conflict and crisis. Can you tell me more about your role supporting the organization and what value have you received from your association?

The Women’s Refugee Commission has always played an important role in the lives of refugees outside of our country. Who would have ever thought how important the organization would be helping refugees in our own country? I think we should remember that fighting for women in the corporate boardroom is important, but we all need to think about women who need the help and support of women who are more fortunate and more powerful.

My involvement with this organization has exposed me to events happening around the world. I find that the news and media in the U.S. focuses mostly on our own politics and leaves us uninformed about the rest of the world. The Women’s Refugee Commission has helped remove me from my bubble and changed my worldview.

Q8. What value do you receive from being a member of WCD, as well as a sponsor?

WCD provides an excellent opportunity for me to connect with and learn from an amazing global community of talented, knowledgeable and experienced corporate directors.

At Spencer Stuart we focus on developing and nurturing deep, long-term relationships because strong relationships lead to the best ideas, more diverse and informed options and positive impact. Our longstanding partnership with the WCD reinforces the importance of sharing boardroom

insights and best practices as well as the value of board diversity.

Q9. What do you like to do outside of work?

My life outside of work revolves around my three daughters and one perfect two-year-old grandson. In my free time, I love to travel and hate to go back to the same place twice (with the exception of London and Italy – who gets tired of them?) and I also love cooking.