

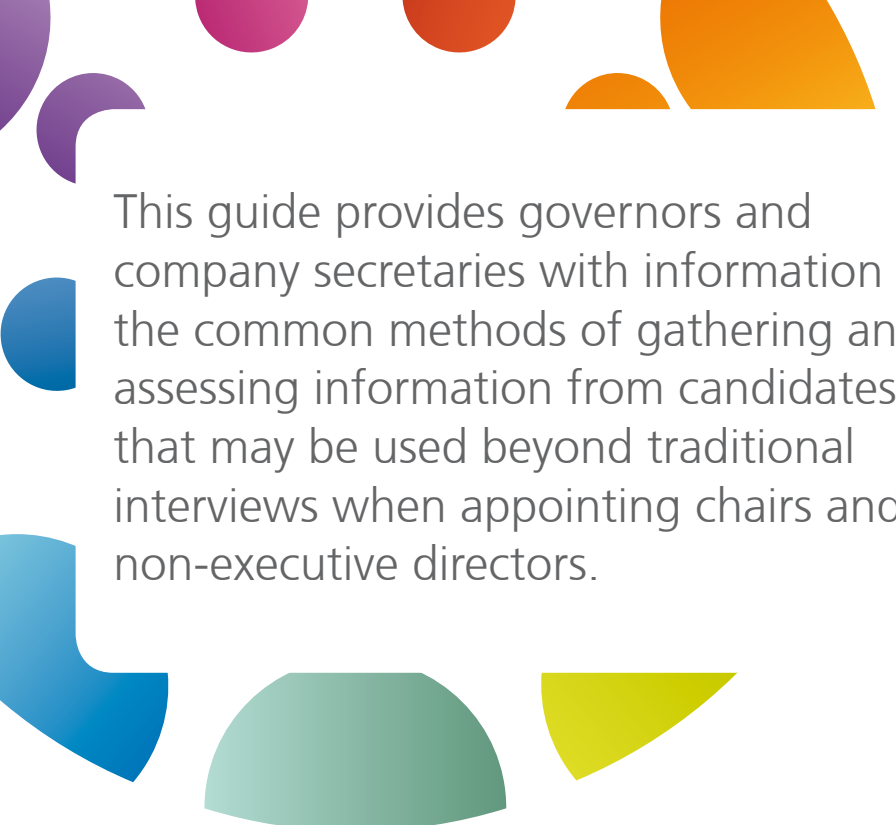


GovernWell

A one stop training resource for foundation trust governors

Informing non-executive appointments: a guide for governors





This guide provides governors and company secretaries with information on the common methods of gathering and assessing information from candidates that may be used beyond traditional interviews when appointing chairs and/or non-executive directors.

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BACKGROUND

The workforce of the NHS is vital to its success. Recruiting people into senior positions who are wrong for the foundation trust can lead to poor productivity, increased labour turnover, increased costs for the organisation, reputational damage and lowering of morale.

The right recruitment (and later induction) processes are vital in ensuring that any new recruit becomes effective in the shortest time. The success of a foundation trusts depends on having the right number of personnel, with the right skills and abilities.

The council of governors is responsible for the appointment of the chair and non-executive directors (NEDs).

Traditional interview techniques are still widely used within foundation trusts to check the suitability of candidates seeking chair or NED roles. More often than not, this comprises of questions and answers covering the education and professional training received; span of work experience etc.

However, this approach has its own limitations. For example, the trust may have shortlisted 4-5 apparently good candidates on the basis of particulars outlined in their application. All the candidates may have same qualifications, almost same number of years of experience and could be from the same industry. Given such a situation, the job becomes very difficult if only traditional interview techniques are used.

Beyond traditional interviews this guide explores other activities that contribute to the assessment of a candidate and those that are purely information gathering. This guide is intended for more experienced governors that are clear in their understanding of how a council of governors works. We hope this will be of use to governors in understanding the component parts of the appointments process more clearly.

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GLOSSARY AND ACRONYMS

Appointment

An act of assigning a job or position, including NEDs or a chair.

Assessment

The process of documenting knowledge, skills, attitudes, and beliefs in the recruitment process.

Candidate

A person seeking or being considered for a position.

Criteria

A principle or standard by which a person may be judged or decided upon.

