

Attitudes to increasing the proportion of member-nominated trustees: a qualitative study

Technical appendices

by Ben Hewitson, Andrew Hunter, Richard Stockley
and Andrew Thomas

Department for Work and Pensions

Research Report No 670

Attitudes to increasing the proportion of member-nominated trustees: a qualitative study

Technical appendices

Ben Hewitson, Andrew Hunter, Richard Stockley and Andrew Thomas

A report of research carried out by BMRB Qualitative Research part of BMRB Limited (British Market Research Bureau) on behalf of the Department for Work and Pensions

© Crown Copyright 2010. Published for the Department for Work and Pensions under licence from the Controller of Her Majesty's Stationery Office.

Application for reproduction should be made in writing to The Copyright Unit, Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ.

First Published 2010.

ISBN 978 1 84712 789 1

Views expressed in this report are not necessarily those of the Department for Work and Pensions or any other Government Department.

Contents

Introduction to technical appendices.....	1
Appendix A Topic guides	3
Appendix B Qualitative analysis using Matrix Mapping.....	31

Introduction to technical appendices

These appendices bring together supplementary information about the *Attitudes to increasing the proportion of member-nominated trustees* research project¹. In particular, the appendices cover the topics guides that were utilised during the interviews and some additional information on how the interviews were analysed.

Appendix A Topic guides

The research project used a total of three separate topic guides – one for each of the respondent types – employers, trade union representatives and trustees (member-nominated and employer-nominated combined). The topic guides had considerable overlap with each other in terms of the core issues that were covered, in order to allow for comparative analysis, they were also tailored to explore specific topics relevant to trustees, employers and trade union representatives respectively.

The topic guides were developed with the help of guidance and suggestions from Department for Work Pensions (DWP) and were designed to be flexible in use. In this way, the topic guides acted as aide-memoires, rather than a rigid structure for the researcher to follow.

Appendix B Qualitative analysis

Appendix B provides the reader with some additional information on how findings from the depth interviews were analysed.

Interviews were digitally recorded, with the respondent's permission and then transcribed verbatim. The analysis method employed for this project was that of Matrix Mapping. In summary, Matrix Mapping involves the summarising of

¹ The full report for the *Attitudes to increasing the proportion of member-nominated trustees* research project is available from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

data into themes, which can then be analysed according to theme, and/or sub-group, such as type of pension scheme for instance. Matrix Mapping also makes it possible for the researcher to identify quotations, which can then be used to supplement the findings in the report.

Appendix A

Topic guides

A1 Topic Guide – Trustees

45108714
TG – Trustees
V3

DWP member-nominated trustees (45108714)

Topic Guide (Trustees)

Core objectives

The primary objective of the study is to explore the practical issues associated with increasing Member Nominated Trustee (MNT) representation on pension scheme trustee boards and the effect this might have on scheme governance.

Specifically, the research aims to explore:

- current trustee board arrangements and how well these are currently working;
- the practical issues associated with any change from one-third to 50 per cent MNT representation, such as trustee recruitment and retention, training and support;
- perceived benefits of moving to 50 per cent MNT representation;
- effect on governance of 50 per cent representation;
- potential barriers to implementing 50 per cent MNT representation; and
- indicative costs of moving towards 50 per cent MNT representation.

Outline of the research programme

- 68 hour long depth interviews to be given with:
 - 22 x employers;
 - 22 x Trade Union representatives;
 - 24 x pension scheme trustees:
 - 12 x MNTs;
 - 12 x employer-nominated trustees (ENTs);
- Fieldwork is scheduled from mid-June – mid-July 2009.

Key questions	Notes	Approximate timing
1. Introduction; about the employer and respondent role	Introduction; overview of respondent, employer and pension schemes	8 minutes
1.1 Scene-setting • Thank interviewee for taking part • Introduce self and BMRB. Explain study commissioned by Department for Work and Pensions (DWP) and explain the aim of the interview: – To explore issues around increasing the proportion of MNT on pension boards and the impact this may have • Role of BMRB – independent research organisation, gather all opinions: all opinions valid, disagreements OK • Confidentiality: reassure all responses anonymous and that information about individual cases will not be passed on to any third party (e.g. DWP) • Obtain permission to record – transcribe for quotes, no detailed attribution.	Welcome: Orientates interviewee; prepares respondent to take part in the interview Outlines the ‘ground-rules’ of the interview (including those we are required to tell them about under MRS guidelines and Data Protection Act)	
1.2 Respondent role • Job title; time in role; job role • Explore whether they are a trustee for more than one pension scheme – How many schemes	Provides a description of the respondent and their role	
1.3 Organisational information • Industry sector and nature of business • Length of time organisation has been established • Is there a Trade Union(s) • Company pension schemes – ASK respondent to list ALL the pensions schemes operating – IDENTIFY ALL Trust-based pension schemes – For each trust-based scheme: – Open/partially open/closed; – Participation rate – Contribution rate – Trustee arrangements; number of trustees and composition (ENT, MNT, Independent, etc) – IF they are a trustee for more than one scheme, determine which schemes	To provide an overview of the employer’s business To provide an overview of the company’s pension arrangements and to identify the trust-based pension scheme(s) To obtain a brief description of each trust-based pension scheme and an overview of the trustee board arrangements	

