

John Wright:

Welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host, John Wright. After serving nearly 15 years as senior vice president and general counsel at Triumph Group Inc., a global aerospace component supplier, I'm now a member of the securities and M and A groups at Ballard Spahr, a national law firm with clients across industries and across the country.

John Wright:

In today's episode, we discuss board diversity. Recruiting, diverse board candidates, successfully onboarding them, especially when in person networking is difficult or impossible, how members of diverse communities can better develop their profiles for potential board membership and what we can expect to see in this area going forward. Leading the discussion is Kahlil Williams, a litigation associate in Ballard Spahr's Philadelphia office and co-leader of the firm's ESG working group. Kahlil's guest in this episode is Felicity Hassan, managing director of two businesses, Audeliss, an executive search firm focused on recruiting diverse talent and INvolve, a membership organization and consultancy, championing diversity and inclusion in businesses. More will be discussed in the episode. With that, we'll turn the episode over to Kahlil and his guest.

Kahlil Williams:

Hi, I'm Kahlil Williams. I'm the co-leader of the ESG working group of Ballard Spahr and I'm here today with Felicity Hassan, who is the managing director of Audeliss, and INvolve, two companies that are committed to leveling the playing field for diverse talent. Felicity, it's great to be with you.

Felicity Hassan:

Thank you very much for having me today.

Kahlil Williams:

It's wonderful that you're here and I want to jump right into this. I struggle with maintaining the one job that I have and in my description, I just mentioned that you have two companies, Audeliss and INvolve. Tell me about those.

Felicity Hassan:

The way that I juggle that is by having a tolerant husband and some very kind children, but most importantly, they work in sync. I have the unique privilege of overseeing two businesses that I'm incredibly passionate about. And as I say, they work hand in hand with one another. Audeliss is the executive search arm of the business, which is pulling diverse candidates into executive and board level positions and then INvolve is the advisory and consulting piece, which goes into clients to help them create a culture of belonging, to help retain that talent and set people up for success. I think the ability to kind of look after both of those opportunities is motivated by my passion for the mission that we have.

Kahlil Williams:

And which one came first?

Felicity Hassan:

Audeliss, the executive search arm. And you'll not be surprised to hear this or I doubt you'll be surprised to hear this, what we discovered going into the executive search space to specifically, with a mission of sourcing diverse talent is we identified that that is only of value if those diverse candidates last and are successful in both.

Kahlil Williams:

You identified a need coming out of the executive search function. You said, "We've got to kind of continue the mission here. It can't just stop at the placement and it's got to go a bit further."

Felicity Hassan:

100%.

Kahlil Williams:

I would love to talk to you more about board diversity which has been a really hot topic within the ESG context and obviously companies have made proclamations about how committed they are to diversity. In some cases they've been sued for the space between those proclamations and what they've actually done in terms of the representation of people of color and women on their boards of directors and in upper management. Tell me a bit about who your clients are and how you connect them with companies searching for talent.

Felicity Hassan:

Yeah, so I had the immense privilege of connecting with a group called C200 early on in my expansion of our board practice in the US and C200 is phenomenal group of women in operating roles who either currently sit on boards or are looking to build out their board portfolio. That kind of, it gave me an exposure to an immense wealth of female talent, women and women of color who were really looking to kind of build out their portfolio. That introduction to C200 and that introduction to this just incredible group of powerful women who are 100% running this country or should be, they're not already, also introduced me to the Women Business Collaborative that that I now sit on the board of which actually houses 43 nonprofit organizations, 11 of which are dedicated to advancing women in their board career.

Felicity Hassan:

The clients that I'm working with, and that's not even to mention the communities that I partner with, including the likes of ELC and the Alumni Society, these are organizations that have a wealth of diverse talent that is either board ready or active in the board space. I have worked very hard and as a firm, we've worked very hard to build out our relationships with these individuals that we can then leverage to introduce onto both nonprofit boards, private boards and public. That's really kind of how we have developed this. And that is also in conjunction with the network that we've built up through INvolve and the executive role model list that we publish as well. We've literally just published on the 19th of January, we published our OUTstanding list, which celebrates the top LGBT+ executives, their allies and the future leaders in that space.