Facilitator

A person responsible for leading or coordinating the work of a group.

Job description

A list of the duties to be performed in a role.

Job specification

What requirements are necessary to perform the task. Job specifications are more specific and more in depth than job descriptions.

Risk management

The process of identification, analysis and either acceptance or mitigation of uncertainty in decision-making.

Governance

Governance is the means by which boards direct and control their organisations.

Holistic

An approach emphasising the importance of the whole and the interdependence of its parts.

Interview

A conversation between two or more people where questions are asked by the interviewer(s) to elicit facts or statements from the candidate.

Non-executive director (NED)

Members of the board of directors who scrutinise the performance of the executive management in meeting agreed goals and objectives, receive adequate information. They are particularly responsible for challenging the executive directors in decision-making and on the trust's strategy, but they are collectively accountable with the executive directors for the exercise of their powers and for the performance of the trust. Unlike the executive directors, they do not have a managerial role.

Panel

An applicant for employment is interviewed by a group of interviewers.

Procurement

The purchase of goods, services or works from an outside external source.

Selection

A choice being made about the most suitable candidate.

Scenario

An outline of a task.

Short list

A list of candidates for a position that has been reduced from a longer list of candidates.

Statutory

Foundation trusts must adhere to requirements as laid out in the law.

Stakeholder

A person, group or organisation that has interest or concern in a trust.

WHAT DO FOUNDATION TRUSTS HAVE TO DO?

As part of its risk management and good governance practices all foundation trusts should have clear systems and processes around the recruitment, selection and retention of a new chair and any NEDs. Monitor says “there should be a formal, rigorous and transparent procedure for the appointment. Appointments should be made on merit and based on objective criteria”.

Every trust also has the legal responsibility to ensure that no unlawful discrimination occurs in the recruitment and selection process on the grounds of sex, race, disability, age, sexual orientation, and religion or belief. Equality of opportunity is an integral part of the recruitment and selection process, and trusts may offer training and encouragement to any under-represented groups e.g. development training for women where they are under-represented in management grades.

Trusts should strive to ensure that their advertising strategy reaches as wide a group as possible.

WHAT DO GOVERNORS NEED TO BE AWARE OF?

There are a variety of methods available to complement the selection process – including interviews, tests (practical or psychometric), presentations to name a few. Usually a range of methods will be used depending on the type of role, the skills of the recruiter and the budget for recruitment. As senior board appointments the recruitment of chairs and NEDs often mirror the comprehensive methods used for executives. However a balance must be struck between over-elaborate processes and being proportionate to the type of role.

Trusts may need to decide if some parts of the assessment are more important or carry more weight than others e.g. is a good interview going to carry more weight than a presentation or feedback from stakeholders. From a candidates perspective further assessment can help demonstrate a wider range of skills and responses to different environments and people, ensuring they are the right fit for the role and the organisation. It can also allow a wider group of people to contribute to the recruitment process.

It is important that governors and the candidates themselves are aware of the purpose of any extra assessment and whether it is part of the trusts recruitment and selection process or not.



RECRUITMENT CONSULTANCIES

This is a route that trusts can use to help facilitate/manage the recruitment process. Consultancies add value because they may have a database of candidates that has been built by interviewing for similar roles. As candidates may have already been interviewed, the consultancy will provide greater insight into their skills, experience and fit for the role. This allows more informed short-listing. Beyond the increased volume of candidates that such an approach allows, firms do not get paid until the placement is made (a candidate is successfully appointed and thus the search risk is shifted almost entirely to the search firms).

In selecting a company to work with Trusts should apply their organisation own procurement rules and some will require a tendering procedure. Even if not a formal tender then most require a number of competitive quotes. Usually, on the basis of initial information received, a number of firms are asked to give presentation and be interviewed to inform the final selection of a preferred partner. Consultancies may also be able to help widen the pool of candidates by offering advice on an effective advertising campaign or by using their own networks to help widen the pool of candidates.

Consultancies come at a cost, around £10-15k. They are also sometimes used to develop and oversee the smooth running of the recruitment process; depending on their level of involvement this can increase the cost to £15-25k. This can rise to about £30k if the consultancy leads and manages multiple NED roles and if they also manage the assessments, facilitate and co-ordinate all of the stakeholders plus their events, help to write key documents such as the job descriptions and person specifications.

