On Merit: Recruitment in Local Government

People are local government's greatest asset, and its greatest cost...

- the ability of local authorities to work effectively depends on employing the right staff
- £10 billion a year is spent on about 700,000 non-manual, non-teaching staff
- 75,000 such staff are appointed each year

...so it is essential to manage recruitment and induction well.

- authorities need to plan, monitor and evaluate recruitment to ensure that policies are implemented effectively
- selection processes and induction training must focus both on the specific needs of each job and on the organisation's wider requirements
- good recruitment has a key role to play in promoting equal opportunities
- departments can often learn from good practice within the same authority

The recruitment strategy should be based on effective selection methods...

- greater use of tests and work exercises to supplement interviews and application forms
- appropriate training for members and officers responsible for selection
- checking factual information with referees

...while confronting key choices about investment in staff.

- the balance between external and internal appointments needs to be co-ordinated with a staff development strategy
- authorities should be clear about why they are taking on more temporary staff rather than making permanent appointments

This paper identifies key questions for elected members and chief officers to ask.
The Audit Commission

. . . promotes proper stewardship
   of public finances and helps those
   responsible for public services
   to achieve economy, efficiency
   and effectiveness.
Introduction

1. People's pay accounts for over half of all local government costs. To make best use of their staff, local authorities need not only to manage them well, but also to develop and replace them effectively.

2. This paper, and the research which supports it, covers non-manual staff, excluding teachers and other school-based employees. All references are to these staff except where otherwise indicated. Councils in England and Wales appointed some 75,000 such employees in 1994/95. In 1995 the Commission estimated (Ref. 1) that local government employed about 700,000 full-time equivalent non-manual staff, costing £10 billion a year.

3. Local authorities spend around £190 million a year directly on recruiting non-manual staff. There is a significant, but unquantifiable, hidden cost in line manager time which extends beyond direct recruitment activity into early induction and training of new appointees. Effective recruitment is part of good staff management. More general aspects of the management of people, pay and performance are covered in the Commission publications Paying the Piper and Calling the Tune (Refs. 1, 2) (Exhibit 1).

Aims

4. The Local Government and Housing Act 1989 says that 'Every appointment of a person to a paid office or employment... shall be made on merit.' This paper aims to help local authorities find the most efficient and effective ways of recruiting staff. They can already draw on detailed advice about good practice in recruitment and induction training produced, for example, by the Local Government Management Board (LGMB) (Refs. 4, 5), the Society of Chief Personnel Officers (SOCPO) (Ref. 6), the Institute of Personnel and Development (IPD) (Ref. 7), the Commission for Racial Equality (CRE) (Ref. 8).

Exhibit 1
The elements of performance management

Effective recruitment is part of good staff management.

Source: Adapted from Paying the Piper...Calling the Tune: A Management Handbook, Audit Commission, 1995 (Ref. 3)
the Equal Opportunities Commission (EOC) (Ref. 9), the Employment Service (Ref. 10) and the Industrial Society (Ref. 11).

This paper examines how authorities behave in reality, how this behaviour relates to good practice, and the implications in terms of achieving value for money from recruitment. It is based on a survey of all authorities and more detailed fieldwork carried out in 14 study authorities between March and June 1995 (Box A). This evidence was combined with existing research and the views of experts. In some cases there is no professional consensus on what constitutes best practice – but even in these areas, it is important for authorities to define clearly what they do and why they are doing it.

5. This paper is likely to be of greatest interest to elected members, chief executives, heads of department and personnel officers.

Devolution and core policies

6. Recruitment is increasingly becoming a departmental responsibility as more authorities devolve budgets and decision making. Devolving responsibility to line managers can improve efficiency and effectiveness, but a framework combining control with flexibility is required (Exhibit 2). One important example concerns equal opportunities, where the authority’s core policy should underpin any individual departmental policies and procedures on recruitment and redeployment. Policies and procedures must also be consistent with current legislation. Core policies, legal requirements and good practice need to be understood and followed by everyone involved in recruitment, not just personnel departments.

Spreading good practice internally

7. Devolution can result in good and innovative practice but this is sometimes confined to individual departments. The Commission’s study team frequently found that good practice in one department of an authority was absent in others. Examples include:

- standardised documentation for shortlists and interview summaries;
- well-designed induction checklists/briefings; and
- reports to senior managers or members which cover regular monitoring of applicants and evaluation of success in meeting recruitment targets.

There is often a surprising degree of scope for local authorities to learn from their own good practice, as well as from that of others.

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The main Acts outlawing discrimination are the Race Relations Act 1976, the Equal Pay Act 1970 (as amended 1984), the Sex Discrimination Acts 1975 and 1996 (as amended), the Disabled Persons Employment Act 1948 (as revised and now replaced by the Disabilities Discrimination Act 1995) and the Rehabilitation of Offenders Act 1974. In addition, European legislation is increasingly affecting employment practice; a recent case has affected the rights of temporary staff.

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Box A
Recruitment, training and development: background data

A national survey and fieldwork took place between March and June 1995.