Continued

Key questions	Notes	Approximate timing
AT THIS POINT THE INTERVIEW FOCUSES ON ONE TRUST-BASED SCHEME FOR WHICH THE RESPONDENT WAS RECRUITED. THIS CHANGE IN FOCUS SHOULD BE MADE CLEAR TO THE RESPONDENT	Focus moves from general picture of the company and its pension schemes to focus on the trust-based scheme for which they were recruited	
2. Current trustee arrangements for the Trust-based scheme for which they were recruited	To determine the composition of the trustee board; reasons for composition; preferred composition and reasons for any differences between preferred and actual composition; and views about how well the current trustee arrangements are working	15 mins
<i>Thinking about the [name of scheme] pension scheme that you are a trustee for...</i>		
• Trustee board composition – Number of trustees – Composition: – Numbers of ENTs – Number of MNTs – Number of Independent and Professional Trustees – Reason for proportion of ENTs/MNTs on trustee board – Is this by design or accident – IF by design, explore reasons for this; who determines this design – Demographic breakdown of trustee board – Age – Gender – Ethnicity – Is this by design or accident – IF by design, explore reasons for this; who determines this design – Who chairs the trustee board – Reasons for this	Determine the composition of the trustee board Ascertain the reasons for the trustee board composition in terms of trustee type and demographic background	

Continued

Key questions	Notes	Approximate timing
- Preferred trustee board composition - Is there a preference for how the trustee board is composed - What is their preferred composition - In terms of MNTs/ENTs/Independent/Professional trustees - Reasons for this - In terms of demographic background - Reason for this - If there is a difference between the preferred and actual trustee board composition, ascertain the reasons for this - Does the composition of the trustee board reflect the membership - Importance of this; reasons - How well do they think the current trustee arrangements are working - If the trustee arrangements are working well, what are the reasons for this - If the trustee arrangements are NOT working well, what are the reasons for this - From their perspective as an MNT: - What qualities/skills make a good MNT - What value does an MNT bring to a trustee board	Whether there is a preferred design of trustee board, why this should be so and reasons for any differences between preferred composition and actual composition Whether the current trustee arrangements reflect the membership in terms of job roles, job grades etc. and whether this is an important issue To consider how well the current trustee arrangements are working Explore the value of MNTs from the perspective of an MNT	
3. On becoming a trustee	To explore recruitment policies; training and support; time commitment; and remuneration	15 mins
3.1 Recruitment		
- Who can be an ENT or MNT - How are ENTs recruited - How are MNTs recruited - Explore use of adverts, word of mouth recruiting, etc. - If the process of recruiting ENTs and MNTs is different, ascertain reasons for this - How Independent/professional trustees are recruited	What are the methods of recruiting ENTs and MNTs and do the processes differ	

Continued

Key questions	Notes	Approximate timing
- Is there a selection process - What does it comprise; formal application; interview; who undertakes the interview; etc. - What is looked for when recruiting an ENT - Specific qualifications? What and why - Specific skills? What and why - Specific qualities? What and why - What is looked for when recruiting an MNT - Specific qualifications? What and why - Specific skills? What and why - Specific qualities? What and why - What is looked for when recruiting an Independent/Professional trustee - Specific qualifications? What and why - Specific skills? What and why - Specific qualities? What and why - Explore communications with Trade Unions on recruiting/selecting MNTs (where relevant) - Is there a formal recruitment policy for recruiting ENTs and MNTs - What is the policy - When did it originate - How did it originate - How is it communicated to potential trustees - How easy/difficult is it to recruit trustees - What difficulties (if any) are there to recruiting ENTs and MNTs - Any differences in ease with which ENTs and MNTs are recruited; reasons for this - How have they dealt with these difficulties - What would make recruiting ENTs less difficult (if relevant) - What would make recruiting MNTs less difficult (if relevant) - Vacancies - Are there any vacancies on the trustee board at present - What positions are vacant - Reasons for vacancies - Reasons for vacancies not being filled - Effect of vacancies on how trustee board functions	To explore what sort of people are recruited as trustees Consultation with Trade Union Whether there is a recruitment policy and its origins Explore how easy/difficult it is to recruit trustees and how they deal with these	

