

How broad is your board? Building empowered non-executive boards

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Foreword



The right team of non-executive directors is a formidable asset to the organisation at large, and to its sponsor department. However, boards are often recognised for being under-representative across gender, ethnic mix, disability and sector background. So what do we need to consider when making board appointments? How do we ensure that we are attracting, selecting and working with the best people for the role? And how, critically, do we decide where the balance should be between strong, strategic capability and ensuring a broad enough range of experience and perspective?

In 2006, our initial piece of research looked at the lessons learned from the start-up of non-departmental public bodies, and was produced with the aim of helping Chairs, chief executives and sponsor departments of new organisations to create the conditions for success. In 2007, we looked at issues of board governance and performance. **Whose Board is it anyway?** sought to explore those factors that frequently contribute to effective boards, including strong performance management and high value supporting relationships. This year, we look at how team profile and composition impacts on a board's ability to engage across the full range of responsibilities.

Diversity is a subject that impacts upon us all and about which everyone will have a view or a point to make. For this reason, we are actively seeking your own observations and hope that you will contribute further to this review.

We are extremely grateful to around 50 respondents who gave up valuable time to share thoughts with us. We hope you, too, will find the insight valuable and that you will be encouraged to share your experiences with others.

If you have an observation to make to add to this review, then we would welcome your contribution. Please email: boarddiversity@gatenbysanderson.com

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"As a rule: the more diverse the Board; the richer the discussion."

“I inherited a board which was entirely of one ethnic background, of one gender and from a narrow age group. It played out everything you would expect: a high level of Group Think; limited discussion; the Executive controlling everything that went to the board; competition between board members... ultimately, this led to a failure in governance.”

Background to this review

Last year, our report focused on the factors which contribute to well-run and effective boards of NDPBs. We identified the need for clarity of purpose and the importance of having in place the right structure and frameworks; appropriate supporting relationships; a high degree of independence, and strong performance monitoring based on a culture of continuous improvement.

During our subsequent work with Chairs in 2008, other key messages have emerged around board performance; in particular, our attention has been drawn to the profile of NDPB boards, and how they might best be configured and populated to add the most value.

This led to the concept of the “Reflective Board”, with its broader range of skills, experience and background. While statutory requirements mean that board members are sometimes recruited to bring the interests of a specific sector or profession to the table, the “Reflective Board” is created to support a more diverse non-executive team.

When designed and populated effectively, the “Reflective Board” moves flexibly between relevant business disciplines; governance requirements, and wider strategic considerations – while also accommodating statutory appointments. The “Reflective Board” is likely to be stronger and more likely to operate with credibility, influence and independence. They are largely empowered boards.

Designing and populating the board is a critical area for every Chair and they will often have the clearest view in terms of what their board’s needs are. Nonetheless, the responsibility for appointing board members lies with the sponsor department.

Our insight into appointing to board appointments has, at times, raised questions around whether or not the right systems and processes are in place universally to build balanced non-executive teams. All parties agree that the right team of non-executive directors is a formidable asset to the organisation at large, and to its departmental sponsor. However, boards are often recognised for being under-representative in terms of gender, ethnic mix, disability and sector background.

In some cases, statistics show that diversity is not increasing at board level at all. So how do we attract, select and work with the best people for the job? How do we decide what balance is right? And how do we remove obstacles in the way?

In this review, we explore some of the approaches that respondents are taking to strengthen and empower their own boards through a wider range of skills and backgrounds. We explore four key aspects of board composition and look at the steps that can be taken to achieve a wider range of appointments.

Though our research centred upon NDPBs, it is likely that other organisations will recognise and share many of the observations and contributions made. Our intention is to stimulate debate and discussion amongst public sector Chairs, non-executive directors and sponsor departments around the opportunities for adding further value through non-executive teams.

In the following pages, we have touched on many of the issues raised in the course of our discussions, and have sought to distil from these some helpful tips and advice which can be used by Chairs and departmental sponsors to help them get the most out of their board.

Methodology

Between June and November 2008, we interviewed around 50 Chairs, chief executives, non-executive directors and departmental sponsors. The discussion included the following broad areas of questioning:

Context

Age of the board and date of its establishment; current phase of board evolution; board size, structure and profile. Whether or not there are statutory appointments at board level. Diversity of the current board (eg gender, ethnicity, professional background, disability) and whether it is regarded as fit for purpose. How the current board profile reflects stakeholders and core business areas.