A questionnaire to all local authorities in England and Wales covered:
- recruitment and training policies
- staff turnover
- staff analysis by number, grade and contract type
- identifiable recruitment/training costs

Fieldwork visits to 14 authorities (3 counties, 2 metropolitan districts, 3 London boroughs and 6 shire districts) including inspection of 250 recent recruitment files

Two staff surveys:
- 250 recent recruits on their experience of recruitment and induction
- 350 staff employed for 12 months or more on their experience of training and development

More details on the surveys carried out by the Audit Commission, including information covering staff training and development, will be given in local audits.
Exhibit 2
Devolving responsibility to line managers

A framework combining control with flexibility is required.

Source: Audit Commission

8. Section 1 of this bulletin looks at the current level of job change within local government and the measurable costs of selecting new staff. Section 2 looks at the recruitment process, from initial planning to job offers and the induction of new staff. The paper concludes with ten questions for members and senior officers to ask about recruitment and selection within their authority.
The Level of Job Change

9. In 1994/95 local authorities in England and Wales hired around 75,000 non-manual staff, whose employment costs are estimated to exceed £1 billion every year. The benefits of finding people who can perform well are enormous; the cost of mistakes may be higher still.

10. Responses to the Commission’s questionnaire and fieldwork suggest that authorities spend £57 million a year on advertising and £20 million on other services related to recruitment, such as test material and consultancies. (This may be an underestimate: a leading advertising agency estimates the total advertising spend as nearer £70 million.) At least £75 million of personnel department time and £35 million of line manager time can also be directly attributed to hiring; this staff time accounts for over half the total cost of recruitment (Exhibit 3). The average cost per appointment is £2,500.

11. It is possible to identify how much time managers spend attending interviews, but much harder to attribute time spent discussing person specifications, reading CVs, liaising with personnel departments and briefing new recruits. This hidden time may cost as much as the more visible costs. The costs in management time are higher where there are many applicants or a large recruitment team, all of whose members participate at every stage of the process (Exhibit 4).

12. From the Commission’s survey it appears that 11 per cent of staff had been appointed in the last year. There is considerable variation according to authority and job grade. Recruitment was highest in district councils, lowest in county councils and higher for junior than for senior posts. In a quarter of non-metropolitan districts, over 15 per cent of staff at all grades were recruited during the year. In a few cases a high reported figure was the result of an internal reorganisation, with most existing staff being redeployed into comparable posts.

13. The changing nature of employment, in local government as elsewhere, means that staff turnover is not simply a matter of replacing employees who resign or reach retirement age. Indeed, for senior posts, normal retirement and movement/promotion account for only a minority of departures (Exhibit 5, overleaf). Staff taking voluntary redundancy will not be directly replaced. Changing methods of service provision (including privatisation) also

Exhibit 3
The measurable costs of recruiting

Staff time accounts for over half the total cost.
The Level of Job Change

Exhibit 4
The management cost of recruiting

Costs are higher where there are many applicants or a large recruitment team.

Source: Audit Commission analysis; notional numbers only, based on fieldwork examples. Fieldwork confirmed the importance of these two variables.

affect turnover. The number of fixed-term contracts, part-time jobs and temporary jobs is continuing to increase, with authorities wishing to remain flexible in a rapidly changing environment and with the spread of project-linked (and therefore time-limited) funding sources, such as City Challenge. Regulations and local agreements linked to local government reorganisation (LGR) have also increased the number of temporary contracts.

14. Recruitment needs to be planned in the context of an overall staffing strategy which acknowledges such instability. Job requirements are likely to change frequently in the light of organisational and other changes. New means of funding posts, including joint funding with bodies such as health authorities, will also affect approaches to recruitment.

15. Organisational changes mean that many authorities are considering restructuring plans. Related proposals for voluntary redundancy and early retirement (and in some cases pension-enhanced ill-health retirements) need to be checked for legality and to be costed and reported properly to members. This should include estimates of future revenue costs to the authority, including costs to the pension fund, even if these will not be charged directly to the service considering the restructuring. Auditors will examine these issues separately.

16. Where selection choices (to retain, redeploy or make redundant) have to be made as part of an internal restructuring, the principles should be the same as for initial selection. Many authorities have redeployment and redundancy policies that acknowledge this. In other cases, fieldwork and questionnaire returns revealed inconsistencies; for example, sickness and absence criteria were used in selecting for redundancy but similar details were not requested from potential new appointees. Authorities with targets for the composition of their workforces should evaluate the impact of policies for redeployment and redundancy (particularly when these include a 'last in, first out' policy) as well as recruitment.
Exhibit 5
Reasons for departures

For senior posts, normal retirement and movement/promotion account for a minority of departures.

*The most commonly reported other reasons for departure were ill-hearth, end of contract, death in service and transfers.

Source: Audit Commission survey

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Local government reorganisation

17. The reorganisation of local authorities in England and Wales has for some authorities created a one-off opportunity to formulate a fresh vision for local government. *Seize the Day* (Ref. 12) gives guidance to councils on how to balance continuity with change and achieve a successful transfer. The recruitment and deployment of staff is essential to this process.

