





calling in a
**search
team**

Executive recruiting firms help community banks find top-notch employees.

By **Melanie Scarborough**

good help is hard to find, as industry experts know, but some banks find that the search is easier if they use an executive recruiting firm. “Banks sometimes say, ‘We can do this on our own,’ and—you know what? They can,” said Jeff Noll, national marketing director of Dallas-based Contemporary Services Inc. “The advantage to using an agency is that we’re better at it because this is all we do all day long.” Noll said prospecting for new hires can be especially difficult for a bank trying to hire C-level employees – such as a Chief Operating Officer (COO) or a Chief Financial Officer (CFO) – because a bank usually hears of such candidates only when they are referred by friends or colleagues. “There’s a lot more talent out there that the bank would never come into contact with,” he said.

Steve Swanston, executive vice president of business development for John M. Floyd & Associates (JMFA) in Baytown, Texas, said this is especially true for smaller institutions with a reach that may be limited to their employee network and the local market. “They end up hiring the best person who saw the ad – not the best person for the job,” he said. It is also possible that the most suitable candidate is not reading the want ads. “The most desirable prospects are those who are happy, gainfully employed, and not looking to make a move,” said Tamí Coffey, president of the Dallas-based executive search firm, Mortgage Search & Acquisition.

Brian Simon, chief operating officer of Freedom Mortgage, said his company uses recruiting firms, including Coffey’s, primarily to help locate prospective salespeople. “The main advantage to using a recruiting company is that it gives you traction to find people you might not otherwise find,” he said. “[Coffey] has good relationships with people in other parts of the country. We’re in Philadelphia, and she helped me find prospects in Seattle. I probably wouldn’t stumble across someone 3,000 miles away.”

Companies specializing in recruiting for banks usually are staffed by individuals with in-depth knowledge of the industry. “We have more than 80 employees with more than 1,500 years of experience in financial services, so we’re able to look at an institution in a lot greater detail than a simple recruiting firm can do,” Swanston explained.

So many years of collective experience also represent an extensive network of contacts. “We have a database of 80,000 executive-level contacts, and we stay in touch with them,” he said. “Within a pool that size, it’s likely we’re dealing with several hundred people who will know someone who’s right for the position we’re looking to fill.”

Entry- and mid-level employees also can be difficult to find – particularly in small communities. John B. King, executive vice president of Big Horn Federal Savings Bank in Greybull, Wyo., has developed some creative strategies for recruiting employees in his community of 1,800.

- **Pay attention to the schoolteacher turnover.** “Our newspaper reports when new teachers are hired, and the articles usually have background information. That gives us a quasi-resume of the new teacher’s spouse so we can approach them about coming to work as a teller.”

- **Draw on the population of your local community college.** “We have a junior college near the two communities where we have branches, so we use it as a potential resource for full-time, part-time, or summer help. Our branch managers dialogue with the junior college.”

- **For mid-level positions, track the young people who moved to big cities after college.** “We’ve been successful in bringing back some of our young people, which is helpful because they already know the community. We try to maintain an awareness of good students who graduate from our schools, go on to college, major in business administration or finance, and go into a job in a metropolitan area. At some point, many of them want to come back to family and to the lifestyle they were raised in.”

- **Build a connection with universities in your area.** “We’ve utilized the University of Wyoming’s College of Commerce. We know the pool of graduates there.”

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Finding the Best Prospects

Finding C-level employees can be more difficult, Coffey said, depending on what the bank is looking for in an experience level. “Do they want someone who’s coming from a COO position, or would they be comfortable with someone for whom a COO position is the next logical career step?”

Once prospects for a particular position have been identified, the next task is to winnow the list. “When filling slots just below the CEO level, the most important thing to do is to identify their goals,” Swanston said. “For instance, if [a job candidate] is looking to fill a COO slot as a way of moving up to CEO, and the bank just filled that position, that’s not a good match.”

Certain factors immediately identify candidates as either questionable or stellar. Most recruiters said they were leery of individuals who want to change jobs merely to make more money. “At the executive level, the main reason people leave their jobs is because they’re bored and want a new challenge. Behind that is the desire for recognition,” Swanston explained. “So if you speak to someone and their first and foremost objective is more money, that’s a red flag.”

The concern is that such individuals might not stay in the new job long enough to make the search effort worthwhile. “If someone’s willing to jump for a 10 or 20 percent increase [in salary], chances are they would do that again soon if another opportunity came up,” Swanston said. “We try to place people for the long-term.”

When money is driving the decision to change jobs, Swanston advises candidates to ask for a raise from their current employers before getting involved with JMFA. “If they’re willing to leave for money, they’re probably willing to stay for money,” he said.

Recruiters also are suspicious when candidates don’t want to give references – or when they seem to have changed jobs too often. “We look at a 10-year span,” Coffey said. “Too many jobs in that timeframe is something you want to look at more closely. However, sometimes there are perfectly good reasons. For example, their company may have been sold or closed.”

One quality that makes candidates immediately desirable is good communication skills. “At the C-level, it all starts with their communication style,” Noll said. The best candidates are those who “are well spoken – with a strong use of the language but an easy style of communicating. Bankers are a well-educated community, and there’s value in that for the right candidates.”

Narrowing the Search

Executive search firms typically put candidates through a progression of tests – from phone-screening, to in-depth interviews, to personality profiling. Using information supplied by the bank, JMFA has candidates create a strategic plan. “We’ll say, ‘Here’s our current situation: We have this much in assets and this many branches. If we want to get to Point B in five years, what steps should we take to get to there?’” Swanston said.

Coffey performs similar tests when conducting in-depth interviews. “I’ll say, ‘Give me an example of a recent problem you encountered and how you solved that.’ The way they approach business decisions and problem-solving are good indicators,” she said. Another one is instinct. Coffey can tell almost immediately whether an individual will make a suitable candidate for a specific job. “It’s not so much what the person says, but the feel you get talking to him or her,” she said. Coffey has the advantage because she has already vetted the individual thoroughly. “Before I ever call them, I know their track record and how they’re thought of by others in the industry.”

After recruiters have checked out the prospect’s background and are confident he or she would be suitable, they put the candidate and the prospective employer in touch. “I would do an initial interview to make sure there was a fit,” said Richard Eampietro, who relied on executive search firms in his job as division manager for AmNet Mortgage. “Then I would do an in-person interview.” He viewed the recruiter’s primary role as finding a person who fit the profile and verifying the individual’s job history. “I wanted the recruiter to get proof that the candidate had done as much business as they said they had done,” Eampietro said.

Although recruiters and employers agree that there are plenty of people in the job market right now, hiring them is not necessarily easy. “They’re not difficult to find,” Eampietro said. “They may be difficult to secure.” Noll has noticed a migration within the industry as people create opportunities for themselves. “Many C-level candidates are starting to do things differently,” he said. “CFOs, for example, now sometimes band together and act as consultants. You didn’t see that 10 or 15 years ago.”

According to Coffey, the employment market is strong because several major companies have recently closed. “That left a wealth of really good candidates on the market. People who never would have made a move otherwise are suddenly available,” she said. Because the industry is flush with top-notch prospective employees, some banks may believe they don’t need an executive search firm to ferret out good candidates. Actually, Coffey said, the present

situation makes the need for recruiters even greater. One client recently told her, “That’s why we use a recruiter – because we’re getting blasted with resumes from all the people on the market. If I have a recruiter sifting through those and bringing me the cream of the crop, that’s worth its weight in gold.”

Making the Process Work

Payment in gold may not be necessary, but money is often an advantage. Clients who pay a retainer often take the process more seriously than those who request a contingency search, said Noll, whose company conducts both.

For the search to be successful, banks also need to consider the hiring process a partnership. Although the recruiters do most of the work, they rely on the bank’s cooperation. “Appointments have to be kept; we need feedback from interviews so that everyone is working from the same set of notes,” Noll said.

The end result can represent money well-spent. Coffey estimates that a good placement pays for itself in the first year of employment. “They spend a lot of money on their operations department, in HR, and in production. Why wouldn’t they spend a few dollars toward getting the best people who are going to be the backbone of their banks?”

Eampietro said there is inherent confidence in a job candidate presented by a recruiter. “It’s only natural to think, ‘Oh, wow; this must be a good person’ if a recruiter is recommending him or her,” he said.

To Coffey, the decision to use an executive search firm is a no-brainer. “It always makes sense to utilize the tools that are available to your industry,” she said. With their wide network of contacts and deep understanding of the industry, executive search firms can be invaluable. Coffey’s advice is simple: “If there’s a tool out there that will enable you to get an impact player on your team – use it.” **15**