Namely

THE FUTURE OF HR FOR BIOTECH & PHARMA

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Introduction

The biotech and pharmaceutical industries have always been an interesting and complicated place to work, but perhaps never more so than since the onset of the COVID-19 pandemic and all its ensuing cultural, scientific, and professional reverberations.

Now, the global medicine market — using invoice price levels— is expected to grow at 3–6 percent CAGR through 2025, reaching about $1.6 trillion in total market size in 2025 excluding spending on COVID-19 vaccines. The total cumulative spending on COVID-19 vaccines through 2025 is projected to be $157 billion.

As such, biotech & pharma companies are finding themselves operating in a changed—and changing—world. And companies in this sector have to reckon with the workplace pivots that come along with these changes, all while facing increasing pressure to deliver diagnostics and therapies quicker.

As such, the HR department at biotech companies is no easy place to work. But the challenges that come along with being in HR for these companies also bring massive opportunities for these leaders to make pivotal decisions and shape the industry's future.

Many of these changes and challenges—exploring hybrid & remote work, maintaining productivity during mergers, building diverse & innovative workforces, recruiting in a hot talent market—were already prevalent for this workforce, but many companies are still finding themselves unprepared.

Let's take a look at what we can expect for HR at biotech & pharma companies in coming years.

Remote & Hybrid Work

Before the pandemic, the idea of remote work seemed almost impossible to most biotech and pharma companies—especially for their employees who worked in labs or testing centers. So after COVID-19 hit, these companies had no choice but to navigate the foreign world of working from home.

Fast forward to today when stay at home mandates have been lifted and many employees are vaccinated, biotech and pharma companies have the option to return to their old ways or change their remote work policies forever. Since a recent study found that 58 percent of employees would “absolutely” look for a new job if they aren’t allowed to work from home, these companies should choose the latter. Companies that decide not to embrace some kind of remote work will simply not be able to attract and retain talent in today’s competitive job market.

According to a recent Mercer survey, 65 percent of life sciences companies have already introduced remote working arrangements for roles where it’s possible. Of course, there are some jobs that need to be on-site, but even these employees may be able to work from home in some capacity. For example, Dendreon Pharmaceuticals, a pharmaceutical company headquartered in California, realized that employees who had roles in or near the lab could do about 80 percent of their jobs from home. As a result, their HR team started to encourage employees to grab their laptops and work from home once they’re done with the part of their job that requires them to be in-person.

But what does that mean for onboarding and training? With more employees working from home, biotech and pharma companies will have to transition their on-site processes into remote ones.

Let’s take a closer look at how.

Virtual Onboarding

Effective onboarding directly increases employee retention by helping new hires feel welcomed from day one. In fact, Glassdoor found that companies with a strong onboarding process improve their employee retention by 82 percent. If a new hire doesn't have a positive onboarding experience, they are twice as likely to search for other job opportunities and leave the company.

Since many biotech and pharma companies are used to welcoming new hires in-person, they will have to reimagine their onboarding processes to accommodate remote employees. Whether the majority of their employees are working from home or they have a hybrid model, these companies will have to develop an onboarding process that will be effective for their entire workforce. Luckily, with the right technology, virtual onboarding programs can be just as welcoming and effective as in-person ones.

By using paperless onboarding software, biotech and pharma companies can set up new hires no matter where they're located—especially if it integrates with their recruiting solution. Through this automated technology, HR teams will be able to kick off onboarding as soon as a new hire signs their offer letter. Before their first day, they can complete their paperwork and view policies, enabling HR to focus on company culture, benefits, and other critical topics during actual onboarding sessions. Even for new hires that require some kind of on-site training, this software enables them to complete the parts of their onboarding that doesn't have to be done in-person at home.

Encouraging Innovation

Innovation lies at the heart of biotech and pharma companies. But in a remote or hybrid workplace, encouraging innovation amongst employees can be a challenge. This is especially true for teams and departments that were used to attending on-site training before the pandemic.

