



## FlemingMartin's Chief People Officer Lunch Series: Q4 2021 Notes

During December 2021, the Practice Leaders at FlemingMartin held virtual lunches with 70 Life Sciences, Tech, and Digital Health Chief People Officers (CPOs). We explored a wide range of topics, but much of our discussion time focused on leveraging the increased visibility of the People function, making investments in culture/communications/DEI, sharing tools and resources for delivering trainings in a hybrid/remote world, and addressing 'The Great Resignation.' Selected excerpts are below.

### **Leveraging Increased Visibility for the People Function**

A number of CPOs that we spoke with are experiencing an elevation of HR within their companies. This has led to increased Board interactions, additional opportunities to influence decision-making, and a further broadening of responsibilities. Compensation packages, when compared to peers across the C-Suite, still do not reflect an enhanced role for many. As we approach the two-year anniversary of the COVID pandemic's onset, burnout/exhaustion is a very pressing concern for overworked CPOs.

### **Investing in Communications, Culture Initiatives, and DEI Programs**

At many organizations, the swift transition to (and continuation of) remote and hybrid work has led to communication breakdowns and a dwindling sense of connection between colleagues. Some CPOs are addressing such issues by launching companywide culture initiatives, promoting hands-on collaboration across functions, and encouraging more meaningful interactions between all levels in the company. A great number of CPOs are rolling out more comprehensive Diversity, Equity, & Inclusion resources as well.

### **Doubling Down on Virtual and In-Person Trainings for Managers and the Coaching of Leaders**

CPOs roundly agreed that investing in fundamental training for managers and more advanced coaching programs for executives has never been more critical. Virtual tools, live vendors, and a wide array of curricula were discussed.

### **The Great Resignation and Strategies for Addressing Employee Attrition**

Most CPOs we spoke with have experienced an uptick in attrition at their organizations for 2021. Many contributing factors were cited, including fierce recruiting by deep-pocketed rivals, rapidly escalating compensation packages, title inflation, expectations around fully remote work, career pivots, and burnout. Leadership teams are working to retain key employees in myriad ways.

## **RESOURCES**

### **Compensation Tools**

- [PayScale](#)
- [Option Impact](#)
- [CompXL](#)
- [Carta](#)
- [Pave](#)

### **Training Vendors/Employee Experience Tools**

- [LifeLabs Learning](#)
- [Coactive Training Institute](#)
- [Palo Alto Learning Group](#)
- [Teewinot Consulting](#)
- [Advantage Performance Group](#)
- [Culture Amp](#)

### Selected Quotes from CPOs

#### **Leveraging HR's Increased Visibility**

- “Our CEO specifically gave a big thank you to HR in front of the entire company, which was very much appreciated. That hasn’t happened before...”
- “It’s an interesting time to be in this role. I’m finding there is more appetite to let us lead and not just be a service center. The challenge is to make sure we have the right data to tell the stories. So, it’s key to set up a more robust people analytics function to influence/paint that picture.”
- “Covid put a lot of emphasis on the people function. Before I joined this company, HR reported into finance. Now I enjoy having the seat at the table to discuss workforce planning, employee experience and talent management. None of these conversations were happening at the C-suite level previously. So, I’m enjoying increased visibility. I’m getting more time with the Board too.”
- “I am leveraging the attention by elevating critical topics to the executive team level, such as ‘How do we keep our remote and hybrid employees connected?’”
- “I am using my voice by highlighting what’s needed. I am being seen as a partner strategically and not just as the person managing our COVID response.”
- “Over the past two years, with the pandemic and HR’s role in it, I’ve been able to advise more on a business level.”
- “When I first started speaking with the CEO... he wanted ‘VP HR’ as the title, and I put all of my chips on the table saying that it had to be ‘CPO’ to demonstrate the significance of the role... It is the first time that HR has been this elevated in our org. I have come from a much larger company experience and so I bring an entitlement that I should be at the table.”
- “We have been very visible across the organization for being actively involved in the pandemic response. But we don’t have the bandwidth to focus on a lot of other strategic elements. We’re still sorting things out and grappling with meetings, masks, etc. After COVID is in the rearview mirror, we’ll have a bit more of a platform...”
- “Since HR has more visibility now, I’m trying to build out the HR team... My CEO is going to give us more resources for next year...”
- “I don’t know that (the perception of HR) has dramatically shifted that much here.”
- “I’ve self-selected, so I have only worked at companies that really respect HR.”
- “I’m working with partners at Aon on compensation and I’m not seeing that HR comp is being increased and reflecting any elevation of the role. I still see myself as \$100,000 behind my peers on the executive team.”
- “The CPO position is becoming more of a strategy role. But we are generally paid less than our counterparts on the executive management team, so there is further work to do.”
- “As the Head of HR, I feel responsible for everyone else. It’s been a bit overwhelming. People come to me with all kinds of questions now and common sense has left the building. People are now expecting HR to manage elements of their life and work that was never managed before. I now have more insight into people’s mental health than I ever expected...”
- “We are definitely more visible and more respected now... I think that the old way of trying to have a 1-to-100 HR professional to employee ratios is baloney -- especially in the time of Covid!”

