

Survey on Board-level Recruitment and Retention Strategies among NGOs in Hong Kong

SURVEY RESULTS

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Project Objectives

- To plot the landscape of board-level talent demand of NGOs in Hong Kong
- To explore the board-level recruitment and retention practices of NGOs in Hong Kong
- To stimulate discussions and raise awareness regarding the board-level recruitment and retention issues among Hong Kong NGO board members, Hong Kong NGOs, scholars and the public

Landscape study on Board-level Talent Demand

- Desktop research were conducted on board-level talent demand among the 433 agency members of the HKCSS as of 12/01/2016 on:
 - Board size
 - Types of subcommittees
 - Size of subcommittees
- Method
 - Based on data published by the agencies on their official websites
- No of agencies with data on board size and structure published: **299**

Talent Demand of the Governance Boards

- Total no. of board members in 299 agencies: 4209

Average board size

NGO size (by annual recurrent expenditure, ARE)	Average board size
HK\$ 10,000,000 or below	10.80
HK\$ 10,000,000 – HK\$ 100,000,000	16.46
HK\$ 100,000,001 or above	21.40
	14.08

Talent Demand of the Sub-committees

- No of agencies with sub-committee: **122**

NGO Size (by annual recurrent expenditure, ARE)	No. of NGOs with Sub-committee	Total No. of Members
HK\$ 10,000,000 or below	40	1146
HK\$ 10,000,000 – HK\$ 100,000,000	42	2493
HK\$ 100,000,001 or above	40	3102
	<u>122</u>	<u>6741</u>

Common Types of Sub-committee

- Service committee
- Committees of different corporate functions, such as:
 - Human resources committees
 - Fund related committees
 - Audit committees
 - Finance committees
 - Investment committees
 - Research committees
 - IT related committees

Talent Demand by Types of Sub-committees

Types of Sub-committees	No of NGOs with the Sub-committee	Total No. of Members
Finance	58	402
Fund related	51	423
HR	49	328
Audit	24	141
IT	14	106
Investment	9	60
Research	8	58



SURVEY METHODOLOGY

Questionnaire Design

- Informed by
 - Focus groups and interviews
 - McKinsey & Company Nonprofit Board Self Assessment Tool
- Focus groups and interviews Jul – Dec 2015
- 3 sessions held with the following participations from 12 NGOs

Focus Group on Recruitment and Retention Challenges

Recruitment

- Challenges
 - Heavily subvented NGOs are CEO-led → minimizing the role of board members
 - Hard to find and engage young and fresh blood
 - Entrenched power → hinder board membership renewal
 - Specific selection criteria → difficult to fulfil
 - Mission & Vision
 - Principles
 - Competencies
- Strategies
 - Nominating committee
 - Through cooptation
 - Through mother organizations
 - Through sub-committees
 - Through election from members
 - CEO's involvement in nomination

Retention

- Challenges
 - Cannot see one's input
 - Workload
 - Different logic and approach
 - Less clearly defined roles between board and management, particularly amongst small NGOs
 - Founding members have little trust on new members
- Strategies
 - Important for small NGOs
 - Orientation
 - CEO as facilitator
 - Social gatherings

Sampling

- The survey invites participation from the **444 Agency Members** of HKCSS (as of 27 June 2016)
- To be filled by chairpersons of the organizations (or their delegates)
- A total of **68** responses collected



PROFILE OF ORGANIZATION

Organization Category

	No. of Orgs
Service Delivery (incl. areas of social welfare, environment, arts & recreation etc.)	52
Advocacy / Public Education	4
Association / Mutual Help	5
Philanthropic / Foundation	2
Social Enterprise / Social Purpose Business	1
Others	4
Total	68

Notes:

“Others” includes

- Statutory Body
- Humanitarian Service
- Self help organization
- Research, free surgeries, and education for hearing on of hearing

Primary Mission

	No. of Orgs
Social Services	49
Education & Research	8
Religion	4
Environment	3
Health	3
International	1
Law, Advocacy & Politics	1
Development & Housing	1
Others	5

Notes:

1. The respondent can choose more than one choice.
2. "Others" includes
 - Elderly Care
 - Mental health
 - Clinical pastoral care
 - Mutual, advocacy and public education
 - Fight for the rights of disabled women and advocate for women' work

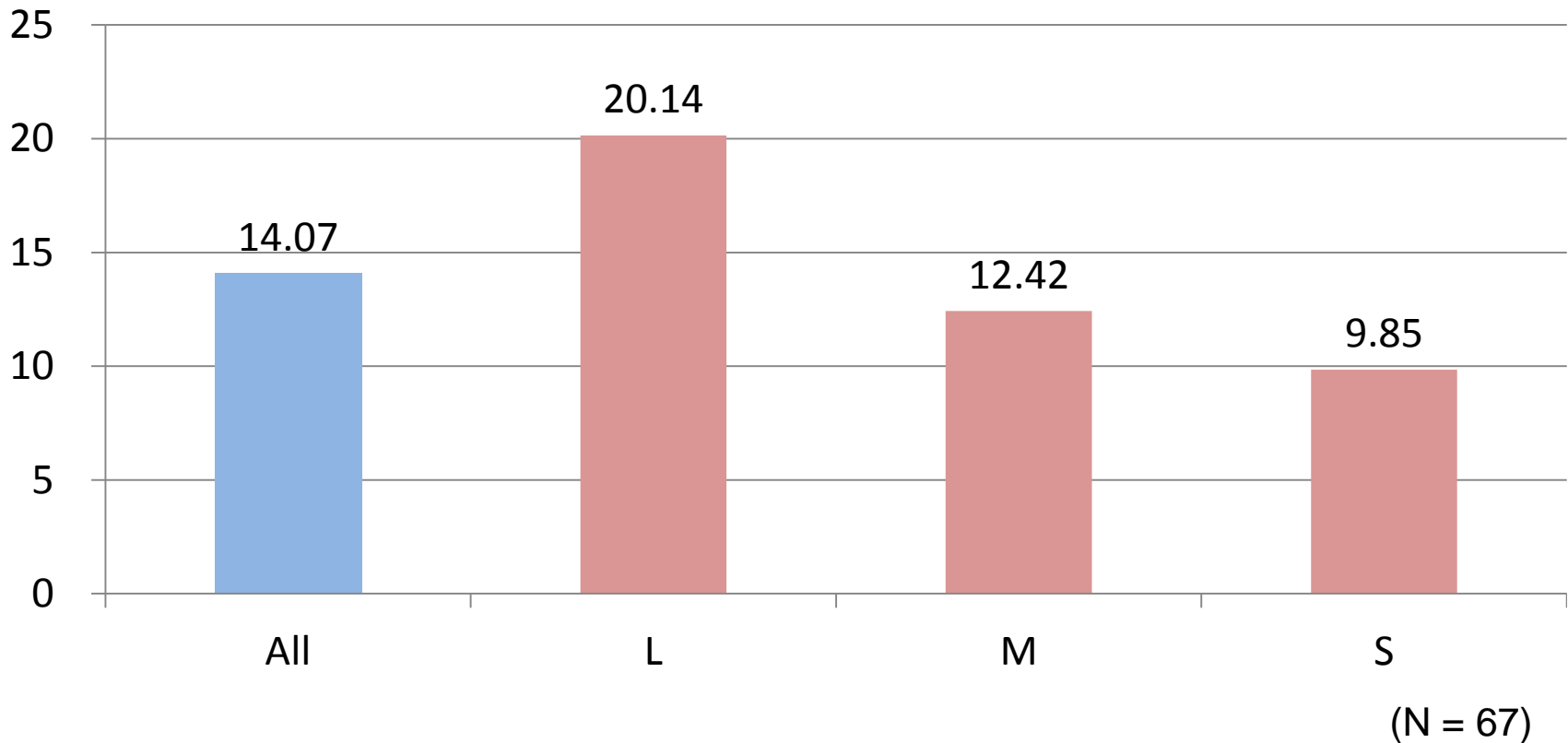
Annual Operating Budget



Size Category	Annual Operating Budget	No. of Orgs
Large-sized (L)	More than HK\$ 100,000,000	21
Medium-sized (M)	HK\$10,000,001 - HK\$100,000,000	27
Small-sized (S)	Less than or equal to HK\$10,000,000	20
Total		68

