

right
people
right
skills
right
place
right
time

Workforce Planning for the Metropolitan Council

2008-2012

Workforce planning is the strategic alignment of an organization's human capital with its business direction. It is a methodical process of analyzing the current workforce, determining future workforce needs, identifying the gap between the present and future, and implementing solutions so the organization can accomplish its mission, goals, and objectives.

The workforce planning process includes elements such as strategic planning, workload projections, forecasts, turnover analyses, and budget projections. It forecasts the numbers of people and types of skills needed to achieve success by comparing the available workforce with future needs to determine needs that may be unmet (gaps). Workforce planning is a management tool that affects the full life cycle and range of human resources activities including recruitment/selection, classification and compensation, training and development, performance management, and retention.

Key components include:

- Analyzing the current workforce
- Identifying the workforce needed for the future
- Comparing the present workforce to future needs to identify gaps
- Preparing plans to eliminate these gaps and build the workforce needed in the future
- Evaluating the process and results to ensure that the workforce planning model remains valid, and organizational objectives are being met

► **Why is workforce planning important?**

Changes in demographics paint a compelling picture for workforce planning because there are 70 million baby boomers and only 40 million Generations X-ers behind them. Forty one percent of Metropolitan Council employees will reach the rule of 90 or age 65 by 2016. **The availability of skilled workers is projected to decrease** in coming years due to multiple factors, resulting in increased competition for talent within the labor market. Clearly, a major talent and successor crisis looms. Therefore, the basic question we need to ask is, "Who will do our work?"

Although the national workforce as a whole is aging, the public sector workforce has a higher average age than the overall civilian labor force because of reductions-in-force and freezes on hiring over the past two decades. This means **government will feel the impact of the workforce crisis first**, as retirements accelerate. Other factors such as rapidly evolving technology exacerbate the problem.

The Metropolitan Council must ensure that it has adequate human capital to accomplish its mission. It is essential to have the right people in the right places with the right skills at the right times. Because all employers compete for employees from the same labor pool, workforce planning is critical to government organizations for attracting and retaining the talent needed to serve the public.

► What is the outcome of workforce planning?

This effort results in strategic direction and specific initiatives designed to ensure that the Metropolitan Council has the human resources necessary to perform its missions economically, efficiently and effectively.

► How did the Metropolitan Council complete the workforce planning process?

The Senior Strategy Team of the Metropolitan Council reviewed and approved the process plan proposed by Human Resources. HR facilitated separate planning sessions on the following dates:

- Environmental Services – August 2007
- Metro Transit – November 2007
- MTS/CD/RA – December 2007

Human Resources (HR) worked with a key representative from each group to develop a plan for its specific circumstances. Once the five step process was completed for each business unit, the Senior Strategy Team reviewed and approved the strategies identified.

Step one: Identify/review business objectives

Each session began with a review of key objectives for the business. Directives or focus areas identified by the governor, chair and regional administrator were reviewed.

Step two: Environment scan

External: HR facilitated the presentation of state demographic data, labor market trends, and technology trends including information from the Data Resources department and the state. Business units also presented information regarding industry trends.

Internal: HR compiled and presented business unit demographic data for our current workforce, and conducted an employee survey the fall of 2007 for all Council divisions except Environmental Services (which plans to survey employees at a later date). Results of the survey were presented during the workforce planning sessions. Employees were surveyed on such items as: satisfaction/engagement, current skills, interest in promotion/skill development, plans for retirement, reasons for continuing to work at the Council, potential reasons for leaving, interest in post-retirement work options.

SWOT analysis: Based on information identified in the external and internal scan, each group identified critical strengths, weaknesses, opportunities and threats for the business unit.

Step three: Issue identification

Supply analysis: Here divisions worked with information specific to the business unit regarding current workload and competency sets. Quantitative information regarding the ability of the current work force to meet quality and quantity work standards/expectations were examined, for example: performance ratings, on-time performance, discipline, efficiency measures, other business-specific data related to performance.)

Demand analysis: Divisions analyzed future work activities, workloads, fluctuations in workloads, necessary human resource compliment and competency sets. Groups identified the highest priority

work and 4-5 critical positions related to meeting established business objectives. They also identified critical competencies associated with the high priority work.

Identify critical gaps: After comparing the supply and demand analysis the group identified critical issues.

Step four: Identify and select strategies

Based on the top 3-5 gaps, strategies were identified and selected to eliminate the gaps and address the issues. Short and long-term actions were identified. Capacity needed to address the workforce strategies was examined. Responsibility for key items was assigned.

Step five: Measurement and evaluation

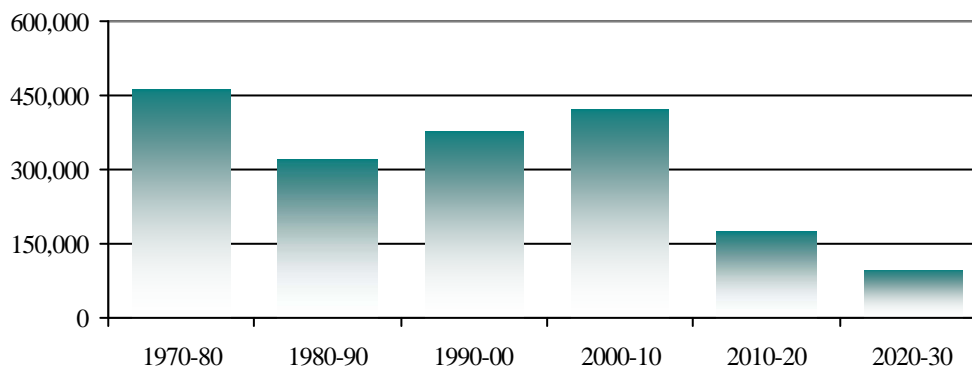
The group determined how best to communicate the workforce plan, keep it focused, monitor progress and evaluate whether or not the strategies actually address the issues. Support from all levels will be needed to make it credible so that it is more than a paper exercise. Ideas for keeping the workforce plan dynamic were discussed.

