

>> The webinar will begin shortly, please stand by.

>> Hello everyone. This is Ornella Castman representing the mid-Atlantic Region. I am pleased to be here virtually. I do have a few housekeeping items before we get started. The session is being recorded and a transcript will be made available on the NLG website by tomorrow or early next week. There is a copy of the presentation attached to the webinar that is under downloads handouts. You should have received an email for today's session which included a link to close captioning if you need it.

Q&A will be taken at the end of the session. Use the chat functionality and I will provide the questions to the speakers at the end of the presentation. I want to take a moment to thank the sponsored the next slide please.

Thank you to the sponsors you see on the screen for supporting the NILG and the webinar series. Let me introduce our speakers for today's webinar to FAS or not to FAS. Who is a labor economist at Charles refer associates and any come who is the director of -- at Dell.

Welcome and thank you for presenting today and I'm going to turn it over to Clinton.

>> Hi. Thank you everyone for joining us. We're really excited to talk about [Inaudible] from different considerations about whether or not may or may not be something that can benefit your organization. But before we jump into we're going to give you some considerations for diversity metrics in general. Diversity in a proactive context and how that translates into a more of a compliance context. Jump into the pros and cons of that and talk about the requirements in the submission process if you decide to go in a functional affirmative action plan direction. And then we'll wrap it up with some considerations and building job groups within a [Inaudible] structure.

But like I said, before we jump into [Inaudible] diversity metrics in general and tie this into diversity metrics from a compliance point of view. As we discuss more established based functionality. The most widely use of metrics tracks the representation of the diverse population and measure that actual diversity and [Inaudible] benchmark that includes information about the external labor market -- representation of the diverse population of the employer or the internal availability. These metrics are displayed in the score car illustrated here with the orange arrows. Is a stop measure what something looks like at a given point in time. In this case, it basically helps us understand what is the result of all the employment selection decisions at the employer. It tells us at the beginning of the period what does the diversity looks like and at the end of the period what the diversity looks like. It helps us understand the result of all the hiring decisions, attrition decisions and promotion decisions into the higher-level population. The representations ultimately what [Inaudible] is interested in, the executives want to know how you stack up to your competitors and how diversity changes over time.

In contrast low metrics are going to tell you how the big picture changed. The hiring decisions, promotion decisions and attrition during this period will impact your diversity and look at those processes separately -- allow for you to set more tailored and effective action plans. This is the insight the booth -- scorecard three bars in the middle are going to basically tell you how the population changed and even more -- selection decision faired relative to a benchmark molded that employment process. For the external selections we can build a benchmark using the availability -- if we're thinking about promotions, middle bar here, we can think about the internal selections into the management grades BC and D. Diverse employees in the lower level grades within the organization. We can

[Inaudible] example scorecard and promotions for 15.7% diverse as compared to an internal benchmark that was several percentage points higher at 18.6% which means that fewer persons of workers were -- lower level grade. This tells us action planning around the promotion process would be more effective than action planning around the acquisition process because the percent of diverse hires is ex-- availability of diverse people of color in the external labor market. This right here is exactly what your AAP's aim to do. Each year you have your utilization analysis -- relative to a benchmark that's a blend of the internal and external availability. You have your hire promotion and impact ratio -- expected for a job group within AAP. AAP's are capturing these things [Inaudible] measures. For AAP can fall short in terms of their usefulness they might utilize job -- trying to benchmark or commonly they're not tied to the leaders that are responsible for the ultimate decisions that are made within the plan. Design an analysis that's not tied to the employment process the analysis is going to be fundamentally flawed or just yield insights that are not actionable to the organization.

When I help employers design these types of diversity scorecards outside of a compliance -- entire organization, of course we're also cutting the data by line of business, function and level of responsibility to see where the opportunities for employment of is and more importantly to align the met Ricks with the leaders ultimately responsible.

So let's take a moment to consider the criteria that should be considered when you compute external benchmarks to measure against your hires or against your incumbent population.

Some of these factors are going to be very familiar to most of you when you build your external benchmark and establishment [Inaudible] you're going to consider the same factors. When building a benchmark you want to think philosophically about how you recruit for a position or group of jobs. Specific industry knowledge you may want to consider the external labor market data. And limit it to the employees in the industry where that experience is required.

