

CHARITY NON-EXECUTIVE STATE OF THE MARKET UPDATE

2: NOVEMBER 2024

WELCOME.

Almost 50% of all appointments handled by Starfish in the Social and Public Policy sectors are non-executive. These include Chairs and Committee Chairs; Senior Independent Directors, Trustees, Governors, Council Members and Non-executive Directors; Co-optees and Panel and Advisory Board members, and Presidents. We hold a 98.3% first time placement rate on around 400 non-executive appointments, including 80 chairs, most of which are pro bono appointments. At any one time over 30% of people we place tell us that they are bringing diverse experiences to the role.

The Starfish Board Practice produces topical, insight-led reviews from time to time on a range of different subjects. Our 'state of the market' updates aim to share insights that guide thinking for organisations considering securing new non-executives, and for individuals thinking about securing a non-executive appointment on a charity board.

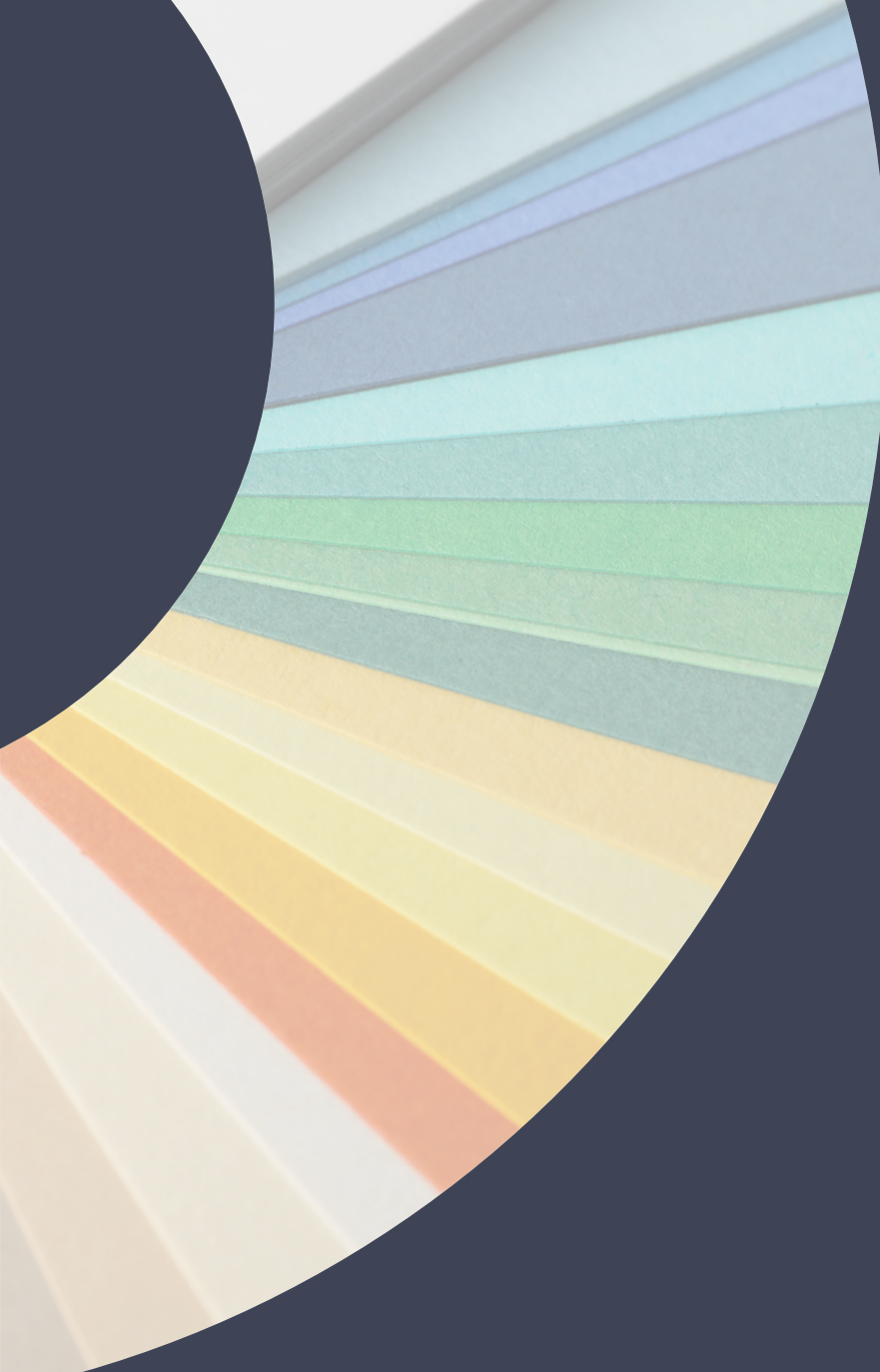
INSIGHTS FOR ORGANISATIONS LOOKING FOR NON-EXECUTIVES

- 1. Changes in the talent pool for charity Chair appointments.** As ever, chair roles vary according to organisational size and scale; requirements are, however, increasingly influenced by the level of depth and complexity faced by the organisation, and by the nature of problem solving likely to be required. Many candidates still offer depth of (professional) experience, yet this is no longer necessarily the primary focus of chair selection. We are seeing more chairs sought because of their capacity to challenge and / or set risk-appetite, or oversee change and innovation, in addition to their strategic reach and leadership credentials. We are seeking more chairs who can be effective mentors to CEOs, rather than 'managers' in an era of increased co-operation and co-production between executive and non-executive teams. The market has lost a cadre of its most experienced and proven chairs pre- and immediately post-2020 through retirement. 2024 has seen this pool largely replaced with a new cohort of talented and confident chairs, drawn from different sectors, with a broader range of diverse backgrounds, and who bring fresh styles and perspectives to these roles. Board purpose and ways of working have continued to evolve, with boards by and large becoming increasingly dynamic and front-footed, with a strong external facing aspect: telescopes remain firmly fixed on the horizon.
- 2. The pattern of time expenditure for Chairs is still changing.** Many organisations still consider themselves to be more exposed to risk at a strategic level in the current climate, or they are adjusting their appetite for risk in order to compete more effectively, break new ground or access unrestricted income. Some charities, including some large organisations, have experienced a complicated few years since the pandemic and continue to require chairs who are able to support fundamental repositioning or recovery after difficult times. More dynamic and engaged boards are also likely to require more management 'behind the scenes', with key relationships and personal influence being seen as increasingly important activities. Few people are available to hold more than one charity chair appointment at the same time, especially if personal exposure is considered to be high on at least one.
- 3. The purpose and role of boards continues to change subtly in response to shifting pressures on organisations.** On the one hand, few strategies now survive contact with reality for more than two or three years; many are now significantly modified mid-cycle. 2030 remains a popular focal point, with organisations committing to growth, sustainability or impact targets by that date. Boards are working hard to support their organisations to get there. Compared with just a few years ago, when boards typically still paid significant attention to their 'inward / downward' focus into organisations, 2024 continues to see demand for trustees who can bring a strong 'upward / outward' focus, grounding the organisation in its stakeholder, public and political landscape. Also sought are expertise in key areas such as digital strategy and transformation, cultural change and business, commercial or senior finance.

