

## Age Diversity: Developing a Strategy to Recruit (and Retain) Younger Directors

By Lauren J. Schantz, J.D., Governance Secretary, Carilion Clinic

Like many other industries, healthcare is experiencing an era of rapid growth, innovation, and disruption. Yet despite these seismic changes, the leaders at the helms of many healthcare organizations have remained largely the same: white male baby boomers with significant board and/or C-suite experience. While operational expertise and institutional wisdom are valuable director attributes, a board that includes younger directors with specialized skill sets is better equipped to navigate the healthcare industry's rapid changes successfully. Forward-thinking boards should develop a robust recruitment and retention strategy for younger directors.

### How Younger Directors Add Value to the Board

Younger directors, which include both Generation X and millennial directors, have the potential to add significant value to the board, including:

- **New skill sets.** Younger directors can bring crucial skill sets to the board in this era of unprecedented industry change and disruption. The talent pool of younger directors is a good source for skills such as business

### Key Takeaways

As boards and governance support professionals work together to include new, younger members on the board, they should:

- Recruit diverse mid-level professionals with specialized skill sets.
- Clearly articulate time commitments and tenure expectations.
- Provide in-person and experiential orientation opportunities.
- Utilize technology such as electronic board portals, email, and texting.

model transformation, talent recruitment and retention, data analytics, customer experience, social media management, digital marketing, e-commerce, and cybersecurity. But beware: not all younger directors fit the "tech-savvy" stereotype, and a candidate who specializes in e-commerce may not have the cybersecurity expertise a board needs. When recruiting for specialized skill sets, make sure to clearly articulate the capabilities a prospective director should possess.

- **Fresh perspectives.** Directors who have served on the same board for a decade or more have acquired significant institutional knowledge and likely enjoy a collegial relationship with each other and management. Although institutional knowledge and strong working relationships are essential aspects of a healthy board culture, high-performing boards recognize the importance of balancing these qualities with the fresh perspectives of younger directors to avoid the risk of

"group think," in which directors are either unable or unwilling to challenge management proposals. As millennials are poised to become the largest healthcare consumer group in the nation—with expectations and spending habits that significantly differ from those of their predecessors—younger directors have the ability to share different perspectives through a new generational lens that can drive needed changes in operations and strategy.

- **Greater diversity.** Throughout all industries, there is a lack of age, gender, racial, and many other types of diversity in corporate boardrooms. The mere presence of younger directors in the boardroom automatically results in more age diversity. And because most younger directors have not yet reached the apex of their careers, boards can avoid the homogeneity of the C-suite and choose potential directors from a much more diverse candidate pool. Consequently, electing younger directors to

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the board can have the added benefit of achieving greater overall board diversity, which, in turn, leads to greater diversity of thought and better oversight.

## How to Recruit and Retain Younger Directors

Below are a few steps to take that will help with recruiting younger board members and keeping them engaged:

- **Expand the talent pool.** Many boards require prospective directors to have previous board and/or C-suite experience, but adherence to these antiquated requirements hinders efforts to recruit the right candidates. First, there is the age-old question of the chicken and the egg: how does a candidate get board experience without serving on a board? In addition, the pool of C-suite executives is finite, which means that a board may have to settle for a candidate who has C-suite experience but does not possess other needed skill sets. However, if boards are willing to expand their recruitment efforts to include mid-career professionals located a level or two below the C-suite, they will find a much broader, more diverse talent pool of evolving leaders who possess the specific qualifications boards need to meet the demands of the changing healthcare industry. Tap into local young professionals networking groups, local philanthropic organizations, and business or trade journals that profile up-and-coming professionals to identify individuals who might

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make excellent younger director candidates.

- **Set clear expectations.** Younger directors are busy. They are in the middle of demanding careers and often have young children at home. So be upfront regarding time commitments: how often the board meets, how long meetings last, how much time it takes to prepare for meetings, whether committee service is expected and associated time commitments, and whether attendance at corporate events is expected and how often those occur. Also be clear about board tenure. While baby boomers may have viewed board service as a lifetime appointment, many younger directors are likely to want to serve for a defined number of years and then move on to something new.
- **Revamp the onboarding process.** Most new directors, and especially younger directors, do not have time to read through hundreds of pages of background information. While a board manual can still be provided (or, better yet, regularly updated on a board portal), consider holding one or more in-person orientation sessions that highlight key topics in a format that appeals to both audio and visual learners. Ensure new directors have time to meet with more seasoned directors, speak to key members of management, and go on a tour of the facility. If possible, have all new directors spend a day working with or

shadowing frontline staff. There is no substitute for personal experience. In addition, pair younger directors with senior directors who can serve as guides to the more intangible aspects of board service, such as navigating director and management team personalities and understanding the mechanics of the boardroom. Younger directors can also serve as reverse mentors to older directors, providing insights on how to use technology to make board service more efficient.

- **Embrace technology.** Once again: younger directors are busy. Make board service as easy as possible by utilizing the technology that most younger directors take for granted. Use board portal software so that directors can access meeting materials and other company information anytime, anywhere. Communicate via text message (though confidential or sensitive matters should still be handled via phone call or secure email messaging). Provide conference call and/or video conference call capabilities to allow directors to attend meetings remotely.

By implementing a clearly defined recruitment and retention strategy for younger directors, forward-thinking boards can begin to refresh their ranks with younger directors who possess the cutting-edge skills and fresh perspectives that healthcare organizations need to challenge industry norms and capitalize on disruptive innovations.

*The Governance Institute thanks Lauren J. Schantz, J.D., Governance Secretary, Carilion Clinic, for contributing this article. She can be reached at [ljschantz@carilionclinic.org](mailto:ljschantz@carilionclinic.org).*

