

MORE YOUNG PEOPLE WITHIN BOARDS ? Is it possible ? How? An innovative approach: A Young People Board of Directors

Boards rejuvenation is often rightfully considered and discussed, but statistics on boards members ages show little progress.

Due to a lack of knowledge of reality, for the general public a Board of Directors is a set of relatively old persons. Common sense and corporate governance approaches lead to think that new ideas from younger generations introduced within the company board discussions would surely be a company asset.

The diversity of age within a board is unquestionably desirable, but will one or two younger directors be enough? Probably not really. In fact, except for very exceptional cases, mainly in the field of new technologies, given the experience needed to be a skilled board director, younger members of the Boards will be at least 35 years, then not really true young people any more.

Even if one assumes this a right approach, will it be possible to recruit them ?

Less than 45 years qualified candidates often have an intense operational professional activity, such as being a full time executive director.

Being at the same time a board member, is feasible within the same company, but it is much more difficult to be simultaneously a board member of an other company, e.g. as an independent director. Effectively, in this last case, it brings practical problems of availability, agreement of the employer, conflicts of interest, etc.

In summary.

Recruitment of some younger board directors may be difficult and generally will not be enough to ensure that potential contribution from truly young people will be brought to the boards.

How then to proceed ?

The approach suggested through this post by Governance & Structures is the following.

Under the leadership of the official board, create a Young People Board. A sort of "shadow cabinet". With slightly different goals, some municipalities use this approach. This Young People Board could be composed of a similar number of members as within the official board, 18 to 25 years old volunteers defrayed from the costs they may incurred (e.g. visit of a factory or a service center).

They would be recruited by "Internet" ads for a 3 years young people board participation (with renewal of one third of them every year) aiming at women/men parity and a wide diversity of origins. They would be managed by the secretary of the board assisted by the human relations manager.

The Board, providing the necessary documentation, would then ask this Young People Board, say three times a year, to think about a topic discussed by the official board. Young People Board will meet and elaborate proposals. One can think of issues that young people naturally master: new technologies including social networks and data protection, ecology, ethics, international ... Once a year a half day meeting with members of the official board of directors, including the chairman, will be organized the topics studied by the Young People Board .

The formula would be light and would not cause significant expenses and time from the official board members. Along a soft and friendly way, it would allow members of the official board to be positively and effectively confronted with ideas coming from truly young people. They may retain some ideas for implementation.

Surely, these young people, and indirectly their friends and relatives, would derive benefits, as openings on the company activities, its executives, as well as the "Corporate Governance" world.

Through the whole process, the company may incidentally identify young talents for later hiring.

The company could use this approach and present it to improve its image, especially among young people.

Many speeches and writings advocate innovation, and as one begins to find out, that innovation is not only within technology areas, it can also be within organizational processes and social domain. Here is a concrete example of this type of innovation.

What company will be the first one to try and later report to its peers?

Guy Le Péchon Associé Gérant <u>Gouvernance & Structures</u> 2 allée des Troènes 92330 SCEAUX France http://www.g-et-s.com <guy.le-pechon@m4x.org>

> Guy Le Péchon Gouvernance & Structures September 27 2015