

# Chief People Officer Roundtable Series

## *Q3 2023 Summary*



## Overview

In September 2023, the FlemingMartin Practice Leaders organized roundtable discussions with more than 100 Chief People Officers (CPO) from leading Software and Life Science companies. Topics included the impact of the Supreme Court's ruling regarding UNC's and Harvard's admissions programs, the continued battle for in-office vs. hybrid vs. remote work, adopting AI in the workplace, people analytics trends, and executive team leadership behaviors.

We have summarized key learnings from these discussions below and have provided select snippets from attendees.

## The Supreme Court & DEI Impact

CPOs are grappling with the legal and social aspects of DEI efforts in light of the Supreme Court's recent decision which ruled UNC's and Harvard's admissions programs unconstitutional. While this decision may not directly impact most organizations immediately, it has the potential to influence how organizations conduct their DEI efforts down the road. Many participants discussed their commitment to diversity, underrepresented groups, and inclusion as a whole while also emphasizing the importance of navigating the legal implications of the Supreme Court decision on their DEI programs.

## Navigating the Remote & Hybrid Work Models

Zoom, a company known for enabling remote work worldwide, now requires employees living within 50 miles of an office to return to work on-site for a portion of every week. In this ever-evolving landscape, companies are grappling with finding the right balance and strategies to manage workforce engagement. Many organizations that have had success navigating this new working environment have opted for diverse work models across functional groups while implementing core days that employees are expected to be in the office. G&A roles tend to have more flexibility, but questions remain around the pace of innovation without in-person collaboration. Other roles (manufacturing, scientific, etc.) necessitate employees to be on-site, creating stark contrast across many functions.

To add to this already challenging and multifaceted issue, employee surveys highlight a gap in expectations across different age groups and career stages, and there seems to be a generational divide around in the office versus remote work expectations. Many experienced members of leadership teams want employees back in the office, while newer generations in the workforce are challenging traditional in-person norms. However, some companies that remain fully remote are reaping talent acquisition and retention advantages due to this stance.

## Leadership Behaviors

CPOs discussed their leadership teams: what they excel at and which areas need improvement. Most organizations strive to operate with transparency, candid feedback, and collaboration in their leadership ranks. They seek to balance risk-taking with postmortem analysis of failures and emphasize the role of leaders to serve as role models for the broader organization. In addition, communication, empathy, and consistency remain focal points as CPOs continue to drive forward their leadership teams through a rapidly changing environment.

## Employer Branding

In examining how organizations have approached employer branding this past year, several key takeaways emerged. Building a strong online presence through social media and leveraging microsites to focus on culture and talent acquisition have been instrumental in employee branding in 2023 and resulted in improved recruitment and overall talent retention. Some organizations have collaborated with external partners to manage brand and social media and others have done the work in-house. Striking a balance between formal posts and lighthearted posts that showcase the company's personality have been helpful to connect with diverse audiences and distinguish companies from competitors. Several participants recommended [Jobpixel](#) as an option for leveraging employee made videos for recruiting and promoting our employee brand. Other helpful tools mentioned include [Hootsuite](#) for social media and [Amplify for project management](#).

## HR Leaders and AI Adoption

Gartner reports that 76% of HR leaders believe adopting AI solutions, such as generative AI, within the next 12-24 months is crucial for organizational success. The people leaders we talked with recognized the potential of AI in transforming HR functions but remained cautious about privacy, biases, and the need for clear policies and governance. Many of our attendees expressed that they are utilizing AI cautiously, especially with regard to employee data or public-facing content. Some organizations have even established AI policies and guidelines to ensure responsible use and to avoid IP issues.

Many of our CPO attendees addressed the ultimate question: will AI soon take over human jobs? In short, no. Most CPOs foresee AI tools such as ChatGPT helping to streamline communications and time-consuming tasks. This includes (but is not limited to) drafting job descriptions, policy documents, internal communications, and efficiency improvements. While AI enhances the aforementioned processes, its limitations in understanding human nuances and cultural norms illustrate the continued need for human judgment. As organizations navigate the evolving AI landscape, they aim to strike a balance between leveraging AI's benefits and continuously addressing its blind spots.

## Select Soundbites

1. On June 29<sup>th</sup>, the Supreme Court [issued its decision](#) ruling UNC's and Harvard's admissions programs unconstitutional. In July, thirteen Attorneys General wrote a letter to Fortune 100 CEOs reminding them of their "obligations... to refrain from discriminating on the basis of race, whether under the label of DEI or otherwise." In August, the conservative activist group behind the UNC and Harvard cases [sued the early-stage VC Fearless Fund](#) for racial discrimination (since it exclusively backs women of color entrepreneurs). Is your company approaching DEI efforts any differently in 2023?