Continued

Key questions	Notes	Approximate timing
- Recruitment resources - When they are recruiting for trustees, what do they require in terms of resources - What type of person does the recruitment; what skills are required - How much time does it take - What does it cost - Is the resource requirement different for recruiting ENTs and MNTs; reasons why	Explore time, money and skills required for trustee recruitment	
3.2 Starting as a trustee		
- Support provided for MNTs once selected - What formal support is provided - Probe time: Initial and continuing - Probe methods: Training, mentoring, professional networks, other - What informal support is available - What form does this take - How are support needs identified - Who supplies support - Probe: scheme, employer, other provider - Are similar support services available for ENTs and MNTs? - Probe: Differences in support provision between MNTs and ENTs. - Explore perceptions of how long it takes for a trustee to become fully effective in their role	Support for when starting as a trustee and how support needs are identified Important to distinguish between formal and informal sources of support; what they are and how they are delivered	
3.3 Training as a trustee		
- Training for ENTs and MNTs - What training is provided - E.g. courses, 'on the job' training, etc. - Distinguish between initial training and continuous training/top up training - How is this provided - By the scheme; external courses, etc. - Blanket or tailored training; - How are training needs identified; - Who supplies training		

Continued

Key questions	Notes	Approximate timing
– How is training paid for – Probe: Scheme, employer, other – Is training the same for ENTs and MNTs – Explore any differences	How trustees are trained and training needs are identified Explore how training is delivered, distinguishing between initial and on-going training	
3.4 Time commitment		
• When do trustees undertake their duties – During work time; own time – Are they given time in lieu if in own time – Does this differ for ENTs and MNTs; why • Is a specific amount of time allocated for trustees to undertake their duties – How much; how has this been determined – Does it differ for ENTs and MNTs; why • Do trustees spend more time on their duties than they are allocated – What duties specifically; reasons why • Has the amount of time required for trustees to undertake their duties changed – In what way – Reasons why	Explore how training is paid for Explore when trustees undertake their duties and whether time is allocated for this function. Also explore whether there is sufficient time is allocated	
3.5 Remuneration		
• Are trustees remunerated – Is this the same for ENTs and MNTs; what are the differences – How is remuneration received; any differences between ENTs and MNTs	Is there a process of remuneration and what form does it take	
4. Progress towards meeting one-third MNT requirement		10 minutes
• Explore respondent and company awareness of the requirement to have one-third MNTs on trustee boards • To what extent have companies met this requirement – What has been done to meet/work towards the one-third requirement – How long to has it taken to meet the requirement – Reasons for not meeting requirement yet (if applicable)		

Continued

Key questions	Notes	Approximate timing
– Probe: Issues faced in meeting the requirement – Perceived value and benefits of having one-third MNTs – Perceived downsides of having to have one-third MNTs	Please reassure respondent that research is not about checking compliance with the one-third requirement.	
5. Views about moving towards 50 per cent MNTs		10 minutes
<i>DWP are considering the possibility of increasing the requirement from one-third MNTs to 50 per cent MNT representation on pension scheme trustee boards....</i> • Views about moving to 50 per cent MNTs – What would be the advantages and benefits of moving to 50 per cent MNTs – Reasons for this – What would be the downsides of moving to 50 per cent MNTs – Reasons for this • Potential impact of 50 per cent MNTs on: – Scheme governance – Positive aspects; reasons – Negative aspects; reasons – Trustee recruitment – Ability to identify suitable candidates – What attributes would the additional MNTs have, if different to existing candidates • How likely is the company to meet the 50 per cent requirement – If unlikely, what would be the reasons for this – What will they need to do to meet the 50 per cent MNT requirement	Ensure that respondent is aware that the move towards increasing MNT proportion on trustee boards to 50 per cent is a possibility and not currently a requirement Explore overall reactions to the notion of 50 per cent MNT representation and then consider specific effects on scheme governance, recruitment issues and costs	
6. Summing up		2 minutes
• What do you believe would be the overall effect of a change in the law to require your pension scheme to move to 50 per cent MNTs? – On the scheme (governance) – On the employer – On the scheme members		

A2 Topic Guide – Employers

45108714
TG – Employers
V3

DWP member-nominated trustees (45108714)

Topic Guide (Employers)

Core objectives

The primary objective of the study is to explore the practical issues associated with increasing Member Nominated Trustee (MNT) representation on pension scheme trustee boards and the effect this might have on scheme governance.

Specifically, the research aims to explore:

- current trustee board arrangements and how well these are currently working;
- the practical issues associated with any change from one-third to 50 per cent MNT representation, such as trustee recruitment and retention, training and support;
- perceived benefits of moving to 50 per cent MNT representation;
- effect on governance of 50 per cent representation
- potential barriers to implementing 50 per cent MNT representation; and
- indicative costs of moving towards 50 per cent MNT representation

Outline of the research programme

- 68 hour long depth interviews to be given with:
 - 22 x employers;
 - 22 x Trade Union representatives;
 - 24 x pension scheme trustees:
 - 12 x MNTs;
 - 12 x employer-nominated trustees (ENTs);
- Fieldwork is scheduled from Mid June – Mid July 2009.

