White Paper

The Benefits and Practicalities of becoming a Non-Executive Director or Trustee alongside your HR role.

Research Findings from a Survey of HR Leaders
in NED and Trustee Roles.

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EXECUTIVE SUMMARY

As a Career Coach and a former head-hunter, I often hear HR leaders speak about having a long-term aspiration to become a Non-Executive Director (NED) or a Trustee 'later in their career'. For many, there is a view that this is something they can't undertake until they have reached the top of their Executive Career. For some, there is a 'mystique' about what it involves and how to get that first position. For many, they lack the confidence that they would be ready, good enough, or have anything to offer.

However, when I speak to HR leaders who have already taken the step to become a NED or Trustee alongside their HR 'day job', the message is clear:

HR leaders have a lot to offer, and they shouldn't wait.

I therefore surveyed 52 NEDs/Trustees who have also held HR leadership positions to research the benefits and practicalities. This White Paper shares the outputs of that research. It explores the motivations for HR leaders to become NEDs or Trustees, what the role might entail, the major advantages and disadvantages of the role, the practicalities of applying for the role, and, additionally, it provides resources and advice for those considering becoming a NED/Trustee.

In this White Paper, I aim to help those in HR who haven't yet taken that step to learn more about it and have the confidence to go for it sooner. In addition, I aim to motivate organisations, both in the public and private sector, to see the importance of having HR knowledge, skills and experience present on their advisory boards.

Some of the **key messages of this white paper** include:

1. Overall, respondents felt the advantages of being a NED/Trustee outweighed the disadvantages. A quarter (25%) of the respondents said that there were no disadvantages at all to the role. Indeed, they cited benefits such as greater business understanding, improved confidence, and development of new skills as great advantages to the roles. This matched the fact that over a quarter (27%) of respondents became NEDs/Trustees for the sake of 'professional or personal development': a hope and expectation which, obviously, was met for many of them.

2. Networking was found to be of key importance when securing these roles. Over a quarter (27%) of respondents got the role through their personal, local, or professional network.

3. Many of the respondents encouraged HR leaders who are considering pursuing NED/Trustee roles to follow their passions, be confident and go for it. This was reflected in the fact that almost half (46%) of respondents applied for the role in order to 'give something back'. Many of the respondents also noted how the role had made them recognise their existing skills, and that the contribution of HR leaders shouldn't be underestimated.

4. Respondents advised those considering such a step to do their research, particularly in relation to understanding the legal undertaking of the roles, and the difference between Executive Director and NED/Trustee roles.

INTRODUCTION

Six years ago in 2015, c**13% of NEDs on FTSE 350 boards had HR backgrounds.** After the financial crisis, organisations had realised that people and culture matter substantially to sustainable success in terms of talent, retention and succession (Jacobs, 2015). The inclusion of HR professionals on boards has been steadily increasing ever since.

This research highlights that **over a third of respondents to the survey (37%) were directly approached for the role,** either by the institution/company itself or by a headhunter, **and over a quarter of respondents (27%) gained the position through their personal or professional network.**

However, even if the trend might be changing, perhaps it hasn't changed quickly enough. Many people still argue that HR leaders are not on the radar of a large number of boards. Instead, as Oliver Cummings, CEO at Nurole points out, companies tend to opt for the legal, figures, or commercial person, and additionally, he says, HR leaders don't apply for these positions because they see no demand for it (Cummings, 2020).

I discussed this with Anna Penfold, co-lead of Russell Reynolds Associates HR practice globally and she noted that

> "The role of an HR leader to segue together the colleague, customer, community and company collective interests is more valuable than ever. As companies grapple now with ever-competing demands for talent, hybrid working, ESG, DE&I, increasingly complex geopolitical and macroeconomic challenges, the role of the HR leader is broadening, becoming more central and also louder at both the C-suite and Board level. We see no sign of the route from HR leader to NED slowing down - in fact, it's the opposite."

I designed this research survey to learn more from HR Leaders who have taken on a NED or Trustee role in order to share the findings with HR professionals who have not yet made the step but are interested in doing so. In my role as a Career Coach, it is something my clients often want to explore further, and I also have a personal interest in. I am passionate about helping those earlier in their career have the confidence and tools to go for it.

Here, I intend to echo the sentiment which Jacobs has been pushing for so many years: we need to highlight the importance of driving more organisations to realise what an HR leader could bring to the board, and we need to encourage more HR leaders to consider the roles (Jacobs, 2015, 2020). It's evident from the survey results that the appetite is there from HR leaders. **Almost half (46%)** of respondents became NEDs/Trustees in order to **'give something back' and over a quarter (27%)** of respondents got the role through **actively searching** online.

Therefore, to summarise, this paper **aims** to:

- **Inform and encourage individual leaders in HR** about why and how they might want to pursue NED/Trustee roles alongside their HR 'day job'
- **Motivate companies** to realise the importance of having HR knowledge and skills present on their advisory board.

Katie Jacobs illustrates why every board benefits from having a NED with HR experience. Fundamentally, she says, it allows these companies to have an eye on the people and the culture of the organisation, which should be of the utmost importance, and therefore create long-term, sustainable organisations which create value for all stakeholders. In 2018, she noted that PwC research found that more CEOs were ousted due to ethical lapses than financial performance or struggles with the board (Jacobs, 2020).

