



Program Evaluation and Audit

Human Resource Department Review

December 3, 2009

INTRODUCTION

Background

The Human Resource (HR) Department's mission is to: "To work in partnership with all divisions to provide proactive solutions for Metropolitan Council workforce needs and issues which include recruiting and retaining great employees.

The Metropolitan Council Human Resource Department is proud to be part of an inter-divisional partnership of dedicated professionals who are committed to the continuous improvement of human resource products and services that support the Metropolitan Council and its employees."

The HR Department provides one of the key support processes for the divisions of the Metropolitan Council. This process starts with the development of staffing plans to support the Council's objectives and strategies. The process continues with the hiring, training and performance management processes, as well as labor negotiations with the Council's 13 bargaining units and management of employee benefits.

The HR Department also administers a set of controls to safeguard open and effective processes in hiring, discipline, and termination. Controls are also put in place to ensure equity and consistency in benefits, and to meet the legal and contractual requirements spelled out for all of the Council's labor relations.

The last audit of the HR Department was in 2004. An audit of benefit processes was conducted in 2002. The HR Department was identified as a key internal control process that should be regularly reviewed at least every five years. As such, it was selected for review as part of the 2009 audit planning and risk assessment process.

Purpose

The purpose of this review was to ensure that both the service and control functions of HR are working effectively, including that:

- The HR department's staffing and hiring plans and processes align with the Council's objectives and strategies and meet the needs of Council leadership and hiring managers/directors.
- Compensation determinations are accurate and fully documented
- Staff are adequately trained to perform their duties and their skills and abilities are developed in accordance with current and future business needs.
- Staff performance is monitored and appropriate actions taken when necessary.
- Adequate personnel records are maintained and protected from unauthorized access.
- Benefit programs are consistently and correctly administered.

- Customer needs are met, within the confines of applicable rules and regulations.

Scope

This review included the areas of talent management, labor relations, compensation and benefits. The review focused on HR activities for the years 2008 and 2009.

Methodology

Data Collection

Interviews were conducted with HR staff and selected hiring managers.

The following information was reviewed:

- Workforce plan
- HR reports to Council divisions
- Compensation practices
- Hiring processes
- NeoGov system information and procedures
- Training and development data
- Performance appraisal process
- Staff retention data
- Termination processes
- Employee benefit records
- Retiree benefit payments
- Cobra benefit payments
- Employee dependent information
- Sample of employee files
- Labor contracts
- Customer surveys

Evaluation

The following measures were evaluated:

- Alignment of HR workforce plan with Council's objectives and strategies
- Effectiveness of talent recruitment and retention
- Learning and development practices
- Operational performance and compliance with policies and procedures in benefits administration.
- Completeness and security of employee records.
- Feedback from customers around the Council concerning the areas reviewed

Assurances

This review was conducted in conformance with *Government Auditing Standards* and the *Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors.

OBSERVATIONS

Workforce Planning

In the fall of 2007, the HR department proposed a workforce planning process for the Council. The process was approved and undertaken by management across the Council. The process included the following steps:

1. Identify and review key business objectives.
2. Environment Scan.
3. Issue identification.
4. Identify and select strategies.
5. Measurement and evaluation.

Sessions were held with Environmental Services, Metro Transit and a combination of Metropolitan Transportation Services, Community Development and Regional Administration. Plans were developed for each of the areas.

The Assistant HR Director for Talent Management is responsible for monitoring and reporting, on a semi-annual basis, the workforce plan progress. Both the workforce plan and progress is available on the Council's intranet site.

Audit reviewed the plan and the July 2009 progress report. The progress report indicates that the plan is being implemented and that significant progress has been made in addressing workforce plan goals. The following are examples of two of the goals that have documented progress:

Metro Transit Goal:

Systematically build mission critical technical skills in current employees so that Metro transit employees have the necessary skills to successfully implement new technology.

