



## Board of Administration

# Agenda Item 7a

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**October 16, 2020**

**Item Name:** Chief Investment Officer Recruitment: Recruitment Search Process and Timeline and Solicitation of Board Member Input on CIO Skills and Characteristics

**Program:** Administration

**Item Type:** Information

### **Executive Summary**

CalPERS executed a Letter of Engagement with Korn Ferry to conduct a global search to identify the ideal candidate for the Chief Investment Officer (CIO) position. The CalPERS Chief Executive Officer and Michael Kennedy, of Korn Ferry, will present an overview of the search and recruitment process and the anticipated timeline for the search. They will also seek Board member input on the desired skills and characteristics for the ideal CIO candidate.

### **Strategic Plan**

This agenda item supports CalPERS' Strategic Goal to promote a high-performing and diverse workforce in the 2017-22 Strategic Plan.

### **Background**

In August 2020, the CIO position became vacant. A recruitment is now underway to fill that position. CalPERS engaged with Korn Ferry to conduct this search based on their strong familiarity with our organization and their deep understanding of the complexities inherent in a public fund of our breadth and size. The Position Specification (Attachment 1) outlines the key functions and competencies desired for this position.

### **Analysis**

The search process was developed with the intent that Korn Ferry is to perform a global search to identify a list of several very strong potential candidates who can successfully fill the CIO position. From there, Korn Ferry carries out a thorough process to assess each candidate's aptitude and interest for the position and establishes a short-list of those considered most highly qualified. Throughout this process, Korn Ferry keeps the CalPERS team fully informed regarding the candidates, their abilities, and their key attributes. Michael Kennedy will present details on the complete process, including the target universe of candidates, as well as key desirable attributes.

To ensure the most highly qualified final candidate is ultimately selected for the position, the process includes a thorough and comprehensive interview plan. Once Korn Ferry's comprehensive assessment process results in a short-list of candidates, a minimum of two interviews will be conducted. Similar to the prior CIO recruitment in 2018, six board members will participate in the interview process. Board member involvement contributes to the diversity of the interview panel and ensures the board and CEO share responsibility in the hiring of the CIO, an extremely critical position for CalPERS. In addition to the six board members participating on the interview panel, all board members will have an opportunity to meet with the final candidate.

CalPERS and Korn Ferry are working on an aggressive timeline with the following key milestones and anticipated completion dates:

- First Round Interviews – late October/early November 2020
- Second Round Interviews – late November/early December 2020
- Final Candidate Meets the Board – December 2020/January 2021
- Selected Candidate Appointment Date – January/February 2021

### **Budget and Fiscal Impacts**

The cost to conduct this search will be a maximum of \$235,000, including the search and background check process; a success fee upon placement and day one appearance of the selected candidate; and travel, if applicable.

### **Benefits and Risks**

The benefit of conducting this comprehensive process in partnership with Korn Ferry and the board improves CalPERS ability to identify, assess, and select the most highly qualified candidate for the CIO position.

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Marcie Frost  
Chief Executive Officer

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Chief Operating Officer

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Michelle Tucker  
Chief of Human Resources