2023

CLIMATE HIRING PLAYBOOK

Strategies for attracting and retaining top talent





INTRODUCTION

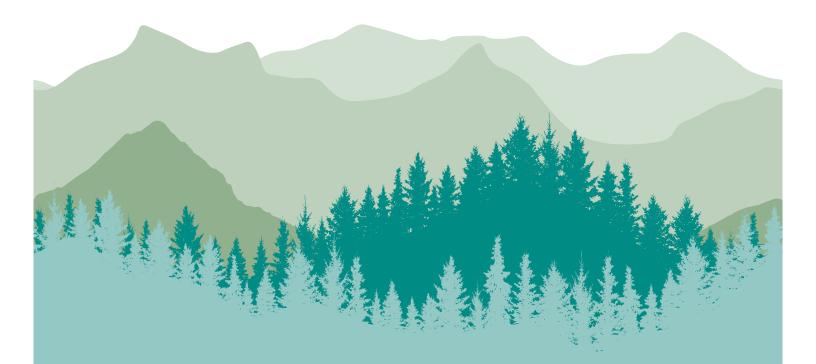
Climate change is the most pressing issue of our time and the need for direct climate solutions has never been more urgent. As companies worldwide work to develop and implement innovative technologies and solutions to combat climate change, it's becoming increasingly clear that their success will depend on having the right talent in place.

A sometimes overlooked element in the fight against climate change is the importance of recruiting the right climate talent to propel climate companies forward. By improving hiring practices, climate-focused organizations can ensure that they attract, hire and retain the right talent. Talent equipped with the necessary knowledge, skills, and values to tackle climate challenges and drive positive change within and beyond the company

Our Climate Hiring Playbook is designed to guide organizations in developing and implementing effective strategies for recruiting, hiring, and retaining employees passionate about climate solutions.

From defining your organization's hiring goals and values to creating job descriptions that attract climate-conscious candidates, this playbook offers practical advice and actionable steps to help you build a more successful company, create more marketable hiring opportunities, and ultimately propel your climate solution forward.

Whether you're a Founder, HR professional, hiring manager, or investor, this playbook is a valuable resource for anyone looking to get a leg-up in finding the most desired talent.

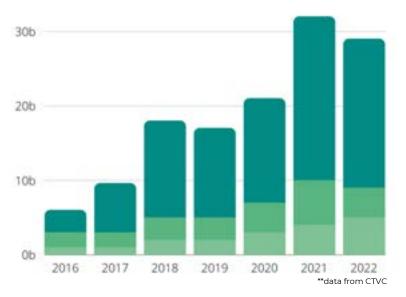




Despite a recent slowdown in venture funding, the long-term demand for professionals in the climate-related field is expected to remain strong. This is due to various factors beyond funding, such as government policies, technological advancements, and societal changes. Many organizations and governments worldwide remain committed to addressing climate change, which is expected to continue driving growth for climate-related jobs.

RECRUITING MEETS CLIMATE

CLIMATE MARKET PROJECTION: A GROWTH CATALYST



100 mil.

How many people Terra.do expects we will need working on climate by 2030

<10 years

To make true and meaningful climate action. Talent is the driving factor.

AN EMPLOYER-CENTRIC MARKET: The ClimateTech industry has experienced a market downtick (-3% from '21 with ~\$40b+ invested). However, innovation spiked in '22 (the deal count was +40% compared to '21).

- 40k+ Tech Layoffs This opens the door for more talent to consider a career in climate.
- 24 Million Jobs by 2030 The World Economic Forum estimates that transitioning to a low-carbon economy could create 24 million new jobs globally by 2030.
- 68 Million Jobs by 2050 A Global Commission on the Economy and Climate study suggests that investments in low-carbon infrastructure could create up to 36 million jobs by 2030 and up to 68 million jobs by 2050.

In the next decade, demand for climate talent is expected to outnumber supply.





Introduction:

Hiring practices must be improved for talent acquisition in the climate space. Management must strategize appropriately to attract the right candidates and advance climate solutions.

