

8 Lessons in Talent Management from the Basecamp Saga *(so far)*

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1. DEI matters. Really.

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Not just numbers or feel-good programs. Actual conversations, actual inclusion, actual belonging, actual understanding. DEI is not a "thing" to be relegated to a corner in HR. Inviting employees to help make things more inclusive and then shutting them down when they uncover something effectively announces that DEI is just a "thing."

**2. We are whole
people.**

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We are not people at work and also people with a life. We are people, period. People who bring our whole selves to work. While ground-rules are fair game, asking people to check themselves at the door is a detriment to the #peopleexperience at work.

**3. Transparency in
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Not explaining the real reason behind massive changes, or making contradictory statements (such as no longer supporting "paternalistic" benefits while paternalistically telling people what they can and can't discuss about the company), creates distrust. Distrust breeds disengagement. Disengagement leads to crisis – in this case, a mass exit.

4. Culture isn't fuzzy.

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Culture is who you are, and the biggest reason people stay - or in this case, leave - a company. Those people take their knowledge and connections with them. An investment in culture is an investment in retention. An investment in retention saves money.

**5. Culture
transformation takes
time.**

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If you've carved out a certain culture for years, to the point that you've become known for it and even written books about it, changing it in one day via a declarative memo will not work. Culture is complex and it's an investment in the long game - It takes time, discussions, buy-in to define and transform. The lack of this realization may be their single biggest mistake.

**6. Culture and
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Congruence is key. If you say, like in this case, not to talk politics at work, yet the co-founders are busy doing just that, you've created incongruence in what you say and what you do - and you breed disengagement.

7. Soft skills aren't “soft.”

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Just because you have technical prowess doesn't justify treating people badly or being insensitive to others.
It will catch up with you.

**8. A communication
plan – Have one.**

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A communication plan - have one. That plan should have a thoughtful cascade about what channels to use and when.

Hint: Using a public channel instead of an internal one to communicate such big changes is not a good plan.

Timeline

What happened at Basecamp between April 26 and May 5?

Mon 4/26

Basecamp CEO posts a memo striking down cultural markers like "political conversation" (that we later found out was more about internal discussions about race and equity), "committees" (that we later found out was about a group of employees volunteering to address DEI issues), "paternalistic" benefits around wellness, re-thinking decisions, and anything making a social impact.

[Changes at Basecamp \(hey.com\)](#)

[Basecamp's new etiquette regarding societal politics at work \(hey.com\)](#)

Wed 4/28

The cofounder posts a memo clearing up some of the reasons behind the announcement on Monday - this is when we find out that much of it was based on internal systemic racial issues and the discussions those issues raised. The memo also announced a buy-out for any employee who no longer wanted to be part of the Basecamp culture.

[Let it all out \(hey.com\)](#)

[Behind the controversy at Basecamp - The Verge](#)

Fri 4/30

An all-hands meeting, designed to address the issues and answer questions, does quite the opposite, resulting in what Verge called an "implosion," with a third of the employees leaving.

[Inside the all-hands meeting that led to a third of Basecamp employees quitting - The Verge](#)

[Basecamp implodes as employees flee company, including senior staff - The Verge](#)

Tues 5/4

The CEO posts another memo calling the prior week "terrible" and trying to reset. We'll see.

[An Update \(hey.com\)](#)

[Basecamp CEO apologizes to staff in new post: 'We have a lot to learn' - The Verge](#)



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Angela Heyroth

**Founder & Principal
TALENT LIFECYCLE DESIGNS**

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