18. Incoming local authorities should consider at an early stage:

- the adequacy of their personnel records;
- on what basis outside staff will be recruited, once the constraints imposed by transfer orders no longer apply; and
- the need for training any existing as well as new or transferred staff in the new authority’s agreed approach to selection and induction.
Filling Vacancies

**Internal or external**

19. In making the best use of people, local authorities face different pressures. They want to maximise their performance within available resources by finding the best staff for the job. Further, as they occupy a special position in local communities and local labour markets, it is important that they consider the opportunities they offer to people living in the area. Many authorities aim to have a workforce the composition of which reflects that of the local community. They may also have locally agreed policies on redeployment and redundancy.

20. Should local authorities advertise externally for every post? Or should they attempt to ‘grow their own talent’ and sometimes consider internal applicants for promotion before looking externally? Between these two approaches, each authority must find its own balance that complies with relevant anti-discrimination legislation. Shire district councils, for example, advertised externally for 70 per cent of vacancies in 1994/95 (Exhibit 6).

21. An authority in the process of restructuring may find it administratively and financially efficient to consider redeployed staff before outsiders for new posts; employment law, locally agreed policies and regulations associated with local government reorganisation impose additional constraints.

22. Policies on recruitment and internal staff development should be consistent. Trainee posts or the sponsorship of individuals can create expectations for career development and absorb a high percentage of training budgets, especially where professional qualifications are involved. Some authorities consider trainee or sponsored staff first for appropriate vacancies. In situations where there is a local or national shortage, this may be particularly appropriate; in some cases it is essential.

23. Elsewhere, authority targets may influence decisions. Where, for example, women or ethnic minorities are under-represented at senior levels but are well-represented at the next tier down, there may be a case for focusing on development of existing staff and advertising internally in the first instance. But if the overall composition of local authority or departmental staff does not meet the authority’s targets, it is unlikely to change unless jobs are opened up to outsiders. In this case, effective targeting of

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Exhibit 6

**Posts advertised externally by shire districts**

Each authority must find its own balance between external advertisement and considering internal applicants first.

*An example is the need to sponsor education psychologists through training, which has led to a new national grant scheme to be administered by the LGMB.*

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*Source: Audit Commission survey*
advertisements is also important. And an expectation that posts will normally be advertised externally helps to guard against a culture becoming too inward-looking.

Temporary or permanent

24. Once a decision has been made to fill a post, the terms of appointment need to be established. In particular, authorities will need to consider the relationship between temporary, permanent and fixed-term contracts and contracts for performance.¹

25. The use of fixed-term contracts for staff hired for 12 months or more is low overall (3 per cent) although it becomes more common for the most senior grades; (8 per cent of those above Principal Officer level in shire districts). Little information is available on the number of staff on temporary contracts of less than 12 months, but personnel departments and line managers anecdotally report a recent sharp increase. One authority which has been monitoring this trend found a considerable rise over the last two years (Case Study 1).

26. Authorities should monitor the use of both temporary and fixed-term contracts. They may need to revise some procedures, for example:

R recruiting people on a temporary basis and later converting them to permanent staff can undermine good recruitment practice unless procedures for making temporary appointments are as well developed as those for permanent posts (Case Study 2); and

R staff induction, development and probation schemes need to cater for all types of employee.

27. In the lead-up to reorganisation, some authorities have reasonably decided that limited-term contracts are a desirable means of creating a flexible basis for restructuring. However, where authorities are trying to build up a core team of loyal staff over the longer term, there is a case for offering permanent status to an identifiable body of staff.

28. The Commission has previously recommended delegating agreed budgets within corporate guidelines as a more effective approach to pay management than relying on rigid staffing structures – or establishments – imposed from above (Ref. 1). Otherwise, temporary staff are

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¹ These are contracts that are stated to expire when a given circumstance occurs (such as a completion of a project or the cessation of external funding), but where the date of this occurrence is not known at the time employment begins. They are more flexible than fixed-term contracts.

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Case Study 1

**Changing the balance**

In March 1993, 7.7 per cent of one county council’s staff (excluding school-based staff) were employed on a non-permanent basis. This figure had risen to 12 per cent by March 1995. This rise has been accompanied by an increase in the percentage of staff working reduced hours. The authority believes the changes allow greater flexibility and make it more able to meet the demands of competition and changing needs.

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Case Study 2

**Converting temporary staff to permanent staff**

One large non-metropolitan district has a special programme for converting temporary to permanent staff, with two key features:

R the possibility of the post becoming permanent must be identified before recruitment begins; and

R recruitment of temps to these posts has to follow the same procedure as for permanent staff.

This scheme has been popular with managers, especially where projects need to begin before the total funding is confirmed.
sometimes recruited by managers to avoid the need to take establishment changes to members. In effect, this undermines official council policy and may not result in the appointment of the best candidates.