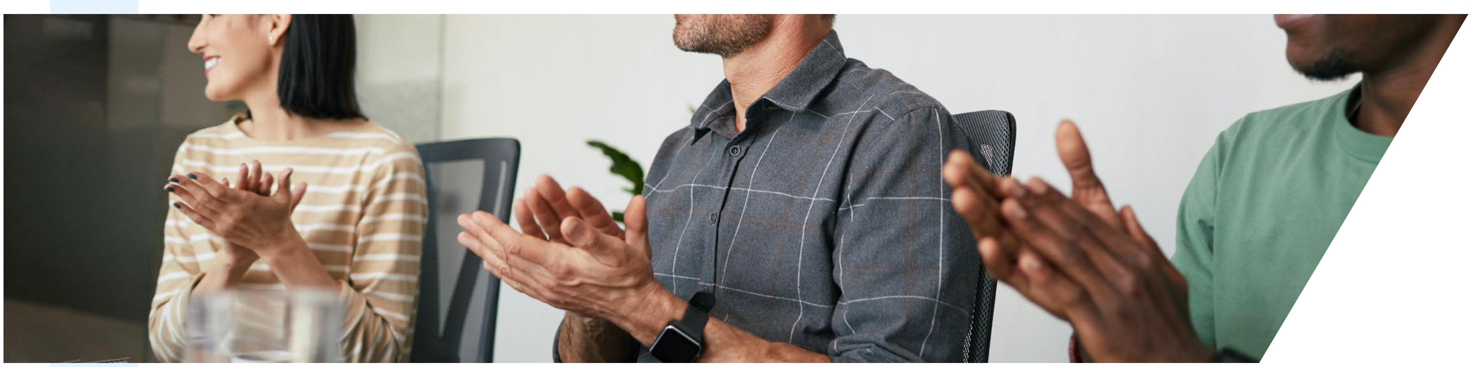
Fortunately, just like onboarding, biotech and pharma companies can build out training programs that employees across state lines or time zones can participate in. This is where cohorts and virtual programs come into play. If you choose to split your program into cohorts, you can do so based on employees' locations or roles. For example, one of your cohorts can be solely for employees who work on specific clinical research. Depending on the goals you set, your program can take on several different forms, including internal training, apprenticeships, mentorships, partnerships with vendors, online course platforms, and relationships with universities.

Putting The Human Touch into Tech

Biotech and pharma companies are known for having tech-savvy workforces—which means they've always had the most updated and modern technology. But as they continue to let employees work from home or make the shift to hybrid work models, they'll have to rely more on these tools than ever before.

The downside of this is that sometimes using so much technology when you have a dispersed workforce can leave employees feeling disconnected, isolated, and burnt out—especially for those who were used to seeing each other in-person every day before COVID-19, whether it was in the lab, testing center, or office.

So how can biotech and pharma companies avoid this? By implementing certain tools and properly training employees on how to use them, HR teams can keep them connected and simplify communication across their entire organization.

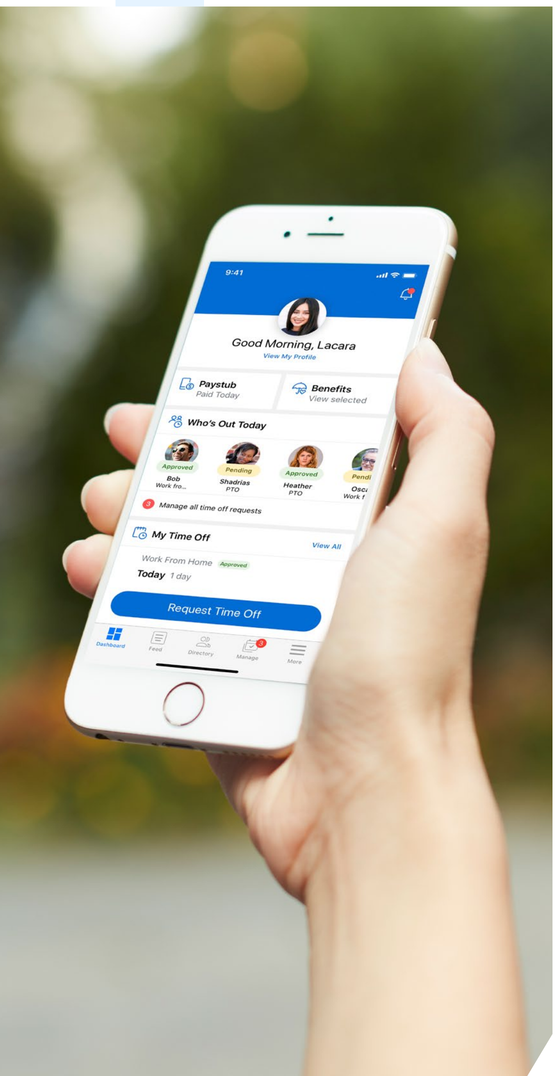


Here are some tools that can help you put the human touch into tech:

Collaboration Tools

As biotech and pharma companies continue to navigate remote or hybrid work, many of them are still struggling to find ways to encourage virtual team bonding and collaboration.

