

DEVELOPING YOUR DIRECTOR CAREER

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Elizabeth Jameson FAICD

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Australian Institute of Company Directors
Level 30, 20 Bond Street
Sydney NSW 2000
T: 61 2 8248 6600
F: 61 2 8248 6633
E: publications@companydirectors.com.au
W: www.companydirectors.com.au

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This book is designed as a practical guide to developing a boardroom career and so, in drawing on my own 25+ year boardroom career, many of the insights and reflections are those of wise and experienced directors whom I have had the great good fortune to meet, serve with, consult to or hear talk in open forums about the difficult business of getting on boards. To those many nameless and faceless directors, mentors and role models I am grateful and if I could list them all without the risk of forgetting some of them, I would certainly do so with gratitude.

Some of these many wise individuals are in the shadows behind a number of the seemingly anonymous ‘quotes’ peppered throughout the book. These statements blend, or in some cases paraphrase, many of the similar types of comments that I have heard practising directors make over and over as I have traversed the hills and valleys of boardroom life. It was a deliberate decision to convey these comments in the form of anonymous quotes since they reflect the value of gathering the anecdotal and informal comments of which I have been the beneficiary throughout the development of my own boardroom career. Hopefully you too will gather many more of your own as a result of some of the thoughts and provocations in this book.

More immediately, however, I have a number of practising directors to thank for their time and generosity in granting me field interviews. Some of the gems they shared with me have also made it into the comments scattered throughout the text. This was, again, a deliberate decision to encourage these contributors to be ‘frank and fearless’ in their comments.

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Introduction

There is a seemingly ever-growing pool of aspiring directors in Australia. Becoming a non-executive director is no longer seen as it once was, as the domain purely of retired executives, lawyers and accountants. Having done the hard yards moving up the corporate ladder, the ‘part-time, no staff, no boss’ environment of the boardroom can seem like a very attractive move. However, the life of the portfolio non-executive director is not to be entered into lightly and requires much discipline and preparation.

This book is about the discipline and preparation required as you start out on the portfolio directorship path. To be ‘fit-for-purpose’ as a director, just as in any walk of life, you need first to identify your goals. But that alone is not enough. You need to ‘get fit’. You must understand what is involved in achieving your goals, train for them, and be ready to leap when the opportunity presents itself. This is true whether you are looking for that sometimes elusive first board appointment, or have gained a small amount of board experience and have then decided that this is a path you want to follow, more actively seeking out other positions.

Given the growing pool of aspiring new directors, it is important to understand the corresponding opportunities. As at publication of this book, there are over 2.5 million companies registered in Australia.¹ Whilst a large number of those companies are private in nature and do not have board seats available for external non-executive directors, there are also a great many public-sector related bodies as well as churches and charities and other not-for-profit (NFP) organisations, all with boards of directors, operating under a range of other legal structures that mean they are not necessarily included in the number of company registrations. Amongst these varying types of boards, there are estimated to be hundreds of thousands of non-executive director board seats in Australia.

At the same time, the pressure on boards continues to build for them to strive for much greater director diversity and thus to look to wider and deeper pools of director candidates. This is because of the realisation that diversity in terms of skills, backgrounds, demographics and styles of thinking around the board table makes

¹ See <http://asic.gov.au/regulatory-resources/find-a-document/statistics/company-registration-statistics/>.

for better corporate decision-making. Boards are therefore increasingly aware of the need for greater rigour in finding directors from a wider spectrum of backgrounds.

This combination of factors might tend to suggest that there are plenty of board opportunities ripe for the picking. Yet the experience of aspirant directors is commonly that competition is fierce and board positions are extremely hard to secure if you aren't already 'in the club'. They find themselves competing with a large and established pool of professional portfolio directors occupying a great many of the available board seats.

This book explores how an aspiring or early stage director can increase their chance of success in securing that first or subsequent board position. It is designed to be a practical guide, helping the boardroom aspirant 'get fit' for the task of finding board roles, through understanding the landscape, their own boardroom value proposition and the questions to ask before joining a new board.

