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2024 Spencer Stuart Information Technology Sector Snapshot

Boards of 64 information technology companies in the S&P 500 index tend to be smaller, longer-tenured and slightly older than S&P 500 boards.

» The average age of independent directors on information technology boards is 63.5 years, compared to a 63.4-year average for S&P 500 boards.

» The youngest average age of the information technology board is 56.4 years, the oldest is 73.7 years.

» Information technology boards average 10.2 directors, smaller than the 10.8 average of S&P 500 boards.

» Independence of information technology boards averages 86%, compared to 85% for S&P 500 boards.

» The average board tenure of independent directors on information technology boards is 8.3 years, higher than the 7.8 average for S&P 500 boards.

» The longest-tenured information technology board averages 16.2 years.

New independent director backgrounds

The 64 information technology sector boards appointed 49 new directors to the boardroom in the past year. Among the information technology companies, 61% added at least one independent director, while 14% added more than one (the lowest of all sectors).

Appointees averaged 57.6 years of age, younger than the 58.2 average for all independent directors joining S&P 500 boards. First-time directors represented 29% of independent directors joining information technology boards — lower than the 34% for the S&P 500. NextGen (aged 50 or younger) directors comprised 10% of the sector's incoming class, compared to 14% for the S&P 500.

Fifty-nine percent (59%) of the independent directors joining information technology boards are actively employed, compared to 52% of independent directors joining S&P 500 boards this year.

Compared to the S&P 500 incoming class of independent directors, information technology boards recruited in 2024 a higher percentage of active CEOs (the highest of all sectors) and P&L leaders.

NEW INDEPENDENT DIRECTOR BACKGROUNDS

	2024 Information Technology	2024 S&P 500
CEOs	**37%**	**30%**
Active	*27%*	*16%*
Retired	*10%*	*14%*
Chairs/presidents/COOs	**0%**	**3%**
Active	*0%*	*1%*
Retired	*0%*	*2%*
Functional leaders	**16%**	**16%**
P&L leaders	**12%**	**8%**
Financial backgrounds	**24%**	**29%**
Financial executives/CFOs/treasurers	*14%*	*15%*
Investment managers/investors	*6%*	*7%*
Bankers/investment bankers	*0%*	*5%*
Public accounting executives	*4%*	*2%*
Academics/nonprofit executives	**6%**	**2%**
Consultants	**2%**	**3%**
Legal	**0%**	**3%**
Others	**2%**	**6%**
TOTAL		
Active	*59%*	*52%*
Retired	*41%*	*48%*

Board leadership

The chair and CEO roles are separated at 69% of information technology boards — higher than the 60% of S&P 500 boards. Executive chairs are in place at 11% of information technology boards, versus 14% for the S&P 500. Independent chairs lead half (50%, the highest of all sectors) of information technology boards, compared to 39% of the S&P 500. Independent lead directors are named at 58% of the sector's boards — tied with communication services for the lowest percentage of all sectors — compared to 66% of the S&P 500.

Board organization and process

Compared to the S&P 500, the sector has a higher percentage of majority vote standards for director elections and a lower percentage of annual elections and stock ownership requirements.

DIRECTOR ELECTIONS AND STOCK OWNERSHIP

	2024 Information Technology	2024 S&P 500
Annual elections of directors	88%	91%
Majority voting for directors	94%	89%
Stock ownership requirements for directors	89%	94%

Information technology boards tie with communication services for the lowest average number of board committees. IT board committees tend to be smaller compared to the S&P 500.

BOARD AND COMMITTEE SIZE AND MEETINGS

	2024 Information Technology	2024 S&P 500
Board		
Size (avg #)	10.2	10.8
Meetings (avg #)	7.0	7.7
Board committees (avg #)	3.6	4.2
Audit committee		
Size (avg #)	4.2	4.5
Meetings (avg #)	8.8	8.1
Compensation committee		
Size (avg #)	3.9	4.3
Meetings (avg #)	5.9	5.7
Nominating/governance committee		
Size (avg #)	4.0	4.4
Meetings (avg #)	4.6	4.6

The sector's most common additional committees are: executive; science/tech/cyber; and finance.

PREVALENCE OF STANDING COMMITTEES

Committees	2024 Information Technology	2024 S&P 500
Finance	14%	26%
Executive	14%	25%
Science/tech/cyber	16%	17%
Environmental/health/safety	2%	13%
Risk	0%	12%
Social responsibility	2%	7%
Legal	0%	5%
Investment	0%	3%
Strategy	2%	1%
Innovation	0%	1%