Trends in the external labor market

► Slowing growth in Minnesota labor force

Information from the MN State Demographic Center indicates that the net growth in Minnesota's labor force growth will decrease significantly in the decade beginning 2010.

Net Labor Force Growth



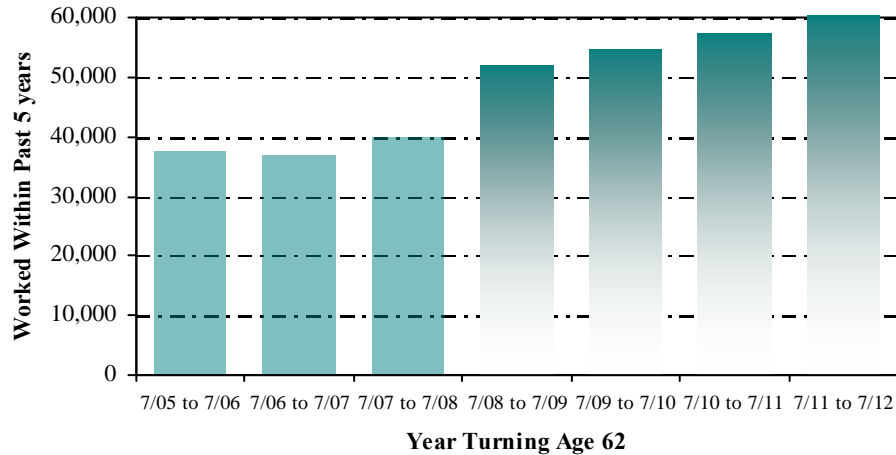
► More Minnesota workers age 62 and older

Minnesota will experience a 30 percent jump in workers turning age 62 beginning in 2008.

In July of 2005: 30,000 individuals who had worked within the previous 5 years turned 62 and were eligible for retirement.

In July of 2009: More than 50,000 individuals who will have worked within the previous 5 years will turn 62 and become eligible for retirement.

By July of 2012: More than 60,000 individuals who will have worked within the previous 5 years will turn 62 and become eligible for retirement.



► **Minnesota high school graduates (2005 – 2015) will decrease by 10%**

Population demographics, school enrollment statistics and graduation rates show that the number of high school graduates will peak in 2009. After that, projections show a steady decline, with an overall 10% decline from 2005 to 2015 (MN State Demographic Center of the Office of Higher Education). This statistic potentially translates into a decrease in the labor market of basic skills.

► **Minnesota population continues to become more diverse**

Minnesota's population will continue to become more racially and ethnically diverse. Between 2005 and 2015, the nonwhite population is projected to grow 35 percent, compared to 7 percent for the white population. The Hispanic Origin population is expected to increase 47 percent. By 2030, about 16 percent of Minnesotans will be nonwhite and 5 percent will be Latino. (MN State Demographic Center). Workplace culture and practices will change as the employee population becomes more diverse.

Metropolitan Council employee demographics

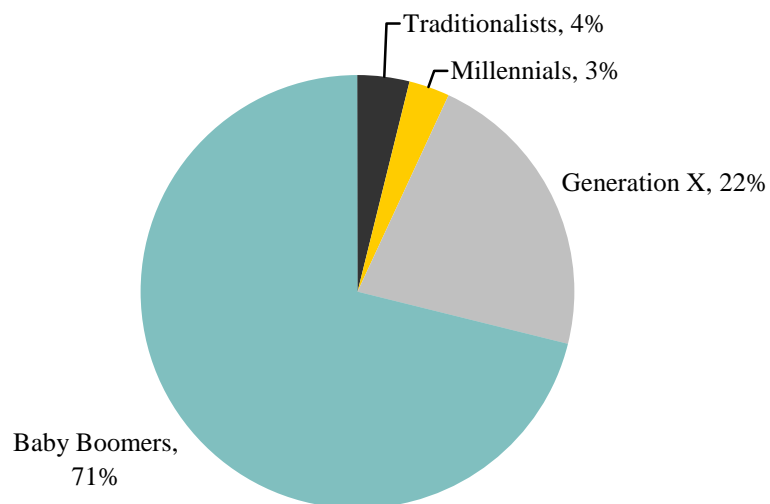
Employee demographics were drawn from the Council's Peoplesoft Human Resource Information System. Except where notes Queries were taken early October 2007. Historical averages were taken from the January 1, 2002 through October 1, 2007 time frame.

To begin our scan of the current employee population, we took a snapshot of our employee population by generation. It comes as no surprise that **the largest percentage of employees is in the Baby Boom generation**. Generation membership is defined by year of birth as follows:

- Traditionalists: 1926-1945
- Baby Boomers: 1946 – 1964
- Generation X: 1965 – 1977
- Generation Y: 1978 – 1998

Each generation is shaped by the social, economic, technological and historical influences it experiences. Generational characteristics have an impact on the culture of an organization and an

understanding of these characteristics can aid in understanding some workplace dynamics related to new technology, work ethic and changing employee needs.

