



Saxton Bampfylde

## **THE MAGIC OF MINISTRY**

A first timer's guide to the public sector  
non-executive role







# FOREWORD

Having worked on board appointments for over 30 years in the private, public and not-for-profit sectors, Saxton Bampfylde has developed a strong reputation for finding and nurturing the very best in talent. We have always taken a keen interest in the challenges posed by a constantly modulating political and economic climate, and the implications this has on the role of senior leaders both in executive and non-executive capacities.

Our aim in developing this report was to establish an understanding of what draws senior individuals, particularly those with little or no prior experience of government, to take on non-executive roles with public sector organisations and the challenges they face in adapting a new culture. This piece is intended to inform and advise those considering a similar move so that they can enter into the process with their eyes open and fully aware of the huge benefits a public sector role can give.

We also hope it will give those responsible for recruiting first-time non-executives an insight into the ways in which this transition can be managed to ensure that the sector has a strong pipeline of the most talented, innovative and strategic leaders going forward.

We hope that you will find this piece thought-provoking. We have thoroughly enjoyed our research in this area and conversations with our contributors and would warmly welcome any feedback on the experience of stepping into the non-executive world for the first time.



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# OVERVIEW

The expectations placed upon non-executive directors (NEDs) in the UK's public sector have risen exponentially in recent years. Boards are under ever increasing scrutiny and non-executives face heightened levels of public accountability. The decision to take on a non-executive director role is therefore one that should not be approached lightly.

For many senior executives, moving into the role of non-executive director has traditionally represented a step back from the pressure of holding a full-time executive role, while allowing an individual to utilise their skills and experience.

Research has shown however that for the first time the average age of non-executives has fallen below 60 years, suggesting that an increasing number of people are looking to develop 'portfolio careers', which offer both variety and a fresh challenge\*.

For many, taking on a non-executive role is an opportunity to explore and contribute to a sector or industry outside of their professional experience to date. Indeed, this external perspective is often incredibly valuable – organisations often prioritise skills and independence of mind to challenge and ask the right questions over direct industry experience.

Launching a non-executive career is a daunting prospect, not least because it represents a complete shift away from the executive mindset. The role of the non-executive is to challenge and support the executive, not to implement strategy, and this can be a difficult balance to strike.

To produce this piece, we spoke with 30 non-executives and chairs from 25 different public sector organisations, ranging from departments to agencies and non-departmental public bodies (NDPBs). We asked them to share their opinions on a range of different aspects of their role, from what had drawn them to the position in the first place, to what and how they contributed to their organisation. A particular focus was placed on lessons that could be drawn from their experience, especially for people who might be new to the sector. To ensure a balanced perspective, we also explored the things that chairs prioritise when looking to recruit a new NED to their board, and their experience of on-boarding those new to the sector.

The focus of our questioning was on the practical advice and key learnings

\* Financial Times, March 2018 - *Have you got what it takes to be a non-executive director?*



“THE PRETENCE THAT THE BOARD OF A PUBLIC-SECTOR BODY IS THE SAME AS A PRIVATE-SECTOR BOARD IS NONSENSE.”

“A FIRST-HAND UNDERSTANDING OF THE SECTOR IS NOT NECESSARILY A POSITIVE, WHICH WAS COMPLETELY ALIEN TO SOMEBODY LIKE ME.”

“I STARTED LOOKING AT GOVERNMENT ROLES A BIT SCEPTICALLY, CYNICALLY MAYBE. I QUICKLY REALISED HOWEVER THAT THERE’S A WHOLE WORLD OUT THERE, DOING REALLY INTERESTING STUFF!”

“IT TOOK ME TWO YEARS TO REALLY UNDERSTAND HOW SERIOUS THE CULTURAL DIFFERENCE WAS.”

that our interviewees would offer to those considering taking on a non-executive role in the public sector for the first time. The intention was to develop a guide to what can be a confusing, and at times frustrating, process for those coming in from the commercial world, and to provide feedback on this to those leading public sector boards. We explored the rationale behind individuals taking on these roles, the challenges the recruitment process raises and the key points of differentiation between the public and private sectors, and between the executive and non-executive.

To encourage our leaders to speak openly, we assured anonymity. This ensured that we were gathering honest thoughts, observations and learnings. We have incorporated anonymous quotes throughout this piece to reflect our conversations and the themes arising, and to give an indication of thought and response.

Our questioning was open-ended to give participants the opportunity to express their opinions and to provide their individual view of government and the public sector. We conducted these interviews over a period of three months.

For a first-time NED, the role is often a challenging adaptation. It requires an entirely new way of working, particularly for those moving from the private sector to work in a governmental or public sector organisation. While many of our conversations focused on the notable points of difference between the public and private sectors, there was one point on which the majority of our respondents agreed: *'private or public, it's all down to people in the end'*. ■

# WHO WE SPOKE TO



## NED PUBLIC SECTOR ORGANISATIONS

- 26%** EXECUTIVE AGENCY
- 38%** NDPB
- 20%** DEPARTMENT
- 16%** NON-MINISTERIAL DEPARTMENT



## NED SECTOR BACKGROUND

- 72%** INDUSTRY
- 16%** PROFESSIONAL SERVICES
- 4%** ACADEMIA
- 8%** NON-PROFIT



CHAPTER 1

**GOVERNING CHOICE:  
WHY CHOOSE A ROLE IN  
THE PUBLIC SECTOR?**

## “I THOUGHT I COULD MAKE A DIFFERENCE.”

All the non-executives we spoke to were senior people, and recognised sector leaders. They would have a wealth of experience and wisdom to bring to any board. But the majority of those to whom we spoke had little or no experience of government. So what made them choose this sector?