Then you also want to think about the level and type of work that would be performed because the availability of women Men and vary drastically by educational study and occupation that are selected by people in labor market. Often times just using EEO1 categories far too broad of a measure to -- candidate considered so generally the application code is linked to a job with the benchmark population. But sometimes the data can be thin by industry occupation and geography so EEO1 category may be used to fill in any gaps in the data. More often in a proactive diversity metrics situation, we might use data on educational obtainment. There's a data repository called the -- data system also known as EPEDS. Tracks diversity of graduates using limits. Level of educational attainment. It could be a bachelor's degree or master's degree that you require for the position you're benchmarking the position. Recruiting and going to market. This can be the best external data source in building your external benchmark. You want to determine whether the recruitment area is local, regional or national. Geography considered will particularly influence the ethnic ability and since COVID19 has -- organization can be executed pretty much effectively on a remote basis. Likely we'll see more positions shift from a local to national recruitment area. If you do make this move for some of your recruitment to a broader geography that your benchmark -- historically you've recruited in a different area. So this means that for a period of time possibly years there might be a divergence against the benchmark how you think about it philosophically against your benchmark. In the audit situation where your benchmark might be diverging against your [Inaudible] in that population.

So when your benchmarking you want to think about the level or type of work and the geography decisions. And think about how those basically impact at the job, job level or functional basis. And you basically are going to match your relevant external population on to your -- the population you're benchmarking. You're going to get the benchmark matched on to the employee level data. All of your hires or everyone in the snapshot population. Once you get that data matched on to the employee level you take the average of that benchmark across an entire population that you're benchmarking to arrive at an overall benchmark [Inaudible] P context you think of the average of employees between AAP and job group to get that over all benchmark, external benchmark.

So when you think about where you roll up external benchmark to and get this over all benchmark you want to think about how the different levels can be useful when you're reporting that information out. As I mentioned on the last slide, proactive diversity consulting it makes sense for the employer to see these metrics by line of business, functional area and job level or grade because these are views that align with the business and provide the most actionable insights.

So we've heard it a million times, we're definitely in unprecedented times right now. So labor market is experiencing extreme shock from COVID19. Between February and April of this year alone, more than 20 million jobs were lost in industry where employers were requested H1B and [Inaudible] to fill openings. The U.S. has this massive excess supply of labor. In response attempt to limit U.S. unemployment as much as possible. What -- how does this impact the benchmark? It's going to definitely be impactful on the true availability of Asians and [Inaudible] because historically relied -- qualified job candidates and while it might not immediately or directly impact the benchmark you're measuring against -- looks at people working in the U.S. population, not foreign nationals. It does mean that the true availability of Asian workers in particular is going to be lower than it was historically. You also want to keep in mind that employee populations historically disadvantaged by unemployment are going to be populations impacted the most by this labor market imbalance. So as economy does start to expand and jobs start to reopen there's going to be a lot of opportunity to hire other minorities and veterans and -- move forward. Right now at the end of the day unfortunately what most employers are living and breathing is [Inaudible] unemployment action. Employers are hard pressed to hire right now. Might be freezes on promotion, freezes on pay changes and difficult or impossible to impact change at the moment but this is something I think that's important to keep in mind that economy starts to rebound.

So all just to frame this conversation -- as long as the dynamics talk about equally impact the gender and [Inaudible] then the benchmark will still be representative of the true workforce availability. There's instances where in the short term the benchmark may diverge from the true availability and that's something to keep in mind that cover today's decisions. Thinking about things from an analytic perspective you want to place more emphasis on the applicant pool [Inaudible] which does not reflect the current shock facing labor market as the result of COVID19.

When computing an internal benchmark promotions against you want to think about the promotion process and model benchmark closely to it as possible. Most have a job level or grade structure that defines the upward -- we can often leverage historical movement through the vertical levels of an organization to get a better sense of the pattern of movement upward. However the rate of promotion and the diversity are all going to differ when considering the type of work. So to account for the type of work building in some type of job grouping or function or job family be account for these differences.

To accomplish this, we often look at the historical movements from lower to higher levels within some type of functional grouping -- at the lower level. This can be used to determine approximation of the benchmark of diverse promotions that were expected. Additionally in addition to the job family and the job level structure, the organizational structure may impact the promotion opportunity particularly if you're an employer [Inaudible] acquisition for each segment work for autonomously or if you have different product lines or operate different industries.

But more importantly if you're trying to bring accountability to leaders that can bring change to your organization, you want to incentivize them and give them data and metrics and insights that allow them to set action plans and impact change. Being able to report your diversity metrics by [Inaudible] line of business is so critical and you might hear us say that throughout this presentation but that's because I find this what employers find the most useful.

So you'll want to consider how far back you look at assessing the historical movements within your organization. Often times we look back as much as four years, particularly if we're defining an upward progression in a more defined way where we need more data points but the availability of good historical data how many reclassifications you've had or how large of a job reclassification you have had if you've had reorganizations, these things might narrow the window how good the data is. You want historical movements to describe what is still true today. Also in the wake of COVID19, what you certainly want to be more cob sures about in building your internal benchmark -- reflects the current population. So if you're looking at four years to look at the historical movements which tell you kind of the type of movements to and from jobs or job family and job level, you'd look at four years to understand the movement of jobs but then you're going to look at the current diversity of that lower level position to understand howdy verse you should -- howdy verse you expect to be flexing that -- how diverse. I'd want to keep a watchful eye of the demographics of -- work are now higher especially more higher risk employees. Your employees might opt for early requirement or temporarily exit the labor market with kids now at home. Higher cost of women staying within the labor force they may see more of a role at home now. Might also want to take a lower risk job. People might be more incentivized to find a work from home situation rather than a face-to-face situation particularly if they're more at risk.

