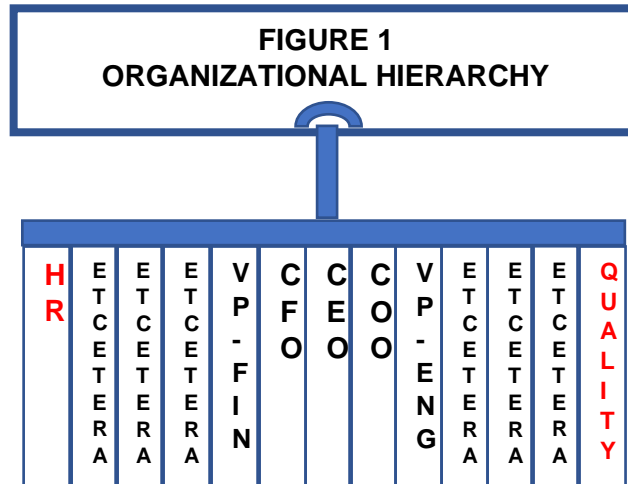


C-SUITE MANAGEMENT SERIES – SEGMENT 4

Detailed Guide To A Truly Integrated HR Management System for A Dynamic World

Early on in my career I made an observation about organizational hierarchy based upon executive parking (Figure 1). The entrance was dead center into the office building with a long sidewalk in front of management parking only a short distance from the entrance.



The interesting thing was not that the Chief Executives were the nearest to the entrance, but that the management of Quality Control and Human Resources were the furthest away. An observation that gained increased meaning to me later when the Japanese, especially in the automotive industry, became dominant players through a focus on, guess what, Quality Control and Human Resource management. A dominance that many feel continues to this day with Toyota.

In today's world, human resource management has grown in significance and attention but is still an area in which the C-Suite encounters many challenges. However, the challenges facing organizations today, are not new. Challenges associated with periods of excess and/or lack of worker availability, recessions, inflation, compensation equality and transparency, productivity, effects of technology and automation, and proper training techniques have challenged C-Suite management for a long time.

The problem is not that the dynamics we are experiencing are new. The problem is that the training C-Suite executives are provided and the advice they receive from experts in human resource management is inadequate and failing their needs.

While compliance in human resources is always important, what follows are concepts that **allow the C-Suite to approach human resource management from a pragmatic operational versus compliant dominated perspective**. This methodology is easy to implement and execute and it is industry agnostic, so it can be applied to any type of organization.

The concepts are based upon years of C-Suite experience directly managing human resources, both domestically and internationally, and in multiple environments including periods of inflation, recession, varying levels of unemployment and for both union and non-union employees.

The first thing we need to recognize is that we require a methodology that is flexible and can be responsive and effective under multiple conditions and environments. For example, let us look historically at just the three variables of Unemployment, GDP, and Inflation.

Figure 2 – Common Assumptions of Ideal Range	
Variable	Assumed Ideal Range
Unemployment	4% to 6%
GDP	1% to 3%
Inflation	0% to 3%

Figure 3 – Number of Yearly Occurrences Over Last 50 Years And 20 Years						
Time Period	Unemployment		GDP		Inflation	
	Number Of Years Less Than 4%	Number Of Years Greater Than 6%	Number Of Years Less Than 1%	Number Of Years Greater Than 3%	Number Of Years Less Than 0%	Number Of Years Greater Than 3%
Last 50 Years (1970-2019)	4	22	9	23	0	27
Last 20 Years (2000-2019)	3	6	3	3	0	5

Figure 4 20 Year Summary		Number Of Years Of Occurrence	% Of Total Years
Ideal Conditions	2002, 2003, 2006, and 2014 through 2017	7	35%
Unemployment <= 4% Only	2018 and 2019	2	10%
Unemployment > 6% Only	2010, 2012, and 2013	3	15%
GDP <= 1% Only	2001	1	5%
Inflation >= 3% Only	2007	1	5%
GDP > 3% & Inflation >= 3%	2004 and 2005	2	10%
Unemployment > 6% & GDP <= 1	2008 and 2009	2	10%
Unemployment > 6% & Inflation >= 3%	2011	1	5%
Unemployment <= 4% & GDP > 3% & Inflation >= 3%	2000	1	5%
20 Years (2000-2019)		20	100%

Figures 2 through 4 clearly indicate how organizations have been operating under constantly changing economic conditions from a human resources management perspective. Figure 4 demonstrates that in just the 20 years from 2000 through 2019, organizations have had to adapt and contend with the dynamics of 9 different conditional environments, over multiple periods of time, when just looking at the factors of Unemployment Rates, GDP, and Inflation Rates. This is only three factors and does not even take into consideration other factors such as changing federal and state regulations and reporting, financial and profitability considerations, other market/business disrupters such as social media and pandemics, changing technology, compensation transparency, changing work/life balances, the dynamics of remote work, and the list goes on.

What will be presented here is a methodology for human resource management that the C-Suite can apply that will not only be successful across constantly changing dynamics, but that also represents a systematic approach to:

- employee hiring, retention and compensation,
- employee evaluations,
- productivity improvements,
- organizational strategic execution, and
- organizational employee communications.

Characteristics of this methodology include:

- **Provides the C-Suite a comprehensive strengths and weaknesses profile of both Strategic and Operational execution capabilities within the organization all the way down to the individual level.**
- Operational focus versus compliance focus.
- Communication and integration of strategic initiatives down to the individual level.
- Incorporates organizational, departmental, and functional considerations.

- Instrumental in organizational, departmental, and functional strategic planning and execution.
- Extremely responsive to analyzing changing environmental conditions and supporting response planning from a human resource management perspective while supporting organizational objectives.
- Recognizes, delineates, and differentiates position and employee significance levels within a given organization, department, and functional area.
- Provides standardized, consistent, and repeatable tools for employee compensation, evaluations, goal setting, and employee communications.