*I talked to legal counsel, and they said if DEI is something we still support, then we should lean into it unapologetically. We have one metric around diversity hiring and continue to have education around diversity measures. We also now have paid internships to attract a more diverse pool of candidates as well."*

*We are having an [attorney focused on racial justice](#) come and speak about this ruling at a lunch and learn: what it means, why it passed, etc. I think that will spur a lot of engagement -- bringing it to the fore to learn and discuss further.*

*We are pursuing DEI goals through 2030. We measure diversity from two metrics: women in leadership and the percentage of workforce coming from an under-represented category. This effort has been good for us as a business and can be seen in our annual sustainability report. We aren't backing down on DEI.*

*We always try to find the best candidates and cast the widest net when we're doing our outreach. We're maintaining that two diverse candidates interview per role. We also ask people to opt in to use their demographic data. We're trying to make it a more universalist approach. We want to be anti-bias, universalist, and also address if there's a rigorously documented diversity issue.*

2. Zoom, which once championed the fully remote approach to work, [recently announced](#) its new "structured hybrid approach," requiring employees who live within 50 miles of a Zoom office to return to site at least part-time. Given that most companies are still struggling to find an optimal balance, what is your company's approach to managing remote/hybrid work engagement? What has the impact been at your organization?

*We believe "you can work from anywhere, but collaboration happens in person." We want 4 days a week in the office, but we are giving tremendous flexibility around that. Come in late, leave to take care of family, and don't feel like you need to sneak out of the back door. It's worked pretty well. We have had to work through some leaders undermining the policy. We lost a handful of people, which hurts, but we want to stay consistent.*

*In the last two years, we have outperformed every company goal. So, I asked our CEO: "What's the problem (with hybrid work)? What needs fixing?"... There's a real generational divide... The whole "having to be in the*

office” is a Boomer mentality, while Gen-X seem to like being remote, and, of course, Millennials, thank God for them, have called out the BS about... needing to be in-office. [Nick Bloom](#), a Stanford economics professor, has done great work and research around this topic.

We do employee engagement surveys every quarter. What I’ve noticed is that the remote employees have a tendency to be higher on the scale – they are the happiest, most motivated people. It’s been a curious trend to follow this past year. We’re hybrid/remote – we don’t mandate days in the office but leave it up to the functions. They decide what’s necessary and empower employees to make that decision.

We hired a lot during the “war for talent” and because of that, much of our team is not local, including many higher-level roles. We made those commitments to obtain talent wherever it may be at the time, but now we’re wrestling with those commitments.

The fact is that we continue to evolve in work. Pre-COVID we had 18% turnover (in-person with big hubs in SC/London/TX). Now, we are fully remote and trending at 6% turnover. We have 50+ open positions and 900,000 people are following our jobs page. We have 50 jobs open at any given time. Our challenge is how quickly do we close a job as we assess a role? Recently, we had 3,000 applicants for a CIO role in less than 48 hours.

We gave power to teams to let them decide what works best for their hybrid/remote situation. When things like relocation come up, we have an approval process that even includes compensation change discussions. We are now trying to provide Manager/Team toolkits, so they can drive the process.

Our engineering team does the best job of managing a remote workforce. Ironically, when the engineering team meets in person in the Bay Area, they also get the most out of it. They are the biggest beneficiaries when they come into the office --they tend to be a little more introverted and are energized and thoughtful when they get together (quarterly or semi-annually).

**3. If you could get your executive team to better model one leadership behavior, what would it be? Which leadership value does your executive team model best?**

We’ve been working with an [executive coach](#) over the past 9 months. She’s done great 1:1 development with each of us, as well as collectively as a leadership team. We identified that we can be more results driven.

We have a need for ruthless prioritization. We are reading “[A Beautiful Constraint](#)” by Adam Morgan which is all about deconstructing your limitations, then turning them into advantages to get things done.

Constructive conflict is something we need help with. We have some new leaders and some who have been around for a while, and navigating their conflict continues to be a challenge. We need to start focusing on gathering leadership together to collaborate together in order to solve an issue, rather than meeting 1:1 in the parking lot.

Empathy, humility, and accountability; these are muscles we are trying to flex across the org. We are a scrappy startup, and everything is a team effort, and everyone is responsible.

The reality is when we go through a RIF, culture is disrupted, productivity goes down, and engagement goes down. If I want leadership to learn one new behavior, it would be alignment. Rather than looking at the business and team separately, they need to win the hearts and minds of the team. They need to explain why our vision, strategy, and goals are aligned with our decision making. It’s an operational muscle that needs to be flexed to get people refocused and empowered after a RIF.