Oliver Cummings also talks about how HR directors are valuable to boards because they have both a top-down and bottom-up understanding of how organisations operate. They can explain the roles of everyone from the data analytics intern to the chief marketing officer, and they're likely to be on top of government legislation. They're familiar with pensions, shares, bonus schemes, payroll, and also, crucially, human costs and gains resulting from company changes, which plays a vital part in succession planning. In short, Cummings argues, there is no one in a better position to read the pulse of a business than the HR director (Cummings, 2020).

HR Leaders are generally also experienced in transformation, from organisation design and restructures through to culture change. They have been key throughout the global pandemic as organisations have had to rapidly evolve. In many cases HR are leading Future of Work Programmes and driving an increased focus on employee wellness. They are also experts in Talent, both talent acquisition and talent management, which is a crucial focus area for organisations. In their 2021 Global Leadership Monitor, Russell Reynolds Associates identified that

> "6 in 10 leaders cite availability of key talent and skills as a top threat, making it the number 2 issue behind economic uncertainty."

I spoke to Matt Wallis, Director of HR Search at Tucker Stone who spoke about HR leaders being increasingly in demand for NED/Trustee roles.

> "CHROs bring a wealth of highly in demand knowledge, that naturally lends itself to Remuneration Committee and Nomination Committee appointments, and is increasingly also being valued in broader advisory and coaching responsibilities to the Chair, CEO and other executive leaders."

I also discussed this with Toby Burton, HR Practice Lead at Eton Bridge Partners, who highlighted the value that HR leaders can bring to a Board, whilst also gaining personally from it.

> "Around the 2021 board table where ESG strategy (rightly) sits as a core pillar of corporate integrity, bringing cultural insight and balanced, broader-than-financial thinking into the room is therefore becoming increasingly important. HR Leaders moving into NED roles add significant value both through strength in diplomacy and diversity in thinking. Often, and given previous experience, they will thrive in what is increasingly considered the biggest balancing act of all the NED roles, that of Chair of the Remuneration Committee. As a head-hunter, I view NED experience as going hand-in-hand with high strength in stakeholder management, combined with quality of judgement… two pivotal skills required for CPO or Reward leadership roles."

Before proceeding to the main content of the white paper, it's important that I provide **definitions** of these roles:

- **Executive director (ED):** A senior employee of the company who sits on the board of directors.
- **Non-executive director (NED):** an independent, external, advisory member of the board of directors. Although they usually receive remuneration, when on private or public boards, they are not a member of the executive management team or an employee of the company. They provide scrutiny and ensure companies conform with all legal and regulatory requirements. Plus they will shape and monitor strategic performance. This will include advise on a range of issues from strategy to the pay of executive directors to performance, risk, and ESG (Environmental, Social and Governance). They also sit on a range of committees such as the audit committee, the nomination committee and the remuneration committee.
- **Trustee:** On paper the same duties as a NED, but the terminology used for charities, it is in the UK an unpaid position. They would/could usually also be an ambassador/fundraisers for the organisation.

There are many articles and papers with more about the similarities and differences along with details of the roles, some are listed later in the resources section.

Jenny Knott, NED for the British Business Bank, Gresham Tech and Simplyhealth said in AC Magazine,

> "As an independent NED you have two main roles. First, you're the eyes and ears for stakeholders – not just shareholders. And second, you're there to support the executive – and that means helping them get the right resources to execute their strategy." (Knott, 2021)

SURVEY OVERVIEW

In total, 52 HR leaders, both men and women, completed the survey which I designed. The responses were collected from April to July 2021. The list of questions can be found in the appendix.

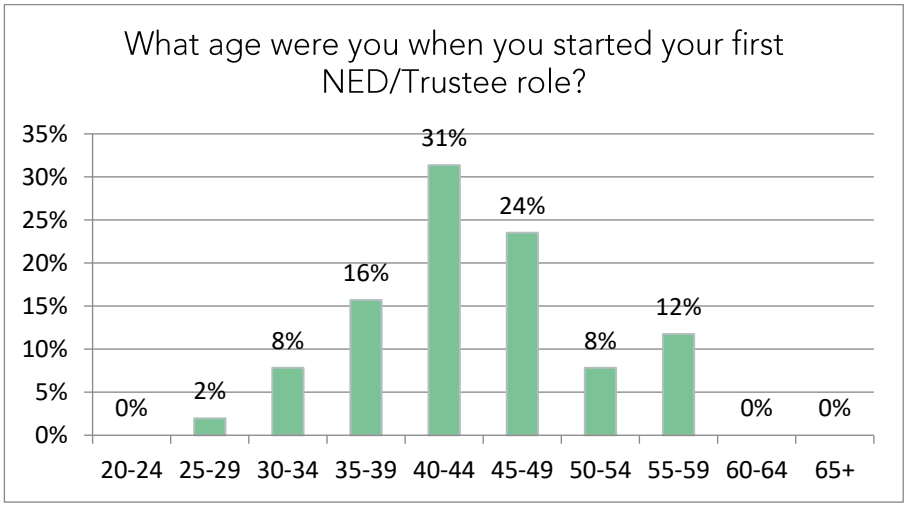
In terms of their professional background and HR specialism:

- 40 respondents were generalists (including HRDs or CPOs) (77%).
- 8 respondents were specialists in areas including talent, communication, engagement, well-being, learning and development, diversity and inclusion and organisational development (15%).
- 4 respondents were independent HR or management consultants (8%).

