



NORWEST

# **2022 TALENT & PEOPLE PRACTICES BENCHMARK SURVEY**



# WELCOME

Our seventh annual Talent & People Practices Benchmark Survey was sent to Norwest's active North America-based portfolio companies in late summer 2022.

The survey measures benchmarks and best practices around people operations, talent acquisition, team structure, total rewards, systems and tools, and post-pandemic impacts (including return-to-work expectations).

121 companies in the Norwest portfolio participated in this year's survey, and we are eager to present the top takeaways, along with the detailed findings.

Questions about the survey or the results? Please email [ltenant@nvp.com](mailto:ltenant@nvp.com)

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## KEY TAKEAWAYS

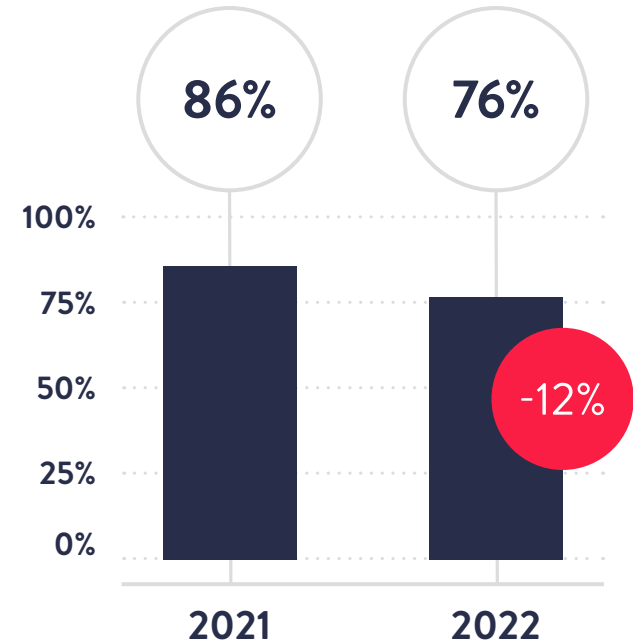


# FEWER COMP INCREASES ON THE HORIZON

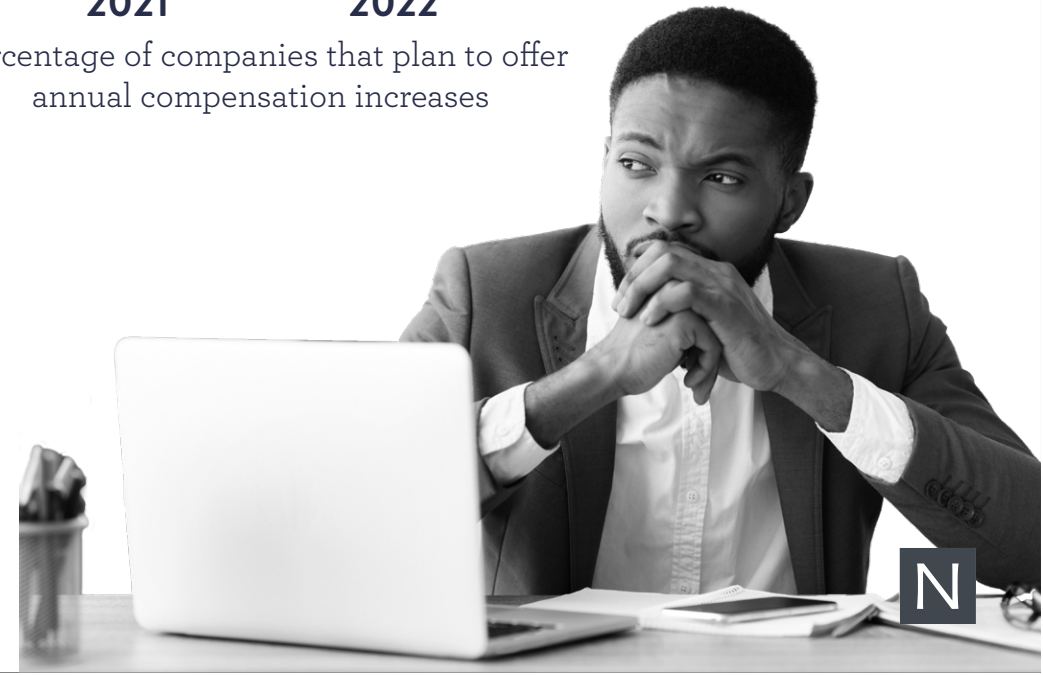
The number of companies planning to offer annual comp increases **decreased by 12%**

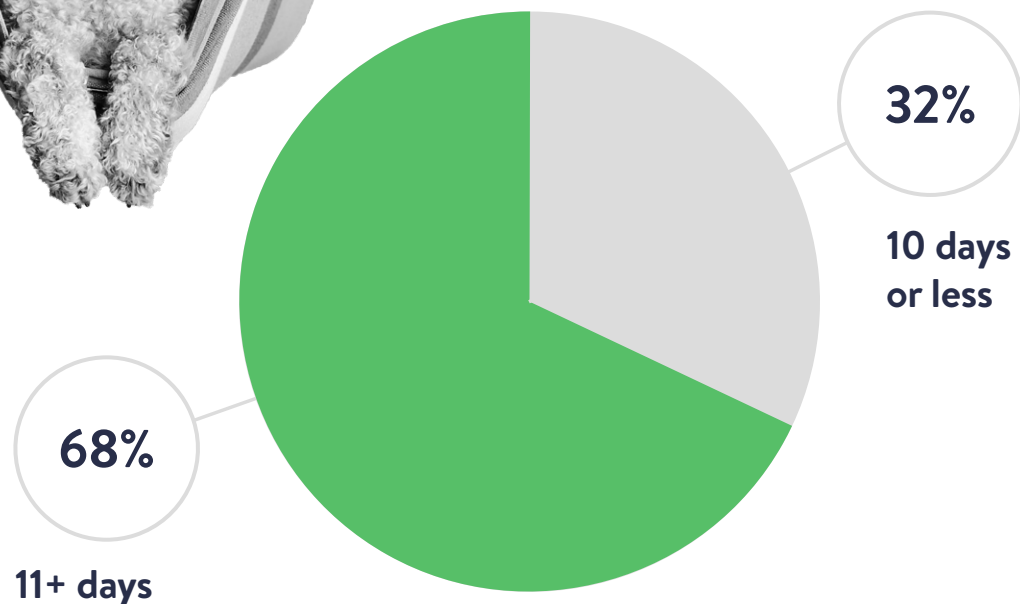
Conflicting findings around annual compensation revealed a disconnect between budget-conscious frugality with salary increases, and no-strings-attached generosity with bonuses.

**Our take:** Fewer companies are planning annual increases, and 27% do not have a revenue target floor for bonuses.



Percentage of companies that plan to offer annual compensation increases





Percentage of companies that offer 11+ paid holidays per year

# EMPLOYEE FLEXIBILITY MATTERS MORE THAN EVER

**68% of companies** now offer 11+ paid holidays per year

Benefits that support employees throughout their personal and professional lives are becoming the standard. Results showed a 19% increase since 2021 of companies offering 11 or more paid holidays.

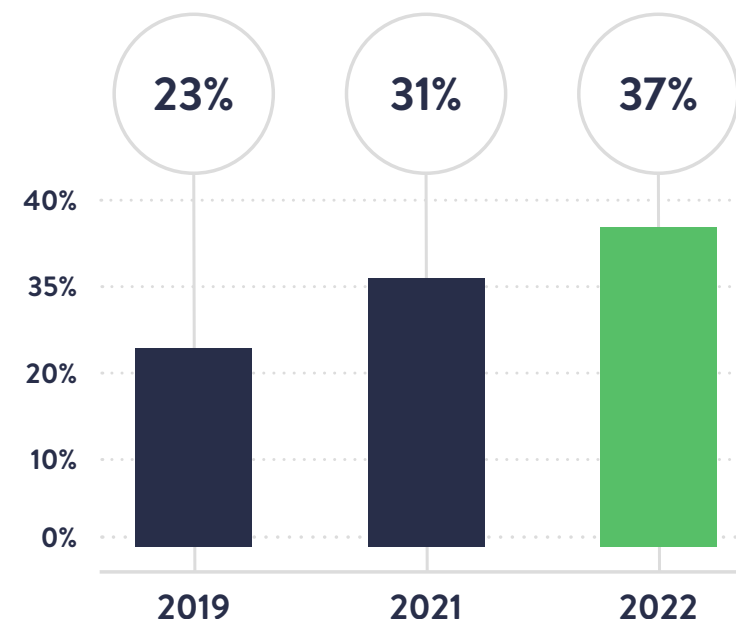
**Our take:** Increased employee flexibility is table stakes in the **war for talent**, which continues for many companies even as the economic downturn has resulted in layoffs at others. Most companies surveyed have added partial or fully remote working opportunities.

# SMALLER TALENT TEAMS NEEDED IN 2023

**More than three-quarters** of new hires come from internal Talent Acquisition (TA) teams

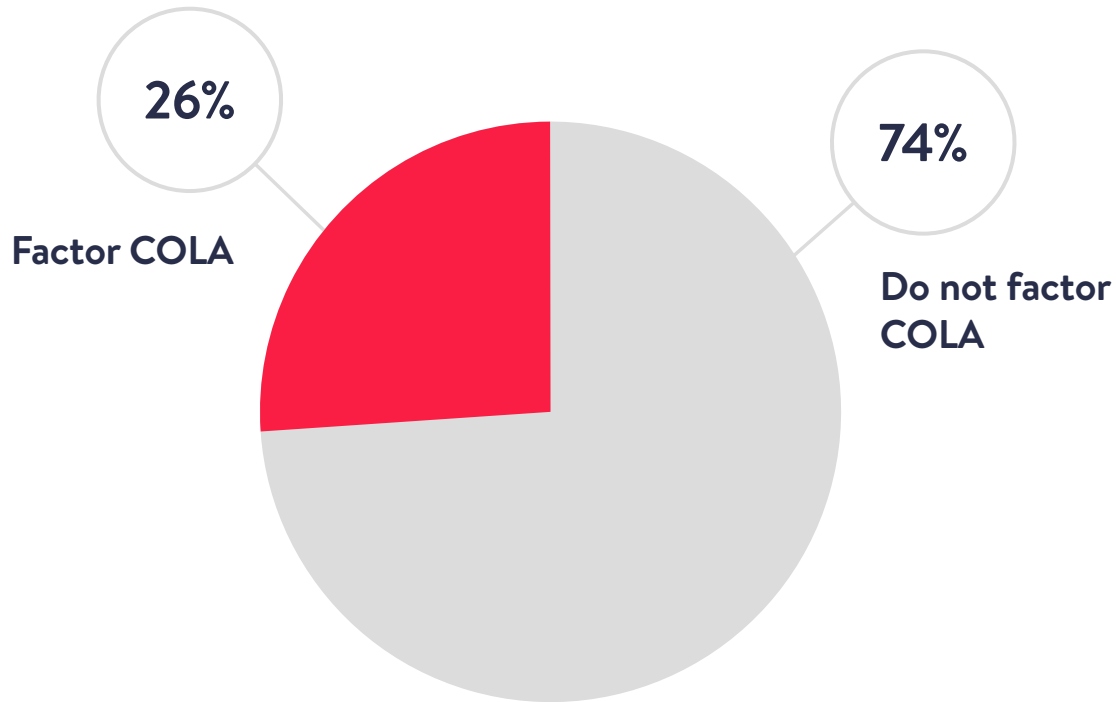
Economic concerns will dictate employers' hiring and TA priorities. In 2022, 37% of companies sourced most of their new hires from internal TA teams, a significant increase since 2019.

**Our take:** As hiring plans scale back, internal TA teams will also face reductions, as smaller teams can execute on fewer hires.



Percentage of companies sourcing new hires from internal TA teams





Percentage of companies that factored in COLA to annual compensation increases in 2022.

# FEWER COST-OF-LIVING ADJUSTMENTS EXPECTED

**Only 26%** of companies factor in Cost-of-Living-Adjustment (COLA)

Inflation, along with uncertain market conditions and acclimation to distributed workforces, will continue to put HR comp decisions at odds with employees expecting pay bumps to cover rising costs. Results showed that only 26% of companies who offer annual comp increases, factor in COLA.

**Our take:** In the battle between employees' inflation concerns and employers' downturn-driven cost cutting, expect employers' bottom line to prevail.

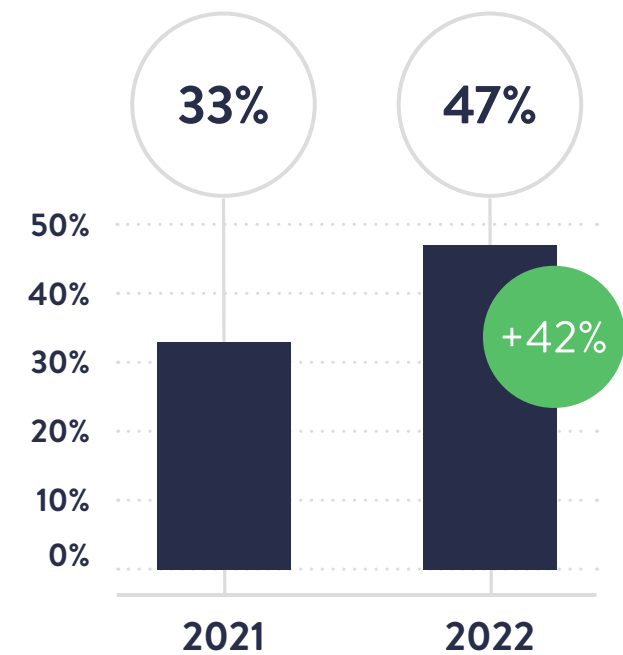
# LEARNING & DEVELOPMENT BOUNCES BACK

Learning & Development (L&D)  
offerings **increased by 42%**

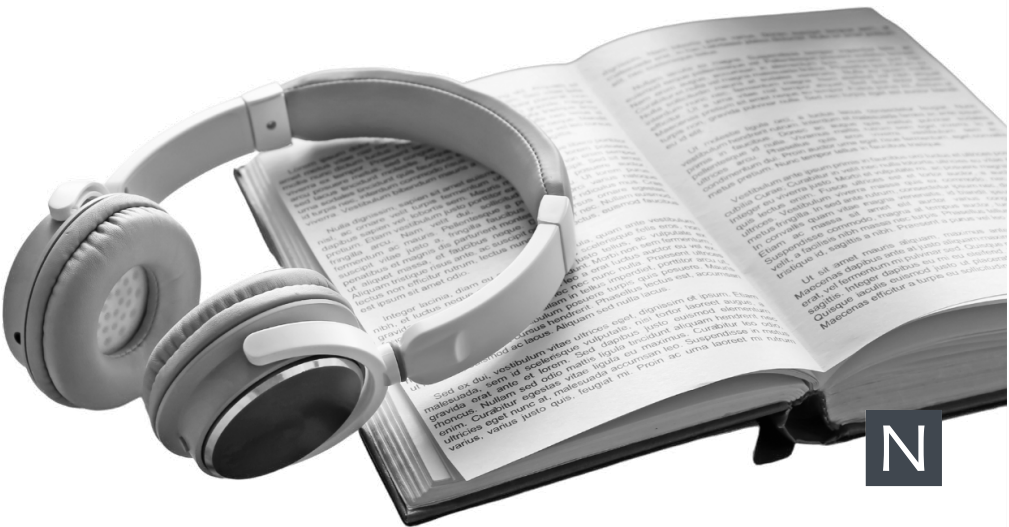
After a dip in 2021, there was a 42% rebound in 2022 for companies that offer L&D options to all employees.

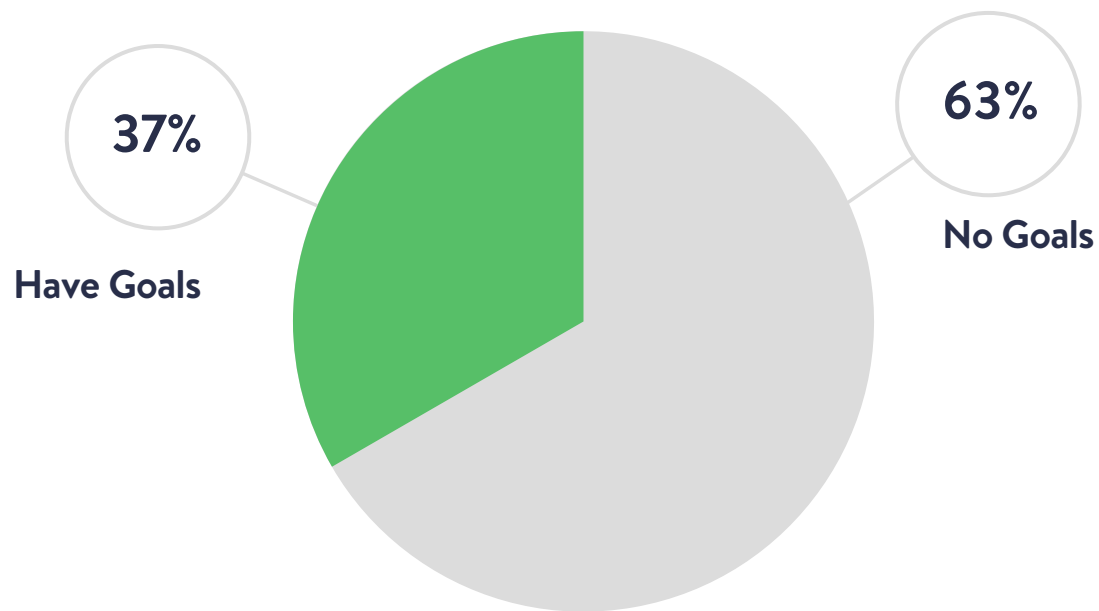
Employers are increasingly investing in the professional development for their employees, which is a win for both businesses and workers.

**Our take:** There is a clear connection between L&D programs and attracting and retaining top talent, especially in a hybrid and remote working environment.



Percentage of companies that offer L&D to all employees





Percentage of companies with DEI recruiting goals in place in 2022



# VALUE OF DEI STILL BEING UNDERSTOOD

**One-third** of companies have DEI recruiting goals in place

The disconnect between employees and employers continues to grow as companies question the priority of DEI initiatives in light of the downturn.

**Our take:** As employers push to conserve budget heading into the downturn, they would be well advised to lean into the opportunity to build their pool of candidates from underrepresented groups. We believe that the best teams and the best long-term value comes from companies made up of individuals with varying points of view and experiences.

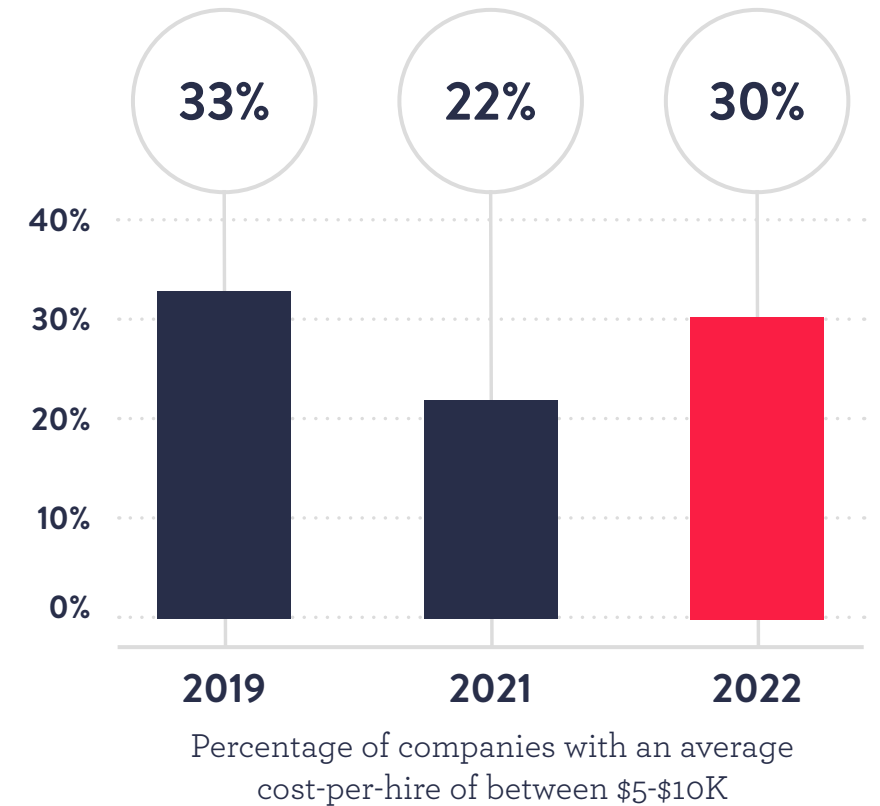


# HIRING COSTS ON THE RISE

Average cost per hire is \$5-10K  
for **30% of companies**

Hiring costs seem to be reverting to pre-pandemic levels. Thirty percent of companies reported their average cost per hire is between \$5-10K, versus 22% in 2021.

**Our take:** Findings indicate that the hiring cost efficiencies gained in 2021 were temporary, which could put a strain on budgets as companies look to optimize all aspects of business.

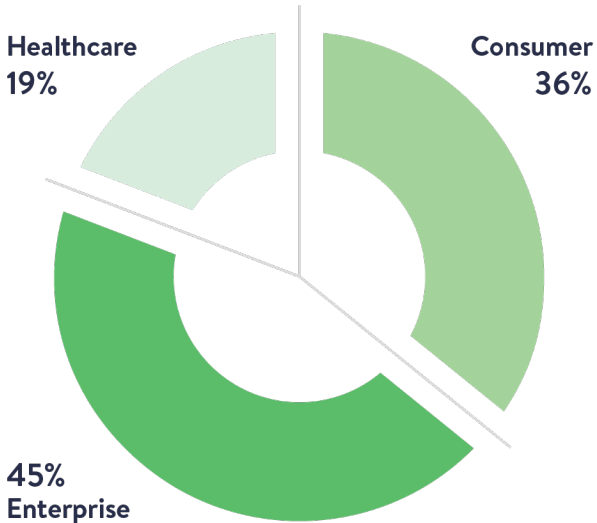




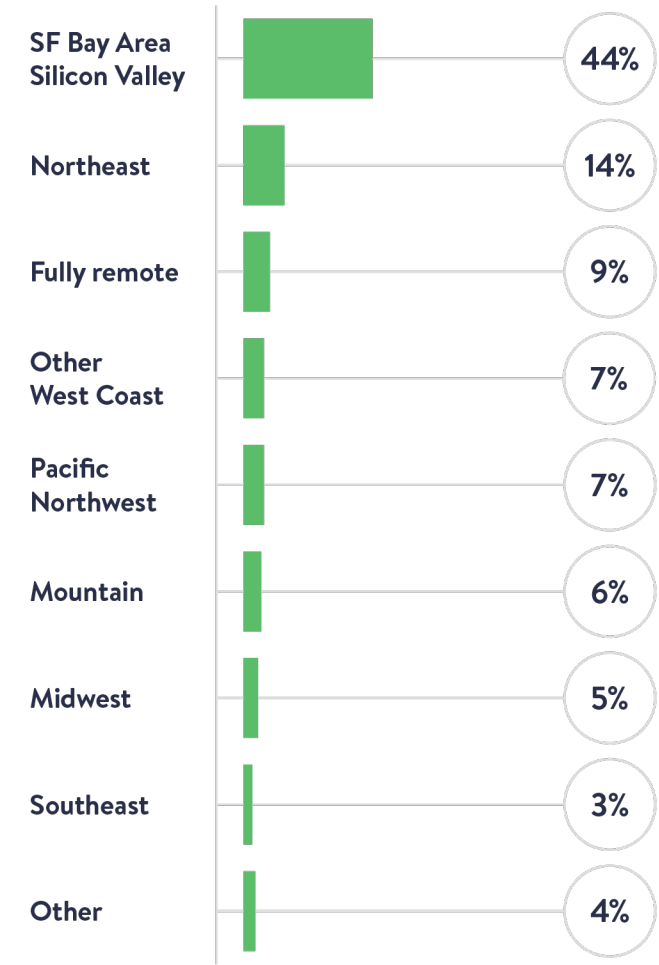
# RESPONDENT CHARACTERISTICS



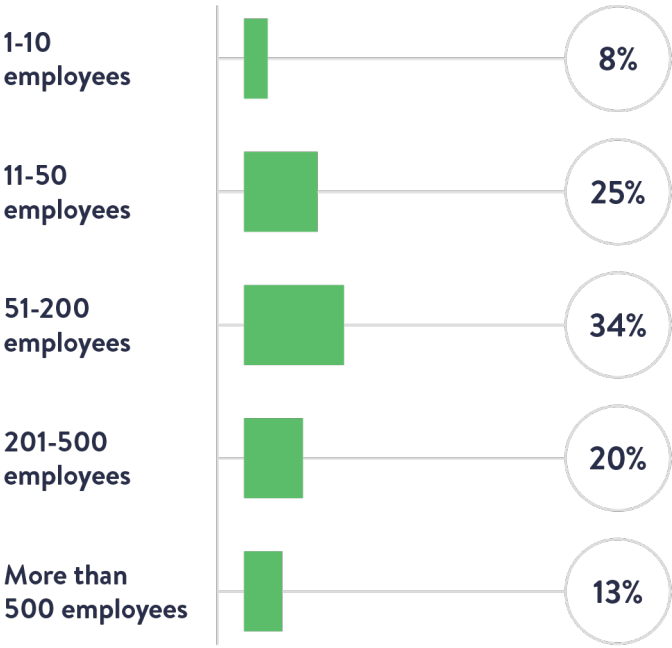
**1. Which of the following sectors best describes your company's industry?**