Progress:

- Hired manager of Maintenance Training and increased training staff from two to three trainers.
- Completed task analysis of four critical technical roles to build training curriculum.
- Participated in planning and procurement of new Learning Management System.
- Established a cross-divisional Board of Education for Metro Transit technical skill development.

Regional Administration Goal:

RA managers identify and address common concerns.

Progress:

- Quarterly RA manager meetings are scheduled. HR typically presents information about current initiatives and new/updated procedures.
- Directors of RA central service units convene around the annual customer service survey to shape the survey and respond to the results.
- HR provides to RA an weekly open requisition report and an annual summary of all HR activities including recruitment efforts

The progress report identifies each of the goals and what actions have taken place.

Talent Management

In 2006 the HR Department underwent a major reorganization. As part of the reorganization the position of Assistant Director Talent Management was created. The areas of Talent Recruitment and Management and Learning and Organizational Development (LOD) were assigned to the Assistant Director.

A manager position was created for the Heywood Office and another for the Robert Street Office. The manager positions supervise the HR Consultants, Staffing Specialists and the HR Assistants.

The position of HR Consultant was created to work with departments on recruitment for higher level and difficult to fill positions. The Consultants work includes designing new recruiting processes, classification studies and rewriting and updating of classification specifications. The HR Consultant position also acts as a liaison to management, consulting on employment and job related issues as well as on start up operations, such as Northstar and the Central Corridor Project Office. The Staffing Special positions handle recruitment and more routine hiring processes. They implement the newly designed recruitment processes. The Staffing Specialists also act as liaisons with hiring managers. They help managers with NeoGov processes.

All of the Talent Management staff works with both hiring managers and job candidates at various times during the hiring process.

At the end of 2007 HR implemented a new computer application, NeoGov, which significantly changed the talent hiring and recruitment process by automating the application process and large portions of the hiring process as well.

These major changes in the HR organization resulted in the implementation of significant process changes over the last three years.

NeoGov

Implementation of NeoGov system has increased HR's capacity to advertise positions and process applications.

With the implementation of NeoGov, Council job postings are electronically submitted to various job posting sites. On a twice weekly basis the Star Tribune jobs site accesses and updates Council job openings to the Star Tribune jobs site. This has resulted in decreased costs for print media job postings. The number of applicants has also increased during this period. Although some of the increase may be due to the economic downswing, HR feels that NeoGov helps attract more applicants to the Council's postings more quickly. Since the implementation of NeoGov there have been more than 31,000 applications received for posted Council positions.

Criteria can be established within the NeoGov system to identify whether or not an applicant meets basic criteria for a specific job. HR Talent Management staff reviews applicant information, but the computerization of the application information allows staff to review applicant data and maintain records of the data more easily than when the applications were on paper. HR reports that this has resulted in significant staff time savings for processing the applications.

NeoGov electronic approval process has improved tracking of the requisition, hire and salary approval process.

Both HR and department hiring managers were pleased with the electronic approval process in Neo Gov. The hiring managers like being able to see where in the process the requisition and approvals are. HR is able to track the hiring process from requisition for the position to the actual start date of the person filling the position. Generally, information is more timely and more readily available to all involved in the hiring process.

NeoGov signature authority is overly detailed and time consuming in some cases.

When NeoGov was implemented in 2007 each of the Council Divisions established signature authority for the various approvals within the NeoGov system. The system has now been in use for two years. As the various divisions have worked with the system there have been some questions raised by hiring managers as to whether or not the original signature authority should be revised. The timeline for filling positions is impacted by the number of people required to approve each step of the process, and some approval lists are overly long with people who may not add value in the approval process.

Audit also found that some positions have been filled without all of the electronic signatures having been entered. In cases where this has occurred, HR said that they have had verbal approval from the appropriate areas. However, we did not find any documentation of this verbal approval on the NeoGov system. HR has accepted the risk of not having the electronic approvals complete before the employee has started work, or somehow documenting a verbal approval in the system.

Given two years experience with the system and some noted slowdowns in the approval process, it would be appropriate to revisit the signature authority requirements entered into NeoGov for each division. Necessary approvals are important, but there may be some levels of approval that are unnecessary or duplicative that could be eliminated to save time and effort in the hiring process.

