



Korn Ferry Survey Finds Directors Eager to Add Needed Skills But Reluctant to Change Current Board

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LOS ANGELES--(BUSINESS WIRE)--Jul. 5, 2016-- A new survey released today by Korn Ferry (NYSE: KFY), the preeminent global people and organizational advisory firm, finds directors on Fortune 1000 boards in a quandary: how to add the skills their boards require to remain competitive while maintaining the membership they currently have.

One-third of survey respondents say their board as currently constituted is not adequate to meet the company's competitive needs, and more than half are eager to add directors with these missing skills. Further, nearly two-thirds indicate that they have identified new skills (financial, global, regulatory, and cybersecurity top the list) that they consider competitively necessary to have on their boards.

But 69 percent indicate they are satisfied with their current board composition, and only one in four favors term limits or enforced retirement ages that might open up seats.

The survey was completed in June, and the 156 respondents comprised board chairs and nominating governance committee chairs.

"The current proxy season was distinguished by a record number of shareholder proposals seeking proxy access and a say in the director nominating process, and directors themselves recognize the need for new skills on the board," said Tierney Remick, Vice Chairman, Board and CEO Services. "Given the long-term trend to maintain small, agile boards, current board leadership may need to consider how to make room for these new directors."

Additional top-line findings from the survey include:

- **Major change experienced across sectors:** 62 percent of directors believe their industry is facing a greater or similar degree of transformational change compared to other industries, with technology viewed as the most significant driver. 85 percent of respondents agreed that "New technologies are transforming our industry."
- **Perceived change is driving the need for new directors:** 82 percent of respondents agree, "We plan to add directors in the next few years and will have the opportunity to do so."
- **Integration and onboarding of new directors must be addressed:** While 86 percent of respondents recognize that first-time directors require additional support, 21 percent indicate that their board requires a change in culture to integrate new board members, and 42 percent agree that their board needs to work on better integrating new members.

About Korn Ferry

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