

Human Resources

FY09 Strategic Operating Plan



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Human Resources Business Unit
Fiscal Year 2009 Strategic Operating Plan

I. Executive Summary

Human Resources' core business – supporting the Human Resources Philosophy adopted by the City Council – has not changed. How we go about this business does change. We are about getting and keeping good people. In 2003 Human Resources joined with representatives from across the KBUs to prepare for the changing world of work. The result of this collaboration was the *Strategic Workforce Planning Report*. This report forecast the departure of many of our KBEs, the changing workforce dynamics, and the war for talent.

In preparation for these changes, Human Resources implemented workforce planning and intensified the focus on strategic recruitment. The competition for good employees requires that Human Resources and the City continue developing recruitment and retention strategies.

All parts of the employment experience must be attractive to recruit and retain the skilled and diverse workforce the City wants. To help achieve this overarching goal, Human Resources FY09 Balanced Scorecard focuses on strategies for employee wellness, creating an inclusive environment, and employee development.

Recruiting and retaining a skilled and diverse workforce is a challenge, but a challenge Human Resources is anxious to meet.

Vision and Mission

Vision: The Human Resources Key Business Unit will be “centers of excellence”* for the delivery of corporate human resource services.

Mission: We provide organizational leadership supporting the city’s human resource philosophy to attract, develop and retain a skilled and diverse workforce.

** Centers of Excellence are organizational areas with bodies of knowledge and experience that create value exceeding the norm.*

Financial Summary

Cost Centers:	FY06	FY07	FY08	FY09
11500, 11501 & 10800	Actual	Actual	Actual	Actual
Budget	\$3,115,586	\$3,299,270	\$3,427,289	\$3,593,875
Positions	32.5*^	32.5	32.5	32.5`

* HR, HRMS & ODL combined.

^ HR analyst position frozen in FY06

` Frozen HR analyst position reinstated in FY09 and converted to training specialist.

Key Issues and Challenges

Rising Health Care Costs

The City has the challenge of funding a benefits package that can attract potential employees and retain current ones. Once again, controlling rising health care costs in order to achieve this goal is one of HR's top challenges. The results of the health and prescription drug plans re-bid in FY08 will be implemented in FY09. The aim of the re-bidding was administrative cost reduction and cost reductions from deeper discounts negotiated by vendors with medical providers. Wellness and disease management programs will continue to be part of a multi-pronged approach to controlling health care costs. Although adding wellness as a balanced scorecard incentive target helped, wellness support and employee engagement remains a challenge. In FY09 we will be more proactively incenting employees in engaging in health management. Participation can ultimately make a positive difference in rising health care costs. HR feels redesign of employee and retiree benefits to be more wellness centered will help.

Another concern is benefits related communications. Employee access for wellness education and activities is a challenge, particularly for laborers and crews. But communication problems extend further. Generally, employee and retiree communications are a challenge. If an employee does not receive FYI or pay stuffers, they do not get important wellness and benefits information. In turn, employees have to purposefully seek out the information. Retiree communication is a challenge as information is typically communicated through mail or FYI.

Maintaining Competitive Pay Systems with Limited Resources

The merit increase budget was comparable to market trends in FY08. However, merit increases during the previous three budget years resulted in a drop in the citywide average market index for the broadbanding pay plan. Maintaining competitive pay plans (public safety and

broadband) with limited resources will be a challenge in FY09. The City needs to be proactive in its ability to hire job candidates with critical skill sets, as well as retaining experienced employees.

Diversity

Half of the funds requested for diversity programming were allotted in FY08. FY08's diversity emphasis was training for leaders. The FY09 emphasis shifts to training for the front lines. As the diversity training is deployed throughout the workforce, the number of participants increases significantly. In addition to completing this training, diversity work needs to expand to include organizational development interventions. Diversity interventions will help further integrate diversity into how the City does business.

