



# Chief People Officer Lunch Series Summary



**Q2 2023**

## **Overview**

In May & June 2023, FlemingMartin organized lunch discussions with more than 100 Chief People Officers (CPOs) from leading Software, Fintech, and Life Science companies. Topics included Artificial Intelligence's ("AI's") impact on HR, the state of hybrid work and its ongoing impact on culture, tools for enhancing communication and connectedness within an organization, plunging valuations and their influence on compensation, and combating CPO burnout. We have summarized these discussions below and we have provided select snippets from our attendees.

### **1. On AI Initiatives, Best Practices, and [Disruptions](#) in HR:**

CPOs recognize the disruptive potential of AI innovation in the workplace, though overall feel HR to be the least impacted given the necessity for human empathy, EQ, and interfacing. There is a strong need for company-wide policies to be implemented to protect intellectual property and patient information while ensuring responsible use of AI by employees. AI integration in HR software is currently undergoing rigorous testing, but most attendees are still uncertain about the extent to which it can be effectively utilized, with space to learn, grow, and adapt being named amid the uncertainty. Attendees and their teams are leveraging AI tools like ChatGPT for various tasks, such as improving job descriptions, drafting communication, and creative brainstorming. While many feel AI has provided time savings and productivity boosts, there are concerns about proprietary data protection and the invasion of privacy at the employee level.

Currently trending is the desire to explore AI applications for career pathing, attrition prediction, and automation of HR processes. CPOs are warning colleagues about the risks of sharing sensitive HR data with AI chatbots and have emphasized the importance of building guardrails and policies for using such tools. Despite some current limitations in quality, AI has become a valuable resource for generating ideas, developing policies, and providing starting points for various HR tasks. However, right now, there is still a need for human involvement and verification to ensure AI's accuracy. Overall, our attendees acknowledge the looming AI revolution but are also grappling with the challenges of incorporating these tools effectively and responsibly into their HR functions.

### **2. Most valuable HR software tools:**

CPOs shared their thoughts and experiences with various HR tools, both positive and negative. If you have questions about a specific tool, let us know and we can introduce you to a CPO peer who has worked with that particular software solution. Below are the tools discussed:

#### **Compensation Tools:**

- [Pave](#): compensation planning. It offers benchmarking and can walk candidates through the offer process including compensation and total rewards.
- [Origin Financial](#): equity planning for employees.
- [Carta](#) and [Comprehensive.io](#): models long-term equity scenarios for employees.
- [Welcome](#): new hire grants.
- [Knoetic](#): a people analytics platform for hyper-growth startups.
- [CompXL](#): a compensation planning tool that reduces cycle planning time.

#### **Employee Engagement and Learning & Development:**

- [Lattice](#): goal setting and engagement.
- [CultureAmp](#): engagement and quarterly employee surveys and reviews.
- [15Five](#): performance management and engagement surveys and 1:1 check-ins.

- [Peakon](#): a Workday add-on that functions as an engagement platform.
- [Big Think+](#): a subscription-based learning platform.
- [SkillCycle](#) (formerly GoCoach), [BetterUp](#), [AceUp](#), [Bravely](#): recommended training platforms.
- [Talmatrix](#): 360 performance reviews and engagement surveys.
- [uStudio](#): a podcasting platform for companies.
- [Marco Polo](#): asynchronous video chat.
- [Gable](#): remote workplace management systems that can send out Slack messages to a group and notifies people as to your current location/time zone.
- [Spring Health](#): a mental health platform.

#### **Talent Acquisition:**

- [SeekOut](#): AI-powered talent matching and nourishing campaigns.
- [Phenom](#): used to increase a team's sourcing capabilities.
- [Gem](#): a talent CRM which offers a high level of visibility into the hiring funnel.
- [Textio](#): a tool for taking bias out of job descriptions.
- [BrightHire](#) and [Pillar](#): interview intelligence platforms that can yield insights about interviewer strengths, weaknesses, and biases to improving interview effectiveness and candidate experience.

#### **HRIS:**

- [HiBob](#): an HRIS with an advanced analytics platform.
- [Rippling](#): a Workforce Management platform blending HR, Finance, and IT.
- [Bamboo](#): an HRIS catered toward smaller companies and continually adding features.

