

[A LETTER FROM VAL]

Eight Things Your CEO Needs to Know

Dear Friends:

As our young, French HR executive search manager, Mathilde Pribula, would say, “Plus ça change, plus c’est la meme chose.” While researching the latest HR trends for a series of presentations I’ve been giving around the country, I realized how dramatically the status quo is changing in HR, and how much this affects CEOs’ decision-making. For example, if your CEO knew that he would end up losing key personnel simply because of a failure to effectively communicate to employees that the company’s new incentive program was actually more generous than the one it replaced, wouldn’t he want to overhaul the communications strategy? And if you told him that the company’s HR outsourcing vendor is cutting back its offerings, affecting a number of services your firm relies on, wouldn’t he insist that the contract be reviewed? Well, from what I’ve been hearing, both of these scenarios are becoming quite common these days. Here is more on these and other Things Your CEO Needs To Know, from a gal who is both a CEO herself and highly exposed to all the latest global HR trends.

1. The increased resistance companies are experiencing in response to changes in their employee stock option plans is largely due to poor communication. Legal, finance, and HR teams are often so understaffed and busy with compliance issues that no one has the time or the mandate to figure out the messaging piece of the process. Chances are your stock plan is average or better, so if you’re getting complaints, it’s probably the result of poor communication about parity between the old and new plans. Many companies, for instance, are switching from standard stock option plans to restricted stock grants, because the latter is both easier to understand and vests shares that never go underwater and lose all their value. However, we’ve had numerous clients tell us that their employees prefer regular options “because they are better.” Go figure? Or our bad?
2. All of the major global HR outsourcing firms are dramatically curtailing their service offerings and eliminating virtually all customization. Which means it’s time to take another look at what you’re getting for the money you’re spending—it may once again be more cost-effective to bring HR back in-house in order to get things done quickly and meet the needs of your business groups.
3. With the exception of our friends at Yahoo!, the trend regarding change of control agreements continues its downward trajectory. Less than 10% of our clients have them, even at the executive level.
4. The current economic slowdown (recession?) is a great time to revamp and expand your staff, as well as to invest in training and development. Why? Well, for starters, you have access to higher quality candidates because, with many companies in contraction mode, there is less competition for the best talent. And you can hire these better candidates at a reasonable price, since nobody else is out there offering crazy packages. Meanwhile, since there’s less business out there for everyone, you’ll actually have time to train these new employees, which means they’ll be ready to start kicking you-know-what when things pick up again. And since your stock price isn’t really going anywhere in the short term, you might as well take the earnings hit now and set yourself up for more success down the road. Just

like the current downturn in the housing market makes it a great time to make long-term investments in real estate, the economic downturn makes this the perfect time to invest in talent. Human Resource Executive magazine cites a recent survey that found nearly half of all high-performers are actively searching for new jobs. Now is the time to snatch some of them up at a discount.

5. Proud of that generous 401k plan? You should know that a lot of sophisticated companies—and by that I don't mean ones who spend liberally—are shifting their benefit plans to focus on HSAs (health savings accounts) or providing matching contributions for Roth IRAs. HSAs are more attractive to high-income workers over 40 who are planning for retirement, while Roth IRAs are good for lower earners right out of school who will likely be in a higher tax bracket when they retire than they are now.
6. A dangerous trend I'm seeing far too much of: Bosses that have decided to "postpone" performance reviews for a year or more. It's like "postponing" telling your spouse you love him, or "postponing" making sure your kid is doing her homework. A bad idea from all points of view, no matter how busy you are. It will come back to bite you later when you want to fire poor performers, and will be even worse when you lose top performers who feel ignored or devalued. It doesn't have to be a dissertation, and it doesn't have to be elegant—just find a way to get it done.
7. With the U.S. dollar trading at absurdly low levels, the rest of the world is treating corporate America like an outlet mall. So it's time to proactively prepare for the possibility of a foreign takeover, which includes watching out for the livelihoods of those who depend on you. U.S.-owned corporations generally lay off fewer people when making acquisitions than foreign-owned firms, who tend to cut deeper because they don't adequately understand the structure of the business they're buying. The CEO needs to carefully coach and educate the acquiring company about how the company really functions and drill down into the details, pointing out individual key players at all levels.
8. A recent study performed by our HR consultants suggests that a key factor in how successful a new executive will be on the job is whether her CEO provides specific positive and negative feedback starting from the first week. According to CEO communications coach Michael Allosso, you need to immediately start building up your reservoir of goodwill by giving positive feedback to new hires from Day One. Then, near the end of the first week, you should also start sharing negative feedback. This ensures that the new exec is accustomed to receiving feedback from you and, more importantly, will be primed to be open to it.