So these are all going to change the demographics of the U.S. workforce as a whole but they're also likely to influence the distribution of age in your workforce.

And then of course we've also seen increase in the number of workforce reductions. Employers are taking a closer look to make sure their decisions there don't disfavor a protected employer group such as older employees.

All right. So we've laid some of the foundation for benchmarks in general -- and then we're going to explore how that can potentially help provide better aligned benchmarks and recording how a business operates. Nicole can you help us understand [Inaudible]

>> Sure. Hey everyone. It's -- walk you through that and what they are and all the different considerations that employers need to make when they're trying to decide if it's right for them. Just to set at a very high view what a [Inaudible] is we're going to guide in to a lot more detail but at face control a [Inaudible] is really the same affirmative action plan you would typically have under the establishment face process which all of us go through when we become federal contractors. We -- either by a business unit or organization and you really get to drive the structure of that, which is

exciting. If you're dealing with establishment base plans and haven't been able to make action on them because of that we're talk about the pros and cons about it. What we're looking at is it's allowing contractors to structure their affirmative action plans in how they operate functionally and align that data analysis and goals with the way personal decisions are made within the company.

Now, it does require you to enter into an agreement with OSCCP so you have to apply for it. They're going to examine personnel practices and affirmative -- of that function in business instead of an establishment. Up on the slide right now you all are most likely very familiar with the establishment. What is the physical presence that you have. In an establishment base plan you're going to see multiple different business units and functions working collaboratively in that space. Historically, it used to be one building, one owner, one manager, and everyone under there was driven by that. Now it's not really that way. We're spread out. We're global. Think about COVID. All of us are working from home or having sessions remotely. That's true for most employers around the company except for those essential workers and those that are starting to enter back into the buildings but for the most part, people aren't sitting in place so that establishment may not be the driving factor of how you make your decisions. In fact it's around the function or business unit.

One thing to call out, won't talk a ton about this and you should seek council on, how your company is structured you can have a blend of establish base planned as well as affirmative action base plans. You can distinguish between those and be able to talk through that with OSCCP. It is valid for five years and has to be reviewed after that. We'll talk a little bit about that application process. We want to set that stage first.

The now we're going to talk about what are the pros and cons of that? I'm going to talk you through what those pros look like.

What you see here is that [Inaudible] are able to yield valuable insight for action planning especially -- may have more than one leader responsible for the employees in the plan. First and foremost, you get to decide. You get to tell OSCCP how you structure your company. And how decisions are made as long as your units meet the criteria and dive deeper into that, the structure can align the decision-making model your company has in place.

[Inaudible] company decision making model for personnel activity it drives a clear ownership for that unit and the goals and focus areas for each unit are easily able to be managed by that managing official. That's a big difference. If you think of an establishment, I don't know about your company but we have multiple different leaders overseeing functions within that establishment and so it's really hard to drive -

>> Nicole? Would you mind speaking just a little bit louder?

>> Sure. Sorry. Is that better?

>> Thank you.

>> Sorry about that. When you're thinking about the individual's responsible for that plan, be thinking about are the people making the decisions are they focused on a building or are they focused on a group of individuals spread out across the country? That may be something that we view more towards a fact

rather than the establish based plan. Job titles for each role within the company because that can create -- the combination of an establish.

Based EAP -- team members in the same job title who their data day responsibilities more than 25%. And so adding the functional component will typically drive more similarly situated team members into the same job group. That are explaining differences, compensation hiring and promotion. There's a lot of considerations to make -- what are some of the other focus areas companies should take into account -- right for them?

>> Yeah, so big plans can obviously big bad news for employers and we're going to talk at the end how the size risk under [Inaudible] can be offset with a tier job group structure so at least keep the job group to a manageable size. You could still have large plans that may result in OSCCP obtaining more data for audit -- how they ultimately decide to group people. And addition, another consideration is that OSCCP does explain in their FAQs that if a [Inaudible] includes multiple establishments that may result in more than one insight for a given [Inaudible] plan. So you could have additional prep time dedicated to that audit process. Then there's obviously the additional administrative maintenance that includes getting OFCCP approval for the design structure and keeping OFCCP in the loop as things change over time. Essentially, we're going to talk about this a little more in a minute. But if you have a leadership structure change but it doesn't change the structure you're reporting on then you don't need to report that back to OFCCP. If you have an acquisition or [Inaudible] the actual plans that you're going to report out on change then that's something you would need to make [Inaudible] privy to. Another consideration -- the more consistent your AAP and job structure are year over year, the more you can compare progress what do you think, does that serve to increase or decrease the stability of your plan year over year?

