



Essays on trust

Trust in Charities: Be trusted ... or be damned!

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My research for the previous **acevo/nfpSynergy** research "The end of the affair? The British Public and their trust in charities" started from the premise that public trust in institutions has continued to decline over the past decade but that throughout this decline, the public has continued to trust charities. It argued that this trust exists for a range of complex reasons and that charities continue to play a vital role within civil society. This is all the more so given that traditional boundary lines between the state and the public have become blurred and a range of charities are now delivering public services and increasingly expanding their service delivery role.

The public does not fully understand what services charities now deliver; or how they are governed, funded and managed. Many argue that the public has unrealistic expectations of charities and their Leaders. As charities continue to deliver more public services, the level of scrutiny to which everything they do and say they do must inevitably increase. With increased scrutiny from regulatory bodies, commissioners of services, donors, clients and the public... comes an increased risk of adverse publicity, particularly when things go wrong. We have seen what impact scandals have on the 'charity brand' and its negative effects on trust, confidence, fundraising, and staff and trustee recruitment and retention, not to mention how it discourages volunteers and trustees who give their time freely.

Many commentators continue to argue that trust is brittle, i.e. it is too easily lost and great attention needs to be taken to secure the trust that does exist. Charities are undoubtedly operating now within a less forgiving environment, where levels of scrutiny and transparency are inexorably on the increase. So now is the time for charities to ensure that all of their policies, procedures and actions are squeaky clean! Or so you would have thought!

In light of the current focus on trust and transparency, there can be no excuse for the alarming statistics coming out of this year's Charity Commission's research on recruitment and selection. It states that 'use of word of mouth and personal recommendation as a method of attracting new trustees has significantly increased (81% compared to 68% in 2001). So in other words 4 out of 5 charities are still tapping their mates on the shoulder and asking them to 'join their clubs'.

Recruitment solely by word of mouth or personal recommendation can result in a board that is not diverse and can give a perception of exclusivity which alienates the charity's users and wider stakeholders. The research showed that 66% of large and 72% of very large charities find it difficult to attract new trustees with 'the right skills'. Of course, this is hardly surprising when so many charities are choosing to compound the same old mistakes when recruiting.

The research went on to say that charities may find that wider and more inclusive methods of recruitment will make it easier to attract the right people and that being able to demonstrate openness and transparency can also, in the longer term, help to increase the public's confidence in the sector. A reasonable and accurate position to take – but, sadly it seems the message is just not getting through.

So it is unsurprising that 30% of charities surveyed said they find it difficult to attract young people to serve as trustees. Are charities taking this issue seriously? I suggest not.

And when we look at the overall analysis held by the Charity Commission of all trustees including chairs, it shows that only 0.5% are under the age of 24. Conversely, 76% are aged 45 and over. Your mates tend to be of a similar age, similar social economic status and similar race. So this kind of poor recruitment practice works directly against diversity.

This amateurish approach not only perpetuates boards which are not diverse, it also sets the tone for the way in which governance arrangements are conducted. It is unlikely that a chair or a trustee who has come through a word of mouth process has spent much time examining and understanding the scope and responsibilities of his or her role, never mind having a proper induction.

Enlightened charities (the ones who will continue to thrive) take time to look at where their organisation has come from, where it is at, where it is headed and what the barriers are to getting there. They look at the skills, knowledge, experience and networks that are needed at a strategic board level, and then set out to specify both generic roles, shared common values and responsibilities of trustees, but also the differing but complimentary



specific skills, knowledge and networks that ideally each individual should bring – such that the whole board ends up being far greater in its impact than the sum of its parts. Enlightened charities understand fully that 'diverse' boards (and I use diversity in its widest context – age, gender, race, ability, orientation, faith, nationality and sector) tend to make more informed decisions. Enlightened charities also don't look for lots of 'mates' who'll meet up and have a pleasant conversation and convivial meal after – they look for a range of personalities who through their constructive but challenging interactions will seriously 'add value' at a strategic level and in matters of governance.

They advertise widely and use internet job sites to reach the widest possible audiences. They may even headhunt as well. They have a rigorous and robust selection process where prospective candidates are examined, courteously but professional, and key stakeholders, including beneficiaries, have an input. Successful candidates have a planned induction period where their needs are addressed through a number of different techniques and interventions. And even at board level, appraisal systems are implemented and modelled to the rest of the organisation – processes that add value within a culture of openness and transparency and ensure that feedback is used positively and focus on personal development. This is not rocket science - just common sense, or maybe 'radical common sense'!

Be under no illusion - diverse boards and indeed management teams make for better decision making. I will place more trust and confidence in a charity that takes a professional approach to the recruitment, selection, induction and development of trustees than those that don't. And it simply can't be right that we tolerate listening to leaders of charities who talk endlessly about their personal and organisational commitment to diversity when their words are just that: hollow words backed up with no action.

To earn trust, one has to encourage, develop, reward and above all 'model' the behaviours that you seek. You also have to be consistent, honest, and act with integrity. Finally, you have to act, be seen to act and explain that you are acting in the interest of the organisation and not your own. Even in tough times – staff, volunteers and donors will follow you so long as they trust and believe in you. They don't have to like you (though it undoubtedly helps) – but they do have to respect, and above all 'trust' you.

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Other past positions include Director of Human Resources for Phoenix House, one of the UK's largest providers of residential drug and alcohol rehabilitation services, Strategic Advisor in charge of employment policy for Lewisham Council and HR Manager at London Borough of Hackney. David is a graduate of the Cabinet Office's Top Management Programme, a Fellow of the Chartered Institute of Personnel and Development and has an MSc in Human Resource Development and an MA in Political Communications, Advocacy and Campaigning.

David is also a 5th degree black belt, four-time World Champion and ex-Guinness World Record holder. In 2003, he became the Individual Aikido World Champion (the first non-Japanese player to do so) and was appointed MBE in the 2004 Queen's Birthday Honours.

The End of the Affair? Public Trust in the Management of Charities

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