Key questions	Notes	Approximate timing
2. Introduction; about the employer and respondent role	Introduction; overview of respondent, employer and pension schemes	8 minutes
1.1 Scene-setting • Thank interviewee for taking part • Introduce self and BMRB. Explain study commissioned by Department for Work and Pensions (DWP) and explain the aim of the interview: – To explore issues around increasing the proportion of MNT on pension boards and the impact this may have • Role of BMRB – independent research organisation, gather all opinions: all opinions valid, disagreements OK • Confidentiality: reassure all responses anonymous and that information about individual cases will not be passed on to any third party (e.g. DWP) • Obtain permission to record – transcribe for quotes, no detailed attribution.	Welcome: Orientates interviewee; prepares respondent to take part in the interview Outlines the ‘ground-rules’ of the interview (including those we are required to tell them about under MRS guidelines and Data Protection Act)	
1.2 Respondent role • Job title; time in role; job role • What is their role in relation to the pension scheme; degree of involvement (e.g. full-time role or partial role) – How much of their time is taken up with pension scheme issues on average per week – What sort of pension-related tasks do they do – Determine whether they would make decisions about the pension scheme and what sort of decisions (e.g. strategic, commercial, communications, etc.)	Provides a description of the respondent and their role in relation to the company pension scheme(s)	
1.3 Organisational information • Industry sector and nature of business • Length of time organisation has been established • Is there a Trade Union(s) • Company pension schemes – ASK respondent to list ALL the pensions schemes operating – IDENTIFY ALL Trust-based pension schemes – For each trust-based scheme:	To provide an overview of the employer’s business	

Continued

Key questions	Notes	Approximate timing
– Open/partially open/closed; – Participation rate – Contribution rate – Trustee arrangements; number of trustees and composition (ENT, MNT, Independent, etc) AT THIS POINT THE INTERVIEW FOCUSES ON ONE TRUST-BASED SCHEME FOR WHICH THE RESPONDENT WAS RECRUITED. THIS CHANGE IN FOCUS SHOULD BE MADE CLEAR TO THE RESPONDENT	To provide an overview of the company's pension arrangements and to identify the trust-based pension scheme(s) To obtain a brief description of each trust-based pension scheme and an overview of the trustee board arrangements Focus moves from general picture of the company and its pension schemes to focus on the trust-based scheme for which they were recruited	
2. Current trustee arrangements for the Trust-based scheme for which they were recruited	To determine the composition of the trustee board; reasons for composition; preferred composition and reasons for any differences between preferred and actual composition; and views about how well the current trustee arrangements are working	15 mins
<i>Thinking about the [name of scheme] pension scheme...</i> • Trustee board composition – Number of trustees – Composition: – Numbers of ENTs – Number of MNTs – Number of Independent and Professional Trustees – Reason for proportion of ENTs/MNTs on trustee board – Is this by design or accident – If by design, explore reasons for this; who determines this design – Demographic breakdown of trustee board	Determine the composition of the trustee board	

Continued

Key questions	Notes	Approximate timing
– Age – Gender – Ethnicity – Is this by design or accident – IF by design, explore reasons for this; who determines this design – Who chairs the trustee board – Reasons for this • Preferred trustee board composition – Do they have a preference for how the trustee board is composed – What is their preferred composition – In terms of MNTs/ENTs/ Independent/ Professional trustees – Reasons for this – In terms of demographic background – Reason for this – IF there is a difference between the preferred and actual trustee board composition, ascertain the reasons for this • Does the composition of the trustee board reflect the membership importance of this; reasons • How well do they think the current trustee arrangements are working – IF the trustee arrangements are working well, what are the reasons for this – IF the trustee arrangements are NOT working well, what are the reasons for this	Ascertain the reasons for the trustee board composition in terms of trustee type and demographic background Whether there is a preferred design of trustee board, why this should be so and reasons for any differences between preferred composition and actual composition Whether the current trustee arrangements reflect the membership in terms of job roles, job grades etc. and whether this is an important issue To consider how well the current trustee arrangements are working	
3. On becoming a trustee	To explore recruitment policies; training and support; time commitment; and remuneration	15 minutes
3.1 Recruitment		
• Who can be an ENT or MNT – How are ENTs recruited – How are MNTs recruited – Explore use of adverts, word of mouth recruiting, etc.	What are the methods of recruiting ENTs and MNTs and do the processes differ	

Continued

Key questions	Notes	Approximate timing
– IF the process of recruiting ENTs and MNTs is different, ascertain reasons for this – How Independent/professional trustees are recruited • Is there a selection process – What does it comprise; formal application; interview; who undertakes the interview; etc. • What do they look for when recruiting an ENT – Specific qualifications? What and why – Specific skills? What and why – Specific qualities? What and why • What do they look for when recruiting an MNT – Specific qualifications? What and why – Specific skills? What and why – Specific qualities? What and why • What do they look for when recruiting an Independent /Professional trustee – Specific qualifications? What and why – Specific skills? What and why – Specific qualities? What and why • Explore communications with Trade Unions on recruiting/selecting MNTs (where relevant) • Do they have a formal recruitment policy for recruiting ENTs and MNTs – What is the policy – When did it originate – How did it originate – How is it communicated to potential trustees	To explore what sort of people are recruited as trustees	
• How easy/difficult is it to recruit trustees – What difficulties (if any) are there to recruiting ENTs and MNTs – Any differences in ease with which ENTs and MNTs are recruited; reasons for this – How have they dealt with these difficulties – What would make recruiting ENTs less difficult (if relevant) – What would make recruiting MNTs less difficult (if relevant)	Whether there is a recruitment policy and its origins Explore how easy/difficult it is to recruit trustees and how they deal with these	