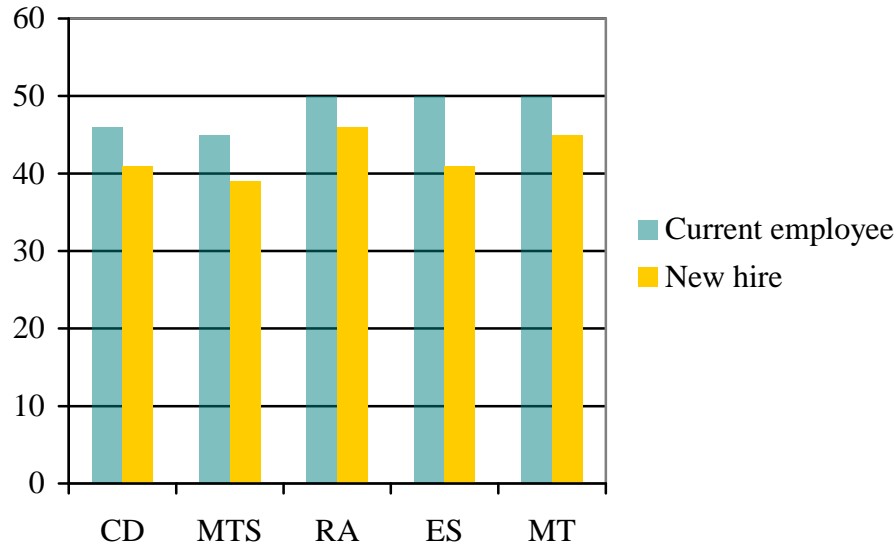


Generational analysis was completed on several levels – by division, by department and by critical position. Environmental Services (ES) has the largest percentage of Baby Boomers. In fact, 91% of ES employees belonging to the International Union of Operating Engineers, Local 35 are Baby Boomers. At Metro Transit, 86% of Amalgamated Transit Union Local 1005 mechanical technicians fall into the Baby Boomer category compared to 67% of bus operators.

► Employee generations by division

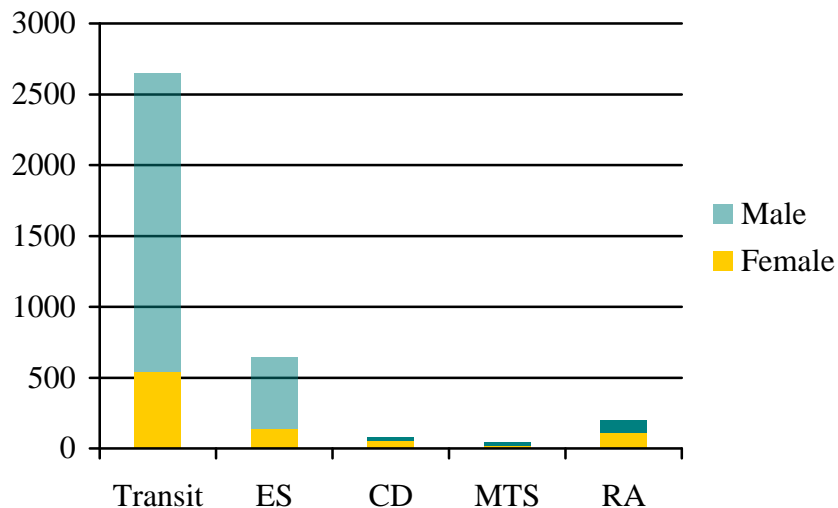
	Traditional	Baby Boomers	Gen X	Gen Y
Metro Transit	4%	69%	24%	2%
ES	4%	80%	13%	3%
RA	3%	77%	19%	1%
CD	1%	60%	35%	4%
MTS	5%	51%	36%	8%

Average employee age was calculated by division. **The average age of our new hires from 2002 – 2007 is about six years younger than that of current employees.** Two factors help to explain this: 1) a majority of people in the labor market from which we draw are Baby Boomers and 2) due to the complex nature of many jobs at the Council, we often require employees with a depth of experience and professional mastery.



► **Gender and race information** (as of September, 2008)

The operating divisions, Metro Transit and Environmental Services are male-dominated.



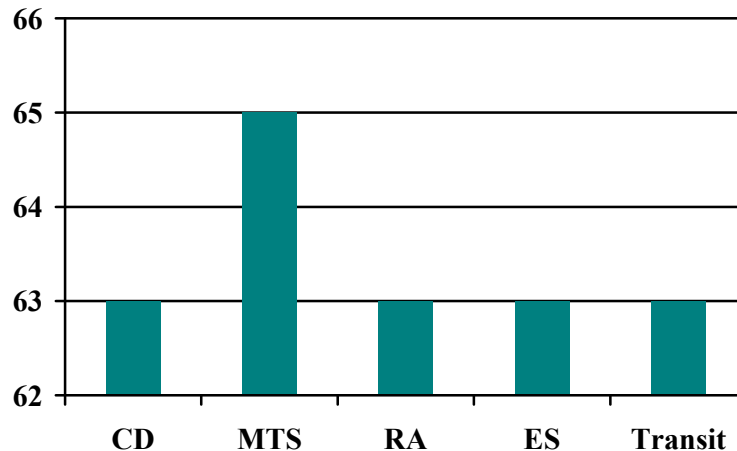
According to the MN State Demographic Center the 2000 Census showed that 11.8% of people in Minnesota identified themselves as non-white or Hispanic; 16.8% of people in the seven county Metro area. **Metro Transit specifically identified that the percentage of minority supervisors (8.8% in 2007) is much lower than the number of minority employees in first-line positions (44.8% in Bus Transportation for 2007 for example).**

	MT	ES		MTS		TOTAL
American Indian	36	4		0		44
Asian	128	10		0		156
Black	651	19		0		688
Hispanic	70	14		1		88
Non-specified	13	0		0		14
Pacific Islander	1	0		0		1
White	1752	599		39		2621
TOTAL	2651	646		40		3612
% Minority	33.4%	7.3%		2.5%		27.0%

Retirement Projections

Retirement projections were the next most important analysis of the Council's employee demographics. After discussion with organizational leadership, we defined *retirement* as the year in which the employee would become eligible to retire by the "Rule of 90" or by age 65, whichever comes first. Another option would have been to calculate the projections based on the average age of retirement. Here you see that Council employees retire at age 63, on average. The average age for retirement from employment with the State of Minnesota is age 61.