For a handful, the roles they had taken up were a natural continuation of their career to date. These included people who had moved from an industry into its regulator, or who had long experience of influencing policy outside government. The majority, however, had come into the public sector for the first time.

For many of our interviewees, a non-executive role within a public sector organisation presented a new challenge set within comfortable parameters, protected by the hand of government: *‘I knew I was going in completely blind, but the stakes were lower than for an executive role’.*

For some, the intellectual challenge of getting to know a new sector was a key driving force: *‘I wanted a range of things – I was keen to experience different cultures’.* Working in the public sector presents an unprecedented opportunity to develop skills and experience a range of ways of working, because of the complicated stakeholder matrixes in which it operates.

## “THERE ARE MORE WAYS OF SKINNING A CAT THAN THE TWO OR THREE I LEARNED IN MY PRIVATE SECTOR LIFE.”

Many of our interviewees suggested that the public sector is seen as a space in which real societal change can be delivered. It presents an opportunity for individuals to give back and make a tangible difference: *‘there was an opportunity to do something there’.* Some had specifically chosen to apply for roles within government organisations to have the *‘opportunity to contribute to policy implementation’.*

## “YOU DON’T JUST WANT IT TO LOOK NICE ON YOUR CV. MY MOTIVATION WAS ‘CAN I HELP? CAN I DO SOMETHING USEFUL HERE?’”

Having the chance to contribute to an organisation with demonstrable impact on the UK and its citizens was an important factor for many, whether that was through helping a central government department to work as effectively as possible, or through helping to oversee the delivery of a vital public service. Indeed, one individual commented: *'I had a sense of having been extraordinarily fortunate and wanting to give something back.'*

Significantly, there was resounding agreement amongst those we spoke to that direct industry experience is not necessarily relevant for a new NED. Indeed, some even suggested that it could be something of a hindrance to the level of separation required from a non-executive. As one chair highlighted, *'I don't need my non-executives to see their role as being any kind of expert'*. In their capacity as critical friend to the executive, a NED is intended to question and interrogate rather than to execute strategy. As such, another chair stated: *'I'm much more interested in the person and how they think than what their technical skills are'*.

It was highlighted that *'in many cases, previous experience can be mapped across to make it relevant to a new organisation'*. Skills learned and developed in previous executive roles can often provide a useful perspective, particularly in applying a commercially savvy mindset to the challenges faced by a public sector organisation.

The chairs we spoke with provided an interesting perspective on the ways in which they manage new NED recruitment. One highlighted that prior to undertaking any recruitment for new board members, their organisation conducts a skills audit to establish what they need to complement the existing skills on the board. Individuals are then brought in to provide specific functional experience, such as commercial or financial. Another stated that *'the quest for the right skills cannot come at the expense of experience'*. The same chair continued, stating that non-executives are there to bring wisdom and experience – they are the *'elders of the tribe'*.

**“SOME OF MY COLLEAGUES SAID: ‘HAVE YOU GONE COMPLETELY MAD? IT WILL BE A NIGHTMARE!’ OTHERS SAID: ‘IT NEEDS SORTING, SO DO IT!’”**

There are, of course, preconceptions about the inertia of government and a fear of the politics behind these roles that can be off-putting for individuals looking to expand into a non-executive career in the public sector. This is a notion that will be explored in greater depth in Chapter 3. ■





CHAPTER 2

**GETTING INTO CHARACTER:  
NAVIGATING THE PATH TO THE  
NON-EXECUTIVE ROLE**

## “IT’S LIKE SOMETHING FROM A TWO RONNIES SKETCH.”

### THE APPOINTMENT PROCESS

Coming from a corporate viewpoint, the appointment process in the public sector can seem almost comically drawn out, with a seemingly endless list of boxes to tick and hoops to jump through. It is a challenging journey that can see high drop-out rates. For many non-executives who had spent their careers in the private sector, the process felt *‘completely bizarre’: ‘if you come from industry, government process is completely flummoxing’*.

## “THE RECRUITMENT PROCESS IS VERY THOROUGH BUT SLOW – FRUSTRATINGLY SLOW.”

As with many of the differences between government and other sectors, what looks like an incomprehensible variance really boils down to a difference in aims. Fairness and transparency trump speed and personalisation. As one interviewee assessed it, when looked at through one lens, the appointment system can seem archaic, rigid, and over-engineered. Looked at through another lens, it looks thorough, methodical, and effective.

