



FUSE

Executive Hiring Excellence



VP of People & Culture



STEP 1 :

Understand the role you are hiring for

Before you set out to hire your VP of People & Culture, it is important to:

1. Understand the key requirements + responsibilities of a modern People leader
2. Identify the company's current needs + stage of growth
3. Attract and go after an individual that is stage appropriate

**** Note:** The following proposed framework is for an early-stage VP of People & Culture. You may need to adjust your framework based on your company's maturity. ******

Overview – The requirements of a modern People & Culture leader

1. Fierce Competition for Talent: There are more technology companies being started and grown in the last decade than in any other time in history. Furthermore, mature companies are investing in digital transformation at an unprecedented scale. However, 90% of these emerging businesses fail⁶. As such, it is no longer enough to simply fill employee positions – a company must be astute in finding and securing top talent for those positions. This is a key factor that sets a business apart from others in the market. An employee strategy works exactly like technology debt; if you cut corners and fail to invest in growing your teams thoughtfully, the void will become massive and your business will ultimately not reach its potential.

2. Changing Employee Priorities: Not only is competition for talent fierce based on the number of companies vying for the same set of candidates, but there is also higher turnover and lower loyalty amongst employees. It is becoming increasingly common for employees to jump from company to company based on compensation, culture, titles, long term development opportunities, and more.

As the talent market has become increasingly complex to navigate, it requires shrewd leadership at a company's helm. Aptly addressing these current workforce dynamics will require you (as CEO/Founder) to hire leadership that can effectively help you build the organization and position the company well to compete and win key talent.

⁶ Sources: Get2Growth and Embroker

However, it is important to note that the ideal People Leader in today's environment is hard to come by, mainly because the paradigm for this role has only recently shifted. An ideal candidate for a VP of People & Culture must have different skills than were necessarily previously required⁷.

In many prior (and some current) cases, companies hire an HR leader with strong compliance focus/experience, and then hire a recruiter underneath said HR leader who focuses on talent management.

The new model is inverted. The ideal modern VP of People & Culture is the one focused on driving the company's talent, culture and recruiting strategies in partnership with the CEO and leadership team. They can then make a specific hire beneath them to focus on traditional HR and compliance components.

This is a new breed of people leaders to go after. The goal of this role is not to simply build an HR organization, but to build a lasting company at large that can compete and win in the market. This requires significantly more strategy than previously imagined. The ideal candidate for a VP of People & Culture will be an amazing storyteller, salesperson (recruiter), businessperson, leader/coach, human-developer and will drive "stickiness" in an organization (aka convince existing talent to stay!).

How to hire for this role: There are few organizations where this modern VP of People role is done well. More often, the role reverts to prior definitions (i.e. HR process, compliance, etc.). However, going forward the skillset required previously is not enough alone to help leadership teams. As such, the ideal candidate for this role may be difficult to find, but they may also come from unsuspecting places (i.e. sales/ consulting backgrounds, or analytical backgrounds). The ultimate goal is to hire a great business leader that can be complimented by an HR + compliance specialist (or you can outsource this expertise). To do this, you must broaden your lens of where to look.

Be open to getting creative! At the early stages, you may not necessarily want someone who has done the VP/ Head of People role at scale before. While not always the case, a candidate like this may be less inclined to be "hands on" and build out the People team and organization by hand.

There may also be an opportunity to promote someone from within your company who has strong leadership and recruiting skills. This could include any line of business leader who has experience hiring and building strong inter-team culture. In fact, this may end up being a preferred method, as an individual from within your organization is a "known entity" (aka less potential risk in the hire).

⁷ **Difference between a CHRO vs. VP of People & Culture:** (*Note: this is a generalization and may not necessarily apply to every scenario*). A CHRO position is usually focused on building out an HR organization. A person with this background may be a more traditional HR leader, which in some cases can mean there is increased emphasis on implementing process, compliance and bureaucracy (i.e., activities-focused). A modern VP of People & Culture will handle process and compliance as part of their duties, but the majority of their role is instead focused on growing the organization and building/enforcing its culture in tandem with the executive team. Aka this leader is not just solely ensuring that the company does not get into trouble!

Defining the Role:

Key responsibilities for the VP of People & Culture:

(1) Partner with CEO + Managers to attract, develop, and retain employees –

This is the most critical set of duties for a People leader and their team. This leader must know how to identify top talent, grow the organization effectively, and must also act as a catalyst for others in the organization to do this well. The VP of People & Culture is ultimately seen as a trusted advisor and facilitator to align executives on talent initiatives and will influence the entire organization by enabling/teaching these skills as well.

