



# NHS Leadership Academy - Executive Search

## Board Recruitment Survey

## Market Research Report

June 2014

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## EXECUTIVE SEARCH

Board level search & selection  
from within the NHS

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## **Introduction**

Pickersgill Consultancy and Planning Ltd (PCP) was commissioned by NHS Executive Search (NHS ES) to undertake research amongst Chairs, Chief Executives and HR Directors of NHS provider Trusts to establish their views on the recruitment carried out in the recent past for Executive Board positions and on the talent pool available within the NHS to fill such positions in future.

This report provides a summary of the results from the research conducted.

## **Background and Objectives**

It is generally thought that the vast majority of NHS vacancies at Board level are filled internally rather than by candidates from external organisations. However, a large amount of money is spent each year by NHS organisations on the use of Commercial Executive search firms.

There is also a general belief among senior NHS leaders that a shortage of talent at Board level exists. However, before the start of this research, little evidence existed to either support or challenge this view.

Research was therefore commissioned to examine the current situation with regards to NHS Board level recruitment, and to provide evidence to assess the accuracy of the theory that talent at Board level is currently lacking.

The specific objectives of the research were:

- To provide an overview of the current situation in terms of Board level recruitment, including the number of vacancies filled (or left vacant) over the past 3 years, and in particular the last 12 months;
- To identify the methods of recruitment that are being used;
- To obtain insight into the quality of recruitment taking place at Executive Board level;
- To explore the quality of talent available internally within the NHS and to identify any gaps in talent;
- To gather information to supplement existing talent management and recruitment data;
- To provide a benchmark for future research and analysis, to allow changes over time to be tracked.

## Methodology

Two separate stages of work were undertaken.

### 1.1. Online Survey

An online survey was conducted, to which the Chair, Chief Executive and HR Director of all 245 NHS provider Trusts were invited to take part. NHS ES provided PCP with the names of the current holders of all these positions within each Trust, ensuring that a personalised email could be addressed to each targeted respondent.

The research was publicised in various ways before the start of the research and during the fieldwork period:

- By word of mouth through regional Leadership Academies;
- On the Leadership Academy's website;
- Via Twitter;
- Via NHS Employers.

In addition, the survey period was extended by a few days to allow the research to be mentioned in the FTN's newsletter before the closing date.

The questionnaire took 10-15 minutes to complete and included questions on the following topics:

- When recruitment last took place for the Chief Executive, Chief Operating Officer / Director of Operations, Director of Finance / Chief Finance Officer, Chief Nurse / Director of Nursing and Medical Director positions;
- Success or otherwise of the most recent recruitment for each position (if within the last 3 years);
- Number and source of applications for each position;
- Calibre of applicants for each position;
- Diversity of applicant field for each position;
- Recruitment methods used;
- Confidence that the appointment made was the right one;
- Post appointment support put in place for each position filled;
- Quality and calibre of talent pool for NHS positions;
- Gaps in terms of skills or knowledge for Executive Board level positions.

An initial email was sent by NHS ES to all potential respondents on Thursday 20<sup>th</sup> February 2014. This introduced the concept of the survey and outlined its purpose and methodology. It also gave brief details of PCP's involvement in the research.

The first email inviting respondents to take part was issued on Friday 28<sup>th</sup> February 2014. The email stressed the importance of the survey, explained how the results would be used and offered a copy of the report of the findings to all taking part.

Those who had not replied by Friday 7<sup>th</sup> March were sent a reminder, explaining that the survey was still open and that their response would be very useful in ensuring as comprehensive a set of results as possible. They were given an opportunity to state that they did not wish to take part, in which case no further reminders would be sent. The second and final reminder was issued on Friday 14<sup>th</sup> March, stating that the deadline for receipt of response had been extended by a few days and that details of the research could be found in the FTN newsletter.

The final closing date for the survey was Monday 31<sup>st</sup> March at 5pm.

## **1.2. Depth Interviews**

To supplement the findings of the online survey, 40 depth interviews were conducted with selected respondents over the telephone. The online survey had asked all those responding whether they would be willing to take part in a follow-up interview taking 20-30 minutes to allow their views on the topics covered to be elaborated. A selection was made from all those agreeing to do so, ensuring that 16 Chairs, 16 Chief Executives and 8 HR Directors were interviewed representing a cross-section of views by type of Trust. .

All 40 of the interviews with Board Directors who had volunteered to take part, and with whom an appointment had been made, were completed at or soon after the agreed time. Respondents proved very willing to discuss their views in considerable detail and the majority of the interviews lasted, with the agreement of the respondent, for slightly longer than the 20-30 minutes specified. All interviews were completed, however, within a maximum of 45 minutes.

Discussion explored in greater detail the topics covered in the online questionnaire. Slightly different points were discussed with each respondent, building on the comments each had made in their completed questionnaire. However, the recruitment process, recruitment method, candidate field, post appointment support, staff turnover at Board level and below, and the quality of the talent pool for Executive Board positions were all covered in at least the majority of interviews. The depth interviews were carried out between 20<sup>th</sup> March and 2<sup>nd</sup> May 2014.

The willingness of senior staff within the NHS to both complete a questionnaire and give up so much of their time to such a detailed follow-up discussion is gratefully acknowledged.

## Executive Summary

- 78% of Trusts had recruited for one or more of the 5 defined Executive Board level positions in the last 12 months. 98% had recruited in the last 3 years.
- On average Trusts had recruited for 1.5 of the 5 positions in last 12 months. They were most likely to have recruited for the Chief Operating Officer and the Chief Nurse positions in the last 12 months (34% and 37% respectively had done so), least likely to have recruited for the Medical Director position (23%).
- A certain level of staff turnover was felt to be necessary for a successful, forward thinking Trust. Refreshing the talent in Board Level positions was seen as helping to bring new ideas into the organisation and prevent the Board from becoming stale and complacent. However, it was also felt to be very important that staff turnover does not become excessive, as high levels of turnover within a short period of time can lead to instability and loss of organisational memory.
- The general consensus was that a new appointment would be expected to stay for at least three years, and ideally four or five, in order to be able to make a positive impact on the organisation. At the other end of the scale, a period of 8 to 10 years was seen by many to be the maximum tenure that would be suitable, as after this the member of staff may have lost enthusiasm and be keen to move on to new challenges.
- A successful outcome was reported on the vast majority of occasions recruitment had taken place. In almost all cases when an appointment had not been made, it was because the process was still ongoing at the time the survey was run.
- On the great majority of occasions the latest recruitment was the first attempt made to find a suitable candidate. One or more previous unsuccessful attempts had been made on only 14% of occasions across all defined executive Board positions.
- 23% of respondents had failed to appoint a CEO Chief Executive first time around. Similarly 20% had the Chief Nurse. A small number also reported that they had required 3 or more attempts to fill their board posts.
- The Medical Director position had usually been filled by a candidate from within that Trust. All the other positions were, however, much more likely to be filled by a candidate from a different Trust within the NHS. Appointments from outside the NHS were rare, accounting for less than 10% of appointments for any of the positions.
- Between 1 and 10 applications were received for the great majority of positions last time it fell vacant. The ideal number of applications was seen by most as around 8 to 10.

- Applications from within the NHS (whether or not from the same Trust) dominated the applications for all positions, particularly for the two clinical roles of Chief Nurse and Medical Director.
- Views on the ideal candidate field varied considerably. A majority view, however, was that the field should ideally incorporate some candidates from within the Trust, some from outside the Trust but within the NHS and, for some roles, some from outside the NHS.
- The general consensus was that it was very unlikely that a suitable candidate from outside the NHS could be found for either the Chief Nurse/Director of Nursing or the Medical Director positions, as these require significant clinical experience. However, for roles requiring more transferable skills, such as Finance Director, it was felt that Trusts could well consider applicants from outside the NHS. Views about the Chief Operating Officer were somewhat mixed; some felt the skills were transferable while others thought experience of NHS procedures was vital.
- Most vacancies resulted in between 3 and 5 candidates being invited to the panel interview. The Medical Director vacancies were, however, more likely than others to have resulted in only a smaller number of candidates being short-listed. A short list of 4 to 5 candidates for a particular position was seen as ideal by most.
- Whilst, in the main between 3-5 candidates were invited to final panel interview, fewer were seen as technically appointable. More than 60% of vacancies for all but CEO produced no more than two appointable candidates. Almost 40% of appointments to MD resulted in only 1 appointable candidate.
- For most positions, the calibre of applicants was seen as in line with expectation or views were evenly divided between those thinking it was above and below expectation. However, there was some disappointment with the perceived calibre of applicants for many of the Medical Director vacancies. Although 50% felt the calibre was as they had expected, 27% felt it was lower than they had expected compared with only 19% who felt it was better than they had expected.
- A majority felt that the field was representative of the local population to at least some extent for all positions in respect of gender. Opinion was more evenly divided in respect of ethnicity. Only a minority felt the applicant field for any of the positions was representative in respect of disability.
- The importance of attracting a representative set of candidates was fully recognised. However, the general consensus was that it was crucial to appoint the right person for the role, regardless of background. Most believed that they already do everything that is feasible to attract a diverse candidate field.
- Commercial Executive search firms had been used for the great majority of vacancies for the Chief Executive position, for about half of the vacancies for the roles of Chief Operating Officer, Director of

Finance and Chief Nurse, but for only a minority of vacancies for the Medical Director position. Networking using existing contacts was also seen as a useful way of attracting suitable candidates.

- One of the key motivations for using commercial Executive search firms was their industry knowledge, the scope of their networks and their ability to find people who may not necessarily be actively looking to change position. These firms were also seen as offering advantages in terms of removing the need for the Trust to commit large amounts of staff resource to the recruitment process, helping to compensate for the high cost of using them. Their role in screening candidates to identify a suitable shortlist was also seen as useful.
- Among those who had not used, or would not use, Commercial Executive search firms, the key factors influencing their decision were doubts about the high cost and about the quality of the firms' networks compared to the Trusts' own list of contacts. Several respondents felt that they could do the same job themselves without needing to pay high charges.
- There was a high level of confidence that the appointment made was the right one. Confidence was particularly high for the Chief Executive position.
- Personal coaching and a mentor were the types of support most commonly put in place after the appointment had been made. A mentor was slightly more likely to be used than personal coaching for the Medical Director position; for all the other positions, personal coaching was at least marginally more likely to have been used.
- It was generally agreed that most new Board members need a period of at least a few months in order to become fully functional and start making a major contribution to the organisation.
- Clear reservations were expressed about the quality of the available talent pool. Fewer than 10% felt the quality and calibre was "very good" for any of the positions. Between one fifth and one quarter rated it as "quite poor" or "very poor" for each position.
- The lack of willingness of many well qualified candidates to "take the risk" of moving from the "safety" and "comfort" of their current role to a Board position was a strong theme in the depth interviews conducted. The reluctance of candidates at a less senior level to take on these roles was seen as a major barrier to the development of a strong, high quality talent pool for future Board level positions. However, many respondents felt that it was understandable that potential candidates were unwilling to move up to a senior level, given the unattractiveness of the roles as they stand. The current 'blame culture', perpetuated to some extent by the press, was seen as a major issue, as a mistake or problem could mean the end of an individual's career, even if the individual was not actually at fault.



- Particular concerns were expressed about the quality and calibre of the talent pool compared with three years ago. Fewer than 15% felt that the quality and calibre had improved for any of the five positions compared with three years ago.
- Between 26% and 38% of respondents claimed that there were gaps in skills or knowledge in the available talent pool for each of the five Board level positions. Experience, commercial / business knowledge, leadership skills and strategic or planning knowledge were the most likely gaps to be mentioned.
- Despite the above concerns about the talent pool for future Board positions, the majority of respondents were reasonably satisfied with the quality of their own Board. Only 1% felt the talent on their Board was quite or very poor. Nevertheless, it is perhaps a little disappointing that only 36% rated their talent as “very good”, with 39% rating it as “quite good” and 23% as “average”.
- It was felt to be the responsibility of both the Trusts themselves and the Leadership Academy to put measures in place to improve the quality of the talent pool. The Leadership Academy was seen to have a very important role both to take the initiative in addressing this issue and to put pressure on Trusts to ensure that they do the same. Some method of identifying high-flying members of staff, fast-tracking their progress and carrying out regular reviews with them of their future ambitions was suggested. Courses were seen as an important means of broadening the skills of these high flyers, but it was vital that they were also encouraged to broaden their experience, for example by shadowing senior members of staff.