



Hiring a General Manager

A Toolbox for Co-op Boards of Directors

By Carolee Colter



Columinate



Notes to Reader

The term “board” refers to the co-op’s board of directors, called the board of trustees at some co-ops.

The author has provided online references to resources that may be useful to boards during the general manager hiring process. Please note, though, that Web addresses frequently change.

This guidebook should not be construed as legal advice or as pertaining to specific factual situations.

A note for the 2018 update

This toolbox was originally written in 1997 by Carolee Colter. In 2008 it was almost entirely rewritten to reflect changing conditions in the environments in which retail food co-ops were doing business. Since then food co-ops continue to contend with unceasing waves of change—social, economic, technological and demographic change—that impact the process of hiring a general manager. Also since that last update, the author and her colleagues at Columinate have supported co-op boards in over 80 different general manager hirings. The 2018 update incorporates the input and support of National Co+op Grocers (NCG). Carolee and NCG’s hands-on experience in working with co-ops informs the recommendations in this Toolbox.

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By Carolee Colter

A collaboration between Columinate & National Co+op Grocers

Revised Third Edition.

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Table of Contents

Getting Started	1
Step One: Arrange for Interim Management	3
Hiring an Internal Interim Manager	3
Co-Management	4
Hiring an Interim Manager from Outside	4
Step Two: Set up a Search Committee.	6
Composition of the Search Committee.	6
Committee Leadership	6
Administrative Support.	7
Confidentiality.	7
Budget and Timeline	8
Using a Consultant	9
Search Firms	9
Sample Documents	11
Step Three: Define the Job Qualifications and Compensation ..	16
Qualifications.	16
Compensation.	18
Beyond Salary	20
How Can We Afford to Pay Our Future Manager?.	20
Sample Documents	21
Step Four: Recruit Qualified Candidates.	30
Your Own Co-op Website.	30
Social Media.	30
Non-Co-op Publications and Websites	31
Writing the Ad	32
Internal Candidates	33
Sample Documents	35
Step Five: Screen the Candidates.	36
Acknowledge Responses.	36
Screening Resumes and Cover Letters	36
Phone Screening	36

Designing Interview Questions	38
Etiquette for In-Person Interviews.	39
Etiquette for Conference Calls.	40
Videoconferencing.	40
Instructions for the Lead Interviewer	41
Using Your Intuition	41
Red Flags	42
After the Interview	42
What If We Don't Have Any Qualified Candidates?	42
How Many Qualified Candidates Do We Need?	43
Sample Documents	44
Step Six: Check References.	47
Beyond Verification.	48
Off the Record	48
Credit and Criminal Background Checks	48
Outside Perspective	48
Narrowing the Field	49
What If There's Only One Finalist?	50
Sample Documents	51
Step Seven: Conduct Finalist interviews	52
Logistics	53
Interview With the Board	54
Sample Documents	55
Step Eight: Make the Job Offer	58
General Manager Compensation Cycle	59
Offering Contingent Pay	59
Special Benefits	59
Offer Conditional on Criminal Background Check.	60
Employment Contracts.	60
Sealing the Deal.	60
Announcing the Decision to the Candidates.	61
Announcing the Decision to the Staff	61
Sample Documents	62

Step Nine: Making it Work	66
Orienting the Manager to Co-op Governance	66
Informal Meetings and Check-Ins	66
Monitoring	68
Connecting to the Larger Co-op Community	68
Wrapping Up	68
Sample Documents	69
Appendix	71
GM Success Profile	71
With Thanks	80
Sample Documents	
Search Committee Charter	11
Hiring Budget	12
Hiring Timeline	13
Announcement to Staff From Search Committee	15
General Manager Job Summary	21
General Manager Job Description	23
Qualifications Priorities Work Sheet	25
Job Advertisement	35
Rejection E-mail	44
Behavioral Interview Questions	45
Matrix for Screening Applicants	46
Questions to Ask References	51
Confidentiality Agreement	55
Notice to Staff About Finalists	56
Matrix for Screening Finalists	57
Job Offer Letter	62
Hiring Announcement to Staff	63
Template for Report on General Manager Search	64
Press Release	65
Communications to the Board Policy	69
Staff Treatment Policy	70

Getting Started

Finding a general manager for a food co-op can be a challenge. Co-op general managers not only have to manage the operations of a retail store (or stores); they also have to manage budgeting, accounting, marketing, information technology and human resources—functions provided to managers of chain stores by corporate headquarters. In a conventional grocery or natural foods business, a manager typically takes direction from one boss. A co-op manager takes direction from a different kind of boss—a co-op board of directors. Co-op staffs often hold extremely high expectations for their employer, especially when it comes to having a voice in the direction of the business. As for co-op owners, they too hold extremely high and often conflicting expectations for their store. To be a successful co-op manager, a person has to be a visionary leader, team player, savvy businessperson, skilled communicator and diplomat.

Increasingly intense and sustained competition in our market is shifting the landscape in which co-ops operate, putting a premium on certain key competencies and skills in management. At the same time, other factors are making the GM job more complex and demanding, including: pressure on prices and margin, increasing costs of real estate and development, and calls for a living wage at a time when slow growth makes it more difficult to support increased labor costs.

You may not be able to find one person who can excel in all of the general manager's roles, but you can find a candidate who can meet the challenge of managing a co-op. To do so:

- There must be satisfactory interim management in place so that the board does not settle for an unqualified candidate due to time pressure.
- A subgroup (the Search Committee) must commit the time to carry out the necessary recruiting, screening, and logistical legwork.
- The board must be clear about and be in agreement on the required qualifications for the position.
- The recruiting net must be cast wide enough to bring in multiple candidates who meet the qualifications.
- The Search Committee must perform due diligence in ascertaining whether candidates do in fact meet the qualifications and are providing truthful, accurate information.
- The final hiring decision must be made by the full board on the basis of agreed-upon, clearly stated qualifications.
- The compensation offered must be acceptable to the preferred candidate.
- In all interactions with candidates, the co-op must treat them with professionalism and respect.

The purpose of this manual is to guide boards of directors of food cooperatives through the steps of hiring a general manager. Those steps are:

1. Arrange for interim management
2. Set up a committee to coordinate the hiring process (the Search Committee)
3. Define the job and qualifications sought, and the compensation to be offered
4. Recruit qualified candidates
5. Screen the candidates
6. Check references
7. Conduct finalist interviews
8. Make the job offer
9. Welcome and orient the new general manager

This manual may be useful for all members of the board of directors, but it is primarily addressed to the Search Committee. Co-ops at different levels of organizational growth have different needs. Not every step suggested will be useful to every co-op. Nevertheless, this guide will achieve its goals if it helps members of a Search Committee think through the steps needed to ensure a clear and professional hiring process, resulting in the hiring of a well-qualified manager.

Arrange for Interim Management

Most co-ops find that it takes anywhere from three months to a year to get a new general manager in place, with six months being the average time. Sometimes your outgoing general manager is in a position to stay on until their successor has been hired. In other cases, your outgoing general manager might be leaving to take another job or attend to urgent personal matters, or might have been asked to resign by the board. When the general manager does not provide an open-ended departure date based on the hiring of a replacement, the board needs to either appoint an acting manager from among the existing staff, or hire someone from outside the co-op for the temporary position of interim (or acting) general manager.

Hiring an Internal Interim Manager

If the co-op is in a sound financial position, with systems in place to provide timely financial reports to the board, and if there is no crisis confronting the co-op when the outgoing general manager gives notice, it often works well to appoint someone already on the staff to hold the position until a new general manager can be hired. If your co-op has an emergency succession plan, (recommended), this person will be the designated emergency successor. This arrangement offers a couple of advantages: it can be put into place quickly to allow the board to focus on the search process, and the interim manager will be a known quantity to the board and staff.

Serving as interim manager does not preclude a person from applying for the general manager position. In some co-ops an interim manager has gained the experience and confidence needed to become the next general manager. However, let the co-op staff know that appointment to an interim management position is not an automatic endorsement of a candidate. You don't want to discourage other staff who might want to throw their hats in the ring, or create any unfounded expectations.

An internal interim manager will need to delegate some of the duties of their previous job to staff, perhaps hiring additional staff in the process. The board need not concern itself with exactly how this will be done, as long as these decisions fit within existing policies and delegation to management.

A co-op employee promoted to the interim manager position deserves increased compensation for taking on the added responsibility, although not necessarily as much as the outgoing manager was paid—especially if they haven't had as much management experience. As a starting point, consider a salary increase of 20 to 30 percent until the new general manager is hired. If the interim manager performs the job well or has to contend with particularly trying circumstances, it may be appropriate to award a bonus at the end of the assignment. At the same time, make it clear that this increase in compensation is a temporary arrangement.

Co-Management

Sometimes emergency succession plans fall through and no one on staff is able or willing to take on the interim GM responsibility alone. In such cases, two co-managers may be the best option available. Given the challenges of supervising two people instead of one, and given the challenges of two people effectively managing the whole organization and holding each other accountable for results, co-management should be considered only when the necessary skills are not found in one current staff person, or when external interim talent is not available.

Furthermore, the arrangement should last no more than 6 months at most. The board needs to treat the co-managers as much as possible as a single unit by focusing on the results it wants them to accomplish, rather than on who will do what. It will be the responsibility of the co-managers to delineate the duties of each individual co-manager. Expecting both co-managers to attend board meetings helps to foster the sense of them being one unit. Co-managers should receive a temporary salary increase or bonus, but with each individual receiving less than a single manager would receive. (See the Cooperative Grocer article “The Perils of Co-Management,” <http://www.grocer.coop/articles/perils-co-management>).

Hiring an Interim Manager From Outside

If your co-op is struggling financially or faced with other operational or organizational challenges, the board might want to hire an outside interim manager with the skills and experience to start turning the co-op around immediately. By taking immediate steps to address falling sales, out-of-control margins, or high labor costs, an interim manager can leave the co-op in much better shape than they found it. A skilled outside manager can also act as a mentor to the staff and possibly help develop your next general manager from within.

The sudden or unexpected departure of the general manager can be unsettling to staff and can leave the workplace in significant upheaval. In this situation, someone from outside, who will be perceived as nonpartisan, can help heal fractures among the staff. By focusing on keeping the store running smoothly, with no plans to stay on at the co-op, an outside interim manager can help stabilize the situation and free up the board to focus on the general manager search.

Some individuals with co-op experience will take short-term assignments as interim managers. Columinate has several consultants who work as interim general managers. <http://www.columinate.coop/contact/>. If your co-op is a member of the National Co+op Grocers (NCG; <http://www.ncg.coop>), ask your corridor’s development director for referrals.

Compensation for an outside interim manager will likely be much more than compensation for an internal one. You will be paying for the expertise that can help your co-op in financially troubled times. If the manager comes from outside your area, you will also need to cover travel and living expenses.

Whether you hire an interim manager from outside or from the existing staff, the point is to get an arrangement in place as soon as possible so that someone accountable to the board can keep the co-op running once the former general manager has gone. By acting expeditiously to appoint an interim manager, the board will be free to focus on hiring the next general manager.

Set up a Search Committee

A small group needs to do the actual work of the search. Typically called a Search Committee, this group is expected to carry out the rest of the steps outlined in this guide. As the name Search Committee implies, the committee recruits and screens candidates. It then offers a slate of candidates from which the board makes a selection. The full board of directors makes the final hiring decision—arguably one of the most important decisions a board can make.

Composition of the Search Committee

The ideal size for a Search Committee is four to five. With larger groups, meetings and interviews become difficult to schedule and the lines of communication become weakened. Large groups almost ensure that the process will take weeks longer than it might have otherwise.

Hiring is one of the board's primary responsibilities, thus the Search Committee should consist of board members, one of whom serves as committee chair.

One of the most important qualifications for serving on the Search Committee is availability. When it comes time to interview candidates, all committee members should participate in each interview. It is not fair to the candidates or useful to the co-op to have a different lineup of committee members at each interview. Establish a set meeting time every week to avoid having to coordinate schedules. Search Committee members should commit to checking their e-mail frequently and responding promptly to requests and questions from the committee chair.

Committee Leadership

Strong leadership of the Search Committee is key to an effective and professional search. The committee chair is the driver. They keep the group focused on the tasks to be done and ensure that the process stays within budget and follows a timeline. When either budget or timeline must be changed, the chair makes sure that this is a conscious decision on the part of the group. Sometimes the chair is the board president, though not always. If not, it's important for the leader of the committee to communicate frequently with the board president to maintain clear communications and accountability.

Administrative Support

If your co-op already has an employee who provides support to the board by taking minutes and sending out agendas, that person could also support the Search Committee. An administrative assistant could take a burden off the committee chair by taking minutes at committee meetings, placing and paying for ads, scheduling interview times, and making logistical arrangements for finalist visits. If your co-op has a Human Resources Manager, that person can also play this support role.

Confidentiality

It is of utmost importance that all members of the Search Committee, board and staff alike, maintain confidentiality. Potential applicants—especially managers of other co-ops or local businesses—may decide not to apply if they fear their names will be publicized to staff and membership. Until the top candidates have been selected for on-site interviews, the identity of all applicants should be kept confidential.

The committee can take several steps to avoid “leaks.” First, put the topic of confidentiality on the agenda of the first Search Committee meeting, discuss what confidentiality means, and discuss what specific information may be shared and not shared with those outside the Search Committee. Ask each committee member to state their commitment to maintaining confidentiality on all aspects of the hiring process except those that the group agrees to make public. Second, post regular, brief progress reports on the hiring process in the staff newsletter, log, or website, without naming names. A few examples:

- The ads have gone out in the local papers and on websites. The announcement is on the co-op website too.
- We’ve picked out six candidates for conference call interviews in the next two weeks.
- We’ve narrowed the field down to two finalists who will be coming to the store later this month.
- We’ll let you know when to expect them in the store and about opportunities to meet them.

Depending on how often your owner newsletter goes out, you might be able to post brief updates to the membership as well. Reinforce that committee members should not say anything beyond the information provided in these updates. (See the sample announcement to staff from the Search Committee at the end of this section.)

Budget and Timeline

One of the Search Committee's most important tasks is to set a budget and timeline for the hiring process to be approved by the board. While you may not adhere to it perfectly, a timeline will help keep the process on track and will allow committee members to plan to be available during the weeks of maximum activity. You will also be able to report a projected hire date to membership and staff and to tell candidates when they can expect to hear from you. Having a clear sequence and time frame for each step will also give candidates a sense of the co-op's professionalism.