AGE AT FIRST NED/TRUSTEE POSITION

The majority of respondents became NEDs/Trustees aged in their 40s with **55% between the ages of 40 and 49**. As can be seen in the graph below, most commonly, respondents became a NED or a Trustee **between the ages of 40 and 44 (31%)** closely followed by those **between 45 and 49 (24%)**. However, fewer took on the roles earlier on in their careers

between the ages of 25 and 29 (2%) or 30 and 34 (8%) or even 35 and 39 (16%). In addition, far fewer respondents took on the roles later on in their careers between the ages of 50 and 54 (8%) and 55 and 59 (12%).



MOTIVATIONS FOR BECOMING A NED/TRUSTEE

Respondents consistently outlined two major reasons for being motivated to become a NED/Trustee of a company. **The first, given by almost half of respondents (46%) was to give something back, and the second, given by over a quarter of respondents (27%) was for their own personal and professional development.**

1. Giving Something Back

24 (46%) of the respondents outlined that one of the reasons they applied for a NED/Trustee role in the first place was because they wanted to **give something back.** In other words, they wanted to share their experience, skills and expertise in order to support and beneficially impact the local or wider community:

> "It's about giving something back, supporting the community, using my skills and doing the right thing."

> "I was motivated by the opportunity to give something back to the local community, and it is close to my heart."

> "I wanted to use my experience to help and serve an organisation - to make a difference and give back."

While the survey data doesn't enable us to break this down by sector, we may assume that this was mostly because the respondents who wanted to give something back hold NED/Trustee roles in the not-for-profit or charitable sector and day jobs in the commercial arena. This would explain why some of the respondents said that this kind of work felt very different to their normal day-to-day jobs, as it made them feel that they were contributing not just to private sector companies, but, rather, adding value to those who need it. One respondent also said that their motivation to become a NED/Trustee, and therefore to 'give back' came from:

> "Having a lot of diverse experience from multicultural backgrounds, I wanted to share this and be an ally for under [re-]presented groups to ensure there were future, more diverse generations of board directors and chair people." *(square brackets added)*

The idea of giving back here is, for some of them, **linked with an importance for tackling issues which they feel passionate about**. Four respondents, in particular, outlined the motivation of giving back because of a passion or a personal connection with the company they are associated with. For example, being passionate about all children having access to great education.

> "[Having the] ability to think strategically and to invest my time/energy into something I was passionate about." *(square brackets added).*

This was a big motivation for some of the respondents, and I'm sure for many others who have sought NED/Trustee roles.

2. Personal and Professional Development

14 (27%) of the respondents named 'development' or 'experience' explicitly in their motivations for becoming a NED/Trustee. Usually, this development was referred to as **"professional development"** or **"career development"** which would help with development for future roles, as well as with day-to-day tasks in current and future roles:

> "I took on a charity Trustee role for my development."

> "I think it was part of my own career development. I have had many years of operational and strategic HR experience and I wanted to move into helping businesses develop from a different angle."

When delving specifically into what professional development, skills and/or experiences the NED/Trustee role provided them with, respondents named things like:

- Growing their networks.
- Gaining board experience.
- Developing director skills.

The most commonly cited aspect of professional development, though, was **gaining knowledge about other sectors and industries**. 10 respondents (19%) talked about how holding the position aided their ability to gain knowledge of other sectors and industries, and therefore widen their knowledge base:

> "This gave me an opportunity to operate on boards/organisations of larger entities and also to broaden my experience across other sectors."

> "To make [my] work experience broader. Build commercial muscle and learn about another industry." *(square brackets added).*

> "Experience of working in a different sector."

Some of the respondents also outlined how this motivation had exceeded expectations. Learning about different industry sectors had allowed them, they said, to interact with other types of employees, to experience different people issues, and also to have exposure to strategic development, different financial constraints, and so on.
One respondent talked about how being a Trustee had given them insight into a sector that they otherwise wouldn't have had. This meant they learnt about local authorities, fundraising, managing budgets, and also seeing first-hand the kinds of problems which people face in their daily lives, and how they can get support. In this case, the respondent talked about how this didn't just allow them to gain the professional development they'd initially wanted, as they encountered HR challenges which they wouldn't have come across in the commercial sector, but this also allowed them to **develop personally** in terms of broadening their perspective and giving greater empathy to other employees who were struggling. In other words, they were motivated by the fact that the NED or Trustee role was:

> "A much more strategic opportunity which helps me to see what's happening for other organisations and how their approach differs."

James Edgar (CPO, Trustee and Mentor) spoke to me about how valuable he found his experience as a Trustee in aiding his personal development:

> "I found it invaluable to gain a different perspective from my day job. I would move from people issues in a global media agency to working through how we could build income in the charity. I sponsored a schools programme and spent time in a West London school seeing the impact of the charity and why we needed to continue to find funding for these kids."

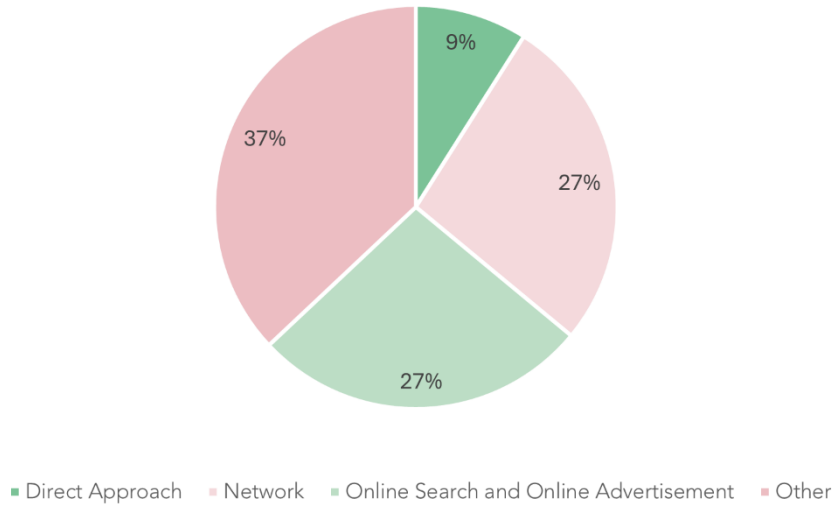
This was echoed by other respondents to the survey as well, who talked about 'development' sometimes as **"personal development"**:

> "Personal development with board experience."