Board Size

Average number of people currently serving the board

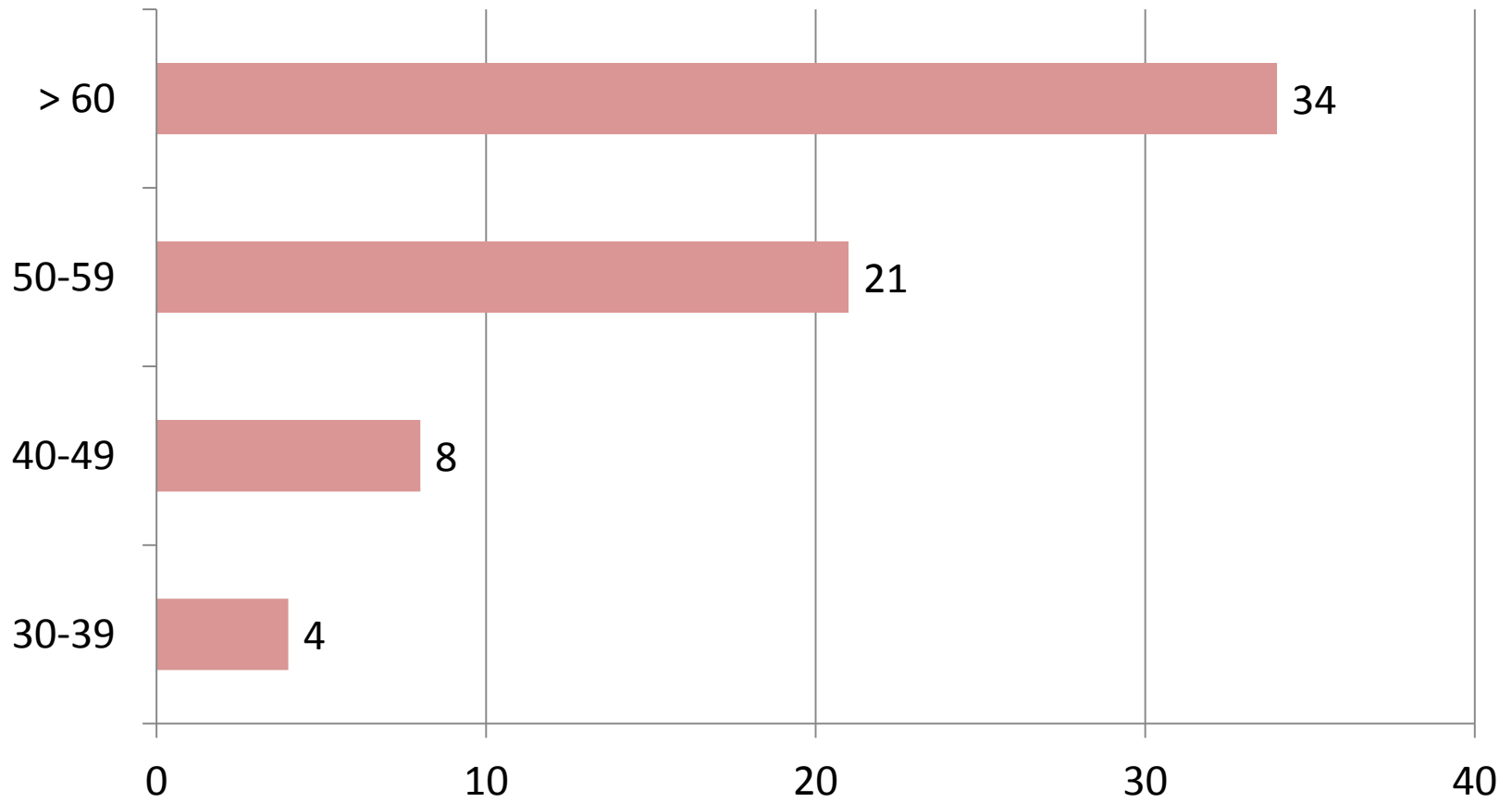


This result matches with the landscape study on board-level talent demand.



PROFILE OF CHAIRPERSON

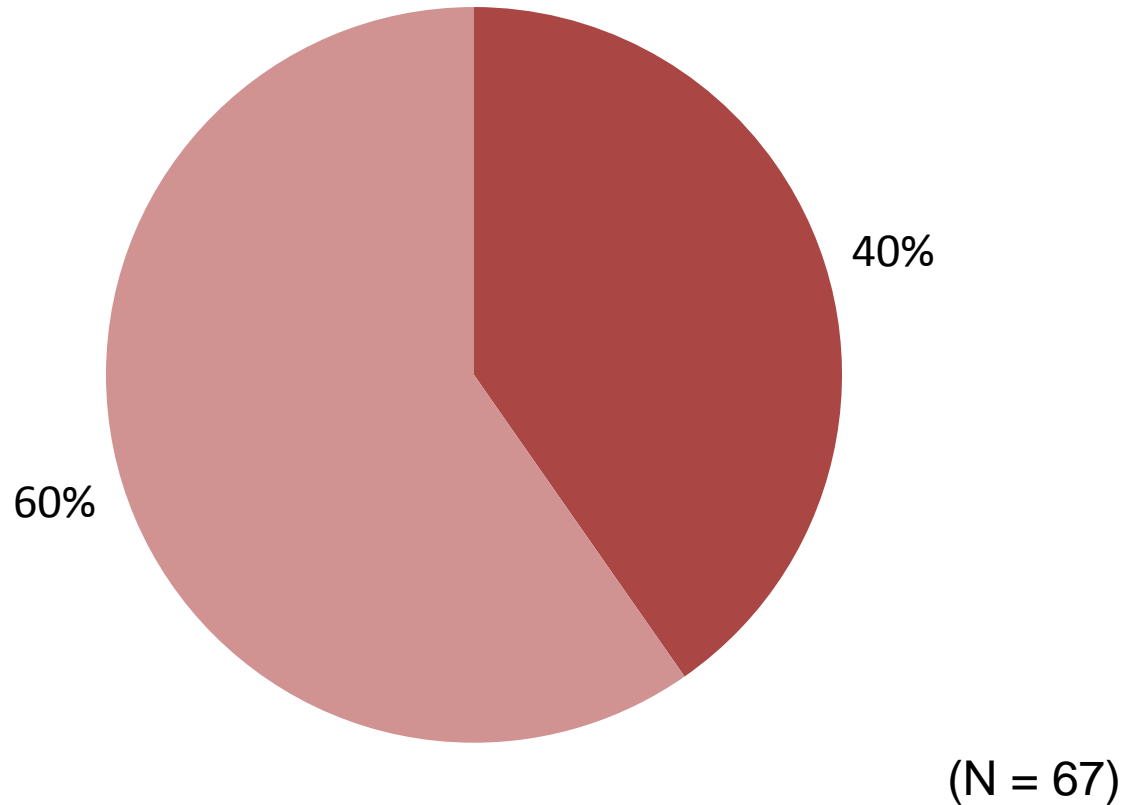
Age



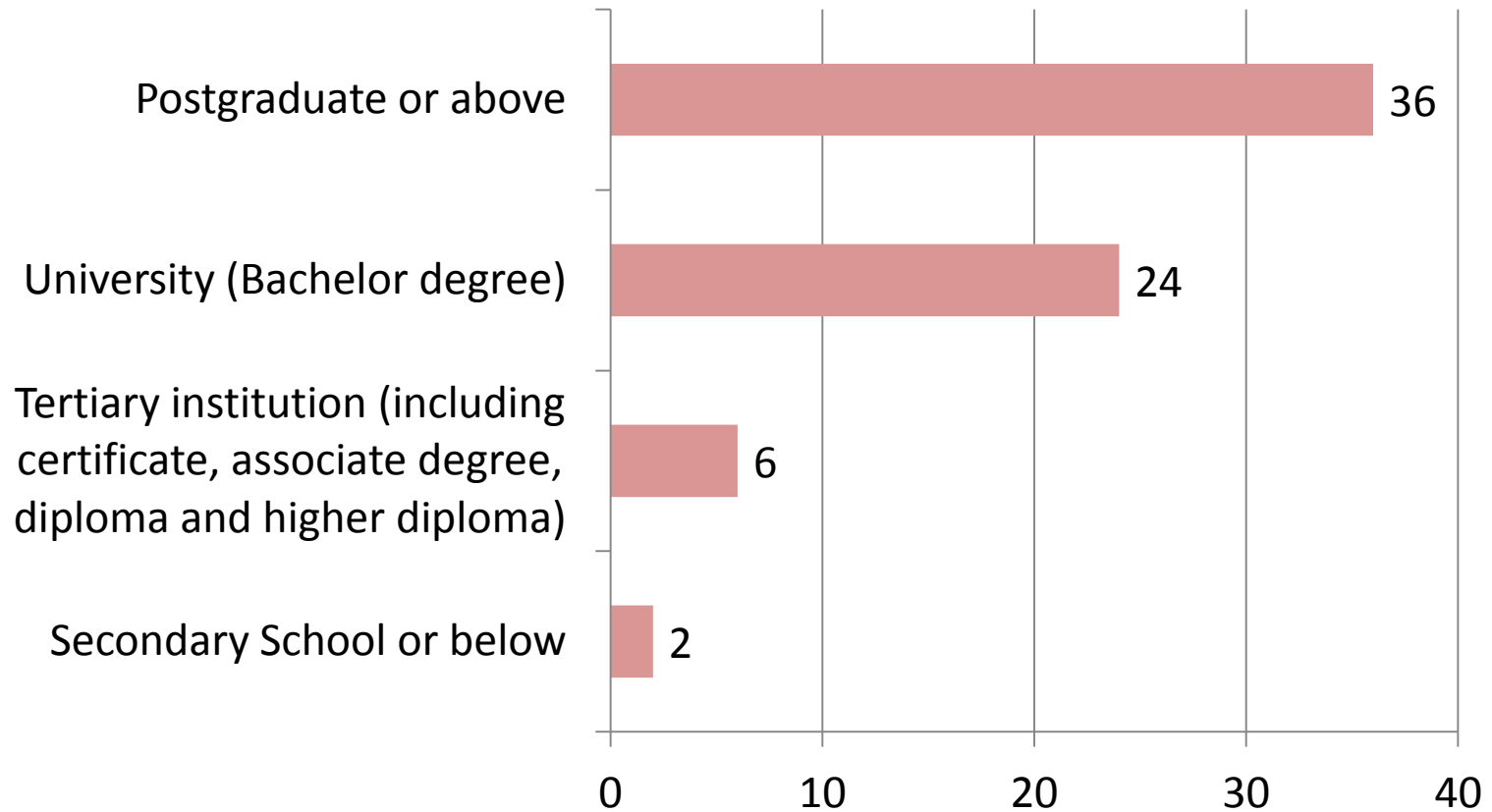
(N = 67)