Chapter 1

Prepare your plan

This book assumes that you have already decided that you want to investigate a boardroom career, or perhaps that you have even actively started to pursue one. If you have had only a glimpse or a small taste of what a boardroom career has to offer, it will help you to explore the many reasons and considerations involved in deciding to pursue this career option.

Whether you have already had some limited experience with one or more boards or have no experience whatsoever, you have picked up this book because you have made the conscious decision to do so. You have set your first goal—to get more board roles. This book aims to help you clarify this goal and to make sure you are fit-for-purpose in your quest to pursue and secure non-executive board positions.

Many directors will tell you that their boardroom career was unplanned. They might even describe their directorship career as ‘accidental’—that they fell into board roles without conscious effort. Whilst this has been true for many career directors in the past, the processes used for board recruitment are becoming more sophisticated and rigorous. They are more carefully designed to identify diverse pools of new directors and the competition for board seats is increasing.

In this environment, it becomes more important to start with a plan before embarking consciously on a boardroom career. Treat the development of your ‘Boardroom Career Plan’ like any other fitness regime. Understand what you are setting out to achieve (i.e. set your goals) then make and implement your plan—identifying the strategies you will employ to achieve your goals. For instance, if your goal is to get onto one particular charitable board, or a particular type of board (e.g. private

company boards or public sector boards or mining and resources industry boards), then your strategies will be quite different from those of someone striving to build a full and varied ‘portfolio’ of well-paid directorships.

It is extremely important in this quest, whilst doing your planning, to be patient above all else:

It’s really important to manage your expectations when it comes to getting board roles. It’s a highly competitive market. You might be lucky and land a role not long after drafting your director’s resume. Or you might need to wait months or longer.

Like the development of an organisational strategic plan, there are preparatory steps that you need to take before you can set realistic goals. Before setting your goals you will need to base them on an honest and objective appraisal of:

- the landscape in the boardroom environment today (i.e. a boardroom environmental scan in strategic planning terms)—this will help you to understand what is involved in achieving your goals;
- your strengths and weaknesses in a directorship context—these will help you to determine your current level of boardroom fitness-for-purpose and what extra work you may need to do before you are ready to achieve your goals; and
- the opportunities (suitable board roles) and threats (competitors in the directorship pool)—these will help you to understand the likelihood of achieving your goals and what you will need to do to optimise your chances of success.

The best place to start your boardroom-ready ‘fitness regime’ is in your available networks. They are a great place to start the process of refining your goals and most importantly identifying a key ‘boardroom champion’ to help you get fit-for-purpose for the boardroom.

Participate in boardroom networks

One of the most important things you can do to further your chances of getting on a board is to get known by those who are on boards and who influence those on boards. Networking events that only bring you into a room with lots of others who also want to get on boards, well that isn't going to get you far. You have to find networks that bring you more into contact with people looking for or making decisions about new directors.

Boardroom positions do not generally materialise without effort, even for those who regard their boardroom career as having developed accidentally. Positions rarely come without letting others know by words or actions of your interest, availability and ability to make a contribution to boards.

The first step therefore for the aspiring director seeking out boardroom opportunities is to get out of the office and participate actively in as many relevant networks as possible. Whether you are currently in a full-time executive role, a professional firm role or are returning to the workforce after a personal, family or career hiatus, it is critical that you make an active effort to engage with as many relevant networks as possible while you develop your plan. Indeed this preparatory step will help you to develop your plan.

At a formal level, many organisations offer specific 'board-readiness' programs, events and networks to help you to find and secure board opportunities. These programs might include:

- training and development in relation to essential board skills and knowledge;
- mentoring and coaching services, matching boardroom aspirants to experienced directors;
- networking events to introduce aspirants to board opportunities;
- directorship application and interview training; and
- directorship opportunities registers or subscriptions—providing their members with information on specific board opportunities.

Board-readiness programs are often extremely useful but on their own will rarely lead directly to board roles. Rather, they are most effective if coupled together with

your active participation in business, professional and industry networks. It is through these networks that you gain useful intelligence from others about the boardroom career path, boardroom opportunities and the existence of those who can help you in your quest to be fit-for-purpose and 'board-ready'. It is also within these networks that you can and should let others know of your quest and why you believe that you would be able to make a valuable contribution to a board (more on this later).

