

FlemingMartin's Chief People Officer Lunch Series: Q2 2022 Notes

During the week of May 23rd, 2022, the Practice Leaders at FlemingMartin held virtual lunches with 85 Chief People Officers (CPOs) from leading software and life science companies. We touched on a wide range of subjects, including:

Where are people leaders investing their "Social Capital?"

DE&I initiatives, ESG, war in Ukraine, responding (or not responding) to political issues, and system implementations are where most Chief People Officers are spending their energy and/or their influence.

People Analytics Best Practices

It may be that only the largest companies have the size and scale to fully leverage people analytics at this time. Most of our participants are still in the early days of analytics. Many are still focused on getting systems and data structures in place to properly leverage company data and generate actionable insights.

Elevating the strategic impact of HRBPs

During the pandemic, most leadership teams have come to learn how essential a strong people function is to their company. That said, for most of our participants there is still a lot of work remaining to elevate their HRBPs and ensure that they are working strategically with the business. For many people teams, the expectation is to operate lean and wear multiple hats which can be at odds with allowing HRBPs to stay above the transactional level and have more impact.

Recruiting & Retention Landscape

Most attendees still need to hire at an aggressive pace. Thus, most are struggling to reconcile increasing salaries and inflation rates with a potential recession. Complicating matters, some of our attendees work with leadership teams insisting on a return to office despite the negative impact on recruiting and retention. Additionally, some of our attendees commented on the trend of new hires requesting delayed start dates and how they keep those candidates engaged through the time that they start their new job.

Addressing Employee Burnout

Burnout is a key issue. So much so, that some of our people leaders commented that their mental health programs were overwhelmed. We also discussed the benefits and the downside of a 4-day work week and mandating time off. We were reminded that leaders need to set the example for their teams and when all else fails, there's always company swag for a quick morale boost.

Personal Development and Recharging for the CPO

Many CPOs admitted to not being consistent about investing in their own development. Peer groups, conferences, and industry reading were the most common sources for personal development. There was also a clear desire to recharge by pursuing development interests that are not work related. Finally, if our attendees are representative of the broader population, the travel industry must be in full recovery mode.

Return to in-person Board Meetings

We were curious if companies had leveraged online board meetings to get more of their people highly desired board exposure. While increased board meeting exposure did not appear to be a trend, some of our attendees enjoyed connecting in person again with their boards. Still, there was no consensus favorite between holding in-person vs. online board meetings. This topic did not yield much insight, but did give us one of our favorite sound bites...

*"I experienced **JOMO** (joy of missing out) in not being in person for the board meetings."*

Selected Excerpts from CPOs

Where are people leaders investing their “Social Capital?”

- *“I would say that I have invested more emotional capital than social. Seriously, everything has required an investment of social capital. With the Roe v. Wade leak, we have rapidly implemented a travel policy for medical benefits to accommodate any potential legal changes.”*
- *“We decided to pull out of South by Southwest in response to recent Texas laws.”*
- *“DE&I is always top of mind. We always have something happening in society that employees expect the company to address. In response, we have built a framework for what we will and will NOT address. We understand that whatever we say internally will go external.”*
- *“We made an intentional decision to try to equalize and match the US census within our workforce gender/underrepresented minorities/US veterans. We want to look, act, and think like people to whom we sell our products. We reached gender parity in less than a year, then focused on a diverse slate approach (from the top of the funnel) for recruitment. Now we’re at 51% women, URM is a significant portion of that number as well (moving from ~18% to ~33%). That required spending lots of internal social capital.”*
- *“For me it has been our DE&I initiatives. We produce an annual transparency report. I am proud of our belonging scores and doubling of our African American workforce population. We have responded to crises quite well too.”*
- *“We’re getting slammed by [ISS](#) on our ESG compliance. Some of what we can do is easy – low-hanging fruit. However, it’s creating a lot of work right now for our small public company.”*
- *“ESG is becoming a harder topic for us too. It’s distracting us from our main business right now.”*
- *“We have a lot of people in Ukraine. I hosted a town hall at the end of January (before the Russian invasion) with all our people in Ukraine. Most did not believe that (the invasion) would happen, but we got in front of it early. We sent our people there additional funding so that they would have better options if access to cash became an issue. They want to get back into the office. We also utilized three different third-party development contractors in Ukraine, Russia and Belarus. We exited Russia in April and will be exited from Belarus by the end of May. Many of those contractors in Russia and Belarus are migrating to EU countries to keep working with us.”*
- *“We expanded our HRIS, [Dayforce](#), and it is an expensive investment but worthwhile—really paying off on our recruiting interfaces. To reduce spend, I have asked people to ‘dual role’ in the interim to limit our expenses.”*
- *“I should have done more diligence when I interviewed. They told me they had Workday. What that meant was that someone had paid the invoice for Workday. I made the decision to hold off on implementing Workday which made me unpopular at the outset. My thought was, “We are going to learn how to ride a bike before trying to drive a Ferrari.” Now, because I was pragmatic in my early approach, I have more credibility with senior management. We also ask our team to ‘dual role.’ Everyone has a primary role and covers something else too.”*
- *“We did an IPO last year and that was a lot of work. Getting the ESPP plan in place and educating the employees on that and everything else that goes along with being a public company was a massive undertaking. I did work with external compensation consultants and that was helpful.”*