- “I’ve got a seat at the table now, but the mindset before my arrival was ‘HR is just a service organization’... It’s so busy right now. Lots of things we are bandaging together.”
- “I think HR’s rise was in 2020. Right now, we’re dealing with remote vs. hybrid issues and vaccine mandates, and, in some ways, HR has returned to being the ‘corporate bad guy’ because we have to enforce these rules.”
- “It’s important to talk about burnout within HR – we’ve been taking care of everyone else at the expense of ourselves!”

### **Commitment to Culture, Communication, & DEI**

- “We already had a lot of remote people prior to Covid, so we are investing in fostering more connections. We have a lot of affinity groups that we can support, and we are doing more online group events with breakouts. Our big initiative is a new HR system and the one that we selected has some functionality for affinity groups.”
- “Everyone must be part of a cross-collaboration team here. We want to make sure that everyone understands the other functions on a human and a work level. It’s not massively ambitious, but not a light lift either...”
- “We launched ‘new hire lunches’ and ‘anniversary lunches’ with the CEO and senior leadership. People love it. We get some really interesting questions, and it is important to employees to have that access. We have people sending notes to the CEO’s admin to make sure that they get calendared for their upcoming work anniversaries.”
- “We revamped our onboarding to add more connection and specifically direct connections. Every single new employee gets to meet (in a group) with the senior management... We received higher engagement scores from new employees after launching the program.”
- “We’re practicing for when we’re totally hybrid. So, 2021 was a year of communication improvements for us.”
- “We have looked at our values and set a foundation for our culture. It was a collaborative process and we identified which attributes that we have that are most valuable. It was all grounded in the spirit of living our values.”
- “We are focusing on becoming a more intentional culture. We have good values, but it is important that we revisit them again and also ensure that our newer employees understand our values and culture code, plus know how to embody them.”
- “We have had to revamp our culture with a new CEO. We redrafted our mission, vision, and values. Now, they are no longer words that just live on a wall.”
- “We are bringing in more culture tools/resources, creating ERGs, and in some ways turning over engagement surveys and other responsibilities to high potentials in other functions outside HR.”
- “From a community building perspective, we have encouraged staff to create social clubs (surfing, music, dog walking, etc.) and it’s been great to see participation pick up.”
- “I am trying to sell the CEO on building an Executive Team Compact to address how we stay on track and keep each other accountable. I am starting to see some Corporate vs. Technical as well as New vs. Old friction in the leadership ranks.”
- “We are seeing relationship breakdowns, so we are focused on leadership dynamics. Our executive team is now meeting every month in person. Communication just wasn’t there, so we have made a big push to improve it.”

- “We started sharing our survey data with everyone to be more transparent and we have increased the number of open forums and listening circles within the company. We are working to get more focused on determining our points of failure and resolution plans so that people can see that we are being responsive to the most critical issues/concerns within our company.”
- “If you were to look us up on Glassdoor -- there is nothing there. So, we... have an ambitious goal to build out our employer brand. We also happen to be doing a rebrand of our marketing brand too, so that helps a lot.”
- “We are going to expand beyond SF – to Los Angeles, Chicago, Seattle, New York, and other cities. Now we have to figure out – how do we emulate our special culture in those different locales?”
- “We’ve grown significantly, and we introduced [Modern Health](#). 98% of our people have engaged with it – counseling to coaching to putting daily reminders on your phone for physical health, etc. You can rate yourself on different categories -- everyone finds something. People are sending notes all the time about it!”
- “We have an initiative for advancing women into leadership roles. We are taking this issue on with a Women’s Alliance. This will be very ambitious for us. Long-term, we know we have to grow our own leaders instead of just going out and hiring women who are stars in their field.”
- “We’ve developed our CSR (Corporate Social Responsibility) & DEI platforms but now we need to expand them and make them more meaningful.”
- “We have just put a foundation in place for DEI, and in 2022, we will focus on optimizing our team and working together better.”
- “We did an employee survey and increasing communication and trust were two key issues. We recently re-did [DiSC profiles](#) for most of the company. Many had not been through it before. I was shocked at how managers are using this assessment. It’s basic, but people are really using it.”
- “We did personality tests and discussed ‘How do others experience you?’ We collated all the responses and plotted people’s teams. I then did a presentation on what different quadrants mean and we had folks from each quadrant talk about how they’re perceived by others.”

