

FlemingMartin's Chief People Officer Lunch Series: Q3 2022 Notes

During September 2022, the Practice Leaders at FlemingMartin held virtual lunches with over 90 Chief People Officers (CPOs) from leading software and life science companies. We touched on a wide range of subjects, including:

How has the current economy affected your company's recruiting?

While all companies are bracing for economic headwinds, CPOs confess that recruiting remains a bit of a challenge, but not as difficult as it was in 2021. Talented people still have options, and they still expect inflated compensation.

How has your company's position on Remote vs In-Office work changed, if at all?

Responses to this are still all over the board. Some companies remain 100% remote, while others are requiring all employees to work in the office 2-3 days a week (although, enforcement is mixed). A few are requiring a return to office 4-5 days each week. Most CPOs are leveraging lunches, team-building events, and all-hands meetings to encourage employees to come on-site, but nothing has been overwhelmingly effective. This discussion led to our favorite quote of the quarter: *"In-person access to the executive leadership team is the new office amenity!"*

With restrictions loosening, how much of your bandwidth is currently tied up in COVID issues?

Almost unanimously, companies are no longer tracking Covid cases and are worrying less about compliance.

In the evolving legislative landscape, what new benefits might you offer in 2023?

This is a hot button for most attendees. CPOs report that their companies are communicating frankly with their employees about expectations and fears related to reproductive care. Some companies are providing travel reimbursement and other resources to help employees located in states with growing restrictions.

How might your HR budgets change in 2023?

Most CPOs expect to cut expenses in real estate, large corporate gatherings, and pricey offsites. Some are also planning to watch their external recruiting budgets more closely. The expenditure that seems most critical to preserve is managerial training and development. With the challenges of leading teams in a remote work environment being felt by everyone, this training is considered by CPOs to be off-limits for budget cuts.

How does your company leverage coaching?

The general theme is that most CPOs seek better coaching and leadership development resources. They are wary of hiring executive coaches in perpetuity because of the high costs. CPOs feel it is critical to ensure a coach works for the company and not for the individual. This means having tangible outcomes and also regular communications between the coach and HR department. Otherwise, the coach turns into a therapist. Some specific coaching recommendations are on pages 9 and 10.

Selected Excerpts from CPO Discussions (Q3 CHRO Lunch Series)

How has the current economy affected your company's recruiting and retention?

- *I feel like the market is still hot and we continue losing people. Our CFO tried to pause hiring earlier this year and it did not work. No (hiring managers) actually paused because their needs were real.*
- *Still very competitive. I feel like people are more nervous to make a move now. The amount of jumping is slower, but it is not any easier to recruit. Product roles are particularly difficult.*
- *We are down to single digit voluntary attrition. I think that people are more nervous about making a move now. That said, it is never slow for (acquiring) competitive talent.*
- *The business is asking us for more niche skills. We are also seeing that the U.S. is more remote/work-from-home than our international locations.*
- *We have quite a bit of turnover. We have a new CEO and also changed our business model from hardware to software and now to subscription software. We are experiencing a lot of ["change fatigue."](#)*
- *We are also seeing "change fatigue." We have taken 4-5 runs at an IPO over the past few years.*
- *We see people leave when there is a lack of growth for them personally. We do not always have a ladder career path and have to sell the ["jungle gym"](#) career path.*
- *We see an uptick in many candidates looking, but not many quality candidates.*
- *409A's for start-ups (and stock at public companies) are more favorable for people making a move.*
- *Attracting good candidates and standing out is still difficult.*
- *Still challenging but slightly less so. Even with all of the layoffs, talented people still have multiple offers on their plate.*
- *Less frenetic. Candidates are mulling one offer as opposed to ten others!*
- *As a Series B, pre-IPO company, the recent layoffs have impacted our ability to land candidates. The layoffs have created a strange dynamic where candidates are more risk averse. Where we win is on impact and candidates will have to sacrifice some stability.*
- *We've been having success hiring people back from smaller companies that are on unstable footing right now.*
- *Some of the more established companies in our space are like giant sucking machines in taking our people. We try to be consistent and equitable, but we can't keep them all here.*
- *We are making a geographic play and are hiring more people who will work full-time remote than ever before. That has really helped us with filling our requisitions.*
- *We are seeing some candidates we may have not seen from last year, but it's not much easier to land them. The supply-demand equation has not been altered much.*
- *It's still very competitive. Our company is not as stable as candidates would like, and they are being more thoughtful about leaving it all behind to make a riskier bet.*
- *We hired over 300 people in 2021 and now we are down to hiring about 1 person per month. Our offer acceptance rate hasn't changed. We moved from eight full-time recruiters down to zero.*
- *Yes, it has been easier because the market has cooled. The craziness from a compensation and general competitive standpoint is not what it was last year. We grew significantly from January to July of this year, and we were happy about (the cooling off of the market).*