Sticking to your budget and timeline depends on how quickly you are able to recruit qualified candidates. Most co-ops advertise on the Cooperative Grocers Network job board and less expensive local media. But waiting to see if those channels will bring in at least a few qualified candidates could seriously delay your hiring process. Be prepared to spend more money and time up front, and consider advertising in national and other job boards that may bring in qualified candidates from outside co-ops or the local area. It's better to budget for the worst-case scenario than to be caught by surprise.

Since the flow of candidates in response to job announcements is not predictable, the timeline might have some overlaps. When you post ads online, expect the response to swell fast and then dwindle after the first week. A qualified applicant's resume, one you want to seriously consider, might arrive well into the process after you've already held a series of interviews. Be prepared to alter your timeline to accommodate this situation. At the same time, you don't want to keep already-interviewed candidates waiting too long—you might lose them.

To ease candidates through long waiting periods, the Search Committee should maintain weekly contact with them. For example, at the end of a screening phone call, tell the candidate that someone will be in touch the following week. After an interview, send an e-mail thanking the candidate and letting them know they'll be hearing from you in two weeks, after you've interviewed other candidates. Even an extended timeline is easier for a candidate to accept than waiting for weeks without any contact.

Keep the process from getting too lengthy by scheduling set times for committee meetings and interviews. For example, set up a regular weekly meeting time, plus a two- to three-week period during which you will hold interviews twice a week.

Using a Consultant

This Toolbox was created to help the search committee navigate the process of hiring a general manager. Nevertheless the workload of the search process particularly in the screening phase can be challenging for board members with their other time commitments. Sometimes Search Committee members lack experience with hiring on the scale of a co-op general manager. Unforeseen situations can and do arise, sometimes involving complex ethical issues. It's helpful to have an outside advisor to turn to in times like those. The role of committee chair is large and it can be of great value for this person to have ongoing support to keep things moving along throughout the process. A consultant familiar with the industry can guide the Search Committee in the following steps of the search process while presenting a professional face to the candidates on behalf of the co-op:

- Identifying and clarifying the qualifications desired for the new manager
- Identifying effective recruiting resources—websites and publications
- Conducting initial screening interviews by phone
- Providing advice on compensation
- Providing appropriate interview questions for search committee and board interviews
- Checking references from former employers and contacts at other co-ops
- Advising on the job offer and contract
- Answering questions that arise during the hiring process
- Keeping the hiring process on track

Ask for references from other co-ops that have used the prospective consultant's services.

Search Firms

Finding qualified candidates for co-op general manager positions has become more challenging over time. With new co-ops starting up and with baby-boom generation managers hitting retirement age, the demand for co-op general managers is growing. It is worth considering hiring an executive search firm. For a fee, the firm will find candidates who match your qualifications by placing blind ads and drawing on its database of job seekers. The typical fee ranges around one-third of the manager's first-year salary, plus expenses incurred in the search, such as travel costs for the search consultant to visit the co-op. Some search firms have a minimum fee.

Search firms work either on retainer or on contingency. Under a retainer arrangement, a firm is paid whether or not it finds the candidate who is eventually hired. A retained firm works closely with the client to gain a thorough understanding of its mission and workplace culture. Retained firms usually do thorough background checks and assist the client with negotiations. If the new manager leaves within a year, or does not successfully complete a trial period, the firm will help the client find another manager.

A firm working on contingency will receive compensation only when one of its candidates is accepted. While most retained firms sign a formal contract with the client, not all contingency firms require one. Because they have less to gain, firms working on contingency tend to put less effort into recruitment and background checks and tend to be less careful about matching up candidates with the desired qualifications.

An increasing number of co-ops have had success finding their current general managers by working with executive search consultants. Talk to other co-ops that have used search consultants for references. If you want to find a local executive search consultant, check out this directory: <http://www.onlinerecruitersdirectory.com/>. When checking out a search firm without prior co-op experience, ask for a list of clients and contact staff with hiring authority (owners, board members, CEOs) with a list of prepared questions to gauge client satisfaction. Also look for a firm that agrees not to recruit managers away from clients for up to two years.

Even if you are working with an executive search consultant, be aware that they may or not be familiar with co-op governance, (the role of the board and the board's internal process) or the idiosyncrasies of co-op culture. The board will still need to use its best judgment, “the wisdom of the group” when making decisions. Some boards choose to hire a consultant in a support role to the search firm, to help assess candidates for fit with their co-op's culture and to advise the board on process issues.

Sample Search Committee Charter

Purpose

To coordinate the recruitment, screening, interviewing, selection, and negotiation of terms of employment of the next general manager of the co-op on behalf of the board of directors.

Duties

1. Prepare timeline and budget for the search process and submit for board approval. Monitor and stay within budget and timeline.
2. Review current general manager job description or job summary and propose changes to board as needed. Coordinate board decision on qualifications (specific areas of expertise and skills) required and desired.
3. If desired, contract with consultants and/or search firms, specifying services expected. Monitor consultant/search firm performance and make regular progress reports to board.
4. Research and propose range of GM compensation for board approval.
5. Plan and implement recruitment strategy: research advertising media including social media, write ad copy and place ads, prepare and distribute job announcements, network with community and industry contacts.
6. Receive resumes and send acknowledgement e-mails to all candidates.
7. Review resumes, comparing qualifications of candidates to required and desired qualifications. Select candidates for first-round interviews.
8. Develop questions for and conduct first-round interviews, by conference call, by videoconference, or in person.
9. Check references of preferred candidates after the first-round interviews.
10. Select finalists for on-site interviews. Develop packet of background materials on the co-op and send to finalists.
11. Schedule finalist interviews for full board and other formal or informal meetings with board and staff if desired. Arrange for logistics of on-site interviews, including travel, meals, and lodging as needed.
12. Coordinate board decision-making process after finalist interviews and propose negotiating guidelines.
13. Make job offer to candidate. Negotiate compensation and employment contract (if desired).
14. Plan orientation of new manager and introduction to board, staff, and membership. Evaluate and keep records of search process for future hiring procedures.
15. Communicate with staff and membership throughout the hiring process.
16. Make announcements to staff, membership and community when new GM is hired.

Sample Hiring Budget

Recruiting

Regional newspaper ads	\$500
Social media ads	\$250
Other online classified ads	\$1,200
Search firm fees	n/a
Consultant fees	\$1,800

Communications

Phone calls: phone screening, reference checks, job offers, conference calls	\$100
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Travel costs for up to two out-of-town candidates

Airfare	\$1,600
Personal car mileage/rental car	\$400
Travel to and from airports	\$200
Lodging	\$500
Meals	\$200

Subtotal \$7,065

Contingency allowance

10% of Subtotal	\$707
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Total \$7,707

Sample Hiring Timeline

<p>March 1</p>	<p>Board of Directors:</p> <ul style="list-style-type: none"> • Appoints interim management • Appoints Search Committee and chairperson • Creates Search Committee charter • Provides written announcement to staff on interim management and hiring process
<p>March 2–April 3</p>	<p>Search Committee:</p> <ul style="list-style-type: none"> • Agrees on regular meeting schedule • Researches outside support services • Drafts timeline and budget • Compiles qualifications worksheets and proposes job summary and qualifications to board <p>Board and Management Team:</p> <ul style="list-style-type: none"> • Fill out qualifications work sheets
<p>April 4-May 1</p>	<p>Board of Directors:</p> <ul style="list-style-type: none"> • Approves job description/job summary and qualifications • Approves Search Committee timeline and budget <p>Search Committee:</p> <ul style="list-style-type: none"> • Drafts ad copy and places ads in publications with long lead times • Researches Internet job boards and publications • Writes copy for co-op website and social media and works with co-op staff to post • Sets up mailbox for receiving candidate resumes • Places ads on selected Internet job boards • Creates screening matrix based on qualifications decided upon by board • Researches compensation options
<p>May 1 until job opening is filled</p>	<p>Search Committee:</p> <ul style="list-style-type: none"> • Receives and acknowledges resumes • Reviews resumes against desired qualifications • Chooses applicants for screening phone calls to gather more information • Develops questions for interviews
<p>May 30 –June 15 (Later if qualified applicants appear)</p>	<p>Designated Search Committee member or outside consultant:</p> <ul style="list-style-type: none"> • Does phone screening interviews of selected candidates • Provides notes and comments from phone screen interview <p>Search Committee:</p> <ul style="list-style-type: none"> • Reads notes from phone screening and selects candidates to interview • Sets up interview times with candidates • Sends rejection e-mails to unqualified candidates

Sample Hiring Timeline (Continued)

<p>June 16–30</p>	<p>Search Committee:</p> <ul style="list-style-type: none"> • Interviews selected candidates in person, by conference call, or by videoconference • Compares interviewees to desired qualifications, using screening matrix • Designates more candidates for phone screening as additional candidates appear
<p>July 1–31</p>	<p>Search Committee:</p> <ul style="list-style-type: none"> • Checks references of preferred candidates (your possible finalists) or assigns task to outside consultant or HR manager • Interviews more candidates as needed • Decides on finalists to bring to the co-op and present to the board • Sends out information packets to finalists • Plans for logistics of finalist visits • Develops questions for board interview of finalists
<p>August 1–15 (Two finalist on-site visits, 1-week apart)</p>	<p>Search Committee:</p> <ul style="list-style-type: none"> • Makes rejection calls to interviewed candidates not selected as finalists <p>Designated Search Committee member or outside consultant:</p> <ul style="list-style-type: none"> • Act as hosts, accompanying candidates throughout the day <p>Management Team:</p> <ul style="list-style-type: none"> • Meets with candidates and asks questions <p>Board of Directors:</p> <ul style="list-style-type: none"> • Interviews finalists <p>Search Committee:</p> <ul style="list-style-type: none"> • Leads board through process of using screening matrix to compare candidates to predetermined qualifications • Interviews additional qualified candidates if they appear
<p>August 16–31</p>	<p>Board of Directors:</p> <ul style="list-style-type: none"> • Meets to decide on job offer • Sets negotiating parameters for Search Committee <p>Search Committee chair:</p> <ul style="list-style-type: none"> • Calls top candidate with job offer; follows up with e-mail <p>Search Committee:</p> <ul style="list-style-type: none"> • Brings back counteroffer to board if needed <p>Board of Directors:</p> <ul style="list-style-type: none"> • Makes final decision <p>Search Committee chair:</p> <ul style="list-style-type: none"> • Makes rejection call to unsuccessful finalist

Sample Announcement to Staff

To all our co-op staff,

As you know, our General Manager _____ will be retiring soon. We were fortunate to have such a competent GM for so many years. _____ not only had expertise in the natural foods industry, but a passion for the cooperative business model. Our Co-op has become an important community partner in our local economic landscape, and _____ has led that effort.

So what's next? The process for hiring a GM is different from the hiring process for any other position at the Co-op, in that the Board of Directors is responsible for recruiting, interviewing, hiring, and evaluating our GM. We have been preparing for this transition for several years, and we are ready to make the best and most informed decision possible. This is a national search. The job description and desired qualifications are available on the Co-op website, and were developed by the Board with the help of experts in this field. We encourage you to read these materials.

The Board is working closely with a board/governance consultant who will support us as we transition from one GM to another. We have also contracted with an additional consultant whose area of specialty is GM recruitment and personnel. Many other co-ops all over the country have gone through a GM search process, and we have been able to learn from those hiring boards.

We are currently screening applications and setting up preliminary interviews. Because of the confidential nature of this process, we are not able to disclose details until the final decision has been made and a contract with the new GM has been finalized. However, we want to make sure that all of you are aware of the Our Co-op Board's role in hiring your new GM. We know that Our Co-op would not be a success without our dedicated and skilled staff, and we also thank you for that. The Board can be reached at OCBoard@our.coop if you have any questions.

Sincerely,

_____, Board President

Define the Job Qualifications and Compensation

If your co-op uses Policy Governance, the general manager will operate within the co-op's ends and executive limitations policies instead of having a traditional job description. Since some of your candidates may not be familiar with Policy Governance, you can provide a job summary. Co-ops not using Policy Governance will have a traditional job description. See end of chapter for samples.

The job description or job summary can be posted on the co-op's website for job seekers to read, but it does not need to be included in the advertisements. Most general manager candidates should have a good grasp of what the job involves in terms of store operations. What they often don't grasp, if they haven't already worked in co-ops, is the strong focus that the job requires on building a relationship with the board. While a job description can list board relations among the general manager's responsibilities, that document alone will not be enough to educate non-co-op candidates about the board's and the manager's roles in the cooperative business model. Similarly, many candidates may not have worked in organizations where they have three large, important and vocal stakeholder groups who often have competing viewpoints, (board, staff, and shoppers). Education will need to be provided along the way through a series of interviews and through reading material for finalists.

Therefore, don't get too caught up in the exact wording of a job summary or job description. Instead focus on the qualifications for the job.

Qualifications

Identifying the required and desired qualifications drives the entire hiring process, including where you advertise, what you say in your ads, how you screen resumes, and what you ask in interviews. Ultimately, qualifications guide the board in choosing between finalists.

To aid boards in hiring general managers, among other purposes, National Co+op Grocers and Columinate drew on the experience of both organizations to develop the GM Success Profile (see Appendix).

The GM Success Profile consists of:

- **Competencies:** A competency is a combination of knowledge, skills and abilities. When competency is achieved, the person can apply the combination in different types of situations adeptly.
- **Skills:** Tactical abilities to accomplish a task.
- **Key Experiences:** Past professional experiences.
- **Personal Attributes:** Qualities that are an inherent part of the person.

This guide will refer to these competencies, skills, key experiences and personal attributes collectively as “qualifications.”

The thinking behind the GM Success Profile is that leadership is not innate; it can be developed. Personal attributes and experience, while valuable, are not enough in themselves to lead to success as a food co-op general manager. If a new manager starts without all the needed competencies, the co-op will need to ensure a road map for developing those that are lacking.

While all these competencies, skills, experiences and attributes are important, the GM Success Profile highlights the ones its creators believe are most critical for success of any general manager. In addition, some will be a higher priority for start-ups, expansions and turnarounds, and for co-ops of different sizes. No one competency or skill or experience is by itself a key to success. And no one individual will be strong in all areas. The intent of the Success Profile is to paint a complete picture of what co-ops need in their general managers in an increasingly turbulent environment, and what GMs need to work on to respond the changing market. To learn more about the GM Success Profile, <http://www.grocer.coop/articles/co-op-general-manager-success-profile>.

Identifying and prioritizing qualifications is the single most important use of the entire board’s time in the hiring process. Each board member should fill out a qualifications priorities work sheet (see sample at end of chapter). This work sheet asks people to rate a qualification as Required, Highly Desirable or Moderately Desirable. “Required” indicates that without this qualification, a candidate will receive no further consideration. The Search Committee will compile the worksheets. Then at the next regular board meeting, directors go through the worksheet and come to agreement as a board.