Continued

Key questions	Notes	Approximate timing
- Vacancies - Are there any vacancies on the trustee board at present - What positions are vacant - Reasons for vacancies - Reasons for vacancies not being filled - Effect of vacancies on how trustee board functions - Recruitment resources - When they are recruiting for trustees, what do they require in terms of resources - What type of person does the recruitment; what skills are required - How much time does it take - What does it cost - Is the resource requirement different for recruiting ENTs and MNTs; reasons why		
3.2 Starting as a trustee - Support provided for MNTs once selected - What formal support is provided - Probe time: Initial and continuing - Probe methods: Training, mentoring, professional networks, other - What informal support is available - What form does this take - How are support needs identified - Who supplies support - Probe: scheme, employer, other provider - Are similar support services available for ENTs and MNTs? - Probe: Differences in support provision between MNTs and ENTs. - Explore perceptions of how long it takes for a trustee to become fully effective in their role	Explore time, money and skills required for trustee recruitment Support for when starting as a trustee and how support needs are identified	
3.3 Training as a trustee - Training for ENTs and MNTs - What training is provided - E.g. courses, 'on the job' training, etc. - Distinguish between initial training and continuous training/top up training - How is this provided - By the scheme; external courses, etc. - Blanket or tailored training;	Important to distinguish between formal and informal sources of support; what they are and how they are delivered	

Continued

Key questions	Notes	Approximate timing
– How are training needs identified; – Who supplies training – How is training paid for – Probe: Scheme, employer, other – Is training the same for ENTs and MNTs – Explore any differences	How trustees are trained and training needs are identified	
3.4 Time commitment		
• When do trustees undertake their duties – During work time; own time – Are they given time in lieu if in own time – Does this differ for ENTs and MNTs; why • Is a specific amount of time allocated for trustees to undertake their duties – How much; how has this been determined – Does it differ for ENTs and MNTs; why • Do trustees spend more time on their duties than they are allocated – What duties specifically; reasons why • Has the amount of time required for trustees to undertake their duties changed – In what way – Reasons why	Explore how training is delivered, distinguishing between initial and on-going training Explore how training is paid for	
3.5 Remuneration		
• Are trustees remunerated – Is this the same for ENTs and MNTs; what are the differences – How is remuneration received; any differences between ENTs and MNTs	Explore when trustees undertake their duties and whether time is allocated for this function. Also explore whether there is sufficient time is allocated Is there a process of remuneration and what form does it take	
4. Progress towards meeting one-third MNT requirement		10 mins
• Explore respondent and company awareness of the requirement to have one-third MNTs on trustee boards • To what extent have companies met this requirement – What has been done to meet/work towards the one-third requirement – How long to has it taken to meet the requirement – Reasons for not meeting requirement yet (if applicable)	Please reassure respondent that research is not about checking compliance with the one-third requirement.	

Continued

Key questions	Notes	Approximate timing
– Probe: Issues faced in meeting the requirement – Perceived value and benefits of having one-third MNTs – Perceived downsides of having to have one-third MNTs • IF they have achieved one-third MNTs, what were the costs of achieving one-third MNTs on trustee boards – For what tasks and activities were costs incurred – Spontaneous only: NO prompting – How much were these costs • IF they are in the process of working towards one-third MNTs, have they incurred any costs – For what – How much were these costs – How much more expenditure do they expect; and what for • Governance issues – What has been the effect of moving to one-third MNTs on scheme governance – Positive aspects – Negative aspects – Explore reasons for views – How were any negative consequences dealt with (if relevant)	DWP are keen that respondents are NOT prompted with cost headings Explore the impact – positive or negative – of moving to one-third MNTs on scheme governance	
5. Views about moving towards 50 per cent MNTs		10 mins
<i>DWP are considering the possibility of increasing the requirement from one-third MNTs to 50 per cent MNT representation on pension scheme trustee boards....</i> • Views about moving to 50 per cent MNTs – What would be the advantages and benefits of moving to 50 per cent MNTs – Reasons for this – What would be the downsides of moving to 50 per cent MNTs – Reasons for this	Ensure that respondent is aware that the move towards increasing MNT proportion on trustee boards to 50 per cent is a possibility and not currently a requirement	
Continued		