- *“We completed our first culture survey ([CultureAmp](#)) and there were many concerns related to the confidentiality of the surveys and information shared. It made us focus on why there might be a lack of trust with senior management, and we have invested a lot of time in building trust to get to a better place.”*
- *“We are a start-up and just put in our engagement program. We launched surveys and are analyzing the data. Our retention has not been consistent. We have spiked to 34% one month but are now 15% which seems in line with our peers.”*
- *“We launched an internal campaign for our employees to be advocates of the company. We recently completed our [Great Place to Work](#) Application and worked hard on our [Glassdoor](#) brand. We were able to go from a 2.8 to 4.1 approval on Glassdoor. It took some work. It was critical to just ask our satisfied employees to get out there and advocate for the company. We had to do some training on how to use social media. We also offered to help people with their social media profiles and that way they saw it as a benefit for them. We should have done this much sooner. Asking for employee help is the key to success. We did it all internally with a resource from our marketing team.”*

People Analytics Best Practices

- *“We are the cobbler’s kids. Our company does analytics for our customers but not for ourselves. We are good on reporting and are moving into analytics and actionable insights now.”*
- *“We are just launching our analytics. We launched Workday in Sept ’21 and recently removed SuccessFactors and Jobvite. We are still building our data structure.”*
- *“We are also still deep into systems implementation so not using analytics yet. Our staff want a lot of data to make decisions so I suspect we will keep progressing towards better data management.”*
- *“My feeling is that, if your initiative is perfect, you are probably spending too much money. We certainly make better decisions with data and our systems are making it easier to get quality data. However, the holy grail of predictive analytics is still elusive.”*
- *“Our biggest insight from people analytics over the past year was uncovering how women are underrepresented in one of our major groups, especially at the leadership level. So, we brought in a consultant who specializes in DE&I to support us and identify ways we can contribute to the advancement of women in this group.”*
- *“We just ran a global engagement survey. Only about 50% indicated that they were intending to stay with our company for the next five years. The responses skewed toward the younger people not intending to stay. Clearly, they’re expecting more as the youngest generations join our workforce. We need to rethink our retention strategies.”*
- *“I have used [Knoetic](#) for our people analytics. It takes feeds from all our systems and has been fantastic for DE&I and retention metrics. I built our board deck using their platform. I was able to predict what I needed to get ahead of things last year.”*