Failure to discuss and come to agreement upon the required qualifications and their prioritization at the start can result in a deadlocked board at the end. That would be the worst point in the process to have a delay, and would leave the finalists hanging. Worse still is hiring a candidate who is bitterly opposed by part of the board. It’s best to hash out differences of opinion before any candidates are involved.

This is the time in the process to consider whether the board wants to hire a change agent or someone who will maintain the status quo. If the former, the board needs to be transparent about this and communicate its decision to the staff and membership. (Also, the board should be prepared to support the new GM during any backlash from constituencies within the co-op that are committed to the status quo.)

Hiring an internal candidate can be a special area of conflict. If the board has a frank discussion about the qualifications each board member wants to see in the next general manager, then down the road the internal candidate can be judged by the same standards as external ones.

Be cautious about changing required qualifications to accommodate preference for a particular candidate. For example, early in the process the board may have indicated that prior experience with running a retail operation was required. But then, after interviews, the board’s preferred

candidate does not have this experience. It can be easy to overlook lack of qualifications when a candidate dazzles you in the interview process. You selected the qualifications as Required for a reason at the start of your process—does that reason still exist? Any changes in qualifications in the midst of the process should be made explicitly, consciously and with the agreement of the whole board.

The process of deciding on qualifications is the most effective place in the entire GM hiring process to solicit and incorporate staff input. The Search Committee can use the same Qualifications Priorities Worksheet to collect input from the management team, and from the staff as a whole. Then the Committee can collate the responses separately, for management team and the rest of the staff, and give the results to the board to consider.

Once the board has agreed on which qualifications are desired and required, the Search Committee creates a tool called a screening matrix. It will be used to compare candidates to the agreed-upon qualifications. (See examples on page 46 and page 57)

Start-up Co-ops

In the GM Success Profile in Appendix (page 71), note the priorities indicated for start-ups. Also, in Cooperative Grocer, Stuart Reid of Food Co-op Initiative and Melanie Reid of Columinate wrote:

In addition to the standard qualifications for which most boards will be looking...there are three qualifications that stand out as really important in a startup environment: capacity for teambuilding, a broad range of skills and experience, and visionary leadership.

Full article at: <http://www.grocer.coop/articles/rewards-and-challenges-startup-general-manager>

Compensation

Compensation includes base salary, benefits, and contingent pay (bonuses). You must consider:

1. what your local labor market is paying;
2. what other organizations who are competing for the same talent are paying, and
3. what your candidate pool is seeking.

You can research the first two factors ahead of time, but be prepared to pay more if you find that all the qualified candidates expect more.

What Your Local Labor Market is Paying

The Occupational Employment Statistics program of the Bureau of Labor Statistics collects salary data for a variety of occupations, including chief executives and general and operations managers. The BLS website includes data for specific states and metropolitan areas for these occupational classifications, as well as the mean, median, and different percentiles of salaries, expressed in hourly and annual terms.

Most co-op general managers fall between two BLS categories, Chief Executives and General & Operations Managers. For Chief Executives, (“Determine and formulate policies and provide overall direction of companies or private and public sector organizations within guidelines set up by a board of directors or similar governing body. Plan, direct, or coordinate operational activities at the highest level of management with the help of subordinate executives and staff managers,”) see <http://www.bls.gov/oes/current/oes111011.htm> For General & Store managers, (“Plan, direct, or coordinate the operations of public or private sector organizations. Duties and responsibilities include formulating policies, managing daily operations, and planning the use of materials and human resources, but are too diverse and general in nature to be classified in any one functional area of management or administration, such as personnel, purchasing, or administrative services. Excludes First-Line Supervisors,”) see <http://www.bls.gov/oes/current/oes111021.htm>. For both job classifications scroll down to the bottom of the web page to find the links to your metro area or state.

You may also be able to get more user-friendly resources from your state employment security department or local chamber of commerce. Unfortunately, the best sources of local market data for positions like a co-op general manager aren’t free. Consider paying for local market compensation data from a local or national firm. It is likely that you will get a closer match in terms of job scope and responsibilities, industry, and organization size, resulting in a more accurate compensation target.

What Other Organizations Competing for the Same Talent Pay

Depending on the size, structure and current circumstances of your co-op, as well as your prioritized qualifications are for a new GM, you may be most interested in candidates who aren’t local or who haven’t necessarily worked for an organization like the co-op before. In these cases, your ideal candidates may come from any number of places – a conventional grocer or a medium-large retail chain, for example. Knowing what those organizations pay for their leadership positions that are most like a co-op GM position will help you craft a competitive compensation package.

The best sources for this type of data are available for a fee through a local or national compensation firm.

What Your Candidates Want

In addition to the other two criteria, consider what qualified people in your candidate pool are seeking. Ask your preferred candidates about their compensation needs in a screening phone call before you schedule an interview with the Search Committee. Some will come right out and tell you, while others will hesitate and ask what you are offering. By explaining that the board hasn’t set the compensation yet and is going to consider candidates’ salary needs before making a decision, you can usually get hesitant candidates to give you a range. Having this information will save the Search Committee and the candidate time if you are nowhere close on salary expectations.

Discussing salary in a screening phone call prevents problems that come from publicizing a salary range in an ad. When candidates see a salary range, they tend to focus on the top of the range and proceed on the expectation that that salary is what they will be offered. It is not always possible to avoid publicizing a range, however. For instance, some Internet job boards require you to specify a salary for a job. Although some candidates will focus on the top of the range, others will be flexible about salary if the job offers other benefits that are important to them.

Beyond Salary

Benefits are a key part of compensation. You do not have to offer special benefits beyond your standard package while recruiting, but be prepared to discuss benefits during negotiations. For instance, a candidate might be willing to accept a lower base salary in exchange for extra vacation time, family health insurance, or a life insurance policy. If a candidate makes clear in a screening phone call that a particular benefit is of great importance to them, you could include that in your job offer.

In addition to base pay, experienced managers often expect some form of bonus or profit-sharing arrangement, with as much as 10 to 40 percent of their total compensation contingent upon their performance. Contingent pay gives a manager the opportunity to earn more income through successful performance (see discussion in Step Eight). Finally, if you hire a manager from outside your area, expect to pay relocation costs (see discussion in Step Eight).

How Can We Afford to Pay Our Future Manager?

At this point, you may be experiencing sticker shock. If your former general manager was in their position for a long time, you may have been paying them considerably less than a new general manager will require. Be prepared to spend more to get higher value for the co-op. To limit your candidate pool to those who are willing to accept lower compensation because they have less experience or fewer qualifications does a grave disservice to your members and staff.

Some board members worry that paying a “high” salary to the new general manager will be viewed as unfair to other employees. On the contrary, it takes a skilled, experienced manager to create the revenue growth and cost controls that will make it possible to increase staff compensation in the future.

Keep in mind that it will be the general manager’s job to manage the labor budget, including their own compensation. Experienced managers understand this and will not demand salaries that make their own jobs impossible. If a candidate becomes a finalist, you should share your financial statements with them. In the final interview, ask them how they would control the co-op’s total labor costs, including their own compensation, to maintain profitability. By studying the financial statements and observing the store, they may see opportunities to increase revenue and/or control expenses in order to make their own compensation affordable to the co-op.

Sample General Manager Job Summary

For a Co-op Using Policy Governance

Job Purpose

To lead our cooperative so that it achieves the ends policies determined by our board of directors, as follows:

- Insert your co-op's Ends policies

Overview of Responsibilities

The job of the general manager is to ensure achievement of organizational results as defined in ends policies and to avoid unacceptable conditions as defined in executive limitation policies. The general manager has the authority to use any reasonable interpretation of these policies.

The general manager is empowered to make all decisions, create all policies, and authorize all engagements that they or they can demonstrate to be consistent with a reasonable interpretation of board policy as provided for in board/general manager relations policies.

The general manager's performance will be evaluated through systematic and rigorous monitoring of expectations established in policies on asset protection, financial conditions, business planning and financial budgeting, staff treatment and compensation, treatment of consumers, membership equity and benefits, communication and support to the board, board logistical support, and emergency management succession.

A full set of the board's policies is available upon request

Reporting Relationships

The general manager reports to the board of directors, which is elected by the members of the co-operative. The board uses Policy Governance, a system that emphasizes vision and values empowerment and accountability. The board uses policy to define the results the general manager is expected to achieve within defined limits of prudence and ethics. The general manager has the authority to hire, direct, structure, and evaluate all other staff.

Sample General Manager Job Summary

For a Co-op Using Policy Governance (Continued)

Qualifications

Required

- Track record of success
- Retail grocery experience
- Financial management
- Building and leading teams
- Visioning
- Relationship building with the board
- Managing people
- Accountability
- Service mindset
- Embracing cooperative values and structure
- No criminal history

Desired

- Change management
- Developing talent
- Professional communication
- Financial reporting
- Systems development and monitoring
- Courage
- Models excellent performance

Sample General Manager Job Summary

For a Co-op That Does Not Use Policy Governance

Summary

The job of the general manager is to lead the cooperative so that it achieves the goals and objectives developed by the board of directors.

Reporting Relationships

The general manager reports to the board of directors, which is elected by the members of the cooperative. The general manager has the authority to hire and direct all other staff.

Specific Responsibilities

Financial and Planning

- Develop and recommend to the board of directors long- and short-range plans to achieve co-op purposes
- Prepare operating and capital budgets for approval by the board and be held accountable for control of resources
- Direct all financial operations of the cooperative
- Investigate new business opportunities and make recommendations to the board of directors on expansion, relocation, and acquisitions; conduct negotiations as agreed
- Provide information to the board
- Participate in regional and national co-op and industry events

Operations

- Ensure a profitable, growing business
- Maintain knowledge of natural foods retailing and industry trends
- Maintain appropriate relations with wholesale distributors, local markets, and other industry sources
- Ensure the establishment and maintenance of a product mix that meets shopper needs
- Plan and execute a margin strategy designed to be price competitive and maintain adequate profit for growth
- Ensure compliance with all applicable laws regarding licenses, permits, health regulations, employment, etc.

Sample General Manager Job Summary For a Co-op That Does Not Use Policy Governance (Continued)

Personnel

- Oversee compliance with the cooperative's personnel policies and update as needed
- Hire, supervise and evaluate, management staff, including taking disciplinary action as needed
- Develop a staff organizational structure that promotes fair distribution of work while maintaining maximum service to customers
- Prepare a yearly payroll budget that meets operating budget constraints
- Ensure a safe, healthy workplace for employees
- Ensure adequate training of staff

Marketing

- Develop an advertising and marketing strategy to increase public awareness of the cooperative's products and services
- Execute the advertising and marketing plan within budgetary guidelines
- Communicate information about the business to the members through newsletter, social media and an annual report
- Prepare or oversee store displays, signage, and other promotions to maximize marketing impact

Perform other duties assigned by the board of directors.

Qualifications Priorities Worksheet

For the General Manager Position

Please rate each qualification using this scale

- **Required:** Without this, the candidate will receive no further consideration.
- **Highly Desirable:** Without this, the candidate may be considered but is not guaranteed an interview.
- **Moderately Desirable:** This qualification could be useful but is not necessary.

Competencies: a combination of knowledge, skills and abilities.	
Strategic thinking: Thinks conceptually, imaginatively and systematically about success	
Financial management: Knows meaning of financial variables, how to find them, and how to place them in business context	
Business planning: Takes vision and strategies and turns them into operational plan(s), aligns plans to Ends	
Building and leading teams: Effectively facilitates the formation of teams by creating a climate of trust and encouraging information sharing.	
Change management: Aligns stakeholders to effectively implement organization and business changes	
Influencing and persuasion: Creates and communicates compelling reasons for their viewpoint to align stakeholders with competing views.	
Developing talent: Develops staff to increase their capabilities, co-op performance, and engagement	
Professional communication: Communicates effectively with multiple audiences using different formats and styles.	
Problem-solving: Accurately diagnoses root causes of issues and correctly identifies appropriate resolution.	
Adaptability: Resilient and keeps moving forward in the face of challenges or new information.	
Time management: Effectively assesses and prioritizes tasks	

Qualifications Priorities Worksheet

For the General Manager Position (Continued)

Competencies: a combination of knowledge, skills and abilities (Continued).	
Entrepreneurialism: Appropriately assesses and judges risk to leverage opportunities, seeks innovation.	
Negotiation: Explores positions, alternatives to reach outcomes that gain acceptance of all parties	
Skills: Tactical abilities to accomplish a task	
Stakeholder alignment: Enables stakeholders to move in same direction through thoughtful communications and by reducing competing interests	
Visioning: Creates and communicates a compelling vision with goals. Uses data to demonstrate accomplishment	
Messaging for multiple stakeholders: proactive and strategic about managing the co-op's story for Board, staff and members	
Managing people: Makes good hiring decisions. Evaluates, inspires, recognizes, delegates work and provides feedback. Provides timely coaching and guidance	
Financial reporting: Creates and uses meaningful business and financial reports. Creates and manages to a budget (operating, capital and cash budgets)	
Managing retail and admin functions: Knows enough about co-op retail and admin departments to effectively manage them	
Systems development and monitoring: Proactively identifies improvements to processes. Creates new, effective processes, verifies success, makes adjustments as needed	
Project management: Completes projects on time and on budget using resources effectively	
Developing self: Proficient at identifying and closing own knowledge and skill gaps	
Relationship building with board	

Qualifications Priorities Worksheet

For the General Manager Position (Continued)

Skills: Tactical abilities to accomplish a task (Continued)	
Collaboration: Cooperation and teamwork in groups. Open to hearing multiple voices and participating in democratic processes	
Facilitation: Effectively leads and guides group discussions and activities	
Presentation skills: Delivers polished presentations with organized content flow	

Key Experiences: Past professional experiences	
Retail grocery experience: As at least a store or operations manager. Familiar with how stores operate to meet goals, knows key metrics.	
Experience managing people: experience managing managers	
Leading a team: through situation similar to co-op's current situation and/or future goals.	
Track record of success: Prior work experience indicates several successful initiatives of same scope as needed at co-op	
Project management: Experience meets the needs and scope of the co-op's current and/or future operations and goals	
Managing growth and change: Complex change initiatives involving multiple stakeholders	
Learning from failure: Has been unsuccessful in a past initiative and has improved skills as a result	
Worked in a competitive industry: Competition equal to current and future environment of co-op	
Working with a board of directors: Successful navigation of Board governance structure and processes, track record of relationship building with the Board	
Public speaking and presenting: Experience equal to current and future needs of co-op.	