Thankfully, these companies can use a variety of tools to give their employees easy ways to interact with one another. Whether it's Slack or your HR software's newsfeed, these tools enable employees to share important information, collaborate, and celebrate milestones, like work anniversaries and birthdays. With other teleconferencing tools, you can also host events like virtual lunches, happy hours, and trivia nights to keep employees connected—no matter where they are.



Employee Self-Service Tools

Now that so many employees are working remotely, it's never been more important to provide them with self-service tools that they can access whenever, wherever.

Payroll systems that offer a self-service portal give employees the flexibility to review or access personal information, such as their pay stubs, bonus, benefits, and required work hours, with privacy and security. They can check in on details at their convenience and request that information be updated as needed, which makes the work of the payroll department less tedious and reduces the risks of errors.

Self-service tools can provide access to critical information throughout the entire employee lifecycle. Before their start date, new hires can be assigned to complete required forms such as their W-4s and I-9s securely and electronically. Then once they're onboarded, employees can easily retrieve any of their personal information at any time. They're able to update their personal banking information, review withholdings, view PTO accruals and request time off, and download their W2s and 1099 forms.

Streamlined employee self-service portals can also be integrated with systems for benefits and open enrollment. Since manually combining these opens up a lot of risk for error if you need to edit payroll whenever someone changes their benefits, having your benefits platform directly integrated with your payroll platform can save you valuable time and money. It also gives your employees a single view of both payroll and benefits, which is helpful in understanding their total compensation.

Hiring & Retaining Talent

Now that biotech and pharma companies are letting employees work remotely, they have the ability to hire talent from all over. Looking ahead, the “typical team” will consist of employees from all different states and time zones. This means that recruiters will be able to expand their pool and attract talent from all over—reaching top candidates that they would have never had access to otherwise.

But reaching them doesn’t necessarily mean that it’ll be easy to hire them. As the Great Resignation lingers, companies are facing the dilemma that there are more open roles than candidates.

In this new candidate driven-market, biotech and pharma companies will have to take their hiring strategies to the next level in order to attract and retain top talent.

Here are some ways they will adjust their hiring processes going forward:

Offering the Right Benefits

As the talent market heats up and employees’ opinions of what really matters to them changes (hello, WFA!), the baseline benefits will no longer cut it. In the future, we can expect biotech and pharma companies to focus even more on total rewards (the combination of benefits, compensation, and rewards that employees receive from their organizations) rather than just salary or in-office perks.

Let’s look at a few benefits that we expect to increase in popularity in the coming years:

Flexible Work

Even though remote work is a newer concept for most biotech and pharma companies, flexibility is not. Before the pandemic, 73 percent of life sciences companies offered employees the ability to shift the start and stop times of their jobs.

In today's job market, companies that don't jump on board and offer flexibility will struggle to attract and retain top talent. In fact, 40 percent of job candidates prize schedule flexibility when making career decisions. Another recent survey found that 95 percent of its respondents want flexible hours and 78 percent want location flexibility. Going forward, we expect biotech and pharma companies to come around to the idea that, just as it doesn't matter where employees work, when you work is less of a priority as well.

The 4-Day Work Week

It may sound impossible, but over the coming years we expect the 4-day work week to become a top benefit for many biotech and pharma companies. It's less surprising when you note that the 5-day, 40-hour work week only became popularized with the passing of the Fair Labor Standards Act in 1938.

The 4-day work week is trending because it takes flexibility to the next level and promotes a healthy work-life balance. After implementing a 4-day work week, the Perpetual Garden found that employees' work-life balance increased by 45 percent, productivity increased by 20 percent, and stress levels decreased by 27 percent.