Felicity Hassan:

Prior to that, we published HERoes and at the beginning of last year, it was EMpowers. We're just kind of coming up to the next cycle of that, we do that through Yahoo Finance. All of those have yielded just

a phenomenal pool of candidates that I can both kind of reactively when board searchers come to us introduce, or proactively, to the extent that I know firms who are looking for board talent.

Kahlil Williams:

And could you tell me whether or not those companies sort of the number of companies that are coming to you with these sorts of requests, have they increased in, let's say the last six months, 12 months, two years?

Felicity Hassan:

No doubt, no doubt. I think, to your point earlier, the immense energy that was created, I would say through the Black Lives Matter movement over the course of last summer had a huge impact on the volume of work coming to us on the board side, as well as the executive side. That actually brought a significant amount of momentum, but it actually kind of predated that. Yes, I think people were already interested in diversity and were already kind of thinking about how we could really make an impact. And that was off the back of things like California and the various other states passing rules about diversity in the boardroom. But I think that there was a real energy from BLM, but even from COVID, I think we found that people kind of had the opportunity to really sort of focus their attention on what mattered during COVID.

Felicity Hassan:

They weren't so cluttered by the pace of what was going on, because I think the pandemic kind of pulled everything down a level in terms of we don't know what's going to happen next so let's be really strategic and really thoughtful about what we do have control over because there's a whole bunch of stuff that we don't have control over right now. I think, yes, in answer to your question, the last 12 months has really seen a phenomenal wave of opportunity coming our way and a real commitment, a legitimate commitment to making a difference here.

Kahlil Williams:

It sounds like there's been an uptick in ways that are really valuable and important in terms of board diversity, but there are still companies that lament about an inability to find diverse candidates. And so I know you're from the UK, so I'll ask you in your most stern British accent, what your reaction is to companies that say to you, "We just don't know where to find people."

Felicity Hassan:

Where have you looked? There's a wealth of highly qualified, diverse talent in the market. It's no longer a viable excuse. Don't say to me that you can't find diverse talent, unless you can come back to me with a very legitimate strategy that you have undertaken to proactively go out and source diverse talent. And I'm not suggesting that the dominant demographic suddenly kind of switched overnight to being Black and Hispanic professionals. Don't get me wrong, I'm not naive about this, but the point is there are just some absolutely phenomenal diverse candidates out there. That also by the way, some sit on other boards. That this is not a high risk, calculated risk. We're going to have to make some compromises to bring in diversity, which also is a little bit of a bugbear of mine, as I'm sure you can imagine. These diverse candidates are just phenomenally qualified individuals.

Felicity Hassan:

It's really about, don't assume that you have diversity, diversity was squirreled away in your dusty old Rolodex. It was not and you will not find your diverse candidates there. If you want difference, you're going to have to work for it. Go out, make friends, expand your network, speak to people like us or quite frankly, any of the communities out there that are advancing professionals, diverse professionals in their board career. You don't have to work with a search firm to do that. You can speak to ELC, you can speak to WBC, you can speak to C200 and they will provide. And the myriad of other options and they will provide you with a pool of phenomenal, diverse talent. But the statement, I'm struggling to find diverse talent or I just haven't found it is just completely obsolete these days.

Kahlil Williams:

Since the objective is not just to get diverse members on board, but to fully integrate them into the organization, can you give us a few recommendations on what companies can do to set up diverse board members for success, particularly where meetings are occurring virtually in the COVID environment we talked about earlier?

Felicity Hassan:

Yeah. Great point. I would say, the critical point is establishing a robust onboarding strategy and putting a process in place around that. I think all too often, board members are brought on board and there's just an assumption that they will immediately kind of integrate into that environment seamlessly and will get to know people. Well, to your point, if you're not in the room with individuals, it's incredibly hard to network with people that you haven't met, that you're not seeing, that you can't just sit next to at dinner and have a catch up with. You're going to have to create that. That's not going to happen organically so you're going to have to force that. Create a process where you have documentation and data. Obviously you're sending out all of your corporate governance details ahead of time to any new board members. Make sure that they have some kind of ally within the boardroom who can help walk them through any kind of data which would be pertinent to them getting up to speed.