## “THINGS HAVE TO BE GREEN LIT, BOXES HAVE TO BE TICKED, BEFORE ANYTHING CAN MOVE AHEAD.”

This was acknowledged by the majority of the chairs we spoke to, who recognised that the process can feel off-putting and frustrating for candidates. One chair urged that prospective first time NEDs not be

## “PUT OFF BY ODD QUESTIONS – WE HAVE BOXES TO TICK.”

‘Patience’ was a key word that almost universally came up in our conversations regarding the appointment process. More than one interviewee told us about a six-month wait between panel interview and appointment: *‘it was a miracle that those of us who were still standing were still there at the end...they got lucky’*. At other points in the process, however, things can move startlingly quickly: one person’s referees had been given a six-hour window in which to provide references.

**“I WAS SCRATCHING MY HEAD AND WONDERING WHAT WAS HAPPENING, AND THE NEXT THING I KNEW I HAD AN APPOINTMENT LETTER DATED A MONTH EARLIER.”**

Good candidates cannot always wait around indefinitely, so there is a real imperative for government to move more quickly and to communicate more effectively and regularly with candidates. Many people talked about being left in the dark, with dates that *‘slip horrendously’*. Plenty of the people we spoke to assumed they had been unsuccessful, because they had been left for so long without any news or communication. Indeed, one interviewee stated: *‘The appointment process was protracted. I must admit I was wondering what was going on – I just assumed I hadn’t been successful’*.

### **BARRIERS TO ENTRY**

It is clear then that the standard government process is often less conversational than private-sector appointments often can be. One non-executive we spoke to defined it as a *‘two-hit wonder’*: a common process will contain a first paper sift of CVs and cover letters, and then a formal panel interview. That means that first impressions matter hugely: there is very little opportunity to correct or refine them.

Many argued that this leaves less space for the character of an applicant to be conveyed properly, meaning that decisions are sometimes seen as being made based on a ministerial preference or a personal connection with the chair or another individual on the board. Our interviewees suggested that this can significantly reduce the opportunities available to first time non-executives.

One chair highlighted that there is a *‘premium on whether you’re known and by whom’*. Particularly for those looking to enter the public sector without previous experience, it can be tricky to break into the non-executive world and secure the first post. Often people wanting to be NEDs face the catch-22 situation that many first-time job seekers and graduates encounter: they can’t get a job without having experience, but they can’t get the experience without the job. Boards appointing new NEDs are often looking to find people that already have experience of how a board operates and understand how a good NED can make a difference.

“THE MOST DIFFICULT THING I WOULD SAY IS GETTING THE ROLE IN THE FIRST PLACE. IT IS A CREDIBILITY THING.”

“RECRUITMENT FIRMS OFFER A WINDOW INTO UNTAPPED POTENTIAL – THEY UNCOVER PREVIOUSLY UNDISCOVERED TALENT AND GIVE AN OPPORTUNITY FOR NEW CANDIDATES TO COME TO THE FORE.”

“THERE ARE A LIMITED NUMBER OF NON-EXECUTIVES, SO OFTEN THE SAME PEOPLE CROP UP AGAIN AND AGAIN. THIS BY NATURE IS A DISADVANTAGE FOR FIRST-TIME NEDS WHO ARE NOT KNOWN WIDELY.”

“IT ALL SEEMED QUITE STILTED AND FORMAL. IT WAS VERY PAPER DRIVEN, WITH LESS SCOPE FOR CHEMISTRY.”

Traditionally, head hunters have helped guide candidates who are new to the sector through the process. They are also able to provide access to a far wider and more diverse candidate pool. However, in a drive to reduce public spending, many of these appointments are administered by departmental public appointments teams, without the help of external search professionals. One of our interviewees was particularly critical of this, arguing *'they're delusional to think that they can do recruitment themselves'*, unlike in the corporate world where having the support of recruitment firms is the norm.

Recruitment firms can also offer additional benefits to those coming into the public sector from outside in the form of guides to the process. The cover letter and the interview presentation, for example, are almost unknown for senior appointments in the private sector, but are almost universally part of the public sector application process. Some of the non-executives we spoke to admitted to being baffled by what was being asked of them. For some, appointment had come only after failed attempts which let them gradually work out what was really being asked of them during a process, and how to frame their experience in the way panels expected to see it. A handful of our interviewees who had more recently sat on appointment panels talked about seeing the same thing in candidates who come before them: people with much to offer, but who do not know how to tick the right boxes.

An additional barrier to entry for many first-time NEDs is the comparatively low levels of remuneration in the public sector. One of the chairs we interviewed summed this up: *'the whole issue of remuneration is that there's almost a self-selection going on. Because of the modest pay for public sector NEDs, there's a whole section of society that can't take on those sorts of roles'*.

## THINKING DIFFERENTLY

Several people suggested that often a NED role is most suitable to *'people of cumulative experience'*. The non-executive is there to share wisdom, nudge and guide the executive towards the most appropriate course of action, not to take control.

One thing that came out consistently throughout our conversations was the acknowledgement that *'different perspectives are essential'* for a board to operate successfully. Many of our interviewees urged that the issue of diversity also be considered as *'different types of thinking, rather than focusing specifically on gender, race etc.'* Indeed, one interviewee cautioned against treating diversity as a tick box exercise: *'We have to make sure we're selecting the right people for the job and not merely prioritising people simply to meet diversity targets'*.