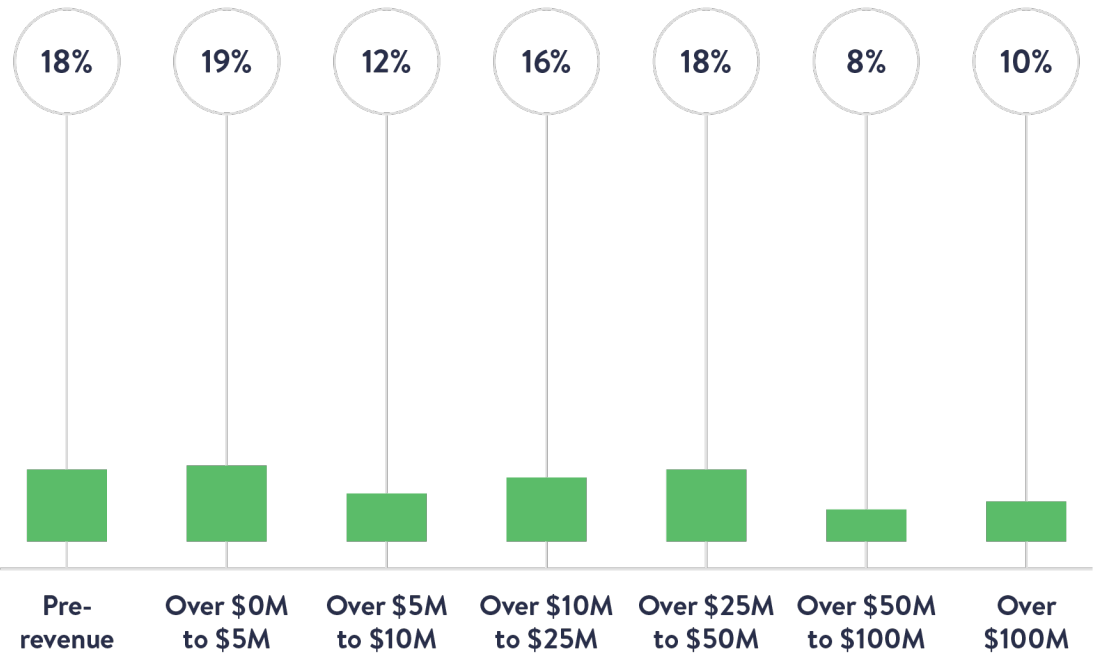
**2. In what region is your North American headquarters?**



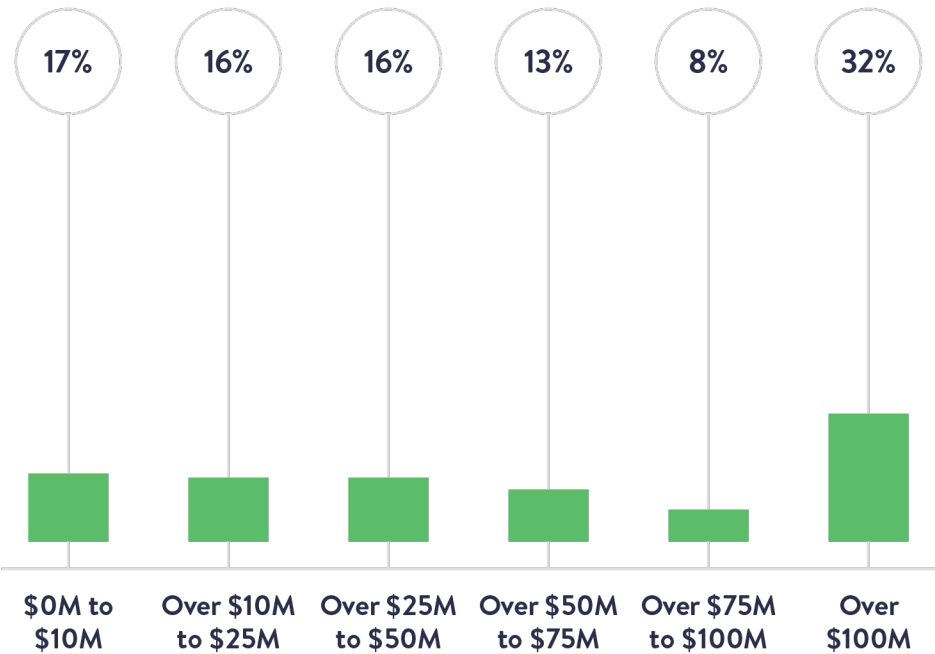
**3. How many employees work at your company?**



**4. How much did your company earn in revenue in 2021?**



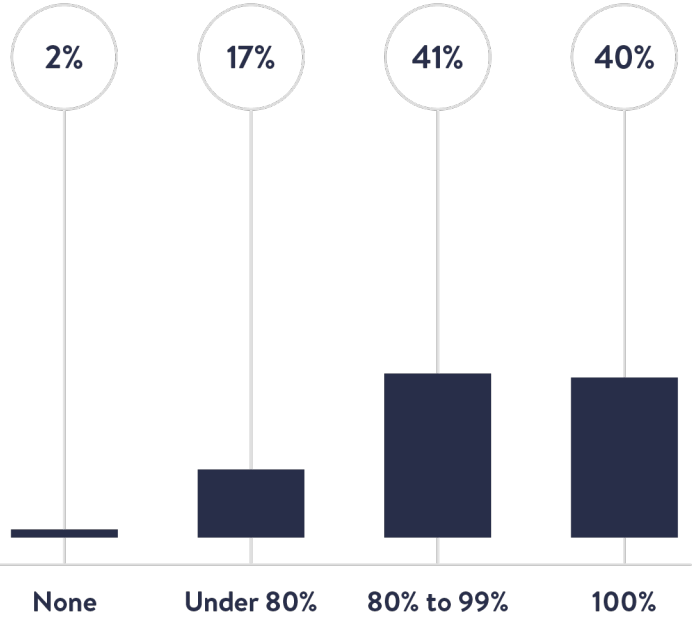
**5. How much capital has your company raised?**



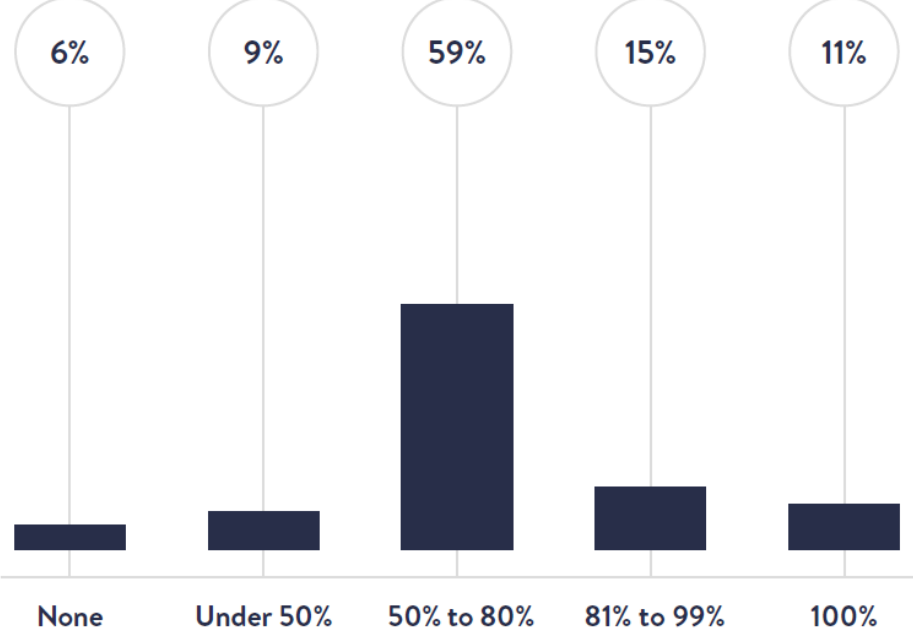


**TOTAL REWARDS**

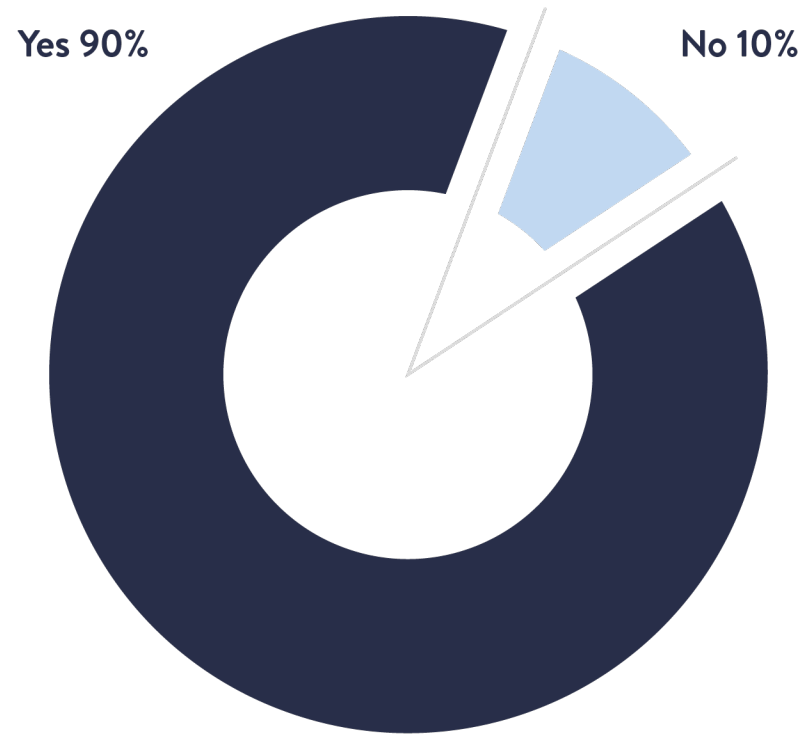
6. What percentage of the monthly health premium does your company pay for employee coverage?



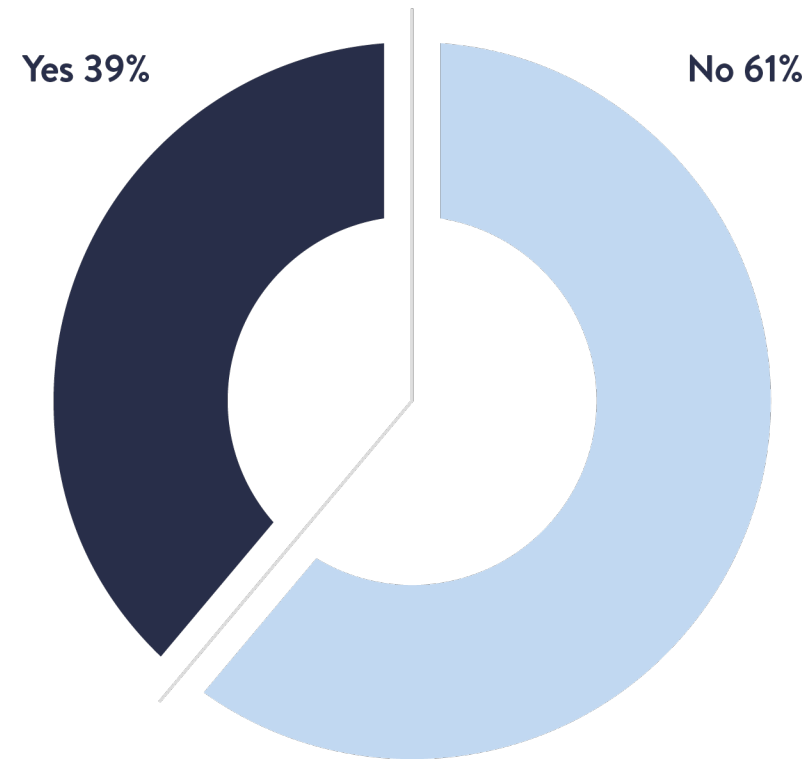
7. What percentage of the monthly health premium does your company pay for dependent coverage?



8. Does your company offer a 401(k) plan?

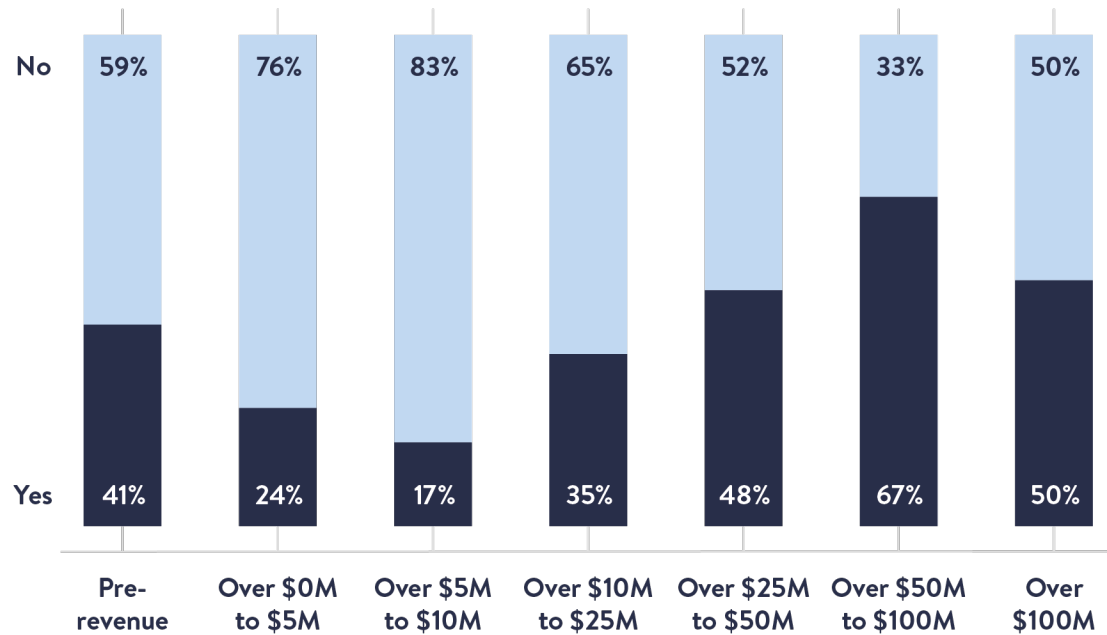


9. Does your company match a portion of 401(k) contributions?\*

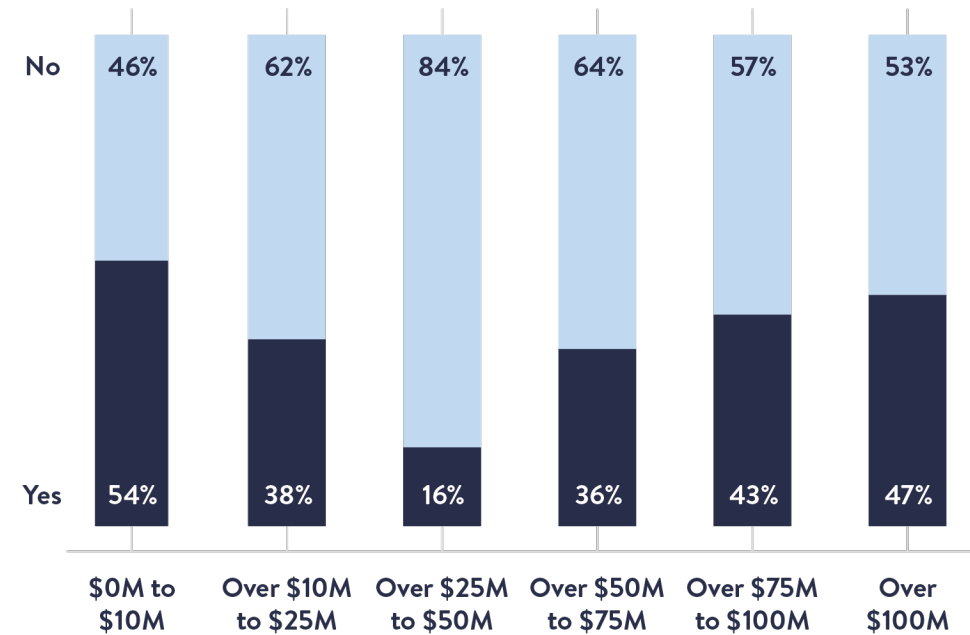


\*OF COMPANIES THAT OFFER 401(K) PLANS

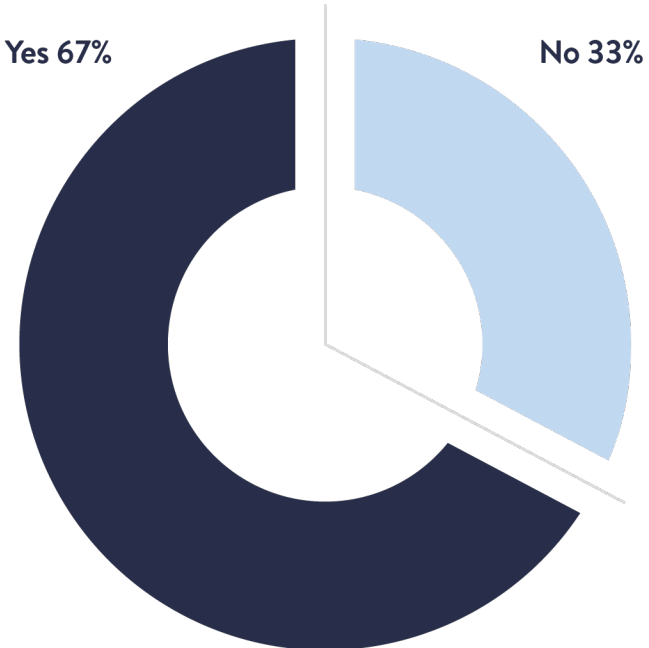
**9a.** Does your company match a portion of 401(k) contributions?  
(Shown by 2021 company revenue)



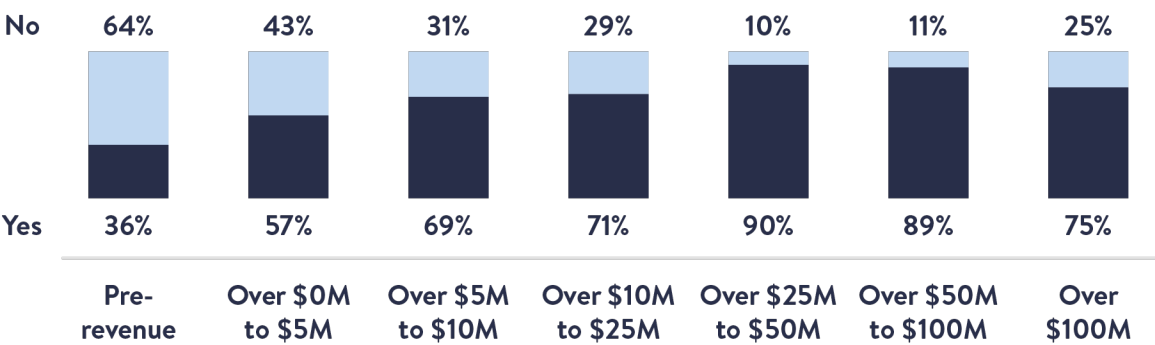
**9b.** Does your company match a portion of 401(k) contributions?  
(Shown by capital raised)



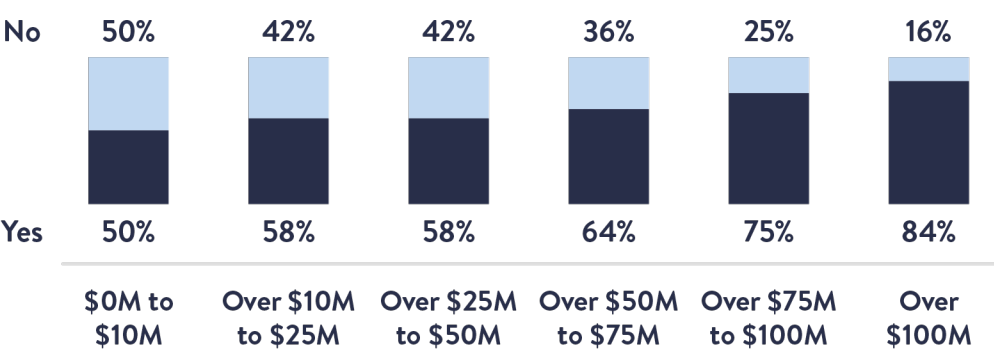
**10.** Does your company offer bonuses, aside from sales commissions?



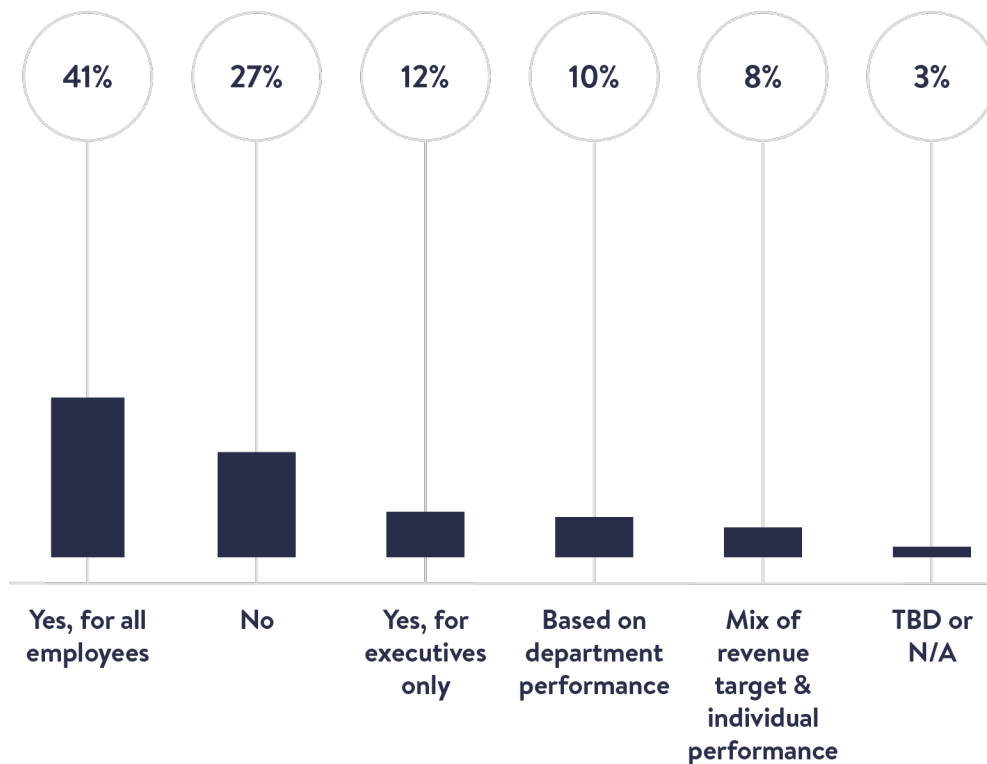
**10a.** Does your company offer bonuses, aside from sales commissions?  
(Shown by 2021 company revenue)



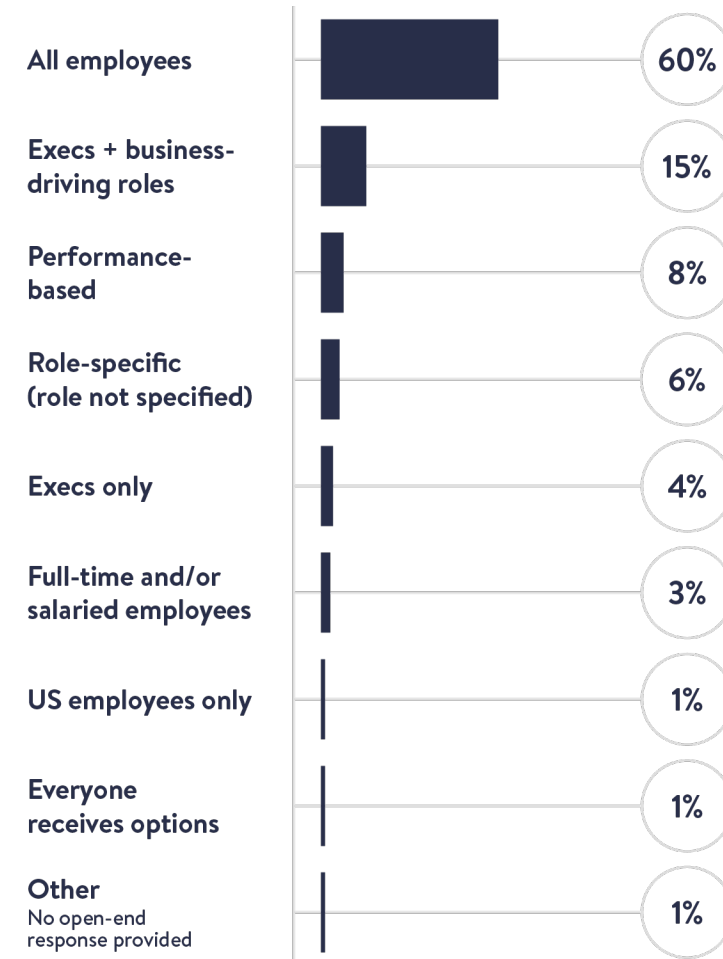
**10b.** Does your company offer bonuses, aside from sales commissions?  
(Shown by capital raised)



