

# FOUNDER'S GUIDE TO HIRING THE BEST PEOPLE LEADER

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## WHAT REALLY MATTERS WHEN HIRING A PEOPLE LEADER?

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In recent years, we've been proud to have helped some of the most prominent investor-backed, high growth companies hire their Chief People Officer or VP of People. The 2020 to 2022 period in particular was a market of unprecedented demand for People leaders, with companies needing to respond to the Covid pandemic, movements for social justice, and extraordinary growth targets. There had never been a greater need for a business to hire the right People leader, and potential candidates in the market never had so much choice.

We wanted to share some of our learnings from recent experience in helping companies hire this vital position, looking at how this role has evolved in recent years, the competitive dynamics associated with hiring a talented executive with an abundance of choice, how to assess who the right People leader is for you or your portfolio company and what's needed at each stage of growth.



# THE EVOLUTION OF THE ROLE

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The role of the People leader has evolved significantly in recent years. By now it is largely well understood by most companies, founders and investors that the People leader should have a real seat at the table. If a company is serious about attracting, retaining and developing the best talent for their business – and not just paying lip service to that idea – this is how the role needs to be recognized. Modern People leaders think in some respects like GTM leaders; understanding how to acquire, retain and develop the right customers requires a similar perspective and approach. They also think in some respects like Product leaders – viewing the employee experience as something that can be iterated and improved upon based on feedback loops.

The modern People leader is fundamentally business-minded. They are capable of understanding the unique traits of a business and bringing together strategies and initiatives that suit its requirements. They do not seek to roll out procedures or policies just because they are interesting or have worked elsewhere. They own their proposition as their product, and shape something suited to their precise environment.

The level of your investment in the function (as opposed to just the salary of your People leader) will also be an important factor considered. It sends a great signal to candidates if a CEO understands both how a People leader can really drive their business, and that the hire will be supported and resourced appropriately.



# THE EVOLUTION OF THE ROLE

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## TIP

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Look for examples of a People leader intimately understanding their previous businesses, and how their initiatives suited that particular context. If a People leader has spent time in another function and succeeded before moving into the People space, they will likely have had experience in answering some of these broader business questions.



# THE COMPETITIVE DYNAMICS

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In the last two years, People leaders have never had so much choice. The evolution of the role meant that the modern, business-minded leaders were already in high demand, and the dynamics of the last 2 years have exacerbated this dynamic even further. In Early 2022 we would have said it's not an exaggeration to say that if a People candidate is interested in talking about new opportunities, they will be able to line up multiple offers in a matter of weeks.

This dynamic may have changed slightly with the downturn in the economy, with many companies in lay-off rather than growth mode, but if you want to hire the very best People leader for your business you still want to ensure the right candidate feels comfortable going your way. People leaders tend to think deeply about the fit with the team they will be joining, the competition can also mean choosing to wait it out for a team they identify better with. In order to attract a high caliber leader, the hiring process will need to be excellent. A People leader will be assessing a CEO's understanding of the value of the role and the importance with which they hold it. They will be assessing the dynamics of the executive team and how they work together. And, they will be looking at the process. Their role will be to own the employee experience, and this starts with the candidate experience. They will be trusting their instincts on how a particular process makes them feel, how the relationships with their potential colleagues are forming, and how they will be seen and understood if in post.

It also goes without saying, these candidates will be strong negotiators and aware of the benchmarking data for their role and others. Best-foot-forward offer negotiation is better than trying to win the deal. These candidates want to feel like they are making the right decision for the long term, and they have the power. The way you engage them has to acknowledge this fact.



# THE COMPETITIVE DYNAMICS

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## TIP

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Think about what pulling out all of the stops means to you, and then double that effort. Do not spend a quick 30 minutes on an intro call. Set aside the time to make an excellent first impression and begin building a great relationship. Great candidates are rare in this function and if one has come to the table, spending an hour will not be wasted effort. Similarly, ensure the interview panel is well prepared, and that they understand the value of the role as much as the CEO, and that they are also willing to make the time. And follow up after meetings. These candidates are so in tune with what a good candidate experience looks like, and they will be assessing yours. They want to know they are coming into a company with a good foundation that they will be able to cultivate.



# HOW TO ASSESS: WHO IS THE RIGHT LONG TERM FIT?

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## PEOPLE

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It is our firm belief that the right people leader for you is the one that is most aligned philosophically, stylistically and from a values perspective. We have seen great companies hire People leaders that looked fantastic on paper, and indeed were proven to be successful, and yet it doesn't always work. The reason is most often philosophical misalignment. This is something that cannot be faked and when a People leader is looking for a long term partnership with a CEO they can trust, the fit here has to feel completely natural.

Once you understand this, you can then assess against it. And the great thing is, this is a great hook for candidates too. If you can identify that you are deeply philosophically aligned with a particular People leader, and can reinforce that message in your interactions, this will be one of the key criteria that candidates will use to evaluate opportunities, and it will help your business stand out among all of the choices they have.