Qualifications Priorities Worksheet

For the General Manager Position (Continued)

Personal Attributes: Qualities that are an inherent part of the person	
Accountability: Is willing and able to hold people accountable for co-op, department, and individual success. Willing to be held accountable	
Courage: Willing to make unpopular decisions when needed, and to have difficult discussions with stakeholders.	
Appreciative: Willing to share credit and inspire others by providing appropriate recognition	
Advocates for organization: Demonstrates focus on needs and success of overall organization through plans, actions and words.	
Ease with transparency: Understands importance of sharing information throughout organization when needed	
Open mind: Demonstrates curiosity about processes and people, listens to new ideas and alternatives	
Service mindset: Carries out operational and strategic tasks while demonstrating attention to customers (internal and external) and the co-op's needs	
Self-aware: Aware of own work and communication styles, adjusts as needed to successfully work with others; Diagnoses and recognizes development needs	
Models excellent performance: Demonstrates expectations of others through their own actions	
Self-motivated: Does not require constant oversight, proactively identifies opportunities and challenges	
Respectful: Demonstrates respect for others, even when a conflicting opinion is held	
Embraces cooperative structure: Articulates what makes co-ops different, works successfully within cooperative structure	

Qualifications Priorities Worksheet

For the General Manager Position (Continued)

Personal Attributes: Qualities that are an inherent part of the person (Continued)	
Discretion: Accurately assesses when to share information and when to keep information private, doesn't gossip	
Values outside expertise: Seeks, listens, and acts as needed to alternative perspectives	
No criminal history: Does not have criminal history that represents risk to the co-op	

Recruit Qualified Candidates

Many boards start out hoping to find a general manager with previous experience in co-ops. But the pool of co-op managers is relatively shallow, and the number of those willing to uproot their families to move to another area is never high. At the same time, upheavals in the conventional grocery industry have caused many veterans to seek meaningful employment elsewhere. Due to intense competition and frequent mergers and buyouts, managers find themselves in situations with diminished autonomy. The idea of a community-owned store supporting a local food network has appeal beyond co-ops and the natural foods industry. As a result, more conventional grocery managers are coming to work for co-ops. See “The Coming Wave” in Cooperative Grocer, <http://www.grocer.coop/articles/coming-wave>

If you want to reach a food co-op audience, try the free job board at the Cooperative Grocers Network, <http://www.grocer.coop/jobs>. To place a hard copy ad in the magazine, <http://www.grocer.coop/content/advertise>. Organizations that represent multiple co-op sectors may maintain job boards on their websites. However, food co-ops have not historically received applicants from these sources, qualified or not.

Your Own Co-op Website

An appealing, easy-to-navigate website is a great advertisement for your co-op. It can also serve as a filtering device by requiring job seekers to go there first and read instructions before submitting a resume. In external ads, you can direct candidates to your website to learn about the co-op, the job description or job summary, the benefits, and the hiring process. Co-ops using Policy Governance might want to post a brief introduction to policy governance and links to the Ends policies and policy register on other parts of the website.

Social Media

Announce the GM position on your co-op’s own social media. At the very least, your owners who follow the co-op on social media will be informed. Some owners may share the post with their own networks. And potentially, some among them might even be qualified candidates. The social media posts can refer readers to the co-op’s website to learn more about the job opening. This publicity costs the co-op nothing.

Also consider off-line social networking. Some co-ops have found qualified local candidates by printing up flyers for board members and staff to hand out at community events.

Non-Co-op Publications and Websites

To reach out to potential candidates outside food co-ops, you need to advertise on non-co-op websites. When placing an ad in local or regional media, you may have a choice of whether to advertise in the newspaper, online, or both. The online ads will reach a larger audience. They will also likely be fed into an Internet job board separate from the paper. Online advertising in daily papers in large metro areas can run around \$500 or more.

You can also advertise directly on Internet job boards. These ads can be far-reaching and fast acting. The sites allow you to post your own job listing and to search databases using key words, such as “natural foods” and “general manager.” As with a classified ad in your local newspaper, you will get a lot of unqualified applicants, but there will likely be a handful of keepers. A characteristic of online advertising is that you receive the bulk of responses in the first few days after the ad is posted on line. After that, responses tend to slack off.

Large internet job boards and wide-circulation newspapers offer another advantage in that they put your job posting out there to be picked up by vertical search engines, such as Indeed. Jobs advertised on big recruiting websites and the online classifieds of large dailies become accessible to job seekers who type in key words, titles, skills, or locations, greatly increasing the reach of your initial online ad.

Because companies frequently change hands and links to websites can stop working without notice, this Toolbox cannot guarantee that any of the following job boards will still be in operation by the time you read this, nor are National Co+op Grocers or the author endorsing these companies. However, to help you get started in your research, here are job boards that other co-ops have used: Indeed, Glassdoor, Monster, Careerbuilder, CareersInGrocery, Google for Jobs, and LinkedIn. Co-ops that have used Craigslist report receiving a high volume of unqualified candidates.

A recent trend in Internet advertising is charging by the click or the view rather than a set rate. The concept is that you are paying for “performance” rather than for real estate, as in the old classified job ad paradigm. This can make it tricky to budget for advertising. Nevertheless, these ads can be targeted to a limited geographical area and can be quite economical. Here are two resources to help navigate advertising on two different platforms, Indeed and Facebook:

- <http://www.socialtalent.co/blog/a-complete-guide-to-posting-jobs-on-indeed-com>
- <http://fitsmallbusiness.com/how-much-does-facebook-advertising-cost/>

Writing the Ad

Identify the main reasons why someone would want to be the general manager at your co-op. What does the co-op have to offer? Why is your board a good board to work for? Why should a candidate take this job instead of a GM job at another co-op? This process will help you get started on drafting your ad. But more importantly, it gets the board thinking through how it will support its future GM. What lessons have you learned from your past experience of being an employer and how will you demonstrate that you will be a good employer in the future?

It would be ideal if the whole board arrived at answers to these questions in order to guide the search committee, but if that's not possible, the search committee could start the process and get the full board to approve what they come up with.

Before you place any ads, set up an e-mail address to receive resumes and cover letters. Ask candidates to reply to this e-mail address only. Do not accept resumes by mail or fax or in person, which just creates the needless work of reproducing the hard copy to distribute electronically. The candidates no doubt will create their resumes and cover letters on a computer. It should be no hardship for them to send those documents in electronic form.

What you say in your ad depends on where it's placed. You may write different ads for your own website, a general recruiting website, the CGN website, and your local newspaper.

For all candidates:

- Drive them to your website to learn about the co-op and the job.
- Ask for a cover letter that explains why they are interested in the position.
- Ask them to include professional references.
- State the sales volume to give readers a sense of the scope of the job.
- List the basic qualifications you are looking for that can be determined by a resume (e.g. retail management experience, strategic planning experience, budgeting experience, etc.).
- State that you offer a competitive salary and benefits package, if your research shows that that's true, and list the benefits.

For a nonlocal audience:

- Mention the positives of your area (vibrant neighborhoods, low cost of living, scenic beauty, educational and recreational opportunities, etc.).

For a co-op audience (CGN, Cooperative Grocer), be sure to include:

- Sales volume, number of employees, number of member-owners, square footage of store,
- Your co-op's place in the community (outreach programs, classes, local producer relationships, etc.)
- Whether your co-op is part of National Co+op Grocers
- Whether your board uses Policy Governance, is part of the Cooperative Board Leadership Development (CBLD) program and/or receives regular board training

See the sample ad at the end of this section.

A word about setting deadlines: If the recruiting period is too short, you may not get enough qualified applicants and will have to extend the deadline, which can make the co-op look desperate, and make current candidates feel rejected. On the other hand, if you set a long recruiting period—say, three months—and find a great candidate right away, you risk losing them if you make them wait for months before taking action. Better to specify, “open until filled.”

Internal Candidates

Whether or not the Search Committee believes there are qualified internal candidates, always post the job announcement for staff. If an employee does apply for the position, interview them, even if you don't think they meet the qualifications. Internal applicants will be more likely to accept the board's final choice if they feel they were respectfully considered.

Even if an internal candidate is very strong, it is still important to recruit outside candidates. An open hiring process will build support for the internal candidate in the event they are hired. It strengthens the internal candidate to be chosen by a competitive process. If the job automatically goes to the internally developed candidate, there will be some board and staff members who will question whether they really have the best GM for the co-op.

While internal candidates have something of a “home court advantage,” familiarity can also work against them. Board members can think they already know the candidate well enough and don't need to formally consider them. Ask internal candidates for a cover letter, resume, and references, as you do for external candidates. If part of the hiring process involves the board taking each candidate out to dinner, take the internal candidate to dinner too. If candidates are expected to meet with and take questions from the management team, have the internal candidate do this too, even if they have worked with that management team for years. For more on the subject, read “Home- Grown Talent” in Cooperative Grocer, <http://www.grocer.coop/articles/home-grown-talent>.

Here are some specific interview questions recommended for internal candidates that you would not ask of external ones:

- Tell us about a situation where you were promoted and were now supervising former peers. What challenges did you encounter?

- If you are our next GM, how do you think your management style would differ from the outgoing GM's? How do you think this would impact the management team?
- What is your vision for the co-op, and how does it differ, if at all, from the outgoing GM's vision?
- What are your plans if you are not hired for the GM position?

If a board member wishes to throw their hat in the ring, require that they resign from the board—not just during the hiring process but also for up to a year after the new GM is hired (if they don't get the job). If a board member rejoins the board too soon, and then criticizes the new general manager's performance, people might question their motives. If a board member balks at the requirement to stay off the board for at least year after applying for the GM position, claiming they can be as objective as any other board member, that should be a red flag to the rest of the board. Those who are self-aware (one of the personal attributes in the GM Success Profile) are more likely to acknowledge limits to their own objectivity.

Sample Advertisement

The ABC Co-op is seeking an engaging visionary general manager to lead our community-owned food cooperative into the future in an increasingly competitive environment. Founded in 1975 by health-conscious individuals, we have grown from one culturally iconic store to three locations in [city] with over _____ owners, _____ employees, and \$ _____ million in annual revenue.

Qualified candidates will be experienced grocery and/or retail managers with the ability to integrate daily business management practices with visionary thinking to implement the Co-op's Ends Policy. The ideal candidate must demonstrate successful career in management in the grocery and/or retail industry; outstanding communication skills, change management; the proven ability to lead and motivate others; and the highest integrity, personal responsibility, and personal and social values required for continued growth of our community-owned cooperative.

Interested candidates are invited to submit a cover letter and resume to: GMSearch@ABC.coop. This position will be open until filled with an expected start date of _____. For more information about the ABC Co-op and the General Manager position, please visit our website www.ABC.coop.

This position reports to the Board of Directors. Please note: ABC Co-op operates under Policy Governance and is a member of National Cooperative Grocers.

ABC Co-op is an equal opportunity employer and does not unlawfully discriminate in employment.

Screen the Candidates

The goal of the screening process is to compare the qualifications of candidates to your agreed upon qualifications, which will enable you to select candidates for first- round interviews and ultimately finalist interviews. With each stage, you progressively narrow the field of candidates.

Acknowledge Responses

Immediately answer all candidates who respond to your ads. For the first stage, it's enough to send an e-mail letting a candidate know that you received their resume and thanking them for their interest. Give them a sense of the time frame. For example, "We're going to take in resumes for the next two weeks. After that we'll contact you to let you know whether we want to interview you." Until you've thoroughly screened them, treat all candidates as if they are viable contenders.

Screening Resumes and Cover Letters

The screening matrix, prepared by the Search Committee from the board's list of qualifications, is now ready to use. This tool allows multiple screeners to compare their impressions of an applicant's qualifications to those agreed upon as required and desired for the job. From this process you can weed out the obviously unqualified. You can also identify gaps in the information provided—gaps you will try to fill through phone screening interviews. For the unqualified, simply send a rejection e-mail (see sample at end of chapter).

Phone Screening

A resume often gives an imperfect picture of whether a person has the qualifications you seek. Phone screening of the most promising candidates provides an opportunity to ask questions specifically targeted to get more precise information. It's best to have one person make all the screening calls— either an outside consultant or the Search Committee chair. Write out the questions, leaving blank space for taking notes. Questions may be different for each candidate, based on the information you need.

E-mail the candidate to set up a time for the phone call. If the candidate appears to be completely unfamiliar with co-ops, you might suggest that they visit the websites of NCG, <https://www.ncg.coop/>, Cooperative Grocers Network, <http://www.grocer.coop/> and Columinate Library, <http://library.columinate.coop/>.

During the call, explain that the purpose of the call is to (1) get more complete information than they provided in the resume and cover letter; (2) learn about their compensation needs to see if they and the co-op are in the same ballpark; and (3) answer any questions they might have about the co-op and the position. Let the candidate know your hiring timeline. Be prepared to answer their questions. If you feel stumped, tell them you'll get back to them after conferring with the rest of the Search Committee. Here are some sample phone screening questions:

- What attracts you to this position?
- Are you familiar with the co-op? Have you ever been in our store? If so, what was your impression?
- Are you still employed with the XYZ Company?
- Tell me more about XYZ Company—sales volume, number of staff.
- What were you doing between May 2015 when you left UVW and September 2017 when you started working for XYZ?
- When you were the operations manager at UVW, what were your responsibilities?
- In your resume, you say that you owned your own business between 2008 and 2012. What happened to that business?
- You worked at the JKL Company for 18 years and were promoted several times. What led to your decision to leave?
- After many years in retail, you became a chef. Why are you interested in going back into retail management?
- Do you see any gaps between your experience and managing a food co-op? If so, what resources would help you fill those gaps?
- What are your needs for compensation at this point in your career? Or, what are your expectations for pay for a job like this?
- What does the idea of a cooperative business mean to you?
- What struck you the most from browsing on the co-op websites we sent you links to in advance of this interview?
- How do you think a co-op might be different from other types of companies with which you've worked?

Share your notes with the Search Committee and go through the screening matrix again, changing or adding ratings in the light of what you learn from the screening phone calls. At this point the Search Committee should be ready to select candidates to interview—ideally more than two. Don't spend committee time on candidates you are lukewarm about. If you can't find more than two qualified candidates, you should continue recruiting and screening. You can do that while you are preparing to interview candidates you have already selected.

Designing Interview Questions

Design interview questions to find out to what extent the candidate has the qualifications you seek. Emphasize past experience (“How have you handled such a situation in the past?”) rather than hypothetical cases (“How would you handle such a situation?”). Try to get candidates to show achievements, not just time served in past positions, and to demonstrate how their past experience and special knowledge will help your co-op. Such questions are called behavioral or behavior-based interview questions.