11. Is there a “floor” (e.g. company must hit certain percentage of revenue target) for employees to receive bonuses?

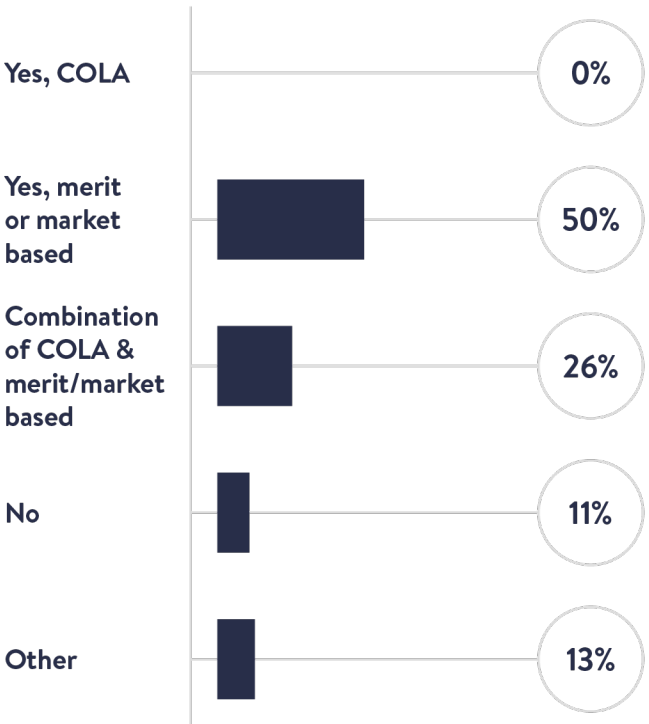


12. Do you offer bonuses to:

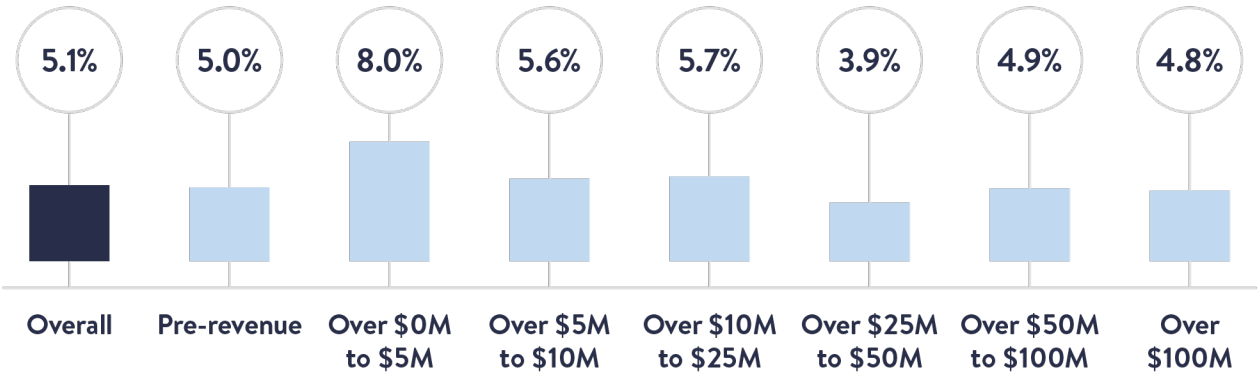




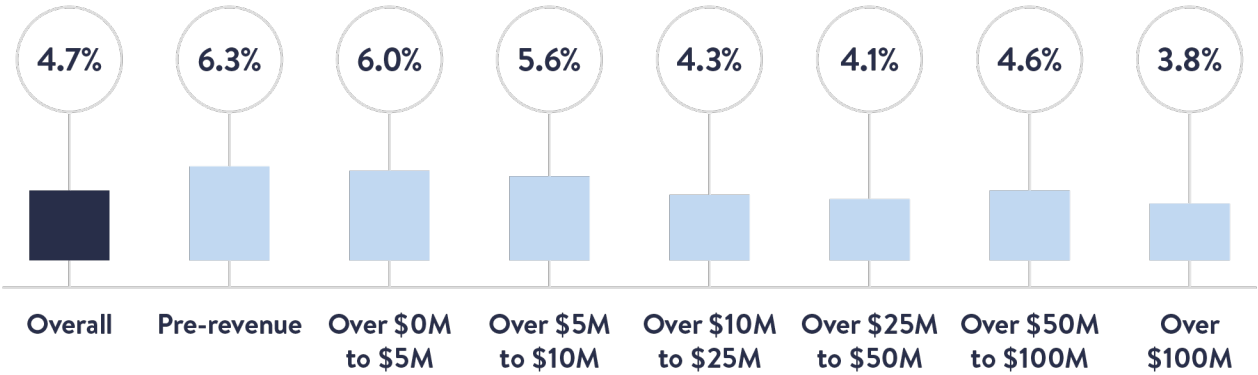
13. Does your company offer annual compensation increases?



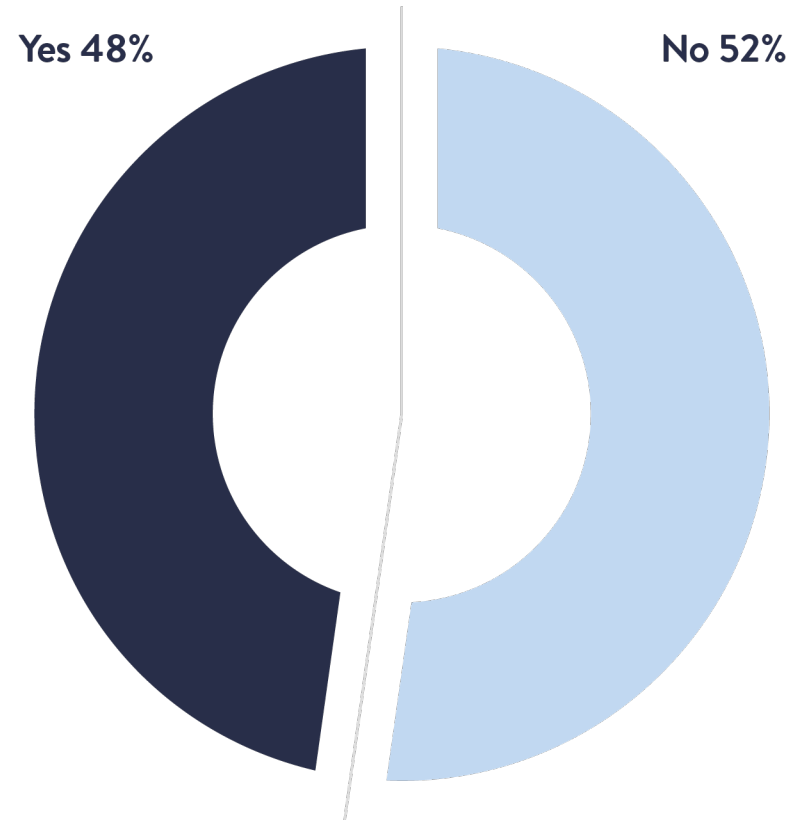
14. What was your average percentage compensation increase in 2022?  
(Shown by 2021 company revenue)



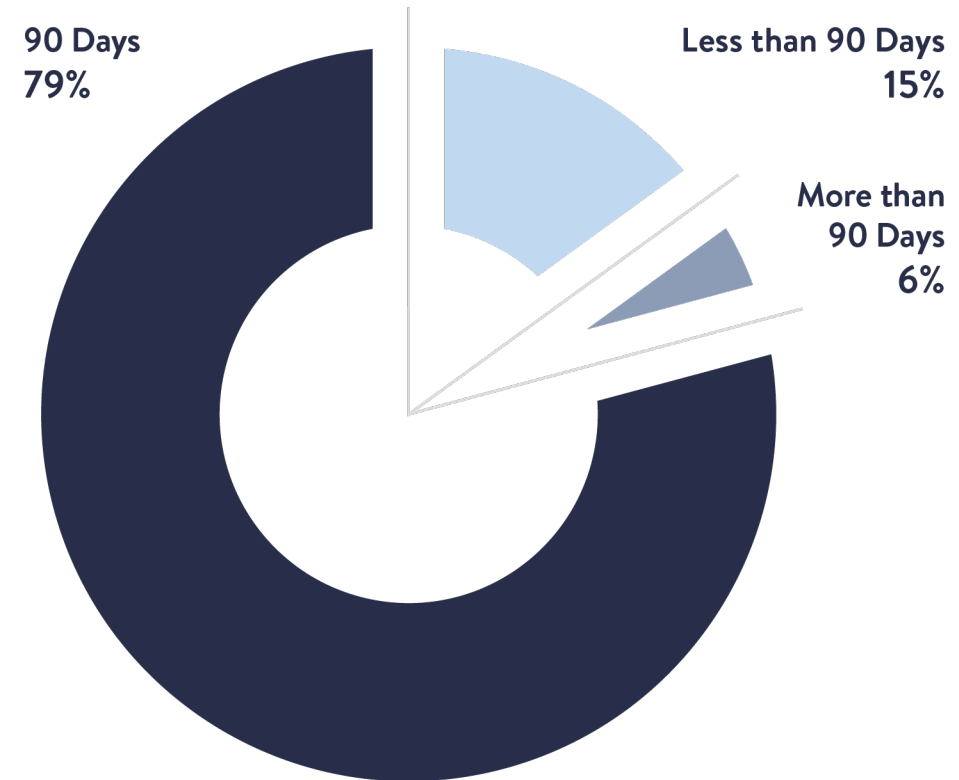
15. What percentage compensation increase do you anticipate in 2023?  
(Shown by 2021 company revenue)



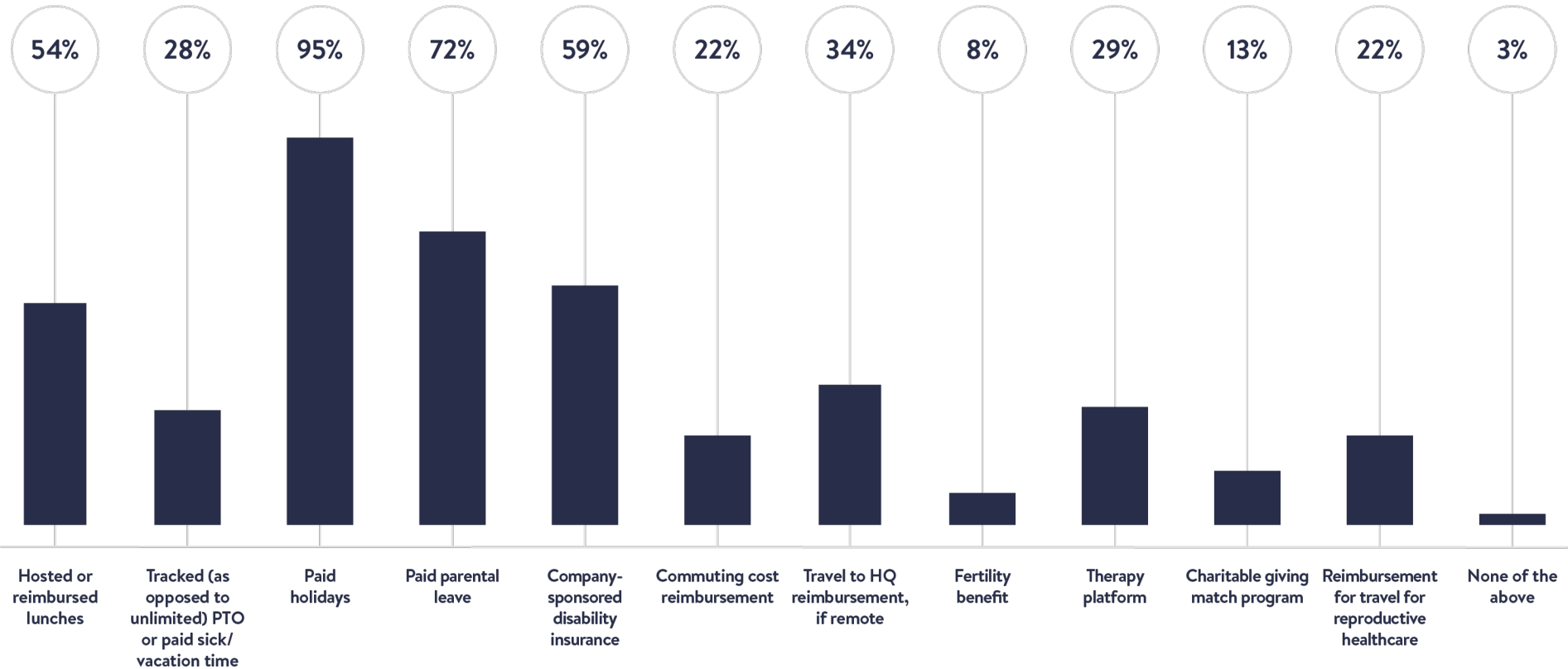
**16.** Do you have a formal employee stock option retention (refresh) program?



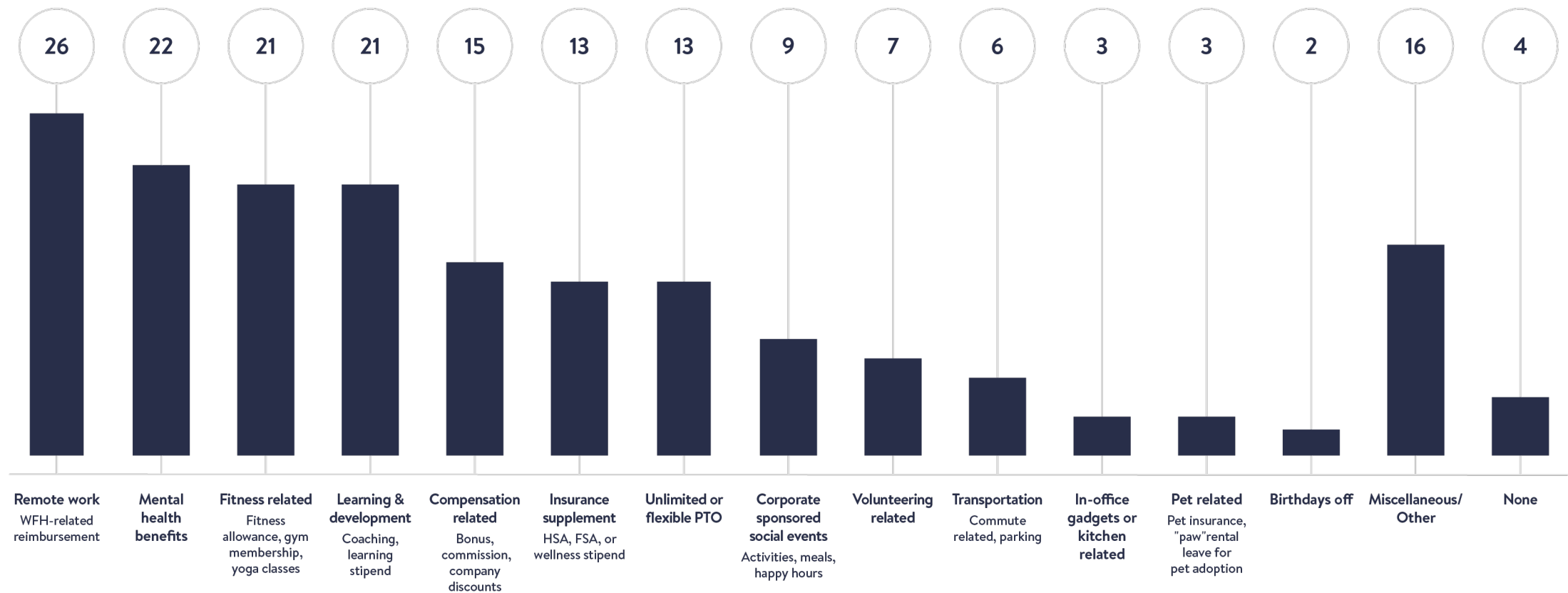
**17.** What is the exercise window for employees who terminate?



18. Which of the following does your company offer? (Respondents were allowed to select more than one option)

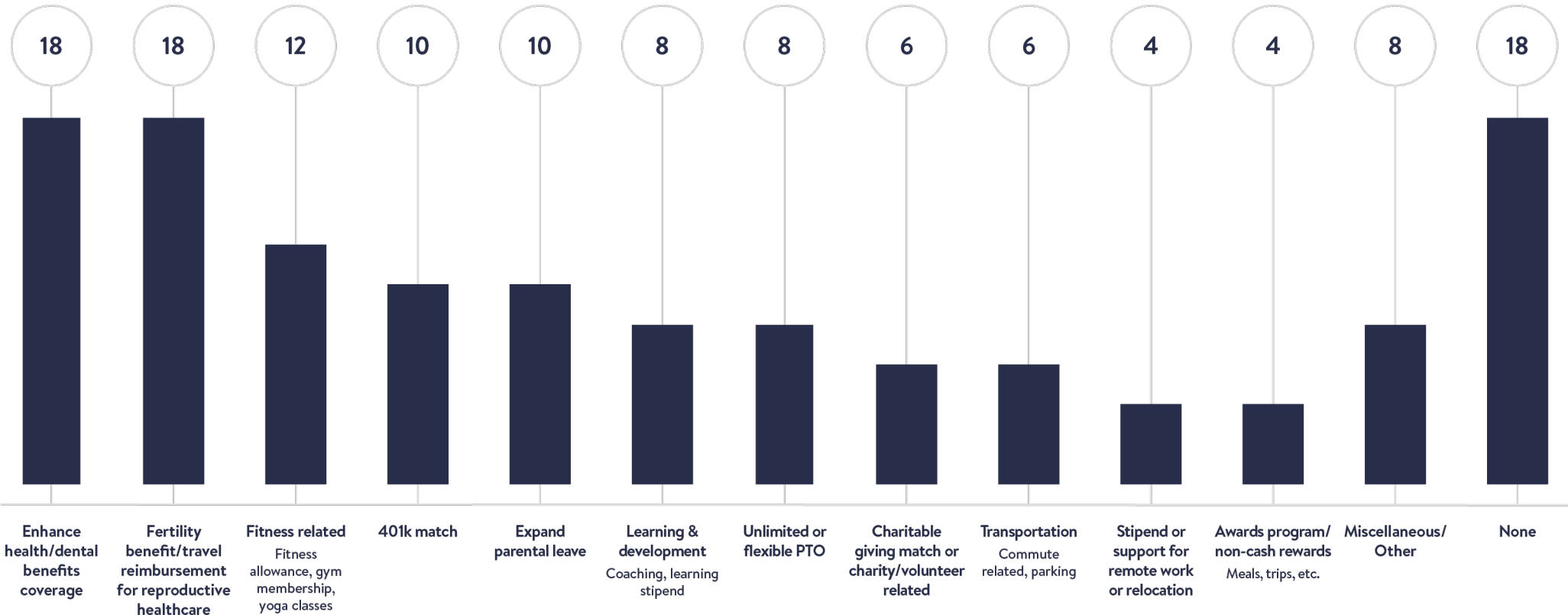


19. Are there any other interesting perks and/or benefits that your company offers?



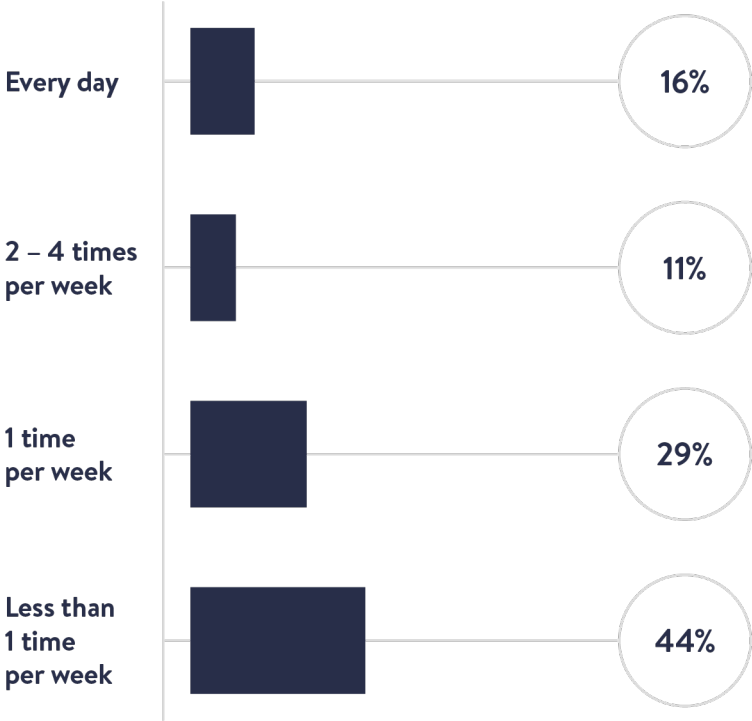
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20. Are there any other perks you are considering offering?

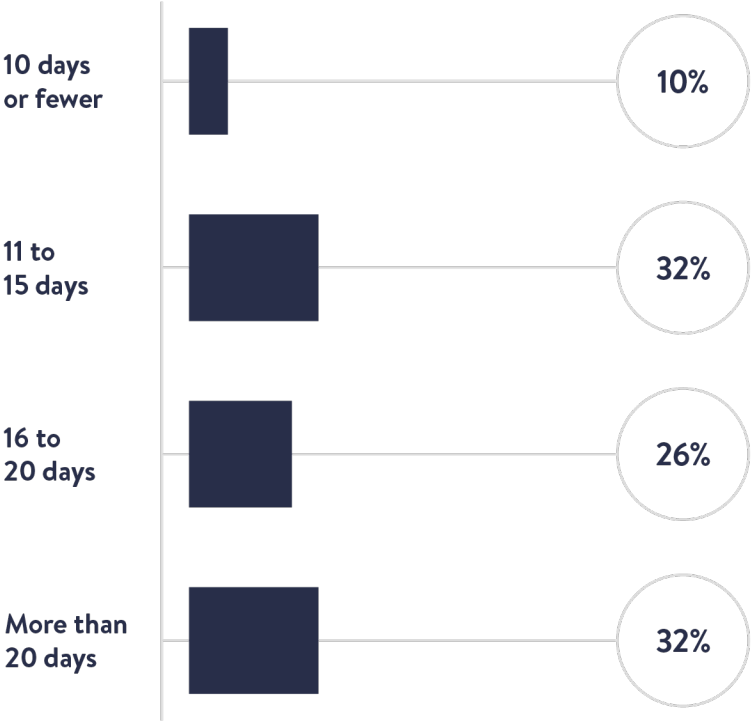


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**21.** How often does your company offer hosted/  
reimbursed lunches?

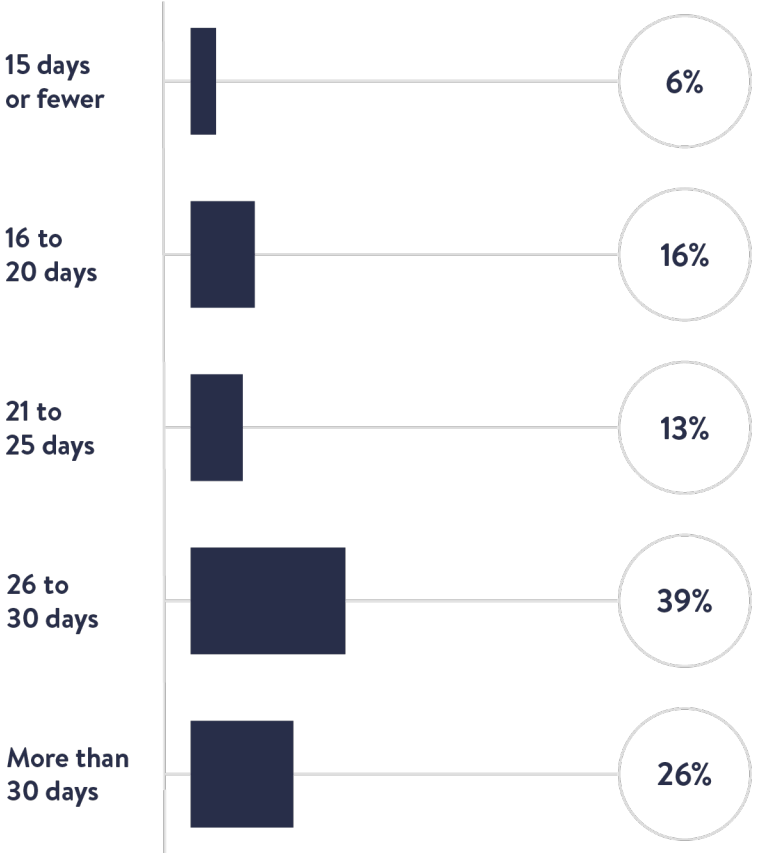


**22.** How many PTO/sick/vacation days are new  
employees allowed in their first year?\*



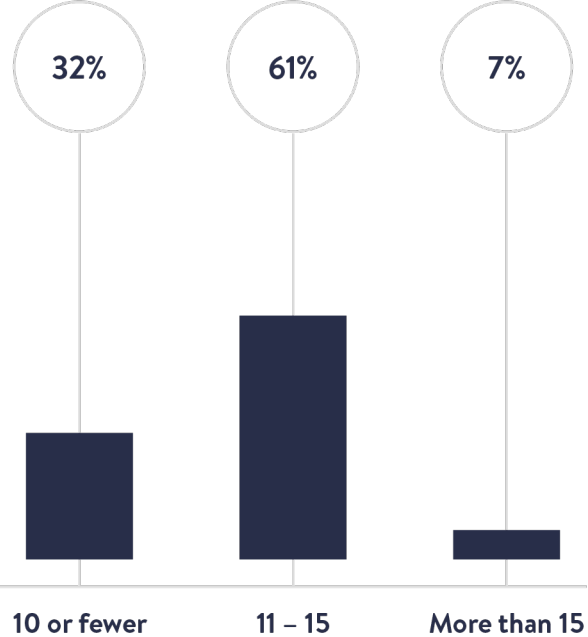
\*OF COMPANIES THAT OFFER TRACKED PTO

**23.** What is the maximum number of PTO/sick/vacation days that can be accrued by any employee?\*

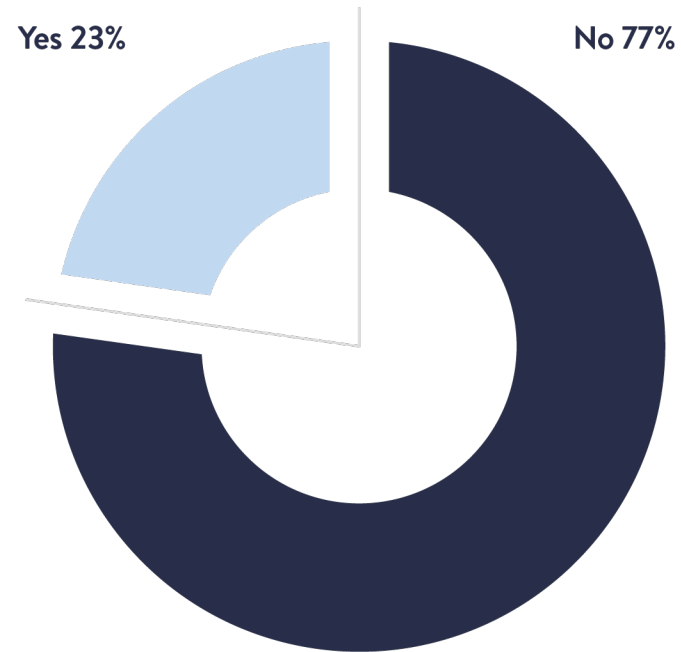


\*OF COMPANIES THAT OFFER TRACKED PTO

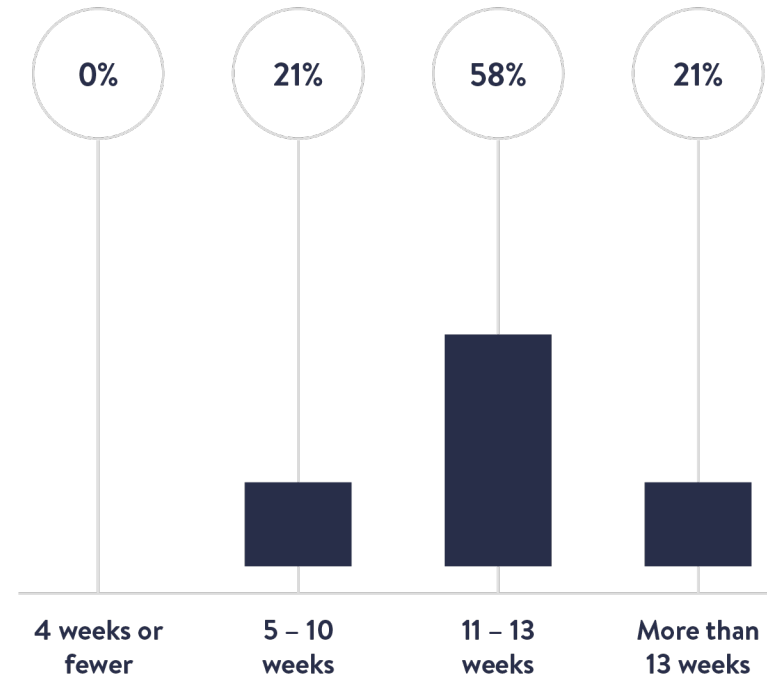
**24.** How many paid holidays do you offer in a given calendar year?