### **3. Top HR thought leaders discussed by our executives:**

- [Amy Edmondson](#) for tips and tools to ensure psychological safety in the workplace.
- [Josh Bersin](#) for tips on workforce management, talent, and HR tech.
- [Simon Sinek](#) for learning & development, presentation skills, and overall workforce performance.
- [Pat Lencioni](#) and his podcast [At the Table](#) for leadership development and practicable work advice.
- [Adam Bryant](#), [Brené Brown](#), and [Adam Grant](#) for leadership development.
- [Brian Hegert's Talent Edge Weekly Report](#) has HR resources and tools to share with teams.
- [Chris Russell's Rec Tech Monthly](#) provides a compilation of the latest trends in the recruiting world.
- [Anne Libby's Warm Takes](#) for advice and best practices in management.
- [David Ulrich](#) for overall thought leadership in the workplace.

### **4. On keeping employees engaged during times of economic uncertainty and shifting business priorities:**

Attendees emphasized the importance of purpose and mission in engaging employees during times of economic uncertainty. CPOs are encouraging managers to hold more frequent personalized discussions to understand their team members' motivations and needs both inside and outside of work. Other efforts include conducting "stay" interviews and sharing stories of success consistently. Retention strategies have involved aligning employees with core values more explicitly and providing career growth opportunities habitually. Transparent communication from the executive team about the company's financial situation, including the cash runway and contingency planning, has helped to drive engagement.

Some CPOs have voiced frustrations around implementing effective mentoring programs in a remote workplace. Managing compensation is particularly critical right now and while some companies are leveraging merit increases or additional equity to retain top talent, others are prioritizing preserving resources and extending the runway to instill a sense of job security for their employees.

#### **5. On CPO and People team burnout caused by constant firefighting and shrinking HR teams:**

CPOs conveyed the challenges of having to do more with fewer resources in a constantly changing business landscape. The need for self-care has never been emphasized more. Our attendees talked about renewing their focus on personal well-being, learning new skills to distance oneself from work, taking part in regular exercise, and modeling what time off should look like for their teams to combat burnout.

#### **6. On hiring plans for the remainder of 2023:**

Balancing growth with stability is a present challenge, and “conscientious scaling” has become a common mandate. Many CPOs discussed a conservative approach to hiring for the rest of 2023, focusing on revenue-generating positions while being cautious about shifts in market conditions. For some, there has been a push to just-in-time hiring and part-time consultants, re-evaluating the need to backfill FTEs. Conversely, some companies are expected to grow significantly with new product launches on the horizon.

#### **7. On the continually evolving state of remote/hybrid work:**

Our CPO lunch attendees provided differing stances on the evolving state of hybrid/remote work post-pandemic. Many trumpeted a growing expectation at their organizations for synchronized, companywide in-office days every week, while others are leaning into a highly flexible or entirely remote work model. Several attendees mentioned the continued challenges to communication, productivity, and building culture in a hybrid environment, especially for new managers or remote workers who are yet to meet with their teams in-person. Closing development gaps and fostering in-person collaboration are still concerns for hybrid and remote companies, particularly for early-career employees. The impact on company culture varied across companies, with some organizations reporting strengthened culture through remote work while others are struggling to maintain cohesion.

## **Select Quotes**

### **1. Have you identified any areas of HR at your company that will be disrupted by AI? Any initiatives or best practices that you might share?**

- *“This is a train that has left the station. We need to put in policy to ensure IP and patient information is protected and that our employees, especially our scientists, use it responsibly.”*
- *“ChatGPT is good at writing job descriptions and postings, but it did not do a good job updating our COVID policy – it was outdated. We’ve noticed there is no shortcut to ensure the data is true and accurate. Some of our HR software is starting to integrate AI, which we’re testing.”*
- *“The directive from corporate is to be smart – don’t share critical information or IP. AI allows us to go from content creators to content editors.”*
- *“We’re telling engineers they can use it to check code, but not to write code. We don’t want AI to have a claim on our work.”*
- *“We’re trying to use Notion AI and ChatGPT to build out career pathing. The team likes it but it’s not super high quality. It lacks the charm and quirk we try to infuse into all our materials. It moves you down a path you may not want to go so I’m trying to get the team not to use it.”*