Some executive search firms may charge a retainer, i.e. a certain percentage as an upfront fee upon commencement of the assignment. Sufficient lead in time is required, normally a couple of months, to fully brief the consultancy and to give them time to develop a suitable long list. The time for each assignment could be from two months to five months (depending upon level of involvement) from briefing the consultancy to securing an appointment.

Trusts should stay active and involved throughout the recruitment process and regularly monitor the contract that was made. It is also good practice to try other companies to retain their objectivity and independence.



East London NHS Foundation Trust

An executive search consultancy was used to support the appointment of a chair in a reasonably short space of time (five months). The consultancy interviewed and developed a long list of candidates and made recommendations on a shortlist.

The candidate list was presented to the nominations committee and the committee decided to accept and reject some recommendations and decide on a final short list of candidates.

Information gathering activities from candidates can include:

1. Open session

This is typically an information session to inform candidates about the role and the organisation and help potential candidates to decide about their suitability for a role. This should not be about assessment and should not form part of the selection process. They provide an opportunity for potential candidates to find out more about the organisation and the role on an informal basis.

Typically they include a presentation from the chair about the organisation, its strategy and the role of the NEDs. They usually run between one and two hours with a variety of speakers.

2. Informal interviews

When recruiting chairs, some trusts provide an opportunity for their chief executive to meet the candidates on an informal basis. However it is important to remember that this is not part of the recruitment process. The chief executive officer (CEO) for example is accountable to the chair and should not be selecting him/her. It is important to decide whether and/or how the CEO gives feedback. It is not good practice for the CEO to take part in the interviews.

Informal interviews do not carry any type of structure and are usually done over lunchtime, breakfast or tea. Unstructured interviews are often conducted simply to get a 'feel' of somebody as an individual, and the conversation takes no particular format.

These types of interviews generally do not carry any consistent criteria. Every conversation with applicants will take a different form which makes it very difficult to compare and contrast between candidates when making selection decisions. Often intuition is not managed and the difference between thinking someone is good and not good is often down to how the interviewer 'feels' at the end. Sociability, talkativeness and friendliness are not necessarily relevant criteria for the job and any decisions that are made on the back of this can be open to complaints.

3. Carousel interviews

In this approach trusts will see how candidates respond to different stakeholder groups and demonstrate to them that they meet the person specification. They provide an opportunity for a wide range of stakeholders to contribute to the recruitment process. Typically attendees are split into different groups, often the same stakeholder groups – service users and carers, staff, governors and other stakeholders. Each group is facilitated by a governor and is asked to focus on a particular section of the person specification to assess the candidates. The groups typically provide narrative feedback rather than ranking them or identifying a favourite candidate.

Norfolk and Suffolk NHS Foundation Trust

When recruiting NEDs potential candidates are assessed for thirty minutes by three focus groups using a carousel method. The focus groups consisted of service users and carers, staff and, other governors and stakeholders.

The process received good feedback; stakeholders were pleased to be involved. However, next time we will make sure that the chairs of the carousel groups are available to talk with the panel rather than submitting only written feedback.

To be effective this requires a spread of stakeholders. Groups may expect a depth of knowledge/understanding (of trust/their particular interest) that external candidates cannot reasonably be expected to have and this might lead to unfair negative feedback. Facilitators will need to keep the group 'on topic' and groups will also need a good briefing prior to commencing interviews. It is difficult to use as a criterion based assessment with this method and therefore this approach is highly subjective.

4. Chairing exercises

Here candidates are asked to preside over a meeting as chairperson. Trusts see candidates chair a meeting, make strategic and economic decisions and see whether the candidate processes large amounts of information quickly. In the planning stage trusts need to be clear on what a good answer is, what they are expecting to hear.

Typically candidates are given a scenario in advance and asked to work through this scenario in a meeting situation. This exercise should be based on an issue directly facing the employer, not on something irrelevant. The scenario should not inadvertently disadvantage candidates and lead to indirect discrimination. NEDs and governors sometimes attend the meeting to work through the situation with them. Narrative feedback is commonly provided on each candidate's performance. It is difficult to use this as a criterion based assessment and therefore highly subjective.