**25.** With regard to parental leave, do you differentiate between primary and secondary caregivers?

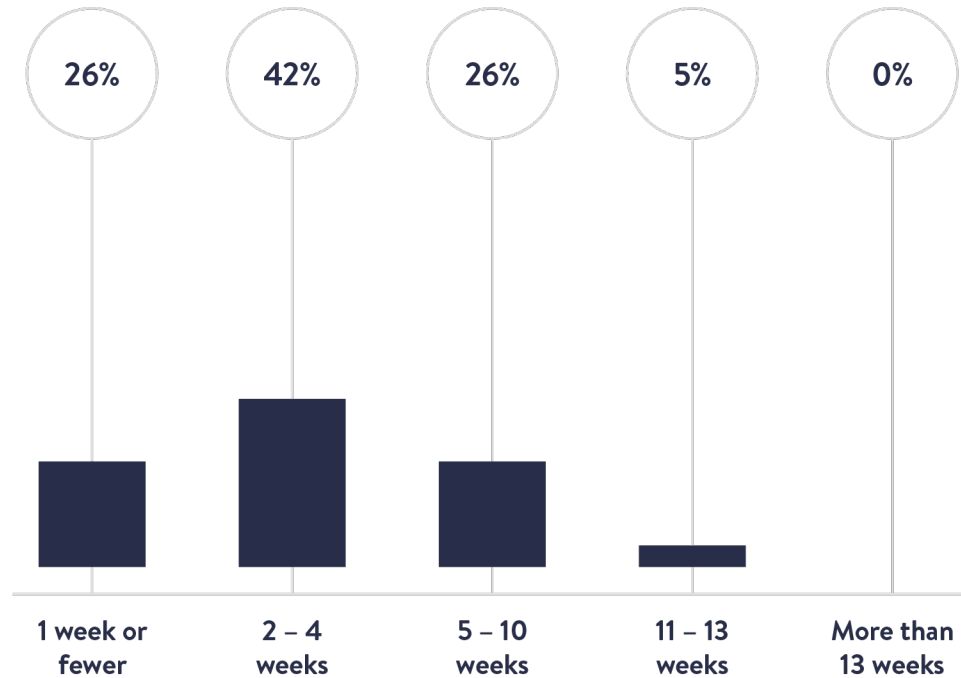


**26.** How many weeks of paid parental leave do you offer primary caregivers?

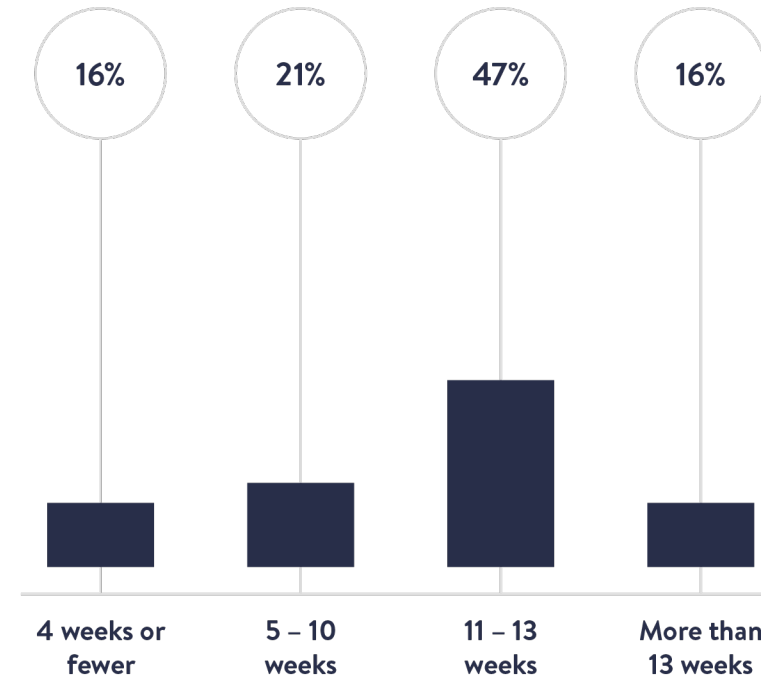




**27.** How many weeks of paid parental leave do you offer secondary caregivers?



**28.** If your company does not differentiate between primary and secondary caregivers, how many weeks of paid parental leave do you offer?

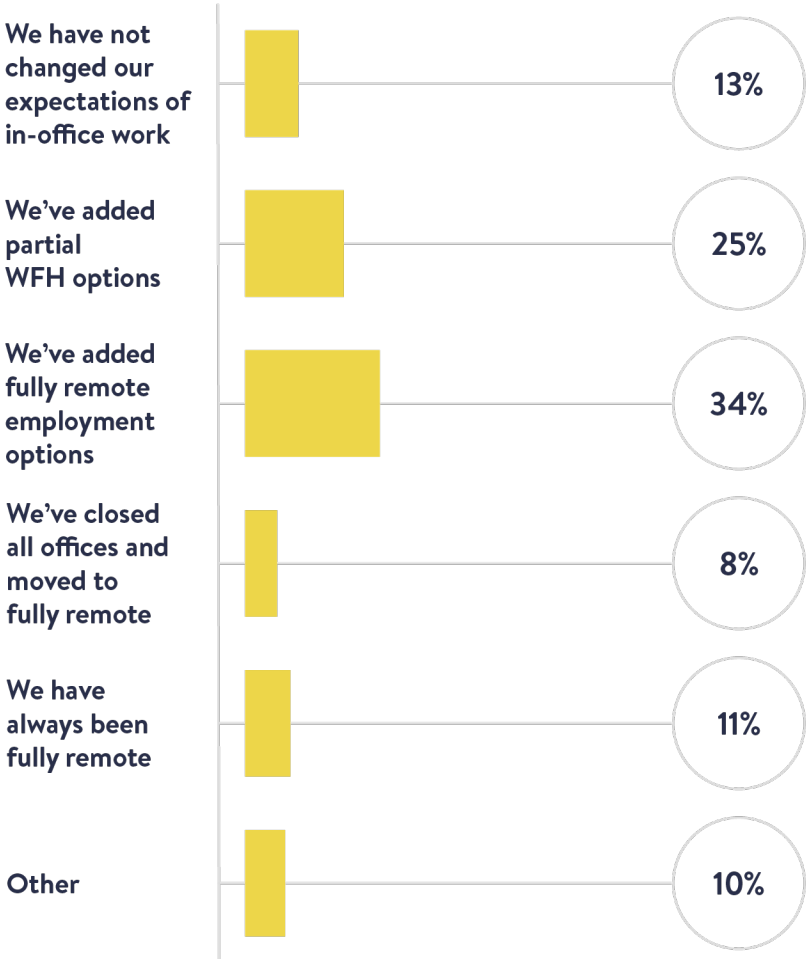




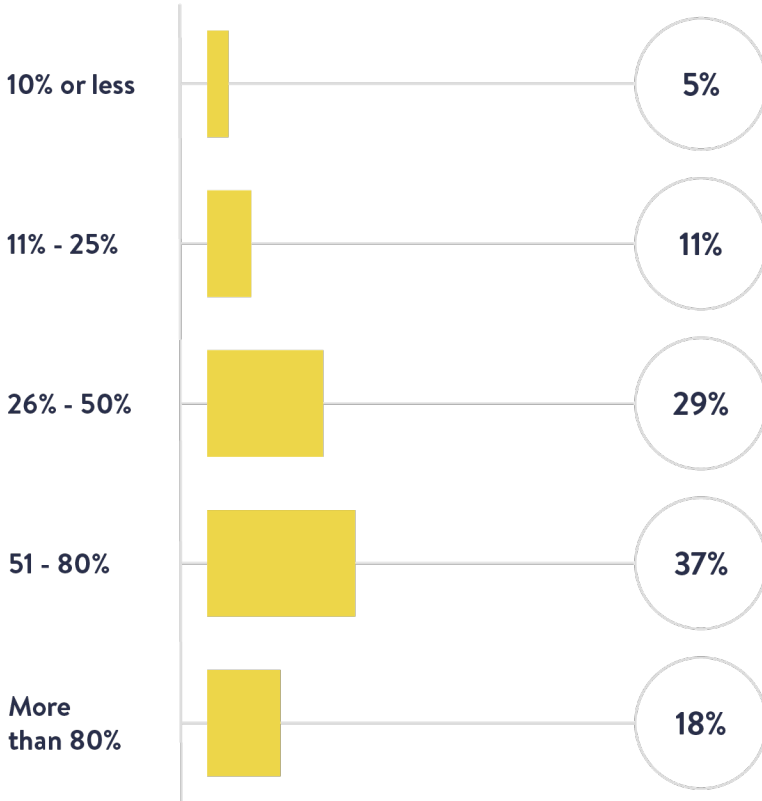
# POST-PANDEMIC IMPACTS



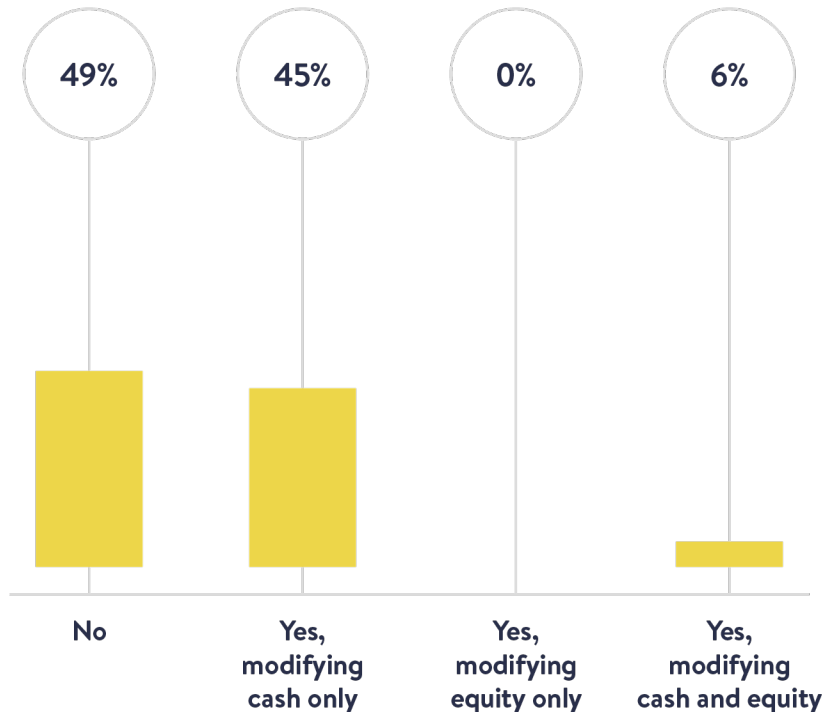
**29. What are your return-to-office requirements?**



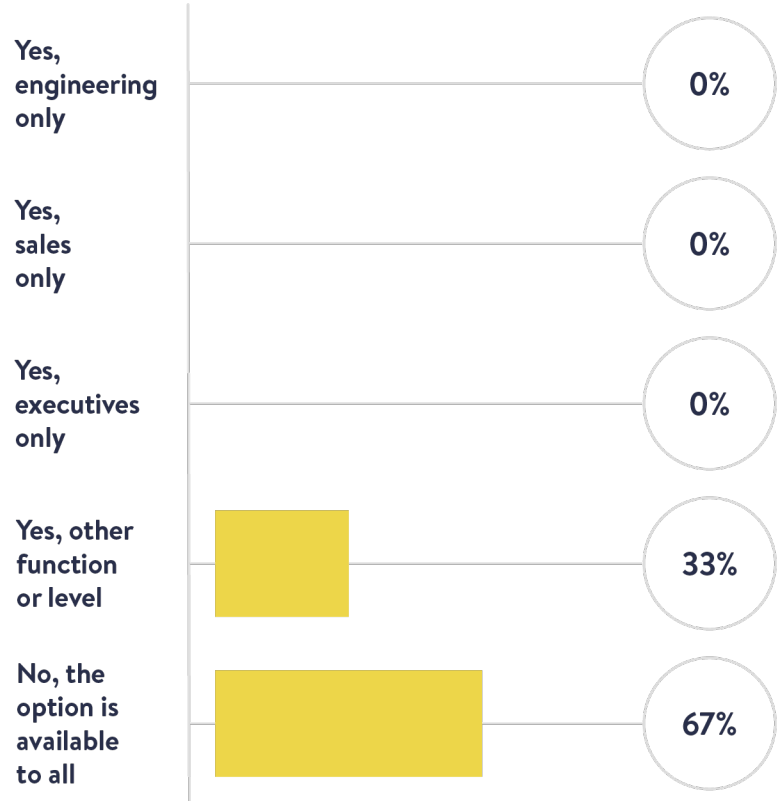
**30. What percentage of your employee base do you expect to be fully remote?**



31. Do you have geography-based compensation policies?



32. Does the remote work option vary by function or level?

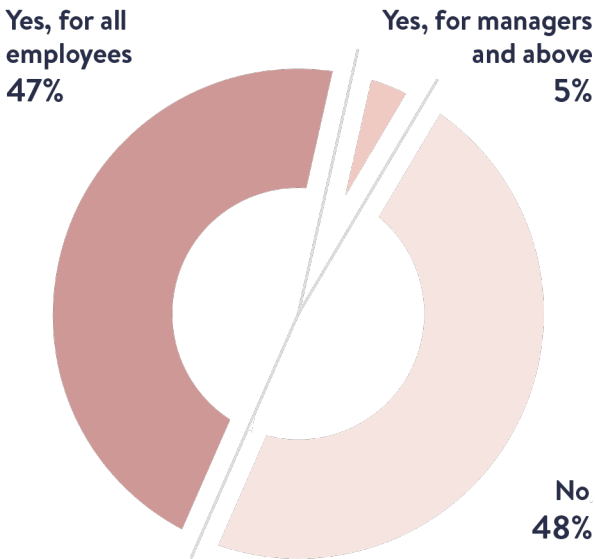




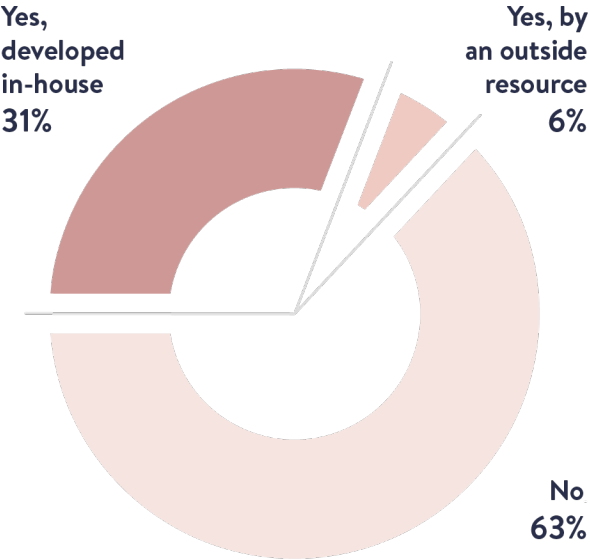
# **CULTURE & EMPLOYEE DEVELOPMENT**



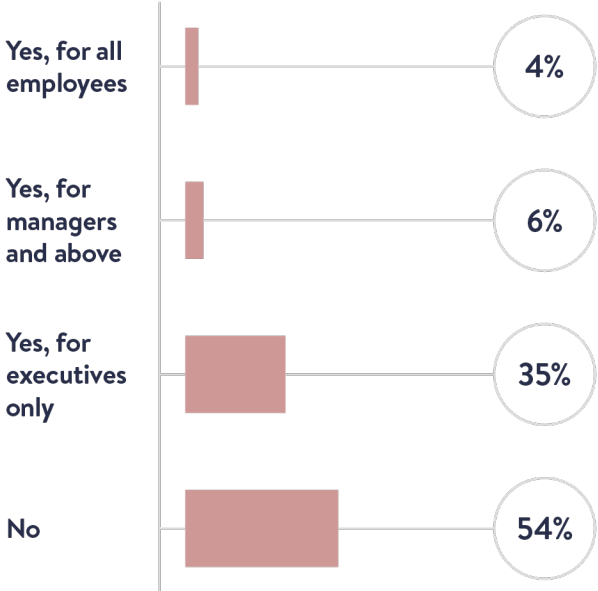
**33. Do you have a learning & development program in place?**



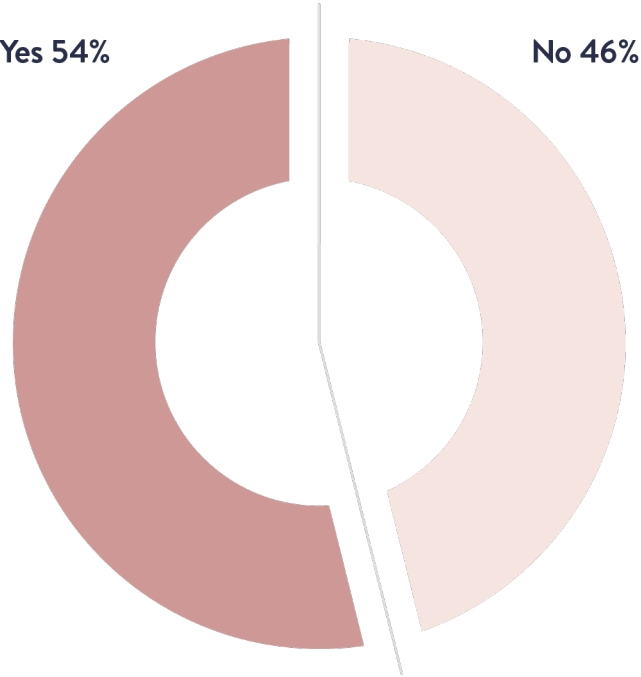
**34. Do you have a formal manager training program?**



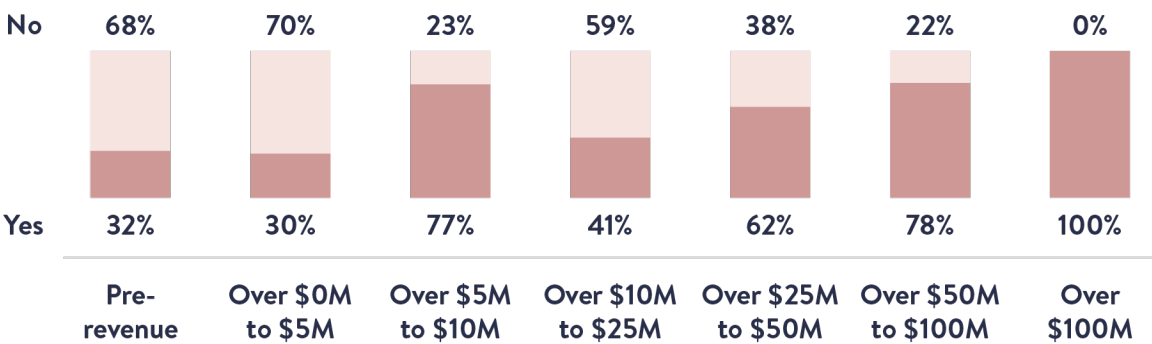
**35. Do you pay for executive coaching?**



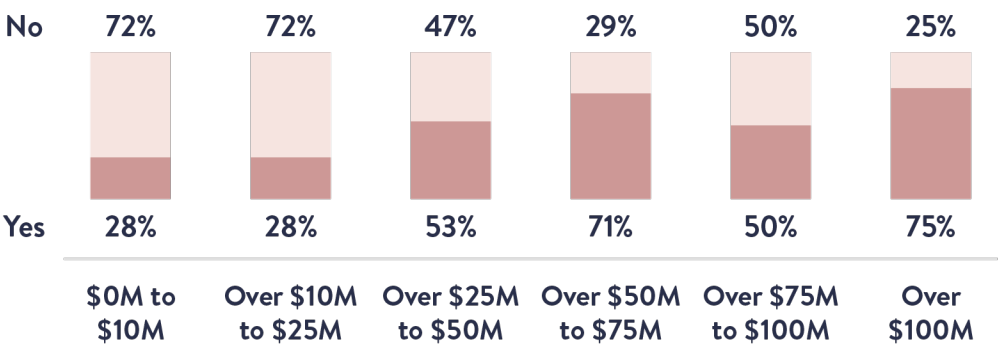
36. Do you use a performance management system?