Real-Life Scenarios:

Job seekers often feel disheartened by the job search process. Here are some common challenges we hear about daily:

- The climate job search takes significantly longer than traditional ones
- Interview processes in climate take way too long
- Senior-level and executive talent often feel 'over qualified' and have a hard time finding a role
- Candidates receive no feedback on applications or interviews
- Companies aren't serious or urgent about hiring and are looking for "unicorn" candidates
- · Companies seek individuals with decades of experience in pioneering industries and roles

Impacts of Poor Hiring Practices:

- Reduced applicant pools and a lack of diversity: <u>According to CareerBuilder</u>, 60% of candidates will withdraw from the hiring process if they have a negative experience
- Harm company culture: <u>Robert Half discovers that</u> 76% of hiring managers says hiring the wrong person leads to decreased productivity and morale
- Expensive: <u>Career Builder says</u> the average cost of a bad hire is \$15,000-\$20,000 depending on seniority level
- Negative reputation: <u>Career builder also adds</u> that 50% of candidates won't apply again if they had a negative experience with a company in the past
- Detriment to the climate movement: <u>Forbes found</u> that companies with high turnover rates are 21% less profitable than companies with low turnover rates.
- Can set the company back: Depending on runway, it can be life or death for the business

The Solution:

Hiring managers can improve their practices to create a positive experience for job seekers and attract top talent. Here are high-level ways to do so (more details below):

- Streamline the hiring process and reduce wait times
- Provide feedback to applicants after interviews
- Be transparent about job postings, salaries and the hiring timeline
- Promote diversity and inclusion in the workplace
- Develop a hiring philosophy that aligns with the company's mission and values

Conclusion:

Hiring managers have a critical role to play in building a climate-ready workforce. By reworking their hiring philosophies and improving their hiring practices, they can create a positive experience for job seekers and attract the best talent. This guide will help you do just that.



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ADDRESSING JOB SEEKER EXPECTATIONS



As the demand for climate-related jobs increases, companies must focus on attracting the best talent by prioritizing factors like job security, competitive pay, and flexible work arrangements.

Unfortunately, there are some misconceptions surrounding climate jobs, with many job seekers believing they require prior industry experience. To address this, companies should focus on understanding job seekers' motivations beyond emissions reduction and climate impact, and meet them where they are regarding knowledge and passion.

By offering competitive compensation, job security, flexible work arrangements, and location options, companies can attract qualified talent and communicate that prior climate experience is unnecessary.

This approach can help companies expand their impact and make a real difference in the fight against climate change.

Tips for attracting talent:

- Convey that climate experience isn't necessary
- Source outside the climate community
- Prioritize real-world job considerations





HIRING PHILOSOPHY

It's important to be intentional with your hiring strategy to cultivate and foster the best hires who bring the most long-term value to your organization, save money, and optimize efficiency for years. Hiring cannot be a reaction. It must be baked into the core of your business. Before planning out your next hire, cultivate your hiring philosophy by:



No. 01 — Be Practical

When hiring, it's important to be realistic about the skills and experience you're looking for. Make sure the salary you offer is competitive and aligns with your expectations. If you're having trouble finding the ideal candidate, consider being flexible on certain skills or looking for someone with transferable skills.



No. 02 - Putting your team first

Hire for the team and focus on soft skills, culture alignment, and mission alignment to the climate space. Be transparent with your team and pinpoint their gaps — use your new hire to help fill those.



No. 03 — Thinking Long Term

Hire for aptitude and growth-focused roles, rather than strict experience requirements, and prioritize recruiting as a strategy rather than a reaction. The number one reason people leave a company is because they no longer see growth potential. Avoid this by allowing them to grow into the role.

Clearly, there are exceptions to this rule. For example, if you're looking to hire an expert with specific experience, you might not want to make any experience exceptions. However, if you have a role that doesn't require strict experience requirements, we encourage you to be flexible and look for people with transferable skills.