Productively engaging in networks requires effort. It requires recognition that 'networking' is really about building relationships and that relationships are about both people in the relationship bringing something to it. The ways in which you help others with their own professional or business quests will be paid back many times over in the ways in which they help you with your quest.

There are a range of networks that can help you identify and achieve boardroom career goals. Examples include peak directorship and governance membership bodies as well as chambers of commerce and peak industry networks related to your main field of work. One of the greatest challenges can be finding networks that will connect you with people actually sitting on boards, and not only with other people who are also trying to get on to boards. Get along to as many functions and events as possible that are likely to result in spending time with practising directors who can help you to achieve your goals.

In spite of this, do not underestimate the other types of important networks in your life that may well lead to board opportunities. Consider the social, leisure, arts, sporting or other community organisations to which you belong—even your children's school community network. Many people start their directorship careers by getting on to the board of their favourite club or the local school and from there, find critical links to other boards.

All of these networks potentially hold people that can see your value. Provided that you think of networking as a two-way street in which you are prepared to help others equally, then you might expect that the people in your networks who see your value will think of you when a board opportunity arises in a board with which they are connected.

These networks might also include valuable boardroom mentors or, even better, your boardroom champion.

Find your boardroom champion

The strongest ally you can have in your quest for a first (or another) board role is a practising boardroom mentor who becomes your ‘champion’. This is a person who will encourage, advise and support you in your quest and most importantly will promote you within their own network of board colleagues.

Many people swear by the importance of a professional coach for career-building purposes. If you have a career coach with boardroom experience, or with networks in the boardroom field, then you may get this assistance from your coach. However, in developing a boardroom career it is absolutely essential to obtain guidance from someone who is very experienced in the boardroom.

Daniel had been in the financial management team in a large private company for many years. As he worked his way up the ranks to that of a senior finance manager he had been reporting regularly to the company’s advisory board. Several years ago, the advisory board appointed a new chair. Around that time, Daniel asked the outgoing chair, Elise, if she could spare time for a coffee to talk about his prospects for attaining positions on boards. This was somewhat premature, he told Elise, since he still had several years ahead in management roles but he had been on the board of a local charity for several years now and wanted to build upon that experience for the future. Elise agreed to meet up with Daniel for coffee several times a year and the outcome was very favourable. Elise introduced Daniel to a number of non-executive directors and took Daniel along to a number of economic forums frequented by other non-executive directors. She also told Daniel about an ‘ideal fit’ board role for his skills and interests, acted as his referee and coached him throughout the application process. Elise is a highly regarded non-executive director so when the final selection got down to a shortlist of three, her name as a referee on his application stood him in excellent stead and he succeeded in securing the role.

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Dianne is an engineer by background. She has been out of the country for many years working up to senior management level in mining and resources companies and has now returned to Australia. Daniel is a friend of hers so she asks him how

he managed to get such a good board position. He shares his story with Dianne and offers to introduce her to Elise. Elise happily talks to Dianne, but not having so much direct knowledge of her experience and background, she suggests that it would be more beneficial for Dianne to find a formal boardroom coach and/or a formal board mentoring program. In particular, Elise, who is from a legal background and so knows lots of ex-lawyers and accountants on boards, suggests to Dianne that it would be a really good idea for her to find a mentor with a similar background to help her to refine her board portfolio plan. Eventually, Dianne is accepted into a boardroom mentoring program run by a peak industry body and Dianne finds someone 15 years ahead of her but from a similar background and they enter into a much more formal and structured coaching relationship than Daniel and Elise. This helps Dianne to identify several steps that she needs to undertake before she can expect to build her board portfolio. Dianne is now working on the plan with her boardroom coach and is hopeful that it will shortly bear fruit!

An experienced boardroom mentor is someone who has significant experience as a practising director. Most senior practising directors are extremely generous with their time if asked for help. To find boardroom mentors, reach out to as many practising directors as you can find and ask for help with your boardroom quest. You will find them all around you if only you look. They might be members of the board in your own existing workplace, or involved with sporting clubs or arts organisations to which you belong, at the school where your children are educated or involved with industry and professional networks to which you belong.

