

forward

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FEATURE

BUILDING A DREAM TEAM

WITH THE UNEMPLOYMENT RATE AT ITS LOWEST LEVEL SINCE THE RECESSION, FINANCIAL INSTITUTIONS ARE FEELING THE HIRING CRUNCH.

AS OF OCTOBER 2017, THE NATIONAL **UNEMPLOYMENT RATE WAS 4.1%**, THE LOWEST NUMBER SINCE 2000.

SOURCE: BUREAU OF LABOR STATISTICS

AMONG LEADERS OF FINANCIAL INSTITUTIONS, **51% SAID THAT ATTRACTING AND RETAINING TALENT WAS A CHALLENGE.**

SOURCE: FMS RESEARCH 2017

EMPLOYERS IN 2018 ARE PLANNING TO HIRE **4% MORE NEW GRADUATES** THAN IN 2017.

SOURCE: NATIONAL ASSOCIATION OF COLLEGES AND EMPLOYERS

61% OF RECRUITING TEAMS EXPECT TO HIRE MORE PEOPLE IN 2018 THAN THEY DID IN 2017.

SOURCE: INDEED EMPLOYER OUTLOOK 2018

Once upon a time, hiring teams could post a job description online and have more than enough qualified applicants beating down their door. These days, they're often posting to crickets. And the dearth of able and interested talent only intensifies when

trying to fill important executive positions and high-demand IT posts, or when staffing in regions with higher costs of living.

Every institution faces its own unique challenges when it comes to hiring, but while there's nothing they can do to reverse the effects of a tightening labor market, there are steps they can take to optimize their searches and build an amazing team of qualified, happy employees.

The benefits of hiring the right people can be enormous for an institution, according to David Perry, a recruiting expert and managing partner of Perry-Martel International.

"Effective hiring is at the core of what builds competitive advantage for all organizations, especially a small or medium-sized bank," he says. "Companies with great executive talent significantly outperform their competitors on all fronts, so it should come as no surprise to anybody that the competition for talent is fierce. When you add in globalization, attrition and changing demographics, the scarcity of talent has only increased."

STEP 1: BUILD YOUR REPUTATION

While many institutions are devoting time and energy to building a strong brand identity meant to attract customers or members, not all are consciously building a name that will catch the attention of high-quality employees. In a candidates' market, it's a good idea to invest in building a name people want to work with.

"Often companies don't think about what should make great candidates want to work for them – and stick around after they start," says Alison Green, a management expert who runs the popular Ask a Manager blog. "That means getting back to the basics, like offering competitive salaries and benefits, but it also means having a culture that values transparency, feedback, accountability, positive energy and respect at all levels."

Salary and benefits loom large in any candidate's decision-making process, but employers can provide additional value with flexible schedules, great leadership and an environment that allows employees to fully disconnect from work when they're off the clock. Nevertheless, the bottom line is often a candidate's top concern – any employer who wants to not only attract but keep the best candidates will want to ensure they are paying well.

"It's generally worth it to pay for top talent," says Green. "The difference between having a high performer in the job versus someone who's just okay can be dramatic."

Not only can top talent boost profitability and morale, but getting a few good people in the fold can mean much less work for your recruiting team going forward.

"When you hire really great people, the word gets out," says Perry. "Really great people attract other really great people, because everyone wants to work with them."

STEP 2: KNOW WHAT YOU OFFER

Many organizations sell themselves short by not putting enough time and effort into their job postings. A detailed posting will tell potential employees exactly what you have to offer, not just the basics of the position. When good candidates are in such short supply and most of them are already employed, you may need a level of salesmanship to pique interest.

"My advice is to always put your best foot forward," says Perry. "If you're in a small town, that's a benefit to somebody. There's someone sitting in a big fancy job in New York who's tired of the commute, and would love the opportunity to maybe go skiing on

the weekends right around the corner who would find your position really interesting if you go out with a really well-crafted pitch.”

There are other things that organizations might not realize could be compelling to candidates, like the opportunity to build a project from the ground up or challenge themselves with a new technology or skill set. Often a great candidate would be willing to move to a smaller company if they can have a more hands-on role, or to a larger company if it means they’ll be able to work with cutting-edge technology.

“If you’re looking into blockchain, for example, that’s going to excite somebody,” says Perry. “If you can explain the technology stack they’re going to be working on, the new skills they’re going to acquire by coming and working with you, this can attract the right people.”

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David Perry, Managing Partner, Perry-Martel International

STEP 3: KNOW WHAT YOU NEED

Being honest with candidates is only one side of the equation – the organization also needs to be honest with itself by working to avoid two common pitfalls when filling a position: not taking the time to examine how the position has changed since the last time it was empty and not taking the time to distinguish between wants and needs. Perry believes not taking the time to really examine the job description is the most common reason for bad hiring decisions.

“The most common pitfall is not spending enough time up front deciphering and agreeing on what you’re looking for,” he explains. “What happens in most organizations is when

they lose, for example, their vice president of IT, they take the job description that was written five years ago and they hand it to HR and ask for one of the same. Then they wind up with someone who fits the bill perfectly, but it’s the bill from five years ago.”

With change now unfolding faster than ever before, job descriptions should be reconsidered every time they’re used. And the higher one goes on the organizational chart, the more detailed the preparation needs to be.

“For any role over director, you really need to sit down and put together a detailed SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis,” Perry says. “Once you’ve done that analysis of the role, it starts to paint a very clear picture of not only the skills you need, but the experience you’re looking for and the kind of individual you want to attract.”

