

Clamour for AI Skills Reaches Boardrooms

Legacy business groups line up to hire former tech CXOs as independent directors

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Mumbai: A battle for boardroom talent is heating up among India's legacy business groups as they seek to onboard former tech CXOs with expertise in cutting-edge technologies like artificial intelligence (AI), cybersecurity, big data, and machine learning, as independent directors.

However, the pool of such seasoned technology leaders—former chief executives,

managing directors and chief technology officers with deep knowledge of AI and deep tech—remains limited, company insiders and board consultants noted.

This comes at a time when AI is seen as the primary disruptive force for most businesses across industries, prompting many traditional businesses to go for rapid

digitisation and foray into new business areas as part of their future growth strategy, experts said.

That apart, new-age businesses too are hunting in the same talent pool to hire veterans as directors on their boards.

"Technology has moved from being in the periphery to occupying the centre stage across businesses," said Pankaj Arora, managing director of Russell Reynolds Associates, a leadership and board advisory firm.

Independent Call

About **1,329** first-time independent directors were appointed in NSE-listed cos in CY24

This was up from **997** in Calendar 2023 and **426** in pre-Covid 2019

AVERAGE AGE OF INDEPENDENT DIRECTORS AT 2,294 NSE COS IS 58



Source: Primeinfobase.com

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"This leads to companies grappling with technology both as a game-changing opportunity and as a threat posed by risks such as data breach, and cyber theft. Hence, having someone on the board who understands technology well enough to help in strategy, governance, risk mitigation, and identifying future opportunities is becoming a business imperative," added Arora.

Prominent names among independent directors with tech background include Gopichand Katragadda, former chief technology officer of Tata Group, who joined Asian Paints board in April; Neelam Dhawan, former MD of Microsoft India, who is on the board of Ather Energy, Tech Mahindra and others; Rekha Menon, former chairman and senior MD of Accenture India, who

is on the board of Biocon; and Al-Noor Ramji, tech advisor and startup mentor who is on board of Tata Motors and others.

"Only a few boards are reshaping the board agenda and configuration to remain relevant in the face of the tsunami driven by AI," said Vineet Nayar, former CEO of HCL Technologies. "As products and strategies become obsolete, so too do boards, unless they transform to stay relevant."

Jyoti Bowen Nath, managing partner of executive search firm Claricent Partners, said, "The most common evidence of a company's readiness to oversee AI-related opportunities is found in the experience board members have in technology, digital and AI."

The demand for former CXOs with AI expertise is primarily driven by the tech sector where more than 40%

of companies have at least one independent director coming from an AI background, Nath said.

There is a high demand for independent directors with proven experience in the digital and AI space in non-tech segments, too, as the use of AI becomes rampant across industries, she said.

Industrial conglomerates, manufacturing firms, automobile/EV and component makers, consumer businesses, education and edtech companies lead the pack in vying for AI expertise on their boards, experts said.

Companies understand that appointing directors with expertise in AI and other emerging technologies "helps them stay competitive, manage risks, and explore new growth opportunities in today's fast-changing business world", said Anisha Patnaik, founder of law firm LexStart Partners.

Abhijit Joshi, managing partner at Veritas Legal, said while independent directors have traditionally focu-

sed on governance and compliance, rapid advancement in technology makes it important for companies to onboard a few members well-versed in AI, blockchain and robotics as directors as they "can play a critical role in managing risks, fostering innovation, and ensuring compliance".

"This combination of governance and technological know-how enables businesses to remain competitive and achieve long-term growth," said Joshi, who also serves as an independent director on the board of Navin Fluorine International.

Stressing the need for transforming company boards at a time when AI is rapidly reshaping businesses, former HCLTech chief Nayar said, "Boards must become agile, capable of interactive experimentation, and align leadership with new opportunities created by AI. AI moves faster than traditional strategy processes can handle, and boards must set the pace."