### "DIFFERENT PERSPECTIVES ARE ESSENTIAL. I KNOW WHAT WHITE MIDDLE-AGED MEN THINK – I AM ONE!"

Having a group of people around the table who think about things differently and who have different life experiences is essential for a successful board. There is a real challenge for the public sector to ensure that the talent pool is widened to its fullest extent, particularly against the backdrop of low remuneration and the potentially off-putting appointment process. More must be done to ensure that candidates are supported throughout the process and that the transition from executive to non-executive is managed appropriately.

## THE INDUCTION PROCESS

Induction is crucial for a new board member, particularly one without previous non-executive experience, to succeed. According to our interviewees, however, all too often new recruits are left to define their own roles and to ask for the information they need to perform to the best of their ability. The induction process was described by one NED as *'something of a black hole'*.

### "I WOULD HAVE LIKED THE INDUCTION PROCESS TO HAVE BEEN MORE IN-DEPTH AND FRANK. IT WOULD HAVE BEEN HELPFUL TO KNOW WHAT GOOD CORPORATE GOVERNANCE LOOKED LIKE FOR THEM."

For first-time NEDs in particular, there is a real need to work through what the role means for the organisation they have joined – *‘nobody explained the role of a NED to me. The mechanics and machinations of what good looks like in government make that more difficult, but it’s important, particularly for first time NEDs, that they know what they’re going in for’*. A non-executive is *‘there to exercise governance not management’*, and this can be a hard transition for senior leaders to make. They must be *‘self-aware and able to resist the urge to get involved in management’*. Understanding the internal dynamics of an individual board can be a challenge, however.

**“BE OPEN TO WHAT YOU LEARN AND HEAR, PARTICULARLY IN THE EARLY DAYS, AND BE PREPARED FOR TIME COMMITMENTS TO BE UP TO TWO TIMES WHAT YOU’VE BEEN PROMISED!”**

For public sector roles, there is also often the added complication of government involvement. One NED reported that they were able to attend cross-governmental meetings, which gave them a clear window into how other departments operate. Another stressed the importance of understanding the role of the board within the particular organisation and having a firm grasp of the decision-making process: *‘I assumed all boards had decision-making powers when in reality sometimes all the power sits with the department’*.

**“THERE WASN’T REALLY AN INDUCTION PROCESS, BUT YOU SOON FIND IT OUT FOR YOURSELF. YOU GO OUT AND GET WHAT YOU NEED.”**

Interestingly, where individuals had become involved in the day-to-day operations of the board from the outset, often they reported a much smoother transition to the non-executive: *‘I was immediately drawn into the board’s thinking and discussions. I didn’t feel like I had to find a place’*.

Established formal inductions for new non-executives are rare in the public sector, according to our interviewees, however many reported that the best way to get accustomed to the way in which an organisation is run is to get involved and explore for yourself: *‘you get the information you ask for’*. Often, *‘the elements that are most difficult to understand are things that can’t be covered through induction’* – this includes things like the chair’s relationship with their board, the dynamics of the boardroom and the particular challenges an organisation might be facing. Often, these are nuanced elements that can only truly be understood by getting stuck in. ■





CHAPTER 3

**PUBLIC VS. PRIVATE: A CLASH  
OF CULTURES?**

## “UNDERSTANDING ALL THE PUBLIC SECTOR NUANCES IS THE BIGGEST CHALLENGE FOR FIRST TIME NON-EXECUTIVES.”

### ONE OF THE TEAM

Moving from the private sector to take on a non-executive role in the public sector can, many argued, come with a degree of culture shock: *‘it’s a very different world, with different priorities’*.

The non-executives we spoke to talked about a collaborative culture, where decisions are made with a more thoughtful approach to defining and keeping within an organisation’s *raison d’etre*: *‘decisions are made in a more iterative and consultative way than you get elsewhere’*. This is perhaps unsurprising, given that many of these bodies have a statutory footing and role. This made the board feel much more like a cohesive team, rather than factions – out to thwart one another.

For many, the culture was more collegiate than they had seen in other sectors, and the difference with the private sector was particularly commented on. A number of people told us that they did not see the same jockeying for position within executive teams which they had accepted as a normal part of board-level culture during their private sector careers.

In the public sector, there is of course also an *‘added sensitivity to the current political climate’*. Private sector priorities are often *‘much more black and white’*, while in the public sector there is often a need to be aware of the impact your decisions could have on other parts of government: the inter-dependencies of various organisations and departments can at times be hard to unravel.

### PLANNING TO MAKE A PLAN

Planning for the future is a challenge for those working with public sector organisations. It was something frequently cited as one of the most significant frustrations of those who had entered the public sector for the first time. Plans can be easily waylaid by changes to government, its policies, or the ministers in charge.

## “THE MICRO PRIORITIES ARE EASY TO IDENTIFY, BUT THE MACRO ARE MUCH HARDER.”

Despite a long-term strategic plan being in place, an organisation's direction can change dramatically *‘with either a change in the stance of the department, a change of government or even a change of the political imperative within the same Government’*. As a result, many of our interviewees reported being unable to look more than 12 months ahead, saying *‘you want to invest but you can’t, instead you just debate returns’*. With the future direction of the organisation often out of the hands of either the board or the executive, long-term investment, whether that be financial or in terms of work, can be risky. Indeed, our interviewees reported that in some cases there was a tendency amongst the executive team to hypothesise over the potential success of strategy rather than pushing forward with its implementation.