- **Attract:** You want someone that can help hire the best talent possible. As such the ideal candidate for this role will have previous experience recruiting and will be a strong partner to the CEO / Hiring managers. They must also excel in “selling” the company. This includes leveraging others to compel strong prospects to join the company⁸. A strong VP of People will also find ways to make it easy for the management team to recruit well⁹. They must be relentless in recruiting talent.
- **Develop:** The VP of People must set up systems and people innovation programs to grow the employee base into their full potential. Often this comes through strong training programs. It may also come in fostering a “manager-centric” organization¹⁰. An innovative VP of People leader will leverage the company leadership team to identify high potential candidates. Then they will help managers develop these candidates into well-rounded employees once they are in the organization. Finally, they will work with the executive team to optimize the candidates’ talent for the candidate’s own benefit as well as for the company’s benefit. Examples of key People innovation programs include:
 - Maximizing throughput from existing employee set
 - Succession planning
 - Establishing effective review processes & employee leveling structures.
 - Creating high potential stretch assignments
 - Rotational programs
 - Enabling cross-organization movement based on the skills/desires of employee
 - Get creative with existing talent (i.e., identify a talented Sales team member who could be strong in Product)
 - Develop a strong bench of high potential employees and retain them

⁸ **Examples of this include:** Have the operators participate in the interview process (i.e. the CEO or corresponding C-suite leader for the LOB). Also may include tactics such as having the recruiter use the Hiring Manager’s linkedin for initial outreach (will likely get a 3-4x increase in response rate from doing this).

⁹ **Recruiters should be viewed as business partners:** Recruiters will partner with a LOB manager and work in tandem with them to (1) define the job description / ideal candidate, (2) pick the interviewers from within the company and (3) assign specific areas for each interviewer to uncover. They must be strategic in leveraging the senior leadership team (i.e. CEO or relevant LOB C-suite leader) to win over niche and senior roles. And throughout each interview, each person needs to spend time selling the business/opportunity to the candidate.

¹⁰ **This entails working closely with people managers as a “quarterback”** to make sure that they are developing well as leaders, that talent is rewarded sufficiently, people are supported through mentoring, and given access to relevant resources, etc.

- **Retain:** In today's environment, this includes competitive pay, clear growth opportunities, mentorship opportunities, exposure to the leadership team, strong culture, etc. A VP of People needs to help drive "stickiness" in the organization!

(2) Partner with the CEO + executive team to define, build, and enforce a high performing culture

– Culture and other adjacent areas such as ESG, Philanthropy, etc. have become increasingly important factors in attracting and retaining talent. The VP of People & Culture is a very close thought partner to the CEO on shaping these initiatives and will also strategize on executive hiring strategies. This is to address any gaps in the CEO's skillset or organization at large to drive and maintain culture.

- The VP of People collaborates with the CEO to implement a high-performing culture that fosters innovation from the ground-up and allows employees to achieve their full potential. This process must be highly iterative and incorporate feedback from the leadership team and employee base.
- The VP of People & Culture works closely with the CEO to support creation of the company's culture, but also helps enforce it. This means that the VP of People & Culture must be prudent in making cuts as needed. One bad apple spoils the whole barrel!
- A VP of People & Culture will also need to partner with the executive team to align existing employees and continue "selling" the company to retain talent. (I.e., if there is a high performer, the VP of People needs to identify said contributor, make the senior leadership team aware, and keep that individual interested / engaged.)

(3) Lead on Human Resource (HR) compliance

– While the above two responsibilities are the more strategic components of the role, there are "blocking and tackling" duties that a VP of People & Culture must handle in the realm of compliance.

- Many components include items that your company is required to do by law (i.e. benefit plans, employee contracts, training compliance, labor laws, etc.). As such, the VP of People & Culture must be well-versed in the company's business matters and have strong business acumen.
- **Note to CEO:** In this area, an ideal candidate will do enough that the company does not get in trouble, however it is important that you hire someone whose experience goes beyond process and compliance solely. It can harm a company if a People Leader "over-engineers" in this area and creates unnecessary process, paperwork, meetings, etc. (As such, it is important that candidates do not lead with this as their primary skill set in the interview!)

STEP 2 :

Understand the key attributes of a People leader

Overview: The following provides a closer look at the critical traits/deliverables of an ideal People leader. Understanding these will help you prioritize potential candidates and equip you to plan for and manage upon the strengths and weaknesses of the hired candidate.

(1) A master orchestrator & collaborator with hiring managers to recruit great talent – a common misconception held by managers in various organizations is that the People team is solely responsible for recruiting. In a high functioning organization, this is not the case. The LOB hiring manager should collaborate closely with the People team and view them as as a business partner (see footnote 9).