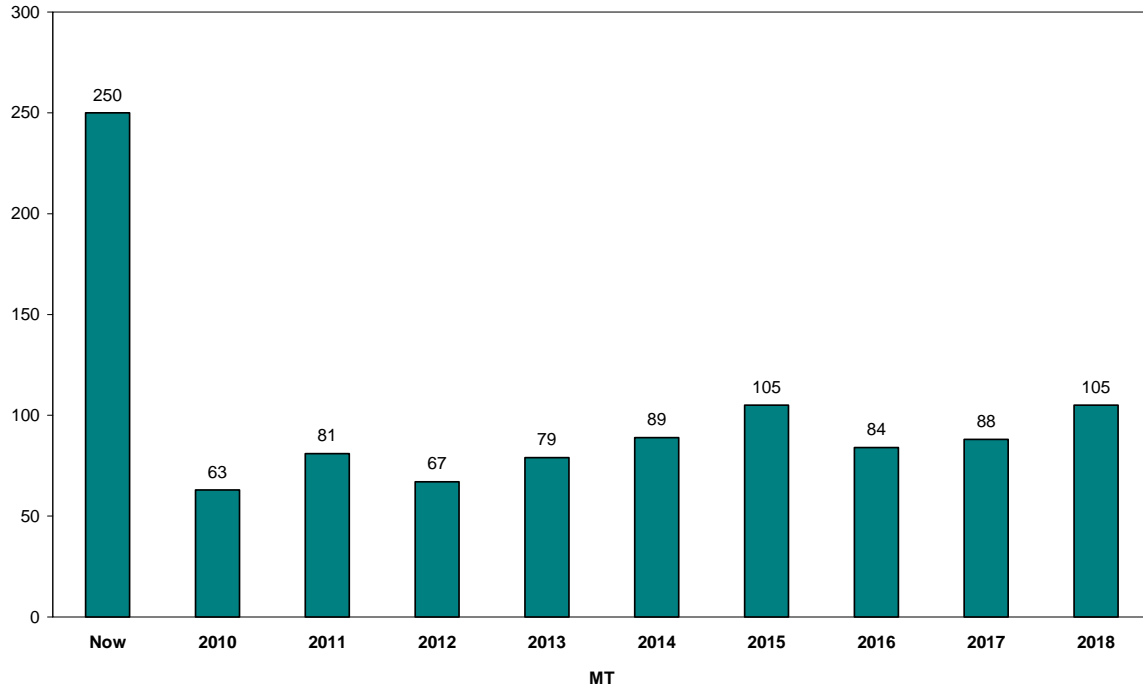
► Average retirement age by division, 2002 – 2007



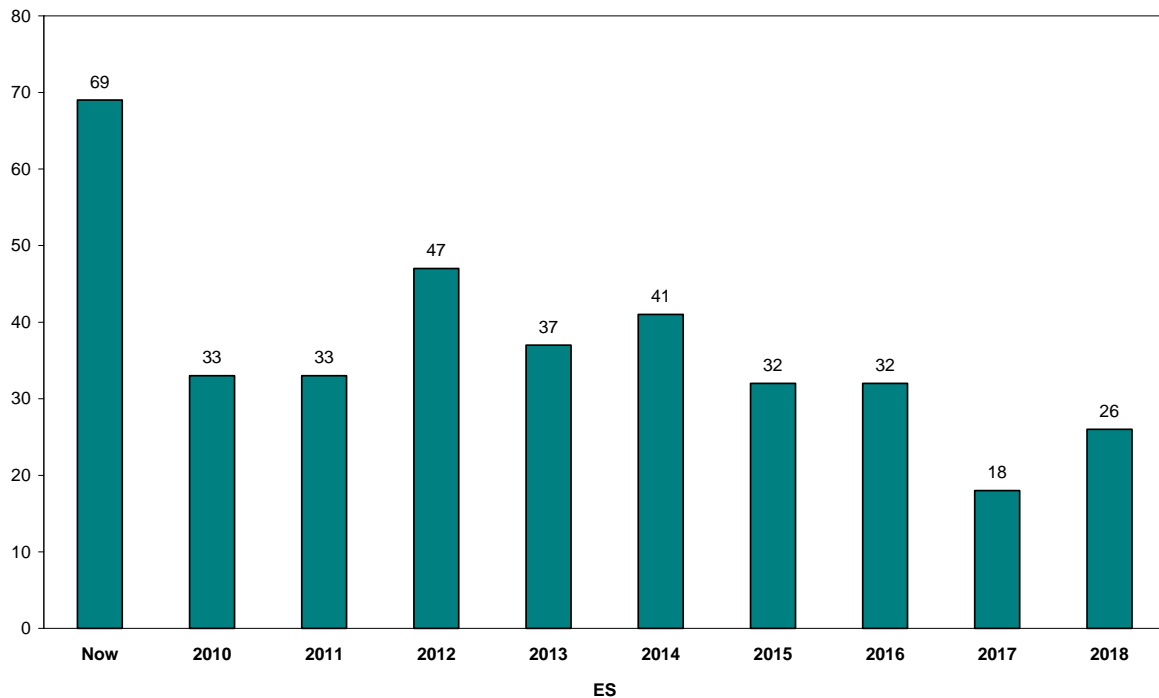
Projected retirement data below includes everyone employed with the Council as of September 29, 2009. Information for 2010 and the subsequent years includes those who will become eligible to retire during the calendar year. Critical years for employee turnover due to retirement look to be 2010 (because of the number of employees who potentially could retire at any time) and 2014 – 2015 (because of the large number of employees who will become eligible to retire those years). **Forty-**

two percent of all Metropolitan Council employees will become eligible to retire by the year 2018 or in the next ten years (58% for ES and 38% for Metro Transit).

