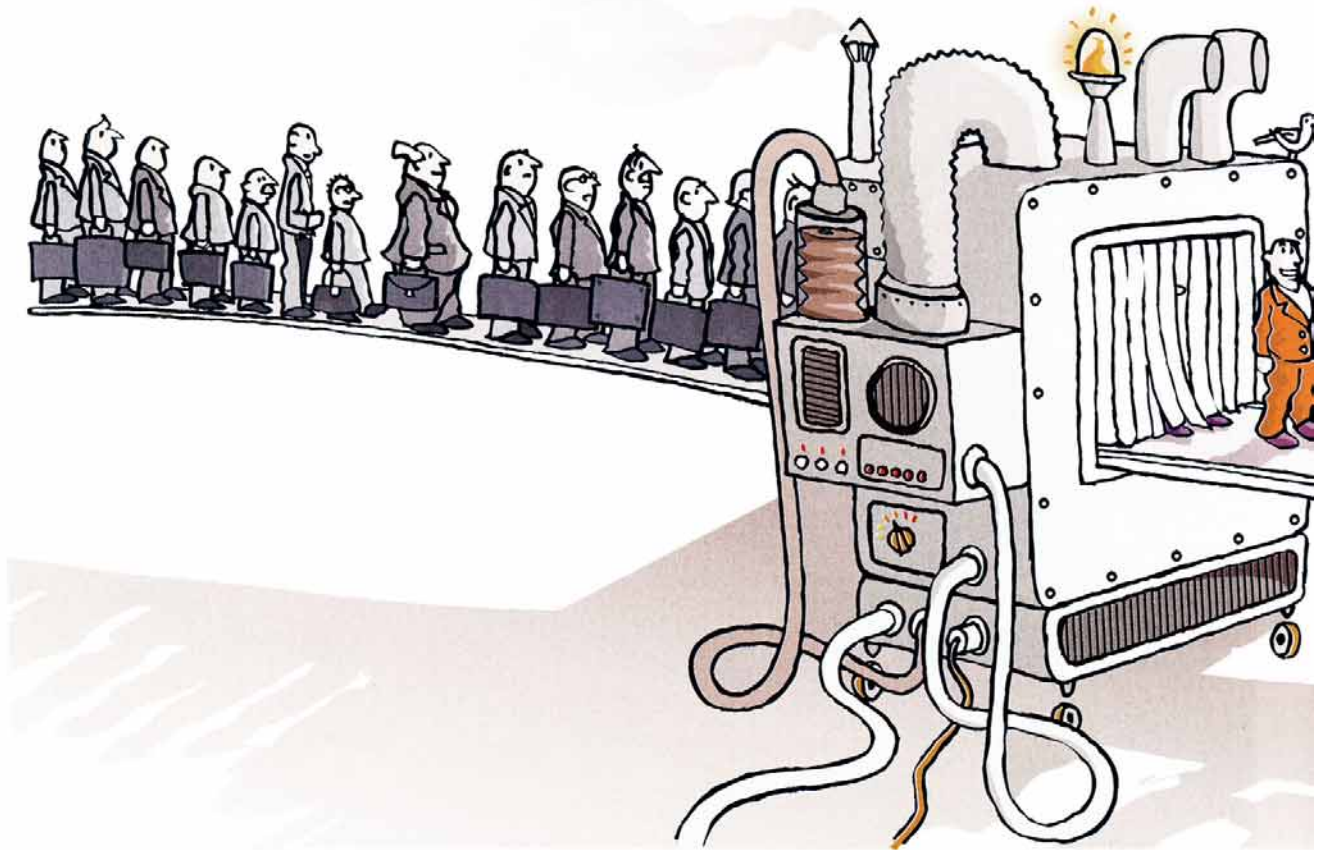


And now for someone completely **different**...



Last December, Sir George Cox, chairman of the Design Council and a former director general of the Institute of Directors, published his *Review of Creativity in Business* for the Treasury. The purpose of the review was to find ways of exploiting the UK's world-class creative capabilities more fully, and one of Sir George's recommendations was that boards should recruit more people with creative experience in order to increase their understanding of creativity and innovation.

"I met 30 of the country's leading designers and was appalled to find that not one of them had been approached to join a board," says Sir George. "The benefit they would bring would not be their design and creative skills, but their imagination and ability to view things through a very different lens from that used by most business people. In my experience, creative people can be very challenging—but that is

exactly what boards need and should seek." Sir George's point is well made. Despite calls from the great and the good, including corporate governance expert Sir Derek Higgs and London Business School dean Laura Tyson, for greater diversity of backgrounds, skills and thinking among directors, most boards still recruit in their own image. Aided and abetted by headhunters, they perpetuate the stereotype of the "pale, male and stale" board director.