You may find that you have several helpful mentors when you reach out in this way. Take as much advice as you can from a range of practising directors, but try to find the one standout mentor who becomes your boardroom champion. When you find such a person, ask them for their help. Meet with them regularly to seek their advice and feedback. How formal you want to make these meetings will depend on you and your mentor. Some people prefer to pursue a clear documented plan and agenda for these meetings towards their end goal of attaining one or more board positions. Others work best by keeping these sessions informal and broad in their remit.

Ask your boardroom champion to be a sounding board as you work your way

through this book. At the outset of this chapter, for instance, it is suggested that you start with some honest answers about your strengths and weaknesses in terms of a boardroom career and whether you are really fit-for-purpose. These are the types of questions that will often best be answered by talking them through with your boardroom champion who can act as your sounding board and ‘critical friend’ to reach some clarity in your answers.

Your boardroom champion can also help you develop your Boardroom Career Plan by helping to draw out the opportunities you should pursue, based on your strengths, and the skills and knowledge development you need to do, based on your identified weaknesses.

A good boardroom champion is also usually a good source of practical advice on how and where to find good board opportunities in your identified fields and geographic area as well as providing insights into the merits of particular organisations, boards, chairs and directors.

Environmental scan: the reality of the boardroom

Once you are actively engaged in key networks and hopefully have secured a boardroom champion and other mentors to help you, you are ready to conduct your boardroom environment scan. The purpose of this step is to ensure your understanding of the boardroom environment—what you are potentially getting yourself into—and how well it matches your expectations and personal drivers.

It is often said that an important starting point for an aspiring director is to “be really good at your day job”. This is because boards look for non-executive directors who bring useful experience from their main career background and because the board’s quiet ‘reference checking’ before making an appointment will usually involve asking for opinions from people who have worked with the aspiring director. If your driver for seeking a board position is that you want an escape hatch from a ‘day job’ you don’t enjoy or which doesn’t enable you to demonstrate your strengths and talents, then you are not at the right starting point. If that is the case, the first hurdle is to find a job that you do enjoy and that does showcase your strengths and talents.

There are several aspects of the non-executive director environment that are often misunderstood and should be explored to fully understand this landscape.

They are:

- flexibility of lifestyle—there can be a misguided view that because board work does not involve a regular nine to five timetable, the lifestyle of the director is extremely flexible and self-regulated;
- time commitment—when considering your time commitment to boards, many people forget to factor in the significant amount of time required by directorship over and above the eight to ten board meetings per year;
- remuneration—there is a tremendous variation in the remuneration spectrum for directors depending on the size and nature of the organisation which needs to be well understood before you take the step of relying solely on the income you might receive from a board portfolio; and
- managing the transition from an executive or professional career to the boardroom—it is important to consciously address the challenges that arise in such a transition since it can be more difficult than many expect.

Each of these points warrants further exploration which we will do in the remainder of this chapter. In addition, it is essential to be aware of contemporary board recruitment processes, and what boards are looking for today. These two topics are sufficiently important that Chapter 5 is dedicated to them.

Flexibility of lifestyle

Many aspiring directors consider that a non-executive director portfolio is a desirable career option because it does not involve set hours of work. By contrast with their paid regular employment, this seems to offer an attractive degree of flexibility.

Whilst this is true in some respects, it can be quite an inflexible work lifestyle, especially if the director serves on more than one board. Many directors are surprised at how difficult it is to fit in an annual vacation with the family around the annual schedule of meetings for a single board, its various committees, and its other commitments.

This time of year is the worst. In August and September I have had about 5,000 pages of reading between the audited financials sign off for each of my three [listed] boards—their audit committees and then board meetings—and it is really arduous; apart from the meetings, I am reading every weekend for several weeks in a row. When you are a professional director, you will find there is rarely a period of more than a few weeks between board and committee meetings and [then there is] all the reading that is involved for them. In addition there are the site visits and company events and other things like that which require you to find time in your diary all through the year.