My sense-making tells me we’re in hustle-mode – we have to operationalize, get profitable, and be agile. There’s an acceleration in the execution, which is great, but that hustle DNA is way out in front and it often manifests in our team coming off as aggressive, and disrespectful. It creates unhealthy conflict, so there is a balance to be had as it relates to getting more agile and accelerating execution and being more intentional about operationalizing effectively.

[IACP](#) did some research around the juxtaposition of the pandemic and post-pandemic era. Empathy soared during the pandemic. Now as companies are getting people back to the office and are driving for profitability and productivity, the empathy factor has gone down significantly.

4. **The pandemic has shifted employee expectations, making employer branding more critical than ever. What is the most successful initiative your company has executed during your tenure to improve your employer branding?**

*Our employer branding is spread all over our website and not necessarily cohesive. We're thinking about putting a culture page on the site. Also, sustainability is important to a lot of younger employees, so we are working on emphasizing that. Regardless of what we say, we know we have to live our values, too.*

*Keeping Glassdoor responses updated – making sure they're accurate. We've had candidates read our Glassdoor reviews and they are impressed by our responses. They'll ask employees about them during the interview process... We want candidates to do their due diligence. We prime them to ask hard questions about us, so they feel confident making their decision.*

*A year ago, we didn't have any employer branding. Now, we have an outside partner we're working with to manage our brand and social media. We have been striking a balance between expected, formal posts and media that shows our own homespun personality. It reflects our personality -- that we have fun in addition to a highly competitive spirit. We're active with our social -- it is important to speak to different audiences and let your brand personality shine through.*

*We have built a microsite for potential employees that also doubles as our culture site. Our science pages can be dry, so People Ops is responsible for the microsite, and we made it really nimble, fast, and clear to convey who we are. We've had a lot of great feedback on it.*

5. **What is the most surprising or impactful insight you have captured from your People data this year?**

*Not surprisingly, our remote employees had higher satisfaction scores than those coming into the office (even if the office people had considerable flexibility).*

*The level of dissatisfaction with early career folks -- it was really high. We have a lot of early career employees, so it was definitely an alarm bell for us. This is combined with one leader in particular, and his shop was the worst. When I was interviewing with him last year, he kept talking about how he didn't understand the younger generations and he just threw out a lot of stereotypes. So, now I need to have that conversation with him next week about working harder to drive those scores up.*

*We hired an outside consultant to analyze every job description in the company (7000+ people in the company) and assess the potential savings we can obtain as AI is introduced to handle portions of jobs that can be automated. The initial estimate, AFTER cost of technology was factored in, was in excess of \$100M in savings.*

*The biggest finding is what people label as burnout. I have some theories about it. Burnout is sometimes a generic category. I could be burned out because I'm in the wrong role or because I have a bad manager or I'm having difficulty at home. We need to dig in. It's so different for different people.*

6. **[According to Gartner](#), 76% of HR leaders believe that if their company does not adopt and implement AI solutions, such as generative AI, in the next 12-24 months, they will be lagging in organizational success compared to those that do. How are you making decisions as an Executive Team on whether to adopt new AI solutions for your company? What limitations have you found when using AI in HR?**

*On the People team, we use AI to get a taste of what to write, then we rewrite AI's version with our own personality. It's a great tool for people who are not great writers or need help getting pen to paper. It gives us time back for other, more important tasks.*

*This shift in technology came before we were ready for it, but it's here. It's important for us to look at how we get things done today, 18 months from now, and years down the road. What will the workforce be like in 2030? I see this as a co-building and co-development opportunity that needed the COVID pandemic technology to force the conversation. Rather than looking at it through the lens of "which jobs will go away?", I believe we should look at it as a journey that is created with leadership and employees. It's not a subject that should be pushed down.*

*We started using [Degreed](#) about 6 months ago. They have an AI Talent tool that allows you to identify people in the company that may have necessary skills in terms of internal mobility. We have created more than 200 part-time projects inside the company and then leverage the technology to let people know that they are highly qualified to work on the project. If someone is interested in a project but not qualified, Degreed will let them know where they fall short and suggest training that they can take to get the necessary experience. We have 4 people from engineering, 1 from customer success, and 1 from another team all working on People Team projects. I have heard of people using [Eightfold.ai](#) in a similar way.*

*We know there's bias in AI, and it all depends on who and what is training the AI. What we're seeing in young people is they want to follow brands and influencers that align with their values, and AI will be much the same: it'll be Bard people and their AI ideas vs ChatGPT people and their AI ideas. There's this consolidation happening that is only going to create more silos. Then you get into who is training the AI models – how much trust do we hand over to the people training these models?*

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