



John Pettigrew, National Grid CEO

“The successful non-executive board member is passionate and engaged – without stepping over the critical line”

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In Search of the Extraordinary Executive

10 keys to becoming a successful board member:

A CEO's perspective



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John Pettigrew, CEO of National Grid

John has been with National Grid, a multinational electricity and gas utility company and FTSE 100 constituent, for nearly 25 years. He joined the board as executive director in 2014 and became CEO of the company in 2016.

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In the article “10 keys to becoming a successful board member”, we found that the effective non-executive board member is passionate and curious about the company, without stepping over the critical line and start acting like an executive. But how do you find that balance, and how do you as a non-executive work effectively with the executives?

To answer these questions, we sat down for an interview with John Pettigrew. He is CEO and executive board member of FTSE 100 constituent National Grid, and has worked with Mercuri Urval on leadership evaluation, individual coaching and team development of executives. With over 25 years of experience from a variety of senior management roles and board positions, John has gained a unique perspective on the concept of the successful board member – and how to stimulate effective board meetings.

“The best board meetings I go to is where the non-executive board members challenge me in a good way. It helps crystallise the issues in a way that you don’t get without good non-executives”, John says.

What do you see as the main difference between the role of non-executive and executive board members?

“As a non-executive board member you are expected to contribute in a different way, and the mind-set is rather different from being an executive member of the board. An effective non-executive needs to be able to provide constructive challenge and feedback to the executives, help set strategy and hold the executives to account. Your task is to help others give clarity, propose action and take discovery to a whole new level. It’s a mind-set of what you can bring into the discussion that will help the executives form the right plans, as opposed to actually forming the right plans yourself. You’ve got to stop thinking about the action and start thinking about the questions that would be helpful for the executives”.

In order to be effective in the role as a non-executive board member, John emphasises the importance of having a good understanding of the business.

“In my view, to be truly effective as a non-executive you need to have a good understanding of the business, at a high level. Without that understanding, you simply cannot formulate the powerful questions that really make people think afresh.

With that said, you don't need to know all the intricacies of the day-to-day operations, but you do need to have a good understanding at high level of where the business is, and where it is trying to go."

How do you ensure that the non-executive board members truly understand the business?

"It takes a great deal of time to get to know an organisation, and you cannot do it from the board room. Those people who go on to a board and think that 6-8 board meetings a year for half a day is the commitment, are always going to be less effective. You need to understand that the informal work you do outside of the board room is as important – if not more important."

As a way of making sure that the non-executives understand the business, National Grid has signed an agreement in which they commit to go into the business at least three times a year.

"There are those who follow the agreement, and there are those who go well beyond that. And the ones that go beyond are by far the most effective members of the board, because they get a much better understanding of the issues, and eventually build up a genuine passion for the business."

John also spends a lot of time with National Grid's board members before they ever get to the board room, to make sure that they really have a good understanding of the business. Ultimately, however, it's up to the individual board member to invest the necessary time and energy.

"The board members who are genuinely interested in the business and the issues are by far more effective. These are the type of people who will go out of their way to actually find out how the business works. For me, that curiosity and willingness to take time and effort to understand the business and think through the powerful questions, is what set successful non-executives apart."

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Could a non-executive board member be too curious and engaged in the business?

"There is a fine and critical line between being enthusiastic and engaged, and actually start feeling that you have got executive authority. As a non-executive board member you should never be directing or actioning the organisation, but providing constructive challenge and feedback to the executives, who are the ones to decide about the actions. While the curiosity and willingness to understand is vital for your success as a non-executive, you also need a high level of self-control to not let your engagement pull you over that critical line."

Although that distinction is hugely important, stepping over the critical line is a common mistake, particularly among new non-executive board members, according to John.

"In several boards that I've worked on, I've seen that many – in particular recent executives who become non-executives – really struggle with that line, typically when boards are under pressure and there are difficult issues to resolve."

As CEO, how do you find that balance, where you get the engagement without pulling non-executives across the line?

"From my experience as CEO, I definitely believe that you can involve the board too much, and if you do there is a risk that the non-executives can't really help but step over that critical line. However, too much distance can also be damaging, so it's all about finding the right balance. I have seen CEOs who don't want the board too involved and thus keep them at a distance, whereas I have made a deliberate decision to be very active in engaging the board members", John explains.

He was appointed as CEO of National Grid in 2016, and today spends around 20 percent of his time having conversations with non-executives, preparing for and attending board meetings.

"I'm very active now, but I do think that there is a balance where you can involve them too much. I learned in my first year as CEO that asking too much can be unhelpful and blur the accountabilities. So what you really need is to find the right balance that enables non-executives and executives to be effective as a team, while staying within their own field of responsibility."

How do you ensure that non-executives and executives work together as an effective team?

"The most destructive boards I've been on is where there's a mentality of "us and them", with the executives on one side and the non-executives on the other. You always need to be careful to not create that sort of mentality", John says.

When he started at National Grid, the board had got into a habit of having a pre-meeting with the chairman and the non-executive board members, while the executives waited outside the door.

"Sometimes that pre-meeting was scheduled for 5 minutes but lasted for 40. It created an atmosphere of "us and them" which was very damaging and unhelpful for the culture. We tried to change that and make sure it was a unitary board."

The relationship between non-executive and executive board members can also be severely damaged by non-executives focusing on criticis-

ing the executives rather than providing guidance and advice about how to be better, John tells us.

"That mind-set of "I'm here to critique" rather than "I'm here to constructively challenge and assist", is probably the number one issue I've seen in boards".

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John Pettigrew, National Grid CEO

John argues that in order for a board to be truly successful, the members need to work together as a team, with good intent, and provide a broad range of perspectives.

"Diversity in boards is incredibly important, particularly in terms of backgrounds and experiences. When you have a good mix of perspectives and people who are genuinely interested, you get much better discussions and results."

Drawing on your experiences, what is your best advice to someone looking to be a successful non-executive board member?

"I think the best non-executive board members are really engaged, with positive intent, without crossing the line. So to be honest, unless you have a genuine interest in the business and are ready to fully commit and contribute, my advice is that you shouldn't do it. Because without it that passion and engagement, it would only be a miserable experience for you."



Writer

Richard Moore (Mercuri Urval)

Richard Moore is an Executive Vice President in Mercuri Urval. He has sat on various boards in the US and Germany and worked with hundreds of executives to coach their leadership teams. One such executive is John Pettigrew, and Richard is proud of the work he has done with John and National Grid over the years.

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