This month, I'd like to thank Sheren Ghali, VPHR at JUMP Associates, for her recent referral to a global media company. Thanks, Sheren, and congrats on your upcoming nuptials!

I'd also like to personally thank all of you who helped VF&Co be selected as the leading executive search firm in Menlo Park for 2008 by the USLBA. With so many quality competitors in the field here, so close to all the VCs, it means a tremendous amount to me to be selected as the best.

Take care,
Valerie Frederickson

Ask Valerie

Dear Valerie:

How can I break into HR when companies only want to hire people with experience?

- Raring to go

Dear Raring:

Think Roman: break in where the walls are the weakest. For entry-level HR, that can mean College Recruiting, temporary or placement agencies, HRIS implementation projects, or Office Manager for a startup. At executive levels, virtually any good VP can move into HR, which shows how far the HR function has come.

Dear Valerie:

I'm back in the HR job market after working for one employer for the last seven years. I'm brushing up on my skills, and looking at Continuing Ed. Should I add coursework on immigration to my list? Or is it better to focus on compliance?

- Polishing the resumé

Dear Polishing:

Not a lot of companies need HR generalists who are immigration experts. Larger companies have this handled through Global Mobility specialists, who usually get their starts at large accounting firms. Smaller companies tend to depend heavily on their immigration attorneys, and have budget allocated for this. All you have to do is be good at coordination. Spend your money on some Sarbanes-Oxley training.

Dear Valerie:

We're thinking of outsourcing HR. What should we look out for?

- Looking for efficiencies

Dear Looking:

Here's a quick list of what's easier and more difficult to outsource:

Easy to Outsource:

- Benefits
- Compensation
- Hourly Recruitment

Best Done In-House (can still use vendors or consultants, but personal ownership is stronger):

- Employee Relations
- Management Development
- Executive-level staffing

- Valerie

Would you like to have access to an at-a-glance feature of HR professionals who are pre-screened, pre-interviewed, highly motivated, and ready to go? VF&Co's new HR On Demand is an executive placement service offering access to the best HR professionals we've found worldwide. Check our website for updated profiles on a variety of candidates from Human Resource Managers and Vice Presidents of Human Resources to specialists in the areas of compensation, benefits, and M&A. [Click here](#) to view this month's featured candidates.

[Human Resources Executive Searches](#)

HR Executive Search Positions

Vice President of Human Resources (East Bay, CA)

High profile, alternative energy company in rapid growth is seeking their first top HR executive. Prefer outward-facing profile with solid OD, strategic planning, and Total Rewards expertise. Email your resume in MS Word format to valerie@vfandco.com.

Vice President of Human Resources (San Jose, CA)

Publicly traded microprocessor company is upgrading their global human resources function and needs change management, strategic planning, talent acquisition, etc. Email your resume in MS Word format to valerie@vfandco.com.

Director of Environmental Health and Safety (San Carlos, CA)

Considered one of the hottest pre-IPO companies in the United States and at the forefront of the alternative energy industry, our client is seeking a Director of Environmental Safety and Health to join their world-renowned team headquartered in San Carlos, CA. Email your resume in MS Word format to recruiting@vfandco.com.

Director of Human Resources, Office of the CTO (Espoo, Finland)

International mobile technology and networking company seeks a highly strategic person for its world-renowned research center, supporting one of the world's brightest engineering visionaries. Email your resume in MS Word format to recruiting@vfandco.com.

Human Resources Business Partners (Sunnyvale and Santa Clara, CA)

A global leader in semiconductors for wired and wireless communications in rapid expansion mode is looking for several highly sophisticated HR Business Partners. Email your resume in MS Word format to recruiting@vfandco.com.

Director of Human Resources (Santa Clara, CA)

A global, publicly-traded semiconductor company is seeking a worldwide Director of HR responsible for HR Operations on a global basis, including compensation and benefits, M&A, and staffing process and strategy. Email your resume in MS Word format to recruiting@vfandco.com.

