



# BoardWorks

## Selecting the Right Chief Executive – Questioning the Candidates

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“Boards have no-one to blame but themselves if their CEOs disappoint them” according to leadership guru Warren Bennis and his collaborator James O’Toole in their recent article Don’t Hire the Wrong CEO, which will be reviewed in the next issue of Good Governance.

The selection of a new chief executive is such a vital decision that a board should take the most comprehensive approach to ensure it makes the best-informed choice possible. There is a cost in assembling the type of composite picture that will achieve this, but such a cost is likely to pale into insignificance alongside the subsequent direct and indirect costs of appointing the wrong person!

In our experience many boards are over-confident in their ability to assess potential candidates on the basis of an interview alone. Candidates who are polished, articulate, and personable can readily sway an interview panel as many boards have found to their cost.

There is increasing evidence that even when an interview process is supplemented by psychometric tests and professionally conducted reference checks it does not necessarily produce a candidate whose actual on-the-job performance will meet the board’s expectations. A number of boards have gained considerable additional assurance from an intensive, specifically designed and realistic simulation process subjecting short-listed candidates to the type of pressures they will face on the job.

While it is recommended, therefore, that boards should adopt the most comprehensive and thorough assessment process their organisations can afford we acknowledge there will be some boards that prefer, or are forced by resources or other circumstances, to rely largely on the candidate interview.

We therefore offer the following questions to assist boards interviewing chief executive candidates. The questions stand on their own or might be used as part of a broader based process.

The questions to be put to candidates should be agreed and shared among an interview panel in advance. This is to ensure that the same questions are put in the same manner and sequence to each interviewee and that there is a clear sense of what each question is intended to achieve. Freed from having to create the main questions during the interview, panel members are better able to supplement their listening with observations about the candidate’s body language, often the most telling aspect of their communication.

**‘From what you have so far been able to learn about the organisation what do you see as the most important challenges we face?’**

This question is a good ‘icebreaker’ which will also help you to start assessing the candidate from a number of different perspectives. For example, how well have they done their homework on the organisation? Are they able to present their ideas clearly and persuasively? Are they able to think

conceptually? Do they have a vision for the organisation (and are they, therefore, going to be able to help the board to 'design the future')? Are they a big picture person or are they likely to get bogged down in the nuts and bolts of the organisation's operations? What have they learned from their previous experience which they will be able to apply to the benefit of your organisation? What is their personal style - does it fit what your organisation is likely to need going into the future?

Subsequent questions will help build on any initial impressions that flow from this question.

**'If you were in our position and searching for the right individual to head this organisation, why would you say that you were the best qualified for the position?'**

Candidates' answers will indicate the extent to which they know their own ability compared with others who they may think could do the job. Each candidate should be able to give some evidence of why he or she has some competitive advantage over others – for example, what do they feel they can contribute which others may not be able to.

Answers to this question will also give the panel some indication about the candidates' level of self-awareness and their breadth of understanding of the challenges of this job. Self-awareness and emotional maturity are key variables in effective leadership and subsequent questions should aim to build to a confident assessment of these factors.

The next two questions are ideal follow-on questions:

**'What do you feel has been your greatest career accomplishment to date and how has it equipped you for this position?'**

This is an easy opportunity for candidates to speak to their strengths and one they have more than likely prepared for. Ideally, they can demonstrate an achievement which has direct relevance to the position you are offering. What you are looking for are signs of significant direct personal accomplishments that have resulted in some major lasting quality or benefit to the organisations concerned. Ask for the names of people who can verify such achievements. It is important that what they have told you is not just wishful thinking on their part.

Be wary of answers that are expressed solely in terms of 'activity' or 'process' or that simply reflect their 'involvement' in a particular situation. You are looking for someone who thinks in terms of results and the tangible impacts they can have or have had on organisational performance.

**'What has been the biggest disappointment in your career to date, and what did you learn from it?'**

Another relatively obvious question that they have probably anticipated. Be on the lookout for someone who offers up an experience that is trivial. It may signal their reluctance to admit any weakness. Everyone has had some career disappointments that are significant or meaningful. No successful chief executive is perfect, and they need to be able to acknowledge their own comparative shortcomings so that they build a management team that complements their own strengths.

A follow-up question, or even an alternative, would be to ask: 'What are the strengths you would seek in other members of your management team and how would these complement your own abilities?' Effective and self-aware chief executives are sufficiently confident in their own abilities that they feel able to appoint subordinates who are better than they are in important respects.

**'OK - assume you've got the job - what would you do on 'Day One?'**

This is another question that offers you a chance to learn how well they have investigated the organisation and the environment it is operating in and the amount of thought they have put into understanding the challenges of the position.

This question can also give you an insight into the way (and the attitude with which) they approach a challenge and their thinking processes. It is likely to give you a sense of their management 'style'

(e.g., are they likely to listen and consult or is their inclination to 'wade' straight in?). You may also get a sense from this question as to how creative each candidate is likely to be in the position.

