

THE EXECUTIVE INTERVIEW (A ROADMAP)

Preface – Allow me to provide a quick preface to this article. Over the course of our next few quarterly distributions, we will be distilling the executive interview process. Due to the many variables within any given executive search, and any corresponding interview process, this article is being drafted in a multiple parts in order to attempt to compartmentalize the different components. We will begin with building the framework for the interview process. In our follow-on article(s), we will discuss a number of additional topics within the context of an executive search and interview, including: relocating from out of area; managing internal candidates; how to keep pace with multiple candidates; whether to leverage an assessment; and a deeper dive on the offer process. We hope you enjoy the read.

In the current marketplace for executive-level talent, the power pendulum remains with the candidate. As such, conducting the interview process for an executive-level hire has never been more precarious. Companies don't have the luxury of time when conducting their assessment. While companies must move expeditiously, it doesn't mean they can't be deliberate throughout the interview process. Employers must have an organized and disciplined approach to guiding candidates through the process while concurrently setting themselves apart from the competition. Believe me, no matter how passive the candidate is (i.e., not looking for a new job), once they engage in one interview process, the door is now open to an active job search.

As a retained executive search firm, we are hired by our corporate clients to identify and attract candidates to fill specific and highly critical roles on their senior leadership teams. While it's our job to engage and recruit these candidates, we remind our clients that they are the best recruiters in the room. Ultimately, they are the candidate's future colleague. One question we hear a lot from our clients is: "how should we conduct the interview process?" Our clients are smart and dynamic, but they aren't built to be a search firm. I wrote this piece to provide you with a framework for conducting an executive interview process. I'd like to share with you best practices on how to structure the various rounds of interviews, different interview formats (panel, one-on-one, social, etc.), as well as clarify interviewing with the different layers of the organization chart.

Whether you've worked with a search firm to leverage their industry knowledge and contacts, or you've conducted a search using your own internal resources, it's ultimately the executive interview process that is the greatest recruiting tool. This is not only your opportunity to interview the candidate, but it's also their opportunity to interview you. As such, how you conduct the interview process will be your first opportunity to demonstrate how your business operates. This may surprise you, but candidates put considerable weight into their decision based on the interview process. Conducting too many rounds of interviews may make them think you're disorganized, or you can't reach a consensus. If there aren't enough interviews, then the candidate may feel like they don't know enough about your business or that you're hasty and don't know enough about them.

The interview process is a marathon, not a sprint. You shouldn't get fatigued by the interview process and thereby miss a strong candidate because you were too tired to actively listen and engage with them. There are many nuances to the interview process and each needs to be addressed situationally, but here's a general guide. Our roadmap covers three rounds and seeks to strike the right balance for both parties so they each feel the appropriate diligence has been conducted, without fatigue setting in on either side.

THE ROADMAP

We recommend a three round interview process: (1) an initial assessment; (2) meet the senior team; and (3) the final round.

Before you start, determine who will take part in the interview process, and more importantly, who will have a say in making the final decision. It is important that this group is not too big so as to make consensus difficult. We suggest two to four senior leaders make the decision, with feedback, of course, from others.

ROUND 1 – INITIAL ASSESSMENT

The initial assessment is the candidate's first meeting with the institution. If you're already working with a search firm, then the candidate will come with a detailed knowledge of the role and the institution, but they will not yet have met company executives. If you're doing this through an internal recruiting team, the candidate will have met with the company, but the depth of information covered may vary from company to company. Regardless of your circumstance, this initial assessment is the first meeting the candidate has with anyone outside of recruiting.

The most critical piece of advice we give about the initial assessment is that it is conducted by the same interviewers every time. This is very important – the initial barometer must always be the same. If not, candidates will be assessed through different lenses and future benchmarking will be difficult to achieve since the interviewers are coming from different vantage points. For example, HR will have a different lens than that of a business line leader. We typically see this initial assessment conducted in one of three ways: (1) HR to assess cultural fit; (2) the hiring manager to assess technical fit (and some culture); and (3) the hiring manager and HR to calibrate the fit together. Depending on the role, the initial barometer may change, but once the barometer has been chosen for a specific search, I suggest you keep that barometer the same every time.

This initial round should not only be an interview with the candidate. It should be an introduction about the company's mission, vision and values, and its past, present and future. We suggest this first round should not be an overbearing commitment for the candidate and typically last an hour or two, depending on how many people are on the initial interviewing team. At this point, you want to get the candidate excited and engaged about the role.

ROUND 2 – MEET THE SENIOR TEAM

Round two is the most onerous of the interviews. At this point the candidate has spent time with the recruiting team (whether internal or external) and has had their first interaction with the business. After their first round interview, they should be beginning to buy into the opportunity and the idea of working with the company. They will have conducted their own research and should have a sense of what's involved. Now here's your opportunity to test their mettle. The second round is typically a half day of interviews with certain members of the executive team. This can be done one-on-one, in small teams, or in a panel format. How you prefer to conduct this round is your call. But, we would advise you to do it one-on-one or in small teams. This allows for the most intimate setting and enables certain voices to be heard which may not be possible in a panel format with the entire leadership team. The number of people taking part in the interview process will drive how you structure this, so the candidate does not have to repeat their story many times.