Elevating the strategic impact of HRBPs

- *“Educating our leadership on the purpose and role of the HRBPs hasn’t been as difficult these past 2 years (during the pandemic) as it had been the previous 5 years. We have seen HR elevated.”*
- *“I make a strong point to tell my team what they should NOT be doing because the manager should be doing it. I tell them, ‘Don’t devalue your role!’”*
- *“Our top priority has been to get our HRBPs aligned with the business leaders that they support.”*
- *“We have worked to establish a clear understanding of roles and responsibilities. Often, less experienced leaders can feel that an HRBP attending their meetings is threatening. They might say, ‘Why are you auditing me?’”*
- *“We use [Gartner](#), and they have some excellent training for BPs. We are getting our BP’s into strategic programs and pushing to get them involved earlier in the conversations with business leaders. It is about getting them involved at the right time so that they have the necessary information to get ahead of things.”*
- *“I spend a lot of my time with my team sharing what is coming out of executive meetings.”*
- *“I opened access to almost all our data for the BP team. Previously, they could only access information for the team that they supported. Now they can see everything except for compensation data for other teams.”*
- *“I have our HRBPs do training across the entire organization, so they get more exposure.”*
- *“We invested in splitting out employee relations from the HRBPs. That has allowed our BPs to be more effective. We call our ER people our ‘Manager Success Team.’”*
- *“I strive to give the HRBPs role clarity on what they are supposed to do. I do not want too much multitasking in that role. Many are used to being 5-tool players, but I really want them focusing on strategic conversations. Everything else gets shifted to other roles.”*
- *“I set a much higher bar for them. I want them truly understanding the science and investor deck. I want them to be unafraid to ask the ‘dumb’ questions to our scientists.”*
- *“Our HRBPs wear dual hats. For example, one is ‘HRBP and L&D Lead’ while another is ‘HRBP and HR Ops Lead.’ The dual roles allow them to be the face of bigger, companywide initiatives. It also conveys to senior leaders a better understanding of what their full capabilities are, which is critical.”*
- *“My biggest advice on HRBPs is literally to just hire them. When I walked into my prior role, we had no business partners, and everyone had been asking for them. The 2-3 HRBP roles that we added were filled and the result was great. The trick was to keep them involved in strategic endeavors only.”*
- *“I am just hiring my first HRBP and cannot wait!”*

Recruiting & Retention Landscape

Retention

- *“As a smaller startup, we feel every position is critical and it’s more important to focus on internal talent and retention – we can’t lose anyone!”*
- *“It is important to remember that our best people always have (career) options – that’s the group we should be worrying about.”*
- *“We weathered attrition very well. We leaned into people that we liked that left and in Q1, 10% of our hires were boomerangs. We call them the night before they start with their new employer and continue to send swag bags and flowers for special occasions. We let them know when there is a great job open for them. We also started an external Slack channel for alumni. We are early with that experiment, and we still don’t regret it yet. (laughed)”*
- *“We are investing in manager training because that is who has the most impact on the team. We are leaning into our managers.”*
- *“Our employees are getting recruited for higher titles and pay. We had a senior director who was at \$215k and was offered \$350k and a VP role. He’s not qualified for that, but you can’t blame him for leaving.”*
- *“We are putting a great deal of time and effort into career building. That is key to our retention efforts, especially with the younger generation.”*

Recruiting

- *“We’re still hiring like crazy.”*
- *“We’re not slowing down to cut costs, just being highly selective.”*
- *“We are assuming that we are heading into a tougher climate. We had a better tech talent pipeline in Q1 and Q2. We are being very intentional about hiring right now. We are not pulling back on existing job requisitions, but we have a rigorous approval process.”*
- *“We really increased our military hiring with Orion. It’s an incredible brotherhood to tap into and those hires have shown a strong ability to work together, they understand the chain of command, and it’s been a great win for us. We also have an internal referral rate of 33%.”*
- *“It seems that no one will take a lateral move anymore!”*
- *“We have been using small videos to sell the company to candidates and doubled down on investing in our talent brand. We have become particularly good at storytelling and have doubled our recruiting team.”*
- *“We have seen our time to fill numbers shoot way up for the trickier positions. It used to be around 6 months for certain technical roles and now it can be up to a year. It’s taking a lot longer.”*
- *“We are being very proactive to extend our company cash runway. We’re pushing some hiring back a bit, although not the critical positions.”*
- *“We’re looking for people interested in our company and what we’re doing. We’re walking away from those who are just in it for the money... We’ve opened up (policy-wise) more to allow complete remote work, which has helped.”*

