

## CHRO Conversation

Merck – Dr. Mirian M. Graddick-Weir, EVP of HR (Part 1)

Video Length 11:00

<https://www.youtube.com/watch?v=GYEtQ8ZSGsw&index=26&list=PLUEIH5PMd16kn9p29AbXCJLvTiVU>

[JRiLu](#)

Topic	Time
<p>How do you help create a diverse and inclusive environment at Merck?</p> <ul style="list-style-type: none"><li>● CEO sponsorship &amp; support</li><li>● Strives to get more women and people of color in senior roles</li><li>● Unconscious bias training<ul style="list-style-type: none"><li>○ Actors hired to play out scenarios of incidents that occurred at Merck</li><li>○ Prompted Top 200 employees to think how they might handle the situation differently</li></ul></li><li>● “Me Too” Movement<ul style="list-style-type: none"><li>○ Letter sent to employees (signed by Head of Compliance &amp; HR) reminded them about the channels available to come forward if needed</li><li>○ Breakfast with Senior females to learn their perspective on the environment/culture at Merck</li></ul></li><li>● Employee Resource Groups</li></ul>	<a href="#">0:49</a>
<p>What is Merck’s stance on Social Responsibility and leading by example?</p> <ul style="list-style-type: none"><li>● Merck CEO joined Pharma Manufacturing Council; pictured sitting next to President Trump and employees raised concern</li><li>● Does the talk match the walk? CEOs must decide when to take a stand and be courageous</li><li>● Companies should be thoughtful when speaking on social and political issues</li></ul>	<a href="#">6:30</a>

“[His point of view was] you can’t sit at the top of the company as a CEO and have your own personal values of ethics and integrity...you see something that’s in direct violation of that... he felt like he had to take a stand.”(8:21)

### Discussion Questions:

1. Should employers/CEOs voice their opinions about social issues?
2. How frequently and through what channels should companies provide unconscious bias training?

CHRO Conversation  
 Merck – Dr. Mirian M. Graddick-Weir, EVP of HR (Part 2)  
 Video Length 11:54

<https://www.youtube.com/watch?v=OPIRHtFebic&list=PLUEIH5PMd16kn9p29AbXCJLvTiVUJRjLu&index=25>

Topic	Time
<p>What's different about Merck's new performance management system compared to the old one?</p> <ul style="list-style-type: none"> <li>• Updated &amp; modernized system</li> <li>• Research:               <ul style="list-style-type: none"> <li>○ Watched what other companies were doing, especially those who eliminated ratings</li> <li>○ Talked to exec committee members to get feedback</li> <li>○ Crowd-sourcing technology used to get employee feedback</li> <li>○ Overwhelmingly, employees wanted to keep ratings</li> </ul> </li> <li>• New features:               <ul style="list-style-type: none"> <li>○ Rating system: Switched from five to three categories (without forced distribution); "Outperform" (top) rating capped to 20%</li> <li>○ Restricted stock unit changes</li> <li>○ Encourage continuous feedback between manager and employee</li> <li>○ Piloting a mobile app for people to provide feedback to colleagues</li> <li>○ "Build the Best Teams" people management</li> <li>○ INSPIRE – new global recognition platform</li> </ul> </li> </ul>	<a href="#">0:11</a>
<p>What is the value in investing in the performance management system?</p> <ul style="list-style-type: none"> <li>• People managers receive upward feedback from their direct reports</li> <li>• Managers set up conversations with their teams</li> <li>• Required web-based coaching sessions</li> <li>• Employees learn what's expected of them</li> <li>• Overtime, constructive feedback is the goal</li> </ul>	<a href="#">5:17</a>
<p>What's the importance of data analytics in HR?</p> <ul style="list-style-type: none"> <li>• Anecdotal data is not enough</li> <li>• Starting question: What problem are we trying to solve?</li> <li>• We must frame data in a way that makes sense to the typical line manager</li> <li>• Analytical, statistical and consulting skills are necessary</li> </ul>	<a href="#">7:06</a>
<p>What is HR's role in C-suite succession?</p> <ul style="list-style-type: none"> <li>• CHRO, CEO and Board are partners in CEO succession</li> <li>• CHRO and CEO should work together on other C-suite succession</li> <li>• Force people to think about where the business is going and what skills are needed for the future</li> <li>• CHRO helps structure development timeline for CEO</li> <li>• Constructive agitator – force people to ask the right questions</li> </ul>	<a href="#">9:21</a>

“One of the greatest roles that we can play is to bring some structure to the process; making sure that we have a discipline of forcing people to think about where the business is going and what are the skills for the future.” (9:56)

**Discussion Questions:**

1. What are the pros and cons of introducing a new performance management system?
2. What steps (due diligence) should every company exercise before introducing a new performance management system to the organization?