Protocol for dealing with NeoGov issues should be formalized.

Audit interviewed hiring managers from around the Council. The hiring managers were asked to identify issues they have had with NeoGov. In most instances the managers have had some type of problem with NeoGov. In each case they worked with the HR staff person assigned to them to resolve the issue. It was unclear whether the issues that were identified were shared with other HR staff. Within HR one of the HR managers and a HR consultant have been working together on NeoGov issues. At this time there is not a formal process for identifying and tracking the status of NeoGov system issues. With a new system it is important that issues are identified and tracked to ensure that they are addressed and communicated across the team, so that staff members aren't duplicating each other's efforts.

Recruitment and Hiring Process

The recruitment and hiring process varies significantly throughout the Council. During the last year, with the number of new hires down significantly due to budget constraints, the HR Managers and HR Consultants have taken time to implement several new processes to ensure that their recruitment and hiring processes better meet their customer's needs. While our interviews show that these new processes are improving the relationship between HR and the Council divisions, there are still areas that should be addressed.

Hiring managers overall are satisfied with the HR recruitment process.

Audit interviewed hiring managers from across the Council regarding their satisfaction with HR and the hiring process. While most managers had issues with certain parts of the hiring process or certain HR staff Audit found that the issues were often based on experiences prior to the reorganization of the HR department.

The *Human Resources Recruitment Satisfaction Survey for Council Managers* is given to every hiring manager upon completion of the hiring process. Results of this survey indicate that there was some dissatisfaction with the hiring process for RA and ES. Metro Transit surveys indicated overall satisfaction.

HR management contacts the hiring manager in all cases where a negative response is given on the survey to discuss what had occurred. HR took steps, including replacing a HR Consultant, to address the issues.

While the majority of those interviewed were generally satisfied with how the recruitment and hiring process was going there were two departments who reported being unsatisfied.

In one instance, there were a number of issues identified. In that case, meetings were held with the HR staff involved in the hiring process and the appropriate manager. HR acknowledged that not everything had gone well and they are working to improve the relationship with the department and to prevent similar problems from occurring in the future.

In the other case, Audit reviewed the issues that had been raised and did not find them all to be credible. HR was able to provide information from NeoGov that showed that some of the issues were the result of the hiring department not completing information or submitting approvals in a timely manner, resulting in delays in the process.

Less experienced managers may not be sufficiently trained to conduct effective interviews.

Depending upon the type of position that is being filled, the composition of the interview committee varies. In many instances, there are experienced hiring managers who understand how to conduct an interview. In other instances the person conducting the interview may have little or no experience interviewing. HR staff currently takes part in many of the interview panels. Diversity staff also is part of the interview panel for certain positions.

It is important that the interview panel be versed on which questions are appropriate and which are not. Inappropriate interview questions that are overly personal or could sound biased in any way could insult a job candidate and/or result in legal action against the Council.

The use of HR staff in the interview process is sometimes at the request of the hiring manager and at other times is because of the hiring manager's lack of training in the interview process. HR staff time spent on interview teams could be reduced if interview panels were required to demonstrate experience or competency in interviewing.

The recruitment and selection planning tool recently implemented by HR includes discussing and defining the process and tools to be used in the applicant assessment process. As part of that tool the HR staff person assigned to filling the position will go over interview procedures and questions with the hiring manager. HR also offers an interview skills workshop.

Class specifications are not current for all positions.

The Council does not have current class specifications for all positions. Currently there are 210 class specifications completed out of 598 positions. Class specifications are a key foundation for many HR systems, including compensation system design, recruitment and performance appraisal. The HR department has 40 class specifications that are currently being worked on. It is HR's intent to have class specifications for all positions, but the work is not yet finished.

A compensation strategy is being developed for implementation.