Key questions	Notes	Approximate timing
- Potential impact of 50 per cent MNTs on: - Scheme governance - Positive aspects; reasons - Negative aspects; reasons - Trustee recruitment - Ability to identify suitable candidates - What attributes would the additional MNTs have, if different to existing candidates - Costs - Effect on costs (if any) - Who would pay (employer, scheme, etc.) - What costs would be initially incurred and which would continue on an ongoing basis - Whether moving towards 50 per cent MNTs would affect the pension schemes offered - How likely is the company to meet the 50 per cent requirement - If unlikely, what would be the reasons for this - What will they need to do to meet the 50 per cent MNT requirement	Explore overall reactions to the notion of 50 per cent MNT representation and then consider specific effects on scheme governance, recruitment issues and costs	
6. Summing up		2 minutes
- What do you believe would be the overall effect of a change in the law to require your pension scheme to move to 50 per cent MNTs? - On the scheme (governance) - On the employer - On the scheme members		

A3 Topic Guide – Trade Union Representatives

45108714
TG – TU Reps
V3

DWP member-nominated trustees (45108714)

Topic Guide (Trade Union representatives)

Core objectives

The primary objective of the study is to explore the practical issues associated with increasing Member Nominated Trustee (MNT) representation on pension scheme trustee boards and the effect this might have on scheme governance.

Specifically, the research aims to explore:

- current trustee board arrangements and how well these are currently working;
- the practical issues associated with any change from one-third to 50 per cent MNT representation, such as trustee recruitment and retention, training and support;
- perceived benefits of moving to 50 per cent MNT representation;
- effect on governance of 50 per cent representation
- potential barriers to implementing 50 per cent MNT representation; and
- indicative costs of moving towards 50 per cent MNT representation

Outline of the research programme:

- 68 hour long depth interviews to be given with:
 - 22 x employers;
 - 22 x Trade Union representatives;
 - 24 x pension scheme trustees:
 - 12 x MNTs;
 - 12 x employer-nominated trustees (ENTs);
- Fieldwork is scheduled from Mid June – Mid July 2009.

Key questions	Notes	Approximate timing
1. Introduction; about the employer and respondent role	Introduction; overview of respondent, employer and pension schemes	8 minutes
1.1 Scene-setting • Thank interviewee for taking part • Introduce self and BMRB. Explain study commissioned by Department for Work and Pensions (DWP) and explain the aim of the interview: – To explore issues around increasing the proportion of MNTs on pension boards and the impact this may have • Role of BMRB – independent research organisation, gather all opinions: all opinions valid, disagreements OK • Confidentiality: reassure all responses anonymous and that information about individual cases will not be passed on to any third party (e.g. DWP) • Obtain permission to record – transcribe for quotes, no detailed attribution.	Welcome: Orientates interviewee; prepares respondent to take part in the interview Outlines the ‘ground-rules’ of the interview (including those we are required to tell them about under MRS guidelines and Data Protection Act)	
1.2 Respondent role • Job title; time in role; job role • Explore whether they are a trustee of any of the company pension schemes If respondent is NOT a trustee they may not know very much about the composition of the trustee boards, recruitment and training issues, etc. Gauge how much they know for each subsequent section and if it is clear that they can not answer the question areas then move on	Provides a description of the respondent and their role	
1.3 Organisational information • Industry sector and nature of business • Length of time organisation has been established Trade Union representatives may not know very much about the company pension schemes and the details of the trustee board composition – handle sensitively • Company pension schemes – ASK respondent to list ALL the pensions schemes operating – IDENTIFY ALL Trust-based pension schemes	To provide an overview of the employer’s business	

Continued

Key questions	Notes	Approximate timing
– For each trust-based scheme: – Open/partially open/closed; – Participation rate – Contribution rate – Trustee arrangements; number of trustees and composition (ENT, MNT, Independent, etc) AT THIS POINT THE INTERVIEW FOCUSES ON ONE TRUST-BASED SCHEME FOR WHICH THE RESPONDENT WAS RECRUITED. THIS CHANGE IN FOCUS SHOULD BE MADE CLEAR TO THE RESPONDENT	To provide an overview of the company's pension arrangements and to identify the trust-based pension scheme(s) To obtain a brief description of each trust-based pension scheme and an overview of the trustee board arrangements Focus moves from general picture of the company and its pension schemes to focus on the trust-based scheme for which they were recruited	
2. Current trustee arrangements for the Trust-based scheme for which they were recruited	To determine the composition of the trustee board; reasons for composition; preferred composition and reasons for any differences between preferred and actual composition; and views about how well the current trustee arrangements are working	15 minutes
<i>Thinking about the [name of scheme] pension scheme that you are a trustee for...</i>		
• Trustee board composition – Number of trustees – Composition: – Numbers of ENTs – Number of MNTs – Number of Independent and Professional Trustees – Reason for proportion of ENTs/MNTs on trustee board – Is this by design or accident – If by design, explore reasons for this; who determines this design	Determine the composition of the trustee board SKIP this section if the respondent is not aware	