Role of non-executive directors

Where non-executive directors add the most value, and how this impacts on choice of skills, experience and background in selecting candidates for the job.

Diversity

Key advantages of a diverse board; areas of challenge facing NDPBs in building broad and fit for purpose boards. Stereotyping; the role of the sponsor department in challenging or inadvertently perpetuating stereotype. Steps taken to establish a better balance at board level; recommendations to other boards; tools Chairs would find most helpful in building the non-executive team.

Branding, image and communication

Brand appeal in terms of recruitment; challenges around attracting talent, and the way the board is perceived by candidates. Levels of awareness around the organisation and the board.

State of play

The extent to which the board and department work together to appoint to board roles and to which the recruiting organisation actively seeks to appoint from particular communities. 'Golden rules' for building boards.

Context

Non-departmental public bodies (NDPBs) are created to carry out a function at arm's length from Ministers. Ministers remain, however, ultimately responsible to Parliament for the activities of the NDPBs sponsored by their department.

As set out in our 2007 report **Whose Board is it anyway?** the role of the board is to:

- Set strategy
- Provide scrutiny
- Administer stewardship
- Provide support
- Provide stretch to the executive

Each NDPB is unique in function, evolution and approach and their boards also differ in role, scale and culture. However, as a minimum, boards perform a vital function, providing a discipline through management information and by ensuring that the executive is performing as it should. Through the contribution of their non-executive directors, boards ensure that their executive delivers the product in a way that benefits the broadest customer base, while also representing value for money.

Having been appointed by Ministers, it is up to the Chair to work out what the board's role is; this will depend on a range of factors including history and constitutional underpinning. Unless a Chair is taking up post at the very earliest stages of NDPB start-up, the constitutional identity of the organisation – and all the impacts that this will have on the board – are usually already decided by the sponsoring department.

While the Chair leads the board and has the most contact with it, the appointment of board members remains under the remit of the departmental sponsor. The relationship between Chair and sponsor body is therefore absolutely critical in deciding how the strongest team will be put together, where the priorities will be in terms of skills and experience, and what approach should be taken to secure appointments.

Our 2007 report referred to the importance of developing a "culture of mutual respect between public body and sponsor": this is particularly important in creating powerful boards.

The 10 characteristics of an Empowered Board

1. Reflects the fullest possible range of board responsibilities and stakeholder perspectives in its profile and make-up
2. Possesses heightened challenge power, generated by a range of thinking styles, backgrounds and attitudes
3. Expresses higher levels of individual self-awareness
4. Diverse in terms of, for example, gender, disability, age, race and ethnicity, sector and professional background, religion and belief, childcare and caring responsibilities
5. Enjoys a high level of respect by the departmental sponsor
6. Has the capability to see the issue from all angles
7. Is visible across a range of communities at a range of levels and has credibility with stakeholders
8. Gets the Executive to see and do things it would not have done on its own
9. Accounts for the organisation with confidence
10. Is ahead of the game

Key messages

Members reflect board responsibility

Our research shows that the strongest boards are those whose membership reflects the fullest range of board responsibilities. These boards become empowered through the range of skills and experience available in their teams.

Diversity is critical

The diversity of board appointments remains an area of relative weakness. Some Chairs and sponsoring departments are working actively to address this. Our research shows that Chairs are keen to see a wider range of board appointments and believe they have a significant contribution to make here.

Appoint in partnership

As board members are often approved by Ministers, the sponsoring department has a high degree of influence over the recruitment process. To create the conditions in which the widest-ranging non-executive teams can be appointed, NDPB Chairs are reliant on a strong relationship with the department.

A strong Chair is vital

Even the most diverse boards will not achieve results by themselves. Therefore, a strong, skilled Chair is a crucial asset and will inspire their board to function as more than the sum of its parts.

“Old solutions do not fit all the time in a changing environment, so you need influences in the team which will move the agenda on.”

The four aspects of board composition

Respondents told us that creating an empowered board has to start with an analysis of what you want your board to do. Most boards have multiple roles to fulfil, which require different approaches, skills and experience. Our research suggests that there are four key aspects of board composition which require consideration.