Care Benefits

According to Harvard Business Review, 57 percent of senior leaders are assigning higher priority to care benefits to support their employees in both work and life. Care benefits include child care and senior care, to name a few. In fact, 41 percent of leaders plan to offer or expand new senior care benefits to employees, and 63 percent plan to increase their company's already existing child care benefits. Care benefits can include access to paid services, cash subsidies, support groups, familial leave, in-home care, and more. Companies who have introduced care benefits have seen increased productivity and decreased absenteeism.

Mental Health Benefits

COVID-19 brought about an increased focus on mental health in the workplace—one that is unlikely to go away anytime soon. In fact, according to Google, how to maintain mental health was searched more last year globally than ever before. To help support employees' mental health and to counter burnout, biotech and pharma companies will likely increase their mental health benefits to include full-on therapy, telehealth counseling, and mindfulness app subscriptions.

Student Loan Repayment

Forty-four million Americans owe more than $1.5 trillion in student debt, with the average college graduate leaving a private four-year university owing $32,600. To help ease the financial burden on younger employees, many biotech and pharma companies have introduced student loan repayment assistance. This benefit is becoming increasingly popular, with 86 percent of employees saying they would commit to a company for five years if it helped pay back their student loans.

Fertility, Reproductive Health, and Family-Forming Benefits

Did you know that nearly a quarter of U.S. organizations now cover the cost of in vitro fertilization (IVF) treatments and 14 percent provide financial assistance for adoptions? This trend is growing, and has increased significantly over the past 5 years. We expect benefits of this type to skyrocket in popularity over the next 5. Fertility, Reproductive Health, and Family-Forming benefits can include things like infertility diagnosis and medication, IVF, intrauterine insemination, adoption aid, egg freezing, the procurement of donor eggs or embryos, and gestational surrogacy. But they can also include benefits like educational seminars, hormonal health check-ups, reproductive health conditions leave, and menopause policies.

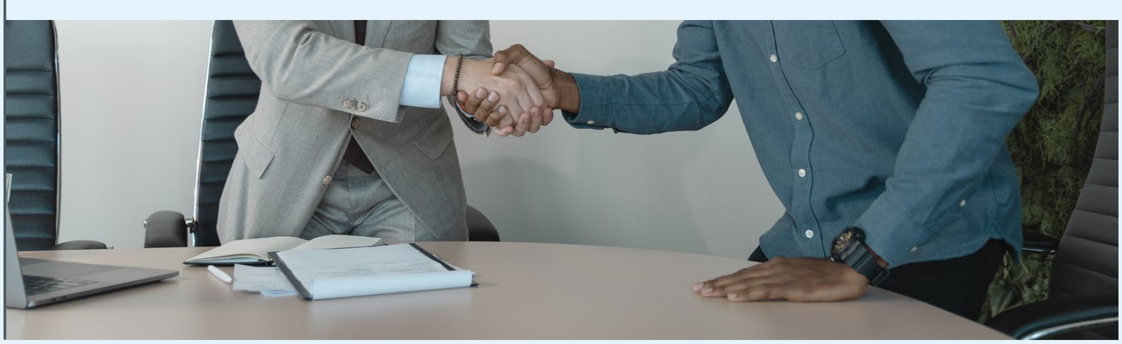
Investing in Career Development

In order to retain their employees, biotech and pharma companies will need to develop strategies to keep them inspired and motivated—especially if they are working from home. Since 94 percent of employees would stay longer at a company that invests in their career development, helping them grow professionally and recognizing them for their hard work can go a long way.

Here are some ways you can prioritize your employees' career development to make sure that they're in for the long haul:

Conduct Useful Performance Reviews

Whether you conduct reviews quarterly or annually, evaluating your employees' performance is critical to keeping them engaged at your company. From quality of work to productivity, performance reviews recognize your employees for their accomplishments and identify their areas of improvement.



When a manager puts in the effort to execute a well-planned performance review, it can actually make a difference in an employee's work ethic and have a positive impact on the success of the company overall.

Instead of viewing performance reviews as a waste of time, make them a priority. By providing the right type of feedback for employees and properly executing reviews, you can change the way your employees and managers handle the process.

Have Career Development + Career Pathing Convos

Don't leave all of your career development conversations to performance reviews, though. Performance reviews should focus more on the now, honing in on individual and team performance and how that person has contributed.

Set aside separate time to speak with each employee about their career goals, what they hope to accomplish within the next 6 months to a year, what they want to learn, what they like and don't like, and how you can help them. This is a great opportunity to offer advice on courses they can take, help them find a mentor, or provide them with a stretch project that will help them test their skills and try out a project that might be more common if they upleveled their role.