Planning recruitment

29. Recruitment is a multi-stage process that needs to be well planned before it is set in motion with an advertisement. It should be clear who is to be involved from the beginning, with member involvement normally limited to the most senior jobs. Where members are involved in the recruitment process, the relative roles of members and officers must be clearly set out.

30. Those who will be involved should meet early and determine:

- the specification of the job (Ref. 6);
- the specification of 'essential' and 'desirable' criteria for the postholder. (There is no consensus on the use of desirable criteria; some authorities believe that equal opportunities are best served by judging applicants solely against essential criteria);
- the methods to be used for selection and the specific ways in which the match between the attributes of applicants and the person specification will be checked;
- a strategy for targeting particular groups of applicants if required (for example, as part of an equal opportunities policy);
- whether the job will initially be open to internal candidates only;
- who will be involved at which stage of the process – including personnel staff, line managers and elected members, as appropriate; and
- a firm and realistic timetable.

Such planning need not be time consuming. Often, no changes to person specification, criteria, selection methods or targeting will be necessary.

31. The best authorities encourage an approach which ensures that each of the criteria for the appointment is specifically addressed, and that each part of the recruitment process has an agreed function. This prevents three kinds of inefficiency:

- the use of selection methods, such as tests, which have no clear purpose;
- failure to check certain attributes at a timely point, requiring perhaps an extra round of interviews or a hastily introduced test later on; and
- duplication of effort where the same information is collected at more than one stage.

32. Bad planning creates costs in terms of delay and inefficiency. The major delays found in fieldwork authorities were the result of budgetary and/or policy decisions taken before and after the main recruitment process. There were also administrative delays during the recruitment process itself; these can waste management time and increase the chance of losing a good candidate. From the final job advertisement until an offer is made, everything should be well planned (Exhibit 7, overleaf).

33. Inefficiency can create dissatisfied applicants. This may result in good external applicants dropping out and may also damage the authority's reputation. In the fastest third of cases identified through fieldwork, an initial offer was made within two weeks of the closing date for applications (Exhibit 8, overleaf). In some cases which included additional tests and second interviews, frequently involving elected members, longer timetables were unavoidable. However, in some authorities visited, appointments taking significantly longer than the average had often been held up by avoidable delays such as:

- rescheduling of interviews due to failure to co-ordinate diaries adequately in advance (sometimes a particular problem where member panels were
Exhibit 7
The main causes of delay in filling vacancies

From the final job advertisement until the date an offer is made, everything should be well planned. Conversely, good practice authorities often put agreed interview dates in their advertisements; the need to seek supplementary information at a later stage because the criteria were not adequately planned; and a lengthy shortlisting process because insufficient specification in the advertisement and in information sent to candidates had led to a flood of applications, including many which were unsuitable.

Exhibit 8
The time taken to make an offer

In the fastest third of cases an initial offer was made within two weeks of the closing date for applications.

Source: Audit Commission analysis
Advertising
34. Eighty-three per cent of local authorities use advertising agencies. Where advertising is arranged internally by an 'in-house' agency, it is important to compare its cost-effectiveness with that of outside agencies. There is a considerable choice of outside agencies, so regular reviews of appointed agencies' performance against specific criteria are important.

35. Fieldwork authorities generally had a focused approach to advertising jobs. Good practice included:

- **monitoring** the response to recruitment advertising, enabling authorities to see which publications are the most effective in attracting able candidates. Monitoring is an essential ingredient of cost-effectiveness, as it is the only way to ensure that advertising expenditure is neither wasted nor misdirected; and

- **selective** placement of advertisements in one or two publications, rather than a 'scatter-gun' approach of advertising widely. Personnel officers reported that their monitoring showed that it was rarely cost-effective to advertise in more than two places, particularly in well-defined occupational fields.

36. A distinction was made in many cases between jobs for which candidates would look in the local press and those they would seek in a specialised or national publication. Only monitoring can show the effectiveness of particular local papers, but automatic local advertising of all posts may not be effective, particularly for the most senior appointments or those requiring particular qualifications.

37. Effective monitoring requires authorities to collect and analyse data on how applicants found out about jobs, as well as on the applicants themselves. This should allow authorities to monitor:

- the effectiveness of different media and other methods (career conventions, use of job centres, etc) in reaching all candidates;

- the effectiveness of such advertising in reaching targeted groups; and

- the 'drop-out rate' or success ratio\(^1\) for targeted groups at different stages in the selection process.

38. A periodic review of advertising and selection policies should follow. When monitoring candidates for gender, ethnicity, disability or other specific category (eg, unemployed people) authorities have found that a section of the main application form provides a better response rate than a separate monitoring form. In fieldwork, the return rate was 99 per cent for one authority using the main form and 75 per cent for another which used a separate form.

39. Authorities are better at collecting information than analysing it; for example, only 20 per cent of authorities report to committee on the success of their advertising policies. Recent CRE research (Ref. 8) showed similar limited analysis. It is difficult to see how authorities which do not monitor can be sure that their recruitment policies are genuinely fair and efficient. Regular analysis of the effectiveness of advertising and selection policy should be an essential part of an equal opportunities policy (Exhibit 9, overleaf).

