

# What to **consider** when applying for Non-Executive roles

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Whether you are in the early stages of embarking upon your portfolio career, or an experienced Non-Executive Director (NED), knowing what to look out for when considering a new NED position is vital. Everyone has their own motivations, personal and professional, for taking on Non-Exec work and so there is no single rule that determines whether a role is right or wrong. However, knowing what the potential green and red flags are, will help you determine whether a position fits into your own personal circumstances and allow you to build a portfolio that is fulfilling, exciting and professionally rewarding.

To support you in doing this, we have collated the views and experiences of a range of experienced Non-Executive Directors to compile this guide of what to consider when looking into a new NED position. Whilst the list is not exhaustive, and requires adjustment to your own personal situation, we hope it helps you to explore new positions with confidence.

## Areas to consider:

What should you look into when assessing a new Non-Executive role?

- 1. Governance and Compliance:**  
Ensure the basics are in place. Look out for governance, compliance, policies, and auditor reports.
- 2. Shareholder Relationship:**  
Investigate the relationship between shareholders and the board. Understand the power dynamics, recent board arrivals and departures. Where appropriate, speak with various stakeholders to get a comprehensive and informed view.
- 3. Understanding Interests and Relationships:**  
Assess the interests and relationships of NEDs and executives. Such as the dynamics between CEO/CFO and Chair/CEO. Ensure the environment is appropriate and conducive to being an effective NED, and the culture transparent and inclusive.
- 4. Decision-Making Process:**  
Understand how decisions are made within the board and the organisation, and then communicated between the Board and Exec.
- 5. Lack of transparency:**  
Is information readily available about the company's performance, financials, and decision-making processes? Are there concerns about potential conflicts of interest among existing directors?
- 6. Weak board culture:**  
Is there a culture of open discussion and challenge amongst directors, or does a strong executive team dominate decision-making?
- 7. Ethical concerns:**  
Has the company faced any recent ethical scandals or controversies? Is there a strong commitment to ethical conduct within the organisation?
- 8. Financial instability:**  
Is the company in a precarious financial position with high debt or declining profitability? Is the long-term strategy clear and realistic?
- 9. Unsustainable practices:**  
Does the company rely on short-term gains or unethical practices to achieve success?
- 10. Poor risk management:**  
Does the company seem to be taking on excessive risks or lacking proper risk mitigation strategies?

## Green Flags

In the experience of current NEDs, these things have been present to allow them to determine the suitability of a role, and often helping them to determine how well a Board and organisation is performing.

- 1. Accessibility during selection process:**  
Is the Board accessible during the selection process? Are you given a chance to engage with those who you could end up working alongside?
- 2. Diverse Board members:**  
There is a diverse range of board members.
- 3. Transparency of information:**  
Information is transparent, with clear communication from the CEO, no silos between departments, and accurate financial reporting.
- 4. Open access:**  
The CEO is open and supportive of access to various people within the company in an appropriate manner.
- 5. The Chair:**  
The Chair fosters an inclusive culture with values that allow for the expression of discussion and professional debate.
- 6. Clear Values and Mission:**  
The company has clear values, mission, and strategy.
- 7. Succession Plans:**  
Succession plans are clearly defined.
- 8. Opportunity for contributions:**  
You can make a valuable contributions as a NED, that your skills or experience contribute to the direction of the organisation and there is an environment that encourages participation and involvement.
- 9. Clear recruitment rationale:**  
There is a clear rationale for NED recruitment, and requirements are transparent.
- 10. Clear role definition and responsibilities:**  
Is the NED role clearly defined with specific responsibilities and expectations outlined? Does the workload and time commitment align with your availability and expertise?
- 11. Good induction:**  
The company provides a thorough induction program for new Board members.

## Red Flags

The following are warning signs that, in retrospect, experienced NEDs wished they had identified, and have subsequently learned from. Whilst the suggestions do not define the performance of a Board, the quality of a NED position, or whether you should apply, they offer areas to watch out for, consider, and explore when determining whether to accept the position.

- 1. Clarity of brief:**  
Is it unclear why they are recruiting a NED, and are they clear on what they are seeking? Will the process prevent those with 'different' experience from being successful, despite what the narrative might say?
- 2. Poor Specifications:**  
Job specifications are unclear, and access to documents is limited.
- 3. A lack of transparency:**  
Limited access to information, strategies, performance reports, or other documentation that helps you to assess the organisation and the focus of the role you will hold as a NED.
- 4. Limited Access:**  
No access to the Chair, NEDs or CEO during the selection process.
- 5. Process duration: :**  
Either the selection process is rushed and over too quickly, without allowing time for discussion. Or it takes too long and with little engagement and update, causing you to question what is happening.
- 6. Lack of Feedback:**  
You do not receive feedback or receive updates on progress during the selection process.
- 7. Inconsistent Interviews:**  
The Chair does not show up or doesn't appear to be effective within the Board.
- 8. No Cohesion or Strategy**  
There is no evidence of cohesion and strategy within the board.
- 9. Lack of Guidance:**  
There is no set onboarding programme, and communication and engagement beyond the process is limited.
- 10. Tokenism:**  
Efforts to meet diversity agendas are superficial and lack substance.
- 11. Poor Board Reports:**  
Board reports are of low quality.

## Some Personal considerations:

We are all different, and so it is important you apply your own judgement on what a NED role will offer you, and the professional benefit you will gain from accepting it. The considerations below are all good starting points for reflection:

- 1. Alignment with your values:**  
Do the company's values and mission align with your own personal values and ethical beliefs?
- 2. Potential reputational risk:**  
Could this position put your own reputation at risk if the company encounters problems?
- 3. Skills and experience match:**  
Do your skills and experience align well with the specific needs of the board and the company?
- 4. Opportunity for Growth and Learning:**  
Does the role offer opportunities for you to learn and develop new skills?
- 5. Conflict of interest:**  
Do you have a conflict of interest that will prevent you from truly adding value as a Non-Exec?
- 6. Unrealistic time commitment:**  
Is the expected time commitment for the NED role clearly defined and manageable for you? Are there concerns about being overloaded with responsibilities? Is the remuneration fair for the time commitment?
- 7. What does your gut say?**  
Make sure you are listening to your instincts and not pressured to make a decision before you are ready.

These top tips have been developed in partnership with the **InfraNED** network. Thank you to all who were involved for the generosity of your thoughts and sharing your experiences as Non-Executive Directors.

**"If you have knowledge, let others light their candles in it"**



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