Gender

■ Female ■ Male



Education Level

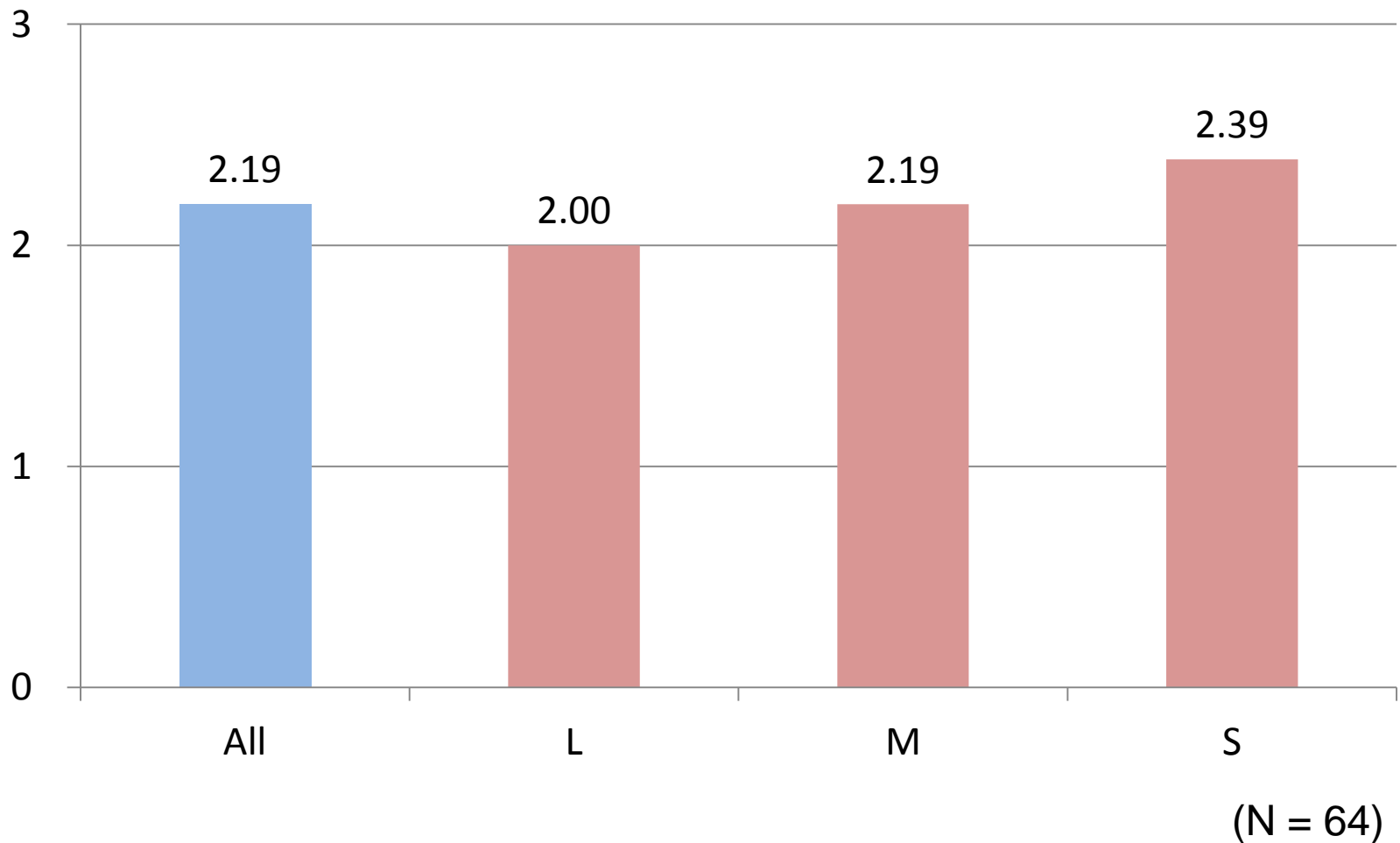


(N = 68)

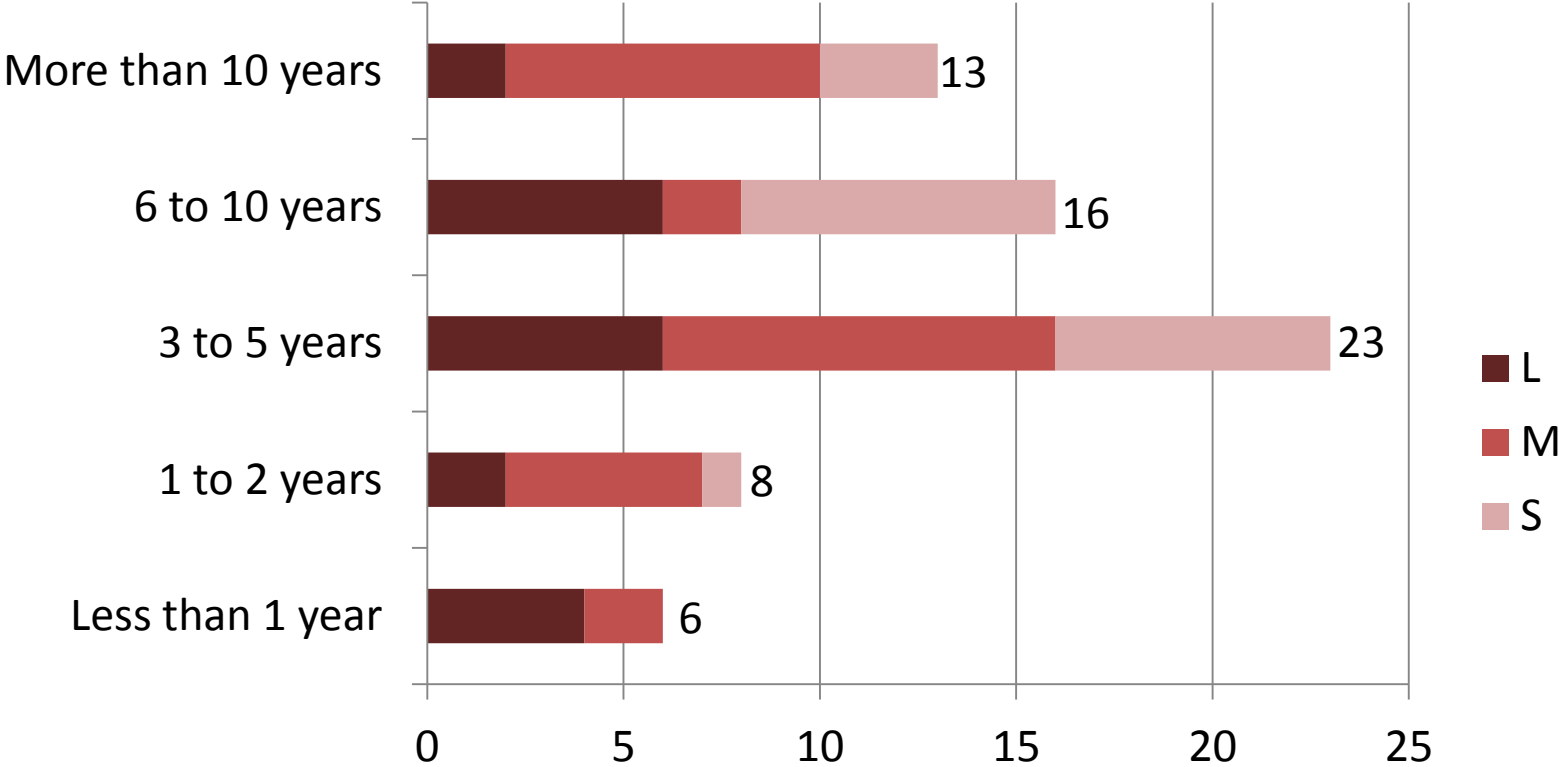
Employment

Employment	No. of Responses
Retired	15
Business	11
Medical	10
Social Service	9
Religious	4
Accounting	4
Education	3
Finance and banking	2
Legal	2
Homemaker	2
Human Resources Management	1
Unemployed	1
Public Relations/ Marketing	1
Architect	1
Public Administration	1
Information Technology	1
Total	68

Average Number of NGOs Currently Serving



Number of Years Serving the Organization as Chairperson



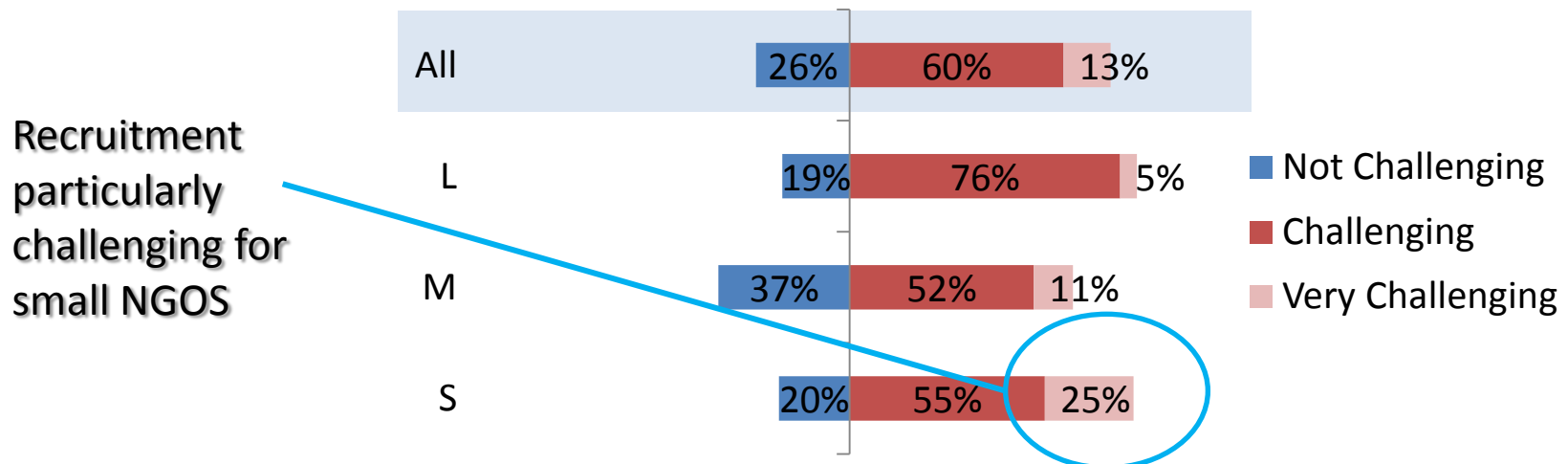
(N = 66)