Other respondents also talked about how the NED/Trustee experience had been motivated by, and had helped them to:

1. Gain greater perspective
2. Be more grounded for their day job
3. Think more broadly as they take themselves out of the workplace
4. Achieve a "sense of meaning of being part of something that matters".

SOURCE OF NED/TRUSTEE ROLE



1. Direct Approach

Over a third of respondents (37%) said that they were **directly approached for the role**. Out of these 19 respondents, 12 of them were approached directly by the company, institution or charity and 7 of them were approached by head-hunters or executive search firms.

Those who had been headhunted for NED/Trustee roles pointed towards these head-hunters or executive search firms:

- Egon Zehnder
- EMA Management Consultants
- Green Park
- Hedley May
- Heidrick & Struggles
- Inzito
- Korn Ferry
- Odgers
- Prospectus
- Russell Reynolds
- Sam Allen Associates
- Saxton Bampfylde
- Spencer Stuart
- Veredus

2. Network

Overall, **personal, local or professional networks** were named by over a quarter of respondents (27%) as being their application source for the NED/Trustee role. Out of these 14 respondents, 6 explicitly specified professional network, 1 personal network, 1 local network, and the remaining 6 just named their general 'network' as the source.

This shows the importance of developing personal and professional networks if you want to find out about and be considered for NED or Trustee roles.

I spoke to Basil leRoux, Partner and head of HR practice at Berwick Partners, about this and he noted:

> "Whilst Executive Search firms do play an important role in helping individuals secure NED opportunities, your personal network is just as critical. Yet the majority of HR Leaders I talk to say how their own network is either non-existent or not as strong as it should be."

I have noticed the same thing and strongly advise HR Leaders to increase their focus and time spent on networking. This doesn't have to be a one size fits all approach, but they can find a way that they enjoy and that works for them. A NED/Trustee role is unlikely to find them if they aren't talking to their network and making it known they have this aspiration.

3. Online Search and Online Adverts

Over a quarter of the respondents (27%) said that they gained their roles through **actively searching for roles or seeing online advertisements**. Some of the specific resources for actively finding NED/Trustee roles which were named by participants included:

- Charity Job Boards
- CriticalEye
- 'Do-it'
- Guardian Jobs
- Inclusive Boards
- LinkedIn
- Local Community Volunteering Sites
- NEDonBoard

One respondent who used 'Inclusive Boards' said:

> "One of the most helpful things was advice they gave me around what materials to read and prepped [me] in advance [for] my interview. In particular, looking at the annual accounts for a previous year, as this [was] something I'[d] never been exposed to at that stage in my career." *(square brackets added)*

Others also talked about ways in which they felt they became prepared for a NED or Trustee role:

- Institute of Directors Course
- REACH Volunteering

4. Other

Some of the remaining 9% moved from a volunteering position within a charity to joining the board as a trustee, which could be another route to consider, if there is a cause you feel passionately about.

ADVANTAGES AND DISADVANTAGES OF NED/TRUSTEE ROLES

Overall, the respondents seemed to be far more positive about the experience than they were negative, naming advantages such as greater business understanding, increased confidence and development of important skills. However, when it came to the downsides, they did name things such as greater time commitment than stated and adjusting to a new pace of work.

ADVANTAGES

1. Greater business understanding of governance structures

A quarter of the respondents (25%) talked about how the role gave them a **greater understanding of business and governance:**

> "Well worth it. Gives you variety (esp[ecially] if [your] day job is not in [the] charity sector). Satisfaction and esp[ecially] for small charities a sense of satisfaction. Also gives you more awareness of your role (i.e. what is different about being a NED to being an employee)" *(square brackets added)*

> "I have learnt how different boards operate and this has been valuable experience."

Specifically, some of them spoke about how their experience as a NED/Trustee has sharpened their understanding of governance and finances, sales, compliance, claims and so on, and also how different businesses or sectors operate. Others talked about how they realised how crucial governance is to an organisation, and how a well-functioning board is critical for a well-functioning organisation.

As one of the participants said, it is also great preparation for more senior roles:

> "I have also learned about how local government works, how to use social media and how to sell the charity to raise funds. I can bring knowledge of what business wants (CSR) to fundraising… It is great preparation for more senior roles - getting to understand the finances, making decisions on budgets, understanding governance, and while using HR expertise, as a trustee you are responsible for so much more, so general management skills become more important."

Former Dixons Carphone group HR director Lynne Weedall was quoted in HR magazine talking about how being a NED is incredibly helpful to see things through a different lens, and through the lens of the investor community, rather than as management being in the here and now (Jacobs, 2015).

2. Growth in Personal and Professional Confidence

Aside from the satisfaction of doing something rewarding, the other personal advantage was named by 7 (13%) of the respondents who said the experience of being a NED/Trustee had **made them feel more confident in themselves personally, and in their other roles professionally**:

"My confidence has continued to grow."