4. **Charity Boards are making space for innovation and for the incubation of positive change at the most strategic level of the charity.** This has continued to intensify since the start of this year, with committee structures strengthened to carry out more routine governance, freeing up board time for discussion about the big questions: where are we going next? What lies ahead? Who do we need on side? Where are the headline threats and how do we capitalise on the opportunities?
5. **Using board appointments as a means of furthering reach.** Subject knowledge and governance skills were previously dominant areas of focus for board roles. This is now only half of what is needed, with organisations looking for non-executive colleagues with rounded experience and high personal credibility and influence, especially with particular audiences and networks; challenge power and 'grit in the oyster' are also high on the list. Emblematic chairs are sometimes appointed to send a powerful signal to whole sectors and communities; other boards are looking for new ways to formalise their relationships with figures whose profile helps them extend reach and raise awareness with supporters or with the public.

INSIGHTS TO HELP INDIVIDUALS WHO ARE LOOKING FOR NON-EXECUTIVE ROLES

1. In the current market, it is **less likely that a lack of non-executive experience alone will hold you back**. Consider other ways in which you have been personally influential or inspired change. Your capacity to think strategically about complicated issues, bridge gaps, connect with emerging audiences or help an organisation address its blind spots may be as relevant to the Board's overall aim. Your generational perspective may also be useful and many charities are now looking for a balance in age range when it comes to Trustee appointments. There is still a significant need to diversify boards across all protected characteristics: persuading and influencing hiring organisations about the value inherent in lived experiences, and in reach into communities, becomes all the more important.
2. More organisations are willing to explore a broader cross-section of backgrounds and experiences when selecting trustees. **Begin a covering letter with a paragraph exclusively about the organisation you are interested in** to show you understand its unique situation, can anticipate the level and nature of discussion you'll be involved in, and have sized up the opportunities ahead. Showing your personal motivation is increasingly important as trustee roles become more attractive to people with a strong sense of social purpose: competition is stronger.
3. **A role with no pay is not the same as a role with no value**. Think about collective and individual accountability before you commit. The debate about trustee pay is, in some senses, being slowly re-opened; yet significant change across the sector is looking unlikely in present circumstances. Board work can be complicated and boards can occupy an exposed position from time to time: understand your responsibilities and consider how an appointment may play out in terms of other roles you hold. Make sure you have enough control over your time, so you can participate fully.
4. **More and more people have been tuning in to their sense of social purpose as we grapple with the big issues of our lifetime – surely 2024 has been a year for that on every level**. The good news is that the pool of people interested in charity trustee roles is growing rapidly. These are no longer purely 'governance' roles; they are roles in which it is possible to have a real impact on society through a broader oversight, scrutiny, challenge and support function. Boards need people with ideas and with vision who stimulate discussion and open up options that may not otherwise have been considered. Applicants are considering board work much earlier in their working lives: if you are motivated by positive change, modern charity board work can be combined successfully with full time work in most sectors, based on perhaps one day per month. There is no reason to put your ambitions off: if you're interested, make the move now. Learn and grow as a trustee, and look to become chair at a later date.
5. **The best trustees shoulder accountability, connect with others and with the big picture and operate with a high level of self-awareness**. On the one hand, these roles are open to the broadest diversity of backgrounds. On the other, they are more demanding and busier than perhaps they were in the past. People who enjoy trustee work enjoy learning, are natural team players with emotional intelligence and curiosity, and they hold their own.



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