WHO TO HIRE NEXT

Your thriving company has gained more customers and secured another round of funding, but your to-do list is overflowing, and you need to hire the right people to sustain your growth. Follow these four steps to craft an efficient hiring plan:



No. 01 — Address weaknesses

Hire people to compensate for areas where you lack expertise. Delegation will allow you to focus on your strengths and build a stronger, more robust team. Hire specifically to free yourself to do thing only you know how to do. This is a justification for the first chief of staff hire.



No.02 — Be intentional

Outline your company's projected organizational chart rooted in your business goals. Consider existing team members who may want to pivot their roles to address current skill gaps.



No. 03 — Upgrade your team

Hire for teammates not assistants. It can be daunting to manage people who are more skilled or talented in certain areas, but doing so can benefit the organization and enhance your own skills as well.



No. 04 — Look outside your network

Source outside your direct network to increase diversity and ensure you're accounting for various perspectives, and enhancing innovation and empowerment at your company. A study by the Society for Human Resource Management found that 60% of employers lost a qualified candidate due to unconscious bias in the hiring process. Be intentional about avoiding this by using tools like resume reviewers, gender decoders, etc.



5 STEPS TO A JOB DESCRIPTION

Employers often make common mistakes when writing job descriptions, like copying and pasting from generic templates, going overboard with qualifications, forgetting to update them after interviews, and reusing outdated postings. But here's the thing: these mistakes can lead to a big waste of time and energy, making it harder to find the right person for the job. So it's really important for employers to take the time to craft a clear and specific job description from the get-go. By doing that, they'll save time and attract more qualified candidates in the end.



Start with your hiring goal

Before drafting your job description, you need to be clear on your hiring goals for this position. Do an evaluation of your previous talent pipelines and address the pitfalls.

Use it as a selling tool

Similar to an interview, the job application process is a two-way street. Just as you are using it to vet candidates, they are using it to decide which jobs to apply to. Don't scare candidates out of applying by over-listing requirements.

Less is more

If your job description is over 500 words, people will not read it. Only include the essential information. When Climate People posts a job, we target 250 words or less.

Use inclusive language

Hiring diverse talent is essential to a strong business. This hiring decision must be intentional and baked into the core of your entire hiring philosophy — including your job description. When you've finished the job description, run it through a gender decoder to see if you're writing an inclusive posting.

Be clear

Your job description must make sense to an outside eye. Job seekers look at countless job postings and don't stay for long — you must catch their eye early. Don't use industry-specific jargon, acronyms, or company innuendos.



OPTIMIZE YOUR INTERVIEW PROCESS

The interview process is an opportunity to make a positive first impression and sell your company to potential hires. It's critical to remember that it's a two-way street. The candidate is interviewing you just as much as you are them. Follow these three steps:



No. 01 - Structure

Have a structured interview process focusing on the specific skills and qualifications you need for the position. This helps to eliminate bias and ensures that all candidates are evaluated fairly. It's easier to stay organized when you have a detailed plan of action.



No. 02 - Communicate

To create a positive hiring experience, treat candidates with respect. Provide timely feedback, communicate expectations clearly, and minimize delays in scheduling. Over-communicate to keep candidates informed throughout the hiring process. By showing respect, you increase your chances of attracting top talent.



No. 03 - No Unicorns

Prioritize the critical skills and qualifications for the position instead of holding out for a "unicorn" candidate. Don't filter out talented and passionate people even if they don't have all the qualifications. The aptitude to learn and grow in the role will be far more important in the long run.



No. 04 - Timeliness

No interview process should be longer than four weeks, two is optimal. To achieve this, review resumes daily and be decisive. Schedule the first interview within 48-72 hours of first contact and move candidates from one stage to another quickly.

TECHNICAL INTERVIEW ADVICE

Technical interviews are crucial for identifying potential hires but can be time-consuming and stressful. Remember to consider all factors, not just technical skills, and communicate with candidates throughout the process. When designing a test, set evaluation criteria and be clear with candidates to ensure fairness and success.