BOARD-LEVEL RECRUITMENT AND RETENTION CHALLENGES

Degree to which the Recruitment of Board Members is a Challenge

	Total	Not Challenging	Challenging	Very Challenging	Average rating
ALL	68	18	41	9	3.75
		26%	60%	13%	
L	21	4	16	1	3.67
		19%	76%	5%	
M	27	10	14	3	3.37
		37%	52%	11%	
S	20	4	11	5	4.35
		20%	55%	25%	



Major Channels of Recruitment

	L	M	S	Total
Through personal network	19 90%	21 78%	16 80%	32%
Being nominated from subcommittees	15 71%	16 59%	7 35%	56%
Through collaborators	14 67%	14 52%	12 60%	59%
Being nominated by CEO	9 43%	6 22%	11 55%	38%
Being elected from membership	6 29%	9 33%	7 35%	32%
Through community partners	5 24%	5 19%	6 30%	24%
Representing mother organization	4 19%	2 7%	1 5%	10%
Being nominated from volunteers	3 14%	8 30%	8 40%	28%
Representing community or service users	2 10%	3 11%	2 10%	10%
Representing donors	1 5%	2 7%	3 15%	9%
Others	3 14%	0 0%	0 0%	4%

Notes:

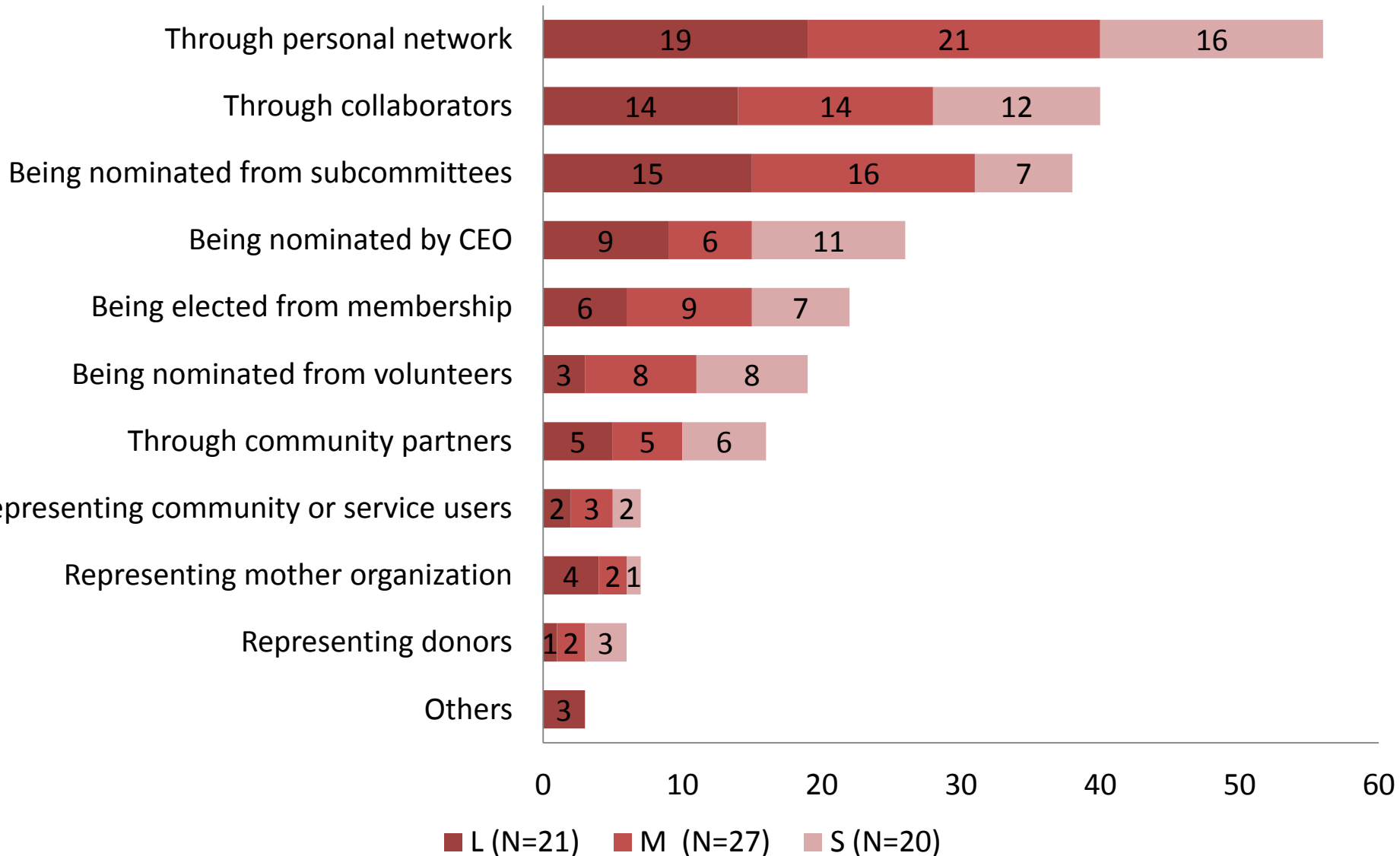
“Others” includes

- Elected member
- From similar service organizations
- Through past board members

Personal network is the most common channel among NGOs of all sizes, but this may not be an effective channel for small NGOs as they have lower brand awareness

(N = 68)

Major Channels of Recruitment (cont'd)



Desirable Personal Attributes of New Board Members

	L		M		S		Total
Commitment to the vision and mission of the organization	20	95%	25	93%	18	90%	93%
Professional knowledge	18	86%	18	67%	13	65%	72%
Knowledge of the organization and its services	11	52%	17	63%	11	55%	57%
Experience in or knowledge of the social service sector	8	38%	8	30%	4	20%	29%
Networks with stakeholder groups	2	10%	7	26%	5	25%	21%
Experience as board members of other NGOs	1	5%	1	4%	3	15%	7%
Social status	0	0%	2	7%	2	10%	6%
Others	2	10%	1	4%	1	5%	6%

(N = 68)

This echoes with the result of landscape study regarding the demand of different professionals

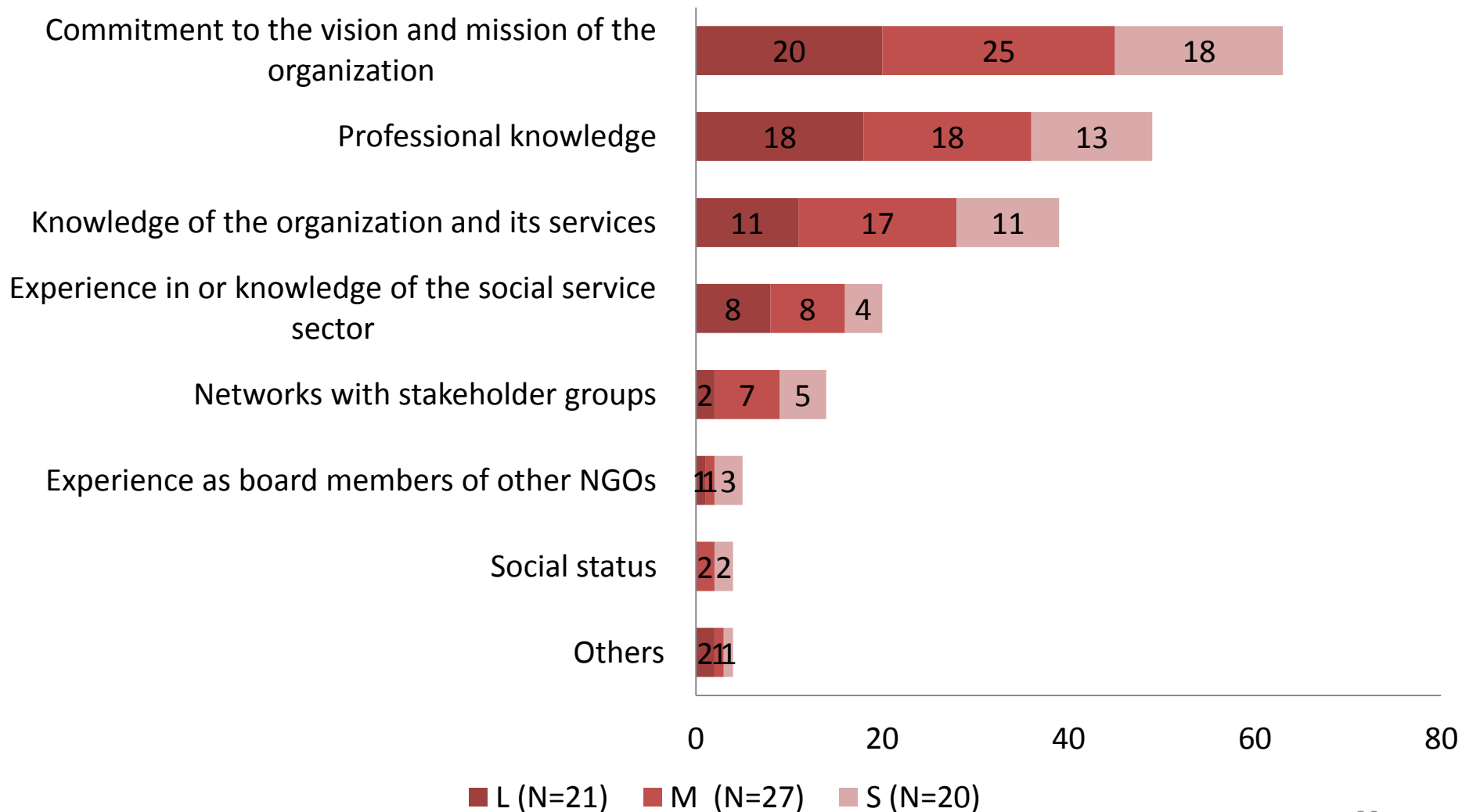
Notes:

“Others” includes

- Diversity of skills organization needs;
- Religious belief;
- Elected through membership;
- Recruitment is based on the organisation’s policy

Recruiting board members with prior experience may help build networks and need lesser facilitation to perform their role

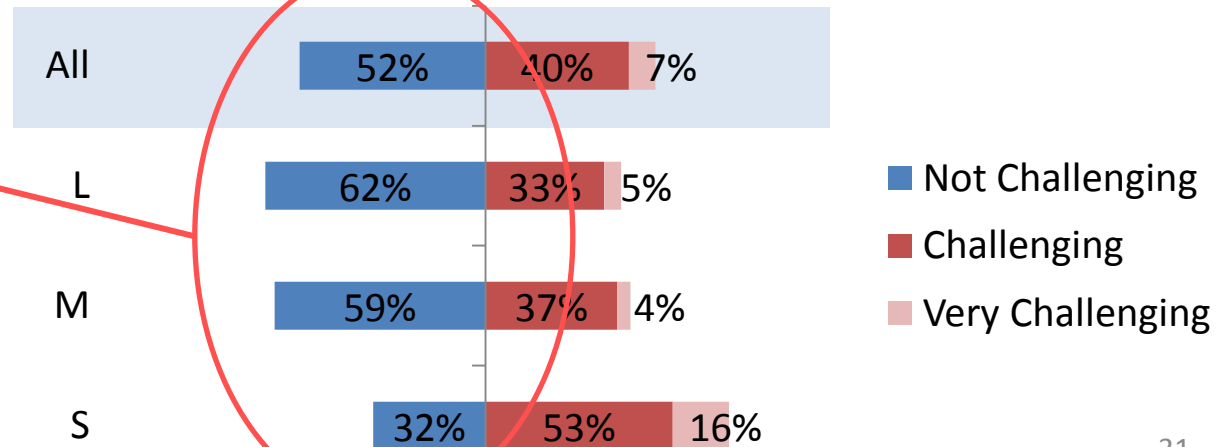
Desirable Personal Attributes of New Board Members (cont'd)



Degree to which the Retention of Board Members is a Challenge

	Total	Not Challenging	Challenging	Very Challenging	Average rating
ALL	67	35	27	5	2.81
		52%	40%	7%	
L	21	13	7	1	2.57
		62%	33%	5%	
M	27	16	10	1	2.52
		59%	37%	4%	
S	19	6	10	3	3.47
		32%	53%	16%	

Retention is less a challenge than recruitment for NGOs in general. A possible reason may be disengaged board members may tend to stay inactive rather than leaving the NGOs.



Strategies for Engaging Board Members

	L		M		S		Total
Develop a clear sense of direction in the board towards achieving the vision and mission of the organization	20	95%	17	63%	15	75%	76%
Facilitate board members to understand and perform their role and responsibility	15	71%	16	59%	14	70%	66%
Establish transparent and fair decision making processes	17	81%	15	56%	8	40%	59%
Promote team culture in the board	15	71%	11	41%	9	45%	51%
Demonstrate good chairperson leadership	13	62%	11	41%	8	40%	47%
Give board member public recognition	6	29%	6	22%	6	30%	26%
Review the training needs of board members regularly and provide relevant trainings	3	14%	2	7%	1	5%	9%
Others	0	0%	1	4%	0	0%	1%

Notes:

“Others” includes

- Engage in the subcommittees for services enhancement and development

A clear sense of direction is an important strategy to engage board members (N = 68) regardless of sizes.

Strategies for Engaging Board Members (Cont'd)



Major Types of Channel or Activities for Engaging Board Members

	L		M		S		Total
Organization activities	20	95%	26	96%	16	80%	93%
Casual gatherings for board members	13	62%	15	56%	9	45%	55%
Informal meeting	9	43%	13	48%	14	70%	54%
Staff activities	4	19%	13	48%	11	55%	42%
Orientation activities for board members	11	52%	5	19%	3	15%	28%
Others	4	19%	0	0%	3	15%	10%

Notes:

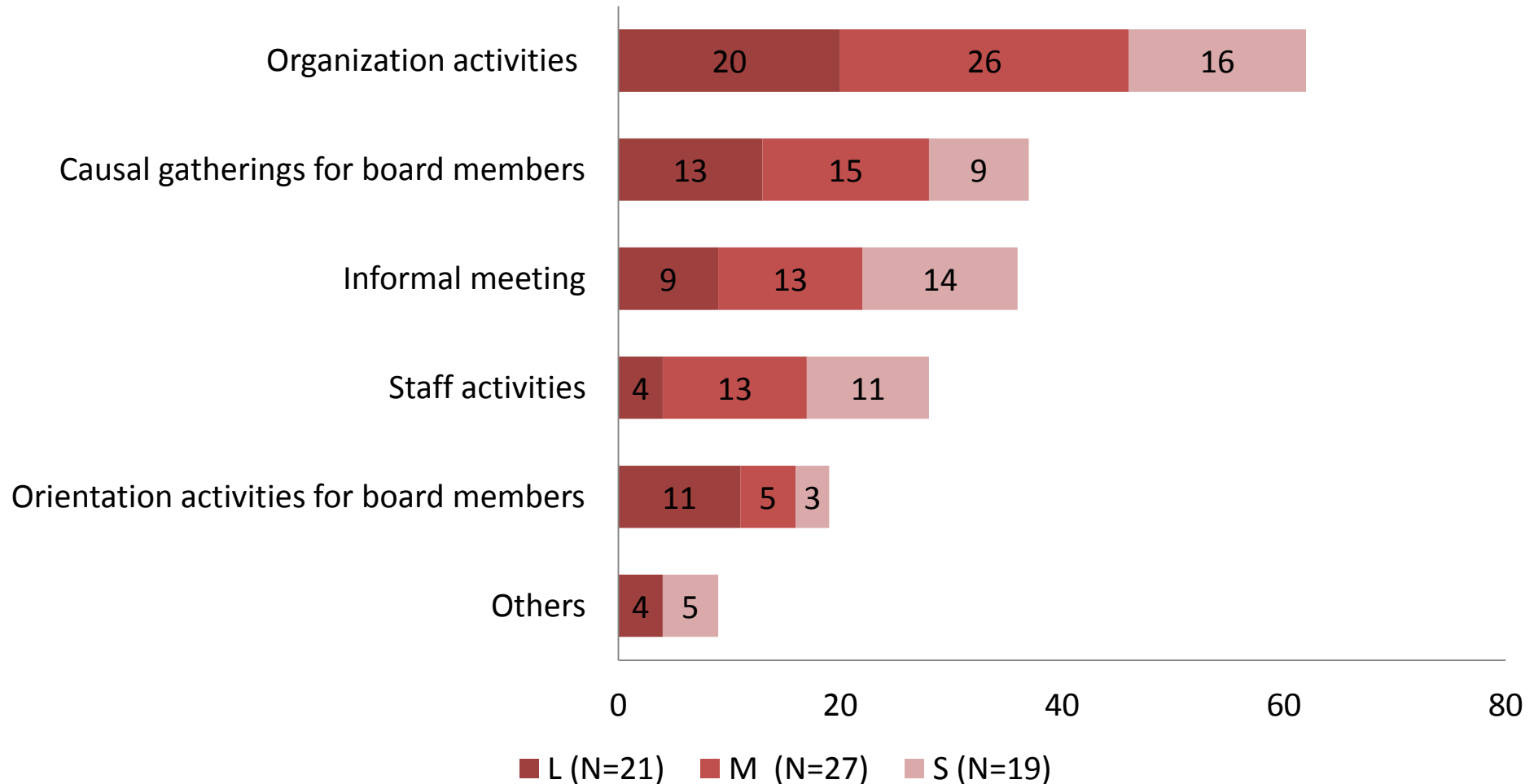
“Others” includes

- Emails, info & news letters
- Experience service at first hand (e.g. food quality)
- Meeting senior staff and encouraging innovations
- Regular Communication
- Visit service units
- Whatsapp / emails
- Telephone, email and messages

