

CGF PAVES WAY FOR NON-EXECUTIVE DIRECTORSHIP POSTS

Johannesburg

02 May 2014

Advertorial by CGF Research Institute

Many experienced managers may find themselves in a 'stale-mate' situation and wonder what their next career move might be. Little will they realise (or be informed) that their existing skills, experience and qualifications may be exactly what is required for a smaller company's board of directors, and where they are requested to serve as a Non-executive Director (NeD). To this extent, there are many smaller companies who cannot afford expensive NeDs on their boards, plus trying to find these individuals is extremely difficult unless the person is 'connected to the right people' so to speak.

Being a Non-executive Director

The role of NeDs has changed significantly, particularly considering the recent changes in legislation as well as the recommendations found within the King Code of Governance of 2009 (King III). Non-executive Directors are considered an essential component of the board of a well-governed company. Unlike executive directors who are the full time employees of the company, NeDs are not employees of the company, nor are they involved in the day-to-day management of the business. NeDs generally fulfill an 'oversight' function to the board of directors, and they are expected to act impartially in order that the overall governance of the company is improved. Amongst other key duties, NeDs must objectively monitor the performance of the company's executive management, particularly as it relates to the company's management achieving the strategic objectives of the company.

Getting prepared

CGF has launched a new governance service that specifically targets managers and puts them 'through their paces' to prepare them to become a Non-executive Director. Through CGF's renowned **Governance Beyond Boards®** training intervention, managers who are interested to become NeDs, are provided deep insights to the inner functioning of a boardroom, but more importantly alerted to the broader issues they will need to deal with as it relates to the practical side of governance, risk and compliance. This training is highly recommended in the ordinary course of a manager's development. Moreover, the exposure is also excellent for ensuring that the manager who attends CGF's training intervention is more prepared for a NeD position and subsequent appointment.

As this is generally very good training and experience for a manager, the manager's existing company may well be prepared to pay for this training to improve their manager's skills for internal promotion. Understandably, in the event where employers are constrained on their training budget, the 2-day training is not expensive, and therefore the employee can in fact afford the payment of this critical training on their own steam.

Once this training has been completed, CGF provides a specific certificate of attendance to the manager who has attended the **Governance Beyond Boards®** training intervention. CGF then automatically includes the delegates of this training as potential candidates for external NeD positions when these appointments become available.

Removing the obstacles for career development

More individuals are starting to consider the role of Non-executive Directorships, even after they have taken into account the challenges and risks associated with such appointments. In the process there are younger, less-experienced people taking up the opportunity which is good for developing the leadership pool for South Africa.

Expectedly, the person's employer also stands to benefit through the cross skill value, especially where there is a good strategic fit between the person's employer and the company whereupon they will serve as a NeD. Typically, a NeD will be expected by the company who appoints them as a NeD, to attend at least 4-6 meetings a year and sitting fees in smaller companies is usually R2,500.00 per meeting. Unsurprisingly, once a person has become a NeD of another company, the same person is then seen somewhat differently by their own employer and generally other career opportunities become available.

Partnering for success

In addition to this service, CGF has partnered with Alexander Hughes – an international executive search firm who will be handling the executive placements having the intellectual capital, powerful search capabilities, international network, and knowledge management to identify and recruit executive talent. Their approach is aimed at identifying expected results and necessary experience. Their executive search professionals have extensive experience conducting assignments in the industrial world, both internationally and locally.

Aligning directors and managers

Given the fact many senior managers have probably never envisaged themselves being a NeD as a further 'career' option -- more senior managers should attend this type of training. In saying this, it's not only because of their potential interest to become a NeD, but through the attendance of such training it also aligns the managers' own understanding of what directors are exposed to from an operational risk and personal liabilities perspective. Once this is understood, expectedly the existing communicative gaps which are so often found between directors and managers, is greatly narrowed. Clearly this is good for any company's communicative strategy, not least its overall sustainability.

Besides the Non-executive Directorship training and placement service provided by CGF, the company also provides monthly corporate governance reporting services to its clients which is offered on a subscription basis through the *Corporate Governance Body of Knowledge®*. CGF also offers professional governance, risk and compliance ('GRC') consulting services which include:

- ✓ board evaluation,
- ✓ strategic management consulting,
- ✓ outsourced company secretariat services,
- ✓ regulatory risk impact analysis,
- ✓ coaching and mentoring of directors and executive management,
- ✓ executive learning and facilitation,
- ✓ leadership management programmes,
- ✓ leadership change management,
- ✓ group and individual workplace wellness programmes,
- ✓ policy reviews and policy writing,
- ✓ analysis of Integrated Reports,
- ✓ executive search and placements, and
- ✓ corporate governance awareness and ethics training workshops (caters for large corporates to small and medium sized businesses).

ENDS

Words: 949

For further information contact:

CGF Research Institute (Pty) Ltd
Ansie Leiding (Manager: Executive Search & Training)
Tel: 011 476 8264
Cell: 072 175 3874
aleiding@cgf.co.za

More information regarding CGF can be found at www.cgf.co.za

