

Appointments to Boards

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This paper draws lessons from newDemocracy's experiences operating and researching various citizens' juries in Australia.

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Appointments to Boards and Committees via Lottery

What is the question?

How should members for committees or boards be selected?

Why does this matter?

This research note is focused on committees and boards of public and private not-for-profit organisations, not boards for publicly-listed, profit-generating corporations. All committees and boards have different functions, but they share many attributes. The variety of these bodies is broad, but they experience similar problems that are often attributable to the recruitment method. Public appointments for committees or boards can be controversial due to cronyism or pandering to demands of noisy or powerful interest groups. If the wider constituency is cynical and likely to see favouritism (even if there may not be any), the committee or board organisers face a problem: organisers are wary of unknown candidates, because they may be fearfully unqualified or even troublesome. Yet organisers must settle on a candidate who is qualified and viewed by constituents as an impartial selection.

It is important for all of these bodies, whether for government or non-government organisations, that they owe no favours that might compromise their activities. If boards and committees are to eliminate bad practices or corruption, genuinely supervise the governance of an institution or organisation, and offer sound advice or act as decision makers, then the selection of their members must be robust.

What are the usual answers?

The most common method is *appointment* (some public boards use elections, in the USA for example). Appointment to many boards and committees is by a government official or via executive selection, using the all-too-familiar *tap on the shoulder* method. A survey completed in New Zealand among 165 board aspirants indicated that shoulder tapping was the most prevalent method of board appointment—58% were shoulder tapped by a friend or board colleague, 35% were indirectly recruited through a referral (cited in a conference paper by Rosanne Hawarden, 2008).

For those bodies without election (though this is not to say that elections eliminate the problems), there is usually a recruitment gatekeeper or selection committee (and the selection method for either can also be less than transparent). These gatekeepers act as agents of the existing panel or appointing body, ascertaining candidates' suitability for short-listed nomination.

What are the problems with the usual answers?

A good selection process should be designed for *fairness*. Each applicant should be offered the same fundamental chance at appointment as the next with the most qualified or best suited earning selection. But this ideal is rarely matched by the reality of the process, which carries inherent biases. Eligible nominees can be squeezed out if they are outside established elite networks—an obvious example being women.

The usual shoulder tapping process is highly vulnerable to *cronyism*. It is common for board and committee members to feel obligations to the people who appointed them—obligations that can compromise the impartiality that the board needs in order to make good decisions.

The usual appointment process typically results in a lack of **diversity** in the thinking of board members. Selection committees are often created by, if not made up of, the very boards to which they will deliver new members. Unless constitutionally mandated, gender imbalance, for example, prevails but so too does an absence of contrary voices. This lack of diversity can lead to uncontested groupthink (Irving 1972), blind spots in a committee's analysis, and an inability to evaluate opportunities and their associated risks in a balanced manner. Presumably, boards want propositions to be widely and ruggedly tested, so having an appointment method which leads to narrowness of thought is entirely counter-productive.

Lack of diversity can also lead a board to be intrinsically conservative. In contrast, a diverse group, even a group that combines the smart and the not-so-smart, will lead to better decision-making through expanded information and probing or naïve questions and therefore more creative options (Landemore 2012, Page 2008, Surowiecki 2004).

Shoulder tapping can undermine the goal of assembling people who are **representative** of a wider constituency. To address this, recruitment charters may prescribe that boards or committees be broadly representative of the population (e.g. staff, consumers, citizens) they serve. This may be defined using demographic dimensions (e.g. locality, gender), or simply based on a vague expression of diversity and distribution.

Taken together, these four problems (with cronyism, fairness, diversity, and representation) lead to a fifth – a lack of **credibility** of the selection process and its results in the eyes of the public or stakeholders. Often, the wider constituency believes that many who are equally qualified are passed over in favour of those known to organisers. Using just one example, the Board of Directors of the Australian Broadcasting Corporation has at various times been accused of being politically stacked and unresponsive to public concerns about not adhering to its mandate (Senate Committee 2001). Using the approach which follows could assuage these concerns.

What alternative answer might solve the problems?