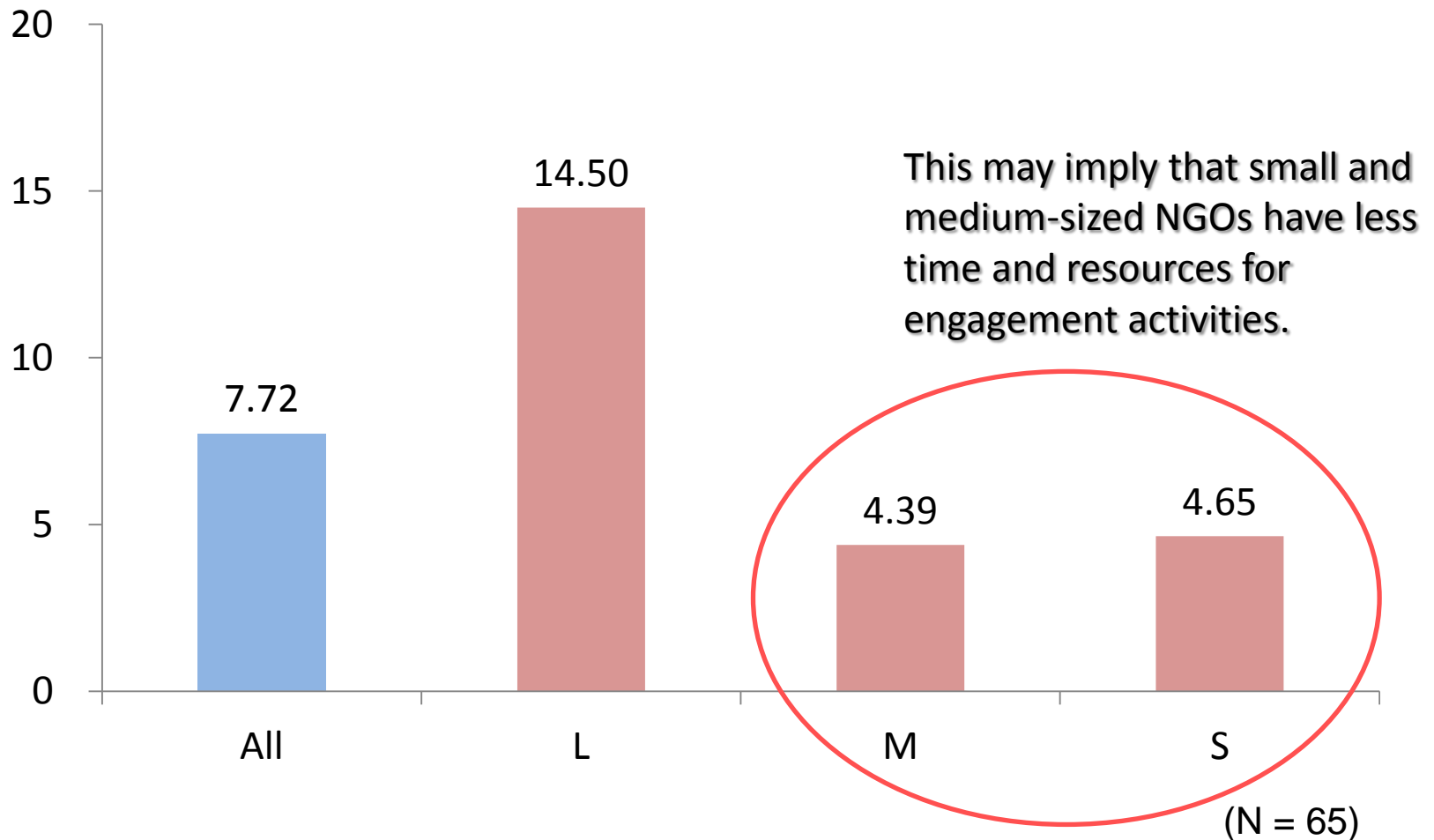
(N = 67)

Small NGOs tend to use more informal channels for engagement. They may have less time and resources to engage board members through other channels.

Major Types of Channel or Activities for Engaging Board Members (Cont'd)



Average Number of Activities to Engage Board Members in the Past One Year





BOARD-LEVEL RECRUITMENT AND RETENTION PRACTICES

Board Recruitment and Retention Practices

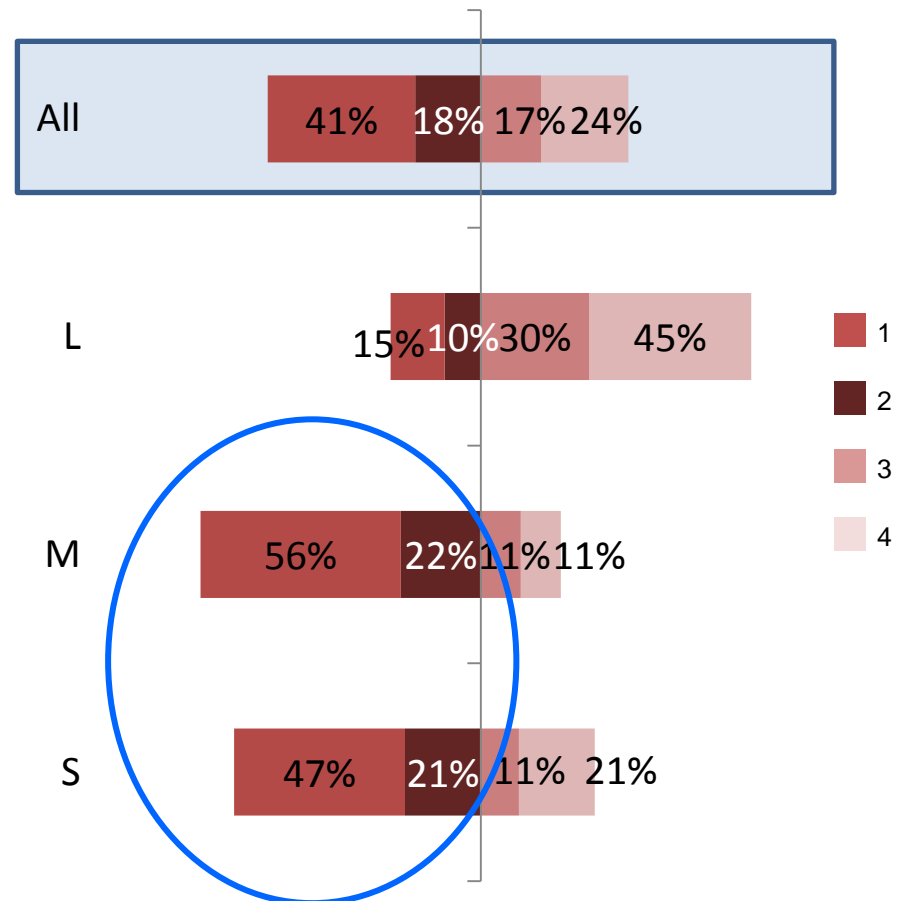
- Process and Criteria for Recruitment
- Understanding of Board Composition
- Orientation of new member
- Term Limits

- Remark: The questions were adopted from McKinsey & Company Nonprofit Board Self Assessment Tool

Process and Criteria for Recruitment

1. Recruitment process is ad-hoc; Board is largely reactive to the suggestions of a few board members/CEO. 招募的過程因時制宜，主要回應部份董事局成員或行政總裁的建議。
2. Formal process exists to identify and cultivate potential members. Candidate pool is generally seen as more narrow and a sense exists that other boards in area attract a stronger pool of directors. 董事局有一套正式程序尋找及培養有潛質的成員。相對同類型的社福機構董事局，人才來源較窄，吸納人才的能力較弱。
3. Formal recruitment process with clear criteria in place; Board seems to surface a strong list of potential candidates, but converts on a smaller percentage than it would like. 董事局有一套正式招募程序，及清晰的標準。董事局似乎吸引到不少具潛質的候選成員，但最終只能邀得當中的少數人成為其一份子。
4. Formal process with clear evaluative criteria in place; whole board reaches out to potential members from a wide range sources; recruitment process is continuous and with multi-year horizon; new members are seen as great additions to the board. 人才招募有一套正式程序及評價標準。整個董事局都積極從廣泛的渠道招募具潛質的候選人。招募的過程持續及恆常化，且具長遠視野。新成員被視為董事局的新力軍。

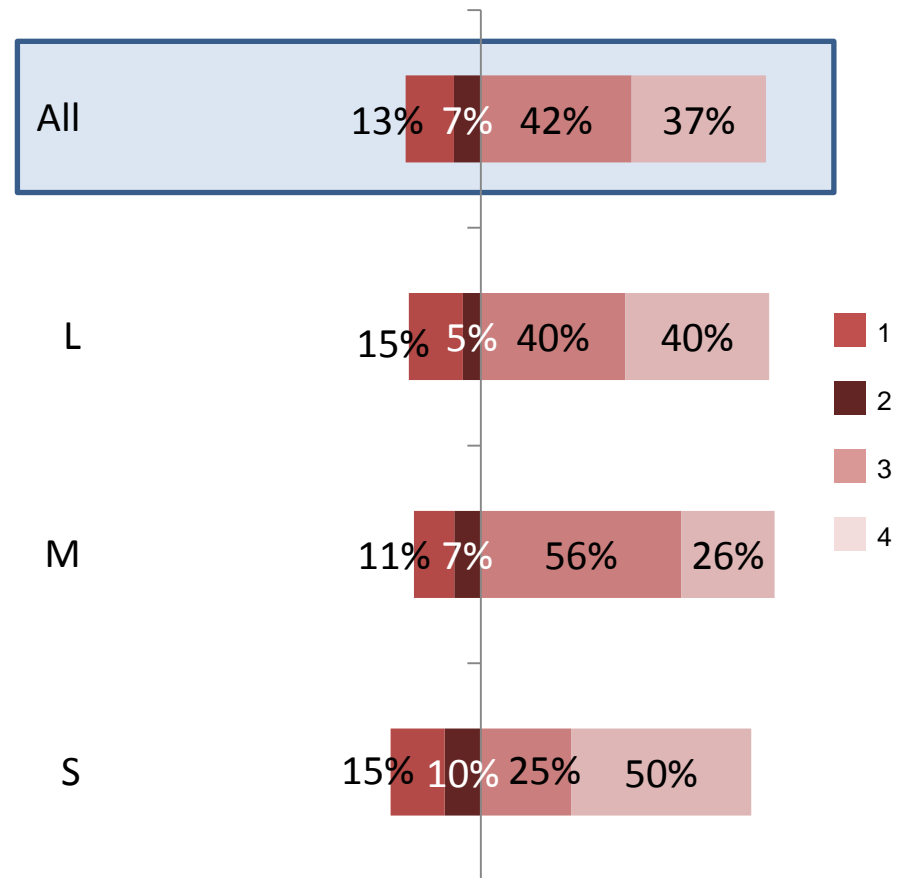
Distribution of Responses



Understanding of Board Composition

1. There is little discussion of desired board member skills/attributes; as a result board composition seems to be a legacy of random conversations/initiatives. 董事局甚少討論需要哪一方面的人才（技能/個人特質），以致董事局的組成似乎是偶發性討論或個別提議的結果。
2. Needs discussed are largely about how we can get more large donors. Significant gaps exist in skills needed by board. 人才需要的討論大致與如何找到更多捐助者有關。距離滿足董事局各種人才需求有很大差距。
3. The process of identifying board needs is not as strong as it could be, but for the most part few gaps exist. 確認董事局人才需要的過程未如理想中積極，但整體上，距離滿足董事局的所有人才需求差距不大。
4. Systematic process for identifying needed board skills driven by strategic plan; gaps are understood and agreed to by the entire board; most new board members seem to “fit our needs well”. 確認董事局人才需要的過程有系統並由策略計劃主導；對於董事局的人才需要，董事局有一致的理解及認同；大部份的新任成員都符合董事局的需要。