Behavioral interview questions avoid certain pitfalls. They are open-ended. They can’t be answered with simply a yes or no but rather encourage the candidate to expound upon their experience. They don’t force answers into an “either/or” mode (“Do you prefer working on your own or as part of a team?”). They don’t essentially beg for a certain answer (“Do you enjoy working with a team?” “You don’t have any problems working with a board, do you?”). See examples of behavioral interview questions at the end of this chapter. For more on behavioral interviewing, (though presented from the interviewee’s point of view), see <https://www.livecareer.com/quintessential/behavioral-interviewing>

Frame the interview by inviting the candidate to explain their career progression at the beginning (“Tell us about your career progression, giving reasons for each job change you made”) and to summarize their qualifications for the general manager position at the end.

Legally speaking, there are certain questions you may not ask. Keep questions strictly job related and stay off anything that is likely to bring up a candidate’s age, marital status, sexual orientation, religion, disability, or national origin.

Here Are Some Questions to Avoid:

- When did you graduate from high school?
- Are there any foreign languages that you speak or write fluently?
- Are you a U.S. citizen?
- Are you pregnant?
- Who will take care of your children while you are working?
- What would you do if your husband got a job in another state?
- Do you have any disabilities that may affect your performance?
- Is there any health-related reason you may not be able to perform the job?
- Have you ever been convicted of a felony? (You can ask this question along with a disclaimer that the information provided will not automatically bar the candidate from further consideration for the job.)
- What were you paid in your last (or current job)? (Some jurisdictions now prohibit this question due to concerns about unequal pay by gender.)

You can ask:

- Are you able to perform the tasks involved in this job with or without reasonable accommodation (as defined by the Americans with Disabilities Act)?
- If you are able to perform the tasks involved in this position with accommodation, how would you perform those tasks and what accommodation would you require?
- If you are hired, can you show evidence of your right to work in the United States?

For more information on legally permissible questions under the Americans with Disabilities Act, see the Equal Employment Opportunity Commission's primer for small business at <https://www.eeoc.gov/eeoc/publications/adahandbook.cfm>.

Etiquette for In-Person Interviews

For the Search Committee to come up with a unified recommendation, all committee members should be present at each interview. Designate one person as the lead interviewer. This person will ask the prepared questions, monitor time, intervene if the candidate is taking too long in answering a question, and skip questions if the candidate has already answered them in the course of responding to earlier questions. You can switch the lead interviewer role among members of the committee from one interview to the next, as long as the same questions get asked. There is much benefit in having multiple observers present to bring their different perspectives to bear in post-interview discussion. There is no benefit to splitting up the questions among multiple interviewers. When multiple interviewers are following a script, they tend to concentrate on performing their part in the interview like actors in a play; they are not listening as attentively to the candidate's answers the way they would if their role was to observe.

Here are some guidelines to ensure a respectful and productive interview:

- Have all interviewers introduce themselves by name and position. If the interview is in person, as a courtesy to the candidate, wear nametags.
- If the candidate has arrived on time, get the interview started on time.
- Follow the same script with each candidate but don't be afraid to ask follow-up questions.
- If you are not the lead interviewer and you want to ask a follow-up question, raise your hand and wait to be acknowledged by the lead interviewer.
- Designate one person to take notes or record the interview electronically. Written notes or an MP3 file can be shared with committee members who missed the interview, with consultants and if the candidate becomes a finalist, with board members.
- Read the resume before the interview. If interviewers have their heads down, reading the resume instead of looking at the candidate, they give an impression of being unprepared and, worse, not listening to the candidate. If you have specific questions concerning the resume itself, write them down in advance.

- Prevent any interruptions. Put a Do Not Disturb sign on the door. Allowing people to come and go during the interview shows disrespect for the candidate and a lack of professionalism on the part of the co-op.

For more on interview etiquette, see <https://www.careerplug.com/interviewer-etiquette-101/>

Etiquette for Conference Calls

In-person interviews are always preferable to phone or video interviews. . Sometimes a candidate lives too far away, however, for the initial interviews to be conducted in person. During a conference call interview, in the absence of visual cues, you need to modify the guidelines. Introduce yourselves at the start and, if you are not the lead interviewer, identify yourself every time you speak (“This is Bonnie”). Minimize background noise. If you are using a speakerphone, avoid any side activities that could cause rattling or rustling. If you are in a noisy location, use the prompts given by the conference call service to mute your phone, unmuting it only to speak.

Videoconferencing

Videoconferencing might be an improvement on a conference call in that you can see the candidate, but it still falls far short of an in-person interview. Nevertheless, for situations where the candidate can’t meet the search committee in person, videoconferencing allows parties in separate locations to converse while seeing each other on their computer screens. There are programs available such as Skype, Uberconference, GoToMeeting, Facetime and Google Hangout that enable the search committee members to meet remote candidates face-to-face. To use videoconferencing technology effectively:

- Test the videoconference service first to make sure you have the latest updates.
- Start the videoconference a few minutes before the appointed time to troubleshoot any possible connection problems.
- The lead interviewer should maintain eye contact with the candidate by making sure the computer screen is tilted so that both parties can see each other. If a committee member wants to ask a follow up question, turn the computer screen toward them or ask them to come over to be visible in the screen while they ask their question. As with phone conference calls, make sure you are in a space with no interruptions.
- When the meeting is over, make sure you close the videoconference program and end the call. It is easy to miss this detail, leaving the candidate able to listen in on the committee’s post-interview discussion.

For more tips on conducting a videoconference interview, see <http://www.wsj.com/articles/ten-rules-of-etiquette-for-videoconferencing-1457921535>

Instructions for the Lead Interviewer

Work from a prepared script to be sure you ask all candidates the same questions. At the same time, it's OK to depart from the script to ask follow-up questions of individual candidates.

Ask one question at a time and allow plenty of time for the answer. Don't cut off or interrupt the candidate. After the candidate has answered a question, wait about five seconds before asking another one. This delay will often lead the candidate to provide additional information.

If a candidate hesitates to answer a question or can't think of a requested example immediately, don't rush to the next question. Tell the candidate to take their time. Sit back to indicate that you are waiting for an answer.

If the candidate brings up information that could reflect negatively on them (such as leaving a job after a short time or being fired), deemphasize the importance of the information but get the candidate to elaborate. You might respond:

- “Probably everyone's run into a boss like that at some point. What happened in this instance?”
- “What would you say you've learned from that experience?”
- “I really appreciate your frankness. I'm sure it wasn't easy for you to bring it up.”

Seek “disconfirming evidence.” That is, if you're getting a strong impression one way, positive or negative, ask questions to bring out examples of behavior that goes the other way. For example, if an applicant gives the impression that they work best only when completely on their own, ask for an example of a time when they helped accomplish something as part of a team.

Using Your Intuition

All of us have gut feelings, which are useful in developing a total picture of a candidate's strengths and weaknesses. However, there are drawbacks to relying too heavily on intuition. First, it may reflect an unconscious bias against certain groups of people or individuals. To counteract the risk of discrimination, you need to be accountable for decisions and come up with more objective reasons than “I just had a gut feeling about them.”

Research shows that we are not nearly as objective as we think we are when drawing conclusions, and that our brains are wired to leap to conclusions on scanty evidence. Many interviewers decide, consciously or not, to accept or reject a candidate in the first five minutes of the interview. This is not enough time to gather all the relevant information on a person's actual job skills. At the start of each interview, commit yourself to keeping an open mind and listening carefully throughout the whole interview.

Nevertheless, intuition can play a useful role when combined with rigorous analysis. If you find your gut feelings run counter to the objective information you are receiving, use this dissonance as a warning, spurring you to search further to find rational justification for your subjective impressions. Ask additional questions during or after the interview, and use the opportunity to speak with the candidate's references to test your intuition.

As one researcher expressed it, “Do not simply trust intuitive judgment—your own or that of others—but do not dismiss it either.” For more on the role of intuition in hiring decisions, see http://www.stonewoodgroup.com/perspective/article.go?article_id=148.

Red Flags

Beware of a candidate who does not take the time to find out about your co-op, who doesn't provide credible explanations for gaps in employment, who has frequent transitions from one job to the next, talks in an angry or victimized way about former employers or coworkers, is willing to quit their present job without adequate notice, reveals confidential information, can't supply verifiable references, or gives false information on a resume or during an interview. In most cases, these are good reasons to reject the candidate from further consideration. Also pay attention to specificity of detail in responses to questions. If someone on the Search Committee takes notes during interviews and the group rereads them afterwards, it is easier to spot non-answers or overly general answers in retrospect than at the time the candidate is speaking.

After the Interview

By the end of the interview, give the candidates a date or a time window within which they can expect to hear about the next steps of the process.

Immediately after the interview, set aside time to meet as a group. Use the screening matrix (found at the end of “Step Three”) to again rate the candidate in relation to the desired qualifications. After all candidates have been interviewed, the Search Committee can refer to the matrix to decide which candidates most closely meet the required and desired qualifications.

What If We Don't Have Any Qualified Candidates?

Sometimes no candidate satisfies the job requirements or arouses the enthusiasm of the Search Committee. But you may feel pressure to hire a manager—any manager—so that the co-op can move forward. Resist that urge. A manager who lacks the support and confidence of the board will have a hard time providing positive leadership for your co-op. It's the Search Committee's job to provide candidates that meet all the required qualifications and at least some of the desired ones. If none of your interviewed candidates fill that bill, keep recruiting, screening, and interviewing.

At the same time, there are risks to starting a new recruitment effort. If you have framed the search committee interviews in terms of a set stage that your candidates expect you to move through and move on to the next stage, they may see a renewed recruiting effort as a rejection.

This is particularly important when you have one or more internal candidates, because the rest of the staff will be observing closely and drawing conclusions. If you end up offering the job to an internal candidate after openly recruiting past a public closing date, the job offer can feel like a tarnished trophy. As a manager in this situation once described it, “They didn’t want to hire me but then they found that there wasn’t anyone better, so I guess they feel they had to give it to me.” Staff may or may not support the internal candidate but it would be unfortunate for them to conclude that the board does not fully support its chosen candidate.

If you maintain a fluid process with continual recruiting, screening and interviewing and avoid stating a public closing date for accepting applications, you may be able to extend the hiring process and bring in more candidates while still keeping your existing candidates in the pool. But if you bring in a search firm at this point in the process, this step will necessarily be very public. In that case, you owe any internal candidates a frank discussion of their chances, instead of leaving them to draw their own conclusions.

How Many Qualified Candidates Do We Need?

Sometimes the dilemma is not that you lack good candidates entirely but the search committee fears that there are not enough such candidates. They ask, “How many is enough?” If by the time the search committee has completed its interviews, and there are at least two strong candidates that you can imagine as the next general manager, go to the next step (checking references) before concluding you must do more recruiting. After all, two finalists is the optimum number and as long as both candidates meet all the required qualifications and most of the highly desired ones, they can be moved forward as finalists with confidence. The dilemma of having only one finalist will be discussed in the next chapter.

Sample Sample Rejection E-Mail For an Applicant Never Interviewed

Dear _____:

Thank you for your interest in the general manager position at our co-op. We appreciate you taking the time to respond to our job announcement.

After going through our screening process, we have found that your qualifications are not a match for what we are seeking.

We wish you success in finding the right opportunity.

Sincerely,

_____, Search Committee Chair

Sample Behavioral Interview Questions

For specific competencies, skills, experience and attributes in the GM Success Profile

Financial Management

Give us an example of a strategic financial decision you made in the face of competing priorities. What process did you use to reach that decision and how was it communicated?

Problem solving

Tell us about a time when you had to solve a serious problem. How did you diagnose the problem and find a solution?

Change Management

Please tell us about a situation that illustrates how you go about making decisions affecting an entire organization. What was the decision that had to be made? What was the timeline for making the decision? How did you gather information? Who did you involve in the decision? How did you communicate the decision to gain buy-in from the various constituencies impacted by the decision?

Developing Talent

Tell us about a time when you came into a new leadership position and worked with an existing staff. What did you do to assess their talents? How did you determine the value of each person's contribution?

Visioning

Give us an example of a situation where you were able to translate your organization's vision into a plan with actionable goals.

Managing People

Please describe a difficult employee situation you have managed. What action did you take, and what were the results? How does your handling of the situation reflect your management style?

Track Record of Success

Tell us about one of your professional successes of which you are most proud.

Accountability

What are the limits of authority in your present (or former) job? Did you ever find it necessary to go beyond them?

Courage

What is one of the most challenging public relations situations you ever had to handle?

Sample Matrix for Screening Applicants

Rate candidates on the following scale:

- 0. Does not meet the qualification at all
- 1. Partially meets the qualification
- 2. Completely meets the qualification
- 3. Excels in this area
- ? Need more information

Qualifications	Applicants					
Required Qualifications	A	B	C	D	E	F
Track record of success						
Retail grocery experience						
Financial management						
Building and leading teams						
Visioning						
Relationship building with the board						
Managing people						
Accountability						
Service mindset						
Embraces cooperative values structure						
No criminal history						
Highly Desired Qualifications	A	B	C	D	E	F
Change management						
Developing talent						
Professional communication						
Financial reporting						
Systems development and monitoring						
Courage						
Models excellent performance						

Check References

Employers check references to verify factual information, get a more complete picture of a candidate, determine whether a candidate meets desired qualifications, and prevent hiring embezzlers or other criminal types.

Resume fraud is an unfortunate reality. According to the Society for Human Resource Management, 20 to 25 percent of all resumes and applications contain at least one major discrepancy, such as wrong dates of employment, exaggerated previous experience, exaggerated previous salaries, nonexistent former employers, omission of relevant negative information, and falsification of education dates and degrees. By talking to former supervisors or human resources departments in organizations where the candidate claims to have worked, you can at least find out whether they did in fact work there, whether the dates of employment and job titles are accurate, and whether they would be eligible for rehire.

As simple as it sounds, reference checking to verify information can be fraught with peril. Employers who have said negative things about ex-employees have been sued for defamation. As a result, it is difficult to get some organizations to give complete information. Some states have laws to protect former employers if they give out information that is factually true without malicious intent. However, even with these laws, companies are inclined to err on the side of safety by limiting what they will tell a prospective employer. Nevertheless, there are steps you can take to gain valuable information.

First, treat all references with the utmost confidentiality. In asking for references, assure former employers that you understand the vital importance of confidentiality and that you will not divulge the contents or even the general nature of a reference to anyone outside the Search Committee. The rest of the board and staff need to know only that the committee has duly checked references in coming to a decision about a recommended finalist. Above all, do not reveal anything said by a former employer to the candidate. Do not tell a candidate that you will hire them depending on the reference check.