"[I have learned] that HR folks have a lot to add to the discussion and governance of an organisation, that we bring a unique perspective that isn't always obvious and that if we are confident about our expertise, others perceive it in this way too." *(square brackets added)*

"I have become more confident in giving my views and I use the skills and knowledge gained from being a trustee in my day job, especially when advising managers on dealing with difficult situations."

Some of the respondents said that this stemmed from **having to challenge CEOs and their teams constructively** when in an advisory role such as a NED/Trustee position. Five of the respondents also spoke about how this increased confidence had allowed them to **recognise some of their own, pre-existing skills**:

"[I have learned] that I have as good or better judgement at times than other NEDs with more traditional backgrounds such as Finance or CEO." *(square brackets added)*

"I am often surprised how much I can contribute and from very early on."

"It's amazing how much you know, how much your experience and skills can contribute to a board and how your professional skills can make such a difference."

"[I have learned] that I can adapt across sectors, small charities do not need corporate policies and practices, the risks you can afford to take as a trustee are different to those you can take in a business, you have to adapt to the size and resources of the organisation." *(square brackets added)*

3. Development of Skills

Although some of the respondents noted this ability to recognise their existing skills, **development of new skills** was also seen as a big advantage of taking on a NED or Trustee role. 7 (13%) of the respondents spoke about how skill development was a big advantage:

"Working with other organisations enhances your own development as well as imparting knowledge to others."

In other words, they felt it was helping them to develop new skills, namely, five new skills:

- Adaptability
- Challenging
- Commerciality
- Influencing
- Strategic thinking

The first skill was **adaptability,** i.e. how to operate in different environments, organisations and work with different stakeholder groups:

"A new level of adapting myself to different groups and their sectors."

The second skill was development of the skill of **challenging**, in other words, the ability to constructively and confidently challenge others in the room:

> "Ability to challenge and ask good questions / make observations."

> "It's a mixture of support and constructive challenge."

The third skill which people felt they developed was **commerciality**. In particular, this was in relation to learning more about different parts of the business, some of which they weren't familiar with before:

> "[I] developed much broader skills. [Although I] had always been an effective operator in [the] commercial world. The challenges and differences of public charity sectors made this very rewarding." *(square brackets added)*

The fourth was the development of **influencing** skills:

> "It is not an executive role - you achieve things through influence - using the skills you have learnt but in a different way."

> "How to influence in a different context."

> "How to better influence as a NED rather than exec[utive] (with/without line accountability); working with other NEDs and taking a non-functional view of the business/charity." *(square brackets added)*

> "Influencing senior people who themselves are volunteering."

The fifth skill developed was **strategic thinking**: the ability to see, in different contexts, long term business opportunities.

I spoke with Debbie Pask, Founder of PaskPartnership and HR Head-hunter who also highlighted the development she sees in HR Leaders holding NED/Trustee roles:

> "When meeting candidates who have NED or Trustee experience, you can immediately see how they have grown in maturity and confidence by sitting on a Board – which is also very attractive to future employers. Where they are passionate about the company or 'cause' they are supporting, you can see the pleasure they have derived from learning about a new business or sector, learning from other NEDs, gaining new perspectives, giving something back and ultimately making an impact on the organisation and their customers/beneficiaries."

DISADVANTAGES

1. Time Commitment

Over a third of respondents (38%) said that the role was a bigger **time commitment** than they'd expected, especially with a full-time job, family commitments, and so on, and it was usually greater than quoted. Some of the respondents said that time estimates are always lower than reality in any role, but this is something to be especially aware of when considering committing to a NED/Trustee role. There are a lot of short notice requests, reading, and additional meetings, so one should usually **double or even triple the stated time commitment** in order to be realistic:

> "I've had to learn how to say no in a balanced and planned way. Time demands are ALWAYS underestimated – I've learned that one day a month means at least 2-3 on average."

> "In order to do the role justice, it requires more time than the role advertises. There is a huge amount of background reading and ad hoc meetings/ emails/ admin that are needed."

> "Definitely do it (if you have the time commitment/capacity). This was a 4 day a year role, but it is more like 2 days a month on average."

2. Adjusting to a Different Pace of Work

Some of the participants pointed out that there is definitely a **pace change** in these roles, as well as a change to the way of working:

> "If you are becoming a NED in a non-corporate sector, manage your expectation around the pace of change…it will be slower than you are used to."

In addition, three of the respondents spoke about how, sometimes, although you want to be an actively involved player in a situation, your role as a NED/Trustee is to be an objective advisor, which can be quite a difficult adjustment to make.

In this sense, something relevant, which three of the other participants pointed out, was that it's important to seek information out there about the difference between executive roles and NED/Trustee roles, as you really need to be aware of the difference between your executive role and your NED role. I speak about this in more detail later.

3. Politics and Leadership

A few of the participants noted that it's difficult not to get involved with the **internal politics** of the institution or company, and that leadership changes can alter the relationship between the Trustee board and company.

4. No Disadvantages

Having said all of that, in response to the question about the disadvantages of being a NED/Trustee, a quarter (25%) of the respondents said that there were **no disadvantages at all to the role.**

I spoke to Alison Thorne, Chair, Non-Executive, Executive Director, Committee Member who said:

> "I wish I had embarked on a NED role earlier as I have learnt so much about leadership, influencing styles, sectors outside my core experience and Governance. It is a win-win as you add value to an organisation and grow personally at the same time. It is important to understand your value add / expertise / experience and the areas you want to contribute to, and then communicate that in a well-crafted NED CV and cover letter."