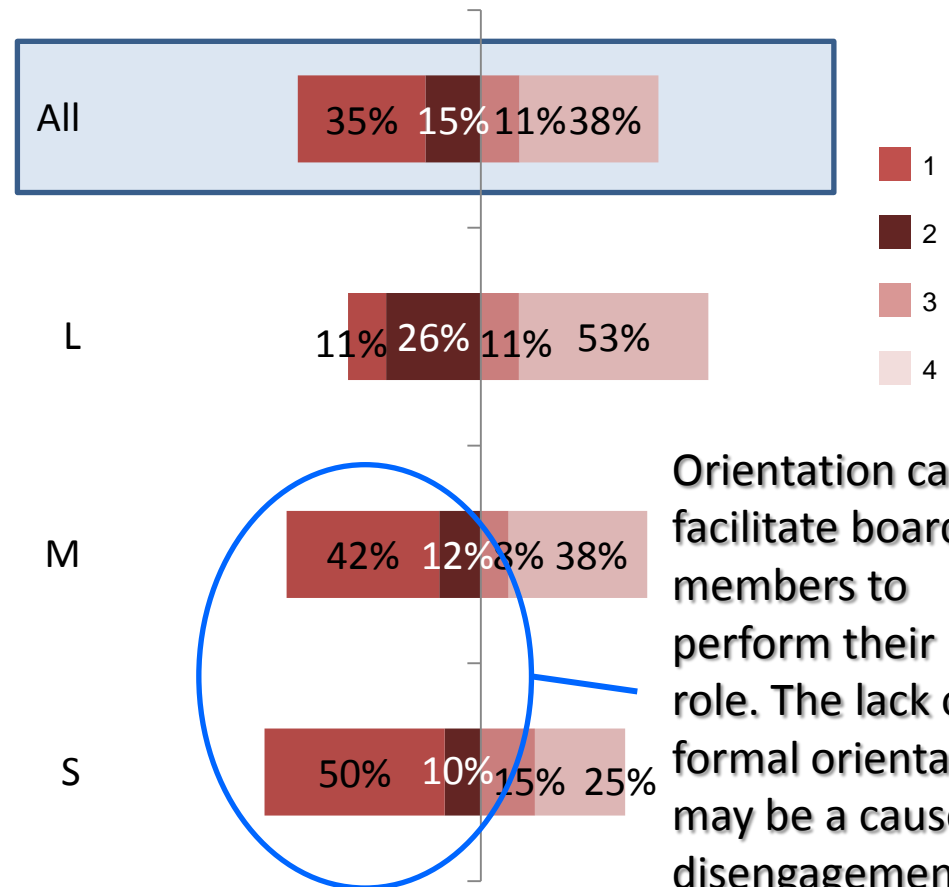
Distribution of Responses



Orientation of New Members

1. No formal orientation for new board members. 董事局沒有正式的迎新簡介給新任董事局成員。
2. Formal orientation exists but misses key topics; new directors feel welcomed, but take a while to get up to speed. 董事局會對新任成員作正式的迎新簡介，但簡介或欠缺重要訊息。雖然新任成員感受到機構的歡迎，可是仍需要一段時間才能全情投入。
3. Effective formal orientation covers key topics, but misses the opportunity to welcome/listen to new directors. Initial new director roles sometimes don't make sense/inspire new members. 迎新簡介全面而有效，但錯過了聆聽新成員機會。董事局給予新成員的角色，可能未為最合適，或無法令新成員投入。
4. Formal orientation process covers key topics (mission, organization, finances, responsibilities of directors); committee assignments are welcomed by new directors who quickly become effective members of the board. 董事局有正式的迎新簡介流程，涵蓋各主要範疇的資訊（使命、組織、財政、董事的責任）；新任成員樂意接受被委派的工作，並能於短時間內，有效地掌握及發揮自己的角色。

Distribution of Responses

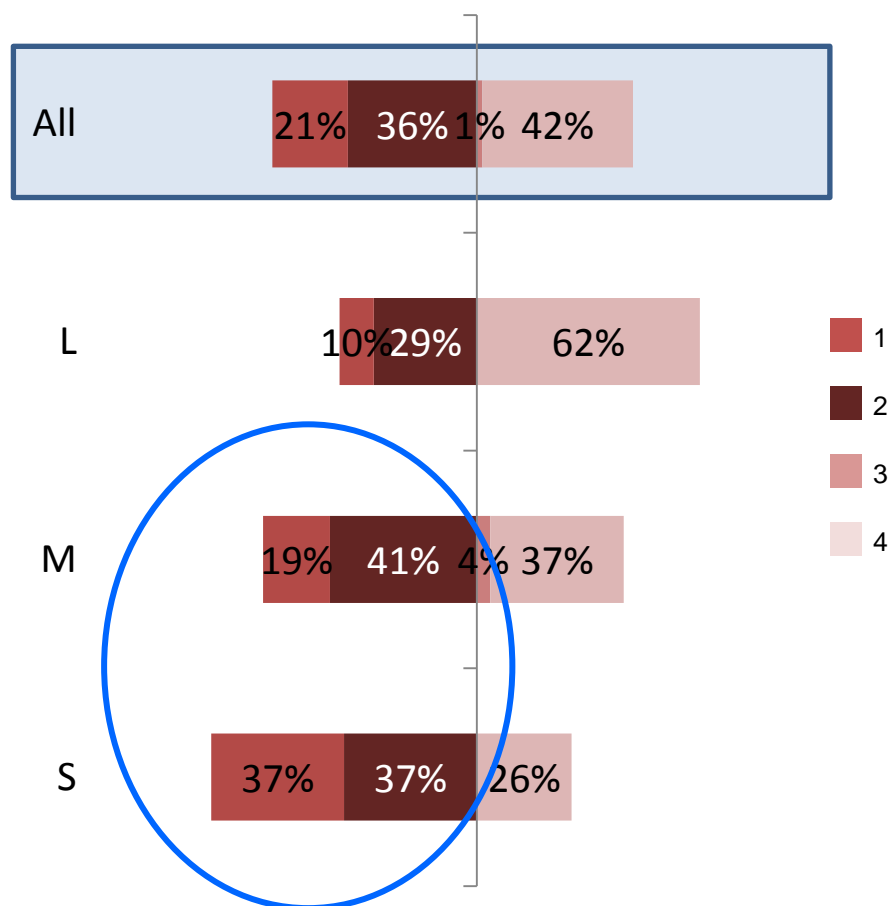


Orientation can facilitate board members to perform their role. The lack of formal orientation may be a cause of disengagement of board members.

Term Limits

1. No clear policy on term limits exists. 對任期限制沒有清晰的政策。
2. Term limits policy exists, but the board tends to reappoint current members until term limits are reached. 董事局已制訂任期限制的政策，但董事局傾向在現任成員任期屆滿後重新委任他們。
3. Although term limits works for the most part, exceptions exist, tilting to either the need for new members or the desire to retain a few exceptional long-standing members. Exiting directors are frequently “lost” to the organization. 董事局任期限制政策在大部份情況下行之有效，但存在例外，包括以下情況：過於側重招募新成員，或傾向挽留少數資深成員。大多數董事局成員離任後，便與機構失去了聯繫。
4. Term limits effectively balance between the need for new members/skills and the need for retention of valuable directors. Mechanisms are in place for ensuring continued involvement of high-performing retiring board. 董事局在任期限制方面，有效平衡對新成員和資深成員的需求。董事局亦有機制，與表現上佳的退任董事局成員保持聯繫，讓他們可以繼續貢獻機構。

