

NED Recruitment Programme – Client & Candidate Guide

Better Board decisions boost UK productivity

The most important question that any Board can ask its CEO is how an agreed strategy is to be implemented when the organisation suffers from low levels of employee engagement. The challenge is that if no-one on the Board is familiar with managing organisations with high levels of employee engagement (low is the norm at most corporates according to Gallup), then either the question is not asked or the ensuing discussion is superficial.

By contrast, when a Board has at least two NEDs with direct experience of growing and sustaining high levels of employee engagement (for example firmwide leaders of professional firms or CEOs of employee-owned businesses), not only is the question asked but the debate is rigorous and should lead to better Board decisions and boost UK productivity. If the response from the CEO is deemed unsatisfactory, it may even result in the appointment of a new CEO.

Forum campaign to set the record straight

The Forum believes that when nomination committees at corporates and other organisations are appointing NEDs, familiarity with growing or sustaining high levels of employee engagement should be a condition for short-listing. Our campaign is supported by Women on Boards, NEDA, the Investment Association, the London Stock Exchange and leading business schools.

Current demand for NEDs

Internal governance rules to avoid client conflicts of interest mean that most current leaders of professional firms are restricted to interacting with current clients. Former leaders may be more flexible yet few are currently being shortlisted for NED roles other than as trustees due to a perception that they have had it easy due to their firm's high margins or that their leadership skills are difficult to translate into the business world.

- **High demand - Educational establishments and smaller charities.** These organisations have limited budgets for external advisers. Accordingly, those with advisory skills are very desirable in bringing an independent perspective, shaping strategy and identifying roadblocks. However, these roles are essentially trustees and governors, with very different levels of personal risk to formal NEDs.
- **Low demand - Large corporates and large/high profile public sector bodies.** These organisations are looking for people who bring something extra so highly unlikely to appoint a NED who merely replicates their current advisory role. Access to clients and industry knowledge is valued but more appropriate for a CEO advisory board.
- **Medium demand – Other organisations.** Connections and referrals are fundamental to sourcing people for these NED roles. Their Boards typically have less rigid governance structures than large corporates although top down leadership remains the norm. They are also more likely to adopt narrow perspectives and group think.

Sourcing NEDs

NEDs are currently sourced through many routes, including headhunters, recruiters, relationships, personal networks and job boards. They are not that attractive to headhunters as they typically command 70% lower fees than executive roles, and the pool of suitable candidates is much larger.

Many recruiters operate as sole traders with their own P&L under a common brand, so having extensive connections and relationships with suitable candidates is vital for those seeking to fill NED vacancies on a profitable basis. Forum founder and chief executive, Richard Chaplin, has built uniquely close connections with the leadership teams at hundreds of advisory firms over the past 30 years, including a decade as a successful recruiter for marketers at advisory firms.

To reduce the need to educate a mostly sceptical recruitment community over the merits of including advisers in their NED shortlists, Richard is leading the Forum's Programme to source NEDs for organisations that include: main and subsidiary boards of corporates; fund management companies; professional firms; professional bodies; family offices; sports boards; public sector bodies; educational establishments; and charities.

Richard recognises that firmwide leader experience covers much more than growing and sustaining high levels of employee engagement: it indicates an independent mindset; peer-based trust in leadership capability; influencing skills; sometimes high EQ quotients; a keen understanding of how to manage complexity; and a broad perspective on a wide range of issues.

As a formal ambassador for leading executive job board, Nurole, Richard can introduce suitable Forum members to the Nurole community and provide clients with diverse shortlists through access to quality candidates from multiple sectors.

Terms

- Fees are 25% of the total remuneration that the NED can expect to receive in money during their first year, payable when appointed by the Client. If the position is to be remunerated below a standard market rate for independent NEDs, for example pro bono, the fee is based on a suitable market rate as agreed with the Client at the outset of the assignment.
- In the event that the NED leaves within six months of appointment and providing that termination is not due to redundancy, then a replacement will be found at no extra cost to the Client. If no replacement is found, the whole fee is refunded.

Interested? Contact Richard on 020 7786 9786 or richard.chaplin@pmint.co.uk