Organizational Development and Learning

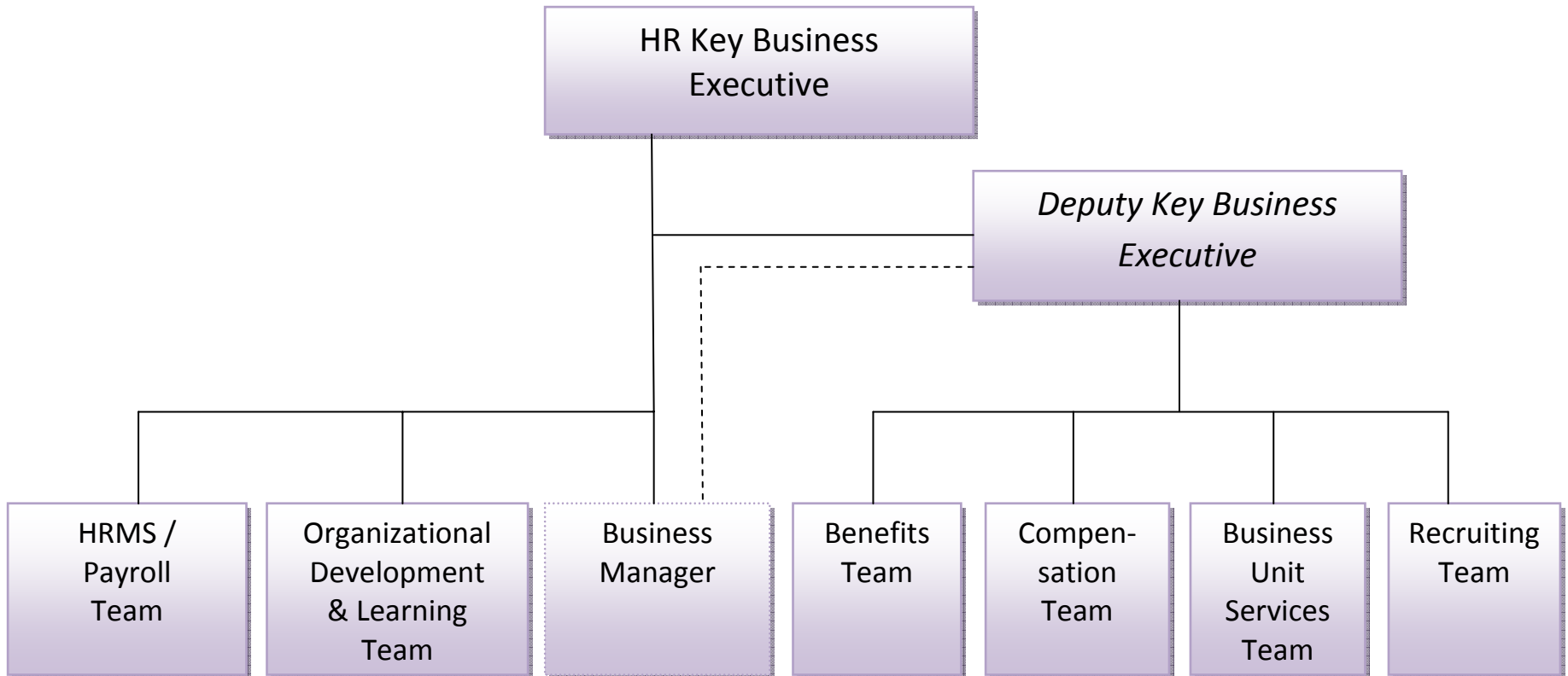
Leadership Programming – City leadership programs were suspended in FY08 to review their efficacy through an impact study. FY09 will see the beginning implementation of redesigned leadership development opportunities to meet new City and workforce needs.

eLearning – The *Technology and eLearning Strategic Plan* calls for spreading use of eLearning to boost the technological competencies of the City employee population as well as augment development opportunities. Currently, eLearning is developed in-house due to lack of funding to purchase outside libraries. In-house development requires heavy use of staff time.

The “One Business” Philosophy

Human Resources seeks to support the City Manager's goal of comprehensive citizen service through the One Business philosophy. Achieving the One Business philosophy is challenging because the City operates very different businesses. A strong “run your own business” mentality remains in the organization and creates added challenges.

Human Resources Organizational Chart



II. Strategy and KBU Planning

FY09 Strategic Initiatives and Links to Corporate Strategy

Run the Business: Enhance Customer Service
Initiative: Provide quality customer service
Measure: Survey assistant city managers and key business executives on their perception of HR's customer service.
Target: Achieve score of 4.25 out of a possible 5 on the annual survey.
The success of HR's business is predicated on the customer service we deliver. Human Resources staff needs to be many things to many customers. To our business partners we need to precede the curve on emerging trends to ensure the City has the workforce needed to serve the citizens. This is an incentive target item. \$\$

Run the Business: Enhance Customer Service
Initiative: Provide quality customer service
Measure: Survey 1,000 randomly selected City employees on their perception of HR's customer service.
Target: Achieve score of 4.0 out of a possible 5 on the annual survey.
The City has more than 6,500 regular and temporary employees. The goal of the Human Resources staff is to provide these customers with the assistance they need in a timely manner. While we cannot always give employees the answer they desire, we can provide information quickly and accurately. This is an incentive target item. \$\$

Run the Business: Optimize Business Processes
Initiative: Expand availability of online benefits enrollment for new hires to additional KBUs.
Measure: Expand availability of online benefits enrollment to include capability for online family status changes to benefits coverage.
Target: Expanded capability provided by June 30, 2009.
The ability for online benefits enrollment launched during open enrollment in FY07. HR seeks to expand these technology efficiencies in FY09.