- *We are fully committed to the hybrid model. We've been hitting our hiring goals and have been productive in acquiring talent in lower-cost, less competitive regions. We have also been able to disseminate our culture with hybridity. We host events for the whole company and have utilized our largest facility and also hotel space to make room.*
- *Our policy of requiring people to be in the office 4 days a week impacts our recruiting and we have passed on some good candidates because of that. Recruiting takes longer.*
- *We are having our best month of hiring, except for some of those niche jobs (translational biologists). People are still expecting a lot more in comp, but we're good about sticking to internal equity.*
- *With all the layoffs in biotech, I thought we'd get a flood of candidates. We're getting a little more but not as much as I expected. From a comp perspective, I haven't seen a decrease.*
- *We did an about-face and slowed our hiring. We are in a good financial situation as a private company, but we want to conserve cash.*
- *We recruit a lot through our network and have open, honest conversations with candidates to lock them in. We don't let internal equity make the decisions for us. We will hire people outside of our internal equity limits and fix it down the road. The market is dictating that. We can't afford to miss on great people. It'll be broken for a while and that puts me at risk for people to find out (about their colleagues' packages) and start walking out the door.*
- *We're still able to find people. We're doing more selling to candidates during interviews. Before we had more choices. Often, business leaders don't give HR credit for what we are doing in this. I think we're working miracles.*
- *Speed of the offer is particularly important. We can't waste time, or we lose good candidates.*
- *We did a small layoff but are still hiring in other areas. Our bigger concern is people that are slacking off. Flexibility is key in such a fast-paced environment, and my sense is that employees are not as flexible as in the past.*

How has your company's position on Remote vs In-Office work changed, if at all?

- *We are asking our people to come in 2 days/week, but they want to come in when it is best for them and not when it is best for their team/the company. The benefit is when teams are in the office together. Our in-office anchor days are Wednesdays and Thursdays.*
- *We are trying to do 3 days/week in office (Monday, Tuesday, and Thursday), but we have not formally announced it yet. I come into the office (San Jose), and I am definitely seeing much more traffic on the roads again.*
- *People do not want to come into the office only to find themselves on Zoom calls.*
- *Someone on our team suggested a 4-day work week. The problem was that they are asking for 4 8-hour days instead of 4 10-hour days. That got shot down quickly.*
- *We're asking people to come in 2 days a week. It's about collaboration and coming to work purposefully. We haven't lost anyone yet and some people appreciate being able to connect with others again.*
- *80% of our people are in the office less than 2 days/week in the U.S. In India and China, the expectation is to be in the office 5 days/week.*
- *We have some dedicated desks in the office for salespeople but everyone else is hoteling unless they are in 5 days/week.*