The statutory requirement

The statutory requirement relates to specific professions or sector groups who are required to be present on the board. This may include, among others, employer groups, practitioners, membership or trade organisations, partner bodies or senior departmental sponsors. The purpose of a statutory requirement may be to build into a board an ensured element of consultation or input into decision-making – some Chairs we spoke to referred to these board member appointments as “pre-ordained”.

Governance responsibilities

Once any statutory requirement has been fulfilled, the next step is to consider the technical skills and perspectives required on the board in order for it to carry out its governance responsibilities effectively. These are usually the key business disciplines.

Every board must be able to perform a strong scrutiny role and must also provide effective stewardship. Our research indicates that this should have an impact on the expertise required at board level. Skills in finance, audit and risk; human resourcing and organisation development; marketing; operations; strategic planning, and law are commonly sought to strengthen a board’s ability to account for its organisation’s activities.

The priorities are, however, likely to shift as an organisation grows and develops. Changes to the operating environment or governance problems will frequently prompt reprioritisation.

Content

The board needs to support and oversee its organisation’s core business areas. Our findings indicate that ‘content’ appointments are most often decided by the type of service provided by an organisation, by the subject matter involved and by the related levels of technical expertise required to deliver services effectively. Examples might include, for example, a background in customer relationship management; IT infrastructure; large-scale operational management – or, simply, a good grounding in a particular area of policy.

This aspect of the board is also connected to the phase of an organisation’s evolution. The degree to which a specific area of technical expertise is prioritised will, for instance, generally be different at start-up or at times of major transformational change. It will also shift with changes in stakeholder relationships and as an NDPB is required to take on new powers, deliver new services, or deliver services differently.

Population

While the technical side of board capability is important, breadth of perspective is absolutely vital. Appointments which are not related to a specific area of expertise (whether through statutory association, governance or technical know-how) provide an unrivalled opportunity to build broader skills and perspective onto the board. In some cases these roles are termed “independent board member”, carrying the flexibility to appoint from a wider range of backgrounds.

This aspect of the board’s profile is particularly relevant if statutory, governance or content focused roles have led to the dominance, on a board, of candidates from a particular background. Independent roles provide scope to balance this out.

Our research indicates that the service user/public involvement angle of a board is often the strongest driver of diversity.

“People need to know the role of any board member; they also need to understand what the organisation – and therefore the board – is seeking to achieve. But they can, and should, think about and approach the role differently.”

The benefits of a “Reflective Board”

Boards which take into account all four aspects of composition are, our research indicates, more likely to generate richer discussion, greater challenge and more innovative outcomes. They can therefore be stronger, more empowered entities.

The four categories should not, however, be seen as mutually exclusive. Our research also shows that the strongest boards have members whose experience and background often cuts across more than one area of responsibility.

Respondents told us about the major benefits of having a mixed team in terms of corporate performance. Overall, the board’s contribution substantially increases through the enriched discussion brought about by a range of perspectives. Different thinking styles, professional backgrounds and personal perspectives stimulate discussion, increasing capacity for innovation.

Some Chairs have deliberately introduced new types of experience and background to established boards in order to bring about positive change in behaviour and culture. Respondents also referred to the higher levels of self-awareness, and confidence as a group, brought about by working as part of a varied team.

Our research indicates that boards which are empowered through the breadth of their membership often experience a “virtuous circle”. Once established, strong boards move forward collectively with energy; they have the confidence to provide strong governance; they understand all aspects of the service their organisation is providing, and they create the conditions in which innovation can flourish. They also tend to be more flexible.

By virtue of the board’s high performance, the Chair is able to gain the respect of the sponsors quickly and high levels of trust translate into increased independence from the sponsor. This model is similar to the ‘solving the policy problem’ model outlined in **Whose Board is it anyway?** With more independence comes opportunity for the Chair to make alterations to the team whenever strategy or event dictates, working in full partnership with the sponsor to find solutions effortlessly.

Our research indicates that empowered boards feel ahead of the game, because they are able to call on a variety of experience, skills and perspective within a relatively small team at any one time.

It is these boards which tend to be attractive to potential board appointees; their higher levels of confidence, respondents suggest, also leads them to be more proactive in communicating their values and purpose to a wider audience.