'If those who you respect in your current work environment were asked their opinion of you, how would they be likely to describe you and your management ability?'

This question gives you another perspective on candidates' self-awareness as well as getting them to describe to you the way they see (or would like to see) their management ability. Do they have an inflated view or are they too hard on themselves? This offers a further insight into how realistic and self-confident the candidates are. Knowing that you are likely to check this assessment with their referees adds a further incentive to produce a frank and honest answer.

'Is there anything that you haven't told us about that we might uncover when we check you out with your referees, or that we might hear from another source, but which could be relevant to our decision whether or not to appoint you?'

As this question may well put candidates on the 'back foot' how well they handle themselves in such a situation could be an important contribution to your decision. This question allows, perhaps even forces, candidates to outline past incidents or problems that could cause embarrassment if they surfaced unexpectedly.

Candidates must be clear that their answers to this question will not be viewed as a 'hanging offence'. Potentially embarrassing or compromising incidents or problems, once on the table and explained, are likely to be more acceptable to the panel than those not disclosed and later discovered indirectly.

'Given other chief executives you know of or have read about in the public, private or not-for-profit sectors, who do you most admire and would most like to emulate?'

This question enables you to probe the candidates' long-term business and personal goals and also helps to give you a picture of their standards for achievement. Be wary of any example that seems to have been chosen to impress but has very little apparent relevance to what you have come to know of the candidate's approach to management.

'If a well known nationally circulated periodical or a relevant industry journal profiled you, what would be the central theme of the article?'

This allows you to assess still further how the candidate sees themselves – particularly their principal attributes.

Given the importance of the chief executive's role in representing the public face of the organisation a follow-up question designed to give you a sense of how candidates would deal with the news media, and what is their relationship with the media in their present role, should be considered. For example, "What in your experience is the most effective way for a Chief Executive to deal with the news media?"

'Given what you know about the requirements of this role what resources will you need in order to achieve what is expected of you?'

This helps assess the candidates' ability to realistically project the staffing, financial and other requirements that will allow them to accomplish specific goals. It also enables you to consider the inclination and capacity of the organisation to support the aspirations and judgment of the different candidates.

### Questions for Referees

Reference checking is also a crucial aspect of the selection process and can be instrumental in a final choice. The best criterion for selection is 'have they done it before' (in relevant circumstances)? Do

not prematurely commit to a particular candidate after interviews by suggesting or even implying that 'the job is yours if your references check out'.

The considered views of a candidate's superiors, peers and direct reports, based on questions such as those described at the end of this article, are vital additional information to help assess the vital 'soft' qualities of leadership. Articulate chief executive candidates can often project an image to an interview panel that is at odds, in particular, with the real impact of their leadership qualities (or lack of them) on different stakeholder groups.

Once you have obtained these views it may fundamentally influence your assessment and change the relative rankings of the candidates that are still left in the race. Therefore, leave plenty of time at the end of the process to seek such views in a systematic way. We suggest, however, that reference checking be only done in respect of the short-list. Those you are considering may wish to preserve the confidentiality of their candidacy for as long as possible.

A good starting question that can elicit valuable feedback from a referee is "If you were an investor, funder or sponsor putting \$1 million into this organisation, given what you know about this candidate would YOU want him/her to be responsible for its effective utilisation?"

There may be raft of other questions the board would wish to address to referees about candidates – particularly those dealing with specific elements of the job specification. Avoid the temptation to concentrate on the more tangible signs of 'technical' expertise. It is rare that such expertise will be a good indicator of a successful chief executive. The main point of referee questions should be to assist boards to differentiate between candidates on the basis of criteria quite different to that of 'technical' expertise. In the appointment of a chief executive, you are not looking for someone who can do all the key tasks of the organisation better than anyone else. What you need to know is which candidate is best able to integrate the skills of a host of other specialists and motivate them to take the organisation through the next phase of its development. As Bennis and O'Toole put it – you need to get the fullest possible account of a candidate's ability to 'move human hearts'. To get as close as possible to the sort of understanding you need, they suggest questions such as:

- Does the candidate lead consistently in a way that inspires followers to trust him or her?
- Does the candidate hold people accountable for their performance and promises?
- Is the candidate comfortable delegating important tasks to others?
- How much time does the candidate spend developing other leaders?
- How much time does the candidate spend communicating his or her company's vision, purpose and values? Do people 'down the line' apply that vision to their day-to-day work?
- How comfortable is the candidate sharing information, resources, praise, and credit?
- Does the candidate energise others?
- Does the candidate consistently demonstrate respect for followers?
- Does the candidate really listen?

When you have answers to the types of questions suggested in this article, posed to both candidates and their referees, you can proceed to an appointment with much more confidence than you might otherwise be justified in having. You are also likely to have a much greater probability of a successful outcome.