>> I think that's one of the hardest questions because it's a little bit about I would say as an employer we have well over 100,000 team members worldwide. We do see reorganizations frequently as we're driving toward the work of the future. So when building our thoughts we had to take into consideration at what level do those reorganizations happen? Typically if you lower in the organization you see a lot of movement where leadership changes ebbs and flows depending on the objectives we have. As you go up higher into the organization, those typically remain more stable. That is something we took into consideration. One area that I find are more table stable and COVID is a big part of this, if you're moving to a work home environment this is a journey that Dell has been on for years now. PreCOVID we were far along on that journey where we had people -- it was () because people were moving remotely and you have to roll them up and move them around. The [Inaudible] allow it to just really be however the decisions being made and not taking into account the facility that they're at. So I do think when you blend everything together, the [Inaudible] do create a more stable plan structure but there's a lot of things to consider to make it that stability that you're looking for.

>> Given the pros and cons -- not really a one size fits all here. May or may not see right through your organization. At a minimum compliance there's going to be an objective for all federal contractors but if you are a federal contractor, with assorted history with OFCCP you -- at least feel that puts you at higher risk moving forward you want to think about if you have increased risk under that [Inaudible] structure. But don't just assume you'll have increased risk under a [Inaudible] structure. Think about what the head count would look like. Think about if your historic risk populations are all centralized in one [Inaudible] or if they would be spread out in different [Inaudible]. -- getting all these proactive diversity metrics that are incitable to your organization maybe it's less important to you. But if you want to kind

of get a two for one where you feel like you have actionable insight out of your plan you can use those to help manage and make better goals year over year and set better action planning, then that might help you better accomplish this goal.

It also really depends on the nature of your business established -- into the way that you report. But if your businesses are spread across different physical reporting locations, then that might make more sense for your organization because you don't just naturally have that cut of the data. You also want to think through the processes that AAP's model and consider who can facilitate change in those processes. Kind of comes back to the beginning discussion we had thinking about the different employment processes and thinking about how to model that process the best. In a way that reflects the decision-making process.

So you can think about how your business recruits for talent, what's the structure of your recruiting organization and think about budgets are allocated. If it's by establishment then traditional AAP model works well for you. If your business is across geographic boundaries -- recruiting and hiring processes. Think about how your organization manages pay. If budgets are determined by the profitability of the line of business or decisions are made separately by each line of business the processes would better align with functional -- think about the profession process by line of business. Are decisions made separately by each line of business? Those would be reasons to support for of a functional framework.

Clearly the goals in the contractors can going to be stay in compliance, second to minimize their risk in an audit and third have insight diversity metrics -- but it also comes at a cost if your programs are underfunded maybe [Inaudible] build into your program longer term when resources are available.

Nicole, at the end of the day what drove Dell's move to a functional reporting structure?

>> I mean, it was really the three things that you highlighted. We want to be compliant. That's every federal contractor's goal and we want to minimize our risk in audit. When you take a step back the way we did that is making sure our affirmative action plan aligned to how personnel decisions were made. We do not make decisions about our people just because they sit in one location or another. We're making it based off of the job list they're in, the value they're adding to the company and things of that nature. By having a functional affirmative action plan, it really aligns to our hiring goals, the promotional activities we're going through, if we did have any terminations it aligns it that way and very much aligns to our compensation structure as well. We also really wanted that clean line of ownership for our AAP. We wanted to be able to go and give someone true accountability to say, here are your goals, here is how you can action them. Let's build out that plan. Let's really change and move the needle forward. We're all focused on that. That's all the diversity program that all the companies have. This allowed us to align our global diversity with our affirmative action plan strategy. Made it so if we go into an audit we're able to talk about our business and why decisions are being made instead of saying, we had 10 hires but three were with this group 7 with this other group. Different skills we're -- skills we're looking for. It makes it a much cleaner discussion because of the way it's being done. That's what drove us into deciding to go down the functional affirmative action plan.

So with that, what do you need in order to have a functional affirmative action plan, the constructing of it is you need unique business units that exist and operate independently. That means someone's out there that's responsible for the budget that's driving the decisions out there. Have to have 15 employees there with that managing official that I talked about. You need to be able to maintain and

track the personnel responsibility. Everything that goes into the [Inaudible] components are these establishment based plans it's just who is going to be part of it is driven by this difference. Several things to call out when you're looking at it. At least 50 employee. It's going to -- one thing we did have to look at is in some cases, we felt that there may be really strong units but unfortunately they weren't large enough. So we had to roll it up to the next level which similar to an establishment.