The board portfolio also needs to allow for the periodic ‘crisis’ in which directors find themselves engulfed. The crisis may be a true crisis of epic proportions impacting on the reputation and even survival of the organisation, such as a major fraud, cyber-attack or social media attack on the company or an internal bullying or harassment cultural issue. These types of crises are not unusual as greater sophistication of internal systems and greater transparency drive an increase in the uncovering of these types of matters that can consume and even engulf the already busy schedule of the board.

The idea of a board portfolio as a really flexible lifestyle is quite some myth. This week alone I had Thursday and Friday set aside for a couple of things that I just have to get done and I’ve now unexpectedly had a serious—really serious—problem blow up on one of my boards and we have to report in full to the Minister on what’s happening. We have [had] emergency meetings both days now!

In addition, there is the ‘business-as-usual crisis’ meaning the types of things that ultimately must happen within any healthy organisation but which take the board beyond its usual level of commitment—the most notable example of which is the unexpected (or even expected) departure of a CEO and the need to steadily guide the ship through the ensuing waters of CEO recruitment and selection and the ensuing leadership transition.

When a director serves on two or more boards, these considerations are multiplied. Conflicting board schedules, even without an unexpected crisis, can become more than a little challenging to manage. They should be carefully considered and understood before joining a new board.

Time commitment

Associated with the flexibility point, aspiring directors may also think that a non-executive directorship portfolio is a good way to smooth a transition from one career path to another. This might be the hope of an executive or professional considering retirement or someone who has been out of the workforce for some years seeking a new career path. However, from a time perspective alone it is extremely difficult to couple a board position with full-time employment, even if it is with a view to retirement and transition to a new path.

It is therefore important to be realistic about the amount of time that even one board role can absorb. If anyone tells you that the time required for a particular board is merely “a meeting of an hour or so, once a month and maybe a few other things here and there in between” then—BEWARE! It may purely be a (major) understatement and you will find out the reality of the time involved only once you are on the board. Alternatively, and more concerning, if that description is accurate, then your antennae should be raised to the possibility that it is a board that doesn’t take its role seriously.

The reality is that even most charitable and NFP boards will be far more demanding of their directors today than they were 10 years ago. This is partly a function of a steadily increasing awareness of the importance of the role of the board leading to a more discrete body of ‘governance’ practice and knowledge about what is required of directors. It is also partly a function of an increasing awareness, based on legal decisions, about what is demanded by the directors’ critical duties of care and diligence.²

Leaving aside the unplanned crisis scenarios mentioned earlier, general board member duties demand a high degree of attention and care in terms of the job of ‘directing’. Directors generally will need to be able to commit to a minimum for each board of:

- between 2–8 hours of board meetings on a monthly basis (depending on the size of the organisation—some listed public company boards may even meet for two or more days at a time albeit often on a two-monthly or quarterly schedule rather than monthly);
- as a rule of thumb allow one to 1.5 times the amount of meeting time to

² R Baxt, 2016, *Duties and Responsibilities of Directors and Officers*, 21st edition, AICD.

read the board papers in advance of the meeting—i.e. if the board generally meets for 3–4 hours then expect 4.5–6 hours of reading time to prepare for the meeting;

- allow between 2–4 hours of additional monthly or bi-monthly meeting time as a member of at least one of the committees of the board (and sometimes multiple committees of the board for larger organisations in which directors are each expected to serve on more than one board committee);
- again allow at least one to 1.5 times the amount of committee meeting time to read the committee papers in advance of committee meetings;
- there will usually also be 1–2 days of extra time for the annual strategy retreat (and again sufficient reading time in advance of the retreat); and
- allow at least five (and as chair 10–15) additional hours per month (and possibly more depending on the nature of the organisation) on other board commitments such as stakeholder dinners, functions, site visits etc.

Financial considerations (director remuneration)

Put simply, it takes many years for most people to develop their director career to anything close to a satisfactory level of remuneration if it is to be their only source of income. Very well paid board positions (over \$80,000–\$100,000 per year) are generally confined to the publicly listed company sector and are very difficult to secure, especially early in a non-executive director's career.