Туре	Advantages	Disadvantages
Take-home tech assessment	This will be the most accurate depiction of what their work will look like.	 Could lead candidates to drop out (it MUST be shorter than 2 hours)
Live exam	Can see in real- time how they think on their feet and make decisions.	 Extremely intimidating and may not show true abilities
Architectural and technical discussion	Less nerve- wracking and you can see how they problem- solve in real time.	Don't see hands- on skillsHarder to assess results
No technical exam	This could be a great way to sell your company to them.	 Risky because you won't see their work Could be unfair

When selecting a technical interview process, remember that different people excel in different situations. A challenging technical interview will attract top talent, but the process needs to be realistic. Try to avoid doing all of these. Candidates may choose other opportunities if the hiring process takes too long or is overly burdensome.



CRAFTING AN OFFER

Congratulations. You've found the perfect candidate and now you're ready to make them an offer.

Throughout the interview process, it's important to determine what's important to the candidate so that the offer can highlight those things. These factors can include maximizing base salary, equity, benefits, time off, flexibility, career growth, or skill development.

Once the offer is ready, it should be delivered via phone call or video chat, with enthusiasm and excitement, and followed up with a written offer. If equity is offered, we've seen the greatest acceptance rate when the company provides a sliding range of salary and equity (IE: offering the candidate three options of salary with corresponding equity options. The higher the salary, the lower the equity).

If you really want to land the candidate, a good rule of thumb is to make your first offer your best and strongest offer. If the candidate has provided a salary range, avoid the urge to offer the bottom of the range as a starting point. A better strategy is to evaluate their skillset and compare their skills to the job requirements and the budget you've allocated to the position.

Also consider what other employees in your company are making in a comparable role. If this a first hire of its kind and critical to the development, deployment, and scaling of your technology, be prepared to spend at the top of your range or above. Hiring that technical expert can be critical to your success.

No matter what offer you decide, make sure that it's a fair and equitable offer with the salary aligning closely with the candidate's experience and relative to other employees in your company. While pay scale websites can be informative, seeking advice from other founders and professionals in your industry and sector is best to get a more accurate compensation gauge.



TOP 3 TAKEAWAYS FOR OFFERS:

- Come up with the strongest offer first
- Tailor the offer to the candidate's hot buttons and deliver it with enthusiasm, followed by a written offer
- If you're offering equity, provide a sliding range of salary / equity in your offer



DELIVERING YOUR OFFER



Congratulations, you've found the perfect candidate to join your team! But before you start celebrating, one crucial step is ensuring the candidate accepts your offer.

Tips and tricks for creating a persuasive offer include expressing enthusiasm and excitement about the candidate, providing details about the job description and compensation package, emphasizing the company's unique benefits, addressing any candidate concerns, setting a deadline for acceptance, and ending the call on a positive note.

If a candidate returns with a counteroffer, be transparent and try to find a solution that works for both parties. Studies have shown that at least 50% of candidates get a counteroffer when they resign. It's also important to learn from mistakes and be prepared to handle counteroffers earlier in the hiring process.

Remember: The offer is not your sole objective; it's just a byproduct of your hard work throughout the entire hiring process.



A NOTE ON REJECTIONS

Effective communication is crucial during any interview process. While providing positive feedback is essential to keep the candidates you want engaged, it's also important to communicate rejections. Unfortunately, many companies neglect this aspect of the hiring process, leaving candidates in the dark about their application status. This lack of communication can harm the candidate's experience and negatively impact your company's reputation. In the urgent push to mobilize a workforce transition to climate, it's critical for companies to communicate rejections to candidates in a timely and transparent manner. The longer candidates are left in the dark, the less time they have to explore other options and potentially find their place in the climate workforce.

We understand it's not an easy thing to do, here are some tips on doing it gracefully:



No. 01 — Be Timely

Once you have decided not to proceed with a candidate, let them know as soon as possible. Delaying the communication will only add to their frustration and anxiety. The quicker they know, the more time they have to adjust their focus.