As part of the HR reorganization, the position of Compensation Analyst was created. This individual has done extensive research and analysis with the goal of establishing a compensation strategy for the Council. Audit reviewed the types of research and analysis being done by the analyst and found that they appear to be in line with best practices in the compensation field.

The entry of compensation changes and recognition of service credit is high risk and errors could be costly to the Council or the employee.

When information regarding pay or service credit is entered into the HR system by HR staff there should be a “second set of eyes” reviewing the input to ensure accuracy. Currently, this sometimes occurs, but is not done consistently. Even though recent testing of pay rate accuracy, as part of the Payroll audit, found no exceptions the entry of compensation changes and service credit is high risk and could be costly to the Council or the employee.

Performance reviews, where required, are monitored.

HR monitors the completion of performance reviews for those groups of employees that have annual reviews. If reviews are not completed HR follows up with appropriate staff to ensure completion of the reviews. Audit reviewed a statistically significant number of employee files and found completed performance reviews for those who should have them.

Learning and Organizational Development

Audit reviewed the Learning and Development processes and records. LOD practices appear to be consistent across the Council. Records are maintained of class offerings, enrollment, outside training and costs.

Benefits Administration

In 2002 the Benefits area of HR was audited. The audit work papers from that time showed significant deficiencies in the department. Those deficiencies have since been addressed. It should be noted that during this audit the Benefits department was without a manager.

During this review Audit noted significant improvements in the processes and the recordkeeping within the Benefits area. Statistically significant samples of current employee, retired employee and terminated employee files were reviewed. All of the files reviewed were accurate and complete.

Benefits Department workload has frequently been uneven

The Benefits department has implemented major changes and internal controls in the last few years. During the last year, the department has been short handed due to employee leaves. During that time, staff had to pick and choose what work needed to be done based on priorities and timelines. Other work was put off until they could find time to complete it. Since the department is now fully staffed, there is an opportunity to review workload and plan for staff absences, “crunch” times, and other key issues for the department.

Cross training would be a useful tool to create more flexibility among the staff to take on other work in situations where the assigned staff member is not available. Further, an overall analysis of workload and the flow of work in the department would be helpful in assessing the adequacy of staffing for the department in all areas.

Organizational Structure

The organizational structure in HR is much clearer than it was at the time of the 2004 audit. There are clear lines of accountability. Communications have also improved. The managers meet regularly with their staff and review what assignments are currently being completed and what issues need to be addressed.

The current structure has helped improve HR services to Council departments. Hiring managers expressed their satisfaction with the assigned HR representative arrangement and with the ease of determining who to call about what during their interviews with Audit.

The initial 2004 reorganization of the department combined two separate Human Resources Offices, one at Metro Transit and the other at Regional Administration, into a single department reporting to one Human Resources Director. The decision was made to create better consistency in policies, procedures and practices in Human Resources across the Council, and to clarify lines of responsibility for key program areas within HR. Several enhancements have been made since that time, but the basic principle of clear, consistent areas of responsibility for Human Resources for the entire Council, remains the same. However, there is one position remaining in the Council’s organization that has caused some misunderstanding between Human Resources and Environmental Services.

The Human Resources Assistant Director for Employee Relations is the Council’s primary authority on labor relations, including negotiations, contract interpretation and other related issues.

Currently, the ES position of Manager-Administration Treatment Services performs related duties and has a dotted line reporting relationship to the Assistant Director Employee Relations. According to position documentation, this position spends 60% of the incumbent’s time on employment contract-related business, such as acting as chief negotiator for ES exclusive bargaining units, developing negotiating strategy, resolving grievances and interpreting existing contracts when needed. 40% of the incumbent’s time

is spent on management issues including: disability management, performance management, and general support on staffing-related issues like FMLA and filling positions, as well as serving on ad hoc teams and committees on issues like pandemic planning and health and dental care bid proposal evaluation.