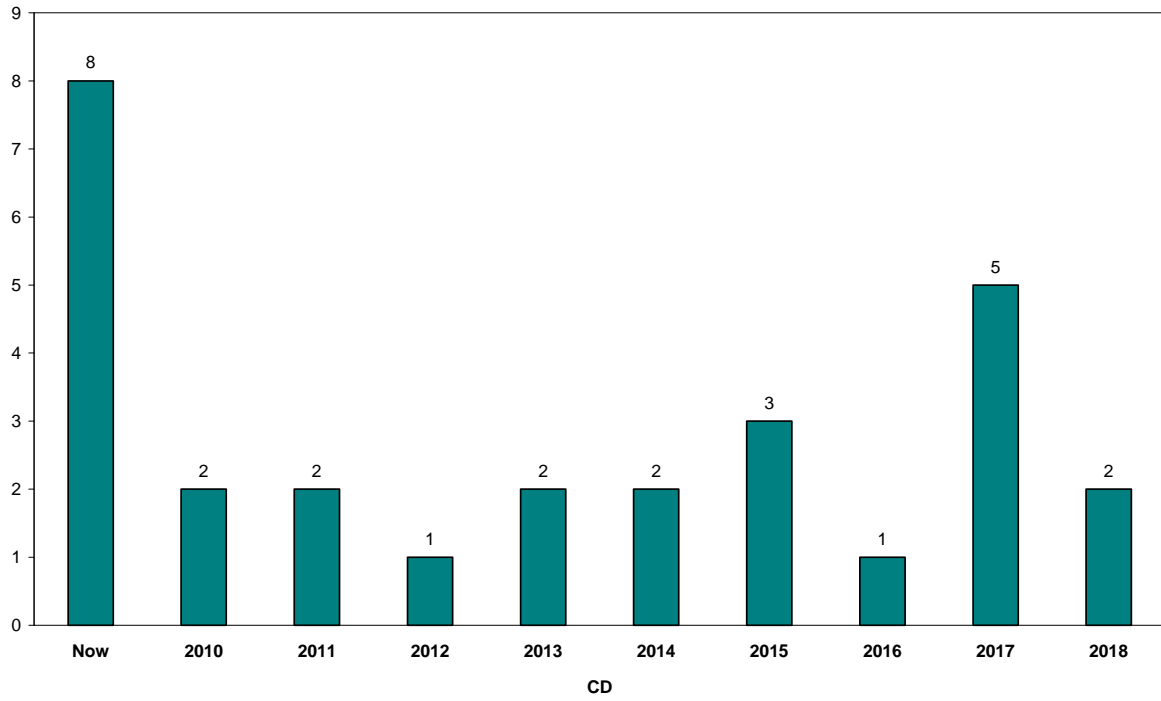
Projected retirements: Metro Transit (n=2656)



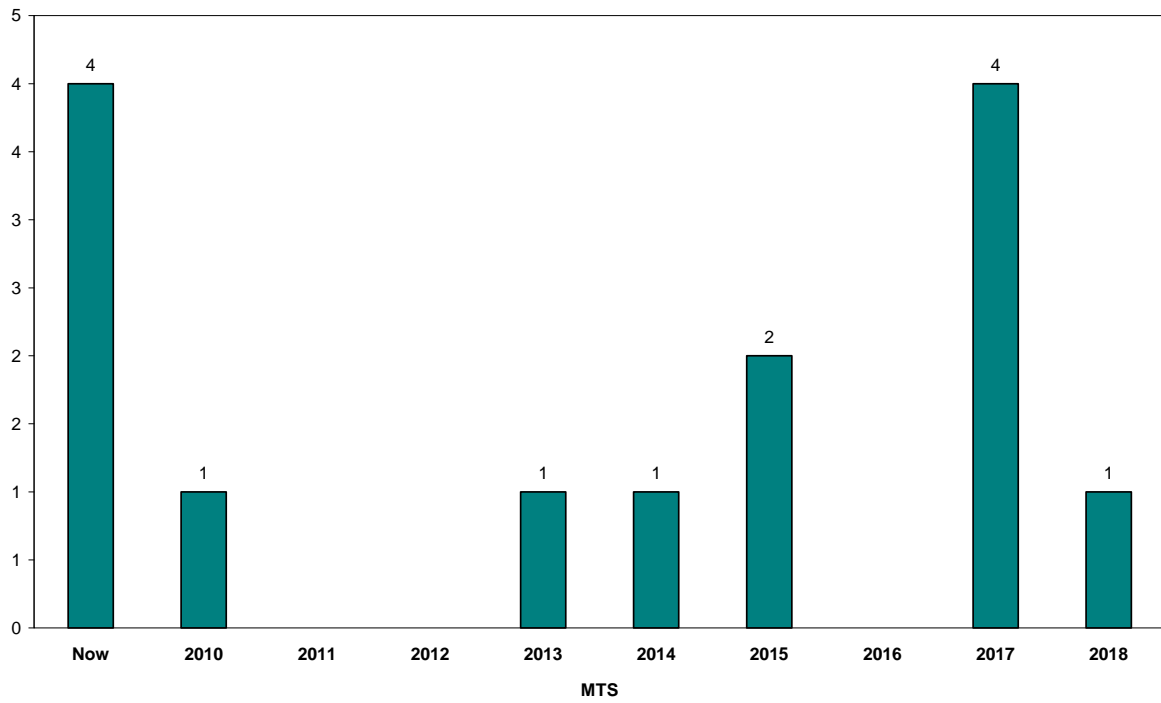
Projected retirements: Environmental Services (n= 636)