There is a clear link between diversity and empowered boards. Yet the boards of public bodies are recognised for having struggled in the past to attract sufficiently wide-ranging talent. Our research has shown that some Chairs, and some sponsor departments, have been engaged in activity aimed at improving board diversity.

Nonetheless, respondents also pointed to a lack of shared best practice in this area, and instead remarked on the proliferation of targets and rules which can be hard to meet and apply in practice.

“ We have to ask ourselves, in what other ways are the old-fashioned, inflexible ways we’re working preventing us from tapping into talent.”

‘Sex and Power’
Equality and Human
Rights Commission 2008

Board member roles: some common myths

“Professional skills and experience are more important than how someone thinks, feels and makes decisions.” Every board needs a diverse range of skills, experience, backgrounds and perspectives. To function effectively, boards also need a range of personal qualities including emotional intelligence, the ability to understand and empathise with customer experience, the ability to listen and a range of thinking and decision-making styles.

“Governance is everything.” Governance is a key part of the board’s role and is important. However, it does not have to be at the heart of every individual contribution.

“Increasing our diversity might undermine our effectiveness.” One of the most effective ways of developing a highly effective board may be to challenge the status quo. The fear of undermining existing capability is one of the most commonly articulated reasons for not changing board profile; however, once the board stops being seen as the finished article and starts being seen as a continually evolving and improving entity, this becomes irrelevant.

“The best boards are the ones where the issue is obvious, the discussion short and where we all arrive at the same decision quickly.” Boards that function like this often do so because there is limited challenge and creativity; the risk can be that the decision is not the right one or that is represents only a narrow range of interests. Strong boards often engage in rich discussion, examining issues from a range of different angles and perspectives.

“We need all board members to do exactly the same thing.” This widely held assumption may form one of the longest-standing barriers to achieving diversity on the boards of our NDPBs. Many of the most diverse, high-performing boards have benefited from the recognition that each board member has an individual contribution to make.

“This isn’t a board for someone to cut their teeth on.” Board members can make a contribution at different stages of their lives; what matters is the contribution they can make at any one time to the board of an organisation at that moment.

“Candidates who aren’t operating at the most senior levels won’t be seen as credible.” By restricting the talent pool to those who are currently working at the most senior levels, you will already have closed off a valuable source of talent before you even start selection. Make sure that you appeal to candidates with different contributions to make, by using the four aspects of board composition.

“You need to have been a board member before to perform the role.” Organisations that insist on colleagues having been on a board previously immediately limit the field of potential applicants.

“Board members need to have gravitas to be able to influence and negotiate with other board members.” ‘Gravitas’ is hard to measure and can narrow the field considerably because of its association with experience. Confidence, intellectual capacity, emotional intelligence and interpersonal skills also enable board members to engage effectively with their colleagues and with external stakeholders.

“We are a specialist board.” Some boards require a higher degree of specialist or technical input in the team. However, our research suggests that no board will be able to perform effectively across its full range of functions if technical expertise is not balanced with broader perspective and influence.

Diversity is critical

Diversity should be a key consideration across all aspects of the board. It is impossible to govern an organisation which provides services to a diverse society if the board itself is restricted in attitude and perspective. On this simple principle, all boards need breadth and variety to function well.

However, improved diversity opens the board’s eyes to a wider range of options, solutions and perspectives, stimulates debate, and potentially offers a stronger connection with end outcomes and service users. As a rule, the more perspectives involved, the higher the capacity for innovation.

Diversity is, therefore, a key aspect of an empowered, reflective board. However, this remains an area of comparative weakness across public appointments. Our research indicates that boards are likely to be missing out on opportunities to achieve their potential, either through failure to recognise the benefits of a diverse team, or through the inability to attract and select high quality talent from a range of backgrounds.

Diverse boards are likely to include a mix in terms of:

- Gender
- Age
- Ethnicity
- Disability
- Sexuality and sexual orientation
- Faith, belief and non-belief
- Mix of educational backgrounds
- Mix of geographical origin
- Carer and non-carer; parent and non-parent
- Professional and sector background
- Thinking styles
- Attitudes and perspectives
- Personality – an important, but often underestimated, aspect of diversity

Historically, the profile of boards has been under-representative of society. Board work is relatively 'atypical'; therefore, candidates who can offer "board experience", and who are most likely to be attracted to non-executive director roles tend to emerge from a relatively narrow talent group. Our research indicates that there is a real appetite to see this cycle broken.