Alison works with Women on Boards and leads their Board CV Masterclass. Further details can be found in the resources section.

ADVICE FOR BECOMING A NED/TRUSTEE

1. Do Your Research

Almost a fifth of respondents (19%) spoke about the importance of doing research into the roles and companies before progressing an application, and also, really thinking about which one would be most suitable.

> "Be clear on why you want to do this and the value you can bring … ask questions about the financial health of the organisation and its current/future growth and interpret this into a people plan and the people implications. It will help size up the challenge."

> "Be clear about why you are doing it, what you can offer, what you want to get from it and can commit to."

> "Choose carefully - you probably have time and space to be a full time executive and hold down 1 NED/Trustee [position]. Be clear on what you want to get out of it." *(square brackets added)*

Most respondents outlined how people should scope out a role until they have clarity around what is needed, and they should spend time giving it thought before committing to it. This applies especially when thinking about the kind of organisation to apply for; the public sector is very different to the private in terms of how it operates and the politics within.

The Institute of Directors (IoD) also emphasises the importance of knowing what type of company you want to apply for; Plc roles typically come nearest to a 'pure' NED position, as they are focused mainly on governance. However, at the other end of the spectrum, a NED in a small business may have more involvement in operational matters, and if you enjoy this, it may be sensible to focus your efforts on this type of business (IoD, 2018).

In addition, respondents said that people should research:

- The Fiduciary and Legal Responsibilities of a Trustee/NED
- The Commercials of the Company
- The Remuneration Committee (The RemCo)

More on this can be found below, and in Further Resources.

Emma Ford from NED on Board talks about how sometimes, when companies are looking for people to fill these roles, it becomes obvious that they've done very little research on the role. However, it's so crucial to understand what boards are looking for and understanding what you have to offer (Ford, 2017).

2. Understand the Legal Undertaking

It is important for anyone considering a NED or Trustee role to recognise that UK law does not distinguish between executive directors (EDs) and non-executive directors (NEDs) in terms of legal responsibilities, even though NEDs are technically independent of the company, not employees.

The IoD talks about how becoming a NED is therefore a serious undertaking which requires self-examination and detailed research into companies which present a NED opportunity (IoD, 2018). The CIPD argue that the legal duties shouldn't be underestimated, either by those considering such directorships or those organisations seeking to appoint them. In addition, they also say that a comparison can be drawn between the role of directors and Trustees, since directors are entrusted with protecting a company's assets, albeit for the benefit of the company (CIPD, 2021).

The CIPD (2021) outline that in the Companies Act 2006 in the UK, statutory duties are placed on executive and non-executive directors alike:

- Act within powers set out in the company's memorandum of association.
- Promote success of the company.
- Exercise independent judgement.
- Exercise reasonable care, skill and diligence.
- Avoid conflict of interest.
- Not accept benefits from third parties.
- Declare interests in proposed transactions or arrangements.

3. Develop Your Networks

As seen above, personal, local and professional networks were named by 27% of respondents as being their application source for the NED/Trustee role. This statistic highlights the importance of continually developing and nurturing both informal and strategic networks if a NED/Trustee role is something you might want to consider in the future.

The IoD (2018) also talk about how people considering applying should think about their social and professional networks in terms of creating a NED or Trustee opportunity. In addition, Cummings advises that to break the cycle of HR directors not being taken on to boards, they must be proactive, start networking, and not wait for a tap on the shoulder – they must have confidence to put themselves forward. Own the journey and don't give up after the first rejection – it's not easy when there's a mould to break (Cummings, 2020).

Many HR professionals focus their time and energy on the demands of their day job, working hard and supporting internal stakeholders. It is important to realise that there are also benefits from working on increasing their exposure across the wider organisation and externally. Harvey Colman's PIE Model of Career Success highlights that 60% of career success comes from exposure (how well others know what you do), while only 10% is as a result of their performance in the role. (Colman, 2010).

4. Be Realistic About Time

Many of the respondents talked about how it's crucial to be realistic about the time commitment of the role, and advise only taking it on if you can offer the time:

> "Don't do it unless you are prepared to fully commit to it."

> "Be clear about the time you can give to do it properly and what you want to get out of it."

Jes Ladva, Partner at Odgers Interim, also outlines that in order to take on the role, one should plan for a sporadic workload. Although the role might be advertised for three days a month, in reality, it could be intense work for 10 days of one month and then none of the following three months. In such a role, you're expected to be on call whenever you're needed, so there's little you can do about this other than go into the role with the knowledge that this often is the nature of the beast. (Lavda, 2018).

5. Recognise the Difference Between an ED and a NED

Another piece of advice which arose was how crucial it is to recognise the difference between ED and NED roles, so as to guard against drifting into executive mode. In many cases, influencing change can take significantly longer in these settings:

> "Recognise how different it is to your executive roles and take more time than normal before trying to influence change."

> "Understand the difference between executive and non-executive roles…"

> "Be careful of thinking you can make great changes quickly - even if they seem obvious - my experience of the charity sector is that change happens slowly, and volunteers in particular tend not to like change! Building trust is important. Working with volunteers is a different experience to working with employed staff."

In addition, it's important to realise that it's not your job to delve into the operational detail of the company as a NED, but to be an objective advisor.

Although respondents spoke about this specifically in relation to NED roles, if you're considering a Trustee role, make sure you understand the level of involvement expected in this role, as well as the difference between your role as an executive/HR leader and your role as a Trustee.