The Methodology - Human Resource Categorical Organization Modeling and Analysis

Key steps in the Human Resource Categorical Organization Modeling and Analysis Methodology:

1. Categorize each position in the organization. Categorization is based upon significance to the fundamental existence and survival of the organization, and the significance to strategic execution and day-to-day operations. In many cases, factors such as skill set requirements, time to train, ability to backfill the duties, and availability of qualified individuals will also be applied to Categorization when determining significance. **This is strictly a focus on the position and specific individuals should NOT be taken into consideration in the Categorization.** The following is a list of possible Categories and are described in more detail in **Appendix A**:
 - a. Critical
 - b. Essential
 - c. Required - Stable
 - d. Required – Flexible
 - e. Temporary/Part-Time
2. Create an assessment methodology for the individuals in the organization. This assessment methodology will be applied to ALL individuals in the organization. As detailed in **Appendix B**, this assessment goes beyond traditional performance measurements to include important organizational factors of:
 - a. contribution to strategic initiative execution and productivity improvements,
 - b. contribution to innovation,
 - c. level of cross-training,
 - d. capability to support organizational growth and/or an organizational rebound, and
 - e. areas of interest and willingness to participate.
3. Create a Human Resource Organizational Assessment Summary. This Human Resource Assessment Summary depicts both the Positional Categorization and Individual Assessments in a format that will support the analysis required for determining Human Resource Strategies and Human Resource Planning. **Appendix C & D** provides an example of such a Human Resource Organizational Assessment Summary.

4. Incorporate the Human Resource Categorical Organization Modeling and Analysis Methodology into organizational strategic planning, day-to-day operations, and overall Human Resource Management including compensation programs, goal setting, and employee communications. For example, communications supporting Feedback Loops - See Segment 2 (Reality of Strategic and Operations Integration and An Introduction to Feedback Loops) and Segment 3 (To Ask For Employee Input Or Not - How Many Times You Have To Play Solitaire Before You Win) of this Series.

Step 1 - Categorize Each Position In The Organization.

The Human Resource Categorical Organization Modeling and Analysis Methodology categorizes positions within an organization based upon the specific level of significance represented by that position. Every position in an organization is reviewed from an organizational perspective, a departmental perspective, and a functional perspective.

The major objective of these positional classifications is to give the C-Suite and organization a capability to determine strengths, weaknesses, exposures, and opportunities from a context of critical human resource requirements within the organization. It forces the organization to analyze and document what positions are most vital and why.

This information represents a well thought out basis that can be utilized for everything from exposure analysis, to establishing staff evaluation criteria and compensation considerations. In addition, it can provide invaluable guidance when making decisions setting staffing priorities during times of growth, rationalizing, strategic execution, or in response to any other number of changing environmental dynamics.

While there can be classificational overlap between various organizations, the Categorical Classification of positions can and will vary significantly between organizations based upon such factors as the type of organization (i.e., manufacturing vs service vs governmental vs nonprofit), size, public versus private, placement on company life cycle, industry, market, location, etc., etc.

While some might find the concept of assigning significance to a position with potential concern, please note the following:

- The categorization is associated specifically with the POSITION and the relevance that position has to the success of the organization, department, or functional area. While different positions might represent different levels of availability, specialty, training, and skill sets from the perspective of the individual, it is agnostic and therefore, assumes that anyone with the proper training, skill set, and qualifications can be appropriate for the position. Because it is agnostic, it is assumed that no issues should be created from a human resource compliance perspective.
- A strength of the methodology recognizes and supports that a categorization established can be specific to each organization. For example, a Critical Position in a hospital might be a specific type of doctor while a Critical Position in an automotive service center might be a specific type of mechanic. Again, both are equally significant and this significance and importance is based upon only the qualifications and dynamics associated with that specific position to the organization, department, and functional area.

- Positional Categorizations for a given organization can and will vary over time. What is critical or important today can change significantly as the dynamics within and outside of the organization changes. For example, an Essential Position during product development might be an engineer or project manager position and then shift to an Essential Position of a marketing manager position when the product is due to launch. That is what makes this methodology so powerful, it helps an organization more effectively react to these changing conditions.
- This methodology only recognizes the reality that different positions have more or less significance to an organization and that there can be a benefit derived by the organization through the recognition, documentation, and analysis of this reality.
- This methodology is consistent with what are often the unstructured and undocumented logic and thought processes already used within an organization when difficult decisions must be made. For example, it is common either consciously or subconsciously to include positional classification of significance when decisions need to be made regarding downsizing or when electing what positions should be hired first when there are limited financial resources available.

Step 2 – Establish A Comprehensive Individual Assessment Methodology.

Once you have categorized all the positions within your organization, the Human Resource Categorical Organization Modeling and Analysis Methodology shifts the focus to actual individual assessments within each of those positions. So, while Categorization of the positions within the methodology outlines and assists in analyzing where you need to most focus your resources and attention, the Personnel Assessment focuses on the evaluation of the strengths and challenges associated with actual individuals assigned to each position.

However, the Categorical Organization Modeling and Analysis Methodology requires the assessment of individuals to extend well beyond the evaluation of just performance in a particular position. The Methodology requires that a broader perspective is taken so that it is easier to analyze and assess alternatives during times of changing dynamics.

The objective is not to replace the basic evaluation of skill set and performance but to extend the evaluations to include an individual's:

- a. Contribution or potential contribution to strategic initiative execution and productivity improvements.
- b. Contribution or potential contribution to innovation,
- c. Level of cross-training,
- d. Capability to support organizational growth, reorganization and/or an organizational rebound.
- e. Areas of interest and willingness to participate.

This expanded assessment criteria extends the C-Suite and organization's capability to determine strengths, weaknesses, exposures, and opportunities all the way down to the level of the individual contributor.

In addition, it once again provides invaluable guidance when making decisions regarding staffing during times of growth, rationalizing, strategic execution, or in response any other number of changing environmental dynamics.

Finally, this Assessment Methodology supports top to individual communication and Feedback Loops (see Segments 2 & 3 of this Series).