Based plan, you may not have as similarly situated team members together because they are performing different things but they're being led by the managing official because -- organizations under them. So you can find that balance but it is looking at your organization, taking a deep dive view into it to see what makes sense.

Also when you're deciding who is the managing official, look at who is setting the visions for those team members in the unit. Think about who has the budget? Who is deciding what is going to happen. Are they able to say we need more team members here, allocated versus somewhere else. Who has the ability to decide on promotion. Make sure you have a managing official who has that capability. And then when we say that you have to be able to track and maintain personnel activity that does not mean you need independent HRS systems for that but a way to be able to identify who is that unit and be able to pull that out and accurately report who is who and the happenings of those individuals in that unit. Those are just a few things you need to take into account. The last piece is also the timing consideration.

Obviously you still need to do affirmative action plans every single year. You go out and you get approval from OFCCP to do the FAS [Inaudible] five years. If there is a substantial change in your unit, you do have to go back out and talk to a [Inaudible] and see here is the change and amend that and if a conversation around it. You also have to keep an eye on the clock. You have to apply for your extension at least 120 calendar days prior to the one that you have. Keep that in mind -- five years can go really fast. All right.

So if you decide that this is right for you and your company, there is as we mentioned, a formal process that you go through in applying to OFCCP. As a first-time submission you decided we weren't 100% sure what we should do and how that should look. We did end up going out and hiring outside counsel to support us through this. That helped us -- what are some of the questions that -- when they're filing first petitions or renewals. I do encourage you to do that. It is something that you can do on your own. But having that extra expertise was really, really helpful.

Also I want to call out be as detailed you can be in the first submission. Go all in. If you decide that [Inaudible] are right for you, go have that in-depth conversation with OFCCP. Open your doors, really show them how your organization is run. Very detailed in your unit descriptions, who they are and why they're unique and different. Remember that it's a conversation with OFCCP. This is not the same as going through a compliance review. It's a very personal and open conversation. It was very, very pleasant experience. We were lucky enough, we were detailed in our first submission we didn't have to have a conversation. We were able to get into the approval with OFCCP which was awesome but the entire time it was very open. We could have had calls if we needed to [Inaudible] so essentially what happens is when you put together that package, what we just talked about before, has 60 days to respond to that request. They may, like we said, want to talk through it and have that conversation. They might shoot you a quick note with a couple questions. Depends on how clear you are with the initial putting together of your package.

So that's really what we're looking at. And if you have any questions, I really do recommend speaking to counsel on that. How do you maximize? At the very beginning of this the metric from a benchmark external and earn term tie in to the -- and do that as well. So they provide you that opportunity to align to the way that you do your business. They create accountability so you have that leader who is looking at diversity in the way that your company has set it up but also the way that we need to do it for OFCCP purposes. It allows you to incorporate your [Inaudible] insights into that strategy. Federal contractors we do business in the U.S. That's how we're federal contractors. We're global in nature. We're looking at it holistically and how do we drive change around the world. So this way which having a FAS we get to say okay here is a global strategy and here is how [Inaudible] are tying into it. To help address that global diversity strategy. It's really a win/win. And then lastly, like we've talked about before, the [Inaudible] also allows us to look at similarly situated employee groups which is typically how you look at your global diversity metrics anyway.

So Quinton, how to [Inaudible] change how you approach the benchmarks that we talked about earlier?

>> Sure. In a traditional establishment-based AAP you select one recruitment area and that's used to determine the -- lower level job groups that recruit more locally or regionally. However, if you're using FAS you'll have a mix of people -- factor in a weighted blend of each geography -- let's take an example. If we've got establishment-based plan at a manufacturing facility and out skirt -- county and around that plant. -- blend of local area. County but instead you have a functional sales plan and that integrates many outside sales rolls that are recruited locally but -- you want your external benchmark -- local labor markets. So you need to apply a weighting structure in order to basically scale the local availability in each of those local labor markets. Let's take an example if you've got -- half your outside sales force in Orlando and that percent available in Orlando constitute 50% of your benchmark. In the remaining location would be factored in accordingly based off the percent of your incumbent population that's in each of those locations. -- slightly different weighting scheme you need to apply working in different locations. -- if you're already using outside vendor to prepare your plan this is simple enough for you to accomplish. If you prepare your plans in house it may take additional time to retool how you compute the external benchmark. It may factor into that administrative burden but at the end of the day it's probably not a make or break. Something to think through and be aware of.

So keep saying that analysis needs to model the employment process. One major challenge in using AAP is that they really try to accomplish too much in a one stop shop. Every employment process they try to measure has to be analyzed using similar employee grouping. AAP and job group grouping are used to assess the overall representation of your workforce. They're used to examine the hiring practices. Used to examine competitive promotion, attrition outcome and [Inaudible] sometimes define their pay analysis group using the job groups.

So you know, when OFCCP use these tags to make pay models they may not reflect how you pay people. They might better reflect how you recruit for talent because the crux of the AAP is the utilization analysis. When you're defining your job group structure defining your job groups using their hiring process, how they think about going to the market because they're building a benchmark to build into that utilization analysis.

So we obviously don't want to structure a plan in a way where we're going to create undue risk for your organization. Thinking about pay analyses -- into a single model that combines people under a fundamentally different pay structure where the model can't accurately predict pay. We're combining

exempt and non-exempt into one model and controlling for a factor that explains the difference in pay between exempt and non-exempt. OFCCP will argue that single control factor will do -- bear the full burden of explaining the pay ditch enable. In essence what they're doing is they're over aggregating the population into a model that is forcing the model to say everyone in this population has similar returns [Inaudible] control variable. But people are operating under very different pay structures. So when OFCCP does this -- it can be important to self-reflect here and think about building your job groups in a way that reflect how your business operates. And try to encourage OFCCP to basically kind of follow this structure. So if you've had audits or pay as a focus for OFCCP think about structuring your job groups that make sense given how you pay people. Think about when you -- into a single job group or combining commission eligible and non-commission eligible people in the same job group. And definitely thinking about your functional grouping which often are a reflection of how your comp teams are thinking about external benchmarking against the labor market and how your comp team is also managing relative pay relationship within your population. If instead you've been audit focused on hiring and/or utilization you might want your plans to reflect how you recruit or hire for particular groups of employees. Think about the hiring process and think about job groups should be modeled against that process. Either way it's important to make sure that these decisions are made deliberately and communicated to OFCCP in an adult. What strategy did you guys decide to take and why?

>> Yeah. So the really cool thing about functional affirmative action plans is we were really able to take both approaches into account when we were building out our job group. So because we're creating our unit based on the ownership the personnel activities which include how do we hire, how do we compensate and all of that, it allowed us when looking at the job groups to take it that next step down. It's more than 50 employees. Some of our units were quite large in size, some a little smaller. It was a pretty big range. When looking at the job groups we could take the pause and look at how do we situate our individuals when they're doing similar work? And so that is also how we hire. If you think about it, these job groups under that unit are situated now in such a way where we can really align both things together, which is really, really exciting. Most companies like dell have a job structure that is billionth -- affiliated job title is tied to a job function and job family and it creates a funnel effect. We did take that into account as we're building out our job group.

Now Quinton you're the statistician you do a better job at explaining this better than me. Do you want to explain building those job groups in different areas?

>> Sure. Comparable groupings for employees we're able to group similar roles across establishments and this can yield adequate head counts in what might have been populations too small when they were spread across establishment. Think about how a business operates, you're going to have different types of jobs in line of business A than line of business B. There might be some overlap if you think about a Venn diagram but there's probably a lot more overlap in establishment base AAP than functional based AAP. You're going to get bigger head counts than average under the same job group structure holding all equal. To the extent that head count is large enough -- promotion process because you can create more narrowly defined job groups. If the job head count is large enough you can define job groups that are defined by job title and this will capture essentially the promotion process because as you move through each job level or grade, that's going to reflect a change in that -- in the job title as well. So this is going to help reflect a more accurate internal availability because the job group will not be so aggregate that it needs to feed itself. If it's feeding itself it's biasing the interim availability because it's using the current population to suggest what the current population should look like. In other words it's

cheating the internal availability because your current population looks like itself. A small head count jobs are grouped to foreign -- OFCCP might push back on the structure. So often times in establishment based -- job group itself. But since [Inaudible] functionally or line of business they're more likely to group comparable jobs into fewer plans so it allows for refined job group structure and it makes more sense -- computing the availability. This is an important but these are not preferable for all employers. Depending on your workforce structure you can get groups that are very large and risk that are too -- so for example, if a large financial institution they might have thousands of tellers in one job and all those employees operate under the consumer banking [Inaudible] business. So you can imagine a scenario where that might not be a right fit for that organization. One work around might be using a hybrid establishment base and line -- like Nicole mentioned early on but [Inaudible] not right for all organizations. So to kind of offset this balance of getting at refined job group structure but not so refined that OFCCP pushes back, you might want to consider this tiered structure that Nicole is talking about or funneled structure that she referred to it as, that basically considers the head count of people in comparable markets. Here is where the flowchart comes into play. You might start at your broadest functional grouping. In this example we have a group -- broadest job group is the broadest function job group. If there are fewer than 50 people in this staff and job function group 50 is the arbitrary threshold. You can pick whatever threshold makes sense to your organization. Basically, then if you got fewer than 50 you stick with that job function group as the methodology used to define the [Inaudible] job group. If you've got more than 50 people in that job function group then you go to a more refined way of defining a job group structure. So you go to job function and so on and so forth. Say you've got three jobs functions within this grouping [Inaudible] within the job function group and one is larger than 50, so then that one would continue to go down into the funnel and go to the job family level until we get ultimately to the most refined potential grouping at job family and job level. So if we end up at that job family and job level that's most likely going to be comparable to a job depending on what your job structure looks like, if we can get to that refined level, the job groups are going to better reflect the promotion process because it's most likely the progress of the job level question fines the career path. -- risk because it attempts to keep the group smaller and reflect the promotion process where possible. -- the job group structure will basically potentially change for a given person each year depending on the size of the [Inaudible] and the size of the number of people in that comparable market. Although the methodology is the same year over year, this will serve to reduce the stability of your plans across years but it does attempt to limit the sample size risk while also attempting to model the employment process as well as the head count [Inaudible] so in wrappings up, that -- do allow for customization with the establishment structure. There's not much flexibility obviously. We talked about -- tied to employment process to reflect how the business operates and perhaps definitely provide that flexibility. They also allow for more similarly situated employee groups which can be particularly helpful to an organization with a track record of OFCCP focusing on pay and audit, but and this is the big consideration, it really depends on your organization that's may bring additional burden. May bring additional administrative burden at a minimum. May need to seek more help with a consultant [Inaudible] and thoughtful ways that reflect how your business operates and also aim to minimize very large groups that expose your organization from unnecessary risks. The last thing we didn't mention but I think it's important to iterate is that OFCCP is really pushing the [Inaudible] program. Minority of contractors work and report out on a [Inaudible] basis but agency has been incentivized federal contractors to really step up and come forward and tell them how they report so that the met Ricks are insightful and make sense to you. I think they hear constantly in audits that there is that mixed story that Nicole was talking about and so

you know, they've created some incentive like you now have to only go to OFCCP every five years rather than three years. You're not necessarily going to be audited every year under a [Inaudible] as compared to an establishment. They've taken away that guaranteed audit. So you know, OFCCP, I think that's partly why they're very flexible in working with Dell through the process and so it definitely depends on your organization but hopefully, we've provided some ways for you to kind of self-reflect and determine whether that might be great for you. And at this point, we're going to open it up to questions. If we're not able to answer all your questions feel free to email your questions and we'll consolidate and follow up with a response to the participants.

>> We have lots of questions. One of the first questions was, what was the name of the database that you mentioned to build an external benchmark the one that tracks students and their degree?

>> That's the IPED data. If you search that, you will find that data source.

>> Thank you.

What strategies do you have for maintaining returning client privilege for sharing metrics with leaders?

>> I can speak to this and Nicole if you want to add anything. Feel free to weigh in.

So any time I'm providing metrics to employers whether it in diversity context, I do a lot of proactive pay audits. I do a lot of litigation support where we're doing a lot of data metrics, analytics and all those contexts attorneys are always involved. Because you really don't want your good proactive efforts to be used against you. And so the first and foremost most important thing in that type of situation is to engage counsel if you have someone in house to have the expertise to really drive the process and have the working under direction of an in-house attorney, then that might be an option. Most employers that I work with, the expertise of outside council like Nicole mentioned through the [Inaudible] submission process. It's helpful to know, to have some information and kind of know the lay of the land and what's on the street. What's to be expected and going through that. Definitely having council basically directing the project and engaged and then of course all the materials that we provide our clients are labeled. Also limiting the dissemination of information to people within your organization, limiting it to those that have a need to know. If we're talking act [Inaudible] that actual type of reporting information is not generally considered a privileged work product.

>> Yeah and from an employer perspective very similar to what Quinton was saying. I'm extremely lucky to have incredible in-house council team that I get to work with. They are driving the direction of where we're going, giving us the guidance where we need to focus. It's a collaboration and we talk on a daily basis. Everything that we're doing in the way that we're engaging is really an attorney client privilege and we work through that. Sharing documentation we limit depending on what we're sharing and how we're sharing it. We utilize our protection rulings in house so things can't be inappropriately forwarded and it maintains the attorney client privilege. The action plan side of the house that's what we're sharing out that's not privileges. We're supposed to be driving toward those goals and getting that information out there. But under the attorney client privilege umbrella, it's in the close partnership with our council.

>> When a company initially submits an application to begin developing [Inaudible] will OFCCP do any type of audit or further investigation of the company initially or is it more or less of an approval or denial?

>> [Overlapping Speakers] more of an approval or denial. Not necessarily an audit.