Manage Resources: Deliver Competitive Services
Initiative: Promote employee and retiree health and wellness strategies to control health care costs.
Measure: Percent of employees and retirees receiving preventive health care services
Target: Increase percent of employees and retirees receiving preventative health care services.

Develop Employees: Achieve a Positive Employee Climate
Initiative: Promote wellness in worksite environment
Measure: Each HR division will promote wellness through awareness building and activities during an assigned month.
Target: 100% of HR divisions will implement a wellness initiative as part of their FY09 work plan. \$\$

Develop Employees: Achieve a Positive Employee Climate
Initiative: Promote wellness in worksite environment
Measure: Number of employees participating in at least three Wellness Works sponsored programs.
Target: 90% of HR staff will participate in at least three Wellness Works sponsored programs. \$\$

Develop Employees: Recruit & Retain a Skilled and Diverse Workforce
Initiative: Revise the picture of the future workforce in the Strategic Workforce Planning Report.
Measure: Revise the picture of the future workforce in the Strategic Workforce Planning Report.
Target: Complete revision and publish to the organization by June 30, 2009.

Develop Employees: Recruit and Retain a Skilled and Diverse Workforce
Initiative: Increase diversity awareness and diversity related skills of managers through continuation of Diversity Training Phase III for first line supervisors.
Measure: Percent of all KBU first line supervisors attending diversity training.
Target: 90% of KBU first line supervisors attending diversity training.

Develop Employees: Promote Learning and Growth
Initiative: Successfully deliver City Manager's mentoring program for leadership development.
Measure: Successfully deliver City Manager's mentoring program for leadership development.
Target: Achieve score of 3.5 out of possible 4.0 on Level 1 evaluations from mentors and mentees. \$\$

Develop Employees: Promote Learning and Growth
Initiative: Re-design leadership development programs – Dimensions in Leadership, Insights, and Trailblazers – based on findings of impact study.
Measure: Develop strategy for overall leadership development and redesign leadership development opportunities based on strategy.

Target: Develop strategy and begin implementation of redesigned leadership development opportunities by second quarter FY09.

Develop Employees: Promote Learning and Growth

Initiative: Implement Plateau Learning Management System

Measure: Increase use of technology for tracking training activity and for administering eLearning as an instructional delivery / information sharing model.

Target: Plateau will be implemented and fully functional for KBU use by December 31, 2008.

Human Resources - Measure Validation for Incentive Target		
Corporate Objective: Enhance Customer Service KBU Initiative: Provide quality customer service		
Measure: Survey Assistant City Managers and Key Business Executives about HR's customer service		
Units of Measure: Total average survey score of 4.25 out of a possible 5.0	Frequency of Update: Annually	
Measurement Intent: To be a productive business partner and provide quality customer service		
Measurement Formula: Total average survey score of 4.25 out of a possible 5.0		
Data Elements and Sources: Data sources will be the completed surveys of the selected participants		
Source For and Approach to Setting Targets: This is a standard survey calculation		
Data Contact: Teresa Curlin		
Target Setting Responsibility: HR Leadership	Accountability for Meeting Target: Human Resources	Tracking/Reporting Responsibility: Teresa Curlin

Human Resources - Measure Validation for Incentive Target		
Corporate Objective: Enhance Customer Service KBU Initiative: Provide quality customer service		
Measure: Survey 1,000 randomly selected employees about HR's customer service		
Units of Measure: Total average survey score of 4.0 out of a possible 5.0	Frequency of Update: Annually	
Measurement Intent: To provide quality customer service		
Measurement Formula: Total average survey score of 4.0 out of a possible 5.0		
Data Elements and Sources: Data sources will be the completed surveys of the selected participants		
Source For and Approach to Setting Targets: This is a standard survey calculation		
Data Contact: Teresa Curlin		
Target Setting Responsibility: HR Leadership	Accountability for Meeting Target: Human Resources	Tracking/Reporting Responsibility: Teresa Curlin