Appendix B is a detail of the Individual Assessment Criteria with the extended criteria highlighted in in green. When viewed in totality, Appendix B represents a much more wholistic and integrated perspective of the individuals within an organization. A perspective that can provide a C-Suite powerful, straightforward, and easy to apply information when addressing tough internal and external organizational challenges.

It is important at this point to make the following observations regarding assessments:

1. A major benefit of using the Categorical Organization Modeling and Analysis Methodology is that it provides a structure to analyze what positions and which specific individuals are the most vital human resources to the organization during any given period of time. In turn, this provides a basis and logic behind the strategic planning of employee compensation and retention. This means that, everything being equal, you should rarely if ever lose the most comprehensively and positively assessed individuals since they represent the most valuable human resources to the organization. This is especially true of positively assessed individuals in Critical and Essential Positions.

If, through an adjustment to compensation or other variables, you find your organization attempting to retain an individual after learning of the individual's intention to leave, this is a clear indication that the organization is not doing something correctly in the evaluation and management of human resources.

2. A probationary period needs to be used to evaluate if an individual truly has the basic skill set, cultural fit, and can be trained on any shortfalls. **ESPECIALLY IN CRITICAL AND ESSENTIAL POSITIONS.** If this is not the case, you need to move on right away.

Therefore, if you do not use probationary periods, I suggest you start incorporating them whenever possible. If you already have them, I suggest you use them in a serious and professional manner. I have found that the need to leverage a probationary period is rarely necessary. However, there are times, even in the most comprehensive of recruitment processes, that dismissing an individual during the probationary period is advisable. This is often the only period when an organization can effectively assess first hand if an individual's skill set and match to the corporate culture is a good fit.

Unfortunately, there is often a reluctance and false expectation that what you are experiencing is not accurate, or that it can somehow be corrected with time. This is especially the case when it has been a difficult recruitment process or it is critical to fill the position as soon as possible. But I need to stress that in the end, the reality is you are doing a disservice to not only the organization, but more importantly, to the individual inappropriately being hired.

3. While it can be difficult to avoid, and especially in a world of compensation transparency, do not get into conversations with an individual during their assessment of comparing

them to other individuals in the organization. The Categorical Organization Modeling and Analysis Methodology includes a very comprehensive set of assessment criteria that allows an organization to focus on how their assessment, and associated compensation, has been established and what opportunities exist for that individual to grow and advance within the organization.

There can be numerous reasons why compensation levels are similar or different so trying to explain or justify those reasons will often be impossible. For example, the organization might compensate two individuals equally even though one might have slightly better technical skills while the other has slightly better communication skills. Trying to explain and justify that might not only be a challenge, but is more importantly inappropriate relative to the other individual. Stick to talking about factors the individual is in control of such as their specific skill set, performance, and opportunities, not others.

4. When appropriate, an individual's assessments should incorporate input and review from multiple sources and should always be reviewed to assure it is consistent with Human Resource Compliance Requirements.
5. It is important that the rules and structure used in an individual's assessment need to be explained and understood by that individual. It is one thing for an individual to take issue with a specific assessment, but there can be a bigger problem when the individual lacks an understanding of the rules and structure they are being evaluated under. It is also important to not only provide the current status but, when possible, how the individual can improve and what, if any, opportunities exist that they can take advantage of.

Step 3 - Create a Human Resource Organizational Assessment Summary.

Appendix C and Appendix D reflect a good representation of a Human Resource Organizational Assessment Summary. While it is depicted here in two parts (Appendixes C & D) for clarity of review, these two Figures can represent a single continuous spreadsheet. Major benefits of this sort of format include:

1. It is easy, yet comprehensive, for the user to review and analyze.
2. It can be sorted based upon the specific criteria of interest and the analysis being performed.
3. Like the reference to the availability of a Cross-Training Matrix in Column J, it can easily be expanded if required to reference such things as available compensation schedules, specific productivity and innovation initiatives, or to include columns to reference Departments, Functional Areas, or specific management.
4. It can be delineated and disbursed to individual Departments, Functional Areas, Projects, Initiatives, or managers and supervisors for ease of use, analysis, updating, and maintenance.
5. It provides complete flexibility to adjust the format to meet the specific requirements at the organizational, departmental, and functional levels.

NOTE – The sample Assessment Summaries in Appendixes C & D generally only include columns for a numerical 1-5 rating. It should be recognized that there might be, and in most cases should be, a more detailed Evaluation/Feedback Form associated with how a

given rating was determined along with including any notes of discussions and feedback received during the actual review with that individual.

The Assessment Summaries provided here are primarily for analytical purposes so the numerical rating is sufficient. However, a detailed Evaluation/Feedback Form should be available in the employee's file or the Assessment Summary used can be modified to include additional columns for any supplementary desired information.

For example, an individual might receive a 3 under Column E Skill Set in the Summary. However, there should be a more comprehensive form based upon specific criteria associated with that position detailing how that rating of 3 was determined along with notes of any discussions that had taken place during the actual employee review.

Appendix E And Appendix F expands on Appendixes C & D by including some analytical examples of assessments for a number of individuals. Some takeaways from an examination of the examples in Appendixes E & F include:

1. It is apparent that each assessment is individualized and based upon that individual's specific criteria evaluations and the individual's feedback.
2. Sorting individuals by the Position Description (Column B), helps in the review of the assessments by allowing a reviewer to look for consistency, outliers, and the proper application of policies and processes by the individual actually performing the evaluation.
3. The Human Resource Organizational Assessment Summary can easily be sorted in different configurations to further assist in the review approval process, or for analysis of a particular area of interest. For example, if an organization is considering a possible downsizing, the Assessment Summary can be sorted by the Capability To Support Organizational Growth and/or An Organizational Rebound section (Columns K through O) to determine which individuals might represent special consideration.
4. The Human Resource Organizational Assessment Summary can assist the Human Resource Department in reviews, audits, and compliance verification. For example, they can verify that all the Action Plans included in the Summary are available in the individual's file and that the Summary accurately reflects all of the Action Plans the Human Resource Department have in their possession. By including compensation data, the Human Resource Department can also audit that the compensation adjustments are using the proper schedules and have been properly approved and administered.

