



## **Best Practice Roundtable Discussion – April 19, 2018**

These quarterly meetings are an important opportunity to interact with other members and have meaningful dialogue on, 1) a success or best practice AND 2) share something that you are working on and/or have an opportunity to improve. A key member benefit is having other CHRO's to use as a resource, learn from and share.

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### **1. Unlimited/Flexible PTO Programs**

Mary Dymond - We currently unlimited PTO program for senior managers, directors and up and now thinking about expanding this to include all US exempt employees. **Does anyone else have an “unlimited” PTO program and how has it gone over with your group?**

Debbie Kemp – Bankrate implemented an unlimited PTO program about 2 years ago for all employees and it has gone very well. It was fairly easy to implement.

Non-exempt is on a plan, not unlimited.

They call it “flexible” instead of unlimited. To stress the flexibility of having this type of policy. It was interpreted well.

Mary Dymond – they use the term “expanded” or “extended” PTO. Use it how you need it.

Jackie Welch – interested in seeing a communication plan for this. This is something Freddie Mac is currently thinking about. **Does anyone have anything to share?**

**How do you measure success?** - any documented abuse, but there has been done. Ironically, people use less PTO. People police themselves more than you would think.

Zachary - Cost analysis? The initial impact is on the accrual rate. Since they don't accrue for unlimited PTO, by extending to all managers, they now have no accrual for half a million dollars per year. Nothing to pay out.

Elliot – with a flexible plan, people will take PTO as they need. When you have an allocation, people will make sure they use it. 6% drop in sales in December because 20% took vacation in December to use it up.

Violet Bloom – understands why you can't extend to non-exempt, but how did you handle the communications?

Debbie Kemp – they communicated it across the entire organization, including non-exempt. Sent an update of the policy, calling out the exempt employees and reiterated what the non-exempt policy is. Had both components in the communications. No issues with the non-exempt, nothing changed for them and most have 3-4 weeks off already.

Flexible PTO is a good talent acquisition tool – it's an attractive thing to offer.

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## 2. Retirement Plan Overhaul

Sara Albright inherited some significant issues with their retirement plan. The plan was complicated in its design and therefore challenging to administer accurately. They have overhauled over the last 2 years. Explained to the staff the issues they discovered and corrections that were implemented. Then they sent out an RFP and engaged a partner to assist them in their overall decisions about the plan. **If anyone has any concerns about their retirement plan, she is happy to discuss the mistakes they've made and the learnings from them.**

## 3. Compensation Restructure

Next, Bill Pearson asked **if anyone has gone through a recent compensation restructure and has a best practice on the process, changing the culture, rolling it out and key things to look at?**

## 4. Gender Equity

Mary Dymond – **Has anyone started a gender pay evaluation to determine equity and how are you doing it?**

Sara Albright – have the same issues. It's hard to come up with meaningful data because there are so many potential factors that influence compensation. Comp system is largely based on years of experience and a lot of times women leave the workforce for a period of time and this is hard to reflect in an analysis like this.

Jackie Welch – hired a firm to build an algorithm to take into account all the factors mentioned. Because they want to make this ongoing, they've partnered with Mercer.

## 5. CEO pay ratios

Jackie Welch – **what are people doing with regard to CEO pay ratios?** CEO pay rate formulas, what did you use to get to the median?

## 6. Strategic Workforce Planning

Zachary – **what are you doing with regard to strategic workforce planning? Or not doing??**

Violet Bloom – this is an area they are exploring and researching. They have connected with a consultant who has the expertise and tools they need to take what they currently do to the next level.

Elliot – how are you educating your hiring managers and operational executive teams to become good forecasters of their workforce needs?

We linked the conversation around budget discussions. It may not be the best time, it did allow them to have more in-depth conversations annually, then moved to quarterly. More at the senior leadership and their direct reports where they have those conversations. It was based on what are the needs of that particular business going to be for the year.

Mary Dymond – has a “partial” handle on SWP. Operations executives work with talent relations people to develop a capacity model of how to plan for the people to support their customers.

Sara Albright – they are unique and have to grow their own workforce. They reach into high schools and get kids excited about a healthcare career. Get regional leadership onboard looking at what is going to work for them.

Zachary – TALENT network has said SWP planning is something we want to do but haven't yet figured it out. We are somewhat overwhelmed by it when we try to do research. We need help.

## **7. Is immigration impacting you?**

Elliot – any frustration or issues with getting immigration files and documentation in a timely manner? It seems like it's gotten harder.

Debbie Kemp – they have a handful of people in the process at any given time. They've found they need to be extremely “buttoned up” with their documentation. No real issues, just a longer process. Requires a much more hands on approach.

Mary Dymond - agrees. Took 18 months to bring in a Canadian executive. It was a very drawn out process to even get him into meetings.