Beyond Verification

Beyond just verifying facts of employment, the people candidates name as references will share their subjective judgments and impressions. By putting together the perceptions of several references with the impressions of Search Committee members from the interview, you can begin to get a clear picture of the person under consideration.

Of course, candidates tend to list people who will probably speak favorably of them as references. This is not necessarily a problem for the Search Committee, since you are not evaluating the candidate by a binary system of good/bad but in relation to a host of qualifications. What you are seeking from references is whether or not the candidate meets those qualifications.

Off the Record

If a candidate has worked for other co-ops or in the natural foods industry, or has lived in your community for a long time, you might know people who know the candidate. They might include managers of other co-ops, employees of co-op or natural foods trade organizations, or industry consultants. If they are willing to talk to you, these unofficial references can add to the picture of the candidate you are forming.

These references will expect and deserve utmost confidentiality. As with former employers, assure them that you will not divulge the contents or even the general nature of what they say to anyone outside of the Search Committee, especially to the candidate. It may be easier to get their feedback in anonymous form, via a third party, such as a consultant working for the Search Committee.

Credit and Criminal Background Checks

Would you hire someone to be general manager of your co-op if you learned that they had thousands of dollars in credit card debt and had recently defaulted on a loan? Or that they had two convictions for embezzlement? Employers turn to background search firms to be sure the proverbial fox is not left to guard the henhouse. It is part of your fiduciary duty as a board member to protect the owners' assets by taking all possible steps to ensure that you hire a general manager who will not defraud the co-op or endanger staff, members or shoppers.

There are professional services that will perform credit and criminal background checks on your GM candidates. The costs are modest ranging from under a hundred to a couple hundred dollars, depending on the scope of the check.

There are federal and state laws that govern credit checks and criminal background checks. A professional firm will ensure compliance with these laws. For a helpful overview on selecting a background check provider, see "Is This Person for Real?" <http://www.grocer.coop/articles/person-real>.

It is not necessary to commission background checks for more than your top candidate. When the time comes to make a job offer, you can make it contingent upon the outcome of a criminal background check.

Outside Perspective

Before you announce your finalists to the board and staff, consider having your top candidates interviewed by someone with operational expertise to ensure that they have the ability to effectively oversee the operations of the co-op, including a strong grasp of finance. You could ask another co-op GM, a consultant with operational expertise or if you are a member of National Co+op Grocers, your corridor's Development Director.

Narrowing the Field

With the reference checks completed, the Search Committee meets again to decide which candidates will proceed to the last stage as finalists. The committee can revisit the screening matrix to see whether reference checks have changed the ratings for any candidates.

Limit the number of finalists presented to the board—ideally to two; three at the most. If you have out-of-town candidates, the final stage of the hiring process might be the most expensive. Finalist interviews can be disruptive to daily operations, since they involve a full day, including touring the store and meeting with the management team and board (and staff if desired). A schedule of two or three evening meetings with finalists in a short time can be difficult for the board.

The Search Committee chair should call the interviewees who are not selected as finalists. After a candidate has put the time and effort into an interview, a phone call is more appropriate than e-mail.

To protect the co-op from charges of discrimination, never tell rejected applicants that they were qualified for the position. In making a case for discrimination in hiring, a person has to prove four things:

1. that they are a member of a protected group;
2. that they applied for the job and were rejected;
3. that a person who is not in that same protected group was hired; and
4. that they were qualified for the job.

The first three points are all matters of objective fact. As for the last point, courts have generally held that the employer is the best judge of who is qualified. Therefore, the Search Committee, as representatives of the co-op, should not concede this point. Don't tell a rejected applicant that they were qualified for the job just to make them feel better. It's enough to say, "Thanks for your time and interest." Be courteous, but remember that you don't owe rejected candidates any information about why they were not hired.

What If There Is Only One Finalist?

It is optimal to have two finalists. It's much easier to choose between two alternatives than to have a yes or no vote on one option. On the other hand, if you have only one clearly qualified candidate, it's not kind or fair to make another person a finalist who doesn't meet the qualifications, just for the sake of having two finalists. And if the one finalist is a strong choice, it's not worth risking losing them in order to take the time to recruit more qualified candidates—if they can found.

If there is only one finalist, sometimes owners and staff will ask, “Was there really only one worthy candidate?” Sometimes staff will complain that this candidate is being “rammed down our throats.” So it's best to be out ahead of that with a narrative about the search.

1. Prepare a report for the board that is also made available to the staff at the time when the lone candidate's visit and the staff meet-and-greet are announced. In this report list all the places you advertised (paid and free), all the ways you recruited beyond placing ads, the number of resumes you received, the number you had the consultant (if any) interview, and the number the search committee interviewed. This short report makes it clear that the committee really reached out far and wide and didn't just “settle.” (See Template for Report on General Manager Search on p. 64)
2. When you introduce the candidate's visit, explain that they are the only finalist because other candidates, while worthy of consideration, did not meet enough of the qualifications that were set by the board at the start of the search with input from the management team (and other staff if they had the opportunity to give input.) Moreover, the committee doesn't want to make everyone “go through the motions” with an unqualified candidate simply in order to have more than one finalist.

Sample Questions to Ask References

What was and is your relationship to the candidate?

What level of financial responsibility did the candidate have in your organization?

Why did the candidate leave your organization?

What sort of work situation would really bring out the best in this person?

What sort of situation could give the candidate difficulty?

How did the candidate deal with conflict?

Was the candidate in a lot of high-pressure or stressful work situations? If so, how did they handle them?

How would you describe the candidate's leadership style?

Is there anything else you could tell the board about the candidate that would help us make a decision?

Conduct Finalist Interviews

Before the interview, the Search Committee should send selected candidates information packets with materials on the co-op. These packets should include:

- Most recent annual financial statement
- Current Year-to-Date financial statement
- Most recent quarterly financial statement
- Recent issues of newsletter
- Bylaws
- Policy Governance resources (if applicable)
- Board policy register
- Sample monitoring report
- General manager job summary or job description
- Organizational chart
- Current business plan or budget
- Member/ownership brochure
- Annual report to owners
- Local visitor's information
- Local map

But before you share the co-op's financial statements and business plan with the finalists, ask them to sign a confidentiality agreement (see sample at the end of chapter).

Here are some resources on policy governance to help educate finalists who are unfamiliar

- <http://library.columinate.coop/policy-governance-quick-guide/>
- <http://library.columinate.coop/policy-governance-faq/>
- <http://library.columinate.coop/taking-policy-governance-to-heart/>

And regardless of whether your board follows policy governance or not, here is a helpful article on the board/GM relationship: <http://library.columinate.coop/building-a-strong-top-leadership-team/>

Logistics

If you have candidates coming in from out of town, you will need to arrange transportation, meals, and lodging. Plan to show the candidate the co-op, the surrounding neighborhoods, your market area, your competition, and the local cultural and recreational opportunities.

Arrange for each candidate to meet with the management team. Ask the managers to prepare their own questions. One or more members of the Search Committee could observe candidate interactions with the management team and ask the managers to fill out blank versions of the Screening Matrix, rating the candidates on the qualifications they observe. In deciding between finalists, the board must filter the managers' feedback through its perception of the team's existing culture. If the team resists change and resists being held accountable, then take your management team's feedback with that in mind. If on the other hand your team seems excited to make change and is looking for leadership that will move the co-op in the direction the board has envisioned, consider that in evaluating manager feedback.

If you want to give non-management staff a chance to meet the candidates and vice versa, arrange for an informal gathering such as a potluck or a more structured forum in which employees can ask questions. Candidates can meet interested staff, but don't consider staff feedback from such encounters to be representative of the staff as a whole, and don't let it outweigh the already decided qualifications on which the board will base its final decision.

Meals are an important part of the finalist visit. You can learn a lot about candidates during informal times, outside of interviews. An out-of-town candidate can share each meal with different board members. If the candidate is local, board members should have at least one dinner with them.

When you bring finalists to the store, alert any internal candidates so that they can avoid awkward encounters with their competitors for the position if they desire. They may prefer to meet the other finalist(s) but the choice should be their own.

Interview With the Board

After the candidates have had the opportunity to see the store, meet the staff, and review the financial statements, they will have a last interview with the full board of directors. In advance of the interview, distribute the section on Etiquette for In-Person Interviews on page [42] to board members.

Here are some questions to ask in the final interviews that are based on specific qualifications from the GM Success Profile:

- For the competency of Strategic Thinking: What do you see as our Co-op's main challenges lying ahead? What do you see as the strongest assets the co-op brings to those challenges?
- For the personal attribute of Courage: Tell us about a time when you faced an ethical dilemma in a work situation. How did you handle it?
- For the competency of Financial Management: What do you think of the co-op's financial position? What steps would you take as general manager to ensure financial soundness?
- For the skill of Financial Reporting: Financial Statements are made up of the income statement, balance sheet, and cash flow statement. Can you briefly describe the function of each and their relationship to one another?
- For the skill of Relationship Building with the Board: What are your concerns about working with a board of directors? What would you need from the board to ensure a productive working relationship?
- For the skill of Managing People: Give us an example of a time when you adjusted your own behavior to work effectively with people who have different personalities and work styles.
- For the personal attribute of Embracing Cooperative Structure: Based on what you've learned about our co-op and about cooperatives in general, which of the cooperative values and principles resonates most closely with your own values?

Ask additional questions designed to shed light on any uncertainties you might have about whether or not the candidate meets the qualifications. At the end of the interview, let the candidate know when you will be getting back to them with your decision.

After the last candidate interview, the board should schedule a separate meeting to decide whom to hire. This is one of the most important decisions the board will ever make. Give people time to let their impressions settle.

Ask each board member to fill out a final screening matrix and bring it to the meeting. Go through the matrix as a group, noting areas of general agreement. It could be helpful to hire an outside facilitator for this meeting, to keep the board focused on comparing the candidates to the agreed-upon qualifications.

Sample Confidentiality Agreement

As a candidate for the general manager position of ABC Co-op, I hereby agree as follows:

Any information gained and/or shared concerning ABC Co-op, including information regarding members, customers, suppliers, business relationships, business plans, organizational structure, finances, products and services, and employees, is held in confidence. Such information is not to be shared directly or indirectly with third parties. This agreement includes, but is not limited to, information gained via conversations, through written documentation, or through transcription of any work product. Additionally, all copies of confidential materials will be returned to ABC Co-op at the conclusion of the final interview. No copies will be made or retained.

Signature of Applicant _____ Date _____

Sample Notice to Staff about Finalists

To: All Staff Members of Our Co-op
From: GM Search Committee
Date:

The GM Search Committee wants to let each of you know of the upcoming time frame for activities and interviews for the General Manager position at Our Co-op.

We have selected two finalists: **Candidate A, Town, State** and **Candidate B**, our current store manager.

The time frame for finalists' visits to the co-op, meeting with the staff and an interview with the Board will be the weeks of _____ and _____.

For each finalist there will be:

- a tour of the co-op.
- a meeting with the staff, including opportunity for staff to ask the finalists questions (see below).
- an interview and meal with the search committee and board.

The internal candidate will experience the same activities as the external candidate.

We will structure the meeting with the staff in such a way that all individuals will have an opportunity to meet the finalists. A social gathering and forum with each finalist will be held in the back area of the store.

- The schedule for each gathering is given below. There will be a rotation for those who are working so all individuals can meet the finalist.
- We encourage all staff members to attend both social gatherings/forums.
- There will be a forum during which time questions can be asked directly to the finalist.
- If preferred, questions for the candidates can be submitted in writing, to the Search Committee, anonymously if preferred. Written questions may be submitted to the Board's email address: board@ourco-op.coop
- We will record the question & answer period.

Candidate A: Thursday, April 26 at 2-3:30 — Social gathering and questions

Candidate B: Thursday, May 3 at 2-3:30 — Social gathering and questions

The Search Committee and Board want to thank you for your continued hard work for the co-op, its owner-members and shoppers.

Sample Matrix for Screening Finalists

Candidates C – F Not Interviewed as Finalists

Rate candidates on the following scale:

- 0. Does not meet the qualification at all
- 1. Partially meets the qualification
- 2. Completely meets the qualification
- 3. Excels in this area
- ? Need more information

Qualifications	Applicants					
	A	B	C	D	E	F
Required Qualifications						
Track record of success	3	2	-	-	-	-
Retail grocery experience	2	2	-	-	-	-
Financial management	2	2	-	-	-	-
Building and leading teams	2	2	-	-	-	-
Visioning	2	2	-	-	-	-
Relationship building with the board	2	2	-	-	-	-
Managing people	2	2	-	-	-	-
Accountability	2	2	-	-	-	-
Service mindset	3	2	-	-	-	-
Embraces cooperative values structure	2	3	-	-	-	-
No criminal history	2	2	-	-	-	-
Highly Desired Qualifications	A	B	C	D	E	F
Change management	3	2	-	-	-	-
Developing talent	2	2	-	-	-	-
Professional communication	2	2	-	-	-	-
Financial reporting	2	2	-	-	-	-
Systems development and monitoring	2	2	-	-	-	-
Courage	2	3	-	-	-	-
Models excellent performance	2	2	-	-	-	-

Make the Job Offer

Once the board has agreed on which candidate to offer the job to, it should authorize the Search Committee to negotiate compensation within certain parameters.

Traditionally, it is the employer who makes the initial offer of compensation to the candidate. However, since you already know the candidate's compensation expectations from the initial phone screening, and since the candidate has had the opportunity to review the co-op's financial statements, you might want to ask them to make a proposal for compensation. On the other hand, if your chosen candidate does not have as much experience as you would like, you will want to retain the initiative and offer a salary at the low end of your range, plus several thousand dollars to spend for education.

Whether the search committee proposes the compensation or asks the candidate to do so, once the offer is on the table, expect to negotiate the base salary, the percentage of compensation between base salary and bonus, relocation expenses (where applicable), and any special benefits requested by the candidate. To research the costs of moving the new manager's household, visit http://tools.gmsrelo.com/ToolsFas/Tool_MovingQuoteState.asp.

The board president or search committee chair can call the candidate and make the job offer on the phone, (or in person if the candidate local), following it up later in written form via email. Don't rely on email alone. The warmth and enthusiasm of a board member can add a great deal to the offer. Also the initial response of the candidate on the phone might give you some clue as to their state of mind. See the sample job offer at the end of this section.

General Manager Compensation Cycle

The compensation package you offer your top candidate may run for a period less or more than one year. Ideally an ongoing general manager's compensation should be decided by the board with whom the GM has worked for the past year, not by a board with new members who have never worked with the manager. Therefore the cycle of general manager compensation should line up with the board election cycle. Four months before the board election, the board gives the manager a Request for Proposal and asks for a proposal at the meeting two months before the election. The GM should submit a compensation proposal to the board at its second to last meeting before the new board is elected, leaving one more month cushion if needed.

