

Human Resources

Mission Statement

The mission of the Human Resources Department is to enable the City make the best decisions about its human capital investments.

Primary Businesses:

Employment Services: Provide employment services so that operating departments have diverse competent employees in the positions they need at the right time

Employee Services: Provide employee services so that employees receive competitive compensation, working conditions, supervision and challenging assignments to remain high performing employees

Enterprise Services: Provide enterprise services so that the expectations of elected officials, department heads and citizens for organizational improvement can be realized

Key Trends and Challenges Impacting the Department:

The Human Resources Department is facing significant challenges that affect our department and the enterprise as a whole. In 2003 the general funds for Human Resources were reduced by 10%; the target reductions in 2004 range between 4.8% to 12.3%. These reductions come at a time when the demand for HR services is increasing because of the impacts of reductions citywide. As new departments are integrated into the City of Minneapolis, and existing departments are downsizing, restructuring, or merging with other departments, services from the Human Resources Department are needed to help facilitate smooth transitions.

Through the workforce planning initiatives, the Human Resources Department has identified the following human resource needs from city departments:

1. Workforce Diversity: Departments have expressed their desire to have workforces that are diverse and reflective of Minneapolis.
2. Training and Development:
 - * Non-supervisory employees
 - * Supervisory and managerial employees
 - * Technology literacy
3. HR Staffing Processes:
 - * Replacement planning
 - * Recruitment and Staffing
 - * Cross Training
4. Assistance with the impacts of retirements
5. Assistance with employment issues related to new business models; implications of outsourcing; recruitment, staffing and retention of employees.
6. Organizational Development (Business Function Design): Departments are asking for assistance with identifying essential minimum staffing levels as it relates to organizational design, proper employee mix to meet business needs, management and supervisory span of control, skills needs assessments
7. Assistance with strategic planning, resource allocation, performance management, the work environment and HR Management Systems

All of these needs are heightened by the overall reduction of staff and services across the City of Minneapolis. The reductions in the Human Resources Department will directly impact our ability to provide these services, as we will be forced to provide only services that are required by law, charter or policy.

As our five-year plan is developing, we have determined that it is in the best interest of the City of Minneapolis for our department to become less transactional in nature and focus our limited staff and resources in a more strategic direction. With this in mind, our management team has developed these new mission statement and business lines

for the Human Resources Department.

These changes reflect our desire to have our business lines cross all divisions in our department and not be specific to a division to help us eliminate the structures that support a 'silo-mentality' in our department and across the organization. There is a significant amount of work that will have to be done to make this a reality in the city's current budgeting system, so we have decided that we will not reflect this vision in the 2004 budget process. However, our changes are important enough that we want to share them as an introduction to our business planning process.

Human Resources Mission Statement

The mission of the Human Resources Department is to maximize the development of and minimize the risk to the organization by providing strategic, operational and transactional tools and services that enable the city workforce to be responsive to customers and support our communities.

HR Business Lines

- * We ensure employees have competitive compensation and positive working conditions while minimizing the City's exposure to liability.
- * We manage and provide HR information to City, Independent Boards and Agencies for decision-making purposes.
- * We provide learning opportunities for managers, supervisors and employees to maximize their development and minimize organizational risk.
- * We assist departments in designing and developing their organization.
- * We provide the City, Park & Library Boards with the timely opportunity to hire diverse, competent employees.

We understand that Human Resources will take on reductions similar to other city departments. However, we believe those reductions should be reduced or delayed until we are able to help the rest of the organizations stabilize. That said, we present these options in order of elimination preference, to reach our target reductions.

Key Initiatives or Other Models for Providing Service to be implemented:

We intend to develop an effective position management system in conjunction with the Finance and BIS Departments.

Develop a five-year planning process that will assist us in defining a model of HR services that add more strategic and less transactional value to the City.

Key Departmental Outcome Measures:

Outcome Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Survey results from customer departments about quality of services provided by HR.	NA	NA	60% satisfaction	75%	50%
% departments using an approved version of the standard performance appraisal system	NA	45%	50%	55%	55%
% of annual budget spent	96.3%	98.3%	100%	100%	100%
% women in department			72.2%	72.2%	TBD
% people of color in department			29.7%	29.7%	TBD

Explanation of Performance Data for Departmental Outcome Measures:

The Key Departmental Outcome Measures are reflective of decisions made by the previous HR director.