Director of Human Resources (Sunnyvale, CA)

Leading global online social networking company with over 100 million members is seeking a Director of Human Resources for their new Sunnyvale facility. Email your resume in MS Word format to recruiting@vfandco.com.

Human Resources Leader (Corpus Christi, TX)

One of the largest privately held companies in the world is looking for a seasoned Human Resources Leader to provide HR support to their internal clients in their fuel production and petrochemical subsidiary based in Corpus Christi. Relocation included. Email your resume in MS Word format to recruiting@vfandco.com.

Human Resources and Office Manager (San Mateo, CA)

Dynamic biopharma company needs an HR/Office Manager. The candidate who fills this newly created position will become a key member of the general and administrative team, responsible for vital daily human resource tasks. Email your resume in MS Word format to recruiting@vfandco.com.

Compensation Search Opportunities

Director of Global Benefits (San Francisco, CA)

Large, privately held insurance firm on the West Coast and ranked among the top insurance brokers in the nation. Email your resume in MS Word format to recruiting@vfandco.com.

Director of Compensation/Chief of Staff, Americas (San Jose, CA)

A global, leading provider of Electronics Manufacturing Services (EMS), is seeking a Director of Compensation for the Americas with worldwide responsibilities. This person will provide strategic and tactical execution for the Americas, in addition to leadership, planning, and supervision to the Compensation Managers in the United States, Canada, and Mexico. Email your resume in MS Word format to recruiting@vfandco.com.

Compensation and HRIS Analyst (San Jose, CA)

Fast growing, huge, global hardware company. Email your resume in MS Word format to recruiting@vfandco.com.

Global Benefits Manager (Mid Peninsula, CA)

Silicon Valley based tech company is seeking a Global Benefits Manager to support the Director of Total Rewards and help develop and implement a Global Benefits Structure. Email resume in MS Word format to recruiting@vfandco.com.

Executive Compensation Manager (San Francisco, CA)

Successful growing software and programming company seeking experienced Manager of Executive Compensation. Email resume in MS Word format to recruiting@vfandco.com.

Senior Compensation Analyst (San Francisco, CA)

Technically savvy, Senior Compensation Analyst needed for this 3,000 employee, growing global software company. Email resume in MS Word format to recruiting@vfandco.com.

Human Resources Contracting Roles

HR Manager Contracting (Santa Clara, CA)

Global, high tech company needs HR Manager contractor with heavy performance management and light compensation expertise. Email resume in MS Word format to recruiting@vfandco.com.

Compensation Consultant (Fremont, CA)

Global semiconductor company needs a compensation consultant who specializes in Radford matching and compensation ladder creating and implementation. Email resume in MS Word format to recruiting@vfandco.com.

HR Business Partners (Silicon Valley, CA)

Fast growth public tech company needs some sophisticated folks for at least a few months to handle heavy M&A, compensation, performance management, and change management issues. Email resume in MS Word format to recruiting@vfandco.com.

Industry Events

NCHRA Annual Conference – HR West

September 15th to September 16th, 2008 - Oakland, California

Valerie Frederickson will present The Emerging Role of the HR Business Partner at the annual NCHRA conference in Oakland. This conference is a large gathering of HR professionals from Northern California offering an opportunity to network and learn from some of the foremost HR presenters and practitioners. Keynote speakers include Oren Harari, Tamsin Smith, and Chip Conley.

2008 PIHRA Annual Conference

October 6th to October 8th, 2008 – Long Beach, California

Valerie Frederickson will present The Emerging Role of the HR Business Partner and discuss this role including the background and experience required to succeed as well as consulting processes that should be part of your tool kit. Also, James Holland, Partner of VF&Co will present on the topic of RIFs and raise questions like: what resources can help you through the process? How do you deal with emotional fall-out among survivors? The theme of this year's PIHRA conference is "Advancing the Business of HR," and will focus on a balance between compliance and strategy.

BIO 2008 Human Resources Conference

October 26th to October 28th, 2008 - San Diego, California

Valerie Frederickson will present Your Strategic HR Career at this awesome conference for biotech HR professionals. The focus of this year's conference is "Taking Care of Business, Taking Care of People: Maximizing HR's Effectiveness". Sessions at the conference will examine the HR expertise required in this industry to effectively meet new expectations and address HR issues and challenges specific to the biotechnology industry.