Turnover policies

Less than half of information technology boards have a mandatory retirement policy for directors.
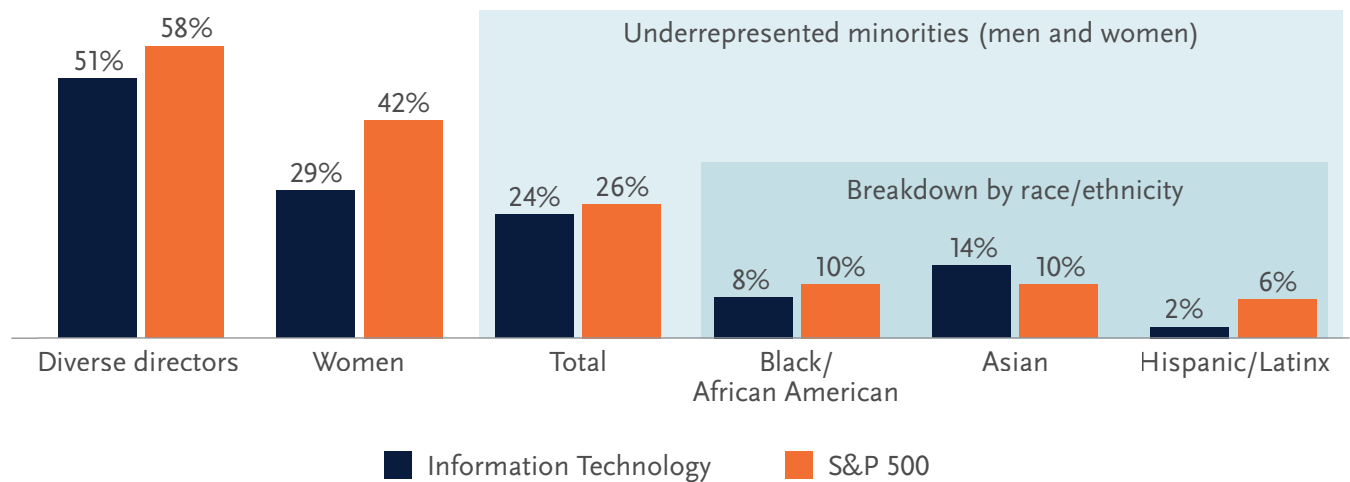
TURNOVER POLICIES

	2024 Information Technology	2024 S&P 500
Mandatory retirement policy		
% companies	48%	67%
Retirement age (avg yrs)	74.5	74.1
Tenure policy		
% companies	6%	9%
Tenure limit (avg yrs)	16.3	14.7
Material change resignation policy		
% companies	84%	89%

Diversity — information technology incoming class

Directors from diverse communities — defined using the Nasdaq definition of directors who self-identify as female and/or an underrepresented minority (Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races or ethnicities), and/or LGBTQ+ — constituted 51% of the 49 independent directors joining information technology boards over the past year, compared to 58% of independent directors joining S&P 500 boards.

The sector appointed the lowest percentage of women directors to the board in the past year of all sectors.

DIVERSITY OF INDEPENDENT DIRECTORS JOINING INFORMATION TECHNOLOGY BOARDS

Bar chart showing:

Category	Information Technology	S&P 500
Diverse directors	51%	58%
Women	29%	42%
Total	24%	26%
Black/African American	8%	10%
Asian	14%	10%
Hispanic/Latinx	2%	6%

Underrepresented minorities (men and women); Breakdown by race/ethnicity

Legend: Information Technology — S&P 500

Diversity — information technology boards

Half (50%) of directors serving on information technology boards are diverse, matching the 50% average for the S&P 500. The sector has the highest percentage of directors who self-identify as Asian and the lowest percentage of directors who self-identify as Black/African American of all sectors.

DIVERSITY OF ALL INFORMATION TECHNOLOGY BOARD DIRECTORS

| | Diverse directors | Women | Underrepresented minorities (men and women) | | | | Boards with... | |
			Black/African American	Asian	Hispanic/Latinx	Total	3 or more women	3 or more URM*
Information technology	50%	33%	8%	14%	4%	26%	86%	45%
S&P 500	50%	34%	12%	6%	4%	24%	91%	48%

* URM refers to underrepresented minorities

Diversity — board leadership

The sector's percentage of women lead directors outpaces the overall S&P 500, but it lags the S&P 500 on other metrics of diversity of board leadership.

DIVERSITY — BOARD LEADERSHIP

	2024 Information Technology	2024 S&P 500
Independent chair		
% women	*16%*	*18%*
% underrepresented minority	*3%*	*7%*
Independent lead director		
% women	*24%*	*20%*
% underrepresented minority	*8%*	*11%*

Information technology companies

» Accenture

» Adobe

» Advanced Micro Devices

» Akamai Technologies

» Amphenol Corporation

» Analog Devices

» Ansys

» Apple

» Applied Materials

» Arista Networks

» Autodesk

» Broadcom

» Cadence Design Systems

» CDW Corporation

» Cisco Systems

» Cognizant Technology Solutions Corporation

» Corning

» Enphase Energy

» EPAM Systems

» F5

» Fair Isaac & Co

» First Solar

» Fortinet

» Gartner

» Gen Digital

» Hewlett Packard Enterprise Company

» HP

» Intel Corporation

» International Business Machines Corporation

» Intuit

» Jabil

» Juniper Networks

» Keysight Technologies

» KLA Corporation

» Lam Research Corporation

» Microchip Technology

» Micron Technology

» Microsoft Corporation

» Monolithic Power Systems

» Motorola Solutions

» NetApp

» Nvidia Corporation

» NXP Semiconductors

» ON Semiconductor Corporation

» Oracle Corporation

» Palo Alto Networks

» PTC

» Qorvo

» QUALCOMM

» Roper Technologies

» Seagate Technology plc

» ServiceNow

» Skyworks Solutions

» Super Micro Computer

» Synopsys

» TE Connectivity

» Teledyne Technologies

» Teradyne

» Texas Instruments

» Trimble

» Tyler Technologies

» VeriSign

» Western Digital Corporation

» Zebra Technologies Corporation

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