



Heather Matheson
Managing Director

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Promotion from Manager to Director?



Are we seeing a new trend?

As some businesses, benefiting from the conditions of the climate, grow and others continue to fight for their very existence, we wonder whether a new trend is starting to emerge? Whether it's because of a lack of cash for pay rises, a focus on engaging discretionary effort, or just another way of retaining valuable talent, we're seeing many employers now entering into discussions with some of their Managers about becoming Board Directors...

Is it a simple promotion?

So many managers however consider promotion to the role of an Executive Director as being their just reward for the contribution they have made in a previous management role and have little understanding of their fiduciary and legal responsibilities and indeed the personal liabilities they could face if they get it wrong, which can include disqualification, fines and even jail sentences.

The role of Director makes you an equal around the Boardroom table and requires a different hat to be worn. To illustrate the different or additional responsibilities that a Director has, HR Insight will often advise separating the individual's pay into two chunks; providing one amount for the executive day-job and another for the directorial role. Apart from making it easier to back-track in the event that the manager does not fulfil the directorial role, it can clearly demonstrate that the business is looking for something extra, and possibly different, from the individual at the point of the promotion.

So, what's different about the directorial role?

Everything! Useful guidance booklets are available at www.companieshouse.gov.uk but in summary, as a Director, you are required to promote and act in the best interests of the business as a whole; ensure the business is solvent; exercise reasonable skill and care in your actions; not to use your position to make private profits at the organisation's expense or take advantage of confidential information or opportunities that arise, even if the business does not take advantage of the opportunity itself. You are also required to comply with health & safety legislation, data protection and a myriad of employment laws, ensuring new laws are promptly implemented and payments to government offices are on time.

What qualities and behaviours are looked for in a Director?

Irrespective of their day-to-day job in the business, Directors are leaders, and are considered to be leaders, when they are appointed to the Board. So exhibiting leadership qualities, and not just being in the right place at the right time, is vital in gaining the respect of your work colleagues. Some of the key qualities and behaviours sought for new Board appointments include:

- Vision and Mission: Be clear in communicating the big picture so everyone knows the direction and objectives of the business.
- Passion and Drive: Be prepared, put in the upfront time that is needed and show up ready to tackle the task at hand. Then, follow through.
- Board Teamwork: Be part of it, share your knowledge and bring the specific and complimentary skills and talents of your Team together.
- Think Independently: Provide unbiased guidance. Act as the 'critical friend': you must be willing to disagree when necessary, to provide challenge and to ask the appropriate questions.
- Focus on Success: Embrace learning opportunities and put them to good use. Have high standards for yourself and all of those around you. Recognise and celebrate achievements.
- Communicate Well: Listen to what is being said, reflect well on the wider messages you are receiving and communicate wisely.

STOP PRESS...

Settlement Agreements

These Agreements are now imminent (Summer 2013) and are expected to reduce claims for unfair dismissal. Employers should note that their appearance will NOT cover improper behaviour (including all forms of victimisation and discrimination). Our Factsheet next month will provide you with information on how these new Agreements will work.

CAN WE HELP?

If you want to discuss the recruitment or appointment of directors, or we can help with any issue associated with employment, conduct or performance, call us on **01708 758 958** or visit www.hrinsight.co.uk.

Heather Matheson
hmatheson@hrinsight.co.uk

Immediate HR Support
LSchofield@hrinsight.co.uk

Immediate Legal Support
LPowell@hrinsight.co.uk

SIMPLY CALL
01708 758 958