- *My observation is that the people that worked hard at the office are also the people working hard from home.*
- *We are selling the office as a destination with a Wednesday Happy Hour. We have shifted to a smaller office that is more “destination friendly.” Managers are using the office for their offsites and 1-1s.*
- *Not everyone needs to be in the office. We think it is important when we are developing and launching a new product or if the person is in a role that requires apprenticeship learning.*
- *We are toying with the idea of getting rid of our offices with less than 10 people and using those savings for more frequent travel to a larger office. [Another HR leader commented that Amazon had looked at that approach too but found it was even more expensive.]*
- *Are we willing to lose talent to have people back in the HQ? The answer is, ‘No.’*
- *I do not think that remote and hybrid are good long-term. There is no longer a collective vision of work cadence across the organization and geographies.*
- *We are closing our NYC office and repurposing those funds for travel to get key teams together.*
- *We are starting to see some of our people go crazy at home in their remote setting.*
- *We shifted to remote hiring during the pandemic such that 45% of our people are not in a realistic office commute radius. We went from 2 states to 35 states. How do I tell the 55% that they need to be in the office? A few people have asked me, “So do I need to move out of state to avoid going into the office?”*
- *We are still struggling with people that have not met one another yet.*
- *We skew younger with a large population of engineers. Our team wants more happy hours and time in person. We are also launching new product and heavy R&D, so being in the office is important. Our people have had no problem coming in.*
- *The executive leadership team (their presence on-site) is the new office amenity!*
- *We have a requirement for spending at minimum 2 days/week in the office. We still offer weekly PCR testing for employees if they would like it. It surprises me that a significant portion of our population is still interested in receiving that.*
- *We are on the opposite end of the spectrum. We never went the home-office route. Our CEO mandates 100% onsite -- five days per week. There is very little flexibility on the topic and that can make recruiting very challenging.*
- *1 day per week in the office is synchronized (everyone comes in) and you are required to spend another day onsite which varies by team.*
- *We are planning more social events to get people in the office with colleague. We are holding back on mandating policy for returning to office. We do not want to be trailblazers on this topic. Let the Apples and Googles of the world set the tone and experience the blowback first!*
- *We are getting more and more feedback around the commute. Employees consider their drives to be wastes of time unless they are coming to our building for a specific purpose. They do not want to drive in and then attend zoom meetings in the conference room.*
- *We are letting our managers determine whether their team works best remotely or onsite. But we have growing complaints about commutes and some friction around the perceived different treatment of different groups.*

- *We have doubled down on the intentionality of being in the office. We have a monthly employee meeting where everyone comes onsite. Whenever we have a new hire, everyone on their team comes onsite and meets them on Day One.*
- *We are helping our managers get tooled up on creating meaningful moments. We'd like our people back onsite a majority of the time. But how is this going to be policed? At the local level (by the managers) and not by me! I am not going to be checking badges.*
- *The CEO's personality seems to be what's driving a lot of the decision making around return to office disparities company to company. I also have not seen non-white, primary caregivers advocate for returning onsite full-time.*
- *We are growing our remote population even with enforcing our location-based salary bands.*
- *More companies are hybrid than not now. Many people only want to work from home full-time. We're in the office 3 days per week as a requirement so it's impacting our ability to recruit.*
- *We are having more pushback with commutes. A lot of employees bought houses during the pandemic in lower-cost areas that are further from their worksites.*
- *It shouldn't be HR's role to be the (work from office) police. It should be on managers' plates.*
- *It's also hard to get employees in the spirit of being onsite if their leadership isn't there too.*
- *It feels like an equity issue because there is a split in who can and who can't work remotely. More junior people who are making less money have to be onsite by virtue of their positions. They need to pay for their own gas and are not happy about it when they see colleagues working from home.*
- *We were building new offices and so didn't have a place to go until 2 months ago. We have all this space, and on any given day there are only a few people in. We also felt the need to be flexible, and we have remote people out of area. We've been careful to stick to flexibility. We're seeing an increase in people coming in on their own. We're doing all of the lunches and happy hours and we just had a 3-day offsite which helped. When you come and see others and feel the buzz, that brings people in more often. We're watching carefully to see what happens. Doing quarterly all-hands and trying to connect meaningful connection points. Leaders definitely want their people to come in, but staff only do it if there is a benefit/reason.*
- *We have people who are all in the same meeting in the office and sitting in Zoom at their desk. They say they are doing other work while they are on the call. It's a leadership issue and a bad habit.*
- *We ask people to be here 4 days/week. We didn't lose anyone for this, but people definitely complain about it. We have some people that are fighting it, and there is some passive-aggressive behavior. We tried to reward people for coming into the office (lunches, car washes, etc.) and I realized the only time people come in is when they get free stuff. I decided I'm not going to bribe them anymore.*
- *We're primarily in the office but struggling with people adhering to those expectations. We're saying, "You can work from anywhere, but innovation happens in person."*
- *We had an all-hands yesterday and a happy hour afterwards and asked everyone to come in. About 2/3 of employees said they'd come, but only half showed up in person.*
- *We're between on-site and hybrid. No formal policy, but stressed preference to be on-site. We trust our leaders to provide parameters and we're going to give them more clarity around their ability to make the call.*
- *The next 5 years will be interesting. How do managers go from managing time to managing output? There's an impact on trust and collaboration. We'll have to work hard on building trust. I*

don't think we'll go back to the pre-COVID work environment. I haven't found a good alternative for virtual teaming yet. I don't know that we'll ever replace face-to-face.

With COVID restrictions loosening, how much of your bandwidth is currently tied up in COVID issues?

- I just moved back from London, and I can tell you that Covid is over in the UK. No one even thinks or talks about it anymore.*
- I always get the 'hate' mail on any Covid communications. We have the vocal 2% on both sides of the perspective and the irony is that they are not even the ones coming into the office.*
- We still see cases after the holidays and when we dig in it is almost always family events that were the source of transmission. We are not tracking Covid cases anymore.*
- We held a big sales event in Las Vegas. I was very nervous about it, but we only had 16 cases reported after the large event.*
- We are flying everyone in our company to Boston this week and I am nervous about it. Our executives are anti-mask at this point so I am worried we could have a super spreader event.*
- We did a 300-person event in Miami and had 60 cases. People had symptoms but tested negative and continued to participate. Employees were upset that we did not keep them informed well enough. So, my advice is to tell people at these events that if they have any symptoms they should stop participating even if they test negative. Encourage an abundance of caution and looking out for one another approach.*
- We've found a partner for COVID tracking and contact tracing. It was taking up to 20% of our time for a while, and now we've outsourced that. COVID is still that thing you just have to deal with.*
- If you had asked me two months ago, I would have said it was easily 10-20% of my time (managing cases and routines and testing and protocols). In the last couple months, we're taking the view of only doing what is legally required, and we've pushed health management on to staff as they would normally manage themselves. We'll see how things go in winter. The strain on the HR team was pretty significant.*
- We moved away from an aggressive policing policy to following overall CDC guidance. We were concerned with people in the lab and asked them to stay masked, which did not go over well. We eventually went away from that, and also went to self-testing every 2 weeks, and we've gotten a reasonably good grip on that.*

In the evolving legislative landscape, what new benefits might you offer in 2023?

- A company I know now offers a 10-day leave and paid travel hotel with a support person if they need to go to another state for healthcare.*
- We make robotics and are looking for our third factory location outside of Boston and the San Francisco Bay Area. We have created a heavily weighted human rights index as part of our search criteria, but I am still very nervous about the outcome and potential ramifications.*
- We looked at offering international employees travel to other regions so that they could receive comparable healthcare services to their colleagues. However, we ran into a lot of legal complexity and have not made any decisions yet.*
- We are California-based and are confident that all our employees here will have access to care (regarding Dobbs v. Jackson). The situation is still evolving.*