What this means when you're hiring a new general manager is that their first compensation package might run for something less than a full year or a little longer than a year—say 13-15 months if a new GM is hired just a few months before a board election.

Offering Contingent Pay

Contingent pay, in the form of a bonus that pays out upon achievement of results, can be an important part of a general manager's compensation, anywhere from 5 to 40 percent of base salary according to the data as of December 2016 in the CBLD Co-op General Manager Compensation Database. However, such arrangements take some skill to design, and the general manager should be involved in the design so that they know whether or not the goals are attainable. A manager who has never worked for your co-op before is not in a good position to gauge what is realistic. You want to avoid the situation described by a recently hired co-op manager who said, "I didn't realize at the time that the board was making a pie-in-the-sky offer." The board didn't realize its offer was pie-in-the-sky either.

To avoid misunderstanding, either forgo a bonus altogether for the new manager's first compensation cycle, or stick to a "plain vanilla" bonus program based on easily measurable factors that are essential to the co-op's welfare, such as sales growth and net income. For example:

Criterion	Total Bonus Available	Gradations	Payout
Sales Growth	\$3,000	Sales growth over 10%	\$3,000
		Sales growth 8 to 10%	\$2,000
Net Income	\$3,000	Net income over 2%	\$3,000
		Net income 1.5 to 2%	\$2,000

After the first compensation cycle, renegotiate the bonus with the manager's input. For more information on developing management compensation in a collaborative process, see "Setting a Process for General Manager Compensation" in Cooperative Grocer, <http://www.grocer.coop/articles/setting-process-general-manager-compensation>.

Special Benefits

Your job offer would contain your standard staff benefits package (unless you already have information that your preferred candidate is interested in a higher level of a particular benefit). Once you've described the standard benefits package, your preferred candidate may come back with a counteroffer that includes a higher level of benefits. Be open to that. According to the CBLD Co-op General Manager Compensation Database, well over half of co-op general managers receive some benefit that goes above and beyond the standard benefits package for staff, such as extra paid time off, deferred compensation, or additional forms of insurance.

Offer Conditional on Criminal Background Check

In your verbal and written job offers, specify that the offer is conditional on the results of a criminal background check, and not a promise. The company you choose to conduct the background check will provide the paperwork for the candidate to fill out. The check cannot proceed without the candidate's written consent. Expect the check to take several days.

If you learn something from the background check that causes you to hesitate, you can ask the candidate for an explanation. If the explanation does not satisfy the board, or if the results of the background check cause the board to withdraw the offer, by law the co-op must inform the candidate in writing. If it comes to the point of needing to withdraw the offer, seek the advice of the co-op's attorney to make sure you are in compliance.

For an in-depth explanation on the legalities of rescinding a job offer: <https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/take-care-rescinding-job-offers.aspx>.

Employment Contracts

Your preferred candidate may simply accept the job offer or they may wish to negotiate. Eventually when you come to an agreement, you can decide whether to finalize it in a formal contract. From the board's point of view, a contract can be advantageous, because it spells out all the agreements, makes wrongful termination lawsuits less likely, and limits the co-op's liability in the event of a lawsuit. From the manager's point of view, a contract provides some protection from fluctuations in board membership and the political climate of the co-op. On the other hand, some boards see contracts as unnecessarily cumbersome and bureaucratic, while some managers see them as indicating the board's lack of faith in the manager's integrity.

If the board decides to set a trial period for the new general manager (see "Step Nine"), that period should be discussed in the contract. If your co-op chooses to have a contract, keep in mind that it is a legally binding document and should be written with the advice of an attorney.

For a sample employment contract template and directions for how to use it, see <http://library.columinate.coop/general-manager-contract-template-field-guide/>.

Sealing the Deal

If the candidate accepts the offer, or if the candidate and the Search Committee come to a satisfactory agreement within the parameters set by the board, the hiring decision is final. If negotiations go outside the board's parameters, the Search Committee needs to bring a proposal back to the board for final approval.

A candidate who takes more than a few days to think about your offer, or who accepts your initial terms and then tries to up the offer, should cause you to think twice. Lack of enthusiasm or lack of good faith can both indicate trouble ahead in the board-manager relationship.

Until you have a firm commitment from your first choice, don't reject any of the other finalists—unless the board has clearly decided that one of them is not acceptable. Don't keep the other finalists hanging on beyond the time frame you gave at the interview, however. As with other interviewed candidates, the unsuccessful finalists should receive phone calls.

Keep resumes, notes from interviews and reference checks, and any other correspondence from or concerning the rejected candidates on file for at least a year after hiring the new manager. In the unlikely event of a discrimination claim from an unsuccessful applicant, you will have the necessary documentation.

Announcing the Decision to the Candidates

If an internal candidate was a finalist and won't be getting the job, have the search committee chair or board president tell them in person. Emphasize the strengths the successful candidate will be bringing to the co-op. If the internal candidate lacked skills or experience, you could encourage them to develop those for the future. Let them know you hope they will continue to be part of the co-op's management team because they have so much to contribute. If the internal candidate has been serving as interim GM, tell them you'll be asking them and the new GM to communicate directly to make arrangements for handing off the interim general manager responsibilities.

Put your message to the internal candidate as positively as you can. But more important than the words is the fact that a board member is personally present face to face with them. It's a way of signaling your accountability for the board's decision, and that you aren't hiding. If the new GM doesn't already know, tell them that there was an internal candidate for the position. Leave it up to them how they will approach the internal candidate but just make sure they aren't blindsided.

For external candidates who don't get the job, a phone call would be appropriate (as opposed to a voice mail or email). Thank them for hanging in there through the lengthy process. Again, you can say that you hired another candidate because of the strengths they could bring to the position and you could say "It was a hard choice" or something very general like that. Err on the side of caution in what you say about why they didn't get the job. With an employee who you want to keep, you can be a little more forthcoming.

Announcing the Decision to the Staff

As soon as you know the job offer has been formally accepted and all contingencies are met, have a board representative call the management team together (or as many of them as are in the store that day) and tell them about your choice. Again, this is best as an in-person communication. Thank them for their leadership during the transition period. Ask them for their support for the new general manager to be successful. Tell them the expected timeline for the new manager to start.

When you meet with the management team, give them a memo you've prepared for the staff announcing the hiring. Give a short bio. Thank the staff for their feedback, too. Tell them the expected timeline. (See example)

Sample Job Offer

Dear _____:

It is our pleasure to offer you employment with ABC Co-op for the position of General Manager.

Included in this offer:

Salary: \$100,000 to be paid bi-weekly. Following the first six months of your introductory period of employment, we will conduct a performance review. We will then consider a bonus/incentive package the terms of which will be negotiated after your proposal to the Board of Directors. After this initial six-month period, salary reviews will occur annually in December to coincide with the terms of our board of directors, which will be responsible for making compensation determinations.

Benefits:

- Medical insurance package with _____ Health Plan with 10 percent share of cost for premium for a policy with employee alone cost per month of \$ _____; Employee and Spouse \$ _____; Employee and Children \$ _____; Employee and Family \$ _____.
- Dental policy available, but fully funded by the employee;
- 401(k) retirement plan;
- 20% employee discount;
- Four weeks days of paid vacation leave which begins accruing on the first day of your employment.
- A relocation reimbursement package not to exceed \$15,000.

Please understand that this offer letter does not constitute a contract for employment. This offer is contingent on the results of a criminal background check.

Please sign to indicate that you understand the conditional nature of this offer. Then send a scanned copy to board@abc.coop. As soon we receive it, I will be in touch with you with paperwork from the company we have retained to conduct the criminal background check.

Sincerely,

_____, Board President, ABC Co-op

I understand the terms of this job offer, as described in this offer letter.

_____ Date: _____

Sample Hiring Announcement to Staff

To our valued co-op staff,

On behalf of the Board of Directors, it is my great pleasure to announce that we have hired _____ as our general manager. We are fortunate to have found not only the manager that we require, but also the leader that we need. We are confident that _____ will lead the Co-op with a level head, a steady hand, and a heart in the right place.

Hiring a general manager is the single most important responsibility of a cooperative's Board of Directors. Over the past year our Board created a comprehensive list of criteria and qualifications for our new leader, which informed our national search for this position.

In our search, we were looking for a visionary. We know our co-op needs someone who will not only perform a job, but will lead a group of diverse and passionate employees, as well as connect with a community of diverse and passionate Owners and stakeholders. Our co-op needs someone who will tirelessly pursue excellence and use their strong work ethic to ensure the co-op's profitability and sustainability. Our co-op needs someone who can build teams, seek out and support the best in every employee, and be mindful of individuals while focusing on the future and on our co-op's role in our community.

We screened and interviewed a number of candidates, narrowing the pool to final candidates whose skills, experience, and resumes were exemplary. In the end, we unanimously selected _____, and look forward to supporting her success as our co-op's new general manager. They will begin performing the duties of her new position immediately.

Thank you for all your patience through our selection process; and, of course, thank you for all you do for our co-op.

Sincerely,

_____, Board President, on behalf of the Board of Directors

Template for Report on General Manager Search

Here are the numbers from our general manager search:

- _____ Ads placed in publications and websites
- _____ Potential candidates personally solicited by Search Committee
- _____ Applications received
- _____ Candidates screened in to continue to next step based on [basic qualifications]
- _____ Candidates screened in for review and recommendations by consultant
- _____ Candidates interviewed by consultant
- _____ Candidates interviewed by Search Committee in person or by Skype or phone
- _____ Candidates kept in pool for reference checks
- _____ Finalists selected for site visit, board interview

Sample Press Release

ABC Co-op Hires Jennifer Wong as New General Manager

The ABC Co-op Board of Directors is pleased to announce that Jennifer Wong has been hired to be the next General Manager of ABC Co-op. Jennifer's first day of work will be March 15. She replaces Paul Roberts who moved back to Ohio last fall for family reasons. Jennifer comes to ABC Co-op after 15 years at XYZ Natural Foods Market in Denver. Jennifer served as XYZ's grocery manager then store manager for the past 10 years. As store manager she worked closely with their longtime GM, writing the business plans and policy monitoring reports, and getting an insider's view of the work of the GM. Jennifer is a passionate advocate both for access to healthy food and for supporting our local farmers. She is committed to supporting and empowering all staff in a healthy and joyful workplace.

Jennifer and her family are excited to move to our town. Jennifer says, "From day one we fell in love with your community, and I hope that what we can offer will help ABC Co-op achieve the next stage of its evolution."

The Board of Directors also recognizes Susan Thomas, our marketing manager who has served as the Interim General Manager during the past six months. They provided steady and exemplary leadership during this transition to a new GM. ABC Co-op is very fortunate to have Susan as part of our management team. Please join us in welcoming Jennifer to ABC Co-op. We believe that exciting opportunities are ahead for ABC Co-op.

Making it Work

The board has just put in a lot of time and effort to select a new general manager. Now that the hiring is complete, this is the time to invest more time and effort in that relationship. By starting your new board/management relationship off right, the board builds on the investment it made in the hiring process.

Before the new general manager starts work, plan a reception for board and staff members to socialize with them and their family. This event is just as important for an internal hire as for an outside one, because it formally acknowledges the manager's new status.

If the manager is new to the community, delegate someone—the co-op's outreach manager, perhaps, or a co-op member who would enjoy the task—to help them and their family link up with housing, schools, medical practitioners, transportation, recreation, and other services.

Orienting the Manager to Co-op Governance

The board president or other board delegate should meet with the new manager to explain how agendas are set, how meetings are run, how the board makes decisions, and what is expected of individual directors. Also the orientation should cover the co-op's Ends or mission, and what the board is currently working on.

The coming of a new general manager is an excellent time to arrange for outside training, so that the entire board as well as the new manager can develop a common understanding of the board-management relationship. For resources on in-person and on-line board training:

- <http://www.columinate.coop/events/>

Informal Meetings and Check-ins

There are four key elements for integrating a new general manager into the governance of the co-op:

1. Monthly informal support meetings with the board president
2. Quarterly check-ins with the full board
3. Holding new GM accountable using the board's existing policies and monitoring schedule (GM Evaluation)
4. Additional monitoring for "Communications and Support to the Board" policy.

Monthly support meetings between the board president and the general manager outside of regular board meetings provide the opportunity for questions and answers about the board's process and the co-op's history. Find an informal setting to share a meal or coffee. Spend 5 minutes at start to compare lists of what both parties want to cover and 5 minutes at end

to evaluate how the meeting went. The board president should avoid problem-solving any management issues while staying supportive. While the board president cannot speak for the whole board unless specifically charged to do so, they can give the general manager feedback on how to successfully deal with the board.

The quarterly check-ins would be part of a regular board meeting. Give these questions to the GM when hired and request their /him to submit written answers every quarter.

1. What challenges and surprises have come up for you in your new position?
2. How are you dealing with them?
3. How's it going with building all your new relationships on behalf of the co-op?

Meanwhile for Board members should keep these questions in mind:

1. How does the GM interact with the full board and individual directors?
2. Are the GM's reports clear and focused?
3. How well does the GM communicate? Do they respond to questions, especially questions they can't answer, without defensiveness or anger?

Your agenda for the quarterly check-in (as part of your regular board meeting agenda) might look like this:

Topic	Outcome	Time	Running time
Quick overview of check-in process	Board and GM understand purpose of the quarterly check-in as part of the overall process of creating a successful relationship.	5	5
FYI, Q&A based on GM's written response to the 3 check-in questions (provided in board packet)	Board and GM have taken some time together to reflect on integration of new GM based on three framing questions	20	25
Process review	Board and GM have done a quick review of today's process with an eye on improvements for next time	5	30

Monitoring

For co-ops using policy governance, the board holds the general manager accountable from the moment of hire for Executive Limitations and Ends policies. Expect your new general manager to start writing monitoring reports right away and don't lower the bar for quality. There is a valuable resource available to general managers with templates for monitoring reports. Make sure your general manager knows about it: <http://library.columinate.coop/gm-report-support-page/>.

You may want to rearrange your monitoring calendar so that you can monitor for the Communications to the Board policy twice in the first year, (for example at the 3rd and 9th month), and for Staff Treatment policy at 6 months. The Communications to the Board monitoring reports will reflect on how well the new manager is building a relationship with the board, while the Staff Treatment monitoring report will reflect on how well the new manager is building a relationship with the staff. For examples of both policies, see the end of this section.

