

## Your first Non-Executive Director interview



*You've been invited to your first interview for a Non-Executive role. What sort of things do you need to know and watch out for?*

I've sat through many NED interviews, on both sides of the table, learning a lot about how they work and how to conduct them. I have not yet discovered the secret to identifying the ideal NED director nor to getting selected myself everytime. Here are a few notes, however, to help first time candidates get the feel of what to expect.

An NED interview is not like an executive one. The focus is not whether you can do the job, but about whether you can 'add value' at the board level; balancing the roles of executive and non-executives; fitting in to a team that meets only occasionally; and looking right on the letterhead to investors.

Why are you being approached for this role? Is it for your sector expertise, your financial or remuneration background? If for none of these, there's a good chance that you are a 'left field' or 'marker' candidate. Some Chairmen like sector knowledge, as it gives the board more weight in dealing with the CEO, but others may actually not want it as they feel that it may cause conflict with executive management. The sector experience may vary. I was asked to join a bank board, without any financial services knowledge, as my private equity background would be helpful in case of a bid.

Finance and remuneration expertise is pretty much always required now for two NED's to chair the Audit and Remuneration Committees.

If you are a 'left field' candidate, however the other directors may just be interested in meeting you or in 'window shopping' a different sort of candidate. The 'marker' candidate generally helps the board to decide which of the other candidates to appoint!

The interview may well not focus much on your expertise. Some Nomination Committees will take qualifications as read, although ask how you keep that knowledge current. The interviewers may be looking more for a candidate's wider contribution to the board. If you talk too much about your own specialism, it risks them concluding that you are not sufficiently broad. Let the interviewer guide you. If they ask broader questions, try to avoid responding in terms of your

expertise. For example, if they ask your view on the branding, avoid responding about the financial return on marketing.

Most interviewers will want a candidate to have done research on their company. The question: “What do you know about our company?” is a classic. There is little excuse these days for candidates not to have done some basic research. This can be an opportunity to direct the conversation onto an area that you think is helpful, perhaps because it highlights your expertise or experience. However, some interviewers, especially the CEO, may feel threatened by too much knowledge. A more cautious strategy would be to make it clear that you have read quite a bit about the company, demonstrate that briefly by replaying the company’s stated strategy and then ask the interviewer for their view.

Expect to be asked about your CV, and this section of the meeting could be very similar to a standard executive interview. However, the interviewers may try to find out whether you understand the difference between being an executive and an NED. It is worth giving some thought to how NED’s that you know may have helped you in your executive role, and then show that this has influenced you. Be careful about any claims you make on past successes. It is much easier to reference check an NED, where the candidacy is not generally regarded as commercially sensitive. The headhunter is likely to know your previous chairmen and would be expected to speak to them.

From all of this, you can see that an NED interview may take many different forms. Unlike an executive one, you should not go into an interview with a single strategy to explain to them what you would do in the role. You may be able to get some advance guidance from the headhunter as to what the interviewer will be looking for, but most times the headhunters won’t really know themselves. Is it personal qualities, technical knowledge, or business experience? Try to read the signs and adapt your pitch according to how you feel the interviewer is taking the meeting.

If the board is all or largely male, especially on a listed company, the chances are that they will want to appoint a woman. If you are male, this dramatically reduces your chances. However it may be a good idea to continue going to the interview, because withdrawing might look churlish and harm your relationship with the headhunter. Of course, the Nomination Committee may start out looking for a particular type or sex of candidate and change its mind if none is available or another candidate is otherwise perfect. Feel free to give it a go, even if your expectations are low.

An NED appointment is not a meritocratic process. A board is unlikely to be looking solely for the most skilled person to play the role, more a ‘square peg for a square hole’. If the board, for example, has already got some very forthright individuals, it may be looking for a quieter, more thoughtful person, or vice-versa. The most common feedback to a failed interviewee is that they weren’t the ‘right fit’. This is of course useless feedback, and even the headhunter may look embarrassed at that. However, it may also be the truth.

The candidate is more likely to get honest feedback if the interviewer felt that they are too inexperienced or quiet, as this is relatively easy to say. However, a board that is rather 'cosy' may not want an individual who asks difficult questions. In which case, they are likely to give the 'not the right fit' feedback. Most feedback will be along the lines of 'they enjoyed meeting you and were impressed by your CV, but they preferred another candidate as they had more relevant experience.'

Sometimes, a candidate emerges who is perfect for the role, usually because the board wants something very specific. The unsuccessful candidates will often be told that the board 'fell in love with another candidate'. You should not worry about this. It's the golfers equivalent of birdying a par 3 only to find the other guy scores a hole in one.

### Summary

1. An NED appointment is not meritocratic, so unsuccessful candidates should not be discouraged. The board is usually looking for 'fit', which you are unlikely to be able to discern in advance.
2. Do your homework about the company and be prepared to show interest and enthusiasm.
3. Try to read the interviewer as to whether they want you to show your knowledge and insight about the company or simply to nod intelligently while they give their overview.
4. Adapt your pitch according to whether you are meeting non-executives or the CEO. The latter may worry that you may know too much or interfere.
5. Assume that any claims you make about past achievements may be referenced and checked.
6. Don't be disheartened by rejection, which may well be nothing to do with you.