Continued

Key questions	Notes	Approximate timing
– Demographic breakdown of trustee board – Age – Gender – Ethnicity – Is this by design or accident – IF by design, explore reasons for this; who determines this design – Who chairs the trustee board – Reasons for this • Preferred trustee board composition – Is there a preference for how the trustee board is composed – What is their preferred composition – In terms of MNTs/ENTs/ Independent/ Professional trustees – Reasons for this – In terms of demographic background – Reason for this – IF there is a difference between the preferred and actual trustee board composition, ascertain the reasons for this • Does the composition of the trustee board reflect the membership – Importance of this; reasons • How well do they think the current trustee arrangements are working – IF the trustee arrangements are working well, what are the reasons for this – IF the trustee arrangements are NOT working well, what are the reasons for this	Ascertain the reasons for the trustee board composition in terms of trustee type and demographic background SKIP this section if respondent is not aware Whether there is a preferred design of trustee board, why this should be so and reasons for any differences between preferred composition and actual composition SKIP this section if respondent is not aware Whether the current trustee arrangements reflect the membership in terms of job roles, job grades etc. and whether this is an important issue To consider how well the current trustee arrangements are working	
3. On becoming a trustee	To explore recruitment policies; training and support; time commitment; and remuneration	15 minutes
3.1 Recruitment		
• Are they ever involved in the recruitment of MNTs – What role have they had – Satisfaction with role	SKIP these sections if respondents is not aware of the recruitment and selection processes	

Continued

Key questions	Notes	Approximate timing
- Who can be an ENT or MNT - How are ENTs recruited - How are MNTs recruited - Explore use of adverts, word of mouth recruiting, etc. - If the process of recruiting ENTs and MNTs is different, ascertain reasons for this - How Independent/professional trustees are recruited - Is there a selection process - What does it comprise; formal application; interview; who undertakes the interview; etc. - What is looked for when recruiting an ENT - Specific qualifications? What and why - Specific skills? What and why - Specific qualities? What and why - What is looked for when recruiting an MNT - Specific qualifications? What and why - Specific skills? What and why - Specific qualities? What and why - What is looked for when recruiting an Independent /Professional trustee - Specific qualifications? What and why - Specific skills? What and why - Specific qualities? What and why - Explore communications with Trade Unions on recruiting/selecting MNTs (where relevant) - How well does this work - Anything that needs to change - Is there a formal recruitment policy for recruiting ENTs and MNTs - What is the policy - When did it originate - How did it originate - How is it communicated to potential trustees - How easy/difficult is it to recruit trustees - What difficulties (if any) are there to recruiting ENTs and MNTs	What are the methods of recruiting ENTs and MNTs and do the processes differ To explore what sort of people are recruited as trustees Explore what communications occur between the employer, trustee board and the TU Whether there is a recruitment policy and its origins	

Continued

Key questions	Notes	Approximate timing
– Any differences in ease with which ENTs and MNTs are recruited; reasons for this – How have they dealt with these difficulties – What would make recruiting ENTs less difficult (if relevant) – What would make recruiting MNTs less difficult (if relevant) • Vacancies – Are there any vacancies on the trustee board at present – What positions are vacant – Reasons for vacancies – Reasons for vacancies not being filled – Effect of vacancies on how trustee board functions • Recruitment resources – When they are recruiting for trustees, what do they require in terms of resources – What type of person does the recruitment; what skills are required – How much time does it take – What does it cost – Is the resource requirement different for recruiting ENTs and MNTs; reasons why	Explore how easy/difficult it is to recruit trustees and how they deal with these	
3.2 Starting as a trustee • Support provided for MNTs once selected – What formal support is provided – Probe time: Initial and continuing – Probe methods: Training, mentoring, professional networks, other – What informal support is available – What form does this take – How are support needs identified • Who supplies support – Probe: scheme, employer, other provider • Are similar support services available for ENTs and MNTs? – Probe: Differences in support provision between MNTs and ENTs. • Explore perceptions of how long it takes for a trustee to become fully effective in their role	Explore time, money and skills required for trustee recruitment Support for when starting as a trustee and how support needs are identified	

Continued

Key questions	Notes	Approximate timing
3.3 Training as a trustee - Training for ENTs and MNTs - What training is provided - E.g. courses, 'on the job' training, etc. - Distinguish between initial training and continuous training/top up training - How is this provided - By the scheme; external courses, etc. - Blanket or tailored training; - How are training needs identified; - Who supplies training - How is training paid for - Probe: Scheme, employer, other - Is training the same for ENTs and MNTs - Explore any differences	Important to distinguish between formal and informal sources of support; what they are and how they are delivered How trustees are trained and training needs are identified Explore how training is delivered, distinguishing between initial and on-going training Explore how training is paid for	
3.4 Time commitment - When do trustees undertake their duties - During work time; own time - Are they given time in lieu if in own time - Does this differ for ENTs and MNTs; why - Is a specific amount of time allocated for trustees to undertake their duties - How much; how has this been determined - Does it differ for ENTs and MNTs; why - Do trustees spend more time on their duties than they are allocated - What duties specifically; reasons why - Has the amount of time required for trustees to undertake their duties changed - In what way - Reasons why	Explore when trustees undertake their duties and whether time is allocated for this function. Also explore whether there is sufficient time is allocated	
3.5 Remuneration - Are trustees remunerated - Is this the same for ENTs and MNTs; what are the differences - How is remuneration received; any differences between ENTs and MNTs	Is there a process of remuneration and what form does it take	

