

Guide to Hiring a New Manager/CEO

Compiled By:

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Guide to Hiring a New Credit Union Manager/CEO

This guide is designed for use in the instance of a planned vacancy/resignation of the current Manager/CEO and is intended to ensure the continued operation of the credit union with minimal disruption. Normally, a planned replacement of the Manager/CEO allows appropriate preparation and transition of the change. The Board of Directors would expect 90-180 days notification of the vacancy/resignation by the current Manager/CEO in order to ensure a well-structured transition.

The following is an overview of best practices in which the Board of Directors may follow in an effort to fill the planned vacancy/resignation. Sample forms are also attached.

Establishing a Search Committee

The Board Chairperson will call a special meeting of the Board of Directors, within two weeks of notification of the vacancy, to discuss the succession plan and begin the process. The Executive Committee of the Board of Directors is the designated search committee and is charged with the responsibility of monitoring the plan, and facilitating the process. The Search Committee may also seek input and guidance from both the current Manager/CEO and the Iowa Credit Union League.

Budgeting for the Transition

The Board of Directors will determine if the Search Committee will act on the full responsibilities of the search process, or if an outside consulting firm will be used for the various search and hiring efforts. The Board of Directors will also be responsible for determining the proposed compensation package and establishing and approving the budget for the committee to operate within. The budget should consider transition costs, search costs, audit costs and potential leadership development costs. Search firms typically base their fees on a percentage of the CEO's salary. The Board may also need to consider the firm's travel and lodging costs associated with face-to-face interviews.

Outside Consulting Firms and Request for Proposal

If an outside firm will be used, the Committee will be responsible for the preparation and submission of a Request for Proposal (RFP) to two or more search firms outlining the search and interview processes requested. Depending on the number of RFP's submitted, this process may take two weeks or more. Once a firm is interviewed and selected by the Committee, a copy of the signed contract will be delivered to the Board that outlines the firm's responsibilities and the costs. ***(See Attachment A for sample RFP.)***

Reviewing and Updating Job Description

During this time, the Search Committee will also be responsible for reviewing and updating the Manager/CEO job description. In conjunction with this review, the Committee will also review the most recent strategic plan to ensure the job description complements the strategic objectives established by the Board of Directors. If a search firm is utilized the updated job description will be provided to the firm. ***(See Attachment B for sample job description evaluation.)***

Advertising the Position

Assuming this task is not delegated to an outside search firm, the Search Committee will also need to draft an advertisement for the position. Advertising for the Manager/CEO position will normally include the Iowa Credit Union League publications, Credit Union Magazine, The Credit Union Journal and/or Credit Union Times. The Management Team and other possible internal candidates should also be notified of their ability to apply and how this process will be handled. ***(See Attachment C for sample advertisement.)***

Resumes and Interviewing

Screening of qualified candidates may be the most time-consuming element in recruiting for the Manager/CEO position. Typically, all resumes will be reviewed for qualifications, attributes and expertise. The committee and/or search firm will analyze the resumes to identify the most appropriate candidates and conduct initial phone interviews. Utilizing the phone interview results, final candidates will normally be limited to three to five individuals. The search committee/search firm will then conduct face to face interviews with the final candidates. Subsequent interviews may be conducted, as warranted. **(See Attachment D for sample candidate evaluation sheet, Attachment E for sample interview script.)**

Verifying Credentials and Background Checks

Once the candidate selection has been made, the Search Committee and/or search firm will verify the candidate's credentials and employability which may include but not be limited to reference checks, credit bureau checks, CUMIS bond check and criminal background check. Assuming all credit and background checks are determined acceptable, the search committee and/or search firm will provide a final candidate presentation to the Board. If the selection is not accepted by the Board, the Search Committee and/or search firm will present their second choice. **(See Attachment F for sample reference check.)**

Job Offer

Once the Board has approved the candidate selection, the search committee and/or search firm will notify the candidate and offer position and compensation package. The committee should seek legal counsel for review of offer and management contract. Be mindful that this step may involve negotiation on the part of the candidate and the committee.

Official Announcements

Once the offer has been accepted and the details of start date finalized, the Search Committee should notify existing management team and staff. In addition, an official announcement of the departure/retirement of the current Manager/CEO and introduction of new Manager/CEO should be drafted and published in the member newsletter, local newspapers and ICUL publications. Applicable regulators and vendors should also be appropriately notified. All authorization records (i.e. bank accounts, armored cars, security) should also be updated as appropriate.

Audit

Finally, the Audit Committee should either conduct or engage the contracted accounting firm to perform an audit to provide a level of reassurance to both the out-going and incoming Manager/CEO that all affairs are in order.