No. 02 - Offer Constructive Feedback

If appropriate, offer constructive feedback that can help the candidate improve in the future. Be specific and avoid criticism that can be demotivating. This can help maintain a positive relationship and show that you value their skills and experience. <u>Talent Board</u> reports that candidates who receive feedback are 52% more likely to apply again.



No. 03 — Be Empathetic

Understand that receiving a rejection can be disappointing and even hurtful. Express empathy and gratitude for their interest in the company and encourage them to keep looking for the right opportunity.

**How you communicate the rejection will vary depending on the stage of the process. For example, a simple automated email may suffice if you're rejecting a candidate's application. However, if the candidate has interviewed with your company, showing them respect and providing detailed feedback is helpful to get referrals.

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5 STEPS TO A PRE-BOARDING PROCESS

Pre-boarding is a crucial step in the hiring process that can help improve your new hire's experience and increase their success in the role. By preparing new employees before their first day, you can reduce their anxiety and set the tone for their entire tenure with the company. Effective pre-boarding can lead to several benefits, such as improved employee retention, reduced time to productivity, and enhanced employer brand. To ensure a well-planned and exceptional pre-boarding process, follow these steps:



Cover these things:

- 1. Communicate their start date and any relevant details about the first day
- 2. Send over information for them to read ahead of time, such as an overview of company info and types of solutions
- 3. Clarify onboarding steps and schedule so your new hire knows what to expect
- 4. Ensure they have the necessary technology and plan enough time for shipment if needed
- 5. Prepare your onboarding plan, including training materials, a structured plan for the first few days and a meeting schedule.

Remember, pre-boarding is an ongoing process that should be regularly reviewed and updated to meet your organization's and new hires' changing needs. Investing in pre-boarding can create a positive experience for new hires, enhance your employer brand, and ultimately improve employee retention.



THE CLIMATE IS RIGHT FOR HIRING

It's the job of each and every one of us to foster and maintain a welcoming climate hiring environment that encourages more people to transition their careers to climate. We have less than 10 years to make true and meaningful climate action: what role will you play?



The demand for climate-related jobs is growing

 Employers in the industry are competing for a limited pool of qualified candidates. This means that it is important for employers to have effective hiring practices in place to attract and retain top talent.



Your hiring philosophy matters

 Your hiring cannot be a reaction. Attracting and retaining top talent in the climate industry requires a long-term strategy that is proactive and aligned with the organization's mission and values.



It's a two-way street

 Your candidates are interviewing you just as much as you are them! Make sure you've optimized your hiring strategy and are ready to impress. The best talent expects the best company — be prepared to show them all you offer.

Hiring the right talent at climate-oriented companies is crucial for addressing the climate crisis. Employers must develop intentional and well-thought-out hiring processes that align with their organizational mission and values. By doing so, they can attract the right candidates with the necessary skills and knowledge to make a meaningful contribution to fighting climate change. With this approach, climate-oriented companies will set themselves up for success and ultimately inspire more and more people to transition their careers to climate.



MEET CLIMATE PEOPLE

At Climate People, our mission is to unlock talent, empower innovation, and fast-track decarbonization. We're a top-notch climate technology recruiting firm with a bold vision to transform the economy by placing exceptional, mission-driven individuals in ClimateTech careers.

Our services extend beyond conventional recruiting as we help businesses and professionals ignite their passion, disrupt the status quo, and make a sustainable impact. We conduct searches for senior-level individual contributor roles to executive positions, covering technical, engineering, scientific, and business-related roles across all sectors.

Here's how we accelerate our solutions:

- NICHE RECRUITER: climate is all we recruit for.
- DEEPLY CONNECTED: we're thought leaders in this space.
- OPTIMISTIC APPROACH: no doomsday here. We see the problem & possibility.
- DEI at the FOREFRONT: it's critical to have a diverse, equitable, & inclusive workforce.

We're mobilizing a workforce transition to get millions working on climate!



This is tricky stuff. We can help.

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