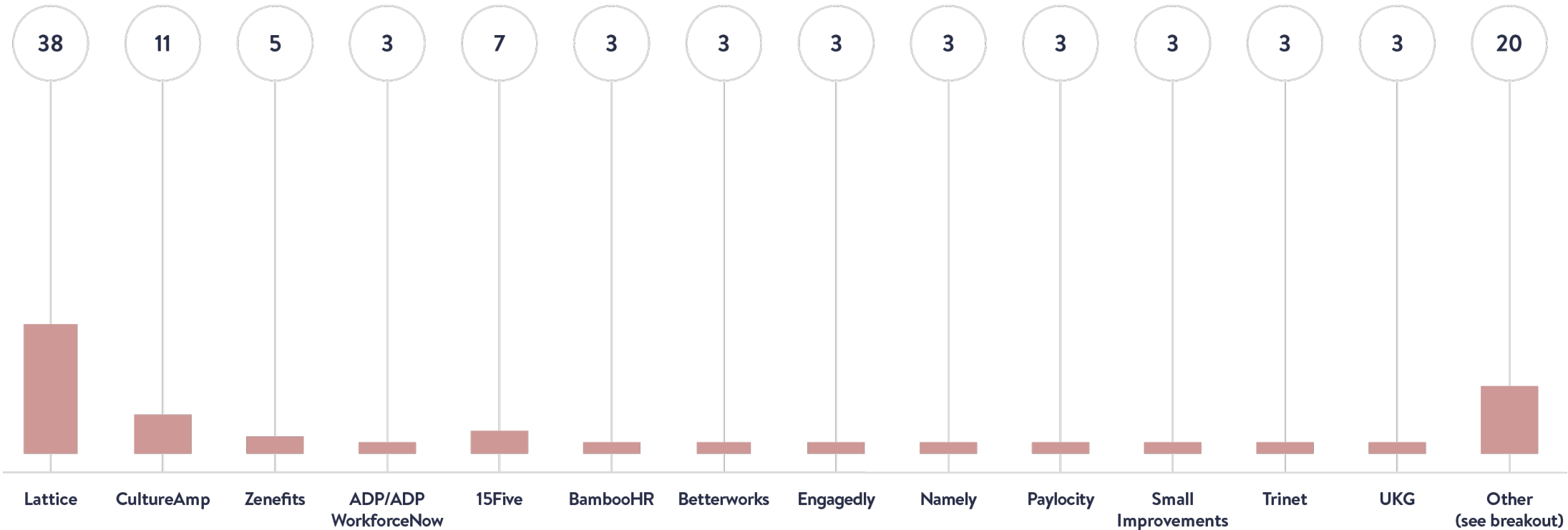
36a. Do you use a performance management system?  
(Shown by 2021 company revenue)



36b. Do you use a performance management system?  
(Shown by capital raised)



36c. Which performance management system do you use? (Respondents were allowed to list more than one option)

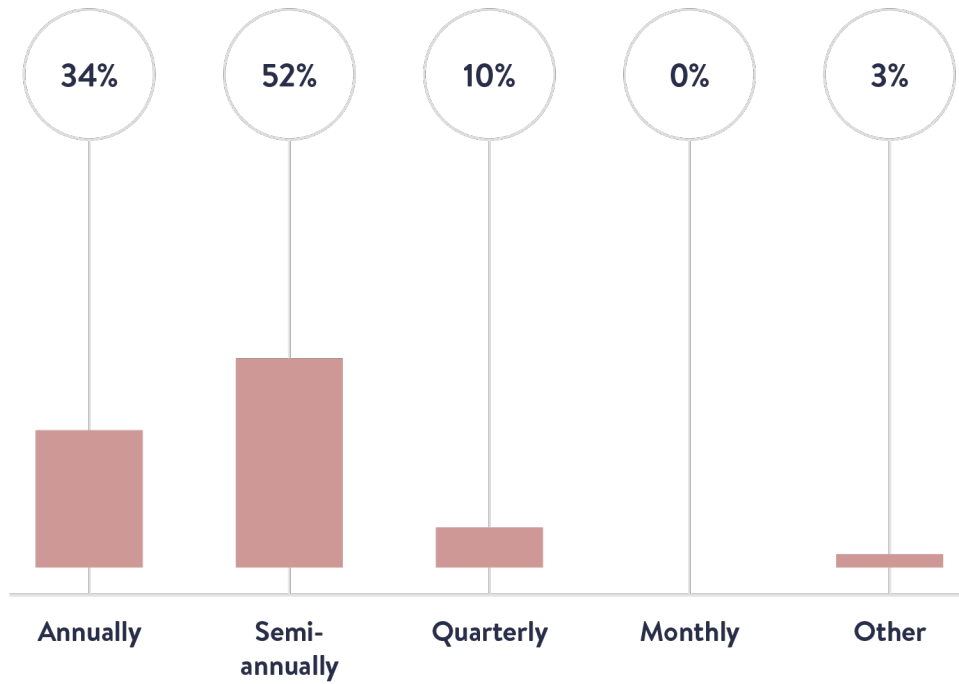


“Other” Breakout (2% each): ClearCompany, GoCo, Greenhouse, Gusto, In-house solution, Jira, Mesh, Mode, Officevibe, PiiQ, Salesforce, Workday Talent

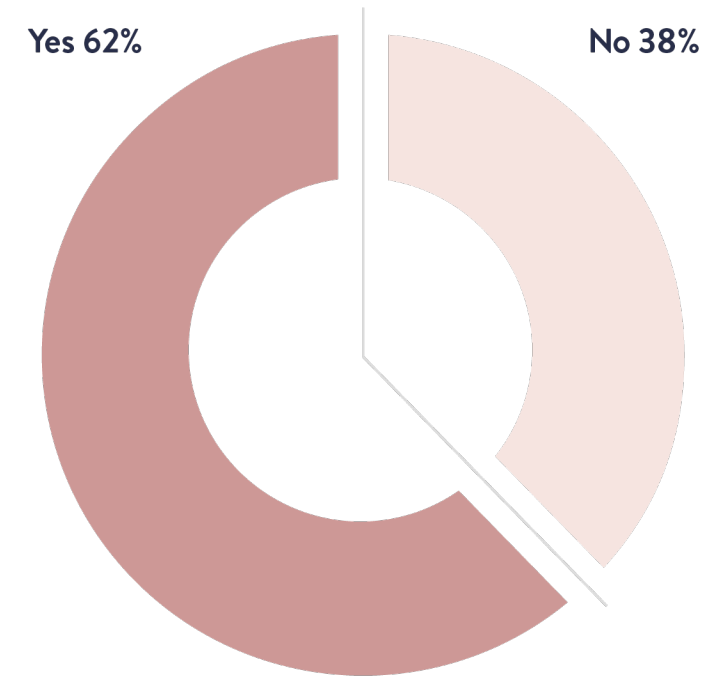
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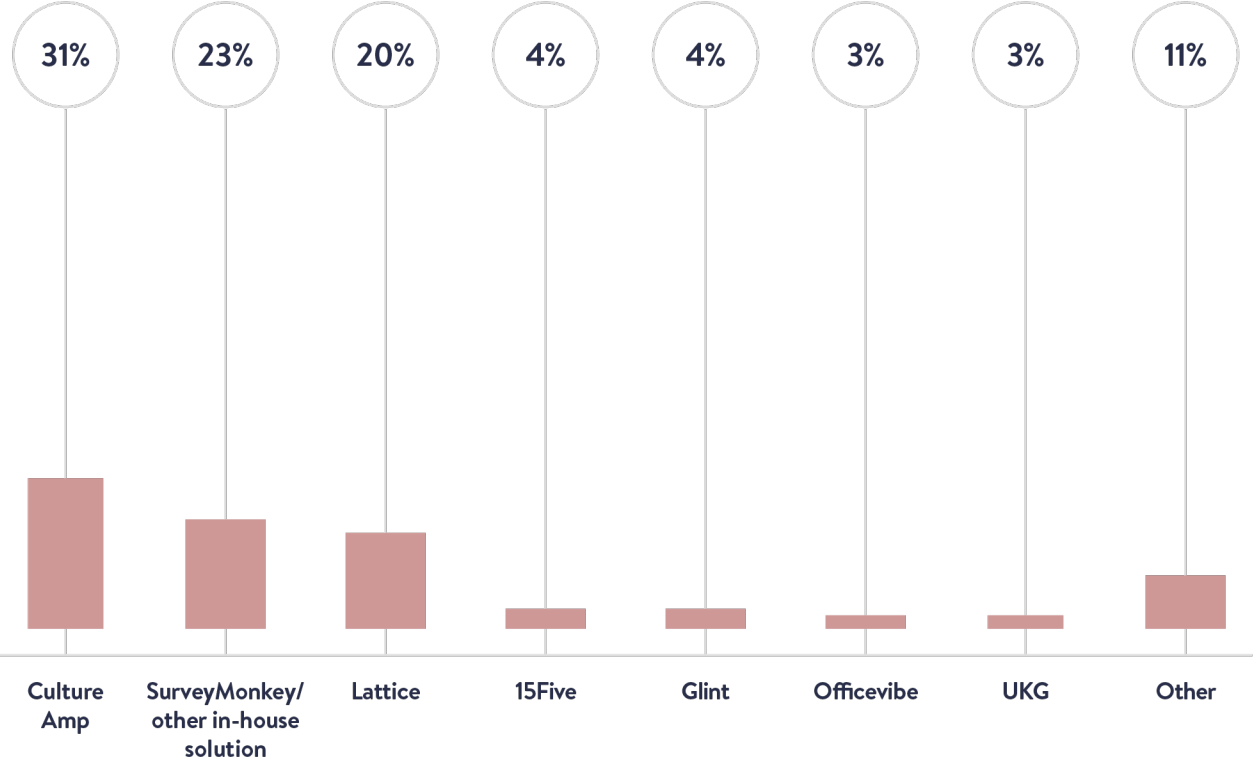
**37.** How often do you perform reviews?



**38.** Do you use an employee engagement survey tool?



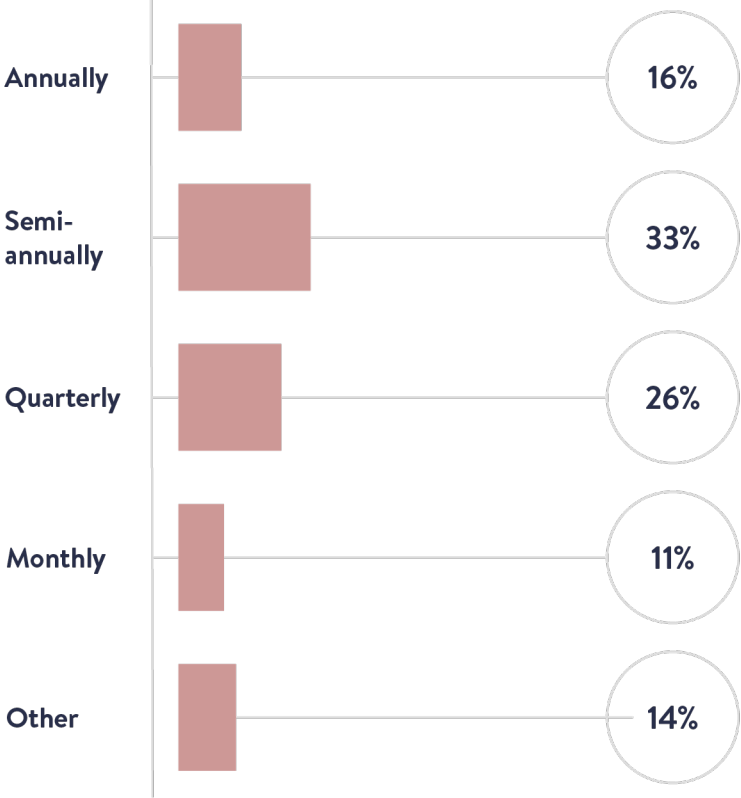
**38a.** Which employee engagement survey tool do you use?



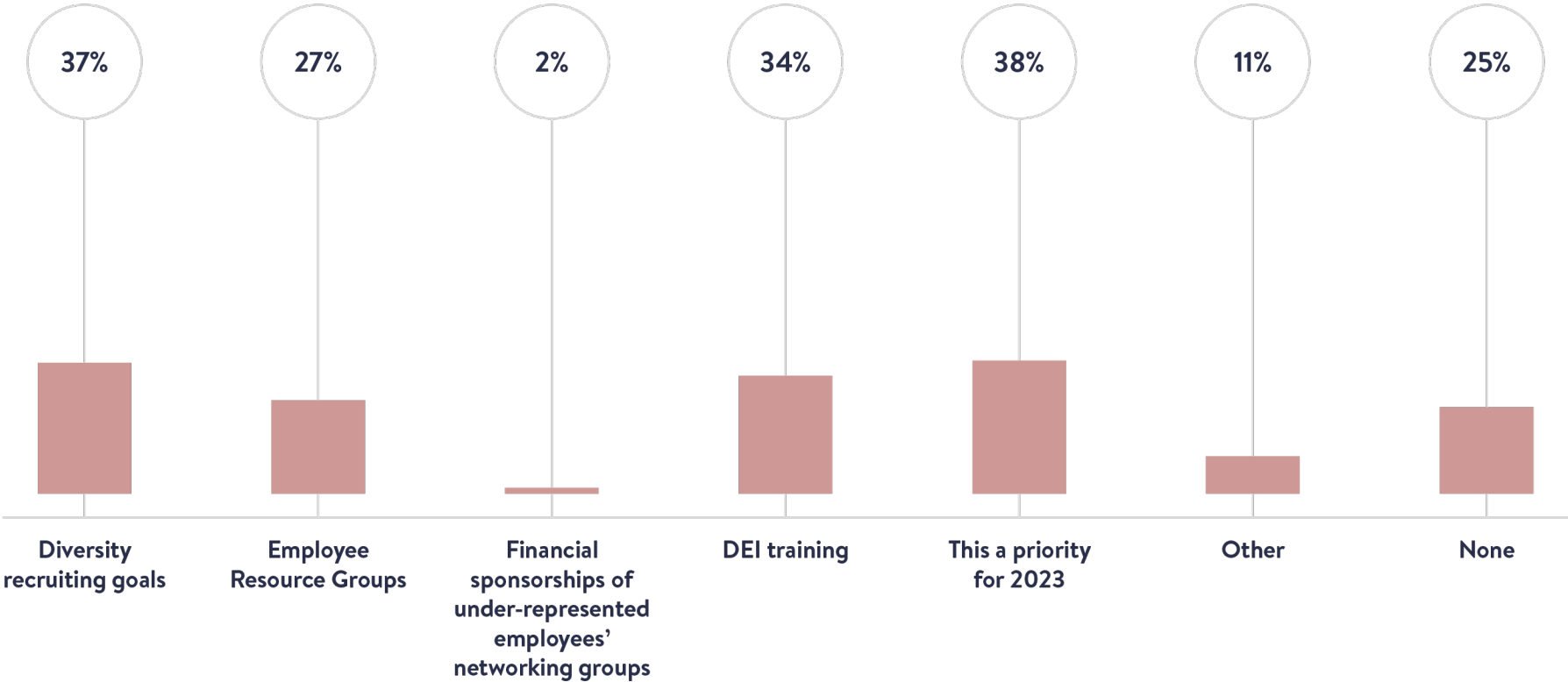
“Other” Breakout (1% each): Atronomy, Betterworks, Delighted, Engage, GetFeedback, Mesh, TINYpulse, Zenefits

SHOWN BY NUMBER OF MENTIONS

**38b.** How often do you send employee engagement surveys?



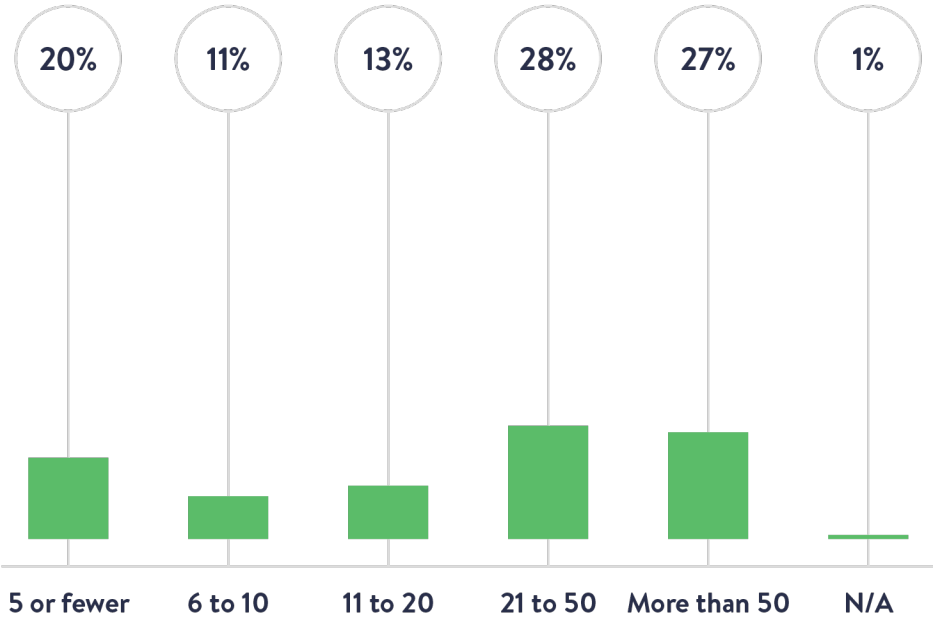
39. What DEI programs do you have in place? (Respondents were allowed to select more than one option)



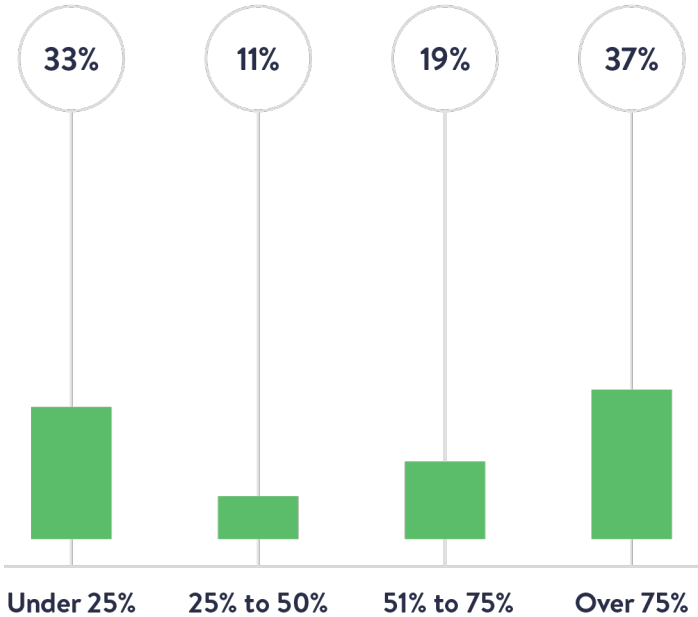


# TALENT & RETENTION

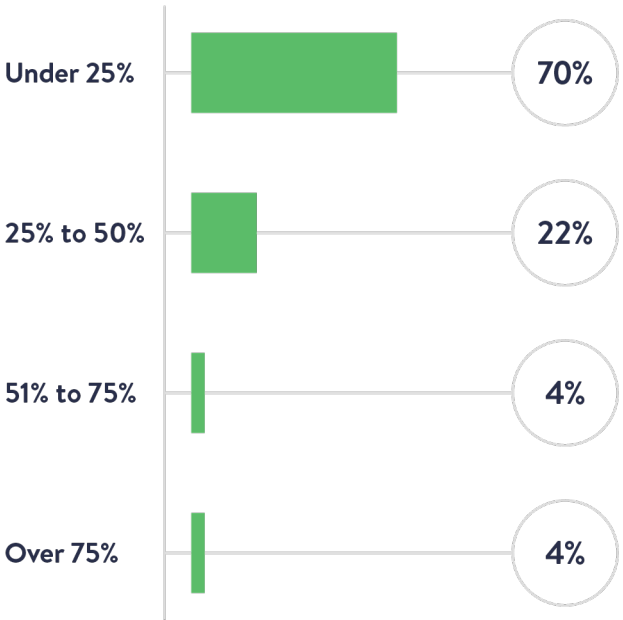
**40.** How many hires do you anticipate making this year?



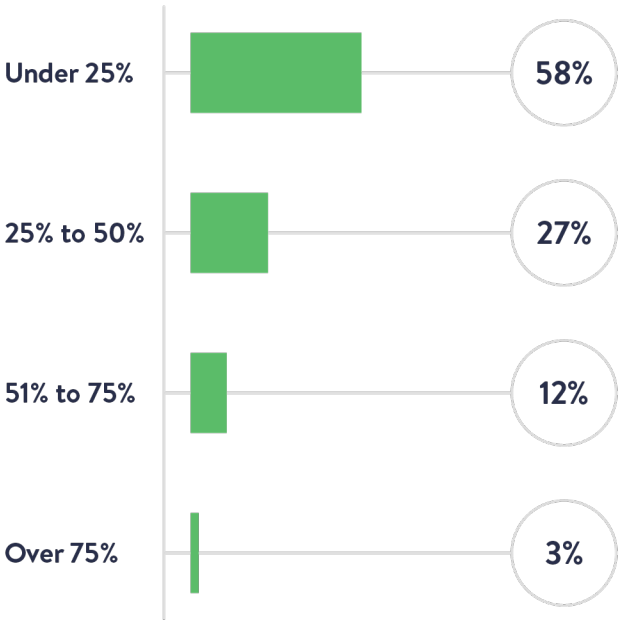
**41.** Approximately what percentage of employees come to your company from an internal Talent Acquisition (recruiting) team?



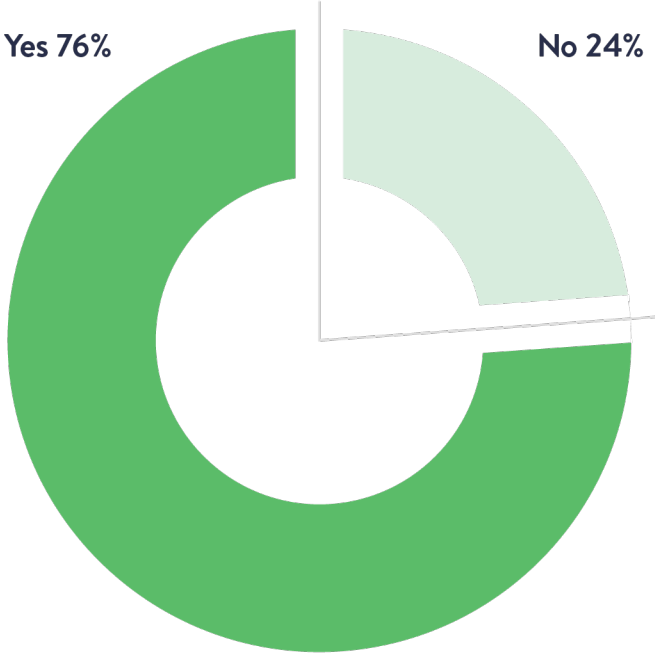
**42.** Approximately what percentage of employees come to your company from outside agencies?



**43.** Approximately what percentage of employees come to your company through employee referral?



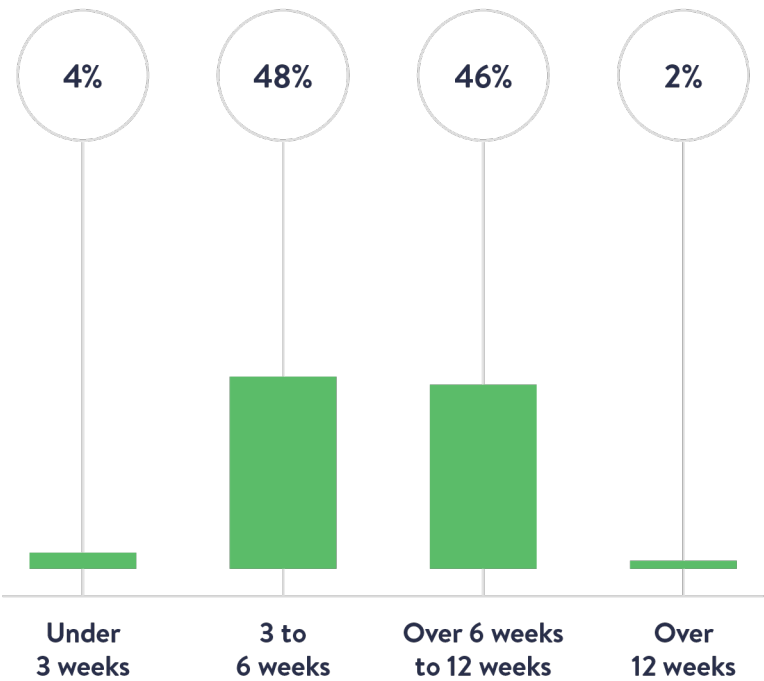
**44.** Do you offer an employee referral incentive program?



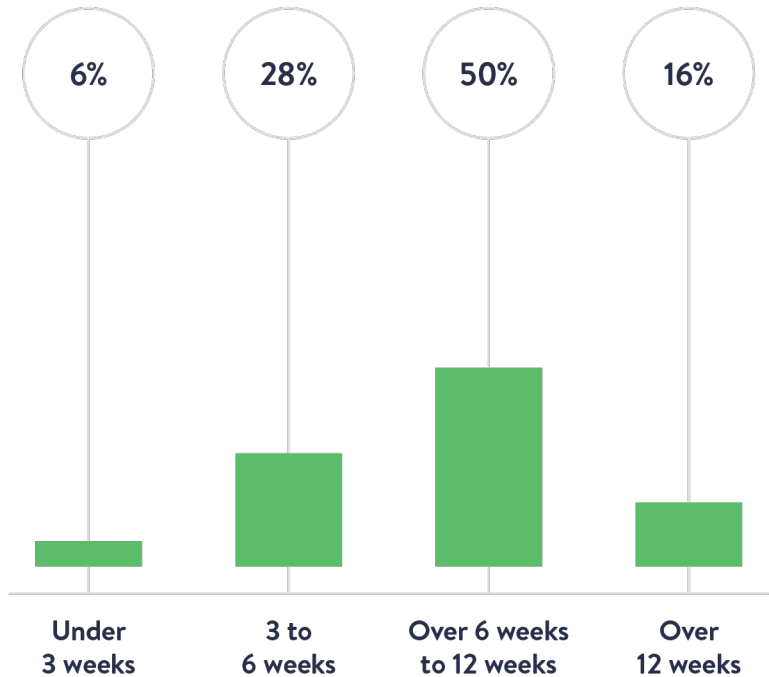
45. What is the average cost per hire at your company?