5. Psychometric tests

Psychometrics is the field of study concerned with the theory and technique of psychological measurement, which includes the measurement of knowledge, abilities, attitudes and personality traits. Psychometric testing should only be done by someone qualified to administer a particular test and generally their code of conduct requires that feedback should be given to candidates about their performance.

This approach gives trusts a benchmark to work to in terms of objectively measured abilities. It can challenge initial perceptions that can often be influenced by candidates who answer questions where they tell the interviewer what they think they want to hear, rather than the real truth. It gives the recruiter an opportunity to explore other avenues of concern. This can be done by arranging further interviews where they take a more in-depth look at certain areas or by focusing on specific areas when doing reference checks, based on the test results and findings.

The trust gets upfront information on the candidate's strengths and limitations prior to appointment, thus giving the recruiter the opportunity to know how to manage the candidate, according to their strengths and weaknesses.

Tests can however be poorly presented or explained, which can cause the results to not be accurate. Too much emphasis is often placed on the results of these psychometric tests, this can be potentially damaging. Candidates may be rejected based on their not achieving as good results as anticipated, even though the candidate may have excelled in all other areas of the recruitment process. Nerves can also be a problem because candidates are under so much pressure because of the limitation in time, that they can get very nervous and just do not perform as well as they could have.

When it comes to online testing, some candidates may be at a disadvantage as they may never have had exposure to the testing process, nor be very computer literate. Some may also have not been in a position where they can practice online, and familiarise themselves with the process.

Psychometric tests are useful to inform the decision making process as part of the whole range of information gathered (e.g. CV, interview notes, references, stakeholder feedback). Care should be taken when weighting this aspect as at this level of role, the candidate's previous experience should indicate strongly their area of expertise/value and their success in effective strategic vision to drive an organisation forward.

Activities that can contribute to the assessment process include:

1. Stakeholder presentations

Any individual or group who can affect or are affected by the achievement of a trust objective could be considered a stakeholder. Trusts can see how a candidate presents their own thoughts on a topic, reacts to a group and responds to individual questions. It allows a range of stakeholder groups to be present and contribute to the recruitment process. It is often viewed as a comprehensive and inclusive step where the trust feels it has better ownership of the assessment process.

Issues of candidate confidentiality need to be considered as the person's candidature will become known to a wider group of people. If this is required it should be clearly stated in the candidate information pack.

Trusts will need to consider in advance what stakeholder groups they would like represented, how they will attract representatives of this group to the event to ensure they are relevant to the post and available at the required time.

Stakeholders will also need to be clear on the criteria being assessed. The criteria need to be established in the person specification and the group needs to understand the criteria. They need to be clear whether content as well as presentation skills is being assessed and understand how they will capture stakeholder feedback and feed this back to the interview panel. They may have to justify candidates being top in presentation against other areas.

It is important to also remember that an over-elaborate process may be off putting to candidates and is not guaranteed to result in a better appointment.



Liverpool Women's Hospital NHS Foundation Trust

When recruiting for NEDs shortlisted candidates are asked to attend a series of focus group discussions on the morning of their interview day. There are five focus groups – clinician, patient, governor, director and frontline staff groups that run simultaneously for fifteen minutes and then candidates move to the next group.

Each group has a series of issues to focus on and they agree between themselves how they will ask questions and encourage discussion from the candidate on those issues.

2. Focus group discussion

This is a form of structured group discussion involving people with knowledge and interest in a particular topic and a facilitator. A flexible approach, each focus group typically has a series of issues to discuss with the candidates but the groups are free to pose open questions and create discussion based on these issues as they see fit.

The environment is somewhat artificial, which may hinder more natural reactions. Participants might also feel obliged to give more interesting or original answers that do not truly reflect their feelings. It is therefore essential that the interviewer/skilled moderator must have good interview skills. Serving non-executive and executive directors sometimes attend to speak with candidates after the formal session ends. Although focus groups may be looking for certain responses, unexpected results may give the trust new ideas.

3. Professional references

At this level of recruitment professional references can be taken in advance of an appointment for each shortlisted candidate. This works well as most potential chairs and NEDs will not be in full time employment and therefore not have the problem of explaining why references are being requested to their current employers.



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GovernWell is the national training programme for foundation trust governors run by the Foundation Trust Network. The programme aims to be a one-stop resource for governors to develop their knowledge and skills.

To find out more visit:

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