>> It's not an audit. I can tell you from our experience, just one company's experience. But no, it doesn't have the feel of an audit. Doesn't go down the path of an audit. If there are questions they may come back to you and explain this unit in more detail or explain how two different units differ from one another. If their description sounds too much alike I can see asking those questions. It's not an audit. The information you're giving them -- and then what is that unit all about? Explaining how it is unique within your organization and then telling them who that managing official is. Who's responsible for those team members. We personally did not go through any audit or any activity like that when we applied but you are opening your doors to OFCCP. That's something we thought about. We're going out and saying here is everything about us. We went into it feeling very confident that we were going to get an approval and I say the [Inaudible] team OFCCP is out there to help and guide you through the process. We heard [Inaudible] say they want to see more people going into this because they understand that's the way companies are structured versus establishment now. I would say it's a very collaborative non-compliance review non-audit feel.

>> How many [Inaudible] on the March 29 [Inaudible]

>> We moved over to FAAPS. We're very excited about it. We have not been audited with them yet. So our unit size, I believe we have 53, is that right?

>> I thought it was 66.

>> There we go. You have the numbers [Inaudible] but it's a decent size that's for sure.

>> And one of the things that -- how can we have multiple [Inaudible] assigned to the same manager that's responsible for multiple geographical areas. You were talking about the leader, have you run into that? Having multiple [Inaudible] assigned to the same manager?

>> So we have unique managing officials for each but I do believe you're able to have a manager official over multiple different units as long as you can distinguish how those units are different but I do encourage you to seek legal counsel on that so make sure before you apply. But that is my understanding. And the great thing is, it doesn't matter about the geographic location when we're thinking about a functional affirmative action plan. It's really who is making those decisions for the individuals in that plan. So they can be spread out anywhere across the U.S.

>> For the promotable and transfer employees, how do you figure out the job groups that feed into that job group especially if they're in that location and the employee doesn't want to move to another location, how is that -- how do you analyze and address the movement?

>> That's a good question. What I would suggest to try to keep your -- the typical issue you would come across, if you have a different FAAP for a person in the beginning and the end of the year is that you build your promotion Impact Ratio Analysis using the beginning of your population as the beginning of your snapshot population as the pool, number of people in that job group or the diversity group and the beginning of your population to decide what rate should that job group have been selected at. And so or the slew of different feeder job groups at the beginning of the year. The question is, how do you kind of overcome this obstacle where you have a reporting structure that possibly changes during the year, you now have [Inaudible] at the beginning of the year, one at the beginning of the year and end of year

where they're at a different plant. One way to get around this is to use the end of the year structure to impose the beginning of the structure on that population to create more similarity in the population year over year. It does mean your beginning snapshot does not equal your ending snapshot from the prior year but it would make it so that the pool is more comparable year over year. You can use the employee ID saying this is where they were at the beginning of the year given where they were at the end of the year.

>> Thank you. What would be -- would it be practical to use FAAP for a university [Inaudible] AP and what would be the benefit?

>> OFCCP addresses and highlights that. That can be used for university in the FAQs. The link is on one of the slides. If you have that available you can take us directly to it. Suggesting a good FAAP structure could be by a school or make the structure is breaking -- administrative population separate from the faculty population. Think about how your population differs within your university and the employment process differs. The tenure population is going to be way different and the way pay works within that population is completely different than your administrative populations and some of your more supportive roles within the school. And there also might be very different markets within your different schools. You know? Your schools that are more in the tech sector are going to have much higher pay premium compared to the art -- so this is where if you're university if you're large enough to split out by school or some of your bigger schools think about schools that are in similar markets that might be another structure that's beneficial to your organization.

>> Does the OFCCP pushback on -- described on one of the slides?

>> Yeah. We did not submit a job group or a FAAP structure that was fewer than 50 people so I can't speak to that from experience but that is a requirement. So I expect that OFCCP might pushback but it's something you could ask them about and talk with them about. They're -- their doors are very open to communication on that subject.

>> I know we have about a minute but I think you may have answered this before, what's OFCCP's motivation for encouraging FAAPS?

>> I think at the end of the day OFCCP wants them to be useful to federal contractors. They want them to be able to have metrics that are useful to the organizations so that they can impact change to their -- within their organization. So if functional plans are a better way to model the process then so they yield those insights better, then that makes more sense. OFCCP isn't out to just be a thorn in your side. They want to help everyone come into and become better at identifying areas for improvement and kind of continuing to diversify.

>> Well, thank you Quinton, Nicole for the webinar. The questions that we didn't get to we'll provide those to them and we'll get them out to the audience. Again, thank you for the sponsors and don't forget next year, we'll be in Nashville. If you haven't signed up you can go to if [Inaudible] website and do so. HRCI [Inaudible] numbers for credits are available in the presentation slides. Thank you so much Quinton and Nicole. Take care and stay safe.

>> Thank you everyone.

>> Thank you.

[Concluded]