Selection
40. The process of selecting a candidate needs to be well planned around the requirements of each post. Many authorities already produce good guidelines for line managers. Despite this, fieldwork showed that there are areas where existing practice could improve,

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\(^1\) The 'success ratio' is the proportion of applicants who successfully pass to the next stage of the recruitment process.
Exhibit 9
Monitoring applicants

Regular analysis of the effectiveness of advertising and selection policy is an essential part of an equal opportunities policy.

41. Application materials need to allow candidates to present themselves against specified required attributes. Vague person specifications and generic application forms can encourage unsuitable candidates to apply and make it less likely that suitable ones spell out their strengths in relation to the requirements. Detailed person specifications can be particularly daunting for some applicants for more junior jobs.

42. There is a case for adopting two forms or one form in two parts – the first collecting basic data and the second for job-specific information. The job-specific section can be designed in a way that obliges candidates to say how they meet each of the essential requirements. This can make it easier for individuals to complete an application form in a way which includes their relevant experience and abilities. This makes shortlisting easier, deters unsuitable candidates and ensures that all applicants identify their relevant strengths. Forms that are designed to help users of word processors – especially for the job-specific section – will increase the legibility of applications, helping both candidates and shortlisters. Hounslow Borough Council (Case Study 3) has adopted this method systematically for appointments across departments.

43. Authorities/departments could ask:
   R When did we last review our application form(s)?
   R Do we vary the form for different jobs, or provide a targeted additional sheet? If not, why not?
   R Do we give candidates the right information to allow them to make applications which clearly address the areas we want to assess?
44. Keeping clear records when decisions are taken is important. All fieldwork authorities kept papers for a minimum of six months (in case an unsuccessful candidate appealed), but reasons for key decisions had not always been recorded; in others, evidence was hard to locate. Best practice authorities keep a recruitment file on each appointment which gathers together evidence on all selection decisions, at shortlisting stage and thereafter. A complete and well-organised file:

- makes it easier to give good feedback to candidates who query their failure to be shortlisted or selected;
- provides important records for any internal or external appeals;
- helps personnel or other responsible managers to monitor the recruitment process and ensure that policies are being followed; and
- saves managers’ time in cross-checking judgements made at different stages of recruitment.

Good practice authorities have summary forms, which show how all applicants were judged against the specified criteria, and summary next-stage forms showing performance against the agreed selection methods (Exhibit 10, overleaf).

45. Some authorities have internal appeal procedures for authority staff who are not shortlisted or selected. All authorities may face an appeal to an industrial tribunal; such appeals are time consuming and expensive and, if lost, may damage an authority’s reputation. In a number of cases, tribunals have commented adversely on the absence of good records clearly made at the time of the shortlisting or selection.

46. Local authorities do not always use the most effective combination of selection techniques. The Commission survey and fieldwork showed that most authorities rely exclusively on analysing a candidate’s job history and on interview, although these are neither the only nor the best tools available in terms of predicting whether one candidate will perform better in a job than another. Detailed research has shown that the various types of selection techniques can be ranked in order of their predictive validity ie, the relationship of test score to subsequent job performance by successful candidates (Exhibit 11, overleaf).
Exhibit 10
Summary assessment forms

Good practice authorities have summary shortlisting forms, which show how all applicants were judged against the specified criteria, and summary next-stage forms showing performance against the agreed selection methods.

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**Application Form Assessment**

Please refer to the job and person specification. Use a (✓) or (X) to indicate whether the applicant meets the required criteria. There is also room to comment on the reasons for your assessment; this makes it easier to review your assessment later, especially important if more than one person is drawing up a shortlist.

**Criteria**

1. 2 Years Public Sector experience
2. Good communication skills
3. Computer spreadsheet experience
4. Interest in current affairs

**Essential criteria**

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(continue over)

Signature of officer completing form

T. Garriade Date. 23/10/95

Please return completed form to Personnel – required in case of claims of unfair treatment

**Assessment Summary**

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<th>Research Associate</th>
<th>Candidate Name</th>
<th>J. Ashley</th>
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<tr>
<td>Criteria</td>
<td>Assessment Method*</td>
<td>Observations and assessments</td>
<td>Rating/Score</td>
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<td>1. Relevant experience</td>
<td>Interview</td>
<td>Omitted one graph</td>
<td>Good</td>
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<td>2. Communication</td>
<td>Presentation</td>
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<td>3. Spreadsheets</td>
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</tbody>
</table>

Rejected Offered post Reserve

YES/NO

Reasons for rejection

*interview, presentation, written report, other test...etc.

Signature of officer completing form T. Garriade Date 6/11/95

Please return completed form to Personnel – required in case of claims of unfair treatment

Source: Audit Commission amalgamation of authority forms
Job simulations and work sample tests (presentations, written reports or exercises, typing tests, use of computers, etc) are the most reliable predictors of job performance.