Although the work performed by this individual is dedicated to ES, it relates closely to the work of the Assistant Director for Employee Relations, as well as some others in HR. There have been situations where it was unclear how the ES Manager-Administration position related to HR and what type of information the incumbent was to share with HR regarding ES personnel-related actions. The position recently took on the lead negotiator position for the trades contracts in ES, at the request of the Assistant Director for Employee Relations. Although the Manager-Administration reports to ES, for this portion of the job, the incumbent reports to and gets direction from the Assistant Director of Employee Relations. At the same time, the position also represents ES in grievance proceedings and in task forces and committees, where its role is quite clear.

Although the evolution of this position has benefitted both ES and HR, it can be a somewhat complex situation. As a result, there are times when roles and responsibilities are not entirely clear, creating a risk that the Manager-Administration may overstep the bounds of that position and make a key error on an important labor issue.

The two individuals in these roles have made the arrangement work because they are able to work well together. However, internal controls cannot be dependent on individuals; they must be dependent on structures. Lacking clear role delineation can be a control weakness.

Employee Records

Audit reviewed a statistically significant sample of employee HR and Benefit files. The files were checked to ensure that all appropriate documentation was in the files. The files were complete. At the time of the 2004 audit, the files had multiple deficiencies all of which have been addressed.

Audit did not find any employee medical records in the regular HR file nor did we find any in the employee's files at the Metro Transit garages when we conducted a separate review in March 2009.

Audit reviewed the handling of employee medical information for bus operations and maintenance. Significant improvements have occurred in this area. Medical records used to be in the employee's work file at the garages. After the 2004 audit garage management removed all medical information from the employee's garage files. The information was either shredded or sent to Occupational Health or Risk Management. Currently disability management information is kept in a separate locked file at the garages. In some cases the information is maintained online in a secured electronic file. When a disability case is closed the entire file is sent to Occupational Health.

Employees with FMLA requests are given a packet of forms to complete. The completed forms are sent by the employee to Occupational Health.

Disability Management

Audit reviewed the processes in place for disability management. The largest numbers of employees requiring disability management is with Metro Transit bus operations and maintenance. Interviews with staff found that the equivalent of between 2.5 and 3 full time assistant garage managers are used to manage disability cases. Interviews with garage managers found that in the smaller garages approximately 25% of the managers time is spent on disability management. In the larger garages the amount of time ranges from 65% to 100% of an assistant garage managers time that is spent on disability management on any day.

There is a desire on the part of both HR and Metro Transit to hire disability case managers to work across the organization handling disability management. It was noted that in most instances the garage managers do not understand the medical notation used by the doctors and they contact HR Occupational Health to review the information.

Customer Satisfaction

Over the last three years HR has made a significant number of process improvements to better serve the Council. Included in these improvements have been quarterly reports to division management of what HR activities have taken place affecting the division. These reports include information on progress on the HR Work Plan. The reports address each of the HR areas as they relate to the division. They include information on new hires, terminations, grievances, position evaluations, turnover reasons, drug testing, FMLA statistics and training participation.

HR has also increased its efforts to better understand the business of the divisions and the positions that need to be filled.

Audit reviewed the HR Recruitment Satisfaction Survey for Council Managers for the time period of January 2009 through September 2009. There were 47 surveys completed during that time. All hiring managers were sent surveys. Audit found that overall 87% agreed that they were satisfied with the recruitment and selection process. 6.5% slightly agreed while the remaining 6.5% either slightly disagreed or disagreed. Any surveys respondents that show less than agree are contacted by HR to discuss what could be done differently.

On the RA Customer Service Survey for 2009 in the areas of customer service the HR Department improved in all categories from 2008. In the area of responsibilities there was a decline of 17% in the satisfaction category for Benefits Administration which may be directly correlated to the absence of a Benefits Manager for most of 2009. There was also a decline of 15% in the satisfaction category for Occupational Health.

However, overall in the last three years there has been a significant increase in overall satisfaction with the HR department on the RA Customer Service Survey, which is a notable improvement.

CONCLUSIONS

1. *The HR department has made significant improvements in their overall operations since the last audit in 2004.*

Since 2004 the HR Department reorganized and established clear reporting lines. The customer service provided by HR has improved as reflected in the annual RA Customer Service Surveys and hiring manager surveys. The department has implemented several new tools and practices to improve its service to its customers.

