



Joint Meeting of CIO Interview Subcommittees

Agenda Item 2a

December 1, 2020

Item Name: Process and Panel Member Roles for Chief Investment Officer Interviews

Program: Administration

Item Type: Information

Executive Summary

This agenda item and presentation provides an overview of the civil service selection process and summarizes key activities that comprise the process to fill the CalPERS Chief Investment Officer (CIO) vacancy.

Strategic Plan

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

Background

The CalPERS CIO position became vacant in August 2020. The Chief Executive Officer (CEO) initiated the recruitment process to fill the vacancy, and Korn Ferry International was selected to conduct a nationwide search to identify a qualified and diverse candidate pool for the position. In October 2020, Korn Ferry's Senior Client Partner, Michael Kennedy, presented to the Board, and together they finalized the CIO candidate profile and search criteria to ensure candidate selection was determined through a merit-based process. Mr. Kennedy utilized the information to identify a list of qualified candidates for consideration; then worked with the CEO to identify those candidates most closely aligned to the criteria who should be interviewed.

Analysis

The CIO is a civil service position, and the recruitment process will comply with all applicable rules, regulations and laws, as set forth by the State Personnel Board, the California Department of Human Resources, and merit-based selection principles. The recruitment and selection process include collaboration between the CEO and the board, who share responsibility for the hiring of the CIO. Two rounds of interviews are planned, as well as an opportunity for the full board to meet the final candidate. Each of the two interview panels will include the CEO, other executive team member(s), and three board members.

The interview questions are designed to ascertain an understanding of each candidate's investment expertise, leadership strength, and personal and professional attributes.

All candidates interviewed will be scored on the same set of structured questions. Interview panel members may ask follow-up questions for clarity or additional, relevant information. Each interview panel member will record notes on key observations for candidates' responses to each question. Panel members will then independently score each response based on a 0 – 5 scale aligned to a description which indicates the demonstrated level of qualification. The collective scores will be added together, and the total will be the overall panel member score for that candidate; then all panel member scores will be averaged for the final first round interview score for each respective candidate. The highest scoring candidates will be considered for a second interview. A similar process will be followed for the second-round interviews.

Michelle Tucker, Chief of CalPERS' Human Resources Division will provide additional key information regarding the civil service recruitment and interview process to aid in the panel's compliance with relevant requirements and understanding of their role. The anticipated timeline for the CIO recruitment is as follows:

- Early December 2020 – First Round Interviews
- Mid-December 2020– Second Round Interviews and Finalist Candidate Selection
- Early January 2021 – Board of Administration introduction to finalist candidate

Budget and Fiscal Impacts

Not applicable.

Benefits and Risks

The benefit of understanding the civil service recruitment process and an individual's role as an interview panel member supports CalPERS' ability to comply with required rules and laws.

Michelle Tucker
Chief, Human Resources Division

Doug Hoffner
Chief Operating Officer

Marcie Frost
Chief Executive Officer