## “THERE’S THE IMPETUS FOR TRANSFORMATION, BUT NOT THE MONEY – IT’S COMMON BUT IT HAS A DEPRESSIVE EFFECT.”

The public sector is often viewed by newcomers as being less agile than its private counterpart: *‘there’s an entrenched inflexibility in the system – the appetite for difficult conversations just isn’t there’*. The speed of change in public sector organisations was often highlighted as the biggest culture shock for non-executives. Government involvement can bring with it a layer of bureaucracy that sometimes translates as inertia: *‘there’s a more insidious pressure in government, which slows everything down’*. One of our respondents summed this up: *‘ministers, on the whole, are something that needs to be managed. Sometimes they end up being a blocker on perfectly good proposals for purely political reasons. This leads to indecisive management as it can sometimes be used as an excuse for just not doing anything.’*

The public sector board must be careful not to stray into policy. This is something that our interviewees flagged as a *‘grey area’* however, questioning *‘what happens if questions over implementation mean the whole policy comes into question?’*. Many highlighted that this makes the task of a non-executive almost impossible as often decision-making can come down to *‘where you sit on the minister’s priority list’*. This relationship with government departments and the minister is one that we will discuss further in Chapter 4.

## “IT CAN MAKE YOU THINK “IS IT REALLY WORTH IT, COMING UP WITH INNOVATION?””

When running a business the executive team, supported by the board, would step in to address a potential problem in the way they see fit, but in the public sector *‘the process for getting agreement is slower – due process can impede progress’*. Many referred to a general low-risk appetite, a fear of acting and not succeeding in a climate where the work of public bodies is heavily scrutinised and the public mood is unforgiving.

## “IN THE PRIVATE SECTOR, THE WORST THING THAT MIGHT HAPPEN IS THAT YOU DON’T DO ANYTHING. IN THE PUBLIC SECTOR, THE WORST THING WOULD BE THAT YOU DID DO SOMETHING.”

Our interviewees also flagged that they must *‘constantly pitch for resources’*, particularly against a backdrop of inflexible, centrally-set remuneration policies which often prevent them from hiring or retaining staff in key areas. This was something that had surprised many of those entering the sector for the first time: *‘I didn’t really realise how resource-constrained they were to achieve their strategic aims’*.

Despite these issues, the majority of our interviewees were keen to highlight that they had been able to make real difference within their organisations. For many, the most important learning curve had been to recalibrate their style, to learn *‘where at the edges you can push’*. Pragmatism and realism were vital: as one person said, it’s important to *‘recognise that you might feel that something can be done differently... but you can only push it so far’*. This served to highlight the importance of having transferrable skills from previous roles. One interviewee suggested that *‘having been in the thick of battle’* in a commercial setting was highly beneficial when it came to advising their board on big decisions. This was a sentiment echoed by many of those we spoke to, with the refrain *‘if you put a private sector hat on, you can do a lot more’* coming up more than once.

### THE BOTTOM LINE

The most fundamental difference between the public and private sectors is in the way in which money is handled. For private sector companies the main aim is to increase and develop profits and/or shareholder value,

whereas governmental organisations are dealing with public money, demanding a greater level of accountability to a greater number of stakeholders.

**“THE FACT THAT DEPARTMENTS DON’T HAVE TO GENERATE INCOME CREATES A DIFFERENT ATMOSPHERE. YOU KNOW HOW MUCH YOU’RE GOING TO BE GIVEN, THE FOCUS IS INSTEAD ON HOW TO SPEND IT.”**

The majority of government and public sector organisations receive a budget, rather than earning an income. There are some exceptions – trading funds, which are expected to be self-funding and to generate a return, are the obvious example. But overall, non-executives discussed a culture which was far more focused on spending within budget rather than thinking of a bottom line.

Many of the people we spoke to reflected that it had been a challenge for them to adjust to a more complex set of objectives. Their organisation’s individual financial or delivery goals often sat alongside equally important considerations of optics, transparency and due process, and cross-Whitehall objectives. In that context, they cautioned, it was vital to understand why government works as it does, rather than trying simply to ‘drag and drop’ ways of operating from other sectors.

There is also the added complication of an ‘*accounting officer*’ in the public sector, which carries a different implication to the typical corporate structure of a CEO supported by a CFO. Whereas in private sector organisations, where the chair is ultimately responsible for finances, in the public sector, it is the accounting officer who is accountable to Parliament, with added complexities of reporting through ministers or departments. This can, at times, lead to confusion as the respective individuals may not always be aligned in their priorities.

**“THERE ARE ENORMOUS OVERLAPS BETWEEN PUBLIC AND PRIVATE GOVERNANCE: IT’S ALL ABOUT PEOPLE AFTER ALL.”**

Despite these notable cultural differences, it was stressed that *‘the board of a public sector organisation needs to have many of the same priorities as that of a private sector organisation – a close eye on the bottom line and a firm grasp of the organisation’s strategic direction’*. Above all else, both sectors are united by their focus on people: *‘the human element is the same across both public and private sectors’*. ■



CHAPTER 4

**IT'S COMPLICATED: MANAGING  
RELATIONSHIPS WITH MINISTERS  
AND THE EXECUTIVE**

## **“AN EFFECTIVE BOARD NEEDS TO BE COLLEGIATE, RESPECTFUL AND ABLE TO CHALLENGE.”**

Adjusting to the role of non-executive can be challenging for those taking it on for the first time. Typically, they will have experience in the boardroom from an executive perspective and it is an adjustment to learn to challenge and support rather than offer solutions. In this sense, the obligations of a public sector NED versus those of a private sector NED are really no different.

Taking on a non-executive role is about *‘taking a step back and recognising that you’re not running the company’* as one of our interviewees phrased it – *‘it’s about patience and diplomacy, not necessarily leadership’*. One of the chairs we spoke to suggested that *‘the key thing you’ve got to remember when you walk into a meeting as a non-executive is to leave your ego at the door’*.

When it comes to attendance at board meetings, preparation is key to ensure that the non-executive is well-informed and able to critique the executive. The advice from one of our NEDs was to *‘be prepared. Attend meetings and read the papers thoroughly. Be active.’*

The most effective NEDs combine strength of conviction with sensitivity to ask the awkward questions and challenge whether certain structures or strategies are most efficient: *‘you’re there to support, guide, advise and hopefully flag up issues before they become problems so that government can be more effective’*. They recognise that good relationships and effective communication, as well as independence of mind, are key to questioning, analysing, and influencing sound decision-making. It can be a steep learning curve, not only in terms of working as part of a non-executive team, but also in terms of figuring out how best to relate to the executive team.

### **THE CRITICAL FRIEND: ADVISING THE EXECUTIVE**

For any board member, the relationship with the executive is critical. Board members depend upon executives for their understanding of what is really happening in their organisation. How that plays out in practice can differ significantly from one organisation to the next.

There is at times a *‘fundamental illogicality’* to the executive/non-executive relationship. The non-executive is there to hold the executive to account,



"YOU HAVE TO ASK THE DIFFICULT QUESTIONS. WHY ARE WE HERE? CAN WE JUSTIFY WHAT WE'RE DOING? ARE THERE BETTER WAYS OF USING THIS BUDGET?"

"THE NON-EXECUTIVE NEEDS TO PLAY THE ROLE OF CRITICAL FRIEND, AND THE EXECUTIVE IN TURN NEEDS TO BE ACCEPTING OF CRITICISM."

"THE CEO AND LEADERSHIP TEAM GENERALLY BELIEVE NEDS ARE THERE TO HELP, NOT THAT THEY ARE JUST A NECESSARY EVIL."

"THERE'S A CULTURE OF HIDING PROBLEMS. THIS IS CHANGING, BUT IT HAS A LONG WAY TO GO."

yet both parties are also expected to operate collegially and to work together as one board. The partnership between the chair and the chief executive typically sets this tone: they have a *'responsibility as individuals, but also as a pair'*. Many of our interviewees picked up on the dynamic that this creates, when done right this leads to *'markedly better decision-making'*.

The clear majority of the non-executives we spoke to felt listened to and valued by their executive team. If anything, they sometimes wondered if executives were being too diffident and respectful of their time. They highlighted the importance of developing an open and respectful complementary relationship, both within and outside of the boardroom. There were however words of caution around the *'danger of becoming too pally'*: it is vital that non-executives *'maintain critical perspective'*. A good non-executive needs to feel confident asking the *'stupid questions'* and questioning the established ways of working to find more effective solutions. They must be capable of taking decisions *'based on public or consumer interest'*.

One chair even suggested that having experience as a NED is invaluable for individuals to take back into their executive careers. They argued that having an awareness of the way in which the non-executive team analyses and questions decision-making can often lead to senior executives making more informed and balanced decisions. This awareness of *'the other side of the table'* can also make the executive more accepting of criticism, and in turn more likely to buy into the input of their NEDs.

**“THE FORMAL BOARD MEETING INTERACTION IS THE SMALLEST PART OF IT. YOU NEED TO DEVELOP RELATIONSHIPS SO THAT YOU KNOW WHAT'S GOING ON.”**

A handful, though, reported a culture of hiding problems from the board. In most cases, this reflected an organisation that had been under sustained performance, financial, and people-related pressures. In some, it reflected the fact that boards had been relatively recently set up, and their role and purpose was still poorly understood.

Some reported a tendency to treat the non-executives as a body to be reported to and managed; a feeling amongst the executive that only good news, or at the very least reassuring-sounding solutions, were what the board wanted to hear: *'I was on the receiving end of endless good news, but I knew it wasn't true'*. In all of these cases, the non-executives talked about shifting that culture, and developing a healthier and more productive executive/non-executive relationship. They discussed *'trying to create an environment where it was okay to talk about challenges rather than have packaged solutions'*.

### **"THE ABILITY OF NEDS TO DELIVER GOOD GOVERNANCE DEPENDS LARGELY ON THE EXECUTIVE TEAM."**

Traditionally, the board is often *'reliant on executives bringing [non-executives] in, and often they don't'* – however, many of those we spoke to had started to make a change in this respect. There was a broad acknowledgement that a good NED cannot rely purely on the information they are fed by the board, rather they have to probe the running of an organisation without getting involved in the day-to-day operations. They need to ensure a strong understanding of the organisation by *'listening at all levels'*.

Some of those we spoke to suggested that this raises an argument for public sector boards working in a more corporate manner to ensure that the organisation follows a more strategic direction. There was a strong feeling that *'a board is most effective when the organisation's executive brings things to them early on'*. Many of those who had moved into the sector from the corporate world were accustomed to boards where the chair is *'very directional and runs the show, with the CEO as master of delivery'*. As has previously been explored, public sector boards often operate in a much more consultative and collegial way: *'people are given more room to contribute, there is a less firm direction.'* This had proven a challenging way of working for many with corporate backgrounds, often resulting in action not being taken immediately: *'You need to make it clear you won't give up – it's not a place for someone who needs instant action!'*.

### **"YOU MIGHT GO IN THINKING YOU'RE GOING TO CHANGE THE WORLD, BUT YOU'LL NEVER BEAT THE SYSTEM."**

## THE POLITICS OF POLITICS

### “THE DEPARTMENT IS A CONSTANT SHADOW, EVEN IF IT ISN'T IN THE ROOM.”

Whatever elements a public sector board may think to borrow from the corporate world, working in the context of government introduces a very different dynamic to that which is seen in any private sector organisation. No board is an island: departmental boards work alongside and with the political structures of departments, while Arms-Length Body (ALB) boards work in the context of the relationship between a body and its sponsor department. Significantly, our interviewees reported notable variation in the level of interest and influence in ALBs from their parent department.

This was dependent on a number of things. The first is the department's capacity and capability to actively manage the relationships with its ALB, in the context of its wider workload. The second is the performance of the body. One non-executive reflected that *'if you're not causing a problem... you're not going to get much attention'*, while another, on the board of an organisation that has had some well-publicised challenges, described being expected constantly to know an almost executive level of operational detail: *'there's a tendency for the department to expect the board to know everything about everything'*.

### “IN THE THREE YEARS I'VE BEEN ON BOARD, WE HAVE HAD FOUR MINISTERS, BUT THE WHEELS DON'T STOP TURNING JUST BECAUSE THERE'S A NEW MINISTER.”

One important factor – and one of the key frustrations for the people we talked to – is the tendency for rapid turnover amongst key people. Ministers can change at a moment's notice, and successive ministers can have diametrically opposed views on policy, with serious knock-on effects on delivery and performance. Non-executives in the public sector must therefore learn to be resilient and adaptable: *'you have to be able to not feel personally threatened by someone changing the rules on you'*.

The executive needs to be surrounded by people able to help them navigate a path forwards when the rug has been pulled out from under them: while people and ideas may come and go, the organisation must continue to function efficiently. ■





CONCLUSION

**IS IT ALL WORTH IT?**

## **“GO FOR IT! IT’S SO IMPORTANT FOR GOVERNMENT BODIES TO HAVE NON-GOVERNMENT PEOPLE. THEY NEED RANGE TO SEE THINGS IN THE ROUND”**

For all the frustrations and challenges of their roles in public sector and government organisations, the majority of the non-executives we spoke to were overwhelmingly positive about their experience: *‘I have no regrets – it’s an interesting role!’*. They were almost universally confident in the positive impact they had on their organisations – the shifts in culture they had helped to bring about, the delivery of major initiatives they had contributed to, and the role they had played in developing their executives: *‘I found it very rewarding playing a part in supporting, empowering and enabling the executive’*.

## **“HAVING EXPERIENCE OF A NON-EXECUTIVE ROLE, BE IT IN PUBLIC SECTOR, PRIVATE SECTOR, CHARITY, WHATEVER, WILL CHANGE AN EXECUTIVE’S PERSPECTIVE OF THE EXECUTIVE/NON-EXECUTIVE INTERACTION FOR THE BETTER.”**

The passion, commitment and ability of senior teams was one of the things most commented on, and a major source of reward and gratification for the non-executives. They had gained as much from seeing the priorities and workings of the public sector and government as they had been able to bring from their own experience in other sectors: *“the experience has been humbling, particularly coming from the corporate world where it’s so much more sharp-elbowed and there isn’t the same sense of collective endeavour’*. Many of our interviewees also spoke in glowing terms of their colleagues, with one stating *‘the people I work with are very nice and extremely clever: that’s its own reward!’*

There is a wealth of opportunity in the public sector for dedicated and driven individuals. The public sector has a growing recognition of the value that outside perspectives can add to their organisations and are, in many cases, actively recruiting against a skills matrix to find people with experience from outside the sector. For many of those to whom we spoke, it was this feeling of having a real impact that was most rewarding – *‘they do get people in from the outside to have a balance, and they’re willing to listen’*.



## “IT’S BEEN REALLY INTELLECTUALLY CHALLENGING. YOU SEE MINISTERS AND OFFICIALS, HOW GOVERNMENT WORKS, WHY IT DOES AND DOESN’T WORK.”

Patience was a term that repeatedly cropped up throughout our conversations: *‘you have to learn a great deal more patience than on a private sector board. Things are much slower. If you go in and expect to say “here’s the board’s decision” and it to happen immediately then you’ll be disappointed’*. It is a world in which it can at times feel like *‘wading through treacle to get things done’* due to the complex layers of government bureaucracy and stakeholder involvement, however many of our interviewees argued that this added to the intellectual challenge of a NED role.

