

The Good, the Bad and the Ugly

(and what to do about them)

*You need
coffee or tea,
this early!
Drink up!!*



The Good, the Bad and the Ugly

(and what to do about them)

Nicholson Warman, I.S.P., ITCP, PMP
Peopleclick, Inc.

ADV 12

Outline

- 10 Days in April 2009
- Definitions
- The Good
- The Bad
- The Ugly
- Statistical Analysis Methods
- PMBOK Guide® and material covered here

Definitions

- Human Resource Capital / Human Capital Management
 - Term and Indeterminate staff BUT
 - Contractors and Consultants may be included, in some organizations
 - ISSUE: Cost of hiring, training, etc. not dissimilar to equipment purchase and maintenance
 - As a result: People are NOT commodities

10 Days in April 2009

- EEOC filings and findings



Definitions

- Human Resource Capital / Human Capital Management
- HR Team – term and indeterminate employees
 - consultants and contractors
 - They are person(s) responsible for either hiring/firing resources and/or assigning them to projects
 - May include Compensation, Compliance, Union Relations, etc., as appropriate

Definitions

- Human Resource Capital / Human Capital Management
- HR Team – term and indeterminate employees
 - consultants and contractors
- Two Normal-Equivalent Standard Deviations (± 2 NESDs)
 - Statistical Means of identifying actions due to Random Chance or Deliberate Action

Definitions

- Human Resource Capital / Human Capital Management
- HR Team – term and indeterminate employees
– consultants and contractors
- Two Normal-Equivalent Standard Deviations (± 2 NESDs)
- Title VII and ADEA – protected and extended protected classes

±2NESDs

- Note: management decisions are recorded
 - Pay, merit, employment status (employed, fired, hired, internal movement), and most awards
 - Have acceptable standards of management conduct have been achieved or not?
 - Systemic (company-/district-/division-wide) ?
 - A single manager's actions are sufficient for fines

± 2 NESDs, contd

- Caution 1: statistics depend on sample size
- Caution 2: if what you are modeling is not a linear relationship, Linear Regression may not be a good choice
- Depending on what you are modeling, other than Normal Distribution may be appropriate – you need to convert to Normal-Equivalent Standard Deviations then

Title VII and ADEA

- The Civil Rights Act of 1964
- Age Discrimination in Employment Act of 1967 (ADEA)
- Prohibits discrimination on the basis of any and all of the following:
 - Age, race, color, religion, sex, disability, national origin or military service background

Title VII and ADEA

- The Civil Rights Act of 1964
- Age Discrimination in Employment Act of 1967 (ADEA)
- Prohibits discrimination on the basis of:
 - Age, race, color, religion, sex, disability, national origin or military background
- New additional categories on the horizon in the next few years

Title VII and ADEA, cont'd

- New categories on the horizon:
 - Legal activities – even when against your company

Title VII and ADEA, cont'd

- New categories on the horizon:
 - Legal activities
 - Sexual orientation

Title VII and ADEA, cont'd

- New categories on the horizon:
 - Legal activities
 - Sexual orientation
 - Gender identity/expression – Note that now, in some jurisdictions, until the birth certificate is reissued with the new gender, trans-sexuals may be fined for using the bathroom appropriate to their gender expression rather than birth expression

Title VII and ADEA, cont'd

- New categories on the horizon:
 - Legal activities
 - Sexual orientation
 - Gender identity/expression
 - Marital/parental status

Title VII and ADEA, cont'd

- New categories on the horizon:
 - Legal activities
 - Sexual orientation
 - Gender identity/expression
 - Marital/parental status
 - Height/weight/appearance
- If a demonstrated job requirement, some of the protected classes may be set aside

Getting Started

- Additional things to include in your HRMP at Project Initiation include policies on:
 - Awards (not Rewards)
 - Hours of work and overtime hours handling
 - Performance Feedback
 - HR actions (hire, fire, etc.)
 - Risk assessments for human capital issues

The Good

- Appraisals and Performance Reviews
 - 1-sheet, 2 columns – to do and what done
 - Is there bias in ratings, by race, gender or age, OR any of the protected classes

The Good

- Appraisals and Performance Reviews
- Awards
 - Not REWARDS
 - Is there bias in size/frequency when reviewed by protected class?

The Good

- Appraisals and Performance Reviews
- Awards
- Compensation – employees vs. “rentals”
 - FLSA “hearesy” – 6 hr day
 - FLSA: exempt vs. non-exempt staff
 - “rentals” contracts re. additional hours (not O/T)
 - WATCH: raises/promotions/starting salaries and protected classes – who sets salary / pay?

The Good

- Appraisals and Performance Reviews
- Awards
- Compensation
- Development
 - Learning culture and formal training for team
 - User community training and development
 - User Acceptance Testing your friend
 - WATCH: who gets training and protected classes

The Good

- Appraisals and Performance Reviews
- Awards
- Compensation
- Development
- Hiring and Talent Acquisition
 - Do you engage talent, interview/rate applications, or just take what you are given?
 - YOUR feedback on interviewing can be judged

The Good

- Appraisals and Performance Reviews
- Awards
- Compensation
- Development
- Hiring and Talent Acquisition
- Promotions - Know that these are closely examined
 - protected classes have fair share of opportunities?