- *“When I joined this company, of the people who we’d hired in the past 12 months, nearly 50% had turned over. I think hiring managers were just grabbing people and not doing structured interviews with behavioral questions. In speaking with the people who left, I heard a lot of, ‘This wasn’t what I signed up for.’ So, now we are being a lot more intentional and taking proactive steps to not do negligent hiring.”*

Compensation Structure

- *“It’s shocking how many companies are trading below cash right now. Our stock price is very, very low, but we have had record participation in our ESPP.”*
- *“We had our CFO talk to the whole company and give her thoughts on the market. She explained how our company is not an outlier right now and she conveyed the upside of where we are targeted to go in the coming years.”*
- *“Everyone seems to be doing midyear market adjustments.”*
- *“Our stock has gone down by 60%. There is zero appetite to move to RSUs at the Board level. So we are sticking with options and continuing to trumpet the upside, but cash is still king. It’s tough to be a precommercial company right now. We really want to keep our talent without shortening our runway...”*
- *“We moved to a 50-50 RSU/Options split and may convert to full RSUs in the future. Our ESPP is really generous and is a good tool that employees really appreciate. Equity education is key.”*
- *“We are doing a lot of analysis on ‘make whole’ grants. Since our stock price has tumbled, we are potentially going to need to go back to the comp committee and ask for more shares.”*
- *“We are doing a similar market uplift but focused on lower-level positions – up to 7% to cover inflation. Refresh grants are on the second-year anniversary and we’re giving a choice of options with a four-year vesting period or cash.”*
- *“I have twenty-five people who are non-exempt ...It’s hard to keep up with the market and deal with them asking for raises all the time... We increase everyone at 6 months, and then again at 12 months. It’s early, but it seems to be working to attract and retain people (in the lab). I’m thinking of doing the same for my research associates. I’m going away from annual performance and just plan to give raises across the board. That seems to work for this generation of workers.”*
- *“We moved to three-year vesting for RSUs wherein the first 25% vests after year one, a second 25% vests during year two, and the final 50% of the grant vests during year three. It’s been very well received.”*
- *“Since there may be a coming recession in the fall, we are anticipating merit pools may be smaller in the near future.”*

Experiencing A Reluctance to Return to the Office & Its Impact on Recruiting and Retention

- *“We have lunch for people Tuesday-Thursday and those are the days that people typically come to the office. That said, our utilization has been low.”*
- *“40% of our hires since the pandemic are fully remote. I fully believe that we will lose talent if we force people back to the office.”*