Ensure that you also are completely transparent about the career path for that person's role—even laying it out in a document. Tell your employees what is expected of them at their current level and what exactly they need to do to take it to the next level.

Give Feedback & Recognition

Since low morale in the workplace can increase the likelihood of employee resignations, it's critical to implement a positive system of feedback. In fact, 20 percent of employees say feeling underappreciated for their contributions is hindering their engagement at work, and 40 percent of employees say their manager is just "okay" at recognizing their work. Nearly 70 percent of employees say they would likely leave their job if they didn't feel appreciated.

Receiving positive feedback can keep employees engaged, while motivating them to continue working hard and putting their best foot forward. Employees who feel encouraged and proud of their contributions to your company are more likely to stay.

Some ways that you can give recognition outside promotions and raises are things like spot bonuses, organizational awards, implementing a President's Club, and individual incentives for projects.

Still, money can't always buy happiness. Sometimes a simple "thank you" can go a long way. One study found that most employees said the most meaningful accolade they had ever received held "no dollar value." Encourage your managers to regularly recognize their direct reports and consider implementing a fun employee recognition program.

Supporting a Multi-Generational Workforce

According to a 2019 study, the average age of medical scientists, life scientists, and other similar roles was 41.6 years old. But with the influx of Gen Z into the job market—now making up 46 percent of the US workforce—biotech and pharma companies will have to figure out how to hire and retain employees from all generations.

So how can these companies support their multi-generational workforces? Let's take a closer look.

Attracting & Retaining Gen Z

Unfortunately for biotech and pharma companies, the life sciences industry isn't exactly at the top of the younger generations' minds. In fact, a recent study found that 78 percent of Gen Z considers entertainment its most prized industry, with tech right behind it.

So how can biotech and pharma companies pivot their strategies to attract and retain next-gen talent?

With the majority of the industry consisting of Generation X and millennials, it's important for biotech and pharma companies to recognize that Gen Z has different expectations and priorities—especially when it comes to benefits. Between paying rent, saving for retirement, and everything else in between, Gen Z has its own set of financial issues. This is why benefits like 401k matching will become a must-have for Gen Z. This is also where offering student loan repayment assistance as a benefit can give companies a real competitive advantage.

In addition to financial benefits, wellness benefits are also a priority for Gen Z. From expanding Employee Assistance Programs to offering virtual mental health support, many companies are enhancing their wellness benefits in order to attract and retain their employees. In fact, almost 40 percent of employers added to their wellness benefits last year. As finance companies continue to adjust their benefits plans to attract Gen Z, that percentage will likely keep increasing in 2022.

Preparing for an Aging Workforce

In addition to pivoting their hiring strategies to attract Gen Z, biotech and pharma companies should also be focusing on how to retain their employees in older generations—especially since more than half of executives are specifically worried about them leaving their companies.

Surprisingly, the problem isn't that Baby Boomers are retiring earlier than expected. In fact, it's quite the opposite: 72 percent of the generation intends to work past the typical retirement age. The problem actually lies in the fact that 63 percent of Baby Boomers don't feel adequately supported when they do stay in the workforce longer.

To prepare for their aging workforces, biotech and pharma companies can invest in reskilling and upskilling. Offering such training allows older employees to strengthen these skills, helping them keep up with the changing workplace and avoid getting overwhelmed by it.

With that said, Baby Boomers aren't the only ones who can benefit from this investment. In fact, 54 percent of all employees will require significant reskilling and upskilling this year. Since 91 percent of companies say reskilling and upskilling has boosted productivity at work, it's becoming a popular resource to keep employees engaged and ultimately retain them.

Another strategy biotech and pharma companies will start trying out to prepare for their aging workforces is phased retirement. As a large portion of the U.S. workforce collectively moves toward retirement age, these companies should beware "flash retirement," or the departure of large numbers of retirement-eligible employees in a short period. One way to curb or avoid flash retirement all together is to consider phased retirement options. While there's no universal definition of phased retirement, SHRM notes that HR teams can consider implementing measures like "offering reduced-hours schedules for employees nearing retirement; enabling employees who are eligible for retirement to collect pension benefits while continuing to collect their salary in compliance with the act; or rehiring retired employees as full-time workers, part-time workers or consultants directly or through third parties." Implementing this strategy can increase the chances of retaining older employees until they're ready to retire permanently.