46. What is the average time to fill a position at your company?



**47.** What is the average time to fill an engineering position at your company?

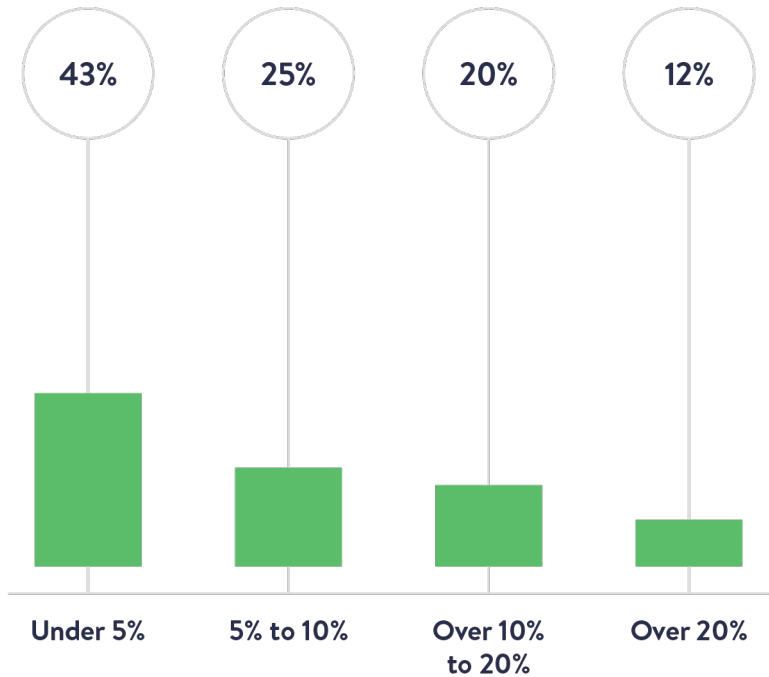


**48.** What is the average time to fill a sales position at your company?

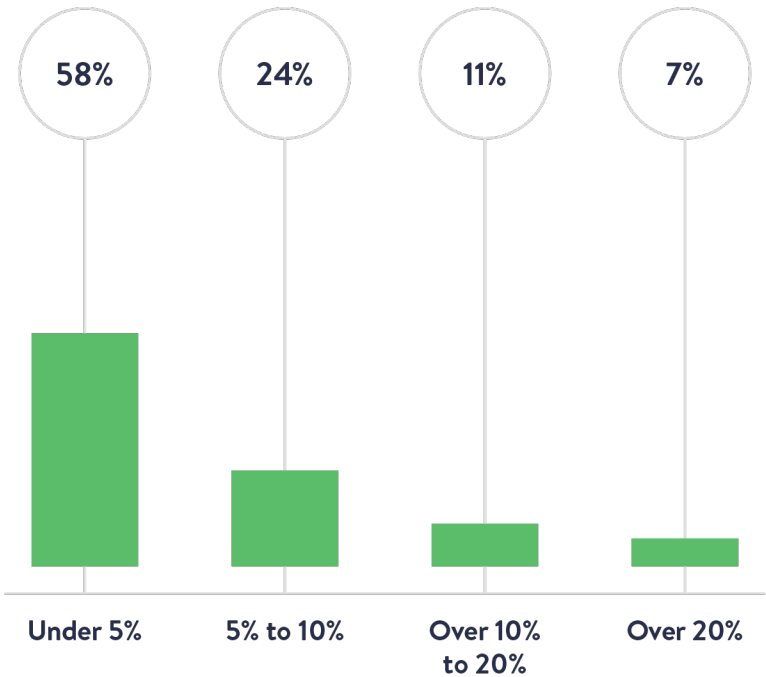




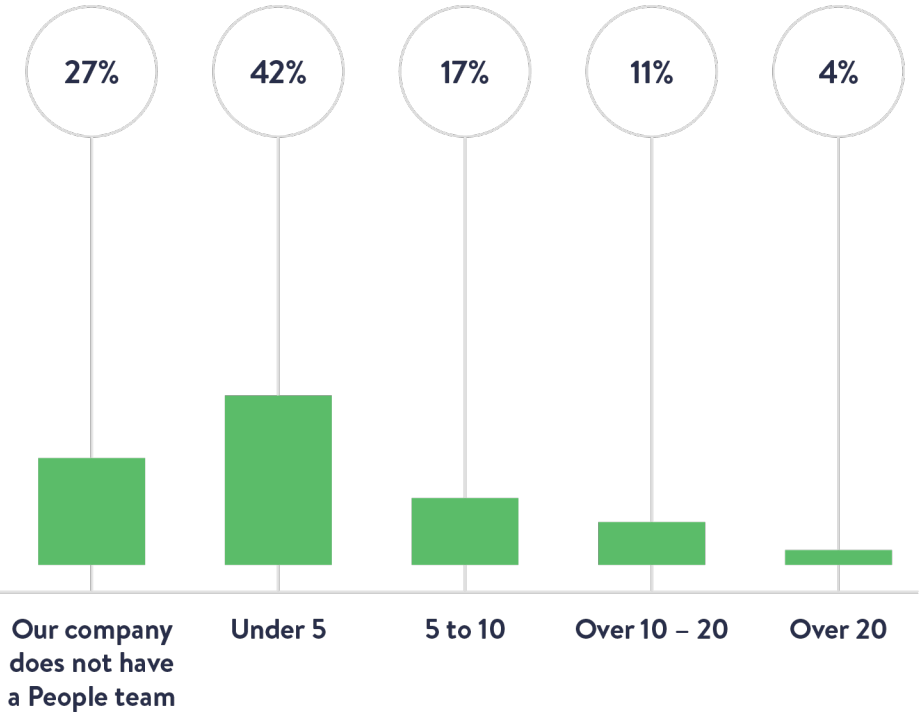
**49.** Which best represents your company's annual regrettable attrition rate (employee turnover)?



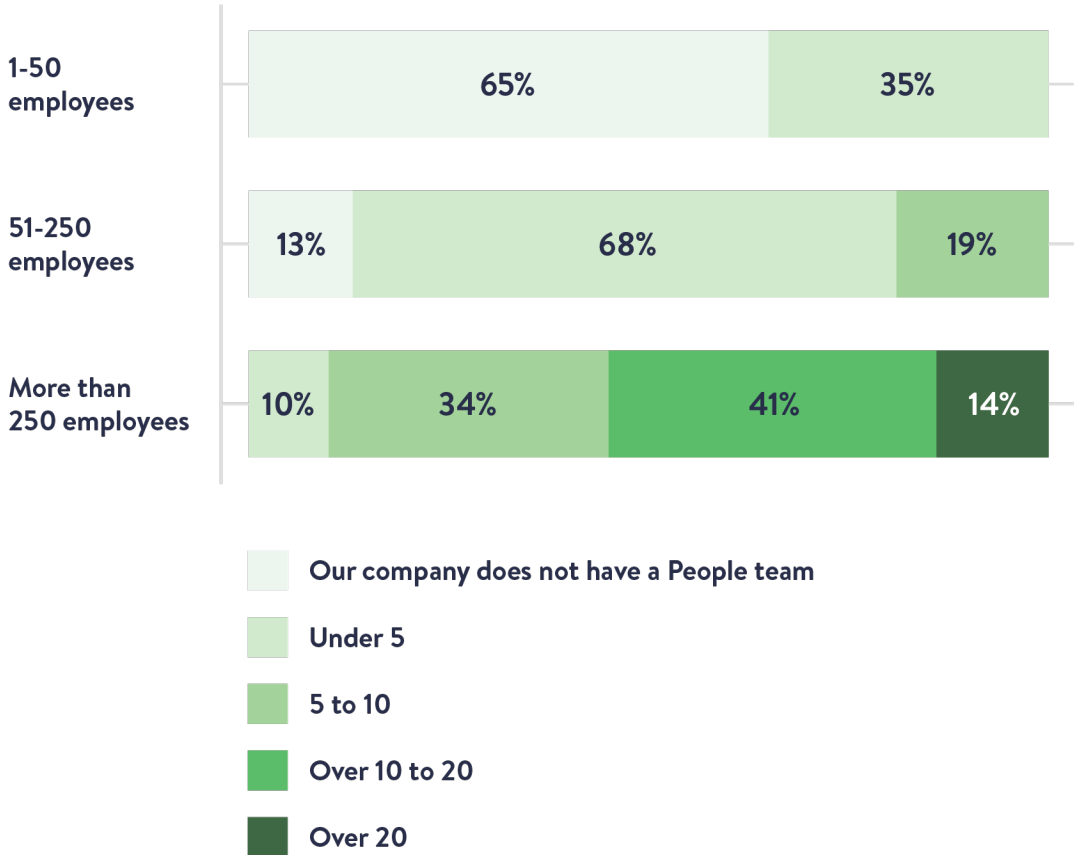
**50.** Which best represents your company's annual regrettable attrition rate for engineers only?



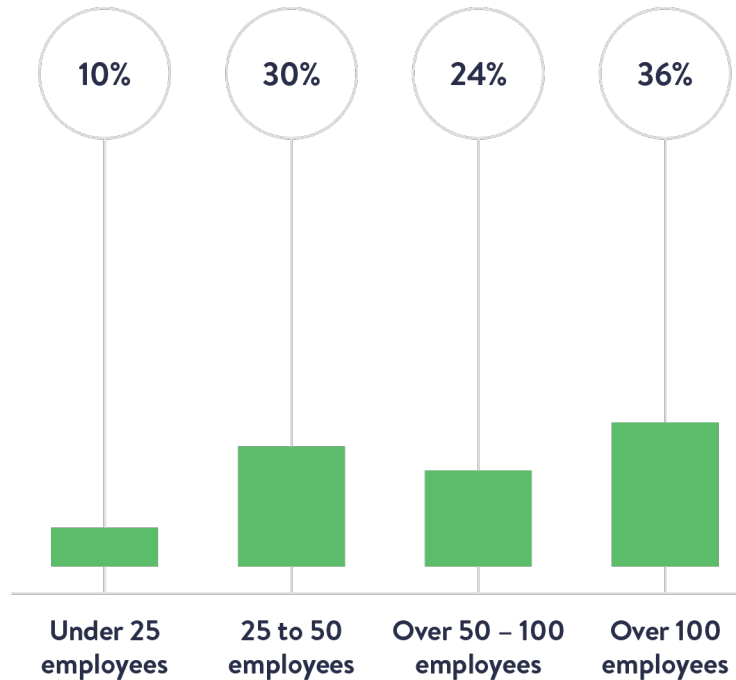
**51.** How many employees make up the People (HR) Team in your company?



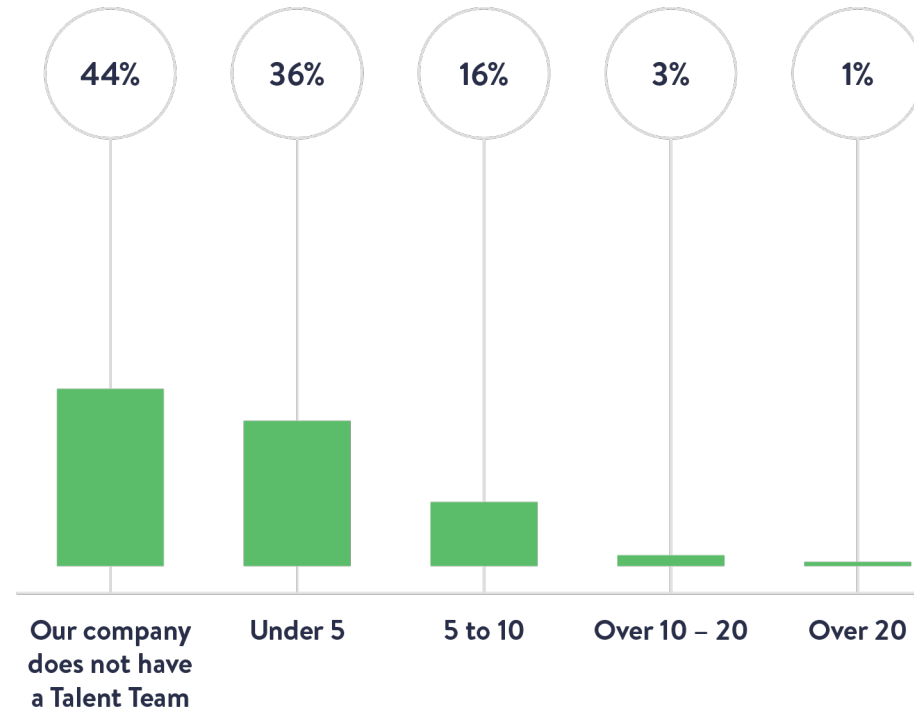
**51a.** How many employees make up the People (HR) Team in your company? (Shown by number of employees)



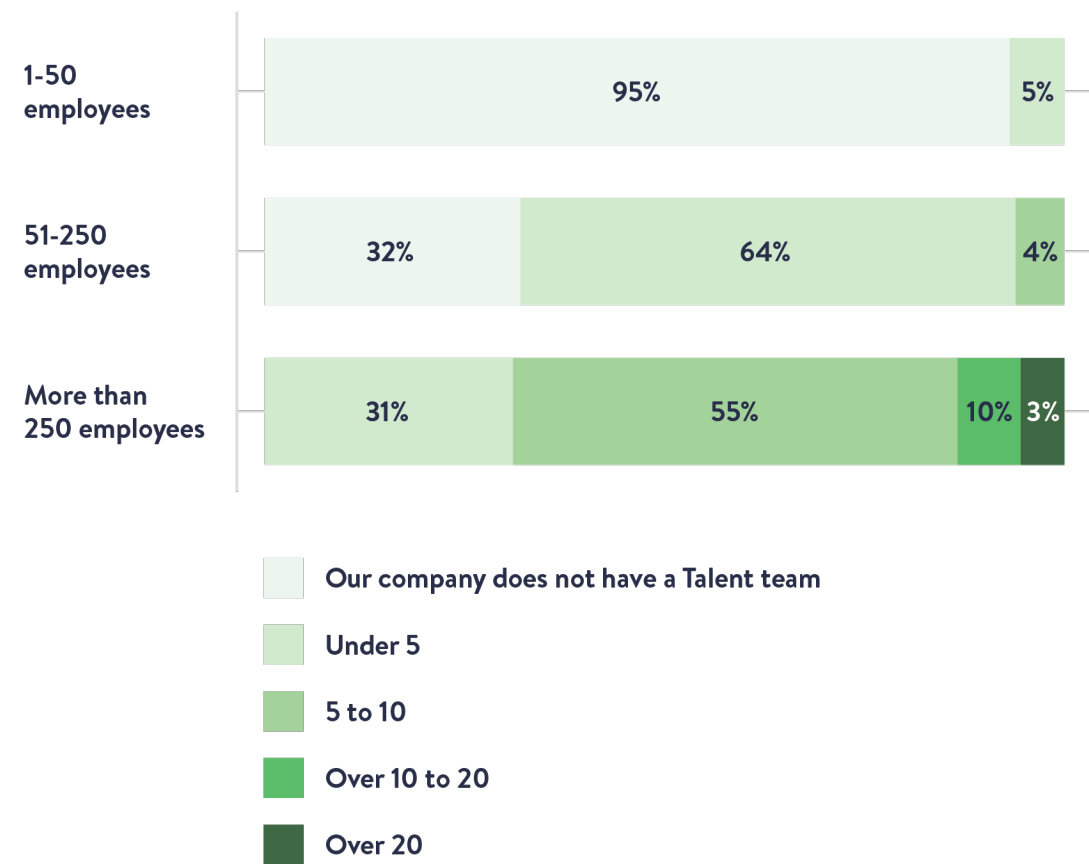
**52.** At what number of employees did you hire a Head of People (HR)?



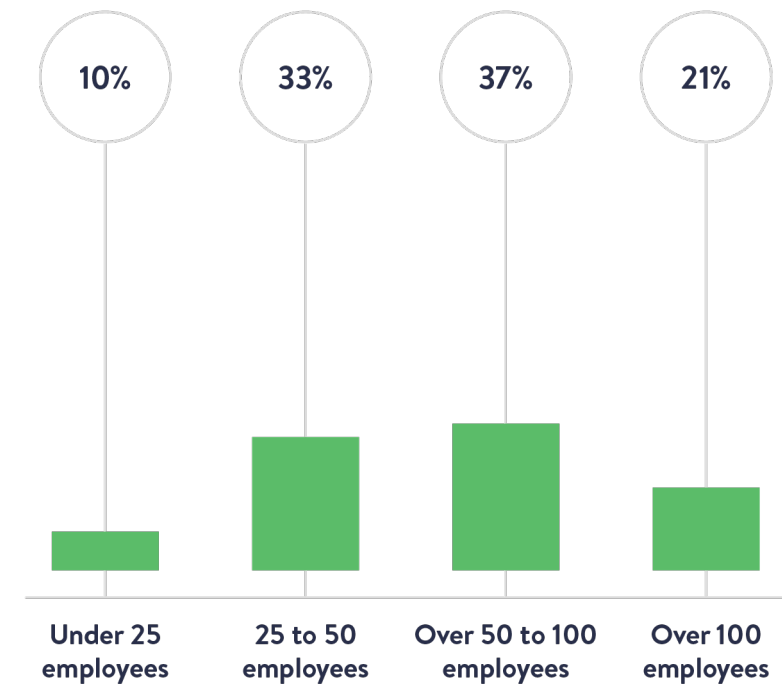
**53.** How many employees make up the Talent Acquisition (recruiting) Team in your company?



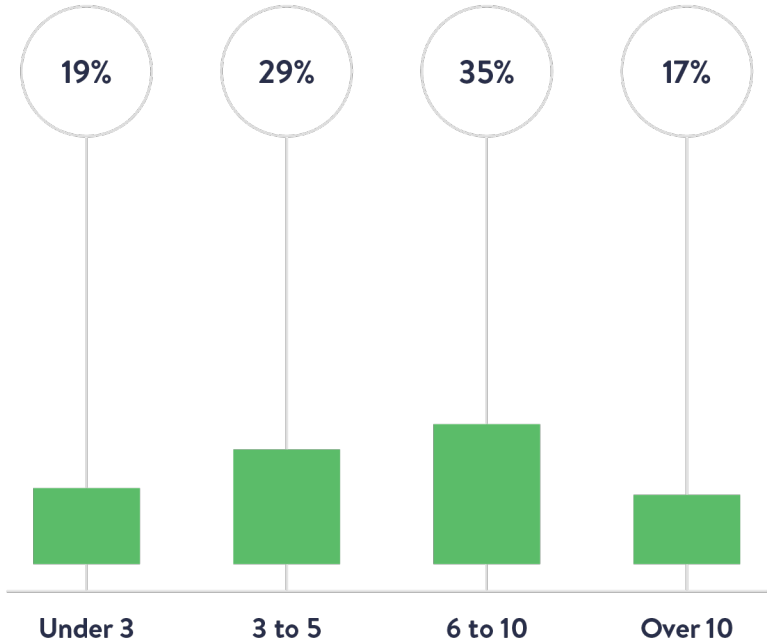
**53a.** How many employees make up the Talent Acquisition (recruiting) Team in your company? (Shown by number of employees)



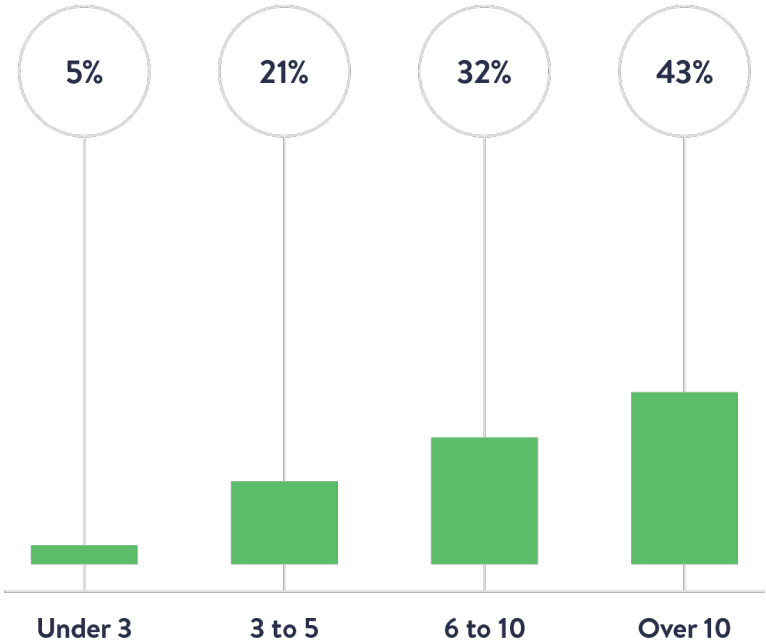
**54.** At what number of employees did you hire your first internal recruiter?