Felicity Hassan:

Most people who come into the boardroom take this very seriously. They want to do their homework. They want to do their reading ahead of time. They're intellectually curious about what they should know about the board. Make sure that they've got somebody who's really kind of working them through that because the other thing I would say about diverse candidates is, there is an increased spotlight on the diverse individual being brought in, particularly if they're the only in the room and that can sometimes lead to a sense of over caution. Individuals really kind of taking a step back until they feel really comfortable with what contribution that they want to make, that process will tend to be longer if they aren't in the room with individuals.

Felicity Hassan:

Giving people the appropriate onboarding and an ally who can really help encourage them coming to the table with thoughts, suggestions and input earlier on in the process is really going to help them embed themselves as a meaningful board member in this process. But as I say, it's something which has to be very intentional. That individual should have one to one meetings with every single person on that board and have somebody dedicated to shepherding them through that process and that onboarding.

Kahlil Williams:

And have you heard in speaking to your clients or speaking to others, sort of examples of folks feeling like they're a bit more atomized either as diverse candidates or board members or otherwise in the current environment?

Felicity Hassan:

Yes, I think absolutely. As I mentioned, I think that the challenges that you have got individuals who are probably statistically are more inclined to be cautious about not falling into holes than others, because they're under more of a spotlight. Then put that in a remote setting and you're really turning down the volume on that individual. I definitely come across certainly women who we know historically have not necessarily been the most outspoken in the boardroom for many reasons, but often because they aren't necessarily automatically given a voice. And that is definitely the challenge is increased in a remote setting. But if I'm completely honest, Kahlil, this was already a problem. This was already a problem one to one, in person, face to face, so of course it's going to be a bigger problem.

Felicity Hassan:

The challenge I think is about the onboarding period and also about just the attitude in the boardroom. The number of stories that I've heard about a woman coming in as the first woman on the board and literally having to physically stand up to say something because their input just was not taken into account until they literally made the physical move to stand up to say, "I have something that I need to add here." That's just a ludicrous proposition. You can guarantee that the other men at the table were not doing the same. It's a time old issue, which is a problem that the boardroom needs to solve across the board.

Kahlil Williams:

To coin a phrase. My last question for you is, we talked a bit about the sort of the top down problem, which is that companies on the top are trying to figure out how to find a diverse pool of candidates. But I imagine the opposite is true in that or sort of bottom up problem, which is that diverse folks may not know sort of how to go about getting themselves in front of the right people, how to network in a way that might get them on a board. Any advice to people that are thinking about it, sort of how do I join? And how do I become part of the club that feels kind of like an old boys network at times?

Felicity Hassan:

Yeah, absolutely. As I mentioned, there are a myriad of resources through a number of diverse communities that will help shepherd you through that. Whichever community you happen to be a part of, whether you're affiliated with disabled communities or veterans communities or women's communities or Black professional networks or Hispanic or Latinex professional networks, most of them will have an arm which is dedicated to helping you with your executive career or your board portfolio. And an offer they will provide themselves or they can point you to a resource that will help you build out your board bio or connect you with lists of resources and networks that you can go to really build your brand and build your profile in this space.

Felicity Hassan:

Until this space changes and becomes more open, it is still not today. Until it becomes more open, until board positions are advertised, which I don't see happening in the short to medium term, because I know that clients are skittish about that, this does have to happen through network. It is worth considering that it will probably take you a year to build a legitimate network so take that into account.

Don't be disheartened by the amount of time it takes to embed yourself into an environment where a board position is even remotely viable. You need to kind of understand what the boardroom entails. Understand what the responsibilities are. You can read books on that. That's easy. Get involved with those communities who are going to help you get a foot on the ladder and then, take the path well traveled. Most people will suggest, go into a nonprofit, join a nonprofit board. Understand what happens in that setting, where you're kind of combining something which you're passionate about, but you're also kind of learning the basics of how the boardroom operates. And you're also inadvertently surrounding yourselves with other people who sit on other boards.

Felicity Hassan:

Organically, you're creating yourself a network of individuals who now know you in a board setting, who also sit on other boards that they are then in a position to recommend you to. There will also be people who hear of other board opportunities that they can point you towards. Those are the kind of channels that I would suggest. Do your reading, do your homework, think about the communities that you're either a member of and how they can support you or which communities you should join to support you. And then start to kind of make inroads into an area where you can kind of surround yourself by people who are in this space, but dedicate yourself to the long road.

