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Interview: Sir Philip – never bored of the boardroom

By Dina Medland

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Sir Philip Hampton is keen to share the view from the 12th floor of the [Royal Bank of Scotland's](#) offices in London's Bishopsgate. To the north lie the low-rise terraced houses of the Huguenots, the French protestant refugees who settled in the area in the late 17th and 18th centuries; to the east there are only large modern office blocks.

History, especially an understanding of the personalities behind events, occupies some of the RBS chairman's interest in his spare time. But at work he is solely focused on international businesses.

I ask what he enjoys about business: "It's the process of change and development. It's about finding where you are and trying to get better. I'm very interested in operational performance day to day but it has to be moving forward and changing as well. I like to think the things that have interested me are businesses that can and do change – and I've enjoyed nearly everything I've done."

His "done" list includes having been part-time chairman of UK Financial Investments, the body that looks after the taxpayer's stakes in the bailed-out banks; chairman of J Sainsbury, and group finance director at five FTSE-100 companies – [Lloyds Banking Group](#), [BT Group](#), [BG Group](#), [British Gas](#) and British Steel.

But he has never been a chief executive: "I didn't want to be a CEO – I never have done, and never will. I'm a financial person, but I'm really a generalist. Whatever business I was in I felt the CEO should be a specialist [of that business]. Banking is the ultimate example of that. Also, a CEO can't necessarily ever get away. I do like to be able to say that I've done my stuff and now I'm on holiday."

From the start of his career, Sir Philip says he found big businesses fascinating. He "thoroughly enjoyed" reading English at Oxford, but explains "because I didn't really have a university degree with any obvious economic viability, I decided to become a chartered accountant. I think the year I left Oxford more English students opted to become a CA than anything else."

He joined Coopers & Lybrand, and found accountancy in the first year or two to be "absolutely and unspeakably dull". So after qualifying he leapt at the chance to go to West Africa as "part of a grand plan to see the world".

"I went to Nigeria and Liberia, where I lived on a rubber plantation. There was a big, long and lazy brown river...and almost no foreigners there. The plantation had been built by the

Nazis in the 1930s to secure their access to rubber. It was so remote, nothing had changed, so all the local kids were called ‘Adolf’ and ‘Hermann’, rather than wonderful African names,” he says.

Since then, he has been busy pursuing a career that has earned him a reputation as one of the UK’s best-respected businessmen with strong, clear views.

On executive pay in the UK, Sir Philip says: “Years ago when I was FD of a large company, I designed the bonus schemes and decided what ‘good’ looks like – and the bonuses were quite modest. Now there’s an expectation that in most years you get a good bonus. It no longer means the same thing.”

Sir Philip also speaks about the need for diversity in the boardroom: “I think it is important to get as rich a debate as possible about the biggest issues. The most obvious diversity is gender diversity. Having all-male groups making decisions on matters that are fundamental to society is quite strange.”

He adds: “I think the board of RBS pre-crisis would have been a different board if there had been women involved – it would have added a different tone to the debate.”

One role he relished was at British Gas, which he says everyone “loved to hate” when he got there as Group finance director in 1996. With Sir David Varney, chief executive, he oversaw the break-up of British Gas into BG and [Centrica](#).

“The shareholders did fantastically well out of it. Each part of the business was working effectively and a major amount of operational and strategic change led to an excellent outcome. In a single period, those five years were professionally very satisfying.”

Today, he says, being a chairman can be a lonely business. “There’s very little preparation you get for being a chairman.

“As you’re coming up through a company you usually only ever see one chairman – your own, or maybe two. I’ve moved around, so I’ve seen more. But how do you know you’re doing it right? It’s not a ‘wide access’ job.”

He looks forward to the day that RBS is fully restored to the private sector: “It will happen and it will be a great thing to do.”

In the meantime, apart from reading “probably more than I have ever done before”, he still relaxes with skiing – despite being “absolute rubbish” – and sailing. Sir Philip describes sailing as “a good combination of some muscle power and some brain power – and it’s very escapist as well.” He has participated in a 16-day transatlantic yacht race. “I went with very old friends. There were no women on board, so it was very ‘ladsy’ – but nice, for a time. After you’ve been at sea for 10 solid days you do look forward to getting to the other side.”

Secret CV

- My big break?

At 37 I was the youngest director on the board of a FTSE-100 company, a big business making £1bn a year, which in 1990 was an awful lot. They took a big risk on me at British Steel – it was big and brave of them to give me the job of Group FD.

- What else might you have done?

Oddly enough, journalism was one thing that always fascinated me. But I've also been very interested in the age of exploration. If I could live two other lives, they would be Captain Cook and David Attenborough.

- Best career advice to others?

Get yourself noticed for your skills as much as possible. Everyone gets pigeon-holed, no matter how much you fight it. Make sure you are comfortable with yours. The world will change in ways you can't possibly imagine – you have to get to grips with this while working out how you work in that pigeon-hole.

The FT Non-Executive Directors' Club website has begun a series of features on boardroom mentoring. To join, visit www.non-execs.com