A promising alternative for selecting committee or board members (or a portion of them) is **random selection** from an eligible pool. Random selection is widely used for juries and is being increasingly used in Australia and worldwide for public deliberations on tough policy issues. (See, [Our Work](#))

For example, a health service advisory panel could invite people randomly from the community to sit for a fixed term. A board could use a lottery amongst all eligible aspirants to ensure demographic balance. Or a university senate or council could randomly select its graduate and postgraduate student representative (Carson 2006).

Generally, there would be two methods of implementing a random selection process.

First, a lottery could be run over an entire community. Winners would then be invited to voluntarily apply. This method would apply to boards or committees that require broad public representation.

The second method would allow individuals to nominate to a pool of candidates, who would then be selected randomly. This method would be appropriate where applicants need to possess specific skills and make a larger commitment of time and effort. One example might be a medical association which is likely to want to randomly select from a pool of medical practitioners.

For ad-hoc committees of short duration, a standing pool of candidates would be ideal. This might also involve a screening process by independent assessors to assess that appropriate skills are present, prior to random selection. This method is easier to organise, as randomly selected individuals from a subset of the whole community would definitely be ready to accept appointment.

Benefits of random selection

Random selection of at least *some* board or committee members can contribute a great deal to overcoming the previously-described problems with shoulder tapping.

In terms of ***fairness***, it guarantees that there is no bias in the selection on dimensions such as gender, ethnicity, locality or age, or based on personal connections. Affiliations play no part in the selection process.

In terms of ***cronyism***, random selection completely sidesteps the associated problems, especially where values and beliefs of incumbents do not match those of the population or enterprise being represented by the board or committee.

Organisations that value ***diversity*** and creativity would benefit from random selection of its leadership, which would explicitly promote fresh ideas and new perspectives, with the flow-on potential of innovation.

In terms of ***credibility***, using random selection to recruit boards and committees transmits a clear message that the organisation cares about fairness and inclusiveness.

Individuals or committees in charge of selecting board members have a difficult task, especially if they experience pressure by special interests and friendships. With random selection, they would simply need to organise the draws in a public and accountable manner.

Random selection is especially appropriate for organisations whose board members see each other as equals, with a deliberative spirit that benefits both the individuals and the organisation. If the board members are drawn randomly from organisational subscribers, there is less distance between them, and the lack of competition to gain board membership leaves no scars between colleagues.

Evidence from practice

In the UK, the National Lottery funds community projects. There are nine regional committees that make the funding decisions. Each of these committees selects two of their ten members from the public through a process that begins with selection by lottery from the public; they literally invite the public to match their electoral roll numbers to the winning ball sequence of a weekly prize draw! Winners are sent letters of invitation and subsequent applicants are then put through a conventional selection process. Successful appointees serve for three years and receive an annual honorarium of £500. The Law Society in the UK and officials at National Lottery are encouraging other government agencies to select board and committee members from the public by lot (The Guardian 2002).

An interesting example in the private sector is an ethical, cooperative lending society called Shared Interest, also in the UK. It is governed by a Board of Directors as required by financial

governance regulation. But there is also a [Council](#) that represents the membership of over 10,000 investors who can question the Board and independently address the members. Six of the nine members of the Council are randomly selected from the membership—three males and three females. Because members are committed to the ethical and just mission of the organisation, they have had no problem convincing members to take up the invitations to serve.

The internet may not be owned by anybody in particular, but it is still managed by a coordinated group of experts around the world. The Internet Engineering Task Force (IETF) randomly selects the nominating committee, which then selects its leadership (IETF 2018). Candidates come from the volunteers of various working groups that devise standards and protocols. Their eligibility is determined solely on their maintenance of a high meeting attendance rate. This randomised selection mechanism is engineered with the precision and detail you would expect of internet geekdom and is in itself an internet standard. Randomly selected nominating committees are also engaged at lower levels in the internet governance structure.

Requirements for success

If a lottery is run over an entire community, the initial draw would have to be large enough to gain applicants, and a further randomised sub-draw might be required to select the nominees from the applicants. Promotion would be required to inform people about the privilege of appointment and the positive value of their participation.

If the random selection is from a nominated pool of candidates, the challenge would be to gain a pool of candidates that is significantly larger than the size of the panel on which they will eventually sit.

In either case, it is highly desirable that the random selection be done in an unimpeachable fashion so that no reasonable charges of bias or favouritism can be brought.

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