### **Investment in Training and Coaching**

- “We did a Virtual Leadership Development program which was 2 hours per week over a 7-week period. We did this for our top thirty leaders, and it was powerful. We plan to drive this training further down to our broader team.”
- “We plan to double down on manager fundamentals trainings and also development and mentorship opportunities.”
- “We are rolling out mandatory public speaking training for VPs and above. We are putting everyone through a one-day bootcamp where you see yourself on video, so it is very helpful. People have lost presentation edge during COVID, so it’s geared toward getting people polished again.”
- “We offer Hybrid training in one-hour workshops, so leaders present both in person and on Zoom... we are very focused on storytelling. ‘How do we get people to tell more compelling stories with data?’ We start with how to tell a story about yourself and then we build up to more sophistication. Many of our newer leaders are already strong, but some early employees feel a bit left behind.”
- “LifeLabs Learning has a great [Culture Club](#) for HR folks. I’m impressed. Prices are not exorbitant.”
- “We will use [LifeLabs Learning](#) which is pretty inexpensive and flexible, next year... We are also tracking goal progress in [Culture Amp](#) and it is a good tool to see how we are progressing.”

- “We use LifeLabs Learning too. We used it for Individual Contributors and Managers. I found they were pricey, but maybe I’m cheap! We’re looking at a partnership with [AMA](#) (American Management Association). They have been known as the cost-effective solution for training.”
- “We have met in person as triads. I was amazed at the momentum we created by sharing/connecting/bonding, and it reminded me of the things we used to do pre-pandemic. We used the [Coactive Training Institute](#) in San Rafael for the coaching.”
- “I was really impressed by the [Behaviors of Inclusion](#) training from LifeLabs Learning. It was wildly popular and successful at our company. They tailored it to exactly how much time we wanted to spend on it. There were worksheets and breakout rooms.”
- “LifeLabs Learning’s DEI training is the jewel in their crown. They have a [DEI Playbook](#) and a Behaviors of Inclusion training which uses a lot of data and shines a light on biases in hiring.”
- “We hold a quarterly leadership training. We conducted it both via Zoom and live with a facilitator. We used [Carrie Coltman](#) from Palo Alto Learning Group. People loved her and it was well received.”
- “We do not have a large budget, so we are using LinkedIn Learning... The first training topic was how to work effectively in a hybrid environment with an emphasis on collaboration and empathy.”
- “Online training only goes so far in my view. So, we are doing a mix of online and live trainings. We hold what we call Manager Cafés, and that name seems to resonate.”
- “We are offering trainings on resiliency skills, managing emotions, empathetic leadership, delegation, and effective meeting management.”
- “We’re trying to teach our managers that employees need continuous feedback, communication, management, and career conversations.”
- “We have taken advantage of the [California State Program](#) that reimburses a lot of training done by the company. We spent about \$40k out of pocket and then got \$36k back! Also, we have people track how they are doing training online, and then send a spreadsheet to the State, and a portion is also reimbursable.”

### **The Great Resignation and Strategies to Address Attrition**

- “We just went up to 31% attrition... I see it as an opportunity to shift the culture with new people coming into our team. Now that we have completely reinvented our employer brand, I have shifted my perspective rather than focusing on feeling the loss too much.”
- “We are not seeing the 40% (attrition) numbers reported in the press, but we are concerned about losing longtime employees and all the knowledge that they possess. We are seeing most of our turnover in people that have only been here a year.”
- “We had been at 8% turnover, and we have crept up to 17%. Now, we have doubled down on cash and equity retention programs and our Comp Committee has been supportive. The other strategy is that we tell our managers to really get to know their people. Do managers know what matters most to each team member? Once we know what people care about, we can address it.”
- “I’m losing people to companies who are making offers at 40% above market, which makes me think it’s unsustainable. Our bonus structure has not changed, but we may look at that again. Our turnover is 36% right now, which is crazy.”
- “We are seeing a high percentage of people who are not staying a full year. It’s definitely been a higher-than-normal attrition year...”