HR will conduct a service satisfaction survey of city employees in 2003. We believe that satisfaction levels will decline due to the reductions in services from HR due to budget cuts and overall reactions to loss of jobs and organizational changes.

Primary Business:

Employment Services

Service Activity:

Help departments increase the racial, gender and disabled diversity within a respectful work environment.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of protected class applicants on eligible list	66%*	70%*	51%**	35%	35%
% City workforce that are women, people with disabilities, & people of color	Women 32.4%	Women 32.9%	Women 34%	Women 35%	Women 30%
	Disabled 7.1%	Disabled 6.2%	Disabled 6%	Disabled 7%	Disabled 7%
	POC 17.4%	POC 18.4%	POC 20%	POC 24%	POC 22%

Explanation of key performance measures:

* Includes total population of applicants, and counts women and people of color separately. So an African American female would be counted twice. ** Includes only those applicants that were placed on the eligible lists, and does not double count women of color.

We believe the 2003 estimate of 50% women in the workforce was an error.

Service Activity:

Provide highly qualified, diverse candidates for employment in City departments, Park Board, and Library Board in a timely manner.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of managers expressing satisfaction with support received from HR generalists	90%	NA	80%	80%	65%
Avg. # of days to create an eligible list (sorted by types).	60 days	48.5 days	37 days	30 days	45 days
Avg. score on customer satisfaction surveys re: staffing function.	3.81 (of 5.0)	4.08 (of 5.0)	4.5 (of 5.0)	4.5	3.5

Explanation of key performance measures:

Percent of managers expressing satisfaction will drop from 80% to 65% due do the elimination of positions in Employment Services causing the remaining employees to increase their workloads. Increased workloads result in time delays to fill positions and to respond to issues raised by the departments. As HR moves from a transactional, policing focus to a strategic focus, it may require the departments to take on more of the transactional work.

The average number of days to fill a position will increase and the average score on customer satisfaction surveys will decrease because of staffing cuts in Employment Services. Additionally, implementing the rule of three causes more delays because the testing mechanisms for the rule of three are more vigorous in order to create more sophisticated rankings thereby reducing potential liability.

Primary Business:
Employee Services

Service Activity:

Negotiate and administer fair and affordable collective bargaining agreements.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
# of collective bargaining agreements within the operational and financial parameters established by the Executive Committee.	12	8	9		4

Explanation of key performance measures:

With the imposition of the 2% compensation adjustment cap, labor unions will be less cooperative during collective bargaining. The general belief seems to be that the labor unions will be cooperative and work with the City in an effort to save jobs and become more efficient, this is not the case. Unions now see themselves as in competition with the management of the City and the other labor unions. Collective bargaining agreements have, and will continue, to be more difficult to attain. Of the 9 bargaining units with contracts that expired during 2002, only 3 have settled. This leaves 21 bargaining units with contracts that have expired or will expire during 2003.

Service Activity:

Administer compensation and classification programs that provide for fair and equitable salaries.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of reclass requests completed within 60 days or less	84%	92%	96%	98%	98%
% of job titles reviewed for proper classification and compensation	N/A	N/A	10%	20%	20%
% salary new schedules within 4% of the City's internal pay equity line	N/A	100%	100%	98%	98%

Explanation of key performance measures:

This Performance Measure will not be effected.

Service Activity:

Design and manage employee benefit plans, and assure compliance with all applicable laws.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Scope and cost of City benefit packages compared to similar public jurisdictions.	N/A	Monthly premium for City single and family contracts are less than those for comparable plans at Hennepin County and the State of Minnesota. \$70 - \$200 = single \$75 - \$314 = family	Vastly similar to 2001	Similar to 2002	Similar to 2003
Number of sustained complaints regarding compliance with federal and state IRS regulations regarding benefits	0	0	0	0	0
% employees expressing satisfaction with choice of benefits	N/A	93%	85%	90%	75%

Explanation of key performance measures:

This Service Activity is moved to Enterprise Services. The Performance Measures may be effected by the fact that the Benefits Manager position has been held vacant, thereby reducing internal communications, and by employees seeing their total wage/salary adjustment consumed by increases in healthcare costs.