2. *Key initiatives are underway to resolve remaining areas of concern in the department.*

HR is working on class specifications for all Council positions. These specifications are a key foundation for many HR systems including compensation, recruitment and performance evaluation.

The HR department is continuing to develop a compensation strategy for adoption by the Council. The adoption of a compensation strategy will align pay with the Council's business strategies. It will provide the "why" when managers or employees question compensation practices thus serving as a helpful communication tool for compensation determination.

3. *The Benefits Division, finally fully staffed, has an opportunity to resolve long-standing workflow issues.*

The benefits staff has implemented major changes and added needed internal controls over the last few years. However, due to staffing fluctuations work flow planning has been set aside in favor of completing day to day critical tasks. With new management and a full staff, Benefits can review work assignments, priority and planning to assess how work can be assigned and managed most efficiently. Opportunities for cross-training and reassignments when staff are absent or at "crunch" times could also be discussed. A staffing analysis like this could also lead to a determination as to whether or not the current staffing level in Benefits is sufficient given the work load and level of responsibility.

4. *The NeoGov system, now fully operational can now be reviewed for efficiency enhancements as managers know more about how the system works.*

The NeoGov system has been in place for two years. When the system was implemented each division determined the signature authority for the various approval levels in the system. The system requires that approvals be entered in a sequential order. Each signature required adds time to the overall length of the hiring process. There may be an

opportunity to make the process more timely and efficient by reviewing signature authority paths across the Council, given the knowledge of the process developed over the last two years.

5. HR records management has improved significantly since 2004 audit.

HR employee files tested by Audit were complete. Medical records were separate. Benefits files included checklists and files that were accurate and complete. The majority of records are still paper but there is an increasing number of electronic records.

RECOMMENDATIONS

Program Evaluation and Audit recommendations are categorized according to the level of risk they pose for the Council. The categories are:

- **Essential** – Steps must be taken to avoid the emergence of critical risks to the Council or to add great value to the Council and its programs. Essential recommendations are tracked through the Audit Database and status is reported twice annually to the Council’s Audit Committee.
- **Significant** – Adds value to programs or initiatives of the Council, but is not necessary to avoid major control risks or other critical risk exposures. Significant recommendations are also tracked with status reports to the Council’s Audit Committee.
- **Considerations** – Recommendation would be beneficial, but may be subject to being set aside in favor of higher priority activities for the Council, or may require collaboration with another program area or division. Considerations are not tracked or reported. Their implementation is solely at the hands of management.

1. Signature authority on NeoGov system should be reviewed. (Significant)

When NeoGov was implemented, two years ago, each Division in the Council set up signature authority for the NeoGov system. Discussion with hiring managers indicates that there may not be a need for all of the signatures that were initially set up in the system. A reduction in the number of signatures would speed up the recruitment and hiring process timeline. A review of the signature authority at this time would be appropriate since the Council divisions have now had two years to work with the system, and could likely identify where any redundancies and unnecessary steps might be.

***Management Response:** HR will bring together a focus group of hiring managers who have used NeoGov in the past year to hear their concerns and ideas for improvement. We will review the signatures needed for both the requisition and hire to find ways to make the process more efficient. A new job aid will be created to guide hiring managers through the requisition process.*

***Target date:** July 1, 2010*

2. Approval process should be completed and documented in NeoGov prior to a person being hired or assigned to a position. (Essential)

An approval process has been set up for all new hires. Currently some people start working before all the approvals have been entered into NeoGov. Failure to have the necessary approvals prior to commencement of work could result in the Council having to terminate the newly hired person. A situation such as that could result in reputational damage.

HR says that they have verbal or email approval prior to completing the hire. HR should ensure that there is full documentation of the approval in NeoGov prior to anyone starting work. If there is a particular department or person that tends to be late on entering the approval then HR management should meet with them and work out a solution.