- “We see higher rates of turnover in the cohort that has been with us 2 years or less. We need to see if we are not onboarding well, but we do have very high engagement scores. I think that it may just be that there are so many hot companies offering so much money right now.”
- “We have not had too much attrition; it has been much more about onboarding which just takes time and energy... We have a new leader joining every month because we are growing and that is exhausting for the leadership team because they have to absorb new viewpoints and catch-up new people on the history. We have not reached steady state.”
- “We have offered both 60% and 80% part-time roles with a reduction in pay but full benefits. It has been one of the best things that we have done for retention. It has allowed teams to work and communicate better. About 1% of our employee population has opted in so far. In some cases, it might only be for 3-6 months to take care of a life issue and then they will switch back... The need was driven a lot by school closures/childcare; 90% of our employees have children. It has actually been more men than women making the change. It has been easier to implement for support functions and less easy for engineering. We have our HRBPs work with the employee and the manager to set expectations and structure.”
- “We were able to get a budget increase in HR that I plan to use to bolster our HRBPs. We won the increase by putting numbers to retention and emphasizing how our HRBPs will aid in that effort.”
- “We are encouraging managers to do ‘burn-out’ interviews. We are also offering mental health and empathy training. It is important to identify the people that are burning out so that we can try to take some pressure off them at the margins and/or at least avoid the surprise resignation.”
- “We’ve found that it’s the little things that matter to make employees feel connected and heard. One way is by making our leadership accessible. We have a newsletter which features interviews with our exec team, and we have coffee chats with our C-Suite which we call ‘The Traveling Cs.’”
- “We have been focused on communicating the ‘why here’ by using patient stories, and our CEO does a really nice job of that in biweekly all-hands meetings. We have also done a lot of work to keep everyone focused on the purpose and that has positively impacted our culture. We did spot salary reviews and changes mid-year too.”
- “Our strategy for retention has been based around identifying those special groups of employees. The ones whom if we lost them, the wheels would fall off the bus. Then we make sure we have a development path for them and have given supplemental RSU grants.”
- “For the Executive Team Talent Review, we dumped the 9-box. Instead, we focused on 3 categories: 1. High Potentials; 2. Blockers; and 3. People that are Single Points of Failure. We developed individual plans for each person. For our top people, we did hand-written messages of appreciation and bonuses.”
- “We created a special equity pool for our top talent (top 3%) that will allow managers to recognize and retain extraordinary performers throughout the year.”
- “We are stingy with equity -- no doubt that’s caused problems for us. I am doing my best to shine a light on the glaring gap (to market) and end up with something better. We have been throwing around ridiculous cash sign-on bonuses to close people, but that only gets you so far.”
- “I am worried about all the pressure to promote people to retain them. We are getting pretty top heavy with 10% at Director-level or above. Will we be able to hire underneath these people quickly enough in 2022?”
- “The midpoints for salaries are changing so fast and Radford data lags.”

- “Compensation tables go stale really fast. I think some of the bigger names like Radford do not perform as much vetting as they used to either. I really don’t know if they’re doing the right level of benchmarking... I think titles are often cheap at some companies as well and the organization will cave on the title, but then the pay is not commensurate. Radford has been the gold standard, but I am not sure they’re where they need to be anymore...”
- “We will keep Radford but are leveraging [PayScale](#) more. It’s more accurate for the west coast and it’s updated more frequently than Radford.”
- “Through one of our investors, we have been able to utilize the [Option Impact](#) database. It’s pretty accurate in my experience. It’s exclusive to private companies with venture investors.”
- “We implemented [CompXL](#) and we are moving to Workday too. Getting our compensation off spreadsheets has been a huge benefit.”
- “35% of the people we’ve made offers to have turned us down and we’ve had a real hard time finding more junior people. One candidate, with just two years of work experience, asked us to subsidize a Tesla for him to help with his commute!”
- “50% of our offers are being turned down. Recruiting is truly at a fever pitch. We are working to fortify our compensation and benefits now, and we may move to PayScale because we really need a heavier west coast focus.”
- “I’m putting in bonus pools for project teams and allowing the teams to figure out how to split the money. Also, having just gone public, we’re accelerating RSUs and granting some early. We identified 30 out of our 240 people as critical and did everything we could to lock them in. We know that won’t work forever. We’re hovering around 22% turnover right now, which our investors are saying is pretty average. It’s hard to find good benchmarking for turnover though.”
- “Our turnover has been up in the last 12-18 months, but still lower than what other companies are experiencing (around 11%). We think that’s partly because of comp, and our committee has been proactive with that. The market is moving so rapidly right now. We’re looking at the high end of the ranges and are giving a 4% merit + 2% promotion and adjustment in 2022. We looked at the Radford data and wanted to not only look at the data today but also look at what we think the future will be. We’re aiming to remain in the 50th percentile.”
- “We’ve seen an uptick in attrition. Many are due to life changes, but we are really diving deep on the exit interviews. Plus, we are having ‘stay interviews’ for those we are deeming at-risk for leaving. Many are just not willing to wait 18 months or so for their next promotion. We have seen so many companies giving on title.”
- “We have done a lot of market adjustments during the past months. We have had to do many custom surveys for rewards since we cannot rely on the Radford data; it is out of date by the time it is published. Also, we are not seeing market differentials anymore. I am wondering when/if we might see some labor savings from going outside the Bay Area.”
- “Our big initiative has been to hire talent nationally: 15 of our last 20 hires have come from outside the Bay Area. We are looking for talent anywhere in the U.S. But we are going to create a set of events that will drive everyone out here to help create a more connected dynamic.”
- “Remote is not giving us the financial gains that we envisioned. Will we see it eventually or are we now normalized?”
- “There are no ‘easy’ roles to recruit for anymore and I don’t think we’re going to be able to poach our way out of the problem. We need to be hiring more people out-of-area and look at groups we