Human Resources - Measure Validation for Incentive Target		
Corporate Objective: Develop Employees KBU Initiative: Successfully deliver City Manager's mentoring program (Shared Leadership Learning) for leadership development.		
Measure: Successfully deliver City Manager's mentoring program for leadership development (program to begin in 2nd quarter of FY09). Target is 3.5 out of 4 on Level 1 evaluations from mentors and mentees.		
Units of Measure: Points on evaluation of program by participants. Highest score available is 4.	Frequency of Update: Annually	
Measurement Intent: Satisfaction with leadership development capabilities of new program.		
Measurement Formula: Participants will allot score out of possible 4.		
Data Elements and Sources: Program participants.		
Source For and Approach to Setting Targets: HR Leadership		
Data Contact: Candy Phillips		
Target Setting Responsibility: HR Leadership	Accountability for Target: Human Resources	Tracking/Reporting Responsibility: Candy Phillips

Human Resources - Measure Validation for Incentive Target		
Corporate Objective: Achieve Positive Employee Climate KBU Initiative: Promote Wellness in the Worksite Environment		
Measure: 90% of medical insurance eligible employees will participate in at least three HR wellness challenges		
Units of Measure: Percentage	Frequency of Update: Annually – fiscal year	
Measurement Intent: To engage HR employees in wellness activities		
Measurement Formula: # medical insurance eligible HR employees participating in 3 challenges / number of HR employees x 100%		
Data Elements and Sources: Track number of medical insurance eligible employees participating in the challenges and the total number of HR employees		
Source For and Approach to Setting Targets: Recommendation from HR staff group and Wellness Administrator		
Data Contact: Christina Fath, Wellness Administrator		
Target Setting Responsibility: HR management	Accountability for Meeting Target: Human Resources	Tracking/Reporting Responsibility: Christina Fath

Human Resources - Measure Validation for Incentive Target		
Corporate Objective: Achieve Positive Employee Climate		
KBU Initiative: Promote Wellness in the Worksite Environment		
Measure: Each HR division will promote wellness through awareness building and activities during an assigned month		
Units of Measure: Each HR division will participate (six total)		Frequency of Update: Annually – fiscal year
Measurement Intent: To engage HR divisions in identifying opportunities within the worksite to promote health and wellness		
Measurement Formula: Number of divisions (6) hosting wellness activities during their assigned month		
Data Elements and Sources: Track division activities		
Source For and Approach to Setting Targets: Recommendation from HR staff group and Wellness Administrator		
Data Contact: Christina Fath, Wellness Administrator		
Target Setting Responsibility: HR management	Accountability for Meeting Target: Human Resources	Tracking/Reporting Responsibility: Christina Fath

III. Service Delivery

Human Resources supports the City's KBUs in operating their varying businesses. With the core service areas described below, KBUs are provided support to make the City competitive in recruitment and retention of a skilled and diverse workforce, learning and growth, and achieving a positive employee climate.

Core Service Areas

Benefits – Administers health and insurance programs. Programs are based on City Council approved human resources philosophy of providing employees moderate levels of income protection against unexpected health, life, and disability risks. Investigates, selects, implements, administers and evaluates benefits programs designed to make the City a competitive employer. Researches market conditions and recommends cost effective benefits programs. Benefits staff manages contracts with health, dental, disability, prescription drug, life, and disease management vendors. Develops and implements strategies to contain health care costs. Also provides on-going education and communications to employees and retirees. Counsels with employees/retirees on various benefits issues including health insurance issues and assists employees who are retiring under the NC Retirement System. Ensures compliance with federal laws such as COBRA and HIPAA and associated implementation activities. Staff coordinates the Employee Assistance Program (EAP) through a contracted vendor; serves as central point for maintaining all benefits data in PeopleSoft and transferring/reconciling eligibility data to various vendors. Develops and administers the wellness program, benefits cost avoidance strategies and insurance program design and monitoring. In total, these services help achieve a positive environment, assist with recruitment and retention of a skilled workforce, and ensure delivery of competitive services.