- *“We’re using ChatGPT and I’m spending a lot of time working with our executive team on protecting our data. The concern is that we are potentially handing over our proprietary data, especially in engineering – so we must find some guard rails. We are creating a policy for using outside AI tools.”*
- *“We are just starting to talk with our teams about Glean Chat; it is incredibly powerful. We are trying to figure out the right front door for people to use it.”*
- *“I was putting together a job description a few weeks ago for a unique role, one that doesn’t exist in the marketplace. I was having a hard time with it, so my husband told me to use ChatGPT. I typed in what I was looking for, and what it gave me was pretty good. It was a really interesting exercise. It put all this work that I’d been doing over a matter of days together in a matter of a few seconds.”*
- *“We’ve been using AI for a lot of the changes in our job profiles, including manufacturing and finance jobs, as we’re going through an overhaul and doing a lot of organizational design work. It has been about 70-80% accurate and then we go from there and make small tweaks. It also helps us with surveys and can be a good copywriter. Overall, it’s starting to work well for us.”*

**2. As public market investors have largely **shifted their focus to de-prioritize promises of future growth** and re-prioritize profitability/lower burn rate, how are you keeping employees engaged during this time of economic uncertainty?**

- *“We are emphasizing our ‘purpose’ and our ‘why.’ For our last all-hands we heard from a patient for the first time. That was really impactful.”*
- *“We kicked off a professional development program and do a lot of leadership development. People come to smaller companies to have the opportunity to have more of a management track, so we need to provide and develop that for our people. We’re trying to be proactive and responsive to what our people want and need.”*
- *“Most of our people care deeply about our patient group and our technology. So, high touch employee experiences and keeping the mission top of mind has been critical for us. We bring advocates and keep a patient-centric approach in all our communications. Sharing the same values is really important. It requires conscious effort from leadership.”*

**3. How is your company re-focusing in this economic environment?**

- *“We are running with a lean staff and we tightened up. At this point, the runway is incredibly important. We’re doing a 2nd half of the year re-budgeting to ensure the maintenance of our runway.”*
- *“We were already on a path to being more streamlined and focused. This (current investment environment) has emphasized what we need to do. It’s not about potential – it’s about showing what we can do and delivering what we need to deliver at an accelerated rate.”*
- *“It had a big impact. Last year, we RIF’d 40% of our team. It was very painful, but we’ve recovered well. We had to get the economics right and build a more sustainable business. It has caused us to build more thoughtfully and more slowly with less burnout. Before, people were racing to grow their teams and it was a bit like the Wild West. Our leaders have done a good job of adopting this new approach and filtering it down to their teams. We have fewer people and the right amount of work.”*
- *“I think that I am going to get a ‘Free Cash Flow’ tattoo – that’s all our VC’s want to talk about.”*

**4. Many Chief People Officers, [overwhelmed by constant firefighting and shrinking HR teams](#), are reporting burnout. How are you avoiding burnout yourself? How can you prevent HR burnout from reverberating through the organization?**

- *“Our HR teams absorb a lot of the stress and pressure that other departments feel. I’ve had to learn to distance myself a little bit and put things in perspective.”*
- *“Family and time away from the office helps me. I’m also ‘working the elasticity of my brain’ by learning new skills. I took up piano during COVID. I’m terrible, but I love learning something different.”*
- *“Role modeling is critical. So, I’m taking time off as an example to others. I’m often more creative and find new solutions to problems after I take a break.”*
- *“Instead of formal meetings all the time, I have my HR team do standups utilizing Agile methodology and talk about the things that are most pressing. That really works.”*
- *“We do wellness days. A lot of our leaders give their teams four-day weekends when there’s already a holiday on a Monday. We also do a wellness week company-wide at the end of the year.”*
- *“I just did summer Fridays for my team, so half days on Fridays throughout the summer.”*
- *“I just got back from vacation and I’m trying to lead by example – putting my family first and acknowledging that we have lives outside of work. I try to talk some about my family life with the team, so that people feel comfortable coming to work as their whole human self.”*
- *“Among the HR team we make sure everyone has scheduled time off. If they don’t, then we are proactive around encouraging people to take time off. Also, this year we are fixing the ‘hard things that shouldn’t be.’ It’s increased happiness and fixed nagging problems—people feel heard.”*
- *“I’m trying to slow down response times for Google Chat and email with my team and really across the company. On weekends, I try to be quiet with my team and my executives. I just don’t respond until Sunday night, and I have to remind them that nothing will fall apart because of that.”*
- *“I am trying to stay more physically fit. It has helped me feel great at work and I’m trying to get into a solid sleeping routine. Those two areas really help me focus. During the weekend, I’ve stopped checking emails. I also took a certificate course at Stanford School of Medicine on [Employee Wellness and Stress Management](#). Based on that course, I did a resilience workshop for the entire organization.”*
- *“I have become ruthless in what I’m saying ‘yes’ and ‘no’ to. You have to be so intentional every single day. We are doing ‘well workouts’ for our employee population every week as well. We started with 15 people and now have 70+ participants every week. I highly recommend [Deb Bonzell and her team!](#)”*