Kahlil Williams:

And we've also talked, I think you and I have talked about being intentional. I just wanted to hear a bit more about sort of making the ask of people and not being afraid to do so.

Felicity Hassan:

Sometimes it can be embarrassing, feeling like you are asking a favor of somebody. Do these opportunities come to me? Should people just recognize me for my work? Do I always have to be the person raising my hand and tooting my own horn? And the answer is, yes. The only person who's going to be truly invested in your career, be it executive or board is you. And so, if you want to progress in this space, you need to make sure that in an appropriate way, you are making sure that everybody is aware of what your intentions are. I intend to join a board and I'm looking to kind of take the following strategy to get into that space. What would your advice be to me? Do you have any ideas for me?

Felicity Hassan:

But the people that you're speaking to about that are probably going to be people who are on boards, who you believe are going to kind of wield some influence in where you're going in your career. They don't have time to interpret what your request is. To read between the lines, to understand where it is, what point you're trying to get to. Be direct. As I say, be polite about it, but you can be direct.

Felicity Hassan:

I'm looking to build out my board portfolio. I'm really excited about these industries or these goals or this is what I think I can bring to the table. What do you think? Get some feedback, learn which directions, learn where they think where you should focus, what you need to kind of read up on, where your skills might be desirable and then focus your attentions in those spaces. Really, what have you got to lose? Nothing other than maybe kind of a moment of pride where you feel like you're asking a favor, but you absolutely have to be intentional and you have to own this. It will not come to you.

Kahlil Williams:

We often ask guests to make predictions in the ESG space about what they see coming down the pipe. And currently a number of companies are thinking through what shareholder proposals might appear in their proxy statements and who might be nominated to be elected to the board at the shareholder meetings. And so I wonder whether or not your expectation is that the diverse talent will be represented better on boards in this coming year? Will there be more elections of diverse folks to positions on boards?

Felicity Hassan:

We're already seeing it. We're already seeing the impact of that. If you look at the administration and the bills that have already passed and the general kind of influence that you're seeing from that perspective, I think we should assume that that pressure is going to continue to mount over the course of the year. I think boards will definitely be prioritizing diverse talent. I think if last year taught us anything positive, it was that diversity is a strategic imperative if you're looking at the survival of your organization. The theme, if there was one kind of guiding theme from last year, it was the concept of transformational change. If you have a very kind of undiverse traditional board at the helm of your organization, you will struggle to get through that transformational change and really stay relevant within your market.

Felicity Hassan:

You need to have a board that reflects the incredibly agile and transient environment that we're going to be facing over the course of the next couple of years, with a myriad of different environmental factors that we need to take into account. I think yes, diversity is definitely going to shift in the boardroom. We've seen it. We've seen huge moves from Goldman. We've seen a huge move from NASDAQ. We've seen big news at the state level as well. Yes, I think that pressure will maintain. And I think this concept of boards being forced to be more thoughtful about how they go to market as well, really kind of thinking about doing a skills matrix. Assessing the talent that's coming up, assessing what they have and what they need. Certainly the feedback that I get from a lot of the board candidates that I work with is that there's still just a woeful lack of tech expertise in the boardroom.

Felicity Hassan:

And that's the future of where we're going. Tech and digital and marketing and social impact and HR issues will become much more of a dominant challenge in the boardroom than they have been historically, which is not to say that the board won't require the kind of financial and legal chops and CEO and GM experience that they've always required. But I think that there will be a new need to kind of think about this from a slightly different perspective and think about kind of the different elements of what's going to drive your organization forward. And aside from the core boardroom, we're seeing also a prevalence of advisory boards coming in as well. And I think those advisory boards, particularly the DEI advisory boards, will probably serve as a feeder for those boardrooms. And needless to say, they are made up of diverse candidates.

Kahlil Williams:

Well, I am out of last questions to ask you, but I really want to thank you for your time. It's been wonderful talking to you and take care of yourself and stay warm in all the snow.

Felicity Hassan:

It's been an absolute pleasure. Thank you, Kahlil.

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John Wright:

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