Business Unit Services – Provides strategies and programs for recruiting and retaining a workforce with the skills necessary to achieve all other corporate objectives. Business Unit Services is the first point of contact for KBUs for workforce needs. Staff works with the job classification process; recruiting; selection; performance management program; and enhances manager and employee understanding of human resource related policies and practices. Business Unit Services works closely with other HR staff and KBUs on interpretation and training related to federal and state compliance, including Americans with Disabilities Act (Title I), Family and Medical Leave Act and other legal requirements. Also administers employee grievance policy, drug/alcohol testing program, and coordinates the investigation and preparation of responses to charges of employment discrimination. Staff coordinates the City's Affirmative Action Plan. This service leads the organization in recruiting and retaining a skilled and diverse workforce.

Compensation – Provides leadership, initiatives, and recommendations to City management for compensation programs to ensure that the City can attract and retain diverse employees with skills to achieve corporate objectives. Staff administers compensation programs in accordance with City

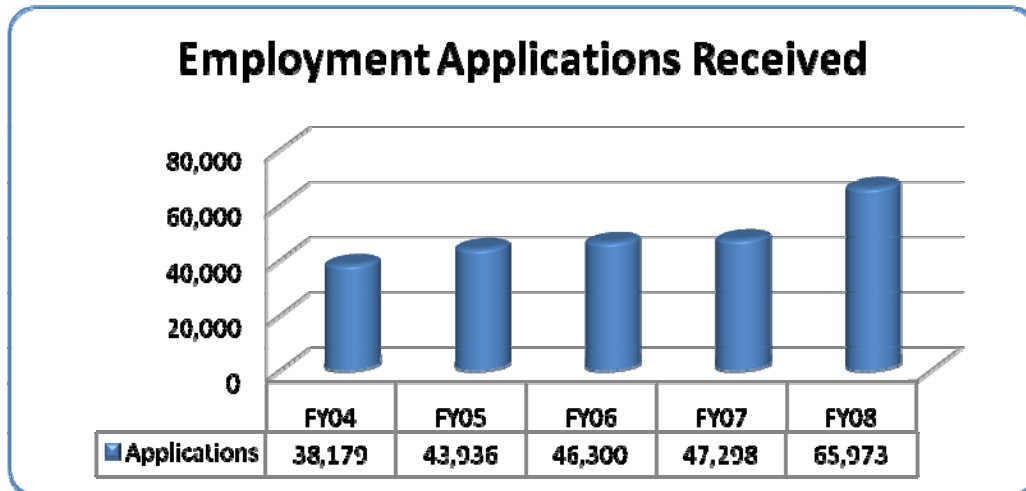
Council approved philosophy that pay will be based on performance while considering market conditions. Base pay is the primary type of pay used to maintain market competitiveness. Internal salary surveys are conducted and external salary surveys are purchased to determine the Council-approved measure of market competitiveness, which is the median of actual salaries. Market trends are also studied each year to develop annual pay recommendations. Manages City's benchmark job classification system; gainsharing; incentive; and longevity payouts; and interprets the Fair Labor Standards Act as it applies to the City's employees.

Human Resources Management System – Manages the integrated Human Resources and payroll system for more than 6,500 regular and temporary employees and over 1,800 retirees covered with medical coverage and more than 2,000 that are eligible. This area maintains employment-related records such as pay, taxes, and leave records for all City employees. Develops and improves technology efficiencies.

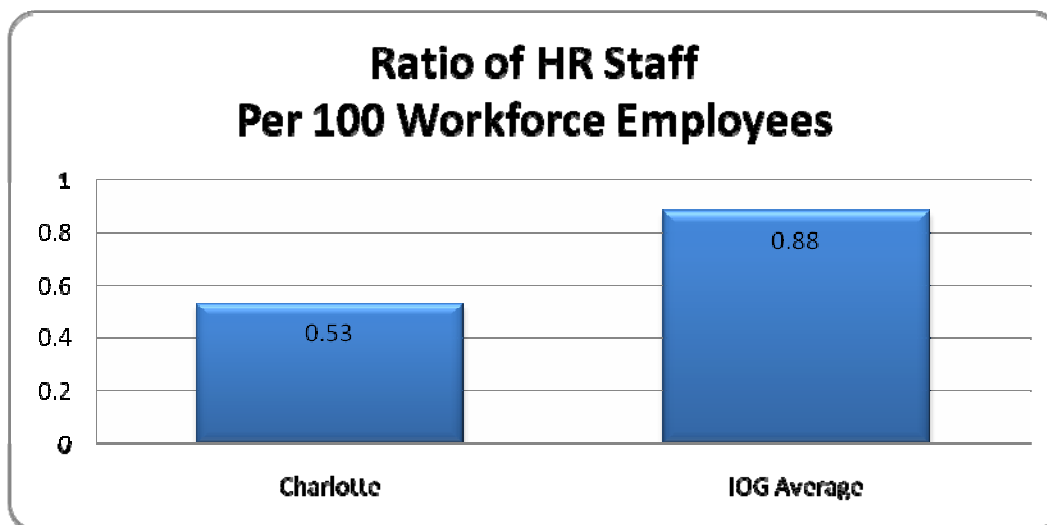
Organizational Development and Learning (ODL) – Provides consultation, facilitation and training services that assist the organization and employees in improving performance. ODL staff has expertise in change management, team development and group dynamics. Staff provides management consultation and group facilitation services for business planning, collaborative problem-solving and team building. Responsibility for diversity programs, workforce and succession planning lie with ODL. Workforce on-going training and development programs include leadership development initiatives, business skill development and technology training. Through classroom training, eLearning and coaching, ODL provides opportunities for employees to develop and update their skills in order to achieve corporate and career goals. These services promote learning and growth and the corporate goal to recruit and retain a skilled and diverse workforce.