Cognitive/aptitude tests

Properly validated tests of numeracy, literacy or other competencies required in the job are the next best predictors of job performance. (A validated test is one that has been shown to be relevant to the job - for example, by being tested on staff who carry out similar jobs well. It should also be checked against control groups to ensure that there is no ethnic or gender bias.)

Biodata (a systematic analysis of biographical data from application forms, etc)

A systematic analysis of biographical data and academic attainments can have a moderate predictive validity. Shortlisting based on biodata requires the application process to be designed to provide specific relevant information and for this information to be analysed systematically. Otherwise the validity is much lower.

Interviews

Structured interviews can have a moderate validity whereas unstructured interviews may have little or no predictive validity (ie, they might be little better than chance). A structured interview will involve pre-determined questions designed to test desired criteria and to confirm or develop information gleaned from other tests and application forms. There will be an agreed, consistent approach from interviewers to 'scoring' the responses of candidates.

Personality questionnaire

Any single score from a personality test or psychometric test may have a low predictive validity, but the best combination of scores in a test can have a moderate validity. (A particularly important case concerns those applying for posts working with children and other vulnerable groups, where the Warner report (Ref. 17) recommended that appropriate tests be considered.)

References

Subjective references have a very low validity in predicting performance in a different job. (References have another essential purpose in confirming factual information about a candidate’s previous experience.)
In spite of the evidence on effectiveness, most appointments rely on application forms and interviews alone (Exhibit 12). Exercises designed to test abilities and aptitudes directly are used occasionally by most authorities, but fewer than half of the recently recruited staff surveyed had undergone any such exercise.

No selection technique is good enough on its own as a predictor of future performance. However, applying a combination of techniques with relatively good predictive value increases the chance of finding the best candidate. Tests do not replace interviews or analysis of biographical data; they supplement them. Assessment centres, where a number of techniques are used in a structured way, tend to be used only for the most senior appointments because of the costs involved. Authorities should always consider using simple tests in cases where they will clearly be of use: for example, to test typing skills or numeracy in jobs where these are necessary skills. The cost of adding a test to the recruitment process is low in comparison to the cost of holding extra interviews. It is also very much less than the cost of choosing a candidate who does not have the abilities that he or she claims.

Tests need to be carefully planned to be effective. Authorities should ensure that they relate as closely as possible to the specific skills needed for each job, as set out in the job specification. Staff perception of the relevance of tests is one measure of effectiveness. Recent recruits surveyed in the fieldwork generally felt that their tests had been relevant to the job they were by then doing. They considered them as relevant as the interview questions. The only exception was personality (or psychometric) tests, which were felt to be less relevant, perhaps because either the test or the way it
would be used were poorly explained.

50. Although tests can absorb less management time than interviews, they still require resources and careful planning. Inappropriate or invalid test results are as dangerous as poorly structured interviews. Good practice authorities seek to:

R ensure that tests are not biased; advice is available – for example, from the IPD (Ref. 7), the EOC and the CRE (Ref. 13);

R plan the precise way in which the test results will be used before deciding which ones to set. They may, for example, be used to reduce a ‘long-list’ to a shortlist, to be available to interviewers alongside other information or to act as a final eliminator for an even field;

R monitor test scores against the performance of recruits when they enter jobs, and revise their use as necessary. Where possible they should be validated against existing competent staff of both sexes and from different ethnic groups; and

R provide candidates with good information before tests and feedback afterwards, particularly if psychometric testing is used (Ref. 14).

51. Appointing and training those involved in recruitment influences how far policies for recruitment are carried out in practice. Devolution of responsibilities to line managers increases their involvement in recruitment decisions. Where managers appoint staff who will be working for them, they should feel more committed to ensuring the success of the person they appoint. However, where line managers are leading the process and making the decisions, it is important that they are properly trained to participate in functions that might once have been led by personnel departments or a few senior managers.

52. Just under half the local authorities require training for all managers involved in interviews; only 28 per cent require elected members to have training (Exhibit 13). The disparity between training requirements for members and for managers is surprising.

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Exhibit 13
Authorities requiring training for interviewers

Only 28 per cent of local authorities require elected members involved in interviews to have training.
Box B

Universal training?

Some fieldwork authorities believe that everybody involved in selection needs to have been trained. The CRE advises universal training to reduce the possibility of discrimination. Trained staff are more likely to follow authority policies and legal requirements. They should also be more skilled at conducting interviews and hence be more effective. (Research also shows candidates are more likely to accept job offers from trained interviewers, because they respond to professionalism in selection.)

Full interview training for all staff who might be involved is expensive, especially in a devolved structure. For example, one service in a metropolitan authority, employing approximately 3,700 people, has recently revised its recruitment procedures to ensure that all involved are fully trained. As a result it is in the process of providing 180 staff with a day’s refresher training, 276 people with initial four-day courses, and the 112 monitoring officers with two days of training; a total of 1,508 training days over 12 months.