- *We have implemented with CIGNA a \$10,000 travel benefit. Our CEO also made a proactive statement on Dobbs v. Jackson. So, we are confident that our employees will be able to access proper healthcare.*
- *We have a benefit for travel to seek reproductive healthcare. We only have a handful of employees in states that we anticipate will not be friendly with regard to abortions. There is some nervousness about the shifting legal landscape.*
- *We are going to allow employees to come to California for a “business trip” if they ever encounter a situation where they can’t seek the care they need.*
- *To us, (abortion access) is a health equity issue. Religion does not trump equity rights. I put out a draft memo and it got obliterated by legal because of the GC’s personal opinion on the issue. Our CEO wants to put out a neutral message and I don’t think it’s going to be taken well. We have put out messages before where we took a stand on Black Lives Matter, Stop Asian Hate, etc. But this one is a doozy.*
- *More and more of our employees want help with transportation costs.*
- *We did not have a parental leave policy in place prior to Roe v Wade being overturned so in addition to helping people go out of state for medical needs, if needed, we also added a parental leave policy.*
- *Our company is a Google/Alphabet company, so we have amazing benefits, but people still ask for more perks. “Netflix offers XYZ, and we don’t...”*
- *We implemented a [Walker Tracker](#) account for everyone in the company and gave the goal of 7K steps/day. People can track and compete. Not much walking got done during the heat wave last week!*
- *We have been offering lots of mental health services and, unfortunately, we are having a very bad experience with the claims process.*
- *We expanded our mental health offerings but found that finding a provider is often the blocking point.*
- *We have a dedicated wellness coach and are emphasizing both fitness and nutrition.*
- *We have started using [Sparrow](#) for employee leave.*
- *We have used [Cocoon](#) for employee leave.*
- *We are evaluating moving to a self-funded healthcare plan.*
- *We implemented a “Fabulous Fridays” policy, and everyone has been able to take the past 14 Fridays off. The problem is that most executives are still working a pretty full Friday and the rest of the team is working four 8-hour days.*
- *The biggest success I had was a few years ago when we did 4 Fridays off during the summer. It felt like a gift to everyone and was not a big hit to productivity.*
- *The key is that everyone takes the same day off so that people do not return to a backlog of work.*
- *We are moving to an uncapped PTO plan in order to reduce our accrued vacation. We have longer term employees, so we are actively exploring how to get them to work down their accrued balances—many treat it like a severance plan.*
- *Our average age is close to 30 so we have been investing in fertility benefits and raised our amount from \$20K to \$35K. Some companies do even more.*
- *We also invested in our fertility plan, but we are smaller so doing \$10K*

- *I think that we need to talk about benefits differently. Companies are offering to relocate or reimburse travel for medical procedures. Does that mean I have to offer relocation/travel if the employee's state is not best in class in parental leave, for example?*
- *It's critical to poll and understand what matters most to your employees. Whereas our older employees are more interested in 401k, many of the Gen Z's and Millennials want to pay off their student loans.*
- *We looked at our 401k match and realized people want to see something reflected immediately, so we're increasing our match. We know you can't take it away. We're also going to offer a high-deductible health plan, which is new to us. Use [Carrot](#) as our fertility vendor.*
- *I've been looking at the mental health support. We've added it, but I'm not sure I can keep affording it. One concern I have is how much an employer should get into that piece of people's lives. I'm not sure what the answer is.*
- *Spend is one thing. but I wonder about the utilization of mental health resources. Will people really lean into it and use it? Or will they think that since employers are providing the coaching, they won't have the secrecy it requires?*

How might your HR budgets change in 2023?

- *We are growing internationally and putting more CoEs in each region. My goal is to really push leaders in those regions to make more of their own decisions.*
- *For us, the CFO wants to ensure that we each know our departmental expenses well.*
- *We are investing in automating our HR Ops with AI and chatbots.*
- *I gave up sourcers and am investing in full cycle recruiters.*
- *I am trying to reduce our service center spend by automating and using analytics.*
- *Reducing service center spend and investing in HRBPs and talent development with the expectation that the company do more self-serve.*
- *We reduced our 100% health care coverage and asked employees to pay for some portion of their PPO plans and I am going to redeploy those savings into other benefits.*
- *There is often a push to cut L&D, but I try to educate leadership about the consequences of these types of cuts.*
- *We slowed hiring this year, so I am fighting for more L&D spend in order to invest in the development of the existing team.*
- *Covid had a dramatic impact on the amount of training we did, and I feel like we need to do more to make up for the shortfall in training.*
- *We are redeploying rent dollars to training.*
- *We gave up some in-person events to keep L&D. We have been losing some people that are new and do not feel connected, so I am also increasing travel budgets to get new hires more engaged.*
- *I would give up corporate moves and immigration. We are 6,000 people and doing way too many right now. We have 400 moves happening at any given time.*
- *Similarly, we are seeing a lot of moves with our remote first policy and that adds additional costs.*
- *I would negotiate lower SLAs to the business and push for the business to accept more self-service.*
- *I would cut in TA and try to leverage HR operations to automate more services.*

