

BOARD MOVES

Go-Ahead chief aboard Network Rail

KEITH LUDEMAN is to join the board of Network Rail as a non-executive director. Ludeman, 61, retires after five years as chief executive of Go-Ahead in July, having served as managing director of Thameslink Rail and Thames Trains, Go-Ahead's London buses, London General Transport, and Burnley and Pendle Transport, as well as a bus conductor for Tynemouth & District.

■ **Laura Cha** joins the board of HSBC Holdings as a non-executive director from this week. Cha, 61, who has served as a financial regulator in Hong Kong and China, is non-executive deputy chairman of the Hongkong and Shanghai Banking Corporation and a non-executive director of Hong Kong Exchanges and Clearing, Tata Consultancy Services and China Telecom.

■ **David Adams** is to join Halfords as a non-executive director. Adams, 56, formerly finance director of House of Fraser, Asprey and Texas Homecare, is non-executive chairman of Jessops and a non-executive director of Alexon Group, JJB Sports and The British Retail Consortium.

■ **Minnow Powell** has been appointed as a non-executive director of Tui Travel. Powell, 56, spent 34 years at Deloitte, from which he retired last November as senior audit partner.

■ **Scott Butterworth** succeeds Iain Smith when he retires as chief financial officer of Clydesdale and Yorkshire Banks. Butterworth, 41, was previously chief financial officer of the business services division in Melbourne of National Australia Bank, which he joined in 2004 from Boston Consulting Group where he was a partner leading its Australia and New Zealand financial services practice.

■ **Wendy Pallot** joins Bloomsbury Publishing as finance director. Pallot, 46, who qualified with Coopers & Lybrand, was group finance director of GCap Media from 2005 to 2008.

■ **Stephen Harris** is to become a non-executive director of Mondi, the paper and packaging group. Harris, 52, chief executive of Bodycote, a provider of thermal processing services, was a non-executive director of Brixton between 2006 and 2009.

■ **Timothy Tuff** has joined Misys as a non-executive director. Tuff, 63, is a venture partner of Ampersand Ventures, a director of Printpack Inc and the KnowledgeWorks Foundation — all in America, where he was the chairman, president and chief executive officer of John H Harland Company from 1998 to 2007.

■ **Francis Ball** has joined Hot Tuna, the surfwear and fashion brand, as a non-executive director. Ball, 62, who is chairman of The Hub Company, a technology firm, and Monitor Marketing, a design and marketing agency, worked for Marks & Spencer for 13 years, was managing director of Costco Wholesale and group business development director of Littlewoods.

Speed-dating for Neds

Potential women non-executive directors discover a short cut to meet chairmen and boost their profiles, writes **Carly Chynoweth**

One of the groups that came in for attention in the report by Lord Davies of Abersoch into women non-executive directors (Neds) was headhunters: not all are doing enough to ensure there are female candidates on shortlists. As a result, he has recommended that search firms draw up a voluntary code of conduct on gender diversity.

He also said executives and women from outside the corporate mainstream, such as entrepreneurs and academics, be recognised as qualified for Ned roles.

However, another group of women have found a quicker way to ensure nominations committees see them as potential non-execs — by leapfrogging the headhunters and meeting chairmen directly at a “speed dating” evening in London.

Organised by Catquin, an agency that represents senior women executives, it paired businesswomen with chairmen, other Neds — and some headhunters — in a series of 10-minute “dates” over champagne and canapés at the BT Tower in London.

Sylvia Igglesden at Catquin described the event on February 15 as “a bit of a short cut” for women who wanted to raise their profile. “I am not suggesting that anyone will be offered a job directly out of it but some of the people attending are looking for non-executives,” she said.

She believes that the practices of some headhunters do make life more difficult for women looking for Ned roles, not least because too many aren't willing to shortlist women unless they are already on a board in an executive role, meaning many miss out.

“There are some really good headhunters out there who are passionate about gender equality but there are others that simply don't want to take any risks,” Igglesden said. “Their relationship is with the corporates — as with estate agents, it's about who is the paymaster — and women are losing out.”

Headhunters do have a ten-

dency to focus on women who have board experience, agreed Sir Mike Rake, the BT chairman, who attended the speed-dating evening. “They need to do more in widening the talent pool and what is available,” he said.

It's not just headhunters who have to take responsibility, he added. “Like a lot of consultants, they are just trying to please their clients. It is very important that chairmen of FTSE 100 and FTSE 250 businesses are seriously challenging the gene pool that they are being given.”

Sharon Constançon, chief executive officer of Genius Methods, a consultancy, said: “There are so many competent women out there that the recruiters just don't know.”

“Outside the public sector most Ned roles are not advertised but headhunters tell you not to send them your CV speculatively, so how are we supposed to find out about these roles? Headhunters say that they know people and they approach their network. Well, how do I get to know them?”

“The speed-dating event lets you get out and meet a bunch of people directly without having the recruiter stand in your way because one box is unticked. Here you can stand up for yourself before the recruiter's checklist gets in the way.”

She didn't find any immediate opportunities during the evening, she said, but did find it a useful way to expand her network.

Another one of the women who



Sharon Constançon welcomes the speed-dating event because she believes headhunters fail to advertise Ned opportunities

attended the evening was Catherine May, who is looking for a non-executive position that will complement her executive role as director of communications at Centrica, the group that owns British Gas. She also sits on the company's executive committee.

“I am looking at a Ned role as something that will enhance what I do in my existing position,

not replace it,” she said. “I am particularly interested in finding a way to use 25 years of big business experience at a smaller company at some point in the next couple of years.”

She used her “dates”, which included BT's Rake and David Tyler, the chairman of IT services group Logica and J Sainsbury, to “stress test” her CV. “I asked the chairmen I met what they thought that the strengths are and whether there was anything that made them think it would be nice to see a bit more in any particular area,” she said.

“I got a lot of really positive feedback. They looked at my experience and biography and said ‘you do have a lot to offer’. I love my job and I am not trying to put my career on a different track but I am trying to add to my experience so I can bring a different insight.”

Rake was the most popular “date” of the evening, with several women ignoring their official

schedule and jumping in to the seat opposite him as soon as they saw it was empty. Igglesden admired their chutzpah, if not their judgment. “Actually, it's a bit foolish, because he won't be able to have the same impact on their career as some of the other people here,” she said. “I'd be more interested in meeting David Tyler, as he is on two boards.”

Would-be Neds should also pay attention to opportunities at smaller businesses, she added, although she admitted that many feel they are in a bind about how to choose their first role.

It needs to be somewhere well-respected, as it will shape their reputation and thus the opportunities that arise in the future, but at the same time big businesses are less likely to want someone without any board experience. Ultimately, the most important thing is to choose a company you are passionate about, she said. “Most of the women here are

embedded in the corporate world but I think that they should consider a small or medium enterprise as an option,” agreed Martin Goodman, the executive chairman of Planet Positive, a consultancy.

“I was in the corporate world all my life and now here I am running a small start-up. It gives you a much more direct relationship with cashflow, profit and loss and other financial measures.”

John Brackenbury, the chairman of Avanti, a satellite broadband company, came to the event with at least one eye out for a potential new director to support the business's move from the Alternative Investment Market to the main market.

Someone with telecommunications and marketing experience would complement the board's existing skills base, he said. He would definitely appoint a woman Ned if he could find the right person, he added.

What Davies wants

- All FTSE 350 companies to set a goal for the percentage of women non-executive directors (Neds), with a minimum target of 25% expected by 2015 for FTSE 100 firms.
- Quoted companies annually to disclose the proportion of women Neds, senior women executives and female employees.
- The Financial Reporting Council should amend the corporate governance code to require listed companies to have a boardroom diversity policy.
- Companies should periodically advertise Ned roles.

Why everyone hates the employee of the month

REWARD RECOGNITION at work is an important but tricky business. Most employers want intrinsically motivated people who don't need too much extrinsic reward — money, in other words. But there is a variety of ideas on how to reward good performance apart from through money or time off.

Staff can join exclusive clubs such as the Talent Group or be allowed to become a mentor, though some may see this as more of a punishment than a reward. They could become “5-star generals” as McDonald's once had, showing customers how experienced and expert staff were. Special uniforms work well in some environments, as do fancy titles.

One idea widely used in the service sector is “employee of the month”. In hotels all over the world it is not uncommon to find some surprised or scowling person from housekeeping or the kitchen staring out from a cheap photograph in the lobby. They are the employee of the month: an exemplar of the service that is required.

The concept is that this gives just credit to deserving individuals, it boosts morale through symbolic rewards and inspires excellence by providing positive examples for other employees. There are questions about who nominates the employee of the month: peers, customers, supervisors or managers? And what are they rating? A one-off encounter over a meal, a week-long interaction as a room-steward or what?

Hotel and airline customers are often asked to rate the service provided. Bedrooms, bars, dining rooms and health spas have cards asking for ratings. Many forms ask you to name a person who has provided exemplary service. This is usually part of the data for employee-of-the-month systems.

These systems have their problems. Indeed, it is possible for them to backfire, causing staff who receive no recognition to become resentful.

There are four issues here. The first is the means to the end. It is not beyond belief to expect that some employees will engage in undesirable or unethical behaviour to get the result. They may fake guest feedback cards or bully their peers.

A second problem is the front-of-house/back-of-house issue. It's the problem of tips in restaurants: should the waiter/waitress receive the money as the client intended, or should it be shared by the other people out of sight, such as the cook. How in a hotel does the laundry manager receive the prize of employee of the month? This means customer ratings alone cannot suffice.



A third problem is that the criteria for earning the recognition are unclear. One study asked staff to list what they had to do to become employee of the month and none could. It all seems too capricious. The cynical but ambitious worker may target customers who are docile, undemanding and happy to make the recommendation.

Fourth, it is a winner-takes-all system. The vast majority of workers are not rewarded, even though their behaviour is barely distinguishable from that of the winner.

These systems also mean that reward is based not only on an individual's merit but that of others as well. Thus, making others look bad makes one look comparatively good. In which case, talented, hard-working, dedicated people may never be rewarded because others are slightly more so. This can lead to ideas of covert sabotage of peers.

Fifth, if employee-of-the-month systems are truly based on performance then it would be likely that the same individual wins often. This prevents many people ever being employee of the month, which paradoxically extinguishes (as the behaviourists say) the desirable behaviour that managers are trying to encourage. This problem is often approached by ruling that people can be employee of the month only once, or once a year.

This backfires because it becomes “Buggins-turn”, based on tedious turn-taking. This is seen to be unrelated to good service but a pointless activity where people wait in line for a small, almost humiliating reward. The problem is that, intuitively for many, if you are not a winner you are, by definition, a loser.

Proponents of these systems use sporting analogies. Those who aren't nominated as employee of the month will be motivated to try harder. Nonsense, say opponents — if anything, it makes people angry, apathetic and inclined to sabotage. Indeed, the reward for employee of the month may be to make all your colleagues look less efficient and helpful than yourself.

One recent study in the Journal of Organizational Behavior Management put some of these ideas to the test. And they found what they expected: employee-of-the-month schemes backfire and result in the opposite of what was intended: they lower staff morale overall.

So it is back to the drawing board to find a cheap and effective way of motivating staff.

■ **Adrian Furnham** is professor of psychology at University College London



Airlines often ask customers to name staff who provide exemplary service

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