It’s also important to remind yourself what the word “need” really means.

“We often hire for things that are nice to have rather than focusing on things we must have,” says Green. “For example, we’ll overvalue a college degree when the work doesn’t require one, or experience with specific software when the right person could pick it up easily, or a preference for extroverted candidates when extroversion has nothing to do with doing the job well. You want to get clear on what you really need for the job.”

STEP 4: TAKE YOUR TIME (BUT NOT TOO LONG)

All of this analysis may lengthen a hiring process that already seems to take too long (analysis last year from Glassdoor put the average U.S. hiring process at 23.8 days), but taking the time to find the right person for the job is essential. The cost of hiring the wrong person can be high, with studies finding that employee turnover costs organizations anywhere from thousands of dollars to two times the salary of the employee lost. But Perry also warns against the flip side of desperation – taking too long. Sometimes hiring teams will find a person who fits the position perfectly, but still feel compelled to see more candidates.

“You really don’t have to keep looking if you’ve done the work to make sure you

have a solid understanding of what the role needs,” he says. “Often people keep looking because they know in their gut that they didn’t do enough research to say with certainty that they’ve found the right person.”

STEP 5: BUILD A SOLID PROCESS

After taking a long, hard look at what the role requires and collecting some solid resumes, how can the institution best ensure that it’s choosing the right candidate once it hits the interview process?

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Alison Green, Management Expert, Ask a Manager

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A good exercise will not only test for the exact skills you’re looking for, but will help separate candidates with style from those with the substance to demonstrate just how they would excel in the position. In fact, Green says, sometimes a candidate who didn’t necessarily nail the interview will really impress in a more hands-on test.

This process should also allow time for you to engage with candidates. In a market where talented employees often already have good jobs, it’s more important than ever to really understand what drives them, while also allowing them to get a feel for your institution’s culture.

“It sounds a little soft, but work is personal and to attract the best, you have to engage

their heart,” says Perry. “You have to connect them to your cause, because they will want to understand the organization’s business goals, challenges, assumptions and blind spots.”

STEP 6: KEEP THEM AROUND

Given the fact that the best talent is often in high demand, you want to make sure that once you find a great employee, you keep them. The good news is that if you build an organizational reputation that attracts qualified candidates, the basis of that good reputation – competitive pay and benefits and a positive culture – will naturally encourage retention. Of course, a big part of retention is having high-quality leadership, because shoddy management is often a dealbreaker for otherwise satisfied employees.

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“People might love what they’re doing, but if they’re working under a bad manager, they’re going to want to leave,” says Green. “Good management will set clear expectations, give frequent feedback, help people grow professionally and hold people accountable.”

In today’s job market, examining how welcoming your institution looks to potential candidates, weighing what you really need from new hires and taking the time to demonstrate a solid cultural fit can really pay off. After all, if an organization is only as good as the people behind it, making an investment in better hiring practices is certainly worth a top spot on your to-do list. ■

MEMBER PERSPECTIVE

How are the best banks making their organizations great places to work? Two FMS member institutions that made ABA’s list of best banks to work for in 2017 share their perspectives on hiring challenges and successes.

HEATHER AMES
SVP and Director of Human Resources
Montecito Bank and Trust
Santa Barbara, California
Asset size: \$1.3 billion
Number of employees: 221

What challenges are you facing in regards to hiring?

We have a very limited pool of experienced talent in our market and geographical footprint. The cost of living in Santa Barbara County is 154% above the national average, which makes it very difficult to attract candidates from out of the area and hard to retain associates.

Are certain positions or departments harder to staff than others?

We have had challenges hiring for our IT, marketing and risk and compliance departments, as we are looking for very specific experience. Hiring for lenders and financial analyst positions is also very challenging.

What challenges are you facing retaining employees?

While our retention is very strong, our top reason for associates leaving the bank is relocating due to the high cost of living, especially many who are just beginning their careers or are at mid-level positions.

What do you do to find and retain good employees and leaders?

We track our positions and candidate sources, and look at historical data to build the best recruitment strategies for each position. We also offer formal development plans for career paths, create opportunities and time away for community volunteer efforts or board involvement, promote strong internal community, offer competitive salaries and present a full engagement program.

RANDY GUEMPLE
EVP and Chief Financial Officer
Prime Meridian Bank
Tallahassee, Florida
Asset size: \$350 million
Number of employees: 70

What challenges are you facing in regards to hiring?

Our culture is everything to us, so we look for people who fit very specifically into that. We want people with an innovative mindset, and we value complete transparency. It definitely gets harder to keep the culture intact as we grow. It was easier when

we were smaller, but we believe we have a good opportunity to keep building on something special.

Are certain positions or departments harder to staff than others?

Not specifically, but when we hire, we can’t always get the experience we want, so we look for the right mindset. Sometimes an experienced person will be unwilling to learn new ways of doing things or have mental silos, but we can look for a person with the right mindset instead of a specific background.

What challenges are you facing retaining employees?

We’ve had some misses – people who didn’t like our culture. Some people want to do their job and be left alone, and that isn’t going to work here. You have to be a part of the team, and you’ve got to understand how what you do affects everybody else.

What do you do to find and retain good employees and leaders?

I think people like working here for more than just the salary, because they feel like they’re a part of something where they can really grow and learn. We are constantly educating. We put a lot of thought into who we hire up front, and it’s been pretty successful.