Service History and Trends

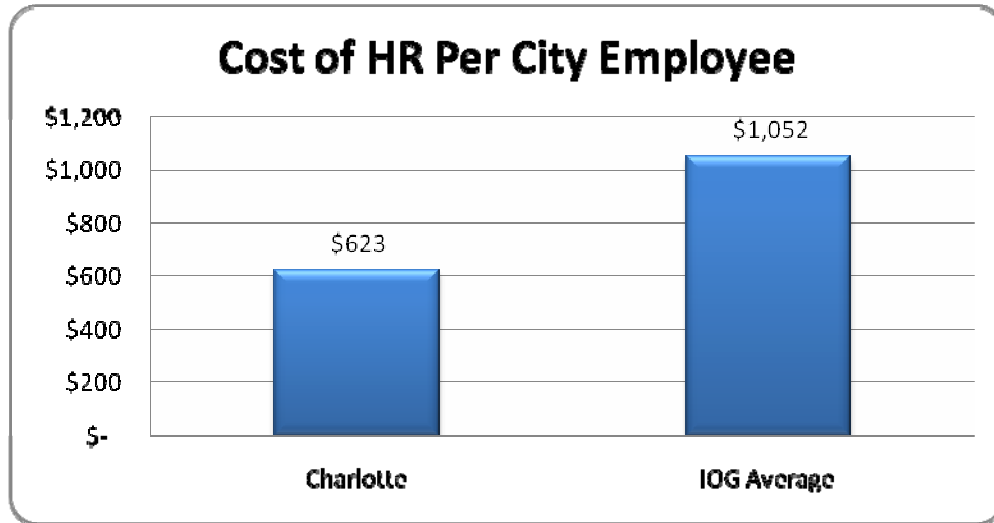
Application Processing - The number of applications the City receives continues to grow. As always, the number of applications does not correlate to the same number of qualified applicants. The implementation of eRecruitment in FY08 relieved HR of manually keying in each application / resume.



Efficiency Measure - The FY07 Institute of Government Benchmarking Study calculated the number of human resources staff persons per 100 employees served. The average for study participants was 0.88 of a position serving 100 employees. For the City, the ratio was 0.53 of a position serving 100 employees. See the chart below. Note: study data is preliminary at the time of this writing.



Cost of HR – The Institute of Government Benchmarking Study analyzes the cost of human resources services per employee in an organization. For the City of Charlotte Human Resources Business Unit, the average cost of services per City employee is less than two-thirds of the study average.



IV. HR FY09 Balanced Scorecard Report

\$\$ Denotes incentive target.

Perspective	Corporate Objective	KBU Initiative	Measure	Prior Year Actual	Lead Or Lag	FY09 Target	YTD
Run the Business	Enhance Customer Service	Provide quality customer service.	Survey Assistant City Managers and Key Business Executives about HR's customer service.	4.4	Lag	Total average survey score of 4.25 out of 5.0. \$\$	To be measured in June of 2009.
Run the Business	Enhance Customer Service	Provide quality customer service.	Survey 1,000 randomly selected City employees about HR's customer service.	4.6	Lag	Total average survey score of 4.0 out of 5.0. \$\$	To be measured in June of 2009.
Run The Business	Optimize Business Processes	Expand availability of on-line benefits enrollment.	Expand availability of on-line benefits enrollment.	Expanded capability to include enrollment by newly hired employees to some KBUs, launched by June 30, 2008	Lag	Continue to expand availability of on-line enrollment for new hires to additional KBUs. