Creating Pathways for Young Leaders

A Trainee Board Director Program

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Foreword

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This resource, *Creating Pathways for Young Leaders; A Trainee Board Director Program*, seeks to promote the activation of young leaders within the community.

In many organisations, opportunities to engage young leaders on boards are often overlooked, as it is perceived as high risk. Young leaders may also doubt their own capability to fully participate dependent on their level of board experience and exposure. Subsequently, Trainee Board Director programs could be key to creating pathways for younger leaders. Not only do they mitigate the perceived level of risk, but also function to challenge age stereotypes and lay foundations for intergenerational partnerships.

The value that a young leader can contribute is varied and has the potential to extend beyond the reach of the organisation. Often, young people bring a new and fresh perspective that facilitates robust discussion. Organisations can also leverage the human and social capital unique to each individual. However, learning is a two-way process and the participation of young leaders offers a sense of accomplishment through the development of their skills, knowledge and relationships.

Creating pathways for young leaders is of paramount importance and we hope this resource sparks the discussion within your organisation.

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Introduction

Society is experiencing unprecedented growth and change, bringing with it an increased demand on the knowledge, skill and expertise required to meet the future needs of organisations and their boards.

There is no denying that the role of a Board is an important one regardless as to the sector in which the organisation operates. In 2011, The Australian Institute of Company Directors reported that 29% of board members on publicly listed company boards are over the age of 60, with only 12% under the age of 40 (refer to Figure 1). Given that up to a third of boards could lose their membership over the next decade, organisations are called to take action on developing the talent that will service the future needs of the community.

Often opportunities to engage young leaders (which for the purpose of this resource are individuals under the age of 40) are overlooked as organisations see the activity as being high risk. However, consideration has to be given to the range of personal attributes, skills and experiences a young leader may contribute.

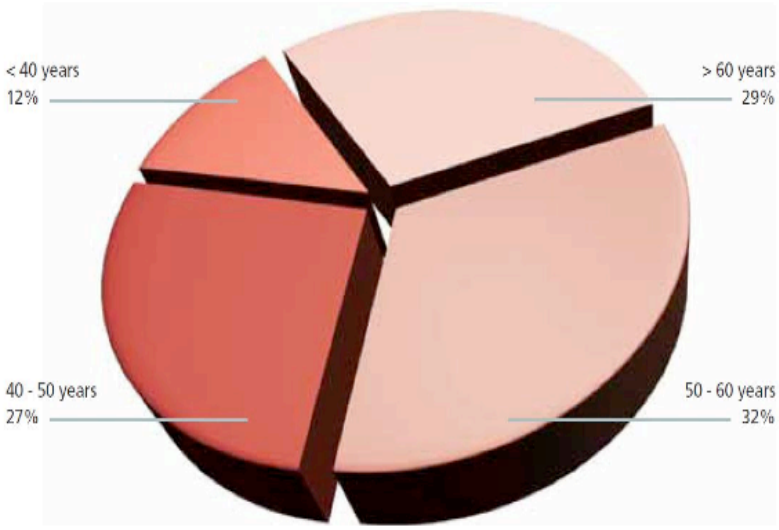

Figure 1 – The average age of public company directors

A Trainee Board Director Program is one avenue organisations can explore that allows for intergenerational partnerships and knowledge transference from more experienced Directors. It provides a structured program that allows organisations to facilitate the skills development and activation of younger leaders within the community, whilst shedding some of the perceived risk. For younger leaders it presents a fantastic opportunity to observe, learn and participate.

About this resource

This resource has been created to provide organisations with a framework to develop and implement a Trainee Board Director program. It aspires to create opportunity for young leaders (under 40 years of age) to develop their board knowledge and experience.

The Trainee Board Director Program has been designed through the feedback and contribution of organisations and Boards who have implemented similar programs. The core elements provide a solid foundation on which to base trainee learning outcomes, and ensure that the true benefits of creating pathways for young leaders are realised for all involved.

The resource also seeks to address various other key issues such as exploring the associated benefits, what to consider when implementing a program and evaluation.

Whilst the Trainee Board Director Program seeks to create pathways for young leaders, it is has not been designed with succession planning in mind. Boards who adopt this program are in no way obliged to appoint trainees to Board positions.

Why do it?

Benefits

There are many reasons to engage with younger leaders via a Trainee Board Director Program. A number of organisations that have implemented Trainee Board Positions shared the potential benefits that resulted from the program and these are outlined below.

Individual

- Enhance understanding of Board processes and governance
- Foster a sense of contribution and belonging to a community
- Opportunity to be involved with organisations that have a direct impact on the services provided to the community and broader society
- Establish professional and personal networks and relationships
- Opportunity to extend knowledge and skills around decision-making and strategic thinking

Board and Organisation

- Capitalise on the diverse perspective, skills and knowledge of young leaders
- Facilitate the review of Board processes such as induction
- Build stronger links between the organisation and young people within the community
- Expand networks and encourage new advocates for the sector
- Engage in long-term capacity building for example, through Board members sharing their expertise
- Create a space for appreciative inquiry and facilitate robust discussions

Community

- The engagement of younger leaders in the Not for Profit sector
- The development of skilled and knowledgeable young directors ensuring the sustainability of boards across all sectors
- The social impact of intergenerational partnerships and connections
- Improved decision-making across organisations to incorporate the needs and views of younger community members

Where do you start?

Defining the Program

A structured program provides trainee board directors and the Board a clear understanding of what outcomes are expected throughout the process.

Flexibility is required when developing a trainee board program as board size, composition and commitment is different for every organisation

Given that the scope and breadth varies from organisation to organisation, as well as the structure and make up of each Board, this resource offers a review of the core elements and a Program matrix that outlines some of the essential learning that should take place.

Rather than being prescriptive, the matrix provides an opportunity for Boards to assess what they can offer, and accordingly adjust the timing and content of the program to suit their needs. Dependent on the program components selected, the board can then set the expectations as to their commitment to the program and the trainee can ascertain a clear view of what they will be completing throughout their traineeship.

Consider the risks

When defining your program, managing your risk exposure should be given due consideration.

Seek independent legal advice on how the implementation of the Trainee Board Director program may impact your organisation.

The core elements

To develop a successful program it is suggested that organisation's adopt a strong core framework on which to base the required outcomes and experiences that would ensure the best possible experience for both the Board and the trainee.

This resource draws on the Company Directors Corporate Governance Framework (Australian Institute of Company Directors, accessed June 2014) as it identifies various skills, attributes and experiences that lead to effective directorship. Against each component various knowledge points have been suggested that in turn would feed into the program (see Figure 2).

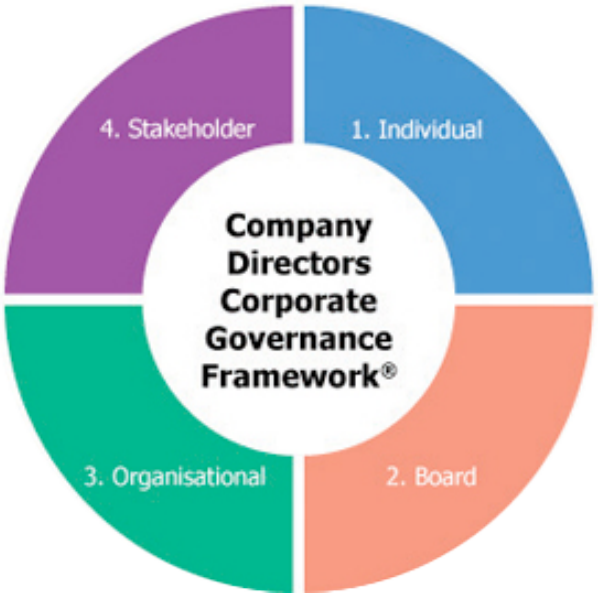

Figure 2: Suggested knowledge framework

Stakeholder: community reputation, image and engagement; membership engagement; stakeholder relationships and networking; reporting.

Individual: the board member role; responsibilities and duties; leadership skills; attributes; behaviours; and competencies.

Organisational: governance; management relations; CEO performance; strategy development and decision making; risk; and organisational performance

Board: the role of the board; board and committee structure; board membership, selection and appointment; performance; board dynamics; meeting processes, procedures legal standards and board competencies

Program matrix

What does the Board want to offer the Trainee?

It is beneficial for a Board to determine what they may want to offer the trainee as part of the overall program. Accordingly, the Program Matrix provides an overview of the activities that can be undertaken as part of a Trainee Board Director Program. The activities have been drawn from the core elements (previously outlined).

Program Activity	**Duration of Trainee Program**		
	6 months	**9 months**	**12 months**
Attend scheduled board meetings (dependent on meeting schedule)	2 or less	4 or less	greater than 4
Attend nominated committee meetings		▪	▪
Attend the strategic planning day/s	▪	▪	▪
Attend at least one social function i.e. Awards night, festive celebrations	▪	▪	▪
Board Orientation Process	▪	▪	▪
Attend at least one professional networking event i.e. Industry relevant conference		▪	▪
Meet with assigned mentor	min of 2 meetings	min of 3 meetings	min of 4 meetings
Participation on a sub-committee i.e. Be assigned a small project as approved by Chair and CEO.			▪
Attend at least one formal board activity i.e. Annual dinner	▪	▪	▪
Additional visits to work sites and facilities		▪	▪
Evaluation process	min of 2 opportunities	min of 3 opportunities	3 opportunities or more

Implementation: What to consider

This section of the resource covers selecting candidates, induction and orientation, support for the trainee and then finally evaluation.

Getting the Word Out

Many online sites allow organisations to advertise their board positions for free and this is the perfect place to reach a greater audience.

Some free sites include: The Young Leaders on Boards Program, Pro Bono Australia, The Institute for Community Directors, Our Community, Women on Boards and Seek Volunteer.

When advertising the program it is important for the Board to be clear on their intent and what they can offer

The most popular **paid site** would be the Australian Institute of Company Directors.

Your own networks or those of your fellow colleagues and board members are also a fantastic platform to find a suitable pool of candidates. By tapping into your network you may find other organisations have run a similar program and have candidates that would be suited to the program. It's also valuable to connect with youth organisation to attract younger leaders.

The application process

1. Advertise the Trainee Program and request a Resume with supporting documents as required by the Board.
2. Interview and selection of Trainee by Panel consisting of CEO and Board Chair.

Selecting Candidates

What selection criteria?

Your selection criteria could be broadly based around the current criteria for normal board members. However, some flexibility is encouraged given that applicants may not present with the same level of experience.

The top 3 factors that are considered to be important:

1. Industry experience – Does the candidate have any knowledge of the industry? Have they worked in the industry before?
2. Corporate background – What corporate governance training and first-hand experience have they had?
3. Initiative – Has the candidate displayed initiative in a personal project?

No one item should be considered the most important; therefore equal weighting can be applied to all three categories.

It is recommended your trainee be:

1. Not currently or previously disqualified as a company director
2. Able to accept the traineeship program and its time commitments
3. Flexible with their time to meet their assigned mentor
4. Willing to LEARN

Induction

Introducing the trainee to your organisation, the board and its philosophy are all important parts of welcoming young leaders into your organisation. Through our research with current programs it was found that time taken to facilitate a thorough induction process improved the success of the program and the learning experience for the trainee.

The following checklist provides examples of activities that organisations can incorporate into their orientation process:

- ☑ Assign a suitable mentor to greet and welcome the trainee.
- ☑ Proposed expectations of the trainee are outlined including the time commitment of both the trainee and the mentor are made clear.
- ☑ Provide the trainee with a Board pack or orientation manual that includes access to critical documents such as the constitution, terms of reference (if applicable), board contact details, code of conduct, previous agendas, board papers and minutes.
- ☑ Allow the trainee to review a Board member position description. Even though the trainee will not have voting rights, it provides context around the role of a board member and the expectations of the Board.
- ☑ Sign the relevant paperwork applicable as per the organisation's policies. These may include a declaration of conflict of interest, confidentiality and privacy documents. If the organisation opts to formalise the trainee position, they may have a contract or agreement that needs to be reviewed and signed.
- ☑ Provide the opportunity for the trainee to visit business sites to allow for a deeper understanding of the industry in which the organisation operates.
- ☑ Provide the contact details of other young leaders within the organisation or those who have completed the trainee program previously (should this be appropriate), to aid in the creation of a peer network.

Support & Evaluation

Providing a supportive environment for the trainee directly influences their level of engagement with the program and the associated benefits that are realised.

Fostering supportive relationships

There are a number of ways in which an organisation and its board can support trainees. These include:

- Building mutual respect by valuing participation and desire to develop skills and knowledge
- Building trust through the allocation of an accessible and welcoming mentor
- Enhancing connection through meeting the board and being part of informal gatherings

Opportunity for evaluation

Ensuring that a review system is in place for the trainee program is integral. Review opportunities should be scheduled to take place at least midway through and at the end of the traineeship.

As part of a program, it is recommended that trainees meet with their mentor for an initial review after attending the first or second meeting.

In doing so, this encourages the trainee to develop a holistic view of their development, allowing a point of reflection on their experiences and learning, as well as whether expectations are being met.

Other resources you may find useful

As part of the Engaging Young Leaders on Aged Care and Community Boards program the facilitator and participants have developed a number of resources including the following:

Engaging Young Leaders on Aged Care Boards: The Business Case for Age Diversity on Boards

Social Media for Aged Care Leaders eBook

Retaining Young Workers in Residential Aged Care

All these resources are available from the program website: **http://www.youngleadersonboards.com.au/page/toolkit**