Other fieldwork authorities allow a more selective approach, requiring training for a minimum number on a selection board and relying on these individuals, written guidelines for managers, and monitoring by personnel departments. A less formal approach is sometimes used for member training, given the time constraints many members face.

The selective approach saves resources but risks potentially expensive bad practice. Experience is not an adequate substitute for good training on selection and interview skills.

Authorities should aim to train all selectors. This may take some time; in the interim it is essential that every panel includes a fully trained selector and that good briefing is provided for everyone involved.

since, where members are involved, they have the final decision. This is particularly so for the most senior and hence, high-profile, jobs. Mistakes with such staff can be especially costly.

53. It is risky to involve staff or members in interviewing without giving them adequate preparation. It is also expensive to give formal training to everyone in a devolved authority (Box B). But it is difficult to see how authorities can ensure compliance with the law (and with their own internal policies) without training their selectors appropriately.

54. To ensure agreement on the attributes of the potential recruit and on the selection process, all those involved in recruitment should attend the initial planning meeting. Where this is not possible, staff who are involved for the first time at interview will be more effective if they receive a briefing from the shortlisters.

55. Authorities should review the extent of elected member involvement in recruitment. In nearly all authorities, elected members are involved in appointing all chief officers and some assistant directors. But in 29 per cent of authorities their involvement goes beyond these posts (Exhibit 14). These findings are similar to those of the Widdicombe Committee in 1986 (Ref. 15). Member involvement is expensive and time consuming, particularly in the 4 per cent of authorities in which members are, or may be, involved in all appointments and a further 5 per cent in which they take part in specific junior appointments such as housing wardens. It is important to restrict the size of member interview panels in the interests of effectiveness, subject to meeting the legal requirements for political balance. Interviews by full committees or whole councils are poor practice.
Exhibit 14

Member involvement

In 29 per cent of authorities members' involvement goes beyond the most senior posts.

Verification

56. Authorities should always check important factual information and have a clear policy on taking up references. Relevant information which can be objectively verified includes:

- prior employment record and qualifications;
- sickness and absence record;
- whether the candidate is currently the subject of a disciplinary inquiry; and
- whether a previous post covered certain responsibilities.

Additional checks are required for specific posts dealing with vulnerable groups, particularly in social services, education and leisure departments (Ref. 16). The Warner Report (Ref.17) on the staffing of children's homes, and more recently Ian White and Kate Hart's report on children's homes in Islington (Ref. 18), drew attention to some of the risks involved in hiring staff without properly checking their background.

57. A good starting point is for authorities to state clearly on the application form the information that they will check. References can be used to confirm this. If necessary, telephone checks on key factual information can be cost-effective, for example, to check the existence of organisations for which an applicant claims to have worked. Candidates should be asked to produce certificates where a claimed qualification has been used as evidence of suitability for a post. A cross-check by letter or telephone with the awarding body is a relatively straightforward task.

58. References should always be taken up. They are always useful in checking factual information but may be less useful when they include expressions of opinion. Managers should think carefully about the value of such references in the selection of candidates for the following reasons:

- the quality of references may be more a reflection of the writing skills of the referee than of the applicant's ability;
employers may be tempted to give generous references to people they are keen to lose;

different employers will have different approaches to giving references (eg, some will use 'open' references which are shown to the candidate; some will use their own 'coded messages'), making comparisons difficult or invalid; and

referees have legal responsibilities towards candidates and towards prospective employers which often limit what they are prepared to say.

Authorities need to think carefully about the timing and the type of information requested if they plan to use references other than for checking factual information after a conditional job offer has been made (Box C).

Induction

Induction has a dual role; to help employees settle into the organisation and to bring them up to speed with their new jobs as quickly as possible. These aims are interlinked, but may be best approached in different ways which will vary according to the background of the individuals and the nature of the job. The importance of induction is highlighted by research which shows a correlation between early resignations (which are very expensive) and a lack of induction.

Box C

References before interview?

Local authorities differ from much of the private sector in that they often take up references before interview. This reflects a traditional view that the movement of staff between authorities is to be encouraged. Thus, it is assumed that existing employers will not disfavour someone known to be applying for other jobs and that they will give an objective and honest assessment of the person's strengths and weaknesses to any future employer. Some authorities which seek references before interview will consult them only after they have selected their preferred candidate.

There are three advantages of seeking references before interview:

1. job offers can be made on the day of final interviews, without the delay caused by the need to take up references;
2. referees may be more open in their comments if theirs is not the final verdict (but see below); and
3. any doubts or negative inferences drawn from references can be probed at interview.

But this needs to be balanced against the disadvantages:

1. some applicants, particularly those from the private sector, may prefer there to be no contact with referees before job offer – this could put them at a disadvantage at shortlisting stage and make comparisons difficult or invalid for selectors;
2. there is extra work for the authority and for referees in obtaining references for all shortlisted candidates; and
3. in some cases previous employers will not provide opinions. This is because seeking references before interview does not alter the legal responsibilities of the referee, both to candidates and to prospective employers. To counter any possible claims, some employers provide only 'open' references (ie, they are shown to the candidates) or restrict all their references to limited factual information. In such cases, references cannot be properly compared as part of the selection process.
Exhibit 15
Staff views of induction

Most staff found induction useful.