Attachment A

Request for Search Firm Proposal

(sample)

Name

Address of Search Firm

Subject: Request for Proposal

The Board of Directors of **XYZ Credit Union**, a \$X million federally insured credit union, requests your proposal to perform a search for qualified professionals to fill the position of Manager/CEO. A copy of the position description is enclosed. We expect all candidates to have the following qualifications:

- Five years of experience as CEO at a natural person credit union or bank. An Executive/Senior Vice President of a medium to large, natural person credit union may be considered.
- Thorough understanding of the political environment of credit unions, trade associations and the credit union industry.
- Extensive experience at progressively responsible management/executive positions within the credit union or financial industry.
- Demonstrated leadership, decisiveness and foresight.
- Thorough knowledge of finance, economics, planning, management and/or competitive strategies, evidenced by applicable degree(s) and/or appropriate experience.
- Broad knowledge of rules, regulations and laws impacting the financial service industry; thorough knowledge of regulations impacting credit unions.
- Excellent communication and interpersonal skills as well as strong public speaking ability.

Your proposal should include the initial search, screening and interviewing processes to arrive at no more than four final candidates. Your proposal must reach us no later than _____.

Sincerely,

Chairman
Board of Directors

Enclosures

Attachment B

Evaluating the Job Description Manager/CEO

In the spaces below, evaluate the present position of the credit union and identify the responsibilities and purpose of those tasks for the Manager/CEO position being evaluated. These sheets should be completed by the Board of Directors and the Manager/CEO.

Current strengths of the credit union:

Current weaknesses/challenges of the credit union:

Potential future credit union opportunities:

Potential credit union threats:

What obstacles/challenges must be successfully resolved/managed by the Manager/CEO?

What primary attributes must the Manager/CEO possess?

Attachment C Advertisement (sample)

Manager/CEO, Credit Union

The Board of Directors of **XYZ Credit Union**, located in XXXX, Iowa, seeks a highly qualified, experienced and educated individual to assume the duties of Manager/CEO. Our organization is a well-capitalized, full-service financial institution, with assets of \$XX million and X branches, serving the XXX community. The ideal candidate will have a proven track record of excellence as a CEO or senior management team member along with a strong business and financial background. Must have the ability to work collaboratively with the board of directors in refining the strategic direction of the credit union; ensure short and long-term financial health, provide outstanding and innovative service to members, and establish a strong community presence. The candidate must also have at least five (5) years progressively responsible senior leadership experience in managing a financial institution. Bachelor's degree required, advanced degree preferred.

For consideration, please submit your resume with salary history to _____ at _____, no later than _____.

Education qualifications:

Experience qualifications:

Overall impression of candidate:

Ranking _____ of _____ applicants interviewed

Attachment E
Script for Interviewing Applicants
Position - Manager/CEO
XYZ Credit Union
(sample)

Date: _____

Name of Candidate _____

Name of Evaluator _____

Questions:

- Please describe, in depth and in your own words, the nature of your duties at your present position, to whom you report, what you like(d) and dislike(d) about your assignment, and, why you chose or might choose to leave.
- Please share with us what you know about **XYZ Credit Union**.
- Please provide us with your description of what credit unions are all about and what their future may be in the financial services marketplace.
- What value would you expect to add as Manager/CEO of **XYZ Credit Union**?
- Describe your leadership style. How has it developed/evolved?
- Where do you see **XYZ Credit Union** in five years? 10 years? Where do you see yourself in these same time frames?
- Please discuss your philosophy as it relates to investments and lending.
- Please give us your definition of Member Service.

Note: These questions are samples only and not intended to be all-inclusive. Care should be exercised to incorporate additional questions which address specific, current issues and responsibilities.

Attachment F

Reference Check

(sample)

Reference Check

APPLICANT INFORMATION

Applicant Name:

Date:

Position Applied for:

Recruiter Name:

CONTACT INFORMATION

Name of Contact:

Phone: ()

Title:

Company:

Context associated with applicant:

Applicant's job title:

Employment dates: to

What were the applicant's major job responsibilities?

Based on your experience with the applicant, what would you describe as his/her strengths?

Based on your experience with the applicant, what would you describe as his/her areas for improvement?

How would you rank the applicant's:

| | |
|---------------------------------------|--------------------------|
| Overall quality of work | Excellent Good Fair Poor |
| Attention to detail | Excellent Good Fair Poor |
| Ability to handle multiple priorities | Excellent Good Fair Poor |
| Problem solving skills | Excellent Good Fair Poor |
| Dependability | Excellent Good Fair Poor |
| Attitude/Honesty | Excellent Good Fair Poor |

Reason for termination:

Would you rehire this applicant?

The job we have in mind is . Do you think the applicant would be a good match?

Additional comments: