



Challenging Interviews For Better Employees

by [Steve Brown](#)

Kissmetrics finds there are four key elements that lead to a good company culture. Since community banks are always seeking to improve, we offer these up as something to consider. The elements are: hiring people who fit your culture, make sure employees know the values and mission of the company, understand that good decisions can come from anywhere in the company, and realize the company is really a team and not a bunch of individuals. As you think about your own bank's culture this morning, we broaden our discussion to focus in on the way some top companies conduct job interviews.

In recent years, companies like Google and Amazon have gained notoriety for their incredibly rigorous job interview processes. They are so good in fact, that competitors have begun to emulate the process in the hopes of selecting only the best and brightest talent. Although it is a decent jobs market and you may not want to limit your pool of candidates, research shows that harder job interviews also lead to more satisfied workers. That is good for employee longevity.

Consider, for instance, a 2015 study by Glassdoor that correlates a 10% more difficult job interview process with 2.6% higher employee satisfaction later on. Consider further that according to data from the Society for Human Resource Management, the average cost to source a new employee is \$4,129. That is just the cost to hire and does not incorporate replacement costs, so you will want to be sure you are spending money wisely to get the right people that will also stay longer.

In a follow-up analysis released earlier this year, Glassdoor identified several distinguishing features of challenging interviews. These findings may help community banks hone screening processes and ultimately hire employees who are more qualified and dedicated to the bank long-term.

To improve your bank's interview process, you don't necessarily have to introduce complicated brain teasers and logic puzzles. However, research suggests that you should at least raise the bar when it comes to your screening processes. Not surprisingly, Glassdoor research noted that job interviews requiring layers of screenings are significantly more difficult for job seekers.

Further, the type of interview makes a difference. Adding a group panel interview raises the difficulty rating of interviews by about 13%, while phone interviews upped the difficulty by 9%. If that isn't enough, consider that skills tests made the interview process 8% more difficult and candidate presentations added 7% to the level of difficulty. By contrast, one-on-one interviews increased the interview process difficulty by 5%.

Community banks eager to make their interview process more challenging might start by adding a phone screening process, if one is not already in place. Phone screens can be a cost-effective way to weed out the first wave of applicants. On paper, a candidate may seem great, but after a few minutes on the phone it is often easy to identify those that won't be a good match.

For applicants who get past this initial screen, a group panel is a good next step. Candidates who meet with a variety of people come away with a better understanding of the bank's culture, the work environment and job expectations. It's also an opportunity for multiple people at the bank to form opinions that can be discussed, as you vet the candidate further.

Indeed, more and more companies are making the interview process an all-day affair, where applicants are asked to meet with multiple employees and perform several skills-based tests throughout the day. This can be efficient for the bank & candidate.

Depending on the role you are hiring for, you might want to ask candidates to prepare a short presentation. Be sure to give specific guidelines to the applicants so you don't inadvertently set them up for failure.

Certainly, making the interview process more rigorous can help provide your bank with high caliber personnel. Making your interviews too difficult, however, can inadvertently eliminate candidates who might be really good employees. Community banks will need to find the proper balance between interviews that are too easy and those that are too difficult for the overall health of your workforce and your bank.

BANK NEWS

AML Challenges

Research by Dow Jones and SWIFT of risk executives worldwide on AML finds the greatest regulatory challenges right now are: increased regulatory expectations (69%), increased enforcement of current regulations (50%), understanding regulations outside home country (42%) and additional regulations (37%).

M&A Activity

1) Horizon Bank (\$3.2B, IN) will acquire Lafayette Community Bank (\$172mm, IN) for about \$32mm in cash (10%) and stock (90%) or about 1.66x tangible book.

Not Saving

A study by Apartment List finds 70% of millennials have saved less than \$1,000 for a down payment on a house despite the fact that 80% say they eventually plan to buy a home.

US Population

The Census Bureau reports the US population as of 2016 was just over 323mm vs. 309mm as of 2010.

Growing Cities

The Census Bureau reports the top 10 fastest growing cities from 2015 to 2016 are: Conroe, TX (+7.8%), Frisco, TX (+6.2%), McKinney, TX (+5.9%), Greenville, SC (+5.8%), Georgetown, TX (+5.5%), Bend, OR (+4.9%), Buckeye, AZ (+4.8%), Bonita Springs, FL (+4.8%), New Braunfels, TX (+4.7%), and Murfreesboro, TN (+4.7%).

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