

Talent Process Audits

Your Greatest Asset May Be Your Greatest Liability

The Impact of Class Action Employment Litigation

Class-action employment litigation is one of the most costly threats to your corporate bottom line. 2020 set a new record for workplace-related litigation, and this trend shows no signs of slowing down. Yet, with a talent process audit, you could help your organization avoid becoming a target and ensure that you are maximizing the value of your HR processes and tools.

Why Conduct a Talent Process Audit?

Simply put, talent process audits are a cost-efficient, proactive method for you to check whether your company's HR practices are efficient, valid and legally defensible.

Our staff of industrial-organizational psychologists has worked extensively with defendants' and plaintiffs' counsel on many major class-action employment litigation matters and settlements. This experience has revealed that class-action claims are often the product of unintentional discriminatory practices within organizations—undetected flaws in talent processes.

An APTMetrics talent process audit is a thorough and systematic examination of your internal HR processes from a risk management perspective. We work with your internal or external counsel to identify problematic processes and practices and recommend how to improve your systems or implement new systems as required. As part of this process, we examine if these systems are meeting your business objectives. We routinely save our clients significant time and money by identifying changes that can be made to maximize the ROI of their talent processes and tools.

Recent class actions against major corporations have resulted in huge settlements:

Wells Fargo	\$33M
McDonald's	\$26M
Pepperidge Farm	\$22M
XPO Logistics	\$16M
CVS Caremark	\$15M

How to Avoid Paying Class-Action Settlements

A growing trend in employment class-action cases is to claim that an employer has discriminated against current employees in a broad range of talent practices, including promotion, pay, access to development and succession planning. In this type of complaint, the validity and legal defensibility of virtually every talent process will be called into question. This can lead to lengthy, costly legal action in addition to impacting your company's reputation and image.

We recommend a six-step approach to maintaining talent processes that will minimize the risk of having to litigate or settle class-action employment claims:

- 01 Document Job Requirements & Make HR Systems Job-Related**

The most elemental feature of any HR system is job analysis. Successful talent processes depend on valid, job-related data, and the major activities of the job should be defined and documented. When job requirements change, so should the associated documentation and expectations.
- 02 Structure Subjective Decision Making**

The assessment of subjective criteria like competencies should be structured and limited to what is critical for job success. Even decisions which rely on subjective data can be structured to improve standardization and consistency of evaluation.
- 03 Train Managers**

Proper manager training can ensure consistency across evaluations, increase rater accuracy and decrease bias.
- 04 Conduct Quality Reviews and Statistical Monitoring**

Creating and maintaining quality records, taking remedial action and holding managers accountable are key to ensuring the continued effectiveness of your systems. Adverse impact should be monitored regularly.
- 05 Provide an Appeals Process**

Formalized appeals processes go beyond «open door» policies—they monitor appeals results insuring the equality of opportunity and the legitimacy of the outcome.
- 06 Communicate With Employees**

Inform employees of assessment criteria and encourage two-way communication and feedback. Promote organizational successes in recognizing and increasing diversity, fairness and objectivity.