- *“Our company was born in the pandemic and so we were built to be fully remote. We do offsites every 8 weeks with rigorous Covid testing. Those offsites seem to really engage everyone.”*
- *“We’ve found setting expectations early and having that open conversation with existing employees has been important for retention. Morale is increasing being in an office, as well as productivity.”*
- *“People don’t want to come back in, but our CEO is seeing this time as a transitioning period. He’s now getting more direct with his team. So, 2 days/week is our current policy, and you can’t work here if you want to be fully remote. Our expectation is that everyone is in the office on Tuesdays and Wednesdays.”*
- *“I so desperately want to put this topic to bed! 2-3 days per week in the office is the maximum that many seem to be willing tolerate now.”*
- *“Not being tied to an office or geography opens huge talent pools. If we can get the culture right, we will be much better in 2-5 years.”*
- *“What is our philosophy? Are we going to risk an exodus with a mandate to be in the office? We have six floors, and most are empty. The other day, I was actually spooked when I saw someone come around the corner!”*
- *“We have a ‘Reimagine Work’ program and we identified four (4) worker classifications: essential, work interchangeably (office changes), remote, and remote field-based. We looked at ways to engage employees for feedback to see if they wanted to get back in office. Different functions have different days in office. We’ve opened our thinking around roles we’re hiring for and if they could feasibly be remote. A lot of people have gone to remote and that has helped recruiting/retention.”*
- *“Our IT/Facilities leader recently came to me and asked: ‘When is our building going to get full again.’ My reply was ‘Never!’”*
- *“We’re decentralized so each team makes decisions, we don’t mandate anything centrally. People in labs must be in, but outside of that, it makes sense for people to be in person a few days a week. We won’t mandate it...”*
- *“The challenge has been where field and sales teams are incredibly excited and want to get in the office regularly, but finance really liked the cut in the expenses to travel, so they are advocating for remote. It’s an interesting dynamic...”*
- *“I feel we are setting ourselves up for unraveling with enforcing the geography pay differentials.”*
- *“We are not adjusting compensation downward, but we may not increase pay raises for people that have moved to lower cost areas.”*
- *“We’re creating ways for people who have been on site all the time (scientists, manufacturing, etc.) to be able to have a more flexible schedule. An example is having them do paperwork from home at least weekly. No real challenges yet. Majority of people want to be on site, which partly reflects our culture. Leaving RTO up to leaders and their teams. People appreciate that flexibility.”*
- *“Letting employees and managers work out their own schedules and location. We’ve asked people to give us their plans and schedule so that we at least have an idea of what people are doing. It also allows us to plan in-person meetings. People feel empowered by this. It’s worked in general –*

culture hasn't eroded as much as I thought it might. If you commit to coming in 3 or more days a week you will have your own committed space."

- *"We are an anomaly and have people in the office all the time. We are a face-time culture. We have the benefit of being small, so it's easier, and as we hire more clinical employees, that may change. That's our culture and we're willing to miss out on people. It has helped with our retention, I think, and it creates a healthy engagement level."*

Delayed Start Dates

- *"Seeing some at the executive level--not at lower levels. Executives are generally willing to engage before they start and meet team members, which has kept them involved."*
- *"We encourage people to take that time. Make that effective transition. But if it were any longer than six (6) weeks, I would get nervous. We always schedule reach outs from the hiring manager."*
- *"We send out a personalized 'hype' video with the employee number acting as a jersey number. We worked with AMP Digital and the template cost us a few thousand dollars but thereon it's \$150/video with the template in place. One of our new employees [posted their personalized 'hype' video](#)."*
- *"We used to see people start in 2 weeks and now it's typically 3-4 weeks. We just keep up our contact and let them know repeatedly that we're looking forward to them joining on X date. We will send a video of the founders speaking at a recent conference and other content too."*
- *"We do not want to have fall off, so we have a schedule of who on the HR team is going to call them or email them on which day before they officially get started. We also send a swag bag with some high-quality stuff – a fleece jacket that actually fits them, etc."*
- *"We shortened the time-period from when our offers go out to when the position needs to be accepted from 7 days to 5 days. We have gotten positive feedback on that change from managers and the TA team."*

Addressing Employee Burnout

Mandatory Breaks / Adjusted Schedules

- *"Leaders must go first and demonstrate that it is okay for everyone else to unplug and/or invest in their own health."*
- *"No meetings allowed during some times in the week to help with burnout. We're mandating time off for some people who haven't taken it."*
- *"I joined when we were only ten people and if someone was out the product would crash. We deliberately hired aggressively to build the potential for people to be able to take a break without impacting our operational capability. It has been helpful for people to unplug and take vacation. We are going to do some forced shutdowns too."*
- *"We asked the question, 'Are our people able to ruthlessly prioritize?' The answer was, 'No.' So, we did some training on pushing back and being empowered—making decisions at lower levels."*

- *“We are calling it ‘Flexible Vacation Time’ and not ‘Unlimited PTO’ which sends a better message.”*
- *“By May of ’20 we were all working so hard that we decided to do a one day per month closure globally so that everyone could get a day off. There was no separation of work and life at the time. We try to close on a Friday so that people can get a long weekend. The benefit has really resonated and not impacted the business at all. I would love to get a 4-day workweek implemented but that would probably not get approved.”*
- *“I am starting to get four-day work week queries. It doesn’t seem ideal to me since the reality will be to cram 5-6 days of work into those four days.”*
- *“Based on our research, there doesn’t yet appear to be a trend (4-day workweek) in our industry.”*
- *“The dirty little secret about the 4-day workweek in many environments is that people’s hours are reduced, and they will be losing money.”*