6. Focus on Your Passions

It's important to think about the NED or Trustee role you're applying for and have passion for the business area or for the cause:

> "Consider something close to your heart and values but will stretch you. Absolutely consider it as the strategic exposure, structure and governance is great experience."

> "I have a non-paid trustee role in a multi academy trust close to home. I was motivated by the opportunity to give something back to the local community, and it is close to my heart as my 3 children go through their education."

In tandem, some respondents pointed out that you should do it if you are motivated to sit on a board and do the role, not because you like the idea:

> "Don't do it because you think it will look good on your CV. Do it because you really want to."

7. Get a Sponsor or Mentor

Some of the respondents spoke about how they found it was crucial for them to have an experienced NED or Trustee who could act as a mentor, especially someone who can help you to learn boardroom politics, etiquette and ethics, and who can help you believe in yourself:

> "I wasn't sure enough of my abilities. So, my advice is to get a mentor and sponsor who will help you and start off with trustee roles."

8. Be Confident

It's vital to consider what you offer and create your brand, as well as realising that you have more to give than just being the HR expert on the board:

> "Don't underestimate the contribution you can make."

> "Be courageous and confident about the value you bring."

> "Business[es] are about people and relationships. Therefore, you are eminently qualified to add extraordinary value as an HR professional." *(square brackets added)*

> "Definitely do it - don't put yourself in an HR box though. You can be a business person with a view and perspective on all topics while keeping your specialism as HR and people, leadership & culture related. Don't ever underestimate the value you can add and the satisfaction you can receive."

Walker (2018) talks about how it's so important to feel confident in the space in order to ask people about the jargon, to learn more about the organisation, attend events, and get to know people without compromising your role as an objective sounding board.

9. Go for it

Finally, 11 (21%) of the participants said that people should go for it, as it's a great way to learn, and good HR professionals can add a lot to these roles.

> "Definitely do it, it's helped so much in the way I performed my role in HR and even now. Getting different perspectives and working alongside other leaders definitely aided my career development whilst doing something worthwhile."
>
> "Absolutely consider it as the strategic exposure, structure and governance is great experience."
>
> "Great opportunity to give back and get involved in something you are passionate about. Opportunity to learn about other areas of business at board meetings, also other aspects that might be out of scope in your day job but of your interest (crisis management, health & safety, GDPR)."
>
> "Just do it, you will be surprised at what you have to offer."

You don't need to worry about being a director currently to become a NED or a Trustee, so if you feel too junior, take advice from those you trust and go for it (Walker, 2018).

NEXT STEPS

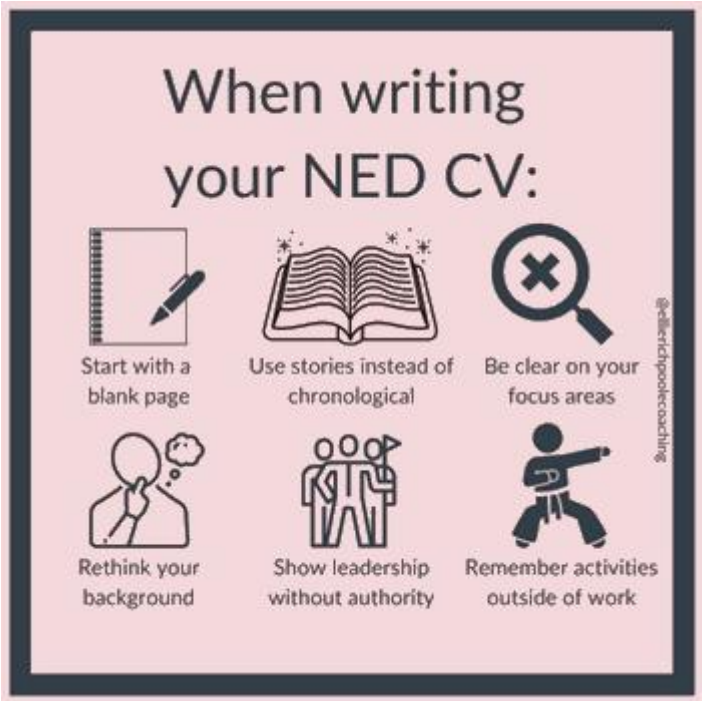
1. Do your research. Understand the difference between an ED and a NED or what your responsibilities would be as a Trustee. Make sure you've really understood what the role would entail, including (as we talk about above) the legal undertaking, before you consider applying. Read around the roles, talk to people who have experience, and really consider the nature of the role and the advantages and disadvantages of taking it on.

2. Consider your unique value proposition and write your elevator pitch. Think about what you can bring to the table – what are your areas of expertise and why is this important for boards? What are you passionate about? What do you want to give back to through your existing skills and knowledge? What would you like to do in order to help you develop both personally and professionally?

3. Find a mentor or sponsor. If you decide you'd like to start applying for NED/Trustee roles, find someone who can give you advice and tips and who can talk to you about the ins and outs of applying for the role.

4. Consider investing in a Career Coach. It can be useful to have a neutral partner to support and challenge you in your journey. Do your research about who would be a good fit for you.

5. Get your Board CV ready. Create a CV different to your chronological executive CV, which instead highlights your relevant experience, strengths and knowledge appropriate for NED/Trustee roles. This should draw out examples of experience on committees and when you have achieved results through collaboration and influencing.



6. **Update your LinkedIn profile.** Ensure that your profile is up-to-date and that all your experience is displayed. Consider saying that you're open to being contacted for an advisory position. Use the 'About' summary section to tell your story and share your experiences so people can see at a glance what you would offer.