While the remuneration may not be on a par with that of the corporate world – in fact there is a general acknowledgement that *‘the ratio of pay to time is seriously out of whack’* – working in the public sector can be rewarding in a multitude of different ways. Indeed, one of our respondents went as far as to say *‘you have to enter into it with the feeling of public service, of giving back, not of saying “I’m going to run the country”’*. For many first time NEDs, particularly those coming from a private sector background, a role in the public sector can give *‘the feeling that you’re making a real contribution’* to society.

A realistic outlook is also vital when taking on a public sector NED role. As has been discussed previously, patience is a key virtue, but candidates also need to be very determined. A non-executive role is, most likely, different to anything they will have experienced before. One interviewee acknowledged that *‘it would be very easy to wonder what on earth you’re doing there, but there is a huge amount you can bring’*.

## ‘BE ABSOLUTELY CLEAR IN YOUR MIND WHY YOU WANT TO DO IT AND WHAT YOU CAN BRING. BE PREPARED FOR FRUSTRATION AND MAKE SURE EXPECTATIONS OF YOU ARE VERY CLEAR.’

Looking to the future, the public sector needs to think carefully about how it ensures diversity in the pipeline of non-executive directors. The issue, as one of our non-executives highlighted, is more about the way in which you retain and sustain the right calibre of NEDs, not about how you get them in the first place: *‘there will be people willing to give it a try for a first term, but once the novelty has worn off, how do you convince them to do it again? How do you give NEDs a 5-10 year lifespan?’*

There is no one size fits all solution. Widening recruitment pools to ensure that first-time non-executives are given an equal opportunity will need to work hand-in-hand with better communication throughout the application process, both in terms of what is expected from candidates and to share updates on the process. And once candidates have been offered the role, induction processes need to become more consistent and give a clearer view of what is expected of NEDs within that particular organisation. In addition, remuneration will nearly always be a consideration for those weighing up the relative merits of taking on a public versus private sector non-executive role.

**“I THINK EVERYBODY SHOULD DO SOMETHING IN THE PUBLIC SECTOR AT SOME POINT IN THEIR LIFE.”**

The sector needs to continue to recruit the very best leaders from all walks of life to bring balance and perspective to its decision-making. The public sector is by nature complicated, challenging and at times exasperating, with many overlapping layers of involvement and the inertia so often associated with political involvement. It is, however, also enormously rewarding and presents non-executives with huge opportunities to utilise existing skills and expand their capabilities to offer valuable support to the organisations that drive the UK forward. ■

# DOS AND DON'TS FOR PROSPECTIVE NEDS

## **DO BE CURIOUS**

Find an organisation you're truly interested in and get stuck in. Don't expect the executive to present everything to you, get to know the organisation for yourself, across all levels.

## **DO DRAW ON YOUR SKILLSET**

Work out what you can contribute to the boardroom. It may be that your external perspective can shed some light on a particularly difficult decision.

## **DO INVEST IN YOUR RELATIONSHIP WITH THE EXECUTIVE**

The relationship between executive and non-executive is vital for any organisation to succeed. To have a properly mature debate in the boardroom, you need to develop a rapport.

## **DO BE REALISTIC**

NEDs in the public sector work hard, often for comparatively low remuneration. At times, the relationship with government can feel wearing and as though nothing will ever get done, but it will.

## **DON'T BE IMPATIENT**

Particularly when coming from the private sector, public sector appointments can seem drawn out and at times almost farcical. Remember there are layers of due diligence that have to be adhered to. Be patient with ministers.

## **DON'T BE AFRAID TO ASK QUESTIONS**

Work out what you can contribute to the boardroom. It may be that your external perspective can shed some light on a particularly difficult decision.

## **DON'T BLINDLY ACCEPT THE ESTABLISHED WAYS OF WORKING**

Your role is to challenge, interrogate and advise the executive. It is your job to flag up issues before they become problems and question whether there is a more effective way to use the budget.

## **DON'T BE CLOSED MINDED**

You'll find pockets of excellence you may not expect and encounter different ways of operating. Go in with your eyes and ears open.

# 5 TOP TIPS FOR CHAIRS RECRUITING NEW NEDS

1

Have a firm grasp of what you're looking for in a NED before starting the recruitment process. Where possible, conduct a skills audit of your current board to ensure that any new recruit complements the existing skills mix.

2

Ensure candidates are kept up to date on the recruitment process. Work to keep delays to a minimum wherever possible and ensure that you have strong and reliable channels of communication in place.

3

Explain the role of a NED clearly. Be clear with new recruits about the purpose of the board, and the scope and limits of its autonomy.

**4**

Implement a comprehensive induction process. Ensure that new NEDs, especially those new to the public sector, have an opportunity to meet key figures within the organisation ahead of their first board meeting. Establish a programme that gives them opportunity to get stuck in but with the necessary levels of support and guidance. Personal communication with the chair is time consuming but hugely valuable.

**5**

Encourage a dialogue between the executive and non-executive teams. The most effective boards are often those in which the non-executives are actively encouraged to get involved with their organisation and to speak to people at all levels.





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