Diversity & Inclusion

It's no secret that the biotech and pharma industries have a diversity problem. Let's look at some stats to illustrate:

- African Americans, Asians, and Latinos comprise less than 10 percent, 14 percent, and 11 percent, respectively, of the U.S. pharmaceutical workforce.
- Women in biotech companies make up less than a third (31 percent) of executive team members and only 23 percent of CEOs.
- Female physicians earn an estimated $2 million less than their male counterparts over a 40-year career.
- Diverse patients account for less than 10 percent of patients enrolled in clinical trials.

HR teams have been working on addressing this issue for years, but it's becoming an increasingly more prevalent conversation. And for good reason. Let's explore some more startling facts that highlight the importance of bringing increased diversity to the biotech & pharma industries:

- EBIT margins for companies with diverse management teams were nearly 10 percent higher than for companies with below-average management diversity.
- Companies with above-average diversity produced a greater proportion of revenue from innovation (45 percent of total) than from companies with below average diversity (26 percent).
- Companies with more than 30 percent women executives were more likely to outperform companies that had less.

Here are some ways biotech & pharma companies can make sure DEI is top of mind not just during the hiring process but throughout the employee lifecycle:

Integrate DEI in Company Culture

To attract, nurture, and retain diverse talent, biotech companies must commit to creating workplace environments that foster belonging and psychological safety. They must have policies and practices in place to welcome individuals with varied backgrounds, cultures, experiences, and thoughts. Elements of inclusivity should be deeply integrated with employee engagement programs, hiring processes, educational resources, and leadership training—making it a core part of company culture.

Implement New Strategies

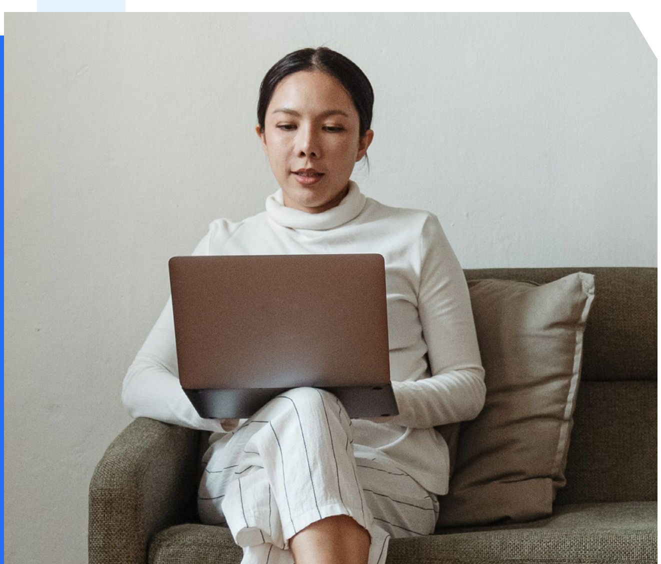
When setting company-specific DEI goals, consider strategies for diversity recruiting, establishing and supporting Employee Resource Groups, hosting unconscious bias training, and offering inclusive benefits. You can target specific issues around gender diversity by designing a women's leadership development program with tailored curriculums. Understanding how to incorporate these foundational practices will set your organization up for measurable success with DEI in the long run.

Involve Leadership

It's crucial for leaders and HR professionals at biotech companies to model the behavior they want employees to emulate, and take action to live out their company values with respect to diversity and inclusion. Practice using inclusive vocabulary, supporting employee activism, and sharing updates about what is being done to address the diversity issues affecting employees. Executive sponsorship and commitment to DEI can create enthusiasm around strategies and sustain the momentum needed to drive lasting change.

Track DEI Metrics

Using DEI metrics can help you assess how effective your initiatives are and where adjustments and improvements need to be made. Implementing employee engagement surveys and hosting fireside chats, feedback sessions, or focus groups can help you leverage employee data to continually improve your DEI efforts. Keep in mind that systemic changes will take time and that holding yourself accountable to quantifiable goals will increase your chances of success.



Building Agile Workforces

In the midst of changing laws, regulations, geopolitical conflicts, pandemics, human needs, natural disasters, evolving technogies, and more, biotech and pharma companies need to be nimble. They must be able to move their workforce strategically to focus on new goals and re-work operations at the drop of a hat to respond to new challenges (take COVID-19 for example).