Bottomline – the power of the Human Resource Categorical Organization Modeling and Analysis Methodology is not limited to only supplying an organization with a straightforward, cross-organizationally consistent set of processes, it also provides significant amounts of data for improved human resources management. Finally, the Organizational Assessment Summary provides a powerful, easy to manage, flexible tool to support detailed and comprehensive review, analysis, and strategic human resource planning.

Step 4 - Incorporate the Human Resource Categorical Organization Modeling and Analysis Methodology into Organizational Strategic Planning, Day-To-Day Operations, and Overall Human Resource Management.

The prior discussions should already have provided you with numerous advantages and applications associated with this Methodology. To summarize, we will break the benefits of using this Methodology into four main categories.

1. Strategic Analysis and Human Resource Planning
 - a. The ability for C-Suite to quickly assess the strengths and weaknesses of the organization's human resources is significantly enhanced. This is accomplished through the incorporation of the Categorization of Positions and expansion of Evaluation Criteria to include sections that evaluate a) Cross-Training, b) Capability to Support Organizational Growth, Restructuring, and/or An Organizational Rebound, c) Contribution to Strategic Initiative Execution and Productivity Improvements, and d) Contribution to Innovation.
 - i. The Categorization of Positions forces the organization to determine and come to a consensus as to what positions are truly critical and essential in the organization. It recognizes that not every position is of equal importance and therefore as management, to claim so is not accurate. The analysis is also dynamic so Categorizations can change as the dynamics and priorities of the organization shift.
 - ii. C-Suite gains new perspectives and decision-making capability because the Methodology expands the evaluation criteria to include significant factors not normally taken into consideration. These additional factors include cross-training, level of organizational and operational knowledge, along with significance to strategic initiative execution, productivity improvements, and innovation initiatives. This in turn, provides an ability to determine those individuals that have the greatest potential to influence success during periods of growth, restructuring, organizational rebounding (like when exiting a downturn or recessionary period), or when addressing other challenges associated with changing environmental conditions.
 - b. This increase in human resource data and analytical capability allows C-Suite to improve decision making in:
 - i. resource allocation,
 - ii. compensation structures,
 - iii. staff recruitment strategies and priorities,
 - iv. staff retention strategies and priorities, and
 - v. staffing strategies during periods of changing conditions such as unexpected or undeterminable growth; an organizational restructuring; inflation; or downsizing or rebounding due to a recession.
2. Day-To-Day Operations
 - a. This Methodology becomes an integrated component in the use of Feedback Loops which in turn supports the C-Suite objective of a **Blending Of Strategic Initiatives With Day-To-Day Operations.**
 - b. The Methodology provides Operating and Functional Management with new human resource tools, additional data, and a deeper understanding of the

individuals they are responsible for in such areas as training, productivity, innovation, and their capabilities and importance during periods of changing conditions. This in turn allows Operating and Functional Management improved decision making in:

- i. departmental or functional resource allocation,
 - ii. compensation evaluations,
 - iii. staff training and development,
 - iv. staff retention strategies and priorities,
 - v. potential quality and efficiency performance enhancements, and
 - vi. potential opportunities for productivity improvements.
- c. This Methodology can improve employee relations and provides individuals with:
- i. a deeper understanding of the processes and factors impacting their evaluation and compensation,
 - ii. a deeper understanding of requirements and opportunities available for training, additional compensation, and advancement,
 - iii. increased opportunities to receive recognition, compensation, advancement, and job security because of the organizations expanded evaluation criteria into the areas of cross-training, contribution to strategic initiative execution and productivity improvements, contribution to innovation, and the value add they can represent during periods of major organizational change if they have the necessary capabilities and willingness.
3. Human Resource Management and Compliance
- a. This Methodology provides the Human Resource Department enhanced capabilities and potential Departmental efficiencies by:
 - i. utilizing a standardization methodology across the organization,
 - ii. providing flexible, comprehensive, powerful analytical tools such as the Human Resource Organizational Assessment Summary,
 - iii. providing an ability to distribute workload and effort while maintaining an appropriate level of control, and
 - iv. providing additional enhanced employee data.
 - b. These capabilities in turn will provide:
 - i. An improved ability to monitor, control, review, and analyze individual evaluation and compensation processes.
 - ii. Enhanced recruitment processes and efforts through a deeper understanding of staffing priorities and an expanded knowledge of the basic and opportunistic criteria associated with each position.
 - iii. Improved development, monitoring, control, and evaluation of staff training and development programs, and of individual action plans.
 - iv. Improved efficiency and effort associated with compliance verification and audits.
 - v. Expanded opportunities for new and enhanced staff communication.
4. Employee Communications and Involvement
- a. One of the more subtle but powerful characteristics of this Methodology is in the areas of improved employee communication, improved employee feedback and participation in the Feedback Loop Methodology, and in motivating employee involvement.

- b. An ability to increase employee motivation and involvement is accomplished within the Human Resource Categorical Organization Modeling and Analysis Methodology because there is now an expanded set of evaluation criteria. Discussions are not strictly focused on skill set and performance criteria. They will now include interactive dialog regarding cross-training, level of organizational and operational knowledge, participation in strategic initiative executions, productivity improvements, and innovation initiatives, and the evaluation of individuals that have the greatest potential to influence success during periods of growth, restructuring, or organizational rebounding. Therefore,
 - i. The Methodology communicates that participation, even supportive participation, in any of these areas can have a favorable impact on compensation, advancement, and security. **For many, this generates motivation to get involved!**
 - ii. The Methodology provides an effective way of communicating in a relatable context what is going on within the organization. The organization improves employee communication of potential opportunities and improves the individual's knowledge on what is occurring that might directly or indirectly affect them. It also provides an opportunity for feedback and concerns from an individual regarding a specific project or initiative.
- c. The inclusion in the evaluation section – **“Input From The Individual”** - is almost exclusively a tool for an individual's feedback. It solicits the individual's evaluation of the organizations ability to meet or not meet their job expectations and provides the opportunity to explore action plans that might improve the situation. It also solicits feedback from the individual regarding areas of interest, desire to increase responsibilities, and if there might be some other skill sets that they have which represent an unknown opportunity for them and the organization. This open communication and associated feedback can play a significant role in:
 - i. increasing an individual's involvement,
 - ii. improving an individual's support and cooperation for organizational objectives,
 - iii. uncovering possible risks and concerns associated with safety,
 - iv. uncovering possible risks and concerns associated with specific projects or initiatives,
 - v. improving employee satisfaction and employee retention, and
 - vi. addressing any misconceptions or inaccuracies that the individual might have.