**5. What are your hiring plans for the remainder of 2023? Is this in line with your original expectations from January?**

- *“For the rest of 2023, we expect to stay flat or even shrink a little by replacing permanent folks with consultants for a period until we get to FDA approval.”*
- *“We just expanded and have about 40 open positions. That’s been pretty stable for a couple years. We expect to continue to hire judiciously with 5-10% growth for the next 12 months.”*
- *“Our headcount targets haven’t changed, but we’re being cautiously conservative because voluntary attrition has dropped. We are raising our bar on performance management as a result.”*
- *“It’s been harder to bring in more senior leaders, who have been more skittish to join a new company.”*
- *“Managers are being really thoughtful about whom they hire. People are using their headcount very sparingly. The requisition load now is not as big as expected.”*
- *“We’re being conservative compared to the beginning of the year. We’re hiring for depth of skillset.”*
- *“We’ve tapped into tech layoffs – having the ability to hire fully remote professionals gave us access to people we didn’t have access to before. We’re hiring a lot now but are trying to slow down.”*

6. More than 3 years after COVID-19 arrived, the [state of remote/hybrid work](#) continues to evolve. Which development gaps must be addressed at your company with hybrid/remote? In your view, how has your company culture changed for the better or for the worse?

- *“In our offices, Fridays are dead and Mondays are on life support.”*
- *“I thought we were done with talking about the return to office, but it’s still a big issue! We’re seeing a lack of communication and productivity recently, and that’s becoming more of a concern. We’re working to identify which groups need to come in more often.”*
- *“We recently went from two days to three days in the office and let the employees choose. That didn’t seem significant, but it was a tipping point and triggered some anxiety across the company.”*
- *“We put some data together for ESG and showed how much pollution we prevented and how much money we saved by allowing people to work from home. The CEO is worried about culture, but we’ve been able to recruit better and retain better.”*
- *“One challenge is that as a global business, there’s not much protection around required hours of engagement. I don’t necessarily want to be adamant about setting guidelines around meetings, but I want to have a sense of reasonable interaction. I’m trying to influence this.”*
- *“We had everyone put their time zone in their Slack handle. It just gave everyone awareness.”*
- *“We just ran our engagement survey. There’s almost a 15-point delta between those required to be in the office, who are more engaged, and our distributed folks, who are less engaged. We’re also recognizing that nobody really wants to attend virtual events.”*
- *“We’re having the executive leadership team travel to our locations around the globe and spend a week in each location to encourage leadership and their teams to be in the office during that week.”*
- *“We’re constantly thinking about ‘Intentional Collaboration.’ I recommend everyone take a few minutes to read [5 Ways to Create Intentional Collaborations in a Hybrid Workplace](#) at some point.”*
- *“Over the last 6 months, we have had a gradual return to the office. It started out as a glorified conference center, but people are now in two or three days a week. It’s been organic, and they’ve seen the value of coming together in-person. When we hire, we’re clear about the commitment to being in the office. Working remote here is a privilege, so if we have early-stage people struggling, we require them in the office for mentoring.”*
- *“Things that may take months over Zoom are happening in a day in person. People are yearning to be in person more, so we have created an anchor day or month for each team.”*
- *“For us, going fully remote strengthened our culture – it’s led to lower attrition, higher satisfaction ratings, and people talking about our culture more. The number of people who have agreed to do testimonials has drastically increased for us, too!”*
- *“The certainty in the return to site approach and transparency are important. Then, it becomes a self-selecting process; if you’re not comfortable with who we are, you should move on. I hate to discourage retention in some respects, but we made the decision to be an organization that’s onsite.”*

### About FlemingMartin

FlemingMartin is a leading retained executive search firm focused on Technology, Fintech, and Life Science industries with offices in Northern and Southern California. FlemingMartin partners with Boards, Venture Capital Firms, and company executives to build successful, execution-focused management teams. The Firm’s principals are trusted advisors and business partners who enable companies to gain powerful, far-reaching, and lasting contributions from their executive-level human capital. For more information on FlemingMartin, please visit [flemingmartin.com](http://flemingmartin.com).