- We have a stated goal to ensure that 25% of our new hires be made in one of our lower cost locations outside of California.
- We just finished our budget. Since we closed some of our offices, we are saving money by not doing large, face-to-face social events. Instead, we are doing smaller meet and greets. We are also putting more money into L&D.
- We are growing L&OD as much as we can. And sorry, FlemingMartin, we are also cutting external recruiters as much as we can!
- We are cutting the expensive executive off-sites and are meeting at our offices with the executive team. But I have refused to give up even \$1 from our manager training bucket.
- We are putting off buying a new HRIS or payroll system. We realized that we could push that down the road by a year.
- I am fighting hard for team events and team-building exercises. We are cutting the employee swag. We are also looking at our systems and upgrading to a better compensation tool.
- I am investing in a lot of development tools and classes.
- We currently pay 100% of the premiums for employees' healthcare along with their dependents. That is not sustainable for a company of our size, and we need to reduce our employer contribution. We are going to simultaneously increase our 401(k) match, so the pill won't be so hard to swallow.

How does your company leverage coaching for employees?

- We use both internal and external coaches with an emphasis on internal coaching.
- We use [BetterUp](#). It is more economical for frontline leaders and effective for frontline managers.
- We also use BetterUp, but the right to use it has to be earned through our L&D team.
- We have used [Modern Health](#) for people that need some mental health coaching/support.
- We have a coach on retainer for our executive staff. For individuals, we feel that it is important for people to select their own coach.
- We have been using [Ace Up](#) for coaching, which is advertised "from the frontline to the C-suite." We do it in cohorts so there is some accountability, and we can measure the outcome.
- We have been using Better Up which does a whole-person assessment. We have had high utilization and great outcomes for some. Focus on measurable goals. We do not want it to devolve into a "therapy session" for the employee.
- We have also used Better Up on a 6-month pilot program. We have 20 licenses as a company and plan to extend our license by 1 year. It's not available to everyone and if you are not using your license, for instance if you haven't engaged your coach in a month, then it is given to someone else as the seats are transferrable.
- We use our HRBPs to coach. For the executive team, we hire an external coach.
- We are sending managers to the [Center for Creative Leadership](#).
- We have been using [Bravely](#) as a director and below coaching tool.
- We have used [Learn It](#) for our people leaders.
- We have done work with [The Leadership Edge](#) in San Diego and the [Leadership Lab for Women](#).
- We use LHH ([EZRA](#)). It's a lower-cost, online provider, but I met some phenomenal coaches.

- *I try to keep a stable of coaches. More often I do team coaching with some individual work built in there. I've also experimented with short-term coaching for new executive hires.*
- *My CEO and I are aligned about using coaching as a helpful tool instead of a punitive thing. It's really expensive for a small-stage company. In a perfect world, we'd like one for the entire team. We just implemented a pilot program for emerging leaders with [GoCoach](#) (online). The network of coaches they have seem pretty good.*
- *We're trying to make coaching a very positive thing: a privilege and benefit. We really need to invest in associate directors and directors. I'm going through it, too. I'm hoping this works well and helps develop a culture of coaching.*
- *You can tell that some execs are stressed and under pressure, and coaches can help with that. That's also my job as Head of HR.*
- *Our coaching is less executive coaching and more leadership skills focused and about training and skill development. For the first time, I'm using a coach, and it's been a good experience.*

Other Topics / Discussion Points

What Tech Stack & KPI Dashboards do you use?

- *We use [UKG](#) and it is pretty good.*
- *We are a start-up and use [Rippling](#). It is a very easy integration and very good for pure HR, but my CFO is getting frustrated that it is breaking on payroll.*
- *We use [Pave](#)—still early days.*
- *One person mentioned TPI, a product from [Sequoia Consulting Group](#).*

What are people using beyond surveys to get signals from remote employees?

- *We have evaluated [PerformetryAI](#) but cannot endorse yet. They track digital signals across the enterprise without being too “Big Brother.”*
- *We are using [Microsoft's Viva](#). You can get insights from calendars and emails.*
- *We are investing in culture transformation. We are using [Denison Consulting](#) so we can put data behind our culture survey.*

As the CHRO, how is your partnership with your CFO and other executives?

- *My CFO and I take turns being good cop/bad cop across the company along with our GC. It is nice to alternate who is the one saying “no”. We call ourselves the superhero trio. Being aligned with those two (CFO and GC) has been magic!*
- *I have found it super beneficial to have Rewards, Payroll and HR Analytics partner closely with their finance counterparts to increase our alignment.*