There is another consideration about the relationship between the new manager and the staff. Sometimes boards hire general managers with a mandate for organizational change. The board may recognize that the co-op needs to improve its financial condition, its competitiveness, its community image or its internal culture. If the new general manager starts to take steps toward implementing change on a large scale, the board should not be surprised to receive negative feedback from some staff members. Therefore, the manager's monitoring report on Staff Treatment should provide objective data, including a measurement on staff satisfaction that will reflect all staff opinion, not just that of a vocal minority.

For co-ops that do not use Policy Governance, the board should set one to three goals for the new general manager's first six months, along with measurement tools. The number of goals should be limited, to focus the manager on what is most important to the board.

For more on building a relationship between board and manager: <http://library.columinate.coop/new-resource-starting-off-right-with-your-new-general-manager/>.

Connecting to the Larger Co-op Community

If your co-op is a member of National Co+op Grocers, be sure to connect your new general manager to your corridor's development director.

Wrapping Up

The Search Committee has one last task—to assemble and file all the records of the process it has just gone through: Search Committee job description, timeline and budget, qualifications list and screening matrix, ad copy, acknowledgment and rejection e-mail templates, reference-checking questions, interview questions, logistical plans for candidate visits, and any other written documents from the hiring process. If you save this material, future generations of board members will thank you for making the next Search Committee's job much easier.

Sample Communications to the Board Policy

The General Manager must not cause or allow the Board to be uninformed or unsupported in its work.

The GM must not:

1. Submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
2. Report in an untimely manner any actual or anticipated noncompliance with any Board policy, along with a plan for reaching compliance and a proposed schedule regarding follow-up reporting.
3. Allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or internal and external changes.
4. Withhold his/her opinion if the GM believes the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.
5. Deal with the Board in a way that favors or privileges certain directors over others except when responding to officers or committees duly charged by the Board.
6. Fail to supply for the Board's consent agenda all decisions delegated to the GM yet required by law, regulation, or contract to be Board-approved.

Sample Staff Treatment Policy

The General Manager must not treat staff in any way that is unfair, unsafe, or unclear.

The GM must not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff.
 - b. Provide for fair and thorough handling of grievances in a way that does not include the board as a participant in the grievance process.
 - c. Are accessible to all staff.
 - d. Inform staff that employment is neither permanent nor guaranteed.
2. Cause or allow personnel policies to be inconsistently applied.
3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
4. Establish compensation and benefits that are internally or externally inequitable.
5. Change the GM's own compensation and benefits, except as their benefits are consistent with a package for all other employees.

Appendix

GM Success Profile

GM Success Profile

It takes a lot to manage a food co-op. Co-op General Managers (GMs) are responsible not only for the operations of a retail business, but also budgeting, financial analysis, marketing, information technology and human resources—functions that are provided by corporate headquarters to managers of chain stores. In addition to the demands of the business, co-op GMs must lead an association of member-owners, working harmoniously with the elected board of directors to fulfill the co-op’s Ends or mission.

Increasingly intense and sustained competition in our market is shifting the landscape in which co-ops operate, putting a premium on certain key competencies and skills in management. At the same time, other factors are making the GM job more complex and demanding, including: pressure on prices and margin, increasing costs of real estate and development, and calls for a living wage at a time when slow growth makes it ever more difficult to increase labor costs.

The thinking behind the GM Success Profile is that leadership is not innate, it can be developed. Personal attributes and experience, while valuable, are not enough in themselves to lead to success as a food co-op GM. If a new GM starts without all the needed competencies, the co-op will need to ensure a road map for developing those that are lacking. If existing GMs find their jobs increasingly challenging, they can create a development plan to help them achieve the needed competencies.

While all these competencies, skills, experiences and attributes are important, we have highlighted the ones we believe are most critical for success of any GM. In addition, some will be a higher priority for start-ups, expansions and turnarounds, and for co-ops of different sizes. No one competency or skill or experience is by itself a key to success. And no one individual will be strong in all areas. The intent of the Success Profile is to paint a complete picture of what co-ops need in their GMs in an increasingly turbulent environment, and what GMs need to work on to respond the changing market.



The GM Success Profile consists of:

- **Competencies:** A competency is a combination of knowledge, skills and abilities. When competency is achieved, the person can apply the combination in different types of situations adeptly.
- **Skills:** Tactical abilities to accomplish a task.
- **Key Experiences:** Past professional experiences.
- **Personal Attributes:** Qualities that are an inherent part of the person.

National Co+op Grocers and Columinate drew on the experience of both organizations to develop the profile for General Manager success. This profile will be particularly useful for:

- Boards hiring new GMs
- GMs planning to develop their own successors
- GMs who want to close their own skill gaps
- Individuals who want to develop their skills to become future GMs



Columinate

Competencies



Competency	Description - What it is	Behaviors - What it looks like
! • Strategic Thinking	Thinks conceptually, imaginatively and systematically about success.	<ul style="list-style-type: none"> • Develops long-term (3-5 year) strategy based on analysis of industry, market, and co-op's current and potential capabilities • Understands context co-op is in, including strengths and weaknesses compared to competition, industry, market trends • Extracts key issues from complex, ambiguous and changing contexts
! • Financial Management	Knows meaning of financial variables, how to find them, and how to place them in business context.	<ul style="list-style-type: none"> • Interprets all three financial statements to make business decisions • Uses financial data to diagnose and resolve business challenges • Operates and monitors financial systems • Identifies key indicators to link financial and performance information
! • Business Planning	Enables co-op success and growth by creating and operationalizing goals.	<ul style="list-style-type: none"> • Takes vision and strategies and turns them into operational plan(s) • Aligns operational plans to goals of co-op to Ends/Mission while ensuring co-op's long-term prosperity
! • Building and Leading Teams	Effectively facilitates the formation of teams by creating a climate of trust and encouraging information sharing.	<ul style="list-style-type: none"> • Resolves team conflict without damaging relationships • Provides opportunities for others to learn and work together as a team • Promotes cooperation and collaboration among teams and team members • Recognizes and encourages behaviors that contribute to teamwork • Ensures important information flows throughout the co-op
! • Change Management	Successfully aligns stakeholders to effectively implement organization and business changes.	<ul style="list-style-type: none"> • Establishes structures and processes to plan and manage change • Helps staff, Board and members develop clear understanding of why change is needed, what they will need to differently • Anticipates resistance and pro-actively takes action to lessen it • Celebrates near-term successes
! • Influencing and Persuasion	Creates and communicates compelling reasons for their viewpoint to align stakeholders with competing views.	<ul style="list-style-type: none"> • Uses stories, data and examples tailored to level and experience of audience • Presents multiple "pros" to a decision, and recognizes the "cons" • Accurately anticipates implications of decisions for all stakeholders; plans and communicates accordingly
! • Developing Talent	Develops staff to increase their capabilities, co-op performance, and engagement.	<ul style="list-style-type: none"> • Accurately diagnoses performance and development gaps • For staff and self, identifies development opportunities, ensures access to them • Provides regular, positive and constructive feedback and coaching
! • Professional Communication	Communicates effectively with multiple audiences using different formats and styles.	<ul style="list-style-type: none"> • Demonstrates active listening (eye contact, asking questions, etc.) • Carries/presents self with poise, professionalism, warmth, confidence and candor • Confident and effective public speaker • Organizes ideas into a clear flow or story

! Indicates high importance competencies

Competencies



Competency	Description - What it is	Behaviors - What it looks like
Problem Solving	Accurately diagnoses root causes of issues and correctly identifies appropriate resolution.	<ul style="list-style-type: none"> • Gets complete and accurate information by checking multiple sources • Approaches a task or problem by breaking it down to smaller pieces • Routinely identifies many possible causes • Uses information and data to accurately weigh costs, benefits, risks of potential solutions • Systematically compares alternatives
Adaptability	Is resilient and keeps moving forward in the face of challenges or new information.	<ul style="list-style-type: none"> • Repeatedly demonstrates willingness to change (self, process, organization) • Does not get defensive or take contrary opinions personally • Switches to different strategy when initial one is unsuccessful • Willing to modify their opinion in face of contrary evidence • Considers the specific situation, doesn't use past experience as barrier to change • Flexes communication and work styles depending on the needs of the situation and audience
Entrepreneurial	Appropriately assesses and judges risk to leverage opportunities, seeks innovation.	<ul style="list-style-type: none"> • Notices and seizes business opportunities • Willing to take calculated risks to achieve goals • Encourages and supports entrepreneurial behavior in others
Time Management	Effectively assesses and prioritizes tasks.	<ul style="list-style-type: none"> • Accurately assesses and acts upon priorities • Plans use of their time, controls interruptions, completes work efficiently
Negotiation	Explores positions, alternatives to reach outcomes that gain acceptance of all parties.	<ul style="list-style-type: none"> • Manages interpersonal dynamics to keeps discussion on issues • Develops others' and own ideas • Identifies alternatives and builds support for preferred alternatives
Intercultural Competence	Champions diversity, equity and inclusion throughout and on behalf of the organization	<ul style="list-style-type: none"> • Actively works to improve the co-op's diversity, equity and inclusion • Regularly questions own beliefs and assumptions • Seeks to understand the motivations of others without judgment

Skills



Experience

Preferred Experience

!	Stakeholder alignment	Enables stakeholders to move in same direction through thoughtful communications and reducing competing interests.
!	Visioning	Creates and communicates a compelling vision with goals. Uses data to demonstrate accomplishment.
!	Messaging for multiple stakeholders	Creates and manages communications appropriate to the audience. Is proactive and strategic about managing the co-op's story for Board, staff and members.
!	Managing people	Correctly assesses candidates' abilities and makes good hiring decisions. Evaluates, inspires, recognizes, delegates work and provides feedback. Provides timely coaching and guidance to help others strengthen self or resolve issues.
	Financial reporting	Can create and use meaningful business and financial reports. Creates and manages to a budget.
	Managing other functions	Knows enough about co-op retail and admin departments to effectively manage them.
	Systems development and monitoring	Grows and pro-actively identifies improvements to how things are done. Creates new, effective processes, verifies their success, makes adjustments as needed.
	Project management	Completes projects on time and on budget using resources effectively.
	Developing self	Proficient at identifying and closing own knowledge and skill gaps.
	Relationship building with Board	Devotes appropriate amount of time and resources to strengthen Board-GM relations.
	Collaborative	Develops cooperation and teamwork in groups, solutions benefit all parties. Open to hearing multiple voices and participating in democratic processes.
	Facilitation	Effectively leads and guides group discussions and activities.
	Presentation skills	Delivers polished presentations with organized content flow.

! Indicates high importance competencies



Key Experiences

Experience	Preferred Experience
! Retail grocery experience	Experience as a produce, deli, grocery, marketing, store or operations manager. Familiar with how stores operate to meet goals, knows key metrics.
! Experience managing people	More than 3 years managing people, preferable to have experience managing managers.
! Leading a team	Experience leading a team through situation similar to co-op's current situation and/or future goals.
! Track record of success	Prior work experience indicates several successful initiatives of same scope as needed at co-op.
Project management	Experience meets the needs and scope of the co-op's current and/or future operations and goals.
Learning from failure	Has been unsuccessful in a past initiative and has improved skills as a result.
Managing growth and change	Complex change initiatives involving multiple stakeholders.
Worked in a competitive industry	Competition equal to current and future environment of co-op.
Working with a Board of Directors	Successful navigation of Board governance structure and processes, track record of relationship building with the Board.
Public speaking and presenting	Experience equal to current and future needs of co-op.

! Indicates high importance key experiences



Personal Attributes

Attribute	Description
! Accountability	Is willing and able to hold people accountable for co-op, department, and self success. Willing to be held accountable.
! Courageous	Willing to make unpopular decisions when needed, and to have difficult discussions with stakeholders.
Appreciative	Willing to share credit and inspire others by providing appropriate recognition.
Advocates for organization	Demonstrates focus on needs and success of overall organization through plans, actions and words.
Ease with transparency	Understands importance of sharing information throughout organization when needed.
Open mind	Demonstrates curiosity about processes and people, listens to new ideas and alternatives.
Service mindset	Carries out operational and strategic tasks while demonstrating attention to customers (internal and external) and the co-op's needs.
Self-aware	Aware of own work and communication styles, adjusts as needed to successfully work with others; Diagnoses and recognizes development needs.
Models excellent performance	Demonstrates expectations of others through their own actions.
Self-motivated	Does not require constant oversight, pro-actively identifies opportunities and challenges.
Respectful	Demonstrates respect for others, even when a conflicting opinion is held.
Embraces cooperative structure	Articulates what makes co-ops different, works successfully within cooperative structure.
Discretion	Accurately assesses when to share information and when to keep information private, doesn't gossip.
Values Outside Expertise	Seeks, listens, and acts as needed to alternative perspectives.
No criminal history	Does not have criminal history that represents risk to the co-op.

! Indicates high importance personal attributes

Prioritizations

The most important competencies, skills, key experiences and personal attributes vary as indicated below.

Co-op Attributes	Competencies	Skills	Key Experiences	Personal Attributes
Co-op with less than \$5m in annual sales	Financial management Problem solving Adaptability Time management Strategic thinking Building and leading teams	Financial reporting Managing people Visioning Managing other functions Systems development & monitoring Relationship building with board	Retail grocery experience Managing people Leading a team Track record of success	Courageous Accountability Values outside expertise
Co-op with \$5 - \$20m in annual sales	Financial management Problem solving Time management Strategic thinking Building and leading teams Professional communication	Financial reporting Visioning Relationship building with board	Managing people Retail grocery experience	Courageous Accountability Self-awareness Models excellent performance
Co-op with multiple locations or >\$20m in annual sales	Strategic thinking Building and leading teams Professional communication Financial management Problem solving Time management Business planning Developing talent	Visioning Relationship building with board	Managing people Track record of success	Courageous Accountability Self-awareness
Start-up co-op	Building and leading teams Financial management Problem solving Business planning Entrepreneurial Adaptability	Visioning Systems development and monitoring Financial reporting Managing people	Managing growth and change Managing people	Courageous Accountability
Co-op with large remodel or expansion project	Problem solving Business planning Entrepreneurial Strategic thinking Change management	Visioning Financial management Project management Relationship building with board	Managing growth and change Project management Managing people	Courageous Accountability Values outside expertise
Co-op in an especially competitive market	Problem solving Entrepreneurial Strategic thinking Change management Adaptability	Visioning Relationship building with board Financial management Managing other functions	Managing growth and change Track record of success Worked in a competitive industry Managing people	Courageous Accountability Self-awareness
Co-op needs a turnaround in business performance	Problem solving Strategic thinking Change management Adaptability Business planning Financial management	Visioning Financial management Relationship building with board	Track record of success Retail grocery experience Managing people	Courageous Accountability Values outside expertise

Created by National Co+op Grocers and Columinate

Thank you

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