A number of Chairs told us that they are actively working to enhance the diversity of their boards by using networks to raise awareness of their organisation and to reach into communities who are less likely to apply through an advertised campaign.

However, some Chairs we spoke to expressed concern around an apparent desire on the part of sponsor departments to prioritise what can be perceived as traditional board skills and experience – for example, experience of "contributing at a strategic level to a national organisation" or to "the board of a comparable organisation"; "detailed understanding of Whitehall" or "experience of working with Ministers".

Applying the principles of fair selection is absolutely critical and candidates must be selected on the basis of their merit against the requirements of a role. However, without flexing the person specification to make boards more inclusive, this approach alone is unlikely to deliver a sufficiently wide-ranging team. To achieve diversity, it is therefore necessary to start thinking about the talent communities you want to attract at a much earlier stage of the process.

To achieve real diversity, the message is clear: it is essential to take risks in terms of skill, experience and approach in some areas of the board. Overcoming board stereotypes is likely to take place only with a more flexible approach to board recruitment, using broader role specifications and recognising the wider contribution that board members can make. Respondents said that one of the most important ways of keeping the board moving, growing and developing was to actively challenge the status quo.

In summary, recruitment practices which may be affecting the quality and /or breadth of appointments made include:

- The perpetuation of common myths about what being on a board is about
- Insisting that candidates must demonstrate previous experience of non-executive board work before they are eligible to proceed
- Under-estimating the value of wider skills, values and qualities such as emotional intelligence (often through potentially misplaced concern that these aspects are hard to measure)
- Sending mixed messages to candidates throughout the selection process about what the organisation is looking for (for example, the selection panel is not itself diverse or the bar suddenly rises at final interview panel in terms of the priority requirements of the role)
- Too much distance between applicants and the recruiting organisation: candidate material is one-dimensional or fails to bring the board member role to life
- Recruitment is viewed as a one-way process, when in fact many candidates (particularly those from non-traditional backgrounds) may require continued encouragement throughout the process
- Insisting that new appointees are recruited on the same person specification as existing or previous board members when in fact change is needed
- Too much emphasis placed on the way a candidate performs in an interview or interviewing to exclude, rather than to include
- Over-emphasis on experience rather than on excellence, ability and potential
- Making an assumption that the advertising approach which worked before will automatically work again

Attracting candidates to board roles

Candidates from outside the public sector as a whole do not engage or identify with NDPBs. A number of Chairs told us they believe the vast majority of people in the UK are unlikely to know about their organisation.

Our research shows that there are opportunities for stronger communication, engagement and simple awareness raising across a wider range of general public and community structures.

Only two Chairs we spoke to said that they had actively targeted communities and membership organisations to raise awareness of their board member roles across a broader talent pool.

One respondent said they were keen to work with their sponsor to launch a "call to action", or general notice, which would run periodically as a type of open advertisement, trailing forthcoming opportunities and raising awareness of board opportunities generally.

“If you don’t know where to look, you won’t be looking.”

Overcoming barriers to under-represented groups

- Be absolutely clear about what and who you want to have on your board
- Understand the communities you want to appeal to, what the drivers will be and whether there are any barriers you will need to remove to attract them
- Raise awareness of your organisation and your board by developing a communications strategy which reaches into non-traditional talent groups
- Select recruiters with a strong track record of attracting candidates to board appointments from non-traditional backgrounds (this will normally be achieved through fresh research)
- Develop sufficiently diverse networks on which to draw when recruiting
- Challenge the criteria you always said was essential – why?
- Avoid using selection criteria which will eliminate talent communities: remove any pre-requisites which serve to “keep the club closed”
- Focus on people and how they work together
- Find successful people who can emulate a particular community or population in order to strengthen communication, or use case studies to bring the work of board members to life

Why don’t people apply for board roles?