Public sector boards, family-owned and private companies and not-for-profits (NFPs) today will often be remunerated positions. However, the range of board remuneration for most of these types of boards is vast. Very few of them will remunerate ordinary directors any more than around \$50,000–\$100,000 per year, and some of them considerably less than that. The range is extremely wide depending on the turnover, asset base, number of employees, level of risk for directors and sometimes less rational considerations such as the fundamental default of many NFPs that directors should not be paid.

Some large faith-based charities and NFP boards in the financial services sector (e.g. mutuals, cooperatives and superannuation funds) may also pay quite reasonable remuneration although it is likely to be more akin to the remuneration for public sector

entities than for listed public company boards. Furthermore, the varying practices in relation to remuneration means that one large Church-based agency board may operate without any director remuneration at all and another of comparable size and scope, even within the same Church, may offer quite reasonable annual remuneration.

Many small charities and other community NFP organisations (including schools, arts organisations and special interest clubs) will not pay directors remuneration at all or will pay only a nominal amount to cover out of pocket expenses.

For remunerated boards it is also generally the case that the chair will be remunerated between 150 per cent and 200 per cent of the level paid to ordinary directors. This recognises the significant additional workload for the chair. This is taken up with the important job of meeting more frequently with the CEO and other executives to plan meetings and decisions and with other key stakeholders to discharge board accountabilities.

There are a limited number of director remuneration benchmarking resources available to assist with understanding the average board and chair remuneration for different types of boards and sizes of organisations. However, even then it is difficult to draw any real conclusions about reasonable remuneration expectations since the attitudes to board remuneration differ so greatly from one organisation to another.

For these reasons, it is a significant risk to rely on remuneration from board positions as a sole source of income in the early stages of a directorship career. Hence many people find it necessary to transition gradually to a paid board career whilst still employed, or to supplement it with other consulting work in the early stages of developing their directorship career.

Career transition from executive or professional to director

As a director, you are a questioner, critic, challenger, demander, suggester, supporter, influencer, and sometimes a coach and a mentor—but you are not a ‘doer’.

Many executives who are used to working within management teams with clearly defined responsibilities, can find board work slow, passive and frustrating. Many legal, accounting, medical, engineering or other professional advisers who are used to being the ‘expert’ with all of the answers, rather than the director asking the questions, can similarly find the work frustrating.

Transitioning from a position of authority in management, or the autonomy of being a senior professional, to directorship can therefore be extremely difficult for senior executives and professionals. In making the transition, it is particularly difficult to take up a first substantive non-executive directorship whilst still being a full-time executive or professional. Although the non-executive role can benefit greatly from executive or professional experience, the application of that knowledge is very different. It is a case of using executive or professional experience to inform your contribution and to monitor and supervise the executives, not to interfere in the way they do their job.

For a senior executive considering a transition to a non-executive director portfolio, the first question to ask will be whether your employing organisation (and its board/CEO) actively supports and encourages executives to take up external board roles.

We have also had a candidate [for a board role] get right to the offer stage and then decide that he'd better check with his employer that it was ok for him to take on a board role. He had told us that he had this checked this out but clearly not thoroughly enough. The employer refused to consent and we had to go back out to market. The client wasn't happy and nor were we.

The first step is therefore to understand the employing organisation's policy on this. The general schools of thought are opposing, polarising into 'pro' and 'anti' factions:

- The 'pro' faction encourages external board appointments for executives as an important form of professional development with the added benefit to the employer board of giving the executive greater insight into what a board needs from its managers to do its job well.
- The 'anti' faction principally objects to the amount of time the executive will have to dedicate to a board role instead of focusing on the role they are employed to perform. Further, a concern is often voiced in professional service firms that if their partners become directors of external companies, there could be liability consequences for the firm.

It is important to factor these considerations into your deliberations about your drivers for wanting to move into a non-executive director portfolio career.

The most useful way to prepare for the transition from a past executive or professional career is to talk to others who have trod the same path before. Ask them to become your boardroom mentor and/or champion. In particular ask them these critical questions:

1. What is the fundamental difference between the role you have had as an executive/professional and the role you have as a non-executive director?
2. What were the most significant challenges that you faced in making the transition?
3. What specific skills enable you to be the best non-executive director that you can be?