Mental Health / Coaching Programs

- *“In my last role, we had a [Care.com](#) corporate membership. They have everything from childcare to elder care to advice for cancer treatments. We haven’t implemented that here.”*
- *“We’re piloting a coaching platform ([Activate 180](#)).”*
- *“We are doing some Wellness Programming for the summer. Showing that we care about our people holistically. It incorporates movement, healthy snacks, etc. We have a MSFT Teams group that you can join as well.”*
- *“We are using [Peakon](#) – part of Workday.”*
- *“We implemented [Modern Health](#) and you receive eight (8) coaching sessions. We also added two (2) wellness days and a summer shutdown the week of July 4th.”*
- *“We did not renew with Modern Health. We weren’t getting the value we had hoped for because they don’t guarantee spots with therapists and our employees only got six (6) sessions. We looked at [Lyra](#) instead which does guarantee spots.”*
- *“We have started using Modern Health for mental health and coaching. There has been some uptake by employees, but not as much as we had anticipated.”*
- *“We had a lot of services available, and people were still reluctant to use them. I had to nudge several people to use the services. For myself, six months ago, I fully embraced completely unplugging for a week and it made a difference.”*
- *“We took a half day for a team bonding event outdoors at a hotel. We hired a magician, we had great food, music, and it was well received.”*
- *“We’re sending summer swag kit picnic set – JBL speaker, blanket, tote, note of appreciation.”*

Personal Development and Recharging for the CPO

- *“I am getting a Master’s degree in DE&I leadership.”*
- *“I am trying to block off my Friday afternoons. There are all these great podcasts and articles that I want to learn from. So, I need to practice what I preach in terms of my learning.”*

- *"I learn something new every day in this job. There is certainly always something to learn. I need to invest more time for development. I think that webinars and peer networks are great."*
- *"[CPOHQ](#) – a great org/resource to touch base with people in similar roles, I'm finding it helpful to connect with groups of people; webinars on burnout, DE&I, hybrid environment, I've learned a lot from it."*
- *"I am not doing anything formal in terms of development. We are looking at Knoetic's CPOHQ forum to see how peers have responded to similar issues."*
- *"At 2:30pm this afternoon, I am meeting to learn about being an insights facilitator. I am also sitting in on our manager development program. That said, people have not loved me attending. They tell me it is like having "Big Brother" in the room with them."*
- *"THIS (virtual CPO gathering) is my personal development class!"*
- *"This quarterly CPO group is recharging for me."*
- *"I work with a coach who reminds me that when I take a break, I am preparing for being better in the future."*
- *"I just attended the [LEAP HR](#) conference in San Diego. It was great to be back in person at a conference like that. I spent three days at the conference, then the remaining 2 days last week in the office. It felt great and was energizing. That was my development time."*
- *"I am spending more time with investors – interesting learning for me to get their perspective. Development with board members has been my focus to get more visibility around the business, growth, etc."*
- *"We launched a very vibrant 'fun committee.' They have organized tons of activities – bike rides, volleyball, frisbee. Having fun and taking a bunch of whole-body rest. This group has taken an approach that's more organic and fun."*
- *"I went to Cabo – vacationed instead of going to a conference."*
- *"The thing I'm trying to do more is really turn off when I go home. I was recently reminded to make time for myself."*
- *"I have been bitten by the pickleball bug."*
- *"I took up golf recently. My husband and I get out every Friday and it's been great."*
- *"I recharge by spending 10 hours per week on my bike. That's how I stay sane."*
- *"I have a bucket list and try to do something off that every year. This year it's singing lessons. I'm not a singer but I wanted to do it. It gets me away from the desk. This is a commitment I've made to myself to help me grow."*