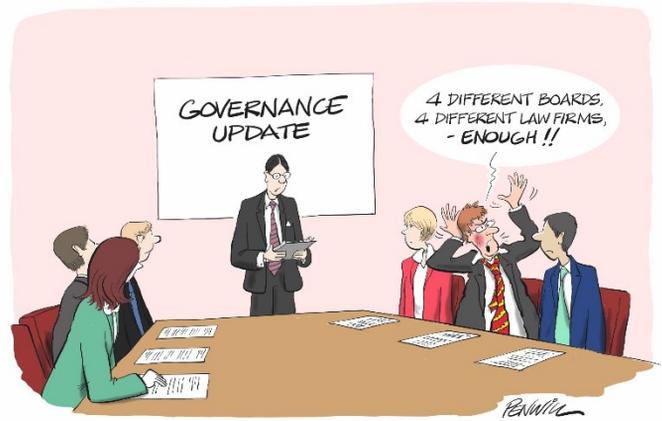




Director "training"

For some strange reason, "training" can appear almost a dirty word when it comes to certain boards. Some seem to bristle at the word and company secretaries have to search for a different term, if they are brave enough to broach the subject at all. When we do board reviews we don't often see much in the way of structured training activity or education programmes – even though reviewing individual needs is a specified responsibility of Chairmen. And sometimes we hear that "directors don't like to think that they need training", even though it's all part of what's expected of them under the Code. (And maybe the use of "training" in the Code is unhelpful... "development" would be better.)



But that's odd – because actually, most of the directors we speak to are very open to the idea that they have gaps in their knowledge and need to keep up to speed. They know that it will help them to do their jobs better. So rather than dodge the issue, what should boards be doing? And what might they avoid?

Good practices to consider...

Organise "technical briefings" rather than "training". Most directors accept that they have gaps in their knowledge around particular areas (or at least in the details) and are willing to give up the time to get a good briefing. Especially if several of their peers are seen to be quite happy to do the same.

Ask directors what they want to hear about. Best to do this through a specific email request with maybe a menu of suggestions to see where the main interests lie across the NED group. And ask them what they are getting from other boards they might be on – they won't want repeat sessions on common topics. Also, distinguishing between technical updates (eg regulation) and briefings on the business can help keep the programme well-balanced.

Try to accommodate "minority interests" in a different way – perhaps through a one-to-one briefing.

Be versatile in what's offered. For example, couple a "group session" with one-to-one sessions for those who'd like to go into it further. That helps individual directors pursue topics they perhaps didn't want to occupy others' time with during the group briefing. And it helps in complementing "group sessions" with role-based training – for example for the successors to the board and committee chairmen roles.

Things to avoid...

Declaring a "Director Training" programme that sounds like educating them in corporate governance. That will elicit a distinct lack of enthusiasm, if not outright groans (and who can blame them?). Instead make it evident that it's about improving their knowledge and increasing the technical expertise that they bring to the job of being a NED – most will readily admit that there are areas where they could usefully know more, even if they aren't trying to do management's job for them.

Just putting on briefings about things that you think they need to know about. You may well be right – but they'll be much more committed to a session if it was their idea. And avoid asking them in a board meeting, especially without any warning or as a quick administrative item at the end of the meeting. Some will want to think it through. Others will already have moved on.

Just dropping some subjects off the list because they didn't get the vote. If there's a single NED who wants to know more in one area, the company secretary really should look for ways to meet that need.

Organising a group briefing as the sole offering – and not offering the opportunity of a follow up. NEDs are often reluctant to ask for more if it involves taking up more management time – but if it is specifically offered and each NED is asked individually, the take up rate can be quite different.

Good practices to consider...

If it's "in person" briefings, try to schedule them separately from board and committee meetings.

Use technology rather than let the difficulty of arranging physical meetings get in the way. Yes, getting together face-to-face is usually better. But conference call or videoconference, together with sharing software such as Lync so that presentation slides can be shared, is a great deal better than nothing at all. Well-planned webinars can be worthwhile group sessions in which most can participate, regardless of geography. And e-learning modules can work well, and maybe allow directors to follow some of the training used for staff, such as around ethics or regulatory updates.

Put technical briefing into a strategic and risk context. That way its relevance is clearer.

Tie it into the agenda. If you've got something big coming up (a major investment project, a new product launch, a crucial regulatory submission...) try to arrange for the NEDs to have a preliminary briefing. Allow long enough for the session to be a free-range ramble through the topic so things can be explored.

Use junior management, or even non-management, to give the briefing. They are likely to be enthusiastic about making a good showing in front of the directors and so long as they have the requisite presentation skills that should lead to an energised session. And it gives the NEDs an opportunity to meet "rising stars" who would normally be too junior to come to within their orbit.

From time to time bring in subject matter experts from other businesses, possibly even from other industries. You might not want (or get) people from competitors – but there is a pool of recently retired experts who are interested in staying involved, some of whom will have linked up with academic or policy bodies and could well be an interesting (and cheapish) source.

Keep a record of who's had what – and find out what they have had recently elsewhere, including attendance at NED briefing sessions provided by outside bodies. And include board items which are "briefing" in nature (the question as to whether such sessions should be on the board agenda is a different matter...) – even if they're not immediately recognised as "training" – it could add up to quite a lot

Things to avoid...

Adding it on at the end of a board meeting – or trying to squeeze it around committees. Meetings often overrun, eating into the briefing time – or knocking it off the schedule altogether. And often people are tired, stressed or running out of time – hardly the best way to get them to settle down and concentrate on a briefing.

Expecting dreary lectures on unexciting topics to hold people's attention during conference calls. It's much harder to concentrate on calls than in meetings, and much easier to give up when others can't see that you're doing your emails... Remote sessions need to be planned to be especially interesting and engaging and with lots of opportunity for audience participation. Don't encourage them to hit the mute button.

Treating a technical briefing as an exercise for geeks. Even things like regulation, product specification or systems architecture can be made interesting to non-specialists if they're put in the context of how they will help the business perform.

Holding the briefing session immediately before the formal board meeting, so that you end up going over the same ground twice. If it's not possible to hold the briefing before the papers come out for the board meeting, then allow at least an overnight break so that the formal board discussion is a clearly distinct and different discussion.

Leaving it to the same old faces. Simply hearing the "Head Office" version (again...) can be a lot less interesting than hearing directly from the coal face. And if senior management is reluctant to let its juniors loose in front of the board, it's worth finding out why this is so – what does it tell you?

Keeping it all in-house. That can mean that you only get the one view – and, of course, there's always a lot to be gleaned from outside. And while you're at it, maybe some of the management team could join for their own education – and that can lead to a livelier and more enjoyable discussion.

Equating "training" with organised sessions. There are numerous sources and types of personal development: if they are not discussed, taken into account or tracked, it adds to a feeling of disorganisation and lack of provision – even though a lot might be going on.

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BOARD REVIEW