When you ask these questions, their answers might lead you to some common observations about the challenges of transition to directorship from executive or professional life:

- **Collective action, not individual authority:** Boards differ from management teams in a number of ways, but perhaps the most significant difference is that a non-executive director, even the board chair, has no authority whatsoever individually, except in the rare case that the board collectively delegates some particular authority to him or her. This encapsulates the essential truth that directors exercise their decision-making authority only as a collective. By contrast, executives and professionals will generally be accustomed to having clearly defined responsibilities and authority and being held accountable for how they exercise them. People who are not good team players, by definition, will struggle with being part of a board.
- **Not responsible for day to day operations:** Bringing a strong executive background is both an asset and a liability for the individual director. It is an asset because your own executive experience will give you a great deal of insight into the challenges and the realities faced by the executives. However, this insight can also be a liability if you are not prepared for the fact that your advice and experience may be taken on board by management but ultimately rejected. They are not automatically constrained to take the advice of a director unless that 'advice' becomes an express 'resolution' of the

board as a whole. This can frustrate some senior executives who are used to subordinates accepting their 'advice' without question.

- **You are a director not an expert:** Even a director with a particular expertise is nothing more or less than a director. A director with a background as a practising lawyer, for instance, has the same broad remit as every other director. They come to the board not as a lawyer but as a director with some special skills. They are not the lawyer to the board but rather need to become proficient in reading and understanding the company's financial statements, understanding the business of the company and contributing to its exciting strategic and business opportunity discussions without purely defaulting to the biases of their background. At the very least, they should have an understanding of their particular biases.
- **Building the board's social muscle:** The board is a social system like any other group of people. Unlike other groups, however, the board is challenged by the fact that it does not work together on a daily basis. The directors may go weeks, or at times months, without interacting or seeing one another and/or the management team. This presents a huge challenge in itself; being social creatures, people will more easily form their social muscle or internal culture as a group through greater interaction and exposure to each other's ideas and expertise. This is contrasted with the management team, or a firm of professionals, each of whom can usually readily call on a large pool of colleagues within their organisation to test ideas and plans.
- **No power to remove under-performers:** The board does not have the authority to remove its own under-performers. The directors do not hold the authority to remove another director. Subject to the constitution and rules, this is the right of shareholders (in for-profit companies), members (in NFPs), the Minister (in some public sector entities), or in some cases, another controlling organisation (e.g. the Church or a senior cleric within it in a Church-agency). This is contrasted with the experience of executives and professionals who are accustomed to participating in, and conducting, rigorous performance management and industrial relations processes for the identification of strengths and rectification of weaknesses in the

workplace. Whilst boards will usually conduct some form of self-reflective annual performance evaluation, the levers for removing or performance managing under-performers is much more limited and can hamper the efficient and effective operation of the board.

Table 1.1: Planning preparation checklist

1 Networks	What relevant networks do I belong to, or should I join, and participate in actively in order to pursue board appointments?	
2 Mentor/ Champion	Who will I approach to become my boardroom mentor/champion—someone who can act as my sounding board and critical friend when I ask myself the important questions set out in this Action Plan? Note that this person will be key in your progress.	
3 Flexibility	What sort of board commitment does my work and personal lifestyle permit—allowing for monthly board and committee meetings, extra strategy and other board sessions and the demands of unexpected urgent board business?	
4 Time Commitment	Allowing for my other time commitments, how much time do I have for one or more board roles? Note to allow for at least twice the amount of time represented by board and committee meetings.	
	Is there any additional expectation for me (e.g. chair of board or of a committee) to give more time? Can I reasonably commit to this?	
5 Financial Considerations	Based on my remuneration needs, realistically what level of remuneration do I need to attain from one or more board roles?	
6 Transitioning from an executive/ professional career	Do I have certainty that I can undertake a role whilst still in my executive/professional role (in terms of time and my employer's policy position)?	
	Have I identified a champion/mentor who has come from a similar background to give me guidance as to the challenges of transition?	