**55.** For internal technical recruiters, what is the average number of roles filled per quarter?



**56.** For internal non-technical recruiters, what is the average number of roles filled per quarter?

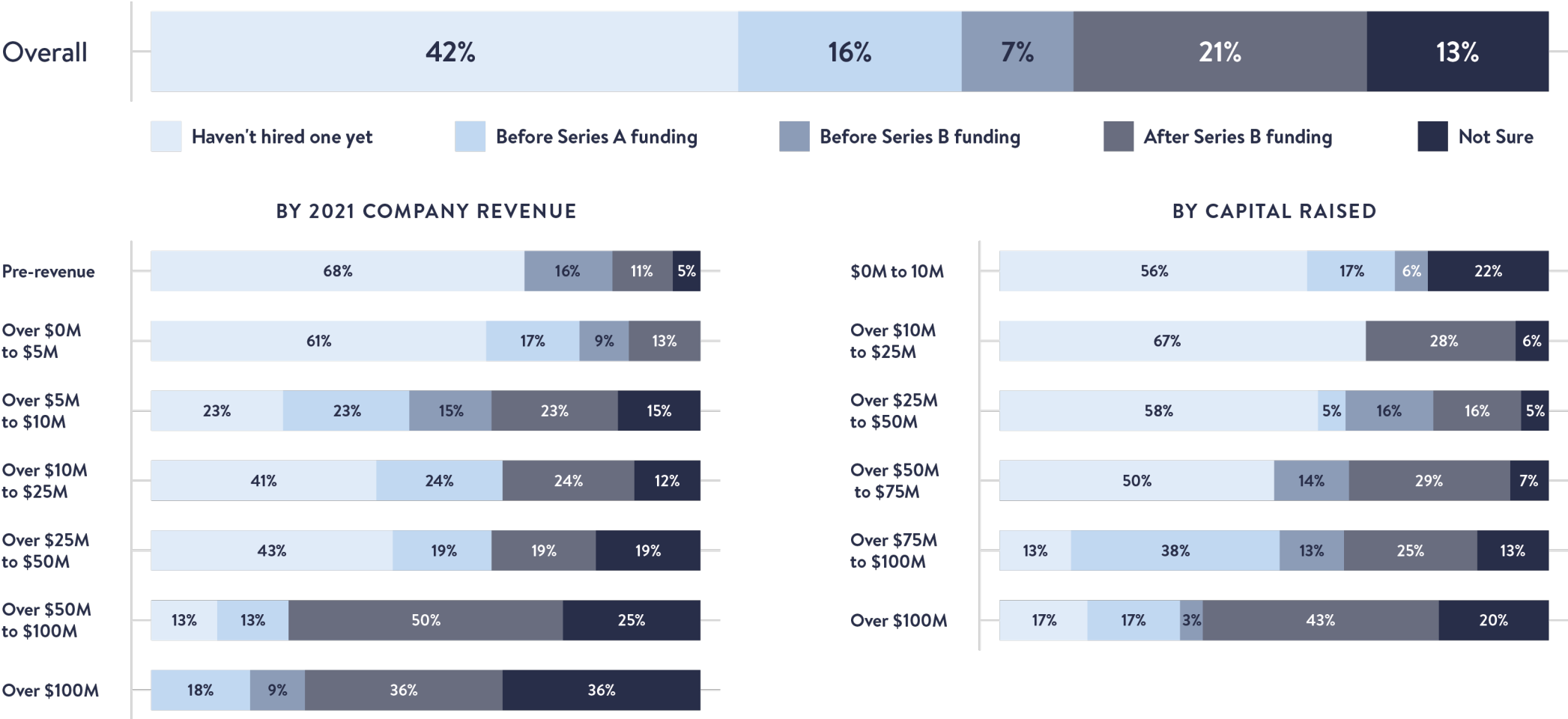




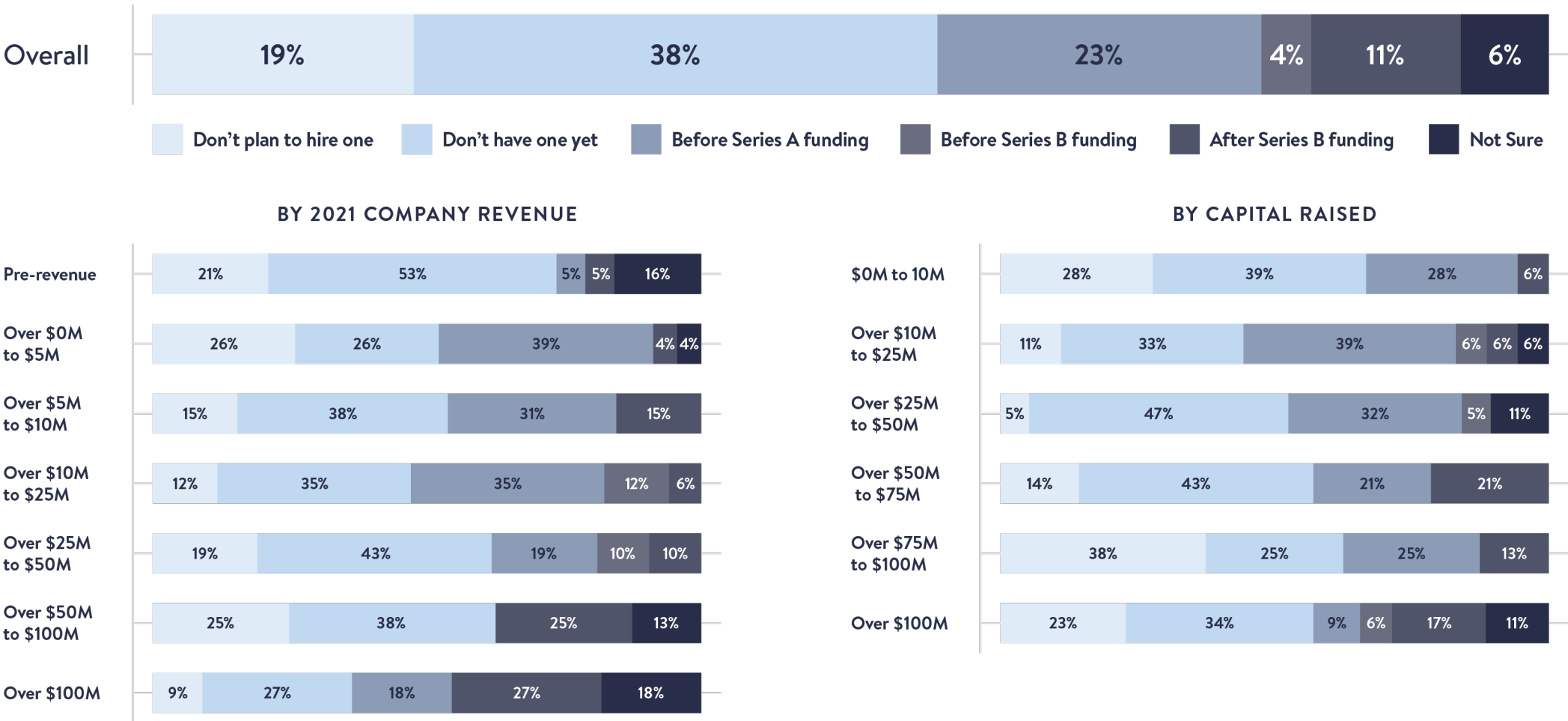
# COMPANY STRUCTURE



57. At what point did you hire a full-time CFO?

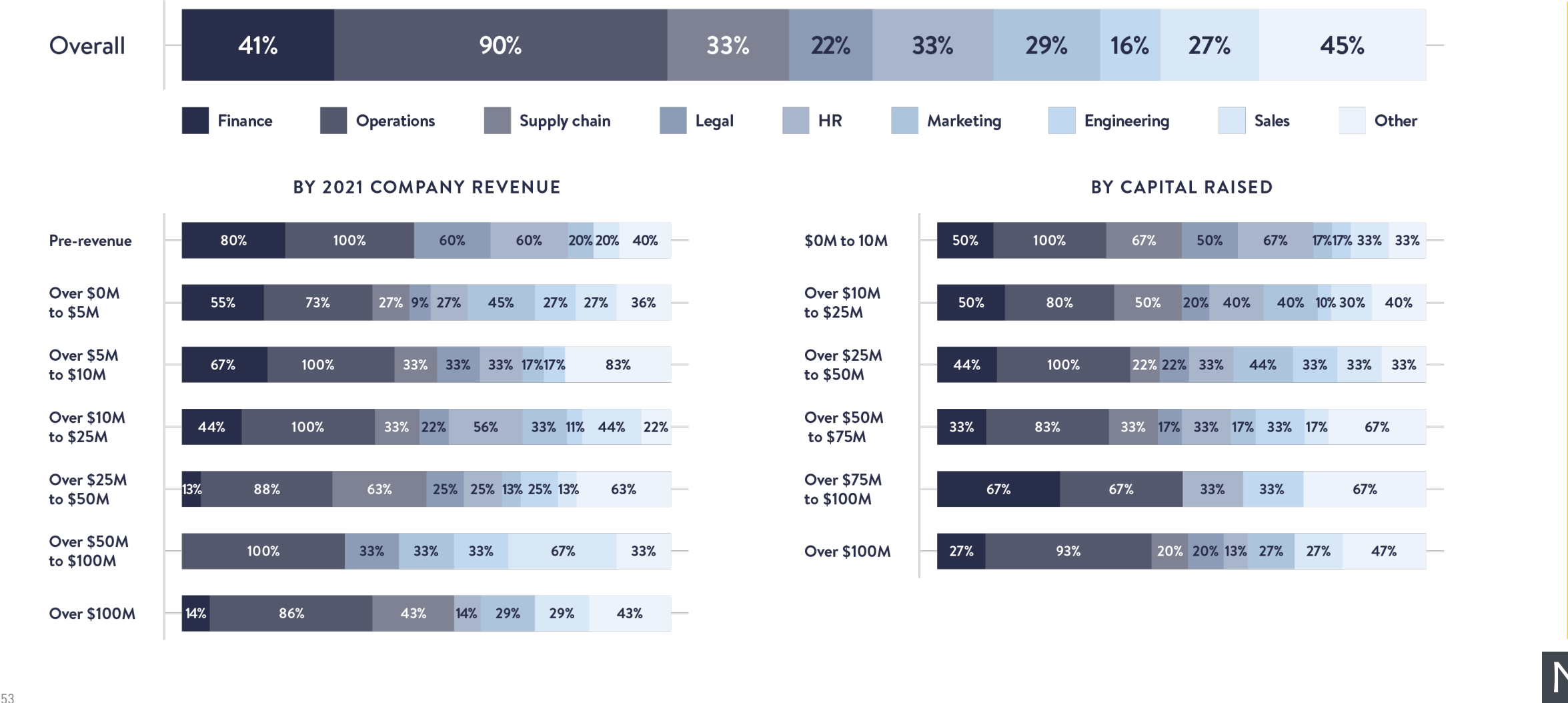


58. If you have a full-time COO, at what point did you hire them?

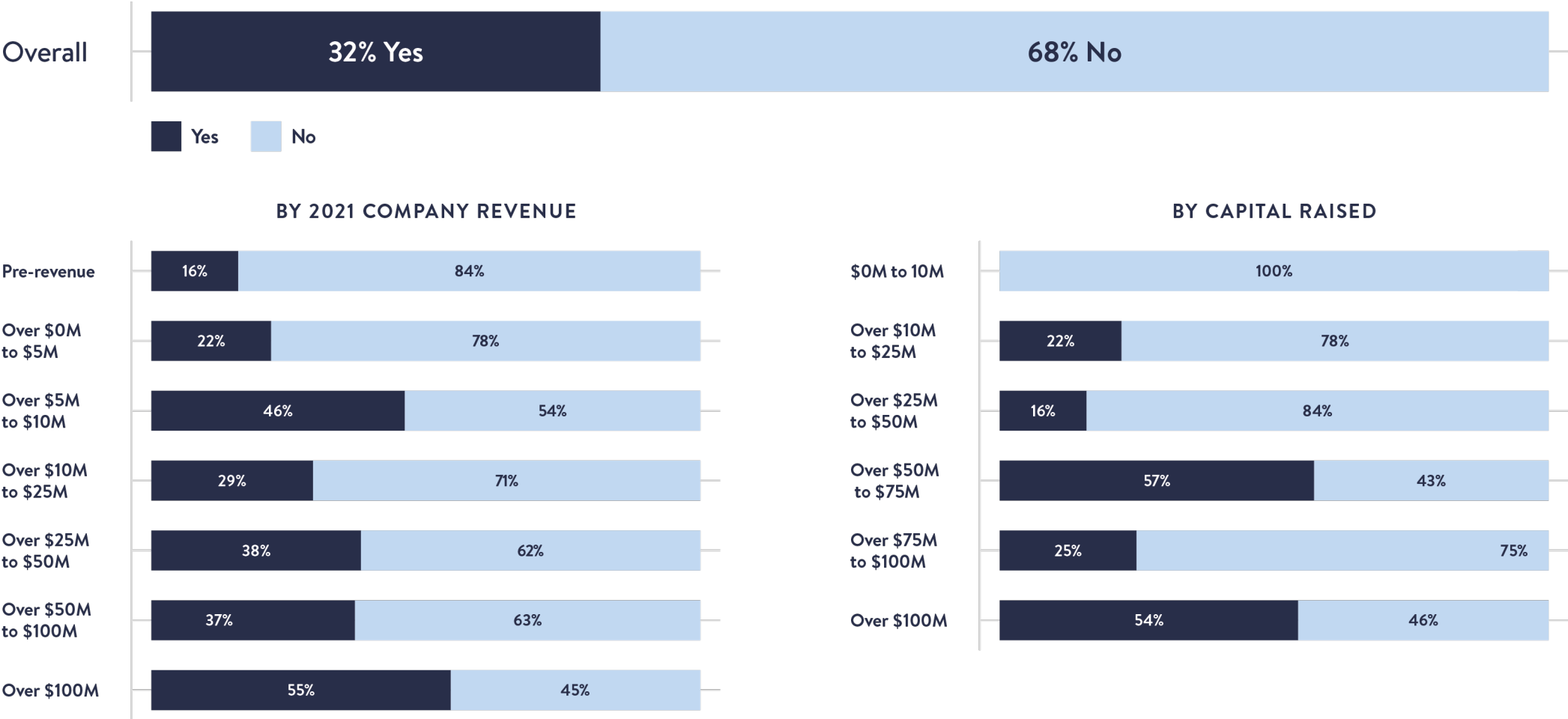




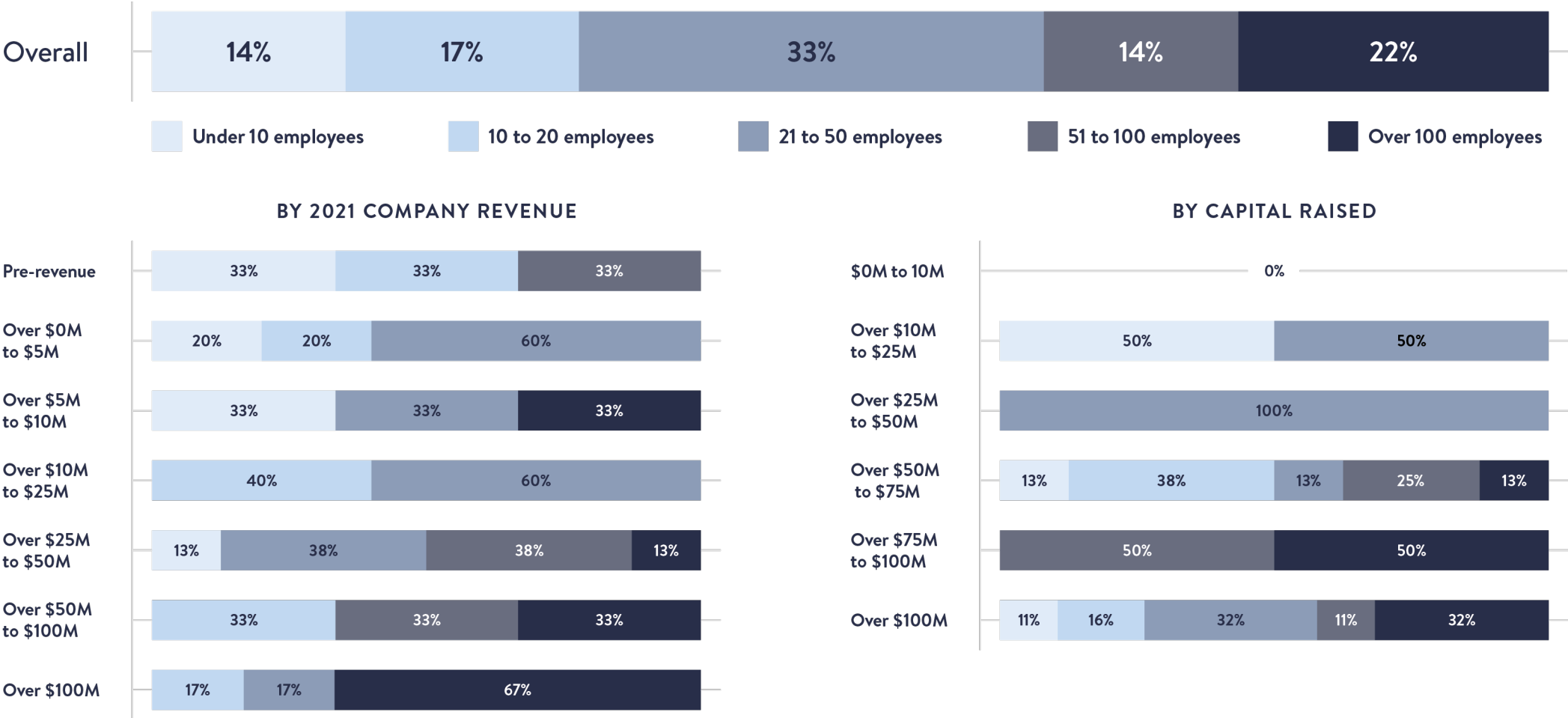
59. If you have a COO, which functions do they manage? (Respondents were allowed to select more than one option)



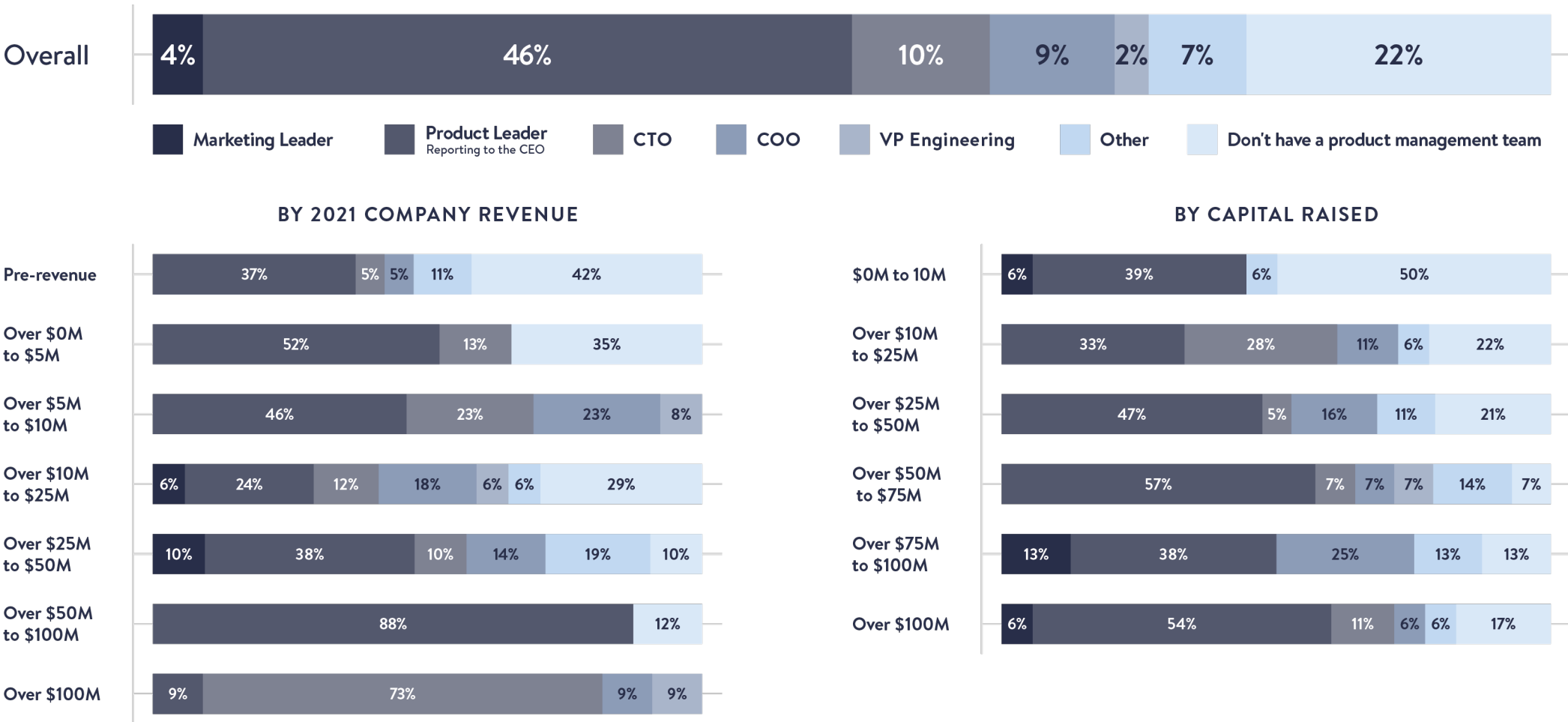
60. Do you have both a CTO and a VP of Engineering?



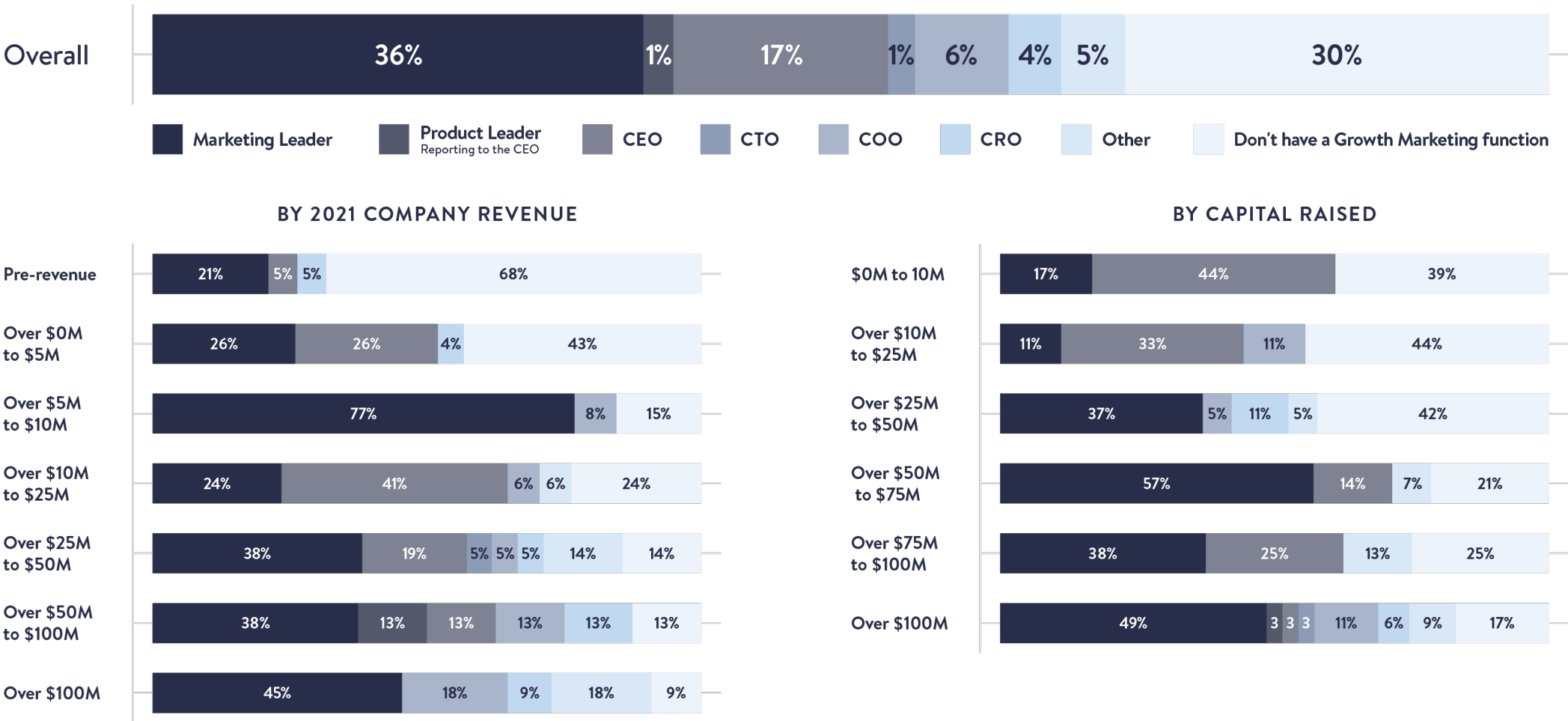
61. If you have both a CTO and a VP of Engineering, at what point did you bring in the second technical leader? When tech org was:



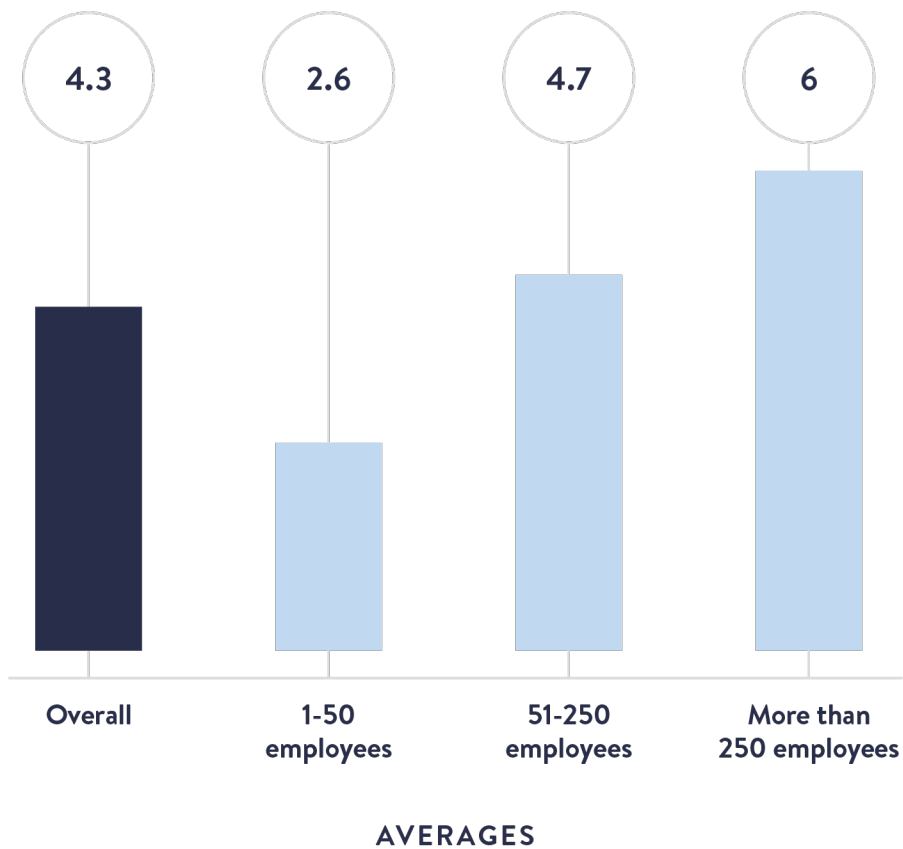
62. If your company has a product management team, into which function does it report?



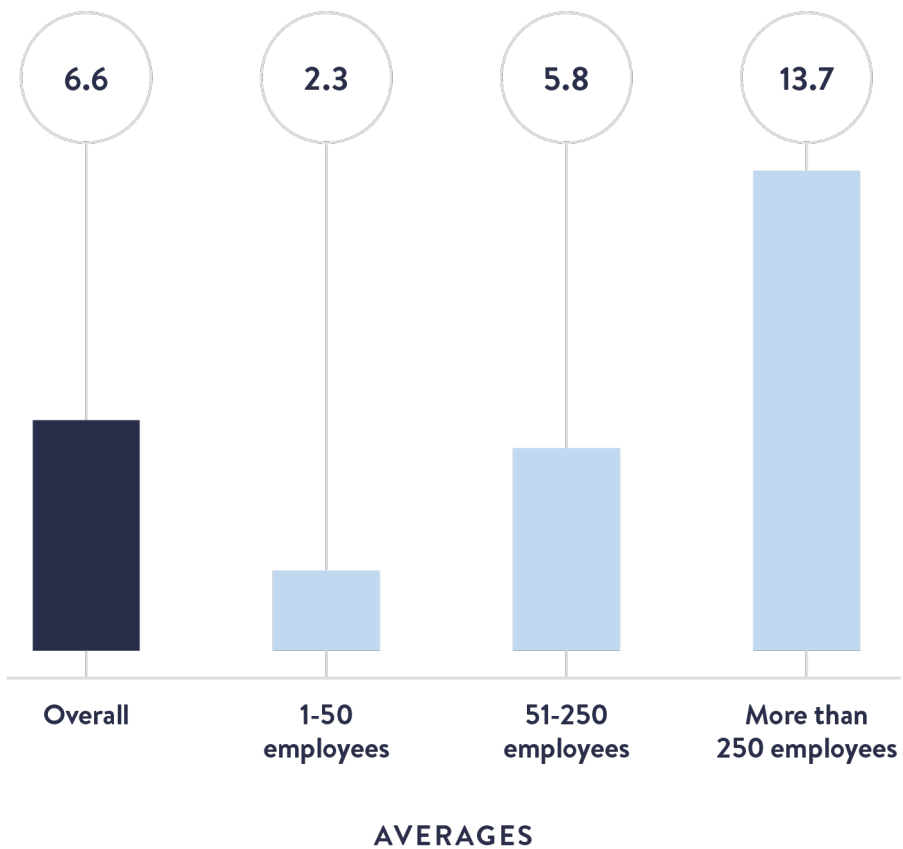
63. If your company has a Growth Marketing function, into which function does it report?



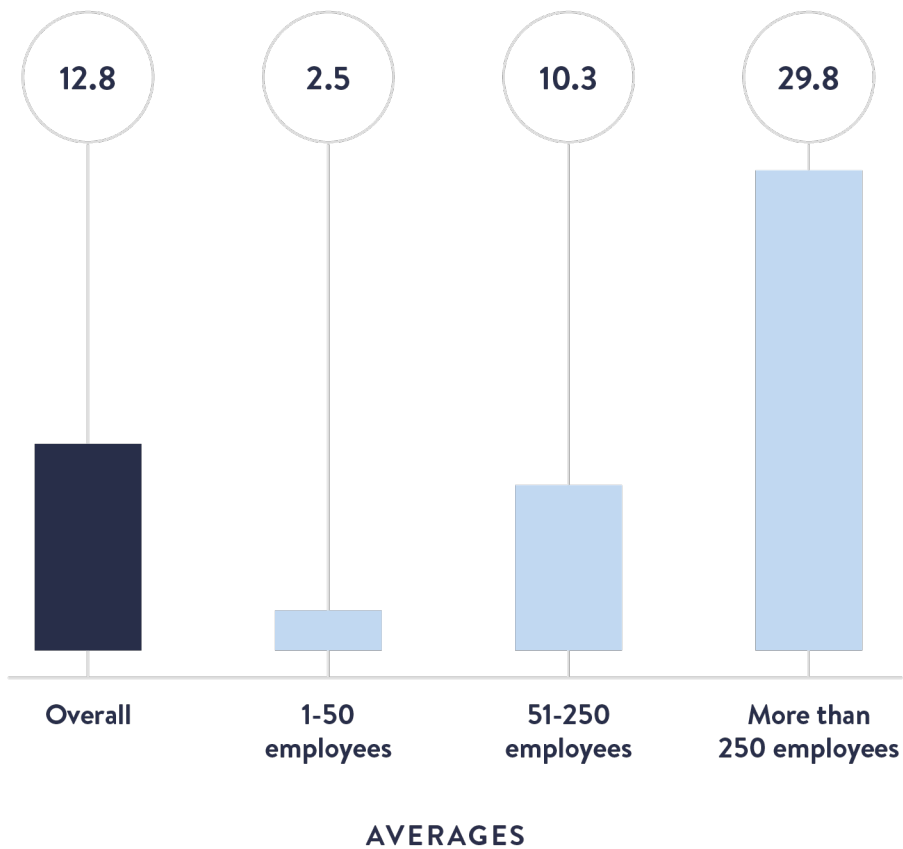
**64.** How many C-level executives does your company have?