After a half day of interviews, we advise you end this round with a social event (lunch; dinner; happy hour). This provides an opportunity to observe the candidate in a more casual setting. A small group should take the candidate to the event so the candidate can ask questions about the company and learn more about their potential future colleagues. At the end of the day, the candidate should be much more familiar with the opportunity.

ROUND 3 – THE FINAL ROUND

A candidate who has come this far in the process has demonstrated their commitment. The candidate should be well informed, and the final step should provide the employer with an opportunity to see how the candidate thinks critically. Typically, we see two finalists at this stage. Clients are weighing the attributes of each candidate and it should be a

difficult decision to choose between them. A telling tie breaker could be to ask the candidates to each complete a project which they will then present to senior team members, including the hiring manager. Witnessing their work product will reveal how well they understand your business and the industry as a whole. It will also demonstrate their commitment to excellence. Invariably, one candidate's presentation will stand out.

Whether or not a candidate's potential team will take part in the interview process should be determined on a case-by-case basis, depending on the company's preference. We do like to see some interaction with the subordinate team to ensure buy-in and we believe it's important for a direct team to meet a potential new boss. We suggest you organize a lunch to allow them to interact. This way, the team feels part of the process, but not directly deciding their new boss. Ideally, you want a candidate to come in backed by the full support of the hiring manager and executive team, without dissent from the team the candidate will inherit.

AFTER THE FINAL ROUND – *Dinner with spouses; the verbal offer; the written offer; references and background check*

Even after the formal interview process, there are still a handful of steps to complete.

We recommend having a dinner with the candidate's spouse/partner/significant other. We suggest you do this every time, and most certainly in the case of a relocation. You want to demonstrate to the candidate and their spouse that the company recognizes the gravity of their decision: it's not just a job move, but a life choice which should not be taken lightly. This dinner is a tremendous way to build rapport with them in a social setting. Moreover, it provides another opportunity for the company to learn about the "person" they are hiring, not just the "professional." Often, seeing how a candidate interacts with their spouse can be very telling.

This step can be done with two candidates and used as a tie-breaker. Alternatively, it can be used before an offer is made to ensure the offer is accepted.

The offer stage could have its own entire article! Allow me to share the approach which I think guarantees the smoothest process. The first step is to make a verbal offer to the candidate. We suggest this is delivered by your recruiting partner, acting as a middleman, to ensure the waters don't get muddied by any negotiation between the candidate and their new boss. Moreover, your HR or legal team won't be used until each party agrees that: "if the verbal components end up in a written offer, we have a deal." After the candidate accepts the verbal offer, the company should prepare a formal offer letter. This letter should be contingent upon receiving satisfactory references and a clean background check.

Professional references and a background check are typically not completed until the candidate has verbally accepted the offer. This often surprises our clients. But, there is no reason to exercise a candidate's references if both parties cannot agree on the terms.

In closing, it's important to remember that the interview process is fluid. On both sides, you're dealing with human emotions that can be hard to contain. There's no need to have hard and fast rules about the interview process when each side is earnestly trying to make a connection. The professional medium through which this is done is the interview process. And so, we suggest you find an approach that fits your institution. And even after you have chosen a format that works, don't hesitate to bend the rules a bit. For example, we believe there's nothing wrong with the hiring manager calling the candidate to check in between interviews. Never forget the human element!

Let me summarize a few things:



- The Roadmap (the three-step interview)
- Before you start – Determine who will be part of the selection committee
- Step 1 – The Initial Assessment (ensure you have the same barometer throughout the process)
- Step 2 – Meet with the senior team (the most onerous step in the process)
- Step 3 – The final step (have the candidate present a specific topic to demonstrate their work product and critical thinking skills)
- Organize a dinner with a spouse/partner so they recognize the gravity of the decision.

Here are a few reminders:

- You are the best recruiter. The hiring company is its best brand ambassador.
- Your candidates are interviewing you as much as you're interviewing them. Put your best foot forward and remember, you're "recruiting" them!
- As the interviewer, don't forget to reveal aspects of you, the "person," not just the "professional." We advise our candidates to do the same.
- It's critical for the candidate to have a steward throughout the interview process. An internal or external resource keeps the candidate engaged and connected. This is an emotional process and emotions can be difficult to gauge. However, the more exposure a company has to a candidate in between interviews, the easier it becomes to manage those emotions.

About the Firm and the Author

McDermott & Bull is a full-service retained executive search firm with a dedicated Financial Institutions practice. The firm's Financial Institutions Practice Group partners with boards and senior leadership teams to align talent strategies with business strategies for banks, credit unions, investment banks, asset managers and investment advisory firms. Clientele include the likes of Columbia Bank, Golden 1 Credit Union, First Republic Bank, Silicon Valley Bank, SAFE Credit Union, First American Trust Company, Bank of Marin, Technology Credit Union, Wescom Credit Union, Western Federal Credit Union, Luther Burbank Savings, East West Bank, Houlihan Lokey, Washington Trust Bank, Exchange Bank, Opus Bank, Banc of California and United Capital.

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