- A strong VP of People will ensure that the organization is well positioned and trained in such a way such that teams can recruit well on their own, but it is ultimately a very collaborative process. They will help teams:
 - Distill the role (job description)
 - Define the qualities/ aptitudes of an ideal candidate
 - Identify any prospects in existing networks
 - Set the talent assessment parameters upfront
 - Organize the interview structure / loop
 - Assist in the decision making
 - Draft the offer letter and “drive the close”
- The VP of People is responsible for coaching senior leadership and LOB managers on how to recruit, interview, and assess well. They also assist in helping managers/leaders to be creative in their approaches – and help hold them accountable to hiring well. This builds a culture of transparency and allows teams to hire efficiently and effectively.

When screening for this area in interviews:

- Ask them to define the duty of a VP of People. Do they touch on: attracting talent, development, and retaining talent?
- Ask them about their strategies for attracting and retaining talent.
- Ask questions about how they’ve won over a strategic hire – what was the process for doing so?
- How do you leverage others (i.e. like the CEO, Board, or other people in the network) to attract great leaders/contributors? And how do you continue to leverage others retain these leaders/contributors within the company?
- How do you teach managers to recruit well? And what have been your past systems for holding people accountable to hiring goals?

(2) Qualitative and analytical skills – Historically HR / People employees have been seen as a strong “listening ear” for the company (i.e. manage employee issues, mentor, compliance, etc.). While the ability to relate well and have strong interpersonal skills is crucial in this role, there are also a set of quantitative/analytical skills that are critical.

- The VP of People essentially needs to run the discipline like a sales organization. This includes defining a prescriptive recruiting process, creating a substantial pipeline of candidates, setting goals, and positioning their teams (people team + LOB teams) for success in closing.
- Even if the People team is not the ultimate “closer” in a recruiting process, they need to drive excitement as to why candidates should lean in. Competitive, sales-oriented DNA is what is required for a stellar leader in this role.
- The VP of People must also understand the fundamentals of the business and demonstrate continued awareness of the bottom line. This is especially important at the early stage, as this leader may cover areas in the Finance department as well (i.e., work with the founders on board matters and equity allocations).

When screening for this area in interviews:

- You want someone that is **highly competitive and really wants to win**. A great People leader pushes the CEO on things they may not want to address and is creative about helping the company win a key candidate.
- They also need to be apt in telling the story of the company. Ask the candidate: “how would you describe your previous company to a potential key candidate?”
- Were they previously part of an HR/People organization that was analytical and process-driven? Ask for examples about how they built out their teams and recruiting processes. (**Note to CEO:** An ideal candidate will have experience building a large funnel of candidates and will talk about it in a way that sounds like they ran a sales pipeline.)
- Ask them how they would plan build out your organization. I.e., Ask: “what kind of people do you look to recruit into your org? What do you see as the most important skills / deliverables for a person to do this job well?” (**Note to CEO:** You want to see that the candidate emphasizes analytical skills and business acumen as part of the description.)

(3) Trustworthy and highly skilled in dealing with problem situations – As is no surprise, the VP of People & Culture ultimately needs to deal with all things people-related. This requires solid execution on all the duties expressed in the sections above to build the organization (i.e., talent and culture). However, this individual will also be responsible for fine-tuning the organization, which entails addressing some difficult situations. This requires a strong People leader to:

- Be a strong, trustworthy partner to the CEO – and the entire company. They must have a high level of integrity and discipline in creating a culture of transparency and performance.
- Have experience running processes for employee sentiment & pulse. The VP of People is ultimately responsible for monitoring the “heartbeat” of the organization.
- Address issues identified in the organization – i.e., identify and address situations where high performing employees are being recruited away, manage a low-performing employee, or even let go of a high-performing employee who is toxic/ harmful to the company’s culture.
- Continue building out people innovation programs to motivate and retain top talent and grow the existing employee base to its full potential.

When screening for this area in interviews:

- Ask for concrete examples of how the candidate has identified and dealt with an employee in each of the scenarios mentioned above. What were the outcomes? How did they help teams readjust around the issue once it was resolved?
- What were their processes for building employee pulse surveys?
- How did they build a culture of transparency within their previous companies?
- Ask about their strategies for retention (if a candidate only says compensation, then you know this a leader with legacy HR perspectives).
- What is the candidate’s point of view on employee review systems and employee leveling systems?
- What unique things has the candidate done to maximize potential in an organization or improve retention?

STEP 3 :

Build a stage framework

Directions: Now that you understand the key deliverables of a strong People leader, use this framework to understand (1) what type of People leader you need based on your company's particular stage; and (2) how your People leader(s) should evolve over time.

Phase 1: Pre-PMF (0-20 people)

At this stage, you will not need a People leader

- The CEO and existing team will be leveraging their own networks to hire for open positions.
- The CEO / Founder(s) will define the company's culture, and the organization will be small enough that the culture is easy to maintain.

