

Baby Boomers in the boardroom

A profound generational shift is resulting in greater emphasis on data, innovation, talent development, and social responsibility.

BY DONALD P. DELVES

THE CHILDREN of the '60s are taking over the boardroom. Those who came of age in the era of Woodstock and Watergate are now the 50- and 60-somethings moving into seats of governance in America's corporations. Baby Boomers are taking the reins from their Great Depression and World War II era predecessors. This is a fundamental, generational shift with profound implications.

The advent of "Baby Boomer boards" isn't just an artifact of demographics and the passage of time; it's a major inflection point in the diversity and values of corporate boards. In this inaugural column, I will discuss characteristics of Baby Boomer boards and their implications for the future of corporate governance. Future columns will address the significant ways that today's corporate and nonprofit boards are evolving and transforming themselves.

So, what are the characteristics of this new generation of board members, and how are they different from their predecessors?

- *They are entitled.* As anyone who serves or works with boards can attest, this new generation is demanding and exacting. They ask tough questions and expect not just answers, but data, analysis, research, and insight, well presented and summarized.



Donald P. Delves is president of The Delves Group (www.delvesgroup.com), a compensation and corporate governance consulting firm that advises boards of directors. This is his first in a series of columns.

- *They love and trust data.* Unlike the prior generation, who valued and relied primarily on their judgment and common sense, this generation is used to having vast amounts of data at their fingertips. They expect to see the whole picture and to make decisions based on relatively complete information and understanding. They know the data exists, and expect to see it in crisp charts, graphs, and tables. They want the high-level summary *and* the back-up.

- *They value process.* This generation tends to be as concerned with how decisions are made as with the decisions themselves. While they value consensus in the boardroom as much as their predecessors, they are more inclusive and inviting of diverse opinions and often do not feel that a good decision has been made until it has been well debated and multiple views have been expressed.

- *They operate by principles.* This generation actively seeks conceptual frameworks and guiding principles for decision making. They regularly ask, "What is our philosophy" on a topic, or "What core principles should guide us here?" They frequently orient their discussions and decision making around principles like Purpose, Stewardship, Accountability, Alignment, and Engagement.

- *They value innovation.* Having seen technologies come and go at an ever-in-

creasing rate, Boomer board members place a strong emphasis on their company's rate and quality of innovation. "Innovate or die" has been a core reality of their business careers. Hence, the pace and value of innovation is as important to them as profits and cash flows.

- *They understand talent development.* Having grown up in companies with excellent performance management, personal assessment, and feedback, this generation is facile with the tools of leadership development. They trust and value a company's ability to assess leaders on many attributes, and expect to see thorough, meaningful talent reviews and intelligent succession plans. They understand that the depth and quality of a company's leadership body is as valuable to shareholders as its products, services, and reputation. It is part of the future that shareholders are buying.

- *They question the status quo.* This generation just loves to challenge tradition. Just because the board has always done something a certain way does mean much to them. As Boomers take over the key committees, they do not hesitate to challenge the core assumptions of why the committee exists, what its job is, what its philosophy is, what principles it should operate by, how it makes decisions, when it makes them, etc.

- *They are socially conscious.* It is not unusual today to hear a board member ask, "Just whom do we serve," or to argue on behalf of employees, communities, and customers. While the legal obligation of U.S. boards to shareholders has not changed, this generation has an expanded awareness of the corporation's duty to all stakeholders.

Boards are changing because their members are changing. A profound generational shift is resulting in greater emphasis on data, innovation, talent development, and social responsibility. These are all positive developments that may expand and redefine the role of the board in important ways. ■

The author can be contacted at ddelves@delvesgroup.com.