Continued

Key questions	Notes	Approximate timing
4. Progress towards meeting one-third MNT requirement		10 minutes
• Explore respondent and company awareness of the requirement to have one-third MNTs on trustee boards • To what extent have companies met this requirement – What has been done to meet/work towards the one-third requirement – How long to has it taken to meet the requirement – Reasons for not meeting requirement yet (if applicable) – Probe: Issues faced in meeting the requirement – Perceived value and benefits of having one-third MNTs – Perceived downsides of having to have one-third MNTs	Please reassure respondent that research is not about checking compliance with the one-third requirement.	
5. Views about moving towards 50 per cent MNTs		10 minutes
<i>DWP are considering the possibility of increasing the requirement from one-third MNTs to 50 per cent MNT representation on pension scheme trustee boards....</i> • Views about moving to 50 per cent MNTs – What would be the advantages and benefits of moving to 50 per cent MNTs – Reasons for this – What would be the downsides of moving to 50 per cent MNTs – Reasons for this • Potential impact of 50 per cent MNTS on: – Scheme governance – Positive aspects; reasons – Negative aspects; reasons – Trustee recruitment – Ability to identify suitable candidates – What attributes would the additional MNTs have, if different to existing candidates • How likely is the company to meet the 50 per cent requirement – IF unlikely, what would be the reasons for this	Ensure that respondent is aware that the move towards increasing MNT proportion on trustee boards to 50 per cent is a possibility and not currently a requirement Explore overall reactions to the notion of 50 per cent MNT representation and then consider specific effects on scheme governance, recruitment issues and costs	

Continued

Key questions	Notes	Approximate timing
– What will they need to do to meet the 50 per cent MNT requirement		
6. Summing up		2 minutes
• What do you believe would be the overall effect of a change in the law to require your pension scheme to move to 50 per cent MNTs? – On the scheme (governance) – On the employer – On the scheme members		

Appendix B

Qualitative analysis using Matrix Mapping

Material collected through qualitative methods is invariably rich but unstructured. Much of it is text-based, consisting of verbatim transcriptions of interviews. Moreover, the internal content of the material is usually in detailed and micro form (for example, accounts of experiences and inarticulate explanations). The primary aim of any analytical method is to provide a means of exploring coherence and structure within a cumbersome data set while retaining a hold on the original accounts and observations from which it is derived.

The analysis of the in-depth interviews was undertaken using a qualitative content analytic method called 'Matrix Mapping', which involved a systematic process of sifting, summarising and sorting the material according to key issues and themes.

The first stage of 'Matrix-Mapping' involved familiarisation with the data (in the form of verbatim transcripts), and identification of the emerging issues. Based on this preliminary review of the data, as well as the coverage of the topic guide and the researchers' experiences of conducting the fieldwork, a thematic framework was constructed.

The analysis then proceeded by summarising and synthesising the data according to this thematic framework that comprised a series of subject charts displayed in Excel.

Data from each interview and group discussion transcript was summarised and transposed under the appropriate subject heading of the thematic matrix. The context of the information was retained and the page of the transcript from which it came noted, so that it was possible to return to a transcript to explore a point in more detail or to extract text for verbatim quotation. Once the data had been sifted a map was produced which identified the range and nature of views and experiences, sought associations and patterns within them and provided explanations and underpinning factors.

The mapping process was similar regardless of the topic being considered. The analyst reviewed the summarised data; compared and contrasted the perceptions, accounts, and experiences; searched for patterns or connections within the data and sought explanations internally within the data set. Piecing together the overall picture was not simply aggregating patterns, but weighing up the salience and dynamics of issues, and searching for structures within the data that had explanatory power, rather than simply seeking a multiplicity of evidence.

This report presents the findings from a qualitative research project commissioned by the Department for Work and Pensions (DWP) and carried out by BMRB Social Research to explore attitudes to increasing member-nominated trustee (MNT) representation on pension scheme trustee boards. The research aimed to explore the views and experiences of representatives of four groups with key roles in the running of occupational pension schemes around increasing MNT representation to 50 per cent and, in particular, concerns relating to how 50 per cent representation would impact on scheme governance, recruitment of MNTs and costs.

The study, conducted in 2009, comprised 61 face-to-face depth interviews with employers, MNTs, employer-nominated trustees (ENT) and trade union representatives from across England, Wales and Scotland. Respondents were sourced from a variety of commercially available databases and selected to provide a broad cross-section of pension scheme trustee boards in terms of scheme size and type.

If you would like to know more about DWP research, please contact:
Paul Noakes, Commercial Support and Knowledge Management Team,
3rd Floor, Caxton House, Tothill Street, London SW1H 9NA
<http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>