The power of the Human Resource Categorical Organization Modeling and Analysis Methodology for the C-Suite cannot be overstated. Here is a Methodology that is comprehensive yet straightforward to execute and administer. It allows executives to quickly and easily assess the health, strengths, and challenges associated with one of the most important organizational resources, Human Resources.

Finally, here is a Methodology that provides the C-Suite and the organization the data and capabilities necessary for improved strategic planning, and for decision making requiring deep analysis of complicated issues to address an ever-changing environment.

APPENDIX A - Categories for the Human Resource Categorical Organization Modeling and Analysis Methodology

Description	Definition	Where/Why Used	Possible Examples
<p>Critical Category</p>	<p>Positions that are critical to the fundamental existence and survival of the organization. These can be viewed as an organizations heart and soul positions or positions critical to the organizations underlying ability to function and exist.</p>	<p>Used ONLY at the organizational level since the significance crosses all departmental, functional, and hierarchical considerations.</p> <p>A definition and understanding of these positions are critical relative to compensation planning and in times of growth, reorganizations, and downsizing.</p>	<p>*Compliance Officer in a heavily regulated organization. *VP of Engineering in a manufacture of highly engineered products. *VP of Marketing in a large consumer products company. *Risk Officer at a major bank. *CFO at a publicly traded company. *Chief Technology Officer at a PaaS service provider.</p>

APPENDIX A (Continued) - Categories for the Human Resource Categorical Organization Modeling and Analysis Methodology

Description	Definition	Where/Why Used	Possible Examples
<p>Essential Category</p>	<p>Positions that are essential to maintaining effective and efficient day-to-day operations at the organization. The organization will experience major disruptions or difficulties if these positions fail to execute their duties effectively and efficiently. Need to stay focused on the specific position and not general positional descriptions. For example, just because you have a specific Manager Position as Essential does not mean that all Manager Positions should be considered Essential.</p>	<p>Used at the departmental and functional levels of the organization. Unless a departmental or functional position has already been classified as Organizationally Critical, it can be categorized as Essential.</p> <p>A definition and understanding of these positions are critical relative to compensation planning and in times of growth, reorganizations, and downsizing.</p>	<p>*Quality Control Technician at a manufacture of medical devices. *Director of Internal Controls at a publicly traded company. *Sales and/or Customer Support Representative for the largest customer of the company. *Product Testing Cell Operator at a manufacture of certified products. *Corporate Treasure of a multinational organization. *Director of Fund Raising at a nonprofit organization. *Logistics Manager at a warehousing and transportation company. *Chef of a high-end restaurant. *Director of Software Development at a software applications development company.</p>

APPENDIX A (Continued) - Categories for the Human Resource Categorical Organization Modeling and Analysis Methodology

Description	Definition	Where/Why Used	Possible Examples
<p>Required Stable Category (Skill set requirements, time to train, ability to backfill the duties, and availability of qualified individuals internal to the organization and in the marketplace are major differentiators between Required Stable and Required Flexible)</p>	<p>Positions that are required for day-to-day operations and where stability of the staffing is important due to skill set, training, or other operational considerations. Failure to adequately staff these positions over time can cause disruptions and difficulties at a departmental or function level. Again, need to stay focused on the specific position and not general positional descriptions. For example, just because you have a specific type of Maintenance Specialist Position as Required Stable does not mean that all Maintenance Positions should be considered Required Stable and therefore, that these Maintenance Positions cannot be a mixture of Essential, Required Stable, Required Flexible, or even Temporary.</p>	<p>Used at the departmental and functional levels of the organization. Unless a departmental or functional position has already been classified as Organizationally Critical or Departmentally and/or Functionally Essential, it can be categorized as Required Stable.</p>	<ul style="list-style-type: none"> *Production Line Supervisor *Accounts Payable Processor *Design Engineer *IT Programmer *Quality Control Technician *Sales Representative *Benefits Administrator *Project Manager *Automotive Mechanic *Maintenance Specialist *Truck Driver *Food & Beverage Manager *Department Manager *Installation Technician *Hospitality Manager *Equipment Repair Specialist

APPENDIX A (Continued) - Categories for the Human Resource Categorical Organization Modeling and Analysis Methodology

Description	Definition	Where/Why Used	Possible Examples
<p>Required Flexible Category (Skill set requirements, time to train, ability to backfill the duties, and availability of qualified individuals internal to the organization and in the marketplace are major differentiators between Required Stable and Required Flexible)</p>	<p>Positions that are required for day-to-day operations where stability of the staffing might be preferred, but flexibility of staffing is available due to the ability to backfill or augment these duties. The nature of the duties for these positions are such that alternatives are more readily available and/or failure to timely execute represents limited exposure to the organization.</p>	<p>Used at the departmental and functional levels of the organization. Unless a departmental or functional position has already been classified as Organizationally Critical or Departmentally and/or Functionally Essential or Required Stable, it can be categorized as Required Flexible.</p>	<ul style="list-style-type: none"> *Forklift Driver *Assembly Line Worker *Administrative Clerical *Packaging Clerk *Bartender *Server Staff *Cashier *Data Entry *Housekeeping
Description	Definition	Where/Why Used	Possible Examples
<p>Temporary/Part-Time (Short or Long Term)</p>	<p>Positions that are temporary and that are either filled with fulltime employees who will be reassigned after completion of the assignment, who are part-time, or are temporary employee hires. These are also often filled with contract labor.</p>	<p>Used at the departmental and functional levels of the organization and should always be defined as Temporary but also can be cobranded as Critical, Essential, or Required if the assignment is deemed as such.</p>	<ul style="list-style-type: none"> *Programmer *Project Manager *Network Support Technician *Barista *Marketing Coordinator *Website Developer *Social Media Coordinator *Server Staff *Delivery Driver * Systems Design Specialist