- They make an assumption about what goes on in an organisation and the kind of people it wants to attract – if people don’t identify with the role and the organisation, they don’t apply
- They do not know what boards or board members do and are unable to see themselves doing the work
- They are not aware of the opportunity because the advertising strategy has not reached them
- Remuneration for the appointment makes it exclusive
- The time commitment does not fit in with their lives
- They assume that Ministers will “parachute in” appointees
- The role insists on non-executive experience (which they do not have)
- They lack the confidence or time to complete the application form
- Actual or perceived conflict of interest
- They do not identify with parts of the person specification and, therefore, rule themselves out

“The mystification of boards has become a big barrier to diversity; tackling this means opening up board business to a range of communities who might not otherwise consider board work.”

“A good Chair will handle a board in a way that gets the most out of its diversity. It’s a real art. However, you do need to know your board’s sell by date – and your own as Chair.”

A strong Chair is vital

On their own, diverse groups of non-executive directors do not make better decisions. Most respondents agree that, regardless of the profile of your board, a strong and skilled Chair is required to get the most out of it. The quality of the board matters significantly, and it is the job of the Chair to create the right space and mood for the board to operate in.

Good quality board members will innovate and challenge; they are likely to make other people want to do things and will carry a high level of personal influence. On this basis, the Chair will need to manage how their team operates in a group space. Some approaches to managing boards are set out in our 2007 review **Whose Board is it anyway?**

However, our research indicates that the following Chair characteristics are likely to lead to success in getting the most from a diverse board:

- Strong vision
- Flexible and open-minded
- Excellent interpersonal skills
- Collaborative approach
- Effective team worker
- Enthusiating and inspiring style
- Intuitive with a high level of emotional intelligence
- Actively encourages inclusion, involvement and participation
- Strong understanding of equality and diversity in its broadest sense
- Focus on performance and outcomes
- Strategic thinker

Appoint in partnership

Respondents gave us a range of views on the quality of their relationships with the sponsor department, for example:

“Sponsor departments can be way too prescriptive in what they go out to get for boards – we must be more open-minded and avoid a limiting image of what board work is all about.”

Our research from 2007 suggested that success in this relationship overall depends on the following three factors:

- Shared clarity over the purpose of the NDPB and its board
- The Chair is considered to be the right person to lead the board and therefore has the confidence of the sponsor department

- The sponsor department trusts the NDPB to deliver agreed outcomes

These factors remain critical when it comes to designing and populating NDPB boards.

Our research indicates that the level of involvement of departmental sponsors varies when it comes to appointing new non-executive directors.

Some respondents described an overly prescriptive approach to designing the roles, using recruitment material which appeals to a relatively narrow talent pool, and not consulting with the Chair on gaps in the team.

“If you haven’t got the board you need, you have no option but to work together to change it.”

Others, by contrast, referred to supportive sponsors, who were not prescriptive in approach, and who instead took an active interest in recruitment while giving the Chair space to influence the appointments made.

Some concerns did emerge, however, around those occasions where sponsor teams have supplied outdated or irrelevant role specifications for board members simply because “that was what was used last time”. Taking the overall effectiveness of the board into account, Chairs feel that it is absolutely critical that their department fully understands both the business of the organisation, and what is right for the board at a particular time.

There is a strong desire among Chairs to carry a greater level of influence with the sponsor in terms of type of board skills and experience being sought, and the means of securing it. Chairs additionally voiced concerns over not being able to use their preferred recruitment method – for instance, not being fully involved in the selection of recruitment consultants, or being invited to sit on the selection panel at too late a stage in the process.

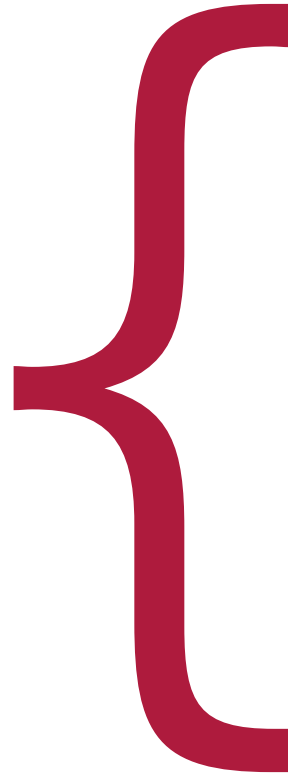
Key messages for sponsor departments

- Do recognise the investment you are making in new board members; if the right people are appointed, the board will bring substantial benefits to stakeholders
- Do pay as well as you can – low remuneration will turn away a vast proportion of potential board members
- Do think of ways to do more to make the public aware of what your NDPBs and their boards do through innovative communication; this need not be expensive
- Do take the time to work with the board Chair to decide what really matters in terms of skills and experience
- Do review whether the essential criteria are still valid if you are proposing to recycle role specifications
- Do think well beyond the principles of fair selection to build a diverse team
- Do consult with, and involve, the board Chair from the start of the process

“ This is not about filling quotas or positive discrimination ... merit and talent are not the exclusive preserve of one section of the population or another.”

Sex and Power
Equality and Human Rights Commission 2008

Questions to ask



- How many posts are filled and unfilled?
- What is the profile of the board currently?
- What is the statutory requirement for the board?
- What did our last board review say?
- What changes are needed around performance?
- What new skills are needed?
- What is now less important?
- What has / has not worked on the board before?
- What has changed in the landscape the board is operating in?
- Does the board need to engage with new or different stakeholders?
- How do customers / service users feel?
- Do Ministers want to see something different or want a change in direction?
- What personal qualities, perspectives and attitudes does the board need?

“If only 5% of the population applies, you will never find the other 95% on your board.”

Attracting and selecting candidates

Know what you're about

Look rationally at what the board has to do and then be clear about what you want in terms of skills and chemistry.

Review the overall structure of the board to create the conditions for diversity to thrive. Advice from respondents was: “do not attempt to shoe-horn diversity into an existing structure”. Instead, start by reviewing the job description of the board as a whole and asking yourself: is it varied enough?

Make sure you have really thought about how you are going to reach out beyond the most obvious candidates

When boards recognise the major benefits associated with a range of different skills, experience and perspective, they start to communicate with the candidate market in a different way and are able to attract a broader range of applicants.

Think laterally about the way you appeal to talent through your approach to marketing appointments. Evidence shows that more candidates are accessing web-based advertising, so do challenge the need to use solely paper advertising methods. Online special interest sites can also be effective in attracting more passive candidates. Ensure that candidates are able to access all the details they need on a particular appointment on-line and that the application process is a positive candidate experience. A good quality recruitment firm will be able to build a dedicated recruitment site to support accessibility and diversity.

At the start of the process, make sure you have in place a means of continuously monitoring equalities and diversity performance throughout the recruitment campaign. This will provide vital statistical information which can be used later on, to review the effectiveness of your approach.

If you do what you've always done, you'll get what you've always got

Work proactively to build creativity, innovation and debate into the team by challenging the need to recycle the same role requirements.

The most diverse and flexible boards are based on a range of person specifications, recognising the priorities for different areas of board function and responsibility. As building the best team is all about what is appropriate for the board at a particular time, it makes sense for the requirements to change according to need.

To increase the diversity of the team, you may need to focus on broader competencies, which are critical in enabling a wider range of individuals to contribute to the board.

Recruitment is a two-way sell

Know what your offer is to candidates from different backgrounds and flex your approach when you need to. Recruitment is definitely a two-way process and candidates can lose interest in an organisation because their perception of it changes as they move through the process.

Factors which put candidates off can include being asked to attend too many selection events; the requirement to submit detailed application forms, poor communication, and tone of voice (for example, in terms and conditions documents or in general correspondence).

Where it is managed well, informal engagement throughout the selection process can be a valuable way of keeping levels of two-way communication high, while also building candidate confidence and maintaining interest.

Think big picture

Avoid adherence to process and procedure where this serves to undermine the diversity or overall quality of the field. Instead, keep the process as simple and accessible as possible, and encourage flexibility where you can.

Aggressively recruit from among the network of organisations you have identified...

...but make sure you understand that talent pool first. There is a simple message here: know your markets and who is in them. Use this knowledge to build a diverse board.

Interview for inclusion and not exclusion

Interviews can provide valuable insight but, on their own, they are not the most effective predictor of success. Combine interviewing with further testing, such as psychometric profiling or group exercises for a more three-dimensional view. A good-quality recruitment firm will be able to suggest a range of options for assessment.

Interview to include rather than exclude candidates: avoid overly complicated or “trick” questions at final panel and be realistic about the levels of knowledge candidates will be able to offer without having first worked in the public sector.