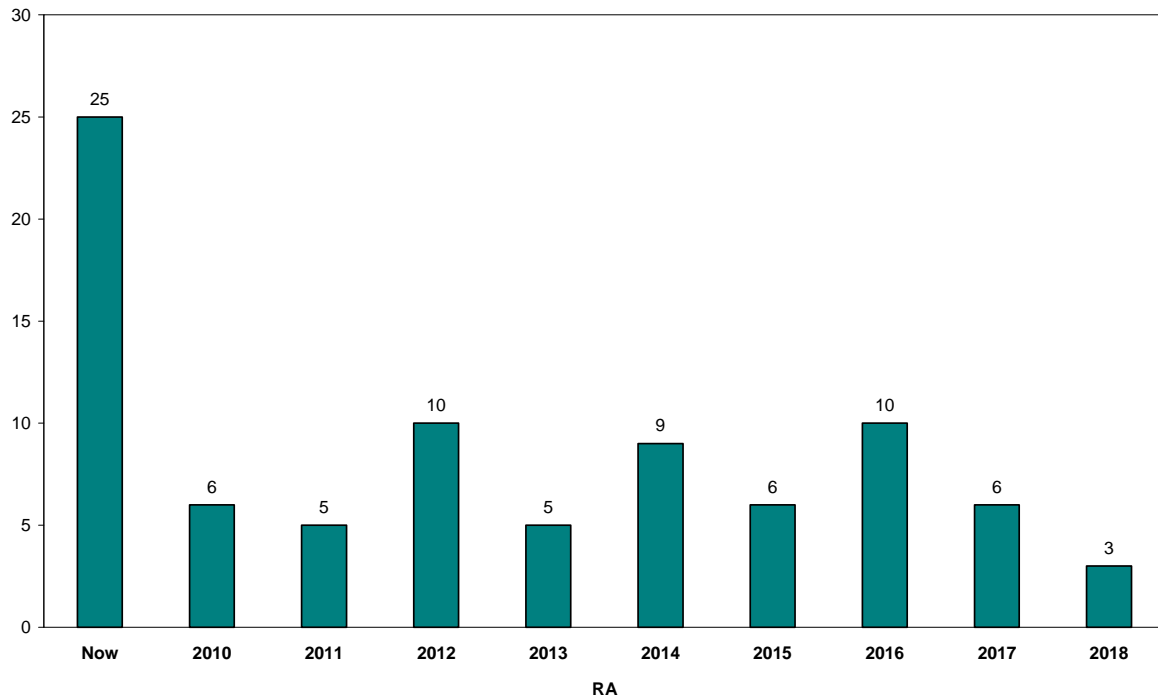
Projected retirements: Community Development (n=75)



Projected retirements: Metropolitan Transportation Services (n=39)



Projected retirements: Regional Administration (n=195)



Turnover

Of course, retirement is not the only reason employees leave. The average annual turnover of employees for the 2002 – 2007 timeframe, including retirement, disability, voluntary and involuntary terminations was as follows:

- Metro Transit: 10.7%
- ES: 8.1%
- RA/CD/MTS: 10.7%

According to the International Public Management Association for Human Resources (IPMA – HR), the average annual turnover for public sector organizations is 12%.

Employee survey results

An employee survey was conducted in September of 2007. All Council divisions were included in the survey except for Environmental Services. ES leadership is planning to do a survey at a later date.

The survey was sent electronically to all employees (except ES) who have computer accounts. Paper copies of the survey were given to employees in bus and rail operations who do not have computer access. The survey return rate was good, especially for RA, CD, MTS:

- Metro Transit: 17.7% return rate
- RA, CD, MTS: 70% return rate
- Combined survey return rate: 21.7%

The purpose of the survey was to gauge employee engagement or satisfaction, interest in career growth and retirement plans. (Problems with the design of retirement questions rendered those data questionable, so they are not included here.) Employee engagement is a good barometer for employee turnover. Given the number of employees who continue to work, but who are eligible to retire at any time, employee engagement provides a sense for how long employees might continue to work.

It would take a lot for me to leave the organization.

	Agree	Disagree
Transit	69.8%	15.2%
RA	54.7%	16.9%
CD	52.5%	10.0%
MTS	50.0%	7.6%

Sometime in the future, I would be interested in assuming greater responsibilities.

	Agree	Disagree
Transit	65.8%	15.2%
RA	59.4%	12.8%
CD	72.5%	12.5%
MTS	61.6%	7.7%

I feel there are sufficient opportunities for me to improve my skills in my current job:

	Agree	Disagree
Transit	57.8%	13.8%
RA	56.7%	12.8%
CD	62.5%	5.0%
MTS	53.9%	3.8%

I feel there are sufficient opportunities for me to obtain skills necessary to do a different job:

	Agree	Disagree
Transit	42.9%	19.2%
RA	32.4%	25.0%
CD	30.0%	15.0%
MTS	42.3%	15.4%

I feel there are sufficient opportunities for me to obtain skills necessary to assume greater responsibilities:

	Agree	Disagree
Transit	47.1%	20.15%
RA	38.55%	19.65%
CD	35.0%	5.0%
MTS	53.9%	7.6%

I feel there are sufficient opportunities for me to advance or be promoted to the next level:

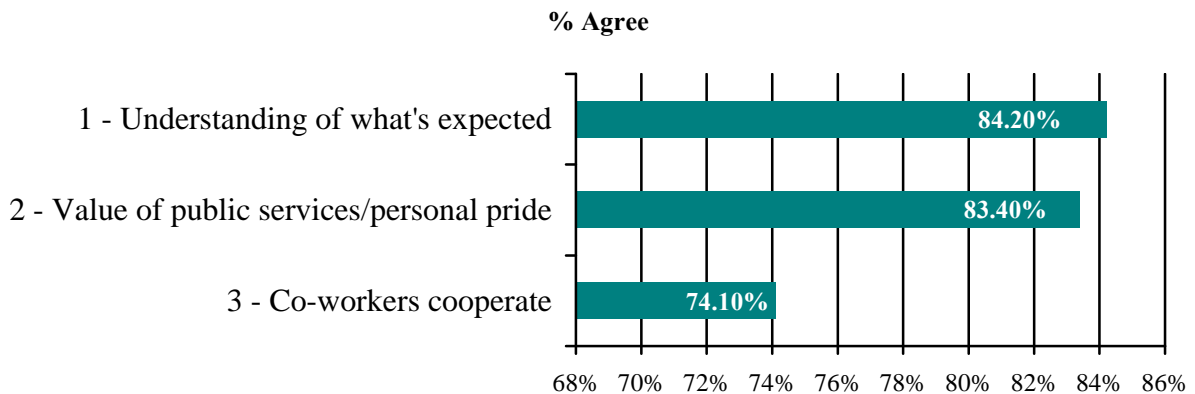
	Agree	Disagree
Transit	37.3%	26.0%
RA	21.7%	41.9%
CD	12.5%	27.5%
MTS	30.8%	19.2%

Employee engagement

Employers often find that engaged employees are one of the best recruitment sources. In response to the statement “I would recommend the Council to family or friends as a good place to work,” 65.7% of employee agreed or strongly agreed. The following summary of key responses in the survey shows that **Metropolitan Council employees are generally very satisfied and engaged in their work.**

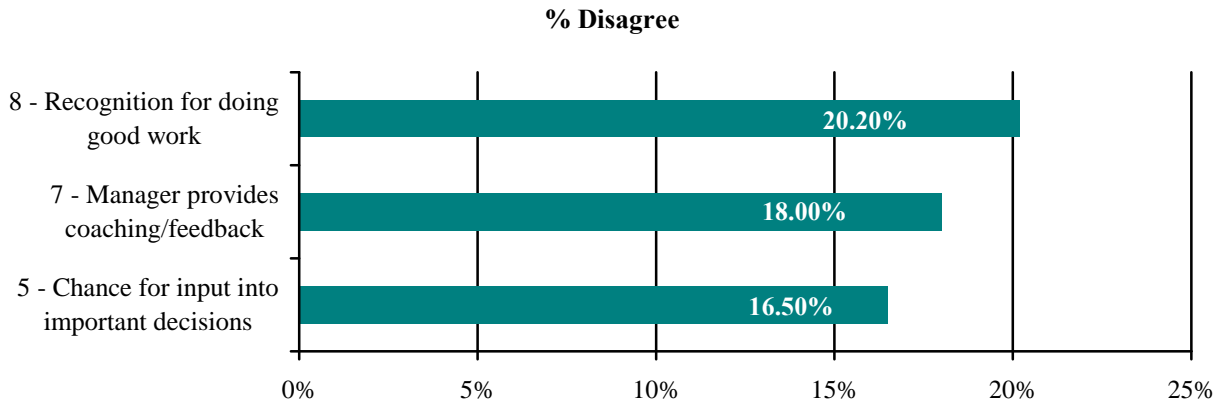
The Great Place to Work Institute defines a great place to work as a place where employees “trust the people they work for, have pride in what they do, and enjoy the people they work with.” Survey data about the employee satisfiers indicate that most employees (83.4%) believe the Metropolitan Council provides valuable public services to the region and take pride in their individual contribution to the Council’s mission; this factor ranks number two in importance to employees. Nearly three-quarters feel that they work with people who cooperate to get the job done; “cooperative co-workers” ranks as number three in importance. The best news is that **the factor that is most important to employees – understanding what’s expected – is also the highest in terms of employee satisfaction.**

► Top satisfaction factors



► Bottom satisfaction factors

The bottom factors are those items that had the highest percentage of disagreement. While these areas were eighth, seventh and fifth in importance, improvements in management practices around recognition, coaching and employee input would positively impact employee trust in management and Council leadership.



Top issues

After completing a full analysis of the workforce and labor market data, each division took a look four to five years into the future to identify changes in operational requirements and business technology. Each division identified what it considered the most pressing issues to be addressed.

► Metro Transit

- Skills to integrate new technology systems into current work systems
- Recruiting and retaining younger workers
- Ability to recruit skilled mechanics and technicians
- Diversity representation in management and employee populations
- Increasing complexity of bus operator job

► Environmental Services

- Shrinking skilled regional workforce
- Knowledge retention
- Support staff dedicated to ES departments
- Flexibility of coverage for 24/7 operation
- Asset management

► RA/CD/MTS

- Recruiting technically skilled, diverse employees
- Knowledge transfer and retention
- Skill development for new technology and work challenges

Workforce planning goals

Specific goals were created to address the critical issues for each division. Plans are generally intended for implementation between 2008 and 2010.

► Metro Transit

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

- Analyze/document effectiveness of Maintenance certification program (i.e. curriculum, completion/participation rates, impact on service reliability).
- Identify areas of improvement in Maintenance certification program design to support employees in completing certification and using new skills.
- Explore feasibility of using certification program model in other areas of Metro Transit.

Improve bus operator effectiveness, especially customer service and stress management skills, so they can successfully handle increasing levels of traffic congestion, customer diversity and on-board technology.

- Identify reasons for voluntary and involuntary termination of bus operators during first year of employment and create an action plan to address issues.
- Provide additional performance support for new bus operators beyond 6 week training period during the first year of training (i.e. ride a-longs, coaching/feedback, additional training module(s) one to two months after turn-in, etc.).

Build community partnerships to increase availability of qualified candidates so that Metro Transit is able to fill mechanical and electrical trade positions in the future.

- Provide information to regional youth about the viability of careers in mechanical/electrical trades.
- Identify entry level mechanic knowledge, skills and abilities (KSAs) to guide intern selection and internship program design.
- Explore partnership options with Step-Up Minneapolis (internship), public high schools and vocational/technical schools.
- Draft an internship program design.