APPENDIX B – Individual Assessment Criteria for the Human Resource Categorical Organization Modeling and Analysis Methodology

Assessment Description	Definition	Why	Discussion
Skill Set	How does the individual's skill set match the skill set requirements of the position.	It is important to understand at both the organizational and individual level how comprehensive and proficient the skill sets are at each position. This is especially important when assessing capabilities for the Critical and Essential Positions.	<p>This assessment not only helps to evaluate the potential strengths and weakness in the organizations at various Positional Categories of staffing, but is a great tool to communicate areas of an individual's strengths and to help set goals and action plans for areas an individual can improve.</p> <p>Level of Skill Set can also be a differentiator when determining and justifying compensation and paths for advancement.</p>
Assessment Description	Definition	Why	Discussion
Performance	This is how well the individual applies their skills to accomplish the required tasks of the position. This should be a very open dialog and should also take into consideration the upstream and downstream positional performance ramifications.	Even if an individual has the necessary skill set, their actual performance may exceed or fail to meet the execution and accomplishment of the required objectives, goals, and tasks of a position. These assessments can provide an excellent opportunity to make sure the required objectives, goals, and tasks of a position have been clearly defined, understood by all parties, and communicated. It also provides an opportunity to assess the possible existence of shortfalls and opportunities for improvements.	<p>The evaluation and review of performance is a great tool to communicate areas of an individual's strengths and to help set goals and action plans for areas an individual can improve.</p> <p>It also represents an ideal opportunity to explore areas for organizational improvements and communicate and solicit feedback regarding new organizational, departmental, or functional initiatives.</p> <p>Performance can also be a differentiator when determining and justifying compensation and paths for advancement.</p>

APPENDIX B (Continued) – Individual Assessment Criteria for the Human Resource Categorical Organization Modeling and Analysis Methodology

Assessment Description	Definition	Why	Discussion
Adherence To and Knowledge Of Safety Protocols	<p>Determine the level of knowledge, understanding, and adherence to organizational safety protocols.</p> <p>Solicit feedback, suggestions, and concerns to assist in the analysis and improvement of the protocols.</p>	<p>An organization's focus on safety should always be a major criterion. Many would argue that safety should be the first organizational priority followed by quality of product/service and delivery/customer satisfaction, especially given many of the dynamics that exists in today's environment.</p> <p>Therefore, assessing and training individuals on existing safety protocols and soliciting their input and feedback is a critical criterion in the assessment process.</p>	<p>The main objective of this portion of the assessment is to make sure the safety protocols are communicated, understood, and adhered to.</p> <p>This also opens the communication lines for an individual's input including, feedback, suggestions, and concerns.</p>

APPENDIX B (Continued) – Individual Assessment Criteria for the Human Resource Categorical Organization Modeling and Analysis Methodology

Assessment Description	Definition	Why	Discussion
<p>Level Of Cross-Training</p>	<p>How much cross-training does an individual have. Care must be given that cross-training is not limited to only different positions but also includes cross-training in various skill sets within a given positional category.</p> <p>For example, there could be a single position defined as Production Line Assembly. However, there might be multiple stations along the production line that require different skill sets and therefore, represent cross-training opportunities for both the individual and organization.</p> <p>Another example might be a position defined as Design Engineer which includes a base skill set in a specific release of design software. However, if an individual broadens their skill set to include different release levels of that software or bolt-on packages to that software, this might also be considered cross-training given the position of Design Engineer has not changed and the individual's skill set exceeds the basic skill set defined for that position.</p>	<p>Cross-trained Individuals in multiple positions and/or skill sets represent an increase value proposition to the organization. Therefore, not only should this cross-training be recognized and defined at the individual level but cross-training structures and planning should be established by the organization. The goal should be to focus on opportunities to:</p> <ul style="list-style-type: none"> • Reduce operational disruptions. • Improve efficiency, effectiveness, productivity, and training. • Provide opportunities for an individual's growth and advancement. • Determine who the critical resources are in times of growth, reorganization, or rebounding. 	<p>The level and amount of an individual's cross-training can be a big differentiator when:</p> <ul style="list-style-type: none"> • determining and justifying compensation • determining which individuals are retained at times of downsizing, like during recessionary periods • determining paths for an individual's growth and advancement <p>Cross-training compensation matrixes can be a useful tool and should be utilized when deemed appropriate.</p>

APPENDIX B (Continued) – Individual Assessment Criteria for the Human Resource Categorical Organization Modeling and Analysis Methodology

Assessment Description	Definition	Why	Discussion
<p>Capability To Support Organizational Growth and/or An Organizational Rebound</p>	<p>This assessment defines what capabilities an individual possesses that can be applied and leveraged by an organization during periods of rapid growth, reorganization, or most importantly, when an organization is in a downturn and ultimately rebounding from that downturn (for example, during and after downsizing due to a recession).</p> <p>These capabilities go beyond the level of an individual's cross-training and must include an evaluation of an individual's:</p> <ul style="list-style-type: none"> • Ability to train others. • Ability and flexibility to backfill other positions or skill sets. • Possess strong organizational knowledge and operational know-how. • Most important, a WILLINGNESS to accept additional workload as needed and train or retrain individuals as the organization rebounds or grows. 	<p>This is probably one of the most unidentified and underutilized capabilities in an organization. Yet in times of unexpected or undeterminable growth, or in times of restructuring or downsizing due to changing market conditions or economic conditions such as a recession, individuals with these capabilities can prove to be invaluable.</p> <p>Unfortunately, individuals with these capabilities along with individuals filling Critical and Essential Positions within the organization are too often swept up in times of restructuring and layoffs. This can especially be the case when the criteria used is predominantly based upon compensation levels. Ironically, retaining and utilizing individuals with these capabilities can create a significant amount of cost savings, allow the organization to rebound more quickly, and provide the best continuity of organizational knowledge and operational know-how.</p>	<p>These capabilities can be most utilized during periods of:</p> <ul style="list-style-type: none"> • unexpected growth, • undeterminable growth such as an inability to predict demand that will be generated from the launch of a customer's product, • an organizational restructuring, or • downsizing due to changing market conditions or economic conditions such as a recession. <p>Therefore, an individual's capabilities in this area will be a differentiator when:</p> <ul style="list-style-type: none"> • determining and justifying compensation • determining which individuals are retained at times of organizational restructuring or downsizing (like during recessionary periods) • determining paths for an individual's growth and advancement