While monochrome boards might fulfil corporate governance and oversight responsibilities adequately, they are, it could be argued, unlikely to go that extra mile—to create the dynamism, excitement and spirit of adventure that companies need if they are to thrive.

Greg Orme, chief executive of the Centre for Creative Business, warns of the dangers of "brainless group-think that leads to bad decisions". Yo! Sushi founder Simon Woodroffe goes further, claiming:

Look at the last person who joined your board. Did you hire them because:

- a) they wouldn't rock the boat
- b) they had a brilliant mind/creative gifts
- c) they were just like the other directors
- d) they would speak their mind?

Answer a) or c) and you could be in trouble. Jane Simms explains why.

Illustration by Patrick Lewis



"More than ever before, companies are going to have to do interesting, bold, creative things, and the ones that succeed will be those that are able to completely re-invent themselves."

Lateral thinking on the recruitment front could be critically important—not only for large, established corporations, where institutional bureaucracy has snuffed out the entrepreneurial spark, but also for smaller firms, which might be tempted to emulate the established corporate model. It's a lesson Eren Ali, co-founder and managing director of Las Iguanas Restaurants, has learned in the 14 years since setting up his business. Venture capitalist 3i was an investor for many years, but Ali felt it was "too corporate", and his company bought back its stake. Las Iguanas is now backed by Piper Private Equity and its chairman Crispin Tweddell, a former creative supre-



mo at global design firm Fitch, sits on the restaurant company's board.

Tweddell is, says Ali, "a creative genius, very free-form, a bit mad and an absolutely brilliant non-executive director. He has the knack of really steering us on brand development; he points out creative solutions to problems and he is very good on people issues."

The decision to appoint one of the restaurant chain's top chefs, Alan Caine, to the board three and a half years ago was equally inspired. "Alan says things others won't. He has a different perspective; he sparks new ideas and goes off at tangents but grounds the rest of us when we indulge in ridiculous flights of fancy," says Ali. "He also gets people to hammer out problems they might have preferred to avoid."

The Las Iguanas board is culturally diverse, comprising a Turkish Cypriot, a Sri Lankan, a Lebanese, a Welshman and two Englishmen. But, as Ali says, on

its own that doesn't guarantee diversity of thinking.

A company may win numerous plaudits for its supposed mix at board level, for instance. But what if there's a lack of leadership within that board? Delve a little deeper and subsequent profiling might reveal that, despite cosmetic differences, the personalities on the board are almost identical.

Research shows that the most effective boards are composed of complementary personalities, skills and competencies, and there are a number of different views as to what the key components should be.

Manfred Kets de Vries, professor in leadership development at business school Insead, is developing a "leadership architecture" model that identifies eight different types of individuals: strategist; processor; deal maker; coach; inventor; communicator; entrepreneur; change agent. The balance of characteristics will vary according to the life stage of the company, but the three key components on any board are strategist, coach and processor, says Kets de Vries.

Peter Ward, a founder and chairman of Telos Partners, a consultancy that helps companies be sustainably successful, identifies the components of leadership differently. "Someone needs to manage the present, someone needs to create the future and someone needs to nurture the identity of the organisation," he says. "If all three functions are in place, you have an automatic check and balance."

The track record and functional expertise of individual directors might be less reliable predictors of success in the modern world than personality. Gwyn Rogers, a director of business psychology firm Kaisen, says: "What got people to the top 20 years ago is very different from what gets and keeps them at the top today. Today, experience and functional expertise are givens. What differentiates successful directors is their core psychological skills and inner motivation. The penalty for getting someone with the wrong motivation and character is very high, because these things are innate and very difficult to change—unlike experience and expertise, which can be developed."

So what prevents boards from achieving the right mix? One of the biggest barriers might be fear—of the threat new personalities pose to the status quo. According to Jon Whiteley, head of diversity at Capital Consulting, the traditional board—what he calls "the dominant in-group"—instinctively closes ranks against "out-group" members.

Headhunters might be complicit in this. Kets de Vries believes they pay scant attention to the issue of



"complementarity" when helping their clients recruit. "They are too deal-oriented and short-term focused," he says. Graham Alexander, executive coach and author of the new book, *Tales from the Top*, believes search firms should be "bolder and act as true consultants who assess clients' real rather than expressed needs." But headhunters are being forced to be more rigorous in their searches, desperate to prove they can "add value" in the face of changing client demands. Heidrick & Struggles partner Peter Breen says: "Finding new board directors is much more time-consuming now. We spend two to four times as long on a search than we did five years ago, and our fees have not risen commensurately."

The traditional search firms might also be growing more enlightened. "Most boards are a product of their history rather than a function of their future," says Breen. "We are working for a FTSE-20 client at the moment who wants 'someone completely different' because they were caught off guard by a big change as a result of all looking through the same lens."

"Boards don't willingly invite in humour or levity. They are too damn serious"

The benefits of complementary thinking aside, there is also an argument that different thinking can be intrinsically valuable because it provokes others to think more laterally or forces them to justify a particular course of action. Some sort of devil's advocate, corporate fool or court jester can serve a board well by asking the unthinkable, suggesting the undoable and pointing out that the emperor has no clothes—though such roles are perhaps better performed by

non-executives or interims, who are more objective and less weighed down by the baggage of corporate politics and history.

Sir Gerry Robinson, former Granada chief executive, says that objectivity is very important, particularly in family businesses. In the TV series *I'll Show Them Who's Boss*, Sir Gerry acted as mentor to troubled firms. "Making the programme brought home to me how easy it is to see issues for what they are when the outcome of what you recommend is not going to affect you personally," he says.

While coaches, consultants and troubleshooters can all play the challenger role, might there be benefits in formalising constructive criticism at executive level by appointing a chief maverick officer to sit alongside the chief executive, finance director and operations director on a board? You would have to appoint people on a non-renewable contract of one year at most, because after that they would go native. But consider the creative fireworks celebrity chef Jamie Oliver might spark if parachuted on to the board of British Airways. What might Anita Roddick do for Dixons; or Ryanair boss Michael O'Leary for Sainsbury?

Commentators may acknowledge the merit in such outlandish suggestions, but they also point out, variously, that mavericks can be destructive, that they would be discounted as extremists and ignored, and that power without responsibility can be dangerous and lead to resentment.

Nonetheless, below main board level, there are examples of the spanner-in-the-works approach. Some companies employ "change directors" or "chief innovation officers" whose job is "to stir the pot in order to

combat all the forces that make the organisation instinctively cling to the status quo," in the words of Tom Kelley, general manager of Silicon-Valley-based design firm IDEO and author of *The Ten Faces of Innovation*. A large proportion of these posts are held by women, an anomaly Kelley ascribes to women's gift of empathy, which is, he says, a key factor in innovation.

So, while being alert to the danger of tokenism, it seems that a board wanting to increase the diversity of its thinking might usefully start by appointing some women. It could also consider appointing funny people. Murray Steele, senior lecturer in strategic management at Cranfield University School of Management and a non-executive on a number of boards, believes humour is highly under-rated. "Boards don't willingly invite in humour or levity. They are too damn serious," he says. "I try to inject laughter, which can change the entire tone of the thing."

Simon Woodroffe suggests making a list of jobs you need doing and drawing up job specs that make the role explicit—such as "head of new things to try out" or "head of making sure people don't go over the top". And Robinson advocates that organisations stipulate the need for genuinely wide thinking and explain that that could be more important than board experience.

But, as Kelley points out, many boards don't exploit the creative talents they've already got. "You often hear board members saying they find board work stultifying because it doesn't engage their whole brain," he says. "Boards tend to be remarkable groups of people and it is a shame if their talent and intelligence is squandered on box-ticking and screening activities. Business life should not be an exercise in multiple choice." ■

Fantasy boards Directors pick their ideal non-execs

Eren Ali
Las Iguanas Restaurants



Jack Dee—because he's funny and cynical, two important qualities for the board.

Jonathan Dimbleby—would make a great chairman and keep us in line.



Lance Armstrong—he pushes hard, puts things in perspective and is relentlessly determined and optimistic even in the face of adversity.

Sir Gerry Robinson
TV troubleshooter



Jamie Oliver—he has good people judgment and goes straight to the issue.

Lord Winston—he can see the bigger picture and would help to put things into perspective.



Gary Lineker—because he's always objective in his criticism.

Gwyn Rogers
Kaisen



Bob Geldof—because of his conviction about what needs to be done, his determination to succeed and his courage to confront the difficult obstacles.

Pierluigi Collina—the famous football referee would keep the board in line, bringing clarity about how people should behave.



Kevin McCloud—the architect and presenter of *Grand Designs* is a brilliant facilitator who makes people feel valued and encourages them to believe, experiment and to achieve what others think is impossible.

Jon Whiteley
Capital Consulting



Germaine Greer—would be challenging. She would offer new dimensions and views.

Allan Leighton—he has leadership passion and manages to cut through the crap to the real issues.

Jose Mourinho—because he is quiet, logical, hard-faced and a good planner.



Peter Kay or Ricky Gervais—either would bring humour and creativity to the board.

Samuel L Jackson—he's the coolest thing on the planet and would keep calm and controlled when all else fails.