If you get the chance, stagger your board appointments

Respondents told us that they have been able to create more diverse appointments where they have effectively been able to ‘stagger’ phases of recruitment, to create opportunities for replacement as the board’s function and environment changes.

Nothing speaks louder than example

Lead by example throughout the selection process: if you are seeking to secure a wide range of candidates, ensure that this is reflected in the profile of the selection panel and in the approach and tone of the process as a whole.

Work effectively with search consultants

Make sure you achieve the best results from search firms through careful and detailed briefing. Insist on good advice on a range of selection tools. In engaging recruiters in board member search and selection, departments should satisfy themselves that consultants understand, and can recognise, good non-executive directors. Do test thoroughly their ability to access a range of talent and to work effectively alongside OCPA to deliver fair and open recruitment.

Do think about support and induction for all new board members

The process of building diversity should not stop on appointment. Induction, coaching and mentoring are valuable tools for boards. Have a process of personal development underway for all board members, but do pay attention to the particular development needs of new members of the team.

Nine steps to promoting equality of opportunity throughout the recruitment process

- Research a diverse mix of people with non traditional backgrounds, skills and networks
- Ensure recruitment processes are as professional as possible and based on fair, honest and transparent decision-making
- Executive search must proactively attract candidates beyond the obvious, by offering practical and flexible solutions that target harder to reach groups and raise awareness
- Recruitment advertising strategies must be inclusive and accessible, in order to attract the widest possible pool of suitable candidates
- Use technology to help reach more diverse groups
- It is absolutely essential to design selection processes that are barrier-free: offer adjustments where necessary
- Recognise that individuals have different learning styles and habits and that programme design and content must reflect this in order to promote inclusion and effective learning
- Use flexible scheduling to match work-life patterns
- 'Equalities-proof' all advertising, promotional and learning materials and make the process accessible to all participants

Conclusion

Our research suggests that sponsor departments and board Chairs can, together, take four key steps to success in achieving high-performing, trusted and independent boards:

- Creating a powerful, fit for purpose board starts with an analysis of what you want your board to do, and identification of the full range of responsibilities. Every Board needs to be designed to reflect the organisation's individual purpose. Be confident in challenging the status quo if it means you will achieve a more able and flexible team.
- Diversity is critical, so use recruitment techniques which will be effective in attracting and selecting the broadest range of candidates.
- Develop a strong working partnership with the sponsor department, through which you will be able to work together to secure a broad range of Ministerial appointments.
- Ensure that strong leadership of the board is in place. A diverse board, led by a Chair who is inspired and enthused by the range of talent around the table will achieve powerful results.

The right team of non-executive directors is a formidable asset to the organisation at large, and to its sponsor department.

We hope that the key messages that have emerged through our discussions will help Chairs and their sponsors to think about how they can work together to build empowered boards which, through diversity of background and skill, operate flexibly across the full range of board responsibilities.

If you have an observation to make to add to this review, then we would welcome your contribution. Please email: boarddiversity@gatenbysanderson.com

About the authors

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Mark has 17 years' experience of executive search and selection and has recruited for Government for the majority of this time, handling both executive and non-executive assignments.

He has been recruiting for public sector boards for the last 12 years and has been responsible for the recruitment of some of the highest profile public appointments in the UK during this time.

He is particularly experienced in finding Chairs and board members of Non Departmental Public Bodies, often at start-up stage. Searching under-represented groups is a core strand of his work and has resulted in a number of significant appointments.

Further reading

Whose Board is it anyway?

Improving governance through getting the most out of your Board (2007)

Right from the Start: lessons learned from the start-up of non-executive public bodies

by Mark Turner and Juliet Taylor (2006)

Maximising Board effectiveness: a toolkit for Departments and Agencies

by Alice Darley, CMPS Cabinet Office (2003)

Juliet Taylor, Senior Consultant

A Master's graduate and postgraduate research scholar, Juliet joined the world of senior recruitment from Government. She is a former private secretary and also worked at the National Audit Office, where she was part of the team delivering a key review of capacity within key public services.

Juliet leads delivery across a range of senior appointments, and specialises in board work. She is committed to the provision of high-quality search. She also leads our strategic research function and co-authored the 2007 report **Whose Board is it anyway?** Improving governance through getting the most out of your board.

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