APPENDIX B (Continued) – Individual Assessment Criteria for the Human Resource Categorical Organization Modeling and Analysis Methodology

Assessment Description	Definition	Why	Discussion
<p>Contribution To Strategic Initiative Execution And Productivity Improvements</p>	<p>This evaluation brings the contributions to strategic initiative execution and productivity improvements to the grassroots level. When assessing an individual's contributions (including potential contributions), the organization should not only focus on ideas/suggestions for improvements, but just as importantly, on an individual's involvement in, and support of, the implementation and execution of strategic initiative and productivity improvement projects. Many a great initiative failed to reach full potential or even failed completely due to a lack of participation, support, input, and desire at the individual level.</p> <p>Leadership must recognize that participation can be required at every position in the organization for productivity improvement and strategic initiative opportunities. Therefore, an assessment of an individual's involvement or potential involvement is critical.</p>	<p>Much is written regarding strategic execution and productivity improvement including an endless number of "how to" strategies, methodologies, and incentive systems. However, including this evaluation criteria at the individual assessment level across all staff places a higher level of significance to these efforts. It also provides greater flexibility in motivating, recognizing, and incentivizing individuals to participate in the development and/or execution of strategic initiatives and productivity improvements.</p> <p>Through this assessment, the organization receives a significant benefit from the knowledge associated with what positions and what individuals are important and are contributors to these efforts.</p> <p>The use of this assessment criteria enhances the ability to communicate important organizational initiatives and solicit the input, creativity, acceptance, and participation required from an individual to support Feedback Loops.</p>	<p>An individual's contributions and potential contributions to strategic initiative execution and productivity improvement can be a big differentiator when:</p> <ul style="list-style-type: none"> • determining and justifying compensation • determining which individuals are retained at times of downsizing, like during recessionary periods • determining paths for an individual's growth and advancement <p>This process is consistent with the objective of Blending Strategic Initiatives With Day-To-Day Operations by communicating down details of important organizational initiatives and soliciting up the input, creativity, acceptance, and participation of individuals in strategic execution and productivity improvement efforts. IT IS BASE LEVEL COMMUNICATION AND PARTICIPATION IN FEEDBACK LOOPS (SEE SEGMENTS 2 AND 3 OF THIS C-SUITE MANAGEMENT SERIES).</p>

APPENDIX B (Continued) – Individual Assessment Criteria for the Human Resource Categorical Organization Modeling and Analysis Methodology

Assessment Description	Definition	Why	Discussion
<p>Contribution To Innovation</p>	<p>The evaluation of an individual's contribution, or potential contribution, to innovation within the organization, and the evaluation of an individual's contributions to strategic initiatives and productivity are conceptually similar.</p> <p>However, the focus is very different in that innovation focuses on an individual's contribution to the creation and/or implementation of something new or that represents a major advancement. This could include a new or significantly enhanced product, service, major methodology or even a new or unique organizational, operational, or financial operating structure.</p> <p>Unlike productivity improvements which can include anything from small to large changes, innovations tend to be large in scale and represent a major potential impact in the organization, marketplace, or industry.</p>	<p>Just like an organization developing a deeper understanding of Critical and Essential positions, there are major benefits in developing a deeper understanding of the individuals that represent contributors, or potential contributors, to innovation.</p> <p>Key factors to consider:</p> <ul style="list-style-type: none"> • Generally, applies to a more limited number of individuals. • These assessments do not have to only focus on the individuals specifically assigned to an initiative but should also include individuals who are involved part-time, or in occasional support functions, since this can represent effort in addition to, or a deviation from their normal responsibilities. • Innovation initiatives (for example R&D) tend to be non-operational and therefore, an assessment that goes beyond just the individual's skill set can be helpful in establishing and properly communicating expectations and action plans for the specific individual. 	<p>Goes beyond skill set and can represent a differentiator for:</p> <ul style="list-style-type: none"> • determining and justifying compensation • determining which individuals are retained at times of downsizing like during recessionary periods • determining paths for an individual's growth and advancement

APPENDIX B (Continued) – Individual Assessment Criteria for the Human Resource Categorical Organization Modeling and Analysis Methodology

Assessment Description	Definition	Why	Discussion
Input From The Individual	This assessment criteria explores the individual's level of satisfaction, areas of interest, desired growth paths if any, concerns, and willingness to be cross-trained or take on additional responsibilities.	<p>These can be viewed by many as difficult conversations but in fact, represent a great opportunity to:</p> <ul style="list-style-type: none"> • coordinate an individual's desires and expectations with organizational needs and priorities, • establish individual goals and action plans, • provide open dialog, • communicate organizational goals, direction, and impacts these might have on the individual, • communicate how the individual's compensation has been determined and if there are any action plans that might influence future considerations, • explore for possible unknown capabilities, ideas, or desires and willingness to participate in other organizational opportunities that they might be qualified for. 	<p>This should be applied as an open communication tool that can be used to:</p> <ul style="list-style-type: none"> • explore what the individual's desires, ideas, and concerns are, • explain the compensation criteria that was used and possible opportunities to influence the level of future compensation, • look for and establish specific action plans, • communicate organizational opportunities and explore possible participation, • communicate current organizational goals and objective, • assess the individual's level of satisfaction and willingness to expand their skill sets or participate in new opportunities, • determine if the individual has any unknown applicable skill sets or capabilities that should be taken into consideration.