The Bad

- Appraisals and Performance Reviews
 - How do you handle problem performers?
 - What is your policy, team AND corporate?
 - How do you justify other than 3 out of 5 on rating? (1-Totally unacceptable; 3-Full Sat; 5-Extraordinary)
 - SUGGEST Development Plan for improvement

The Bad

- Appraisals and Performance Reviews
- Communications
 - Has anyone NEVER received a complaint about Communications?
 - Half say TOO MUCH; other half, NOT ENOUGH
 - Tailor messages to Stakeholders and Audiences
 - Not everyone needs same info at the same level of detail/complexity (think project engineer vs CEO)

The Bad

- Appraisals and Performance Reviews
- Communications
- Departures and Staff Replacement
 - If an imbalance in protected classes, opportunity/threat to address in these cases
 - Some cultures never admit to departures, other announce them – be consistent and have an HRMP policy on these Communications

The Bad

- Appraisals and Performance Reviews
- Communications
- Departures and Staff Replacement
- Development Plans
 - Here, problem team member rehabilitation
 - Typically last chance to “make good”

The Bad

- Appraisals and Performance Reviews
- Communications
- Departures and Staff Replacement
- Development Plans
- Reassignment
 - “You’ll be lucky to get them to work for you!”
 - Opportunity to lose problem matches and gain talent

The Bad

- Appraisals and Performance Reviews
- Communications
- Departures and Staff Replacement
- Development Plans
- Reassignment
- Reduction in Salary/Grade
 - Poor performance in past but now the economy
 - Dial-back/Dial-up careers

The Ugly

- Appraisals and Performance Reviews
 - Termination Review, Exit Interview
 - May be only from team but generally, from company / termination of contract for cause
 - Watch the scale used, if other than standard LIKERT 5-point scale (a client had 7-point with no Fully Satisfactory). A 3-point would be okay if 1, 3, 5 from a 5-point Likert scale

The Ugly

- Appraisals and Performance Reviews
- Development Plan
 - RARE but may be a reskilling for staff who cannot meet Project requirements for new assignment with company

The Ugly

- Appraisals and Performance Reviews
- Development Plan
- Release/Termination
 - May be from team OR company
 - One of the most painful experiences for any manager
 - You may never see as much paper in your life!

The Ugly

- Appraisals and Performance Reviews
- Development Plan
- Release/Termination
- Reductions in Force (RIFs) or Layoffs
 - In this economy, too common
 - Watch who is even considered, due to protected classes and PERCEIVED bias
 - Plan for this, or be playing “catch-up” as a victim

Throughout the Project

- Environmental Scanning and Risk Matrix Update
 - Team members at risk
 - Departing to other company/project
 - Removal for performance reasons
 - Interpersonal conflicts
 - Situational performance impairment
 - Environmental (economy) impact on project
 - How to downsize and survive

Throughout the Project

- Environmental Scanning and Risk Matrix Update, cont'd
 - If a change in HR mix, what is needed to improve/maintain Compliance?
 - Have there been past “mistakes” which need to be addressed at next opportunity?

Closing out the Project

- Contract and Administrative Close
 - Close-out on contractors and consultants
 - Complete appraisals on employees
 - Transitioning employees to new corporate assignments

Statistical Methods

- Linear Regression Modeling
 - Viable if population large enough and if model closely enough represents reality
 - If high error term / dispersal, not best method
- Rank-Sum Analysis
 - Best for transactional analysis and HR decision review, including iterations/flow on Hiring Steps Analysis

Linear Regression Models

$Y = b + a * X$ most basic LR equation

where b is the base amount,

X is the independent variable, and

a is the multiplier factor.

e.g., Annual\$ = base\$ + Increase\$ * Yrs Service

- As increase # of factors, more people needed in study

Rank-Sum Analysis

- Also known as Mann-Whitney-Wilcoxon
- Compares two samples such as Males vs. Females to see if same population distribution in each sample
- Can determine standard deviations to see if bias present. Use for Awards, RIFs, Compensation and other discrete transactions

PMBOK Guide® and Topics

	Integrate		\$	HR MGMT				COMMUNICAT E			RISK MGMT		
TOPIC	4.2	4.6	7.2	9.1	9.2	9.3	9.4	10.1	10.3	10.5	11.2	11.5	11.6
Getting Started	X		X	X	X			X			X	X	
The Good													
- Appraisals		X								X			X
- Awards							X		X	X			X
- Compensation							X						X
- Development						X			X				X
- Hiring					X				X				X
- Promotions					X				X				X

PMBOK Guide® and Topics

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	4.2	4.6	7.2	9.1	9.2	9.3	9.4	10.1	10.3	10.5	11.2	11.5	11.6
The Bad													
-Appraisals		X								X			X
-Communication							X		X				X
-Departures							X		X				X
-Development						X							X
-Reassignment							X		X				X
- Reductions							X		X				X

PMBOK Guide® and Topics

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	4.2	4.6	7.2	9.1	9.2	9.3	9.4	10.1	10.3	10.5	11.2	11.5	11.6
The Ugly													
- Appraisals		X								X			X
- Development						X							
- Release / Termination							X						X
- RIFs / Layoffs							X		X				X
Throughout									X	X		X	X
Close Out		X							X	X			

Contact Information

- Name: Nicholson Warman
- Email: nick.warman@peopleclick.com
- Phone: 919.645.3674
- Session Number # ADV 12