*haven't examined before... At our company, we are spending DEI funds to forge new partnerships and create a more diverse base of participants for our internship program."*

- *"Nvidia invested heavily in its [partnership with the University of Toronto](#). When they wanted to bolster their AI/ML capability, they made offers to the entire graduating class of AI/ML engineering students... We are seeing massive sign-on bonuses for college grads in these fields at \$200K - \$250K."*
- *"My CTO just came to me and said that he wants to go from 17 to 31 people on the Machine Learning team right away. My response was: 'Good luck!'"*
- *"We are at 12% voluntary turnover and seeing 20% market raises across the industry."*
- *"I do not think that we will see a wage slowdown until the bubble pops. The FANGs are doing a talent land grab and dropping so much cash right now."*
- *"People prefer RSUs over options even though I will sit down with them and demonstrate why options are a much better deal for them."*
- *"We give stock to everyone. We've had some good appreciation, and I'm still seeing people walk away from grants. I think many people are very cash-focused, and they don't see the big picture of equity and benefits."*
- *"We have to adjust compensation for our existing people in order to make up for new employee compensation. The best lever we have is options, but candidates (at the non-executive levels) seem to focus so much more on cash."*
- *"We're seeing heavy attrition in sales. Suddenly salespeople are valuing equity a lot more."*
- *"We just did some appreciation awards, gave some spot equity bonuses, and had each of our executives record a special, individualized message modeled after Cameo celebrity greetings. Now that I have all that data, I am looking forward to seeing which executives' greetings do the best job for retention!"*
- *"We are getting creative with sign-ons. We also did a 'summer blitz' program where we doubled employee referral bonuses. We got 100 referrals and 25 hires, so it was very successful. Our regular program is a \$2.5K bonus for an individual contributor referral; \$5K for managers; \$10K for hot jobs, and we doubled those numbers. We plan to do the blitz again."*
- *"We do not offer referral bonuses to employees but make a charitable contribution to a charity of their choice. We also have good benefits. We pay 100% healthcare for employees AND dependents, we do a 6% 401(K) match, 6-month parental leaves, and 3-month sabbaticals after 5 years. We are also particularly good about allowing people to move around within the company. Plus, every employee has access to coaching but only about 12% use it."*
- *"I've observed that our workforce is bifurcated: long-term loyalists versus recent hires who keep rotating out every 2 years. We're trying to keep our comp structure from getting too screwed up, so we're offering a lot of signing bonuses. But that can lead to a 'short-timer' approach."*
- *"We're at 11% turnover... and pretty pleased with that. Our Board wants that (keeping retention at 11%) to be a business goal for next year... Money is definitely a factor, especially with the more junior population. I'm doing comp reviews quarterly now, which I've never done before. That said, I don't think money is the major retention tool. I think it's development. Money is more of a basic hygiene issue."*
- *"Paying appropriately cuts out the noise, but what really builds retention are development, flexibility, and autonomy."*

- “We are adding an extra week off for next year. We traditionally do a winter shutdown and we’re adding a ‘summer wellness time’ in July over Independence Day week (which will be paid).”
- “We are considering a 4-day work week.”
- “We are questioning our FT hiring approach and may go more to freelancers and contractors, including offshore talent.”
- “I try to remind people that they can always find a job for more money, especially in this market, but there are other issues to consider. I’ve also noticed a tendency for more junior people to be more willing to share their compensation information.”
- “The recent [Jefferies paper on the Great Resignation](#) has a few key takeaways: a) compensation is the #1 reason employees quit; b) burnout is prevalent across industries; c) flexibility is the new normal; d) Support for a 4-day workweek is at 80%; e) companies must prioritize the search for purpose in one’s career.”