Phase 2: 20-50 people

This stage is likely the main insertion point for a People Leader

- At the early stage, it will likely take ~2 years to reach this point.
- The CEO and managers have reached a point where they do not have bandwidth to do all hiring on their own anymore.
- The team is large enough that the company's culture requires structure and scalability.
- The CEO may not be able to interface as directly with each team member, so will likely need an additional person to help monitor employee sentiment.

Phase 3: Continued growth (100+ people)

It is important to check that the existing People Leader is continuing to scale

- At this point, the CEO may not know many members on the team, so a VP of People & Culture is the main person responsible for monitoring the company / employee sentiment.
- This leader will need to start building out their own team and create distinct hiring processes for LOBs (i.e. implement HR "business partners" to support hiring managers in their recruiting processes).
- There may be continued compliance responsibilities as the organization grows.

Phase 4: Multiple- geography company presence (100s-1,000s)

Ensure that the current VP of People & Culture is continuing to scale

- Important that the People Leader at this stage has previous experience managing companies with multiple geographies in different countries – as there will be different nuances for culture & compliance (i.e. holidays, maternity/paternity leave, pay, etc.) (**Note to CEO:** If your current People Leader does not have experience with this, you will likely need to re-hire here).
- Global talent management – this leader needs to ensure that the company will not face any compliance issues here.

STEP 4 :

Thorough Diligence is a MUST

Now that you understand your company's needs + the key deliverables for the People & Culture leader you are targeting, it is important to do the proper work upfront. Note: many of these components are repeats from prior roles' diligence checklists, however they are still relevant for the VP of People & Culture.

(1) Tips on reading a resume – things to pay attention to:

- **Find a demonstrable track record of success** – Make sure there is evidence of the candidate moving up in their career (i.e. vis-à-vis the companies they joined and roles attained). You want to know the candidate is constantly trying to improve.
- **Frequency of job change** – If there is a lot of “job hopping”, dig into the reasons why. You want someone who is a builder. If they are only at a company for one year, they likely did not build anything substantial while there. It will take time to build out effective recruiting processes and build a company's culture.
- **Are they an “A-Player”?** – Did they work at winning companies? Generally, “A-Teams” hire “A-players” and will drive significant output from them. Be sure to investigate the candidate's prior companies and see if they have reputations for strong accountability models. If not, it is important that the candidate is aware of that and articulates it to you.
- **Prior relevant / adjacent experience?** As discussed above, this leader may come from unsuspecting places. As such, be sure to look out for prior relevant experiences, i.e. in finance, LOB recruiting, operations, etc.

(2) Cautions right off the bat – before and during interviews:

- **Referrals** – Do not advance internal, or in-network recommendations too quickly – dig in deeper. Do not immediately assume that the candidate will be a fit just because they come in referred from people you trust.
- **Do not assume executive recruiters are the reference check** – DO IT YOURSELF.
- **Listen for “I” statements versus “we” statements** – “WE” needs to be the primary word used by the candidate when they are speaking about prior experiences. The work of a VP of Finance touches many parts of the business– it is not a solo journey, so candidate should not be speaking as such!
- **Never hire someone after one interview!** – The CEO needs to spend ample time with the candidate. You should feel like you are gaining value from each interaction and getting more excited with each interaction.

(3) How to complete good reference checks:

- **Allocate substantial, quality time** – Reference checks are beyond a “check the box” activity. It is important that you spend ample time preparing for and conducting reference checks.
- **Ask for a well-rounded, “360-view” list of references** – Ask the candidate to provide references from three different levels – someone who worked above them (manager), a peer, and a direct report. Also will be important to speak to their key LOB business partners for whom they helped with recruiting (if relevant prior experience here).
- **Understand what you are asking about / looking for** – Most people will not agree to do a reference call if they do not have good things to say. As such, make the conversation about FIT, not about generically judging whether this person is “good” or “bad”.
- **Spend time preparing the list of questions** – this is crucial for ensuring you get the most out of the diligence call. Be sure to ask questions that aim to figure out what the person can DO, not what they are like (at least at first). As noted above, culture fit is important and something to address, but you must first understand what the person is capable of, as this will be the initial go/ no go point.
- **Do a lot more LISTENING than talking on these calls** – the more talking the reference does, the more you will learn and the more data you will collect. A good rule of thumb is: 90% listening, 10% talking.
 - **When you talk:** Any speaking you do should be to describe the role and traits you are looking for upfront. OR what you want to validate and / or risk areas you want insight on. Once you have stated those items upfront, direct the conversation from there.
 - [**Note to CEO:** If someone is vague in explaining why said person is no longer at their company, they are probably not disclosing something to you = **RED FLAG.**]
- **DO NOT be swayed by a single reference.** – Use it as a data point, not the absolute truth.