Service Activity:

Administer programs (ADR, RTW/Job Bank) and investigate complaints in order to assure fair & equitable treatment for all employees.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of employees placed in a transitional job within 3 days of release to return to work with restrictions	N/A	76%	90%	90%	95%
% of arbitration hearings won	85%	92%	90%	85%	75%
# referrals/request for ADR services	11	9	6	5	8
% discrimination complaints investigated and resolved within 60 days	N/A	N/A	80%	90%	70%

Explanation of key performance measures:

IF the HR Consultant responsible for complaint investigations is cut, the % of complaints investigated and resolved within 60 days will be reduced. Most complaints are resolved in much less than 60 days because the HR Consultant resolves them short of an investigation. Much counseling is done, and the complaints never reach the investigation level. The loss of the HR Consultant will result in a less coordinated effort and the tracking system will become diffused.

Primary Business:
Enterprise Services

Service Activity:

Conduct workforce action planning with each operating department.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
% of City Council Departments with a current Workforce Action Plan completed within the last 3 years	41%	77%	94%	100%	60%
% of City Council Departments using their WFAP six months after its completion	92%	94%	93%	100%	90%

Explanation of key performance measures:

Dedicated FTE staff position eliminated as part of target reduction strategy for 2004. Workforce planning has become a component of the Business Planning Process, and could be managed in that department.

Service Activity:

Provide employees and supervisors with training that teaches them the enterprise competencies they need to perform their jobs.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Avg. # of hours of training per full time employee	3	4	3	4	2

Explanation of key performance measures:

The hiring freeze impacted 2002.

The retirement of one training professional, the hiring freeze and subsequent elimination of one FTE dedicated staff position for 2003, plus a 12% reduction in budget allocated to training results in significant service reduction.

Service Activity:

Use information technology to insure ease of access for up-to-date applicant and employment records and management reports.

Description:

Key Performance Measures for the Service Activity:

Key Performance Measure	2000 Actual	2001 Actual	2002 Actual	2003 Estimated	2004 Projected
Accuracy of standard HRIS management reports, biweekly paychecks, monthly PM report, etc...	98%	98%	99%	99%	99%
Timeliness of data available within HRIS	98%	98%	99%	99%	99%

Explanation of key performance measures:

Decentralization of data entry responsibilities to operating departments results in ongoing variation in accuracy and timeliness of data entry.

Financial Analysis: (To be completed by the Finance Department)

EXPENDITURE

The Human Resources 2004 Budget decreased 2.6% over the 2003 adopted budget across all funds. The Department received \$77,000 in additional resources as the result of the shift of functions from the Community Planning and Economic Development Department, including one position.

REVENUE

The Department plans a slight increase to its direct revenue from benefits administration charges.

FUND ALLOCATION

The majority (67%) of the Department’s budget is in the general fund. The Department also operates the benefits administration function out of the self-insurance fund (15% of the total). The Department has smaller budgets (1.3% of the total) in the special revenue funds related to providing services to the Convention Center and to employee recognition activities (funded by proceeds from the “City Store”). The Department allocates a portion of its costs to the enterprise funds (16.6% of the total), based upon the number of positions employed in those funds.

LOCAL GOVERNMENT AID CUT IN 2003

In Spring 2003, the Department eliminated 3 positions in response to the LGA cuts. The Department also realized approximately \$100,000 in non-personnel reductions as part of its strategy.

ADOPTED BUDGET

The budget does not include any changes to Human Resource’s budget.

**HUMAN RESOURCES
Staffing Information**

	2001	2002 Adopted Budget	2003 Adopted Budget	2004 Adopted Budget	% Change	Change
FTE's by Division						
Administration	3.00	2.00	2.00	2.00	0.00%	-
Employment Services	34.50	30.00	28.00	29.00	3.57%	1.00
Enterprise Services	8.00	15.50	15.00	17.00	13.33%	2.00
Employee Services	13.00	12.00	12.00	7.00	-41.67%	(5.00)
Total FTE's	58.50	59.50	57.00	55.00	-3.51%	(2.00)