Management Response: HR will require e-mail follow-up to verbal hire approvals prior to completing the hire and the e-mail will be attached to the NeoGov file. We will require that all hires be approved in NeoGov prior to the employee's start date.

Target date: February 1, 2010

3. Hiring managers should be surveyed as to how well NeoGov is working for them. (Consideration)

Since the initial implementation of the NeoGov system there was no follow-up with users concerning their experience with the system. Interviews with hiring managers found that they have various problems with the NeoGov system, and worked with their HR staffing representative to address the issues. A HR manager is assigned to work with the NeoGov system. However, it was not clear that all issues were necessarily communicated to the HR manager.

Depending on the frequency of use of NeoGov by individual hiring managers, the HR staff has helped the managers utilize the system. There isn't any ongoing or refresher training on the system and some may be needed if managers continue to struggle with it.

The HR department might consider incorporating an open ended question on the HR Recruitment Satisfaction Survey for Council Managers concerning any issues they have with the NeoGov system.

Management Response: See response to item #1 above. In addition, HR will include a question about NeoGov in the hiring manager survey starting in February 2010.

4. Staffing in the Benefits area should be reviewed for adequacy. (Significant)

The benefits staff is responsible for all employee and retiree benefits. They have implemented major changes and added needed internal controls over the last few years. Staffing has fluctuated frequently during that time. To maintain consistent timelines for work, the now fully staffed division should look at a number of options to manage work load. Cross training would help to ensure that essential work is completed in the absence of a staff member or unusual upswing in work in a particular area of the division. Also, it would be worthwhile to conduct an analysis of the appropriate level of staffing for the benefits area due to the significant dollar amounts associated with employee benefits and the importance of accuracy and timeliness.

Management Response: *HR Benefits has begun the process of looking at the work load and distribution of work within the Benefits unit. At this time they are still short one staff member to illness, but will work toward a full staff and a better distribution of work. Work has also begun on reviewing the job descriptions of the staff and making sure the classifications are fair and equitable. Cross training has also begun. The staff member responsible for retiree processing and terminations has begun to learn the active employee side of benefits processing. Cross training will continue through the next several months, assuming we get to a full staff level. While staff workload is looked at, the staff level will be evaluated as well. With a few major projects happening in 2010 needing the involvement of a large portion of the Benefit's staff, and with the workload already being full, some adjustment to staff size may be required, perhaps even on a temporary basis. At the same time, processes are being looked at to streamline and/or automate some of the manual things being done today.*

5. HR should monitor implementation of their new recruitment and selection tool to ensure adequate HR oversight and involvement in the hiring process. (Significant)

The level of involvement of HR in the hiring process varies significantly across departments within the Council. In order to meet the individual needs of the various hiring managers HR recently implemented a recruitment and selection tool that is used to plan the recruitment process for each position. During this first year of using this tool HR should monitor the implementation to ensure that both HR and hiring managers needs are met.

Management Response: *HR Managers will review all completed planning tools for recruiters on a monthly basis to ensure staff follow through. HR Managers will also log issues and responses identified in the hiring manager survey. In addition, HR will gather a focus group of hiring managers to obtain specific feedback and input on the recruitment and selection process.*

Target date: July 1, 2010

6. HR should consider requiring a demonstrated level of competence for interview panel participants. (Consideration)

There are a number of interview panels that HR representatives participate on. The reasons for their participation vary. In some instances it is because the hiring manager does not have experience interviewing job candidates. Asking the wrong question in the interview could result in losing good job candidates or even legal action against the Council. HR offers training on interviewing but it is not mandatory. Ensuring that hiring managers understand how to conduct an effective interview may help to avoid poor outcomes and encourage good ones, like selecting high quality candidates to work at the Metropolitan Council.

Management Response: HR will design training on conducting interviews and use the new Learning Management System to send computer-based training to all Council managers and supervisors. Completion of this training will be required before a manager or supervisor can sit on an interview panel.