In short, biotech and pharma companies need to build agile workforces.

But that's simpler said than done. So what does an agile company look like?

According to McKinsey, there are 5 characteristics that mark an agile organization:

> ***North Star embodied across the organization:***
>
> "Set a shared purpose and vision—the "North Star"—for the organization that helps people feel personally and emotionally invested. Provide clear, actionable, strategic guidance around priorities, behvaiors, and the outcomes expected at the system and team levels. Be committed to creating value with and for a wide range of stakeholders (for example, employees, investors, partners, and communities)."
>
> ***Network of empowered teams:***
>
> "Agile organizations maintain a stable top-level structure, but replace much of the remaining traditional hierarchy with a flexible, scalable network of teams. Networks are a natural way to organize efforts because they balance individual freedom with collective coordination. To build agile organizations, leaders need to understand human networks (business and social), how to design and build them, how to collaborate across them, and how to nurture and sustain them."
>
> ***Rapid decision and learning cycles:***
>
> "Agile organizations emphasize quick, efficient, and continuous decision making, preferring 70 percent probability now versus 100 percent certainty later. They focus on rapid iteration and experimentation, often work in sprints, and are performance-oriented by nature."
>
> ***Dynamic people model that ignites passion:***
>
> "An agile organizational culture puts people at the center, which engages and empowers everyone in the organization. They can then create value quickly, collaboratively, and effectively. Organizations that have done this well have invested in leadership which empowers and develops its people, a strong community which supports and grows the culture, and the underlying people processes which foster the entrepreneurship and skill building needed for agility to occur."

Next-generation enabling technology:

"Organizations will need to begin by leveraging new, real-time communication and work-management tools. Technology should progressively incorporate new technical innovations like containers, micro-service architectures, and cloud-based storage and services."

As we move into the next few years, pharma and biotech companies that don't move from more traditional workforces to agile ones will find themselves falling behind.

Mergers & Acquisitions

Mergers and acquisitions are really challenging (and exciting) times for any company. And in order for smaller and mid-sized biotech and pharma companies to compete against tech giants like Google and Amazon, the industry has seen a surge in M&A activity over recent years.

But there's more to M&A than just legal paperwork. This time is of massive importance for HR teams, as perhaps surprisingly, the majority of barriers to a successful integration between two companies are people and culture related.

When two organizations are attempting to merge, issues often arise relating to: employee benefits and compensation, basic HR and payroll processes, expectations of employee objectives and behaviors, increased turnover, leadership backlash or exodus, and culture gaps.

On top of all that, productivity drops by 50 percent in the first four to eight months following a M&A transaction. In industries as competitive as pharma and biotech, this could result in massive losses in research time, ability to compete in races toward patents, and in the end, revenue.

HR's goal in this process is to make it as smooth as possible for employees, so they can get back to work on life-saving and cutting-edge research faster.

In order to have a successful merger or acquisition, HR needs to be prepared and very aligned with leadership on the goals of the transition. Here is a (very non-exhaustive) list of things HR and leadership can do to support a smooth integration:

- Communicate: Communication is critical in situations like these so employees feel they are in the loop, aligned, and heard. Answer frequently asked questions upfront as soon as you can, including, "Will I still have a job?" and "How will this affect my compensation?"
- Designate an HR project manager: This person can coordinate between teams, ensure deadlines are met, and keep track of open tasks.
- Create a new company handbook: This handbook can help align both teams on expectations, key policies, rules, behaviors, and values like attendance, time off, harassment, drug testing, and privacy. A document like this can help ease their concerns and also keep you protected from any HR risk.
- Know the law: You should be aware of all potential risks when it comes to letting employees go during a transition, including but not limited to the Worker Adjustment and Retraining Notification Act (WARN).
- Consider retention bonuses: Reward the loyalty of those who stay through the process and show them that you appreciate their patience through any bumps in the road.
- Implement & secure your HRIS: An HRIS can be a key support and technological partner during a merger or acquisition. They can help you with payroll, benefits, compliance, creating a handbook, and more.

In the future, we can expect to see biotech and pharma companies aligning themselves with HR technologies that can fully support these M&A activities.