Source: Audit Commission survey of 250 recent recruits

61. Authorities use a combination of four main techniques: written materials or tapes, allocating an existing employee as a 'mentor', specific programmes of on-the-job training by a colleague or manager, and formal courses.

62. A short period of induction training is used as a matter of course by most local authorities, but is not universal. One-quarter of employees questioned between one and six months after being recruited had not yet received formal or informal induction training. Of those who had received it, most found it useful and relevant (Exhibit 15). Their major criticism was that it was too often delayed and would have been more valuable if provided earlier.

63. Some form of induction will be appropriate for all new recruits. Good practice found by the study team balanced on-the-job and off-the-job elements (Case Studies 4, 5 and 6, overleaf) and included:

- checklists for personnel and line managers, to ensure that each employee receives appropriate elements in an induction package;
- self-completion booklets for employees;
- tailored induction packs for different groups (eg, temporary or permanent staff, staff moving between departments or physical locations in the same authority);
- the use of tapes, videos and appointed mentors as well as written material; and
- monitoring induction training; this included using feedback from employees to gauge effectiveness.
Nottinghamshire County Council revised its induction programme in 1993 as part of a corporate initiative. The revision took good ideas already in operation in various departments and brought them together in a package suitable for all departments. The key role of the manager/supervisor is stressed. Managers/supervisors are offered both training courses and a comprehensive written guide outlining the work they should do before new recruits arrive, during the first few days and over the first weeks. They are reminded of new employees’ need for information in four areas:

- the organisation of the county council
- the council's objectives
- their specific job
- personal information and their work team

New recruits are given a self-study package based on one used successfully by Oxfordshire County Council. It is in three parts to help them absorb it. ('Welcome to Nottinghamshire County Council' before joining, 'Getting Started' for weeks 1 to 2, and 'Now you know your way around' for weeks 3 to 6.) The scheme includes details on monitoring probationary periods and is linked into the authority’s annual performance review scheme for all staff.

The London Borough of Lewisham has a more departmentally based approach to induction which means that some of the information provided to help managers and employees is more directly targeted. Lewisham housing department uses a combination of audiotape, video and written material to help managers and new recruits. Their induction packs stress the key role of the line manager while allowing staff to cover important issues themselves. As the ‘pack’ is departmentally based, it gives a detailed focus on the core values, organisation and activities of that department. An audiotape for staff includes explanations from existing employees on how they have progressed within the department and stresses the authority's commitment to staff development. A videotape is also lent to new staff.

Both new recruit and manager 'sign off' when the induction programme is completed. The final review under the induction programme, and any development proposals made there, is revisited when the new employee has their first discussion under the authority’s regular employee development scheme.

In a recent review, Kings Lynn and West Norfolk District Council changed its induction procedures to include temporary staff and internal transfers. As part of the induction process all staff are now asked for their training history. All existing staff have a computerised training history kept by the Personnel section. There are customised checklists for managers, covering induction for external, internal or temporary staff. An associated form has to be returned to Personnel after 15 days, which builds in a time scale and a monitoring system. Internal transfers should be given immediate performance appraisals to identify urgent training needs.
Conclusion –
Key Aspects of Good Practice

Local authorities recognise the importance of recruiting good staff and the study team found examples of good practice across all types of authority. There is often more than one policy or procedure which can meet an authority's aims and the requirements of good practice guidelines. However, there are four key aspects of good practice which apply in all cases.

**Good planning**
Carefully planned appointments are likely to be quicker, cheaper and more effective than haphazard, hastily planned ones.

**Careful monitoring**
Monitoring is the only way that authorities can be sure that recruitment policies are transferred from paper to practice, that they are seen to be operating fairly, that good practice applies across an authority's departments and that outcomes are kept under review. Policies should also be in line with department/authority objectives and business plans.

**Matching techniques to requirements**
Selection methods should be suited to the particular needs of each job. Evidence rather than tradition should guide the choice of techniques; reliance on interviews alone is unlikely to be sufficient.

**Consistency without uniformity**
Authorities need to adopt principles and operate recruitment procedures with consistency to create a clear and visible process. This does not mean that the same application form or the same test should be used for each job.
Ten Questions for Members and Chief Officers

1. Are all those involved in selection (members and officers) trained in good recruitment procedures?

2. How many temporary staff do we employ?

3. How do we know that our selection procedures are fair, especially with regard to gender and ethnic groups?

4. Do we wish to change the proportion of our workforce drawn from currently under-represented groups?

5. When did we last review our application forms?

6. What proportion of recruits has received a relevant and validated test before selection?

7. Are sickness records and essential qualifications always checked before appointment?

8. For all recent appointments, are files available that give evidence for all selection decisions?

9. What proportion of job vacancies is filled by internal candidates?

10. Do we know what proportion of recruits receives comprehensive induction training within their first three months?
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