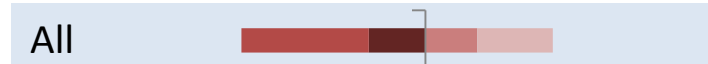
Distribution of Responses



Board Recruitment and Retention Practices

Distribution of Responses

Process and Criteria for Recruitment



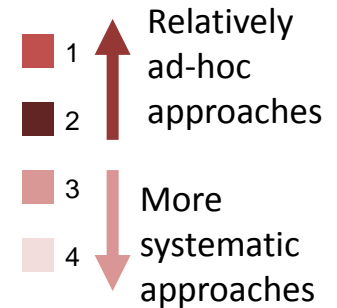
Understanding of Board Composition



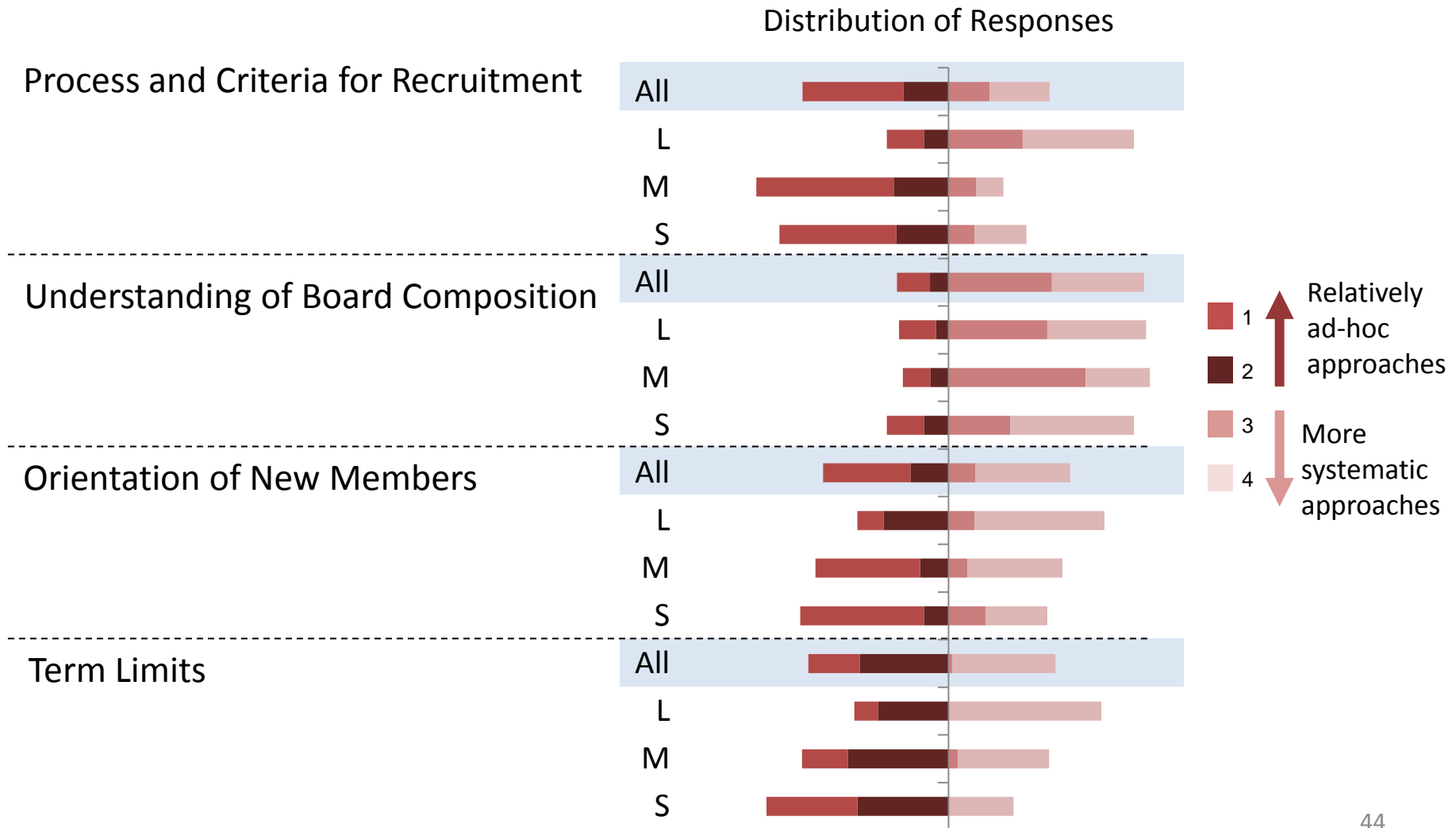
Orientation of New Members



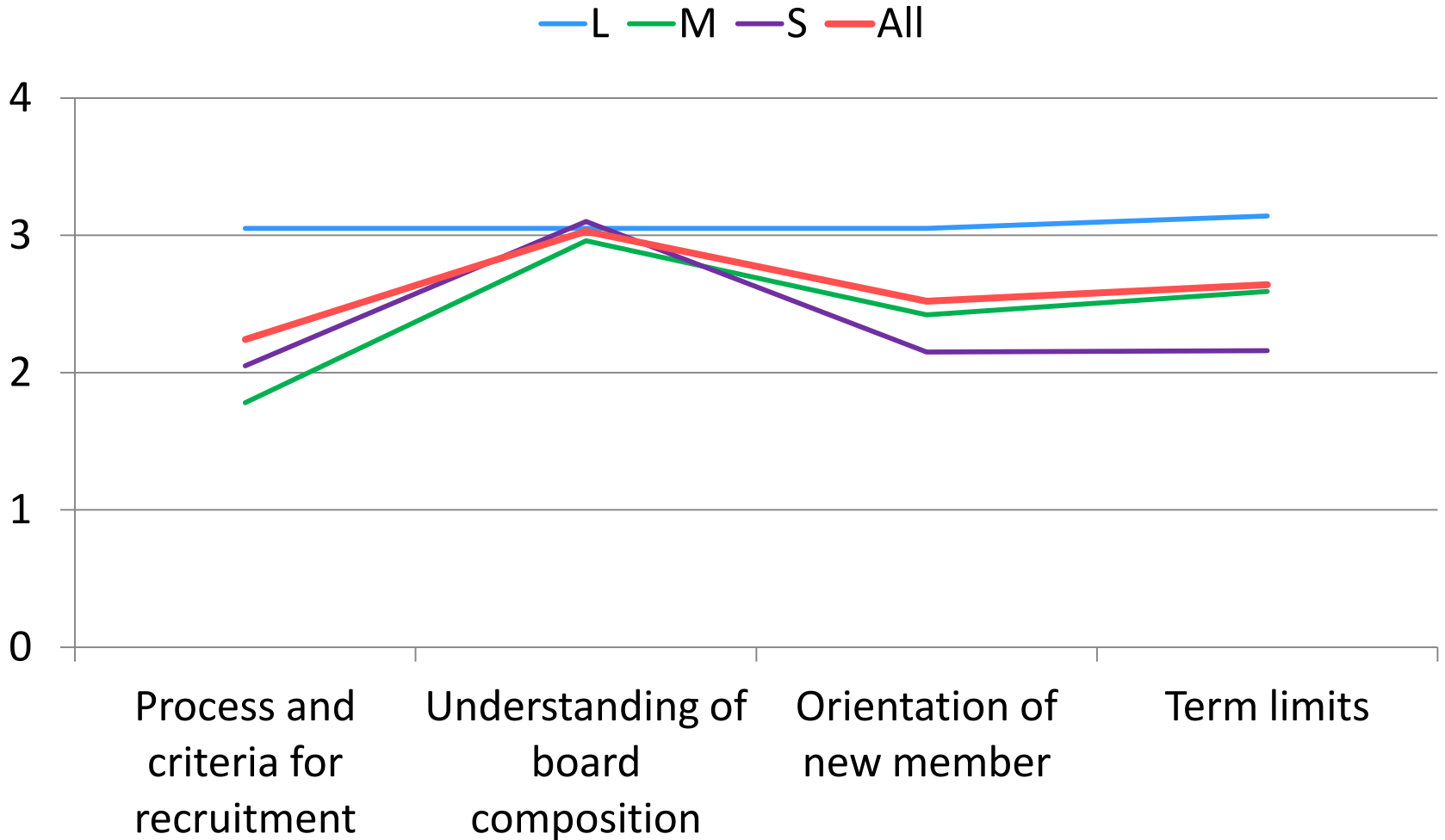
Term Limits



Board Recruitment and Retention Practices (cont'd)



Average scores



Preliminary Conclusions and Recommendations

Conclusions

- Recruitment
 - Particularly challenging for small NGOs
 - Personal network → not an effective channel for small NGOs as they have lower brand awareness and limited network
 - Recruitment process of small and medium-sized NGOs → more ad-hoc
 - There is a high demand of professionals → increase recruitment challenge
- Engagement
 - A clear sense of direction and role for board members → important
 - Small and medium-sized NGOs → lack formal orientation for new board members may lead to disengagement
 - Small NGOs → less time and resources for engagement + rely on informal channels for engaging board members
- Retention
 - Retention is less a challenge
 - Number of disengaged board members unknown. They may stay inactive, but does not necessarily leave the board

Recommendations

- Recruitment
 - Branding and networking is important to small NGOs
 - Recruitment is a continuous effort → systematic strategies are needed
- Engagement
 - Develop a clear sense of direction for board members
 - Formal orientation → an important means to engage board members and facilitate them to perform their roles
- Retention
 - Further investigation for possible disengagement and make steps to engage the inactive and retain the active

APPENDIX

Degree to which the Recruitment of Board Members is a Challenge

	1	2	3	4	5	6	7	Total
ALL	4	14	13	13	15	6	3	68
	6%	21%	19%	19%	22%	9%	4%	
L	2	2	5	5	6	1	0	21
	10%	10%	24%	24%	29%	5%	0%	
M	1	9	7	3	4	2	1	27
	4%	33%	26%	11%	15%	7%	4%	
S	1	3	1	5	5	3	2	20
	5%	15%	5%	25%	25%	15%	10%	

*Difficulty rated from 1 (not difficult) to 7 (extremely difficult)

Rating regrouped as follows for further analysis

Rate 1 – 2	Not Difficult
Rate 3 – 5	Difficult
Rate 6 – 7	Very Difficult

Degree to which the Retention of Board Members is a Challenge

	1	2	3	4	5	6	7	Total
ALL	4	9	2	5	0	1	0	67
	19%	43%	10%	24%	0%	5%	0%	
L	6	10	5	5	0	0	1	21
	22%	37%	19%	19%	0%	0%	4%	
M	3	3	5	1	4	3	0	27
	16%	16%	26%	5%	21%	16%	0%	
S	13	22	12	11	4	4	1	19
	19%	33%	18%	16%	6%	6%	1%	

*Difficulty rated from 1 (not difficult) to 7 (extremely difficult)

Rating regrouped as follows for further analysis

Rate 1 – 2	Not Difficult
Rate 3 – 5	Difficult
Rate 6 – 7	Very Difficult

Acknowledgement

Advisors

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