APPENDIX C – Example Of A Human Resource Organizational Assessment Summary for the Human Resource Categorical Organization Modeling and Analysis Methodology

Column A	Column B	Column C	Column D	E	Column F	G	Column H	I	Column J	Column K	Column L	Column M	Column N	Column O
Category Of Position	Position Description	Individuals Assigned	Adherence To and Knowledge Of Safety Protocols	Skill Set		Performance		Level Of Cross-Training		Capability To Support Organizational Growth and/or An Organizational Rebound				
			G=Good T=Needs Training I=Issues To Be Resolved	1 To 5	A=Action Plan In Place	1 To 5	A=Action Plan In Place	1 To 5	M=Cross- Training Matrix Available	N/A=Not Applicable Or 1 To 5 Overall	1 To 5 Ability To Train	1 To 5 Ability To Backfill	1 To 5 Organizational and/or Operational Knowledge	1 To 5 Willing To Support Requirements
C=Critical E=Essential RS=Required Stable RF=Required Flexible T=Temporary / Part-time														

APPENDIX D – Continued Example Of A Human Resource Organizational Assessment Summary for the Human Resource Categorical Organization Modeling and Analysis Methodology

Column P	Column Q	Column R	Column S	Column T	Column U	Column V	Column W	Column X	Column Y	Column Z	Column AA	Column AB	Column AC	Column AD	Column AE
Contribution To Strategic Initiatives And/Or Productivity Improvements					Contribution To Innovation					Input From The Individual					Adherence To and Knowledge Of Safety Protocols
N/A=Not Applicable Or 1 To 5 Overall	N/A=Not Applicable Or 1 To 5 Major Initiator	N/A=Not Applicable Or 1 To 5 Support Initiator	N/A=Not Applicable Or 1 To 5 Major Participation	N/A=Not Applicable Or 1 To 5 Support Participation	N/A=Not Applicable Or 1 To 5 Overall	N/A=Not Applicable Or 1 To 5 Major Initiator	N/A=Not Applicable Or 1 To 5 Support Initiator	N/A=Not Applicable Or 1 To 5 Major Participation	N/A=Not Applicable Or 1 To 5 Support Participation	ME=Meeting Expectations SE=Short Of Expectations	A=Action Plan In Place	D=Desires Expanded Responsibilities	O=Other Skill Sets Available	Other Comments	G=Good T=Needs Training I=Issues To Be Resolved

APPENDIX E – Analytical Example Using The Human Resource Organizational Assessment Summary

Column A	Column B	Column C	Column D	E	Column F	G	Column H	I	Column J	Column K	Column L	Column M	Column N	Column O
Category Of Position	Position Description	Individuals Assigned	Adherence To and Knowledge Of Safety Protocols	Skill Set	Performance	Level Of Cross-Training	Capability To Support Organizational Growth and/or An Organizational Rebound							
C=Critical E=Essential RS=Required Stable RF=Required Flexible T=Temporary / Part-time			G=Good T=Needs Training I=Issues To Be Resolved	1 To 5	A=Action Plan In Place	1 To 5	A=Action Plan In Place	1 To 5	M=Cross-Training Matrix Available	N/A=Not Applicable Or 1 To 5 Overall	1 To 5 Ability To Train	1 To 5 Ability To Backfill	1 To 5 Organizational and/or Operational Knowledge	1 To 5 Willing To Support Requirements
E	Test Cell Supervisor	AAA	G	4	A	5		5		5	5	5	3	4
RS	Production Line Assembly	BBB	G	5		5		3	M	4	3	3	5	3
RS	Production Line Assembly	CCC	G	3	A	3	A	4	M	3	2	4	4	2
RF	Production Line Assembly	DDD	T	2	A	3	A	1	M	N/A	N/A	N/A	N/A	N/A
RS	Design Engineer	EEE	G	3		3	A	1		N/A	N/A	N/A	N/A	N/A
RS	Design Engineer	FFF	G	3	A	4		1		1	3	1	3	2

APPENDIX F – Analytical Example Using The Human Resource Organizational Assessment Summary

Column A	Column B	Column C	Column P	Column Q	Column R	Column S	Column T	Column U	Column V	Column W	Column X	Column Y	Column Z	Column AA	Column AB	Column AC	Column AD
Category Of Position	Position Description	Individuals Assigned	Contribution To Strategic Initiatives And/Or Productivity Improvements					Contribution To Innovation					Input From The Individual				
C=Critical E=Essential RS=Required Stable RF=Required Flexible T=Temporary / Part-time			N/A=Not Applicable Or 1 To 5 Overall	N/A=Not Applicable Or 1 To 5 Major Initiator	N/A=Not Applicable Or 1 To 5 Support Initiator	N/A=Not Applicable Or 1 To 5 Major Participation	N/A=Not Applicable Or 1 To 5 Support Participation	N/A=Not Applicable Or 1 To 5 Overall	N/A=Not Applicable Or 1 To 5 Major Initiator	N/A=Not Applicable Or 1 To 5 Support Initiator	N/A=Not Applicable Or 1 To 5 Major Participation	N/A=Not Applicable Or 1 To 5 Support Participation	ME=Meeting Expectations SE=Short Of Expectations	A=Action Plan In Place	D=Desires Expanded Responsibilities	O=Other Skill Sets Available	Other Comments
E	Test Cell Supervisor	AAA	5	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	M	A	D		Management Training
RS	Production Line Assembly	BBB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	M				
RS	Production Line Assembly	CCC	3	N/A	N/A	N/A	4	N/A	N/A	N/A	N/A	N/A	M				
RF	Production Line Assembly	DDD	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	M			O	Prior Test Exp
RS	Design Engineer	EEE	N/A	N/A	N/A	N/A	N/A	1	N/A	N/A	N/A	1	5	A			
RS	Design Engineer	FFF	N/A	N/A	N/A	N/A	N/A	3	N/A	N/A	3	N/A	M		D		