Some examples; is your communication style extremely direct or softer? Do you value process and structure or sense and intuition? Is the first order priority for a business to enable excellent performance, or to create an environment where employees can be their whole selves at work? Do you firmly believe in-office work is important, or would you gladly shift to remote? Do you value experience or experimentation?



# HOW TO ASSESS: WHO IS THE RIGHT LONG TERM FIT?

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The questions above are not right or wrong answers. But they are good markers for identifying what you believe, what is different about how you build a business, and which people you will instinctively trust and gravitate towards. By understanding your own philosophies, you increase your chances of converting someone that is deeply right for you. Combine this with appreciating the competitive dynamics for People leaders, and understanding their real value to the business, and you stand a high chance of securing a great person to lead a vitally important function.

## TIP

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Really understand what it is you value in a person. Not just in the skillset, but in how they think. How they communicate. How they react to situations. How they see the world, business, and their role. Who are the people that have succeeded most in your business? Who do you trust the most? Why is that? Beyond their technical competence, it is likely you will be able to form a picture of the right style of person for your business.





# WHAT'S INVOLVED IN THE ROLE?

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## PEOPLE

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Hiring an outstanding People leader is also about understanding stage appropriateness. Depending on the stage, this will inform the level of experience a business will typically want in their People leader, and each stage will have more of a focus.

### 0-100 HEADCOUNT - HEAD OF PEOPLE

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Typically focused more on talent acquisition. At this point there are still a lot of unknowns. So it's about getting good people into the company. There is some idea of culture, likely the Founder's idea, but not too much repeatable process and structure of how to scale and reinforce it. It is likely that the Founder still interviews most people. The business will want to reach its Series A or B, and will be doing everything it can to reach that milestone. They will start to think about onboarding, and may have some beginning of an idea on compensation philosophy, but it is often quite unstructured.

The right hire here could be a Head of People who has excelled repeatedly at the 20-100 person growth journey. It could also be a Head of Talent that wants to step up and broaden out, or it could be someone perhaps with a strong business partner background who would then still likely work with a Director of Talent.

### 150-500 HEADCOUNT - VP OF PEOPLE

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Now the business is likely to scale. It has likely raised their Series B. They start to have a lot of customers. They start to think about expanding internationally. Rolling out new products, and adding more layers and levels in the company.



## WHAT'S INVOLVED IN THE ROLE?

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More complexity and more scale means more structure is needed to ensure the company grows in the right way. This is where a VP of People really helps. They will still need to oversee recruitment because the company is still growing, but other focuses also come into play, with Development, Retention, Culture and Organisational Design becoming really important.

In this phase people will be becoming Managers who have never managed people before. You will start to realise you don't know everyone who works at the company on a first name basis like you used to. You need more structured development programs, career pathing, compensation bands to ensure fairness, performance reviews and feedback, a proactive focus on DEI, plus internal communications so all of the new people are kept informed about the direction of the company and their role in it.

In this phase there is often a chance for a VP People to be quite creative, to really establish what their company stands for in terms of their People philosophy and really think about their Employee Value Proposition. In the same way a CRO will think about the acquisition, retention and development of customers proactively, a great VP People will do the same thing for employees. This is where the People-as-Product philosophy comes into focus. It is where the role can really demonstrate the value of its modern interpretation, more strategic impact, more development of managers in the business, and less focus on administration.



# WHAT'S INVOLVED IN THE ROLE?

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## 500+ - CHIEF PEOPLE OFFICER

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This is where a company is well established, they have predictable revenues, likely international operations, lots of people. Maybe they are public or thinking about it and so predictability and consistency are more important.

When a company reaches this size and complexity, a wrong move can effect 100s of people, so being able to draw simplicity in the complexity as much as possible is vital.

We would argue here in a lot of cases it means that the People leader should almost be less 'creative' around trying new things to demonstrate their employee value proposition, and will have more of a focus on reliability of the function. Here systems and analytics come into importance a lot more, such as platforms like Workday which provide a source of truth for who is in the company, who does what, and how to make decisions on how to move forward. As with all functions, the additional structure and process at this size may mean certain people don't suit the company as much anymore, it might feel slightly less 'fun', but the company may suit a different style of employee and have a clearer idea around what it needs to do to hit its milestones – which will be more predictable, and what is real success factors will be.

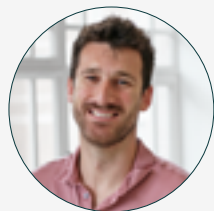
## ABOUT THE AUTHOR

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Chris leads Chief People Officer searches across the US for venture-backed companies. With the evolution in the function over the last decade, he has developed a strong track record at identifying, attracting and assessing business-minded People leaders that fulfill the modern requirements today. He has recently placed Chief People Officers at Flexport, Lemonade, Flex, Deputy, Corelight, Rossum, Peak Games, Snyk and Beamery.

## CONTACT

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