Improve diversity in first-line supervisor positions to more closely match diversity in first-line employee ranks so that Metro Transit can recruit, manage and retain an increasingly diverse workforce.

- Identify barriers to minority applicants for first-line supervisory positions.
- Create action plan to address barriers.
- Identify strategies to recruit minority candidates for supervisory development programs and supervisor job openings.
- Fully implement Leadership Academy program (STEP and Career Ladders).

► Environmental Services

The right number of employees: maintain size of workforce at an efficient level that will meet our business needs.

1. Determine staffing levels and skills needed for future scope of services.
 - Continue to use workforce analysis to assist in designing staffing plans that will provide flexibility and capability as business needs change over the next 5-10 years.
 - Assess current structure of departments or functions and re-align, if necessary.
2. Complete succession planning for all work units while preserving privacy and other rights of individuals. Create and implement succession plans to ensure a viable group of internal candidates for key positions.
 - Identify future vacancies in critical positions within the organization and update plans to ensure continuity of management of operations.
 - Identify critical competencies and knowledge areas required for ES leaders of the future. Leverage existing development programs and identify opportunities for work experience and other developmental activities to improve readiness for key positions.
 -
3. Develop sufficient recruitment and retention strategies to maintain workforce level as employees retire.
 - Utilize recruitment strategies that promote a positive image for MCES.
 - Target recruitment efforts for difficult-to-fill positions
 - Develop retention and recruitment strategies to build and maintain a diverse workforce.

The right places: reposition workforce to best meet organizational needs.

4. Refine key processes and restructure work units to achieve coordinated and adaptive functions.
 - Refine organizational structure to optimize performance, especially in the areas of asset, fleet and land management.
 - Evaluate opportunities for improved efficiency in 24/7 operating units.
 - Utilize agreements to optimize the delivery of shared services.

The right skills: train and support workforce to deliver expected results.

5. Identify and provide essential training and strategies to fill skill gaps.
 - Continue to support and fully implement current initiatives around the development/documentation of standard operating procedures, content management systems and decision support systems.
 - Continue development of training and recognition programs.

► Regional Administration

1. Create “brand” messages and images that show the positive attributes employment with each of the Metropolitan Council divisions and attract qualified candidates.

2. Identify and address priority issues for key RA department in the areas of:
 - Recruitment challenges
 - Retirement/succession planning
 - Knowledge documentation/transfer
 - Skill development around new technology and challenges
 - Department structure
 - Integrating new employees
3. RA managers identify and address common concerns:
 - Identify common customer service challenges faced by RA departments and explore ways to address those challenges.
 - Quarterly update from HR on RA recruitment efforts.
 - Learn more about current Council procedures that provide strategies for attracting and retaining employees (i.e. PRO, telework, job share, etc.).

► **Community Development**

Structure:

1. Ensure that division structure, staff resources and department functions work effectively and efficiently to meet business goals.
 - Ensure the provision of appropriate administrative support.
 - Establish new relationship with GIS (now mainly in IS).
 - Provide staff support for parks expansion, including review of 2008 park element of comprehensive plans.
 - Increase or re-align staffing resources.
 - Coordinate natural resources activities.
 - Ensure that Research provides needed support to other work units.

Business:

2. Improve the way we do business to meet stakeholder expectations into the future.
 - Use most appropriate mix of communications for internal and external clients (for example, print, web, etc.).
 - Use best technologies to improve efficiencies and effectiveness (for example, Oracle database, paperless document imagery, new telephone technologies, technologies relating to HRA participant information).
 - Improve access to local plans, reviews and other Community Development records (for example, via Electronic Content Management System; Review Tracker; Grants Tracker; records of HRA participants, properties and owners).
 - Improve forecasting program.
 - Prepare for next regional policy framework with new emphases:
 - Urban Reserve (long-term service area)
 - Refined benchmarks
 - Clarified implementation program
 - “Green” development (anti-greenhouse gas development)
 - Transit
 - Adapt to a check-less environment.
 - Explore disposition of or project basing of FAHP properties.

Knowledge retention:

3. Preserve our intellectual capital and institutional memory for use into the future.
 - Ensure sufficient backup to key staff activities.
 - Provide documentation and access to institutional memory.

Staff:

4. Hire the best and ensure employee success.
 - Hire qualified new staff in a timely manner.
 - Train new and existing staff appropriately.
 - Adjust, as appropriate, to work expectations of Generations X and Y.
 - Provide career paths.
 - Provide more and better options for telecommuting and remote offices.

► **Metropolitan Transportation Services**

1. Retention of current employees:
 - Create opportunities for job advancement and job enrichment.
 - Create an environment where all MTS employees feel their day-to-day work is an important part of the division's impact.
2. Institutional knowledge transfer and retention:
 - Identify key potential retirements.
 - Identify the specific knowledge areas needing documentation. Areas include:
 - The transportation planning process
 - Highway knowledge and work relationship with MNDOT
 - The regional model and technical knowledge/skills
 - Airport planning
 - RALF process
 - Comprehensive plan reviews (transportation plan component)
3. Match division structure, jobs and skills to changing environment:
 - Examine department structure, stakeholder expectations and employee skill in light of transportation funding decisions.
 - Develop employee skills in order to meet expectations in new environment.
 - Analyze key positions to ensure appropriate classification to meet future needs.

Follow up

Each division has assigned leadership for each of its workforce plan goals. Human Resources staff members have been assigned to assist with many of these goals as well.

The Assistant HR Director for Talent Management will monitor and report workforce plan progress semi-annually. Reports will be submitted to the regional administrator and the Council's Executive Team. This plan and progress reports will be posted on the Council's intranet site for employee information, and will be revisited and updated every three years.