7. **Talk to relevant people in your network.** Be open with your networks about seeking the role. This is a great way to learn, and you never know who might have connections or be looking for someone like you.

8. **Actively search for roles.** If you've put everything else in place (networks, CV, LinkedIn, mentor/sponsor) and let people know you're searching, then you might want to try actively searching and applying for roles as well. We talk about where to search more in the section on Online Search and Online Advertisements.

9. **Start, be patient and persist.** As Cummings said, "Own the journey and don't give up after the first rejection – it's not easy when there's a mould to break". (Cummings, 2020).

CONCLUSION

This white paper has analysed the survey data from 52 HR leaders in NED/Trustee roles. Of these 52, 77% were generalists (including HRDs or CPOs), 15% were specialists, and 8% were independent HR or management consultants. It has explored the motivations for HR leaders to become NEDs or Trustees, what the role might entail, the major advantages and disadvantages of the role, the practicalities of applying for the role, and, additionally, it has provided resources and advice for those considering becoming a NED/Trustee. It shows the benefits outweigh the disadvantages and the advice to HR Leaders is clear – be confident and go for it!

In addition, I hope to have highlighted the importance of having HR knowledge and skills on advisory boards for companies which want to be innovative and sustainable.

FURTHER RESOURCES

In addition to the resources which I've highlighted throughout, particularly in the section on Source of NED/Trustee Role, here are some further resources:

- Charity Commission (2012). The Essential Trustee: What you need to know.
- Chartered Governance Institute UK & Ireland
- Companies Act 2006
- Coyle, B. (1999). *The Non-executive Directors' Handbook.*
- FRC. (2018). *The UK Corporate Governance Code.*
- FT NED Workshops
- NED on Board
- Noble, L. (2016). Differences and similarities between NED and trustee roles – Expert Interview: Sarah King | NED on Board.
- Nurole's Enter the Boardroom Community | The essential non-exec network
- The Institute of Directors
- The Ned Exchange
- Trustees' Week

Interview:
In 2020 I interviewed Alison Thorne, Chair, Non-Executive, Executive Director, Committee Member about "Why it's never too early to start your Non-Executive Director experience." The video is available on YouTube.

LinkedIn Guide:
How can LinkedIn help me when I am looking for a new job?

Podcast:
The Benefits of Taking on a NED role alongside your day job

BIOS

Ellie Rich-Poole – Executive Career Development Coach
Author and Research Designer

Ellie Rich-Poole is a Career Development Coach dedicated to helping organisations retain and develop their best talent through Executive Coaching, Leadership Team Sessions, Workshops and Speaking.

She coaches leaders during pivotal transitions, empowering them to navigate change with confidence, clarity and impact. As both a supporter and challenger, she inspires action and results.

With over 25 years of experience in HR and Talent, both in-house in the retail industry and within fee earning Consultancy, Ellie brings deep expertise in Leadership Development. After 11 years in Executive Search, latterly as a Partner in a Boutique Search firm, she founded her coaching business in 2016 to inspire, guide and unlock the potential of individuals and teams.

Ellie is certified in Insights Discovery and Strengths Profile. She is passionate about helping leaders and their teams understand their unique strengths and preferences, and achieve their potential, benefitting both the individuals and their organisation.

Ellie has partnered with leading organisations including Trust Pilot, Virgin, BBC, Petrofac, Inchcape, EDF, HUSH, Kier, SpiraxSarco, BW Group, Veritas, Vontobel and Credera. She is the co-creator of WHEN's Career Accelerator Programme working across Higher Education in the UK.

Having lived in the UK, Germany, Chile and Singapore she thrives in global environments and understands the nuances of leadership across cultures. Wherever she is in the world she is always on the quest for the perfect cup of tea, coming originally from Yorkshire.

She has studied at both Durham and Oxford University and is a PCC Level Executive Coach (International Coaching Federation). Recognised as a LinkedIn 'Top Voice' for Careers and one of the Top 15 Coaches in London, she brings credibility, insights and a results driven approach to her work.

She is also a Mental Health First Aider, Chief Ambassador for Girls Friendly Society (GFS), a charity supporting girls in the most deprived areas of England and Wales and Founder of The Wonderful Women's Movement.

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Clementine Collett – Doctoral Student and Researcher
Researcher and Analyst

Clementine is currently a doctoral researcher at the University of Oxford where she studies AI recruitment technology and gender bias at the Oxford Internet Institute. Prior to her doctorate, she worked as Head of Research at The Pipeline Ltd, a leading diversity business in London, where she conducted both qualitative and quantitative research.

She has experience working with businesses on research and consultancy projects, and has also been lead authors on reports such as *AI and Gender: Four Proposals for Future Research* and *Innovative Leaders and Leading Innovation*.

She studied for her undergraduate degree at Oxford University and did her Master's in Gender Studies at the University of Cambridge, where she researched gender bias in the context of corporate interviews.

APPENDIX: LIST OF SURVEY QUESTIONS

1. What motivated you to become a NED/Trustee and what do you get from it?
2. What 'day job' were you in when you first started the NED/Trustee role and what are your specialisms within HR?
3. What age were you when you started your first NED/Trustee role?
4. How did you hear about / secure the position? What resources helped?
5. Are there any downsides or things you wish you'd known?
6. What advice would you give to other HR professionals considering it?
7. What have you learnt from your experience as a NED/Trustee?
8. Would you be willing to give further information if needed?

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