

# Boards Getting More Young Indp Directors



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# Boards Get Younger as Cos Seek Tech-savvy Directors

Firms are inducting independent directors for their expertise in new-age areas like AI, cybersecurity and ESG

Rica Bhattacharyya

**Mumbai:** An increasing number of companies are inducting young independent directors with an understanding of new-age technologies such as digital, artificial intelligence and cybersecurity as well as in areas of environmental, social and governance that have become integral to their business strategy and roadmap.

In the past one year, there has been

## EXPERTS SAY...

**There is a dearth of directors who are equipped in technology and other new-age skills**



SIDDHARTH

an increase in the number of first-time independent (non-executive) directors who are younger than the earlier choices and were handpicked for their knowledge of new-age skills, said top board members and leadership advisory firms.

According to data from Primein-

fobase, about 830 first-time independent directors were appointed in calendar 2023, up from 776 the previous year and 518 in pre-pandemic 2019. The average age of these first-time independent directors has declined to 53 years in 2023 from 59 years five years earlier.

“Digital, AI, data mining and other tech-related skill sets have become an important part of board requirements,” said Arun Duggal, chairman of ratings firm ICRA and an independent director at several companies.

“We handle searches where we are replacing an independent director whose term on the board would be coming to an end. But we are witnessing that when companies are replacing such board members, they are seeking very different skills and experiences,” said Jyoti Bowen Nath, managing partner at executive search firm Claricent Partners. There is a surge of first-time board directors who are being selected for their knowledge around AI or ESG, she added.

Citing a recent search for a diversified Indian industrial group, Nath said: “The brief was to get someone

extremely contemporary, well versed in AI and technology, a far cry from the briefs of yester years.”

Over 1,400 independent directors will compulsorily need to retire by March 2024 in National Stock Exchange-listed companies, according to data from Primeinfobase. As of February, the average age of the directors at 2,257 companies listed on the NSE is 58.6. The number of NSE-listed companies was 2,239 at December-end last year, 2,029 at the end 2022 and 1,707 as of 2019.

There is a dearth of directors who are equipped in technology and other new-age skills. In recent times, several senior leadership professionals holding an executive position at their organisations have been inducted by boards of companies in non-competing industries.

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