Data-Driven People Decision Making

Tracking and reporting HR metrics is an important way to quantify initiatives, track progress toward goals, and enable informed decision-making. And over the next 5-10 years, HR at biotech & pharmae-commerce companies will become increasingly more data driven. Not only will HR use data to make people decisions, but company leadership will lean on HR leaders for data that will help them make larger corporate choices, as well.

Some of the data points that we expect will become commonplace to measure are:

Quality of Hire

You could call quality of hire the "holy grail" of people metrics. Many organizations score employees based on a number of factors, including productivity, engagement, and adherence to company values. Identifying your company's list of most valued characteristics in a new hire is the first step. Your list should include what matters most at your organization.

For each of your chosen factors, implement a rating system that ranges from one to five (e.g., severely underperforming, underperforming, neutral, satisfying expectations, exceeds expectations). Then you can use this formula: Quality of Hire = Average of (Performance + Productivity + Job Fit + Values Fit).

Turnover Rate

Out of all the data points measured by HR, few are as essential as turnover. Quite simply, turnover rate measures the number of employees who leave your company within a set period of time. While your base metric should include both voluntary and involuntary terminations (people who quit or are asked to leave, respectively), you can calculate turnover separately for both types of departures.

To calculate turnover rate, tally the number of involuntary and voluntary terminations over the timeframe you're considering (typically a year). Then, divide this amount by your average headcount during that same period. Finally, multiply this number by 100 to arrive at a percentage.

Career Path Ratio

The notion of the career "ladder" has been relegated to the dustbin. Employee movement at modern day organizations is multi-directional—meaning lateral moves across departments and specialties are becoming more the norm. Enter our next metric: career path ratio, or a measure of how many internal moves are promotions versus lateral transfers.

To calculate this metric, simplify divide your total number of promotions by the sum of all role changes, regardless of whether it was an upward or lateral move. If you did the math correctly, the resultant figure should be less than 1.

Unsure of what a healthy career path ratio looks like? The rule of thumb is that companies should average approximately four transfers for each promotion, meaning a career path ratio of 0.2 or less. If your ratio number ends up between 0.5 and 1.0, that may be indicative of a problem with how your business approaches development. In cases like these, managers may be guilty of "talent hoarding," or shielding high-performers from any and all transfer opportunities.

Pay Equity

A pay equity audit requires you to examine your company's payroll data for evidence of a pay gap and make appropriate recommendations to senior management. The goal of a pay equity audit is to understand whether employees performing similar work at the same level are paid consistently. This is a separate analysis from your annual pay adjustment cycle.

It is important to consult with a lawyer when you audit your pay practices; audits completed with a lawyer should be protected by attorney-client privilege. Start by pulling employee pay data and consider how you want to group the data. Good groupings are key to ensuring your findings are sound. You'll want to look for things including: Pay gaps hidden in certain job titles or departments; underpaid high performers and overpaid low performers; significant differences in promotion rates, raise frequencies and bonuses; and men and women who do similar work, but are not at the same job level.

eNPS

Measuring your company's employee Net Promoter Score (eNPS) empowers your team to get an accurate read on something as subjective as how individuals feel about work.

If "NPS" sounds familiar, that's for a good reason. Originally conceived of by business strategist Fred Reichheld as a way for companies to gauge customer satisfaction, NPS surveys ask participants one "ultimate" question: "What is the likelihood that you would recommend [...] to a friend or colleague?"

Respondents are asked to measure their approval on a scale of 0 to 10. Those who respond with a 9 or a 10 are considered "promoters," and those who answer 0-6 are detractors. Anyone in between those ranges is considered "passive." An overall score is calculated by subtracting the percentage of employees who are detractors from the percentage who are promoters.

All action planning around engagement should be driven to raising that metric over time. This is also the most essential measure to observe with consistency. It's always tempting to change up the questions, but don't do it for at least the handful of questions that drive the overall engagement measurement.

About Namely

Distinguished by its intense commitment to diversity, equity, and inclusion, HR technology leader Namely is an employer of choice that helps mid-sized employers and their employees thrive. Delivering and streamlining the complexities of recruiting, onboarding, time & attendance, performance management, benefits administration, compliance, payroll and analytics from a single platform, Namely also offers Managed Payroll and Benefits services. The company further differentiates the client experience through personalized service and easy-to-use applications. Learn more at Namely.com and follow us @NamelyHR.