Target date: December 31, 2010

7. HR should continue to look at implementing new ways to manage disability cases. (Significant)

Disability management is currently assigned to Bus Operations and Maintenance management. They work in collaboration with Occupational Health and the Diversity staff to handle disability cases. There is a heavy reliance on Occupational Health to interpret and decipher medical information provided by the employee's health care provider. Discussions have taken place concerning the creation of disability case managers. The creation of case managers would remove a significant amount of work from garage managers and place the handling of the cases into the hands of people with a health background.

Management Response: In 2010, HR will develop and recommend a new reorganization to be implemented in 2011 so that all disability cases will be managed by permanent case managers, reducing the need for supervisors to maintain information and record keeping. This will be more effective and more efficient.

8. HR should implement a review of HRIS input pertaining to compensation and service credit. (Significant)

When an employee is hired and/or promoted, compensation and service credit are entered into the HRIS system. This information determines the pay the employee will receive. If this information is inaccurate, the employee may be over or under paid. HR should establish procedures that ensure a second level of review for data entry that determines employee compensation.

Management Response: HR will run monthly reports designed to audit compensation and service credit actions in PeopleSoft. HR Managers will review the reports and inspect PAR forms for accuracy.

Target date: July 1, 2010

9. The roles and responsibilities should be clarified between HR and ES concerning the ES position Manager-Administration, which is the lead contact with HR. Areas of clarification should include, but not be limited to:

- Labor negotiations for ES unions
- Reporting and maintaining data regarding grievances and discipline

- **Contract interpretation**
- **Review and recommend discipline following employee investigations (Internal Audit or Diversity) (Significant)**

From a quick reading of position description questionnaires, it is easy to see areas of potential or actual overlap between the ES Manager-Treatment Services and the HR Assistant Director for Employee Relations positions. To eliminate any potential confusion or inconsistency, clarifying the roles and responsibilities, as well as accountability for the various functions performed by these two positions will provide better information and grounds for collaboration for both departments.

***HR Management Response:** HR will provide the lead in all contract negotiations utilizing HR staff or contracted services. Protocols will be developed for coordinating and communicating information relative to disciplinary situations and grievance activities between ES and HR. Protocols will also be developed between ES and HR to ensure accurate and consistent interpretation of the various collective bargaining agreements. Lastly, in order to maintain consistent approaches to addressing the outcomes of workplace investigations, ES and HR will develop a decision-making process that incorporates input from both areas.*

ES Management Response: We concur that clarification would be beneficial.

10. HR should continue to move forward with the compensation strategy and class specification description initiatives that are currently under development. (Significant)

Compensation is a key part of employee recruitment and retention. In order to ensure a fair and equitable compensation plan it is necessary to have a compensation strategy.

HR is working on updating class specification descriptions for all Council positions. These descriptions are a key foundation for many HR systems including compensation, recruitment and performance evaluation.

***Management Response:** HR will continue to implement its plan to create a compensation strategy over the next two years. Target date: July 1, 2011*

HR will create a schedule for updating all class specifications with quarterly goals in order to make steady progress. It is anticipated that this will be a multi-year process. Target date: December 31, 2011

11. HR should consider utilizing electronic documentation for employee records where feasible. (Consideration)

HR maintains a significant amount of records relating to employees. These records are often paper records. Maintaining physical security of employee records is vital. With

electronic recordkeeping HR would be able to improve security of employee files. The HR department should consider what records they can keep electronically and determine, within budget and time constraints, if they can expand and coordinate the use of electronic employee record management.

***Management Response:** In 2010, HR will analyze the present limited electronic HR systems which are in place now and evaluate all potential electronic records' needs that could move HR to a paperless system. We will prioritize the record needs and recommend to the IS Steering Committee to evaluate the purchase of a system that will allow systems to communicate with each other or to recommend the use of an outside consultant to recommend implementation of electronic systems for HR. The Council has purchased an electronic document system already, but the IS steering committee determines the priorities of the implementation of the systems.*

***Target date:** July 31, 2010.*