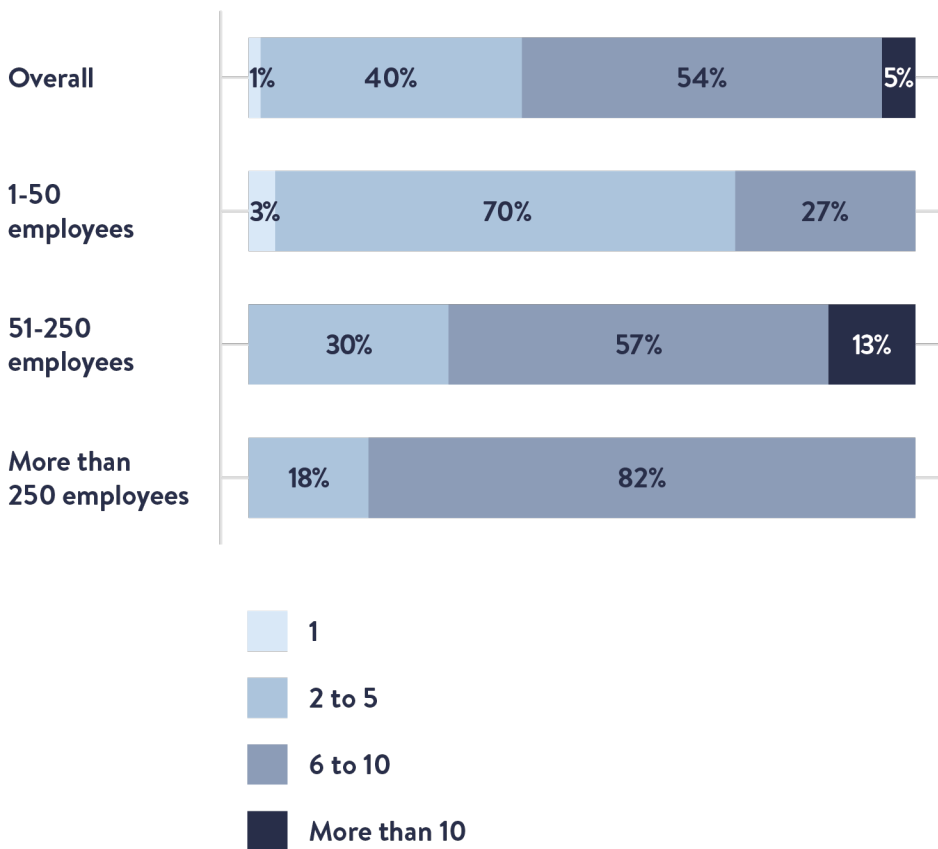
**65.** How many VPs (includes SVPs and EVPs) does your company have?



66. How many Directors (includes Sr. Directors) does your company have?



67. How many direct reports does your CEO have?



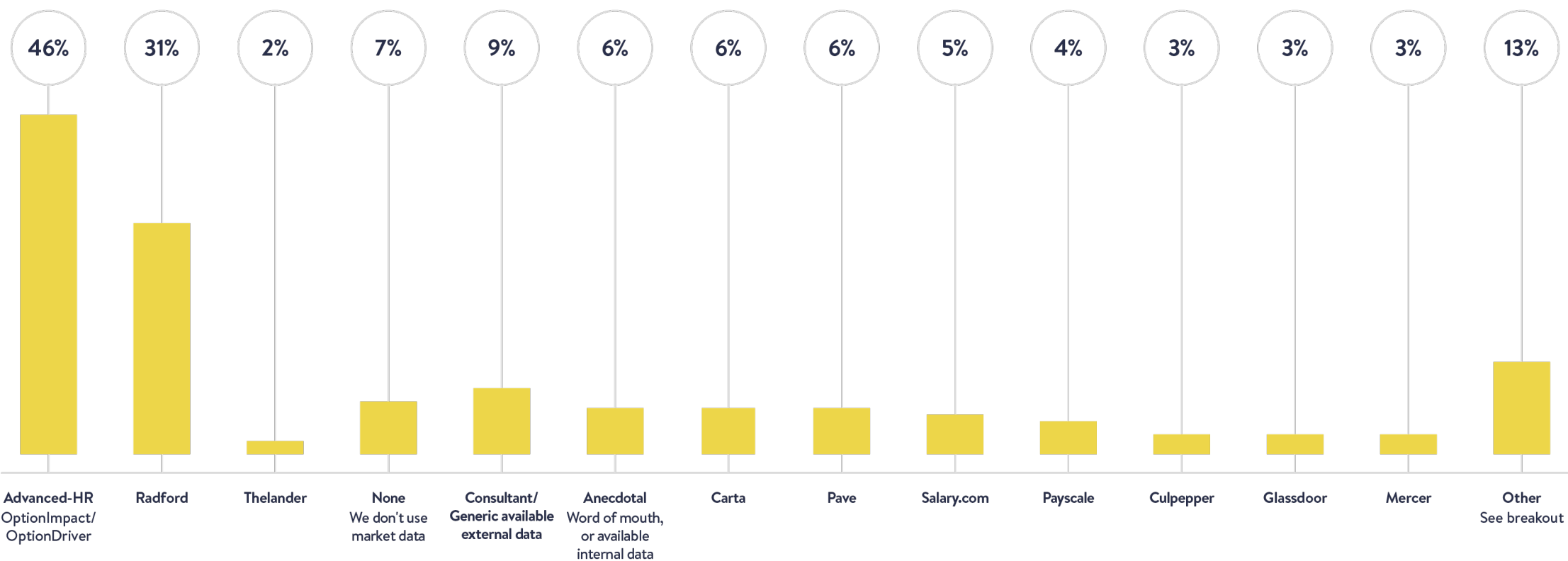


# **SYSTEMS & TOOLS**



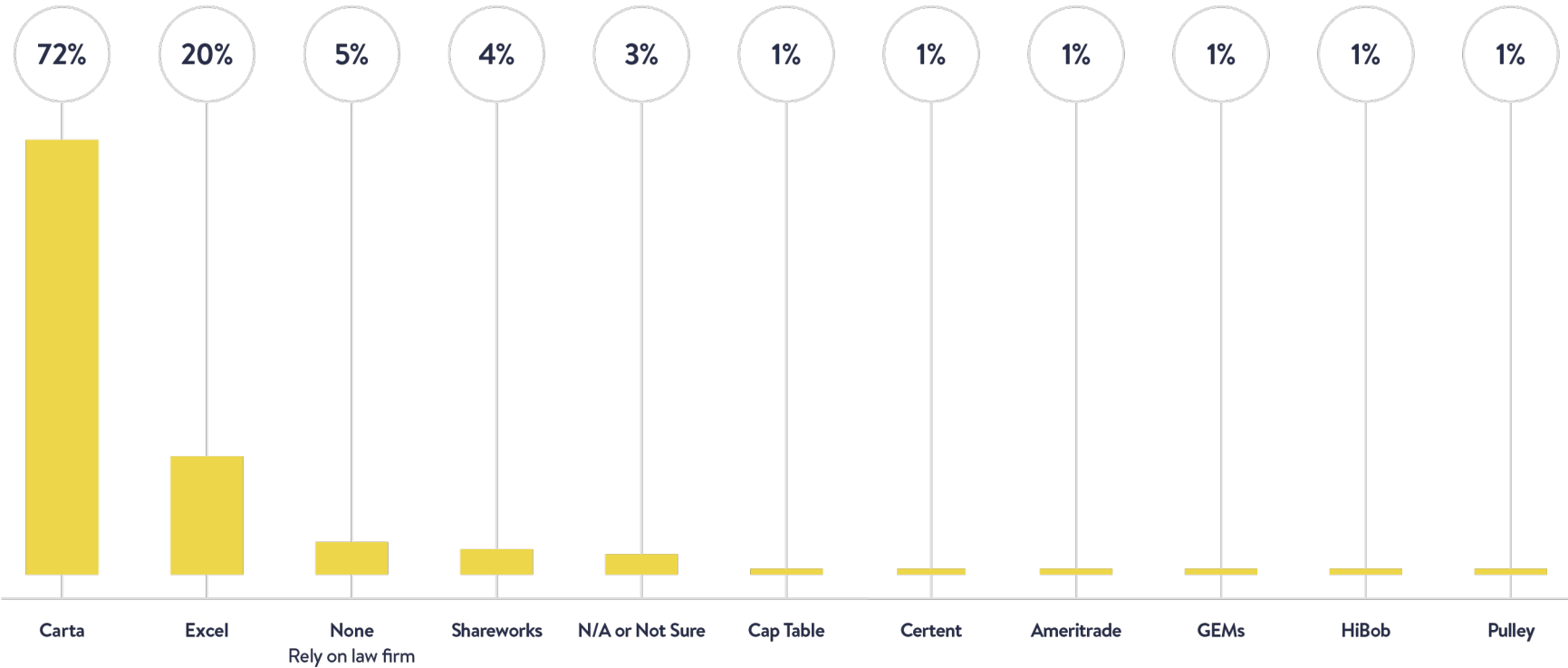


68. Which sources do you use for compensation data? (Respondents were allowed to select more than one option)

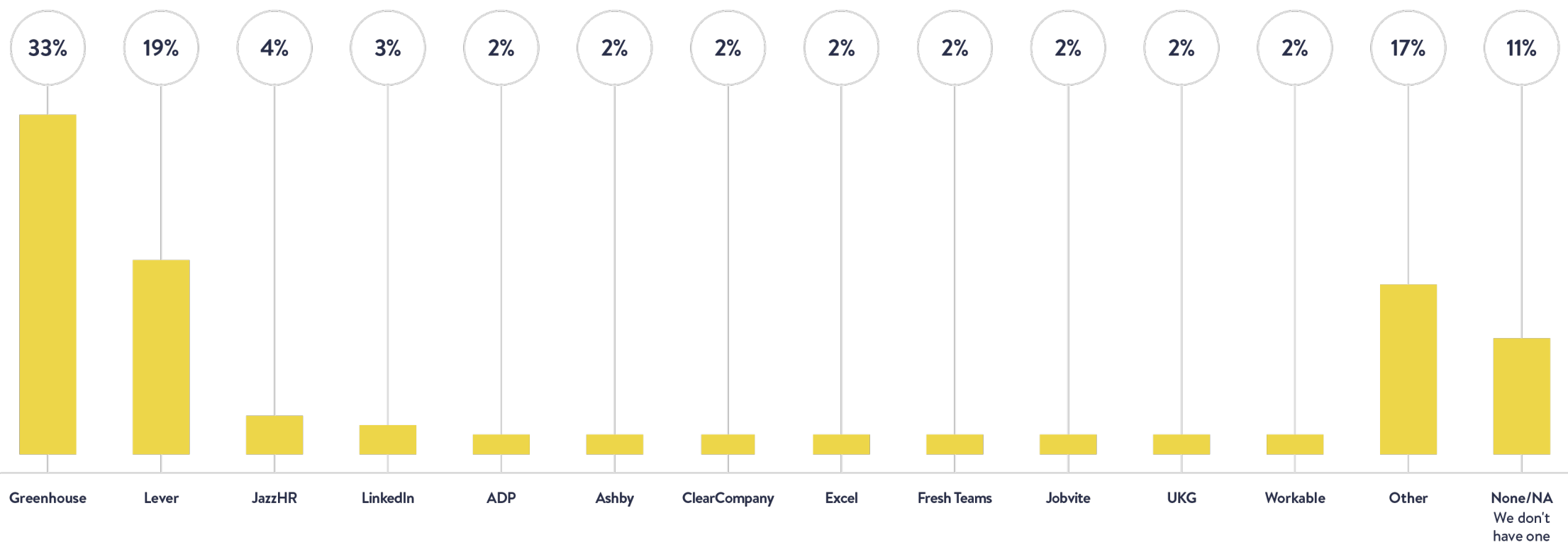


“Other” Breakout (less than 1% each): Competewith.com, Comp Analyst, ERI, Grayscalable, Indeed, Open Comp, Payfactors, Robert Half Salary Guide, Trinet, VCECS, Willis Tower Watson, Zviran

69. What tool do you use to track stock options? (Respondents were allowed to select more than one option)

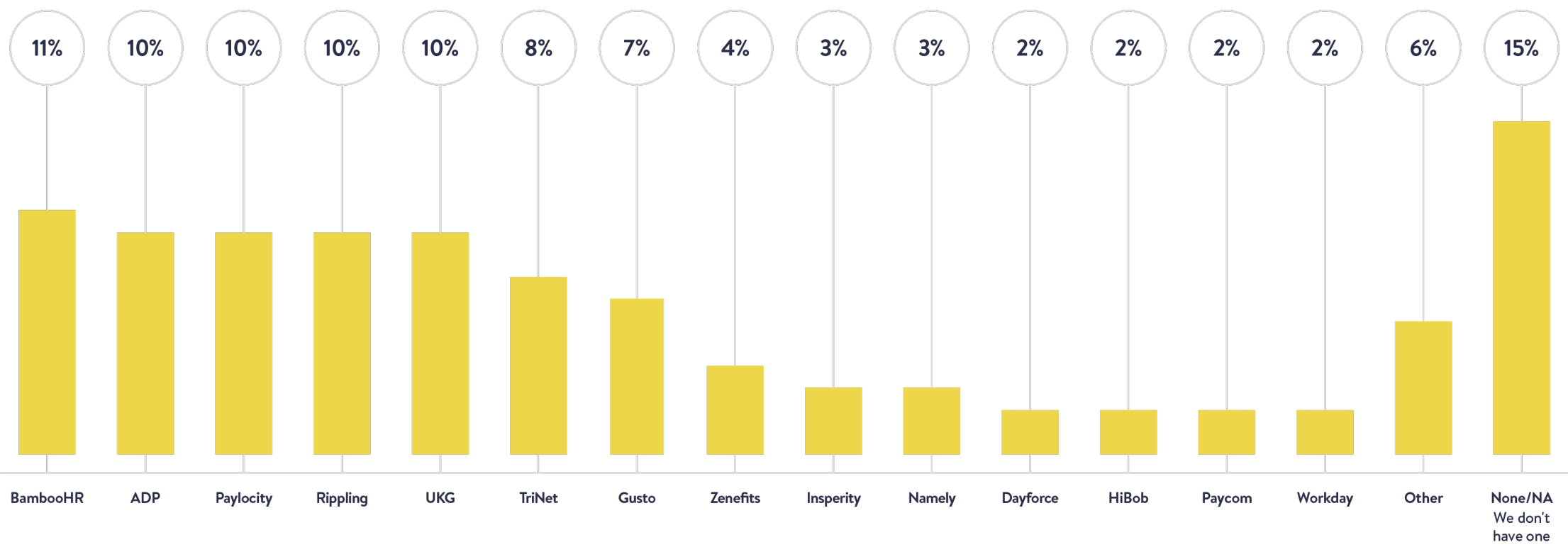


70. What applicant tracking system do you use? (Respondents were allowed to list more than one option)



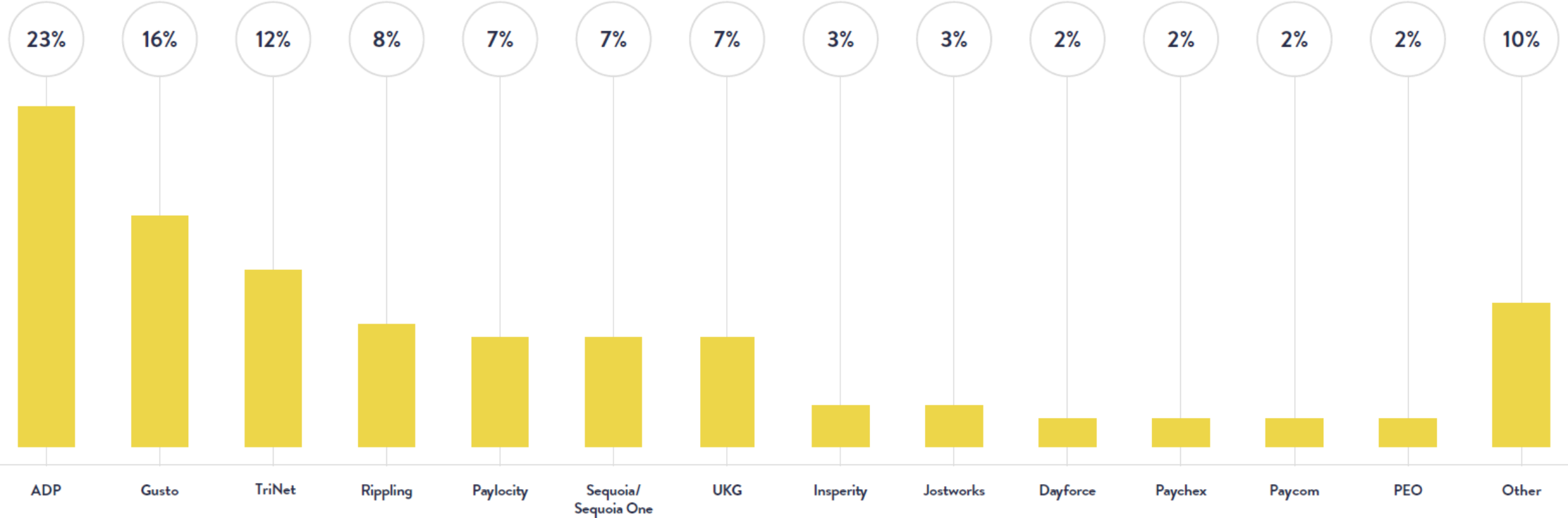
“Other” Breakout (1% each): Asana, BambooHR, Breezy, Comeet, Google/Google Sheets, iCIMS, Indeed, JobScore, Monday.com, Paychex, Paycor, Paylocity, The Applicant Manager (TAM), Trackstar Hire, TriNet, Workday, Zenefit

71. What HRIS do you use? (Respondents were allowed to list more than one option)



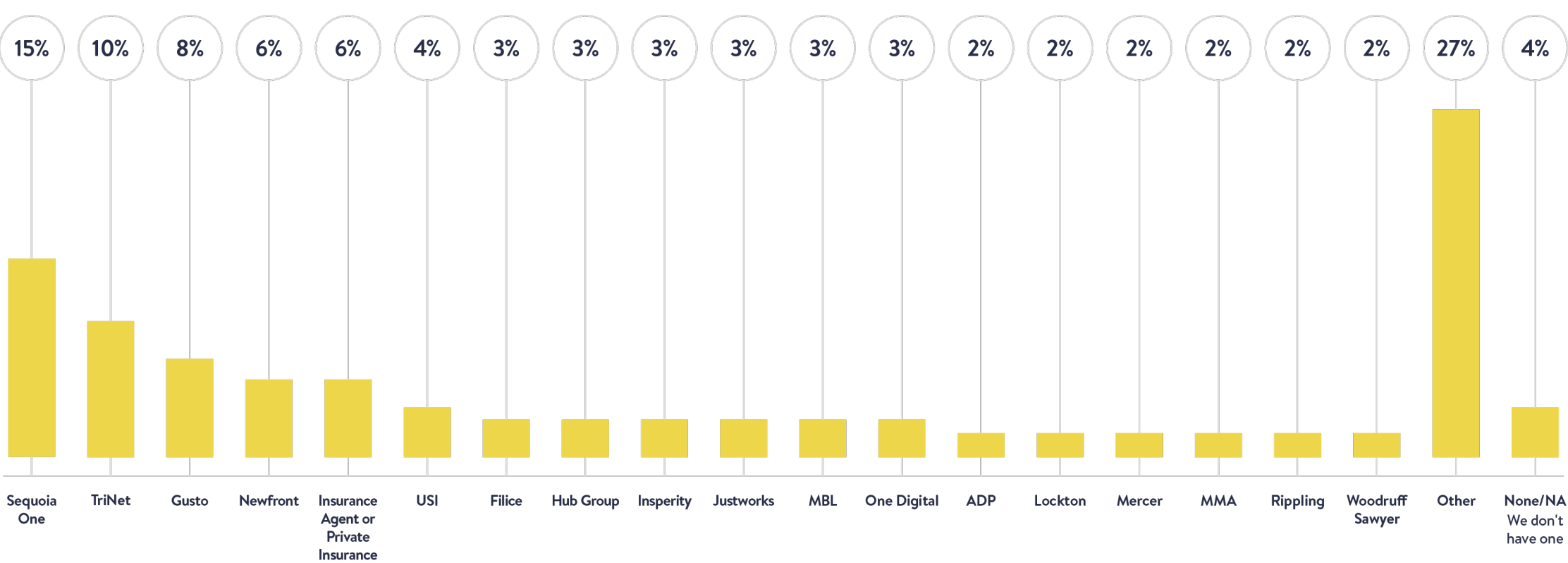
“Other” Breakout (1% each): Bob, Ceridian, GoCo, Paychex, PEO, Sapling

72. Who is your payroll provider? (Respondents were allowed to list more than one option)



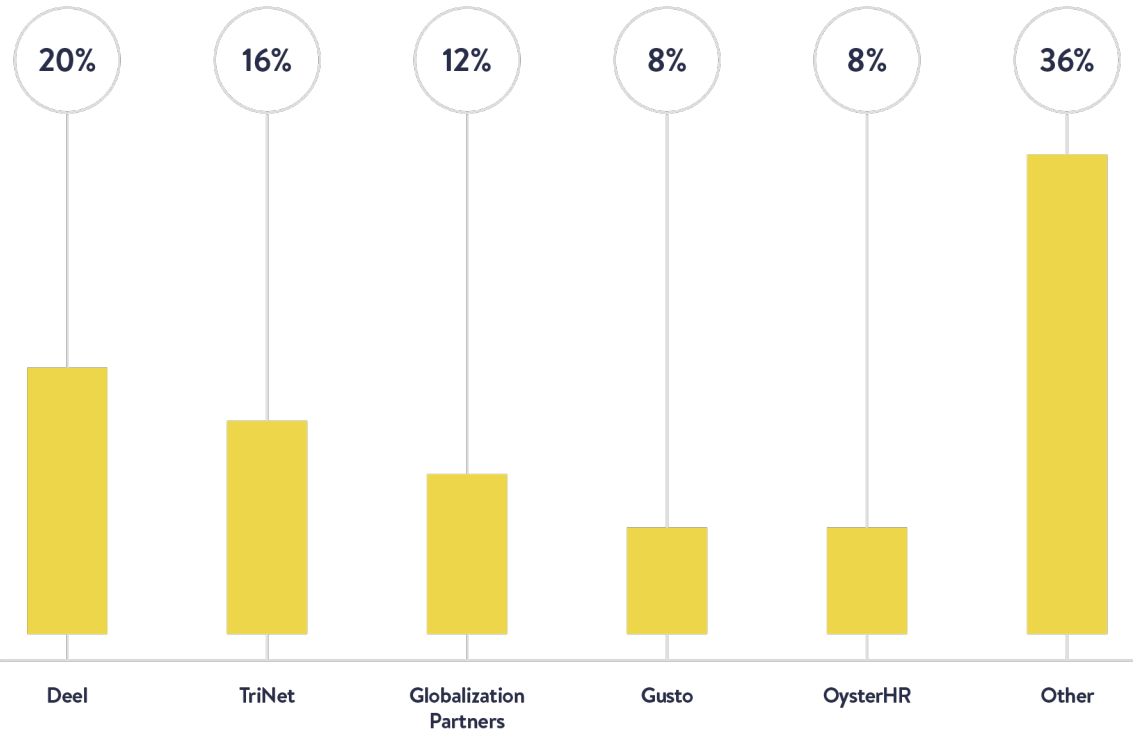
“Other” Breakout (1% each): Ceridian, Coastal, Countsy, LBMC PEO, Namely, Quickbooks, TRAX Payroll, VenSure, Workday, Zenefits

73. Who is your benefits broker? (Respondents were allowed to list more than one option)



“Other” Breakout (1% each): Advanced Estate & Insurance Services, Bedrosian, Benefits Exchange Alliance, Bennie, Brio, Brown and Brown, Diversified, Ease, Gallagher, Gina Jarin, IBP Benefits, ICHRA, Infiniti HR, IntoBenefits, JB Gross & Associates, Lumity, Maniaci, Marsh, NFP, Nielsen Benefits, Paychex, Pro Benefits WA, RBI Benefits, Rick Pumo, Sunlife, Washington Life Sciences, Zodikoff

**74.** If you have a global HR provider, who is it? (Respondents were allowed to list more than one option)



“Other” Breakout (4% each): Atlas, Danforth, JCSS, Keka HR, Mercer, Papaya, Pilot, Sequoia, Vistra

# METHODOLOGY AND DISCLOSURES

- The data in this report was collected from 121 Norwest portfolio companies between July 25 to August 29, 2022 by Infosurv, a third-party full-service market research company. Responses collected included 112 respondents who fully completed the survey and 9 respondents who partially completed the survey.
- Rapidly changing market conditions and your organization's own circumstances should be considered when reviewing this benchmarking data. This report is intended to be point of reference and should not be taken as a recommended course of action or legal advice.
- References to “companies” refers to portfolio companies surveyed through the 2022 Norwest Talent & People Practices Benchmark Survey.
- A full survey was not conducted in 2020; YoY data may not be available in some instances.
- Throughout this report, there may be references to statistically significant differences. This means that an observed difference has been mathematically determined to be an actual difference that did not occur due to random fluctuations in the data. Statistical testing was done at a 90% confidence level which means that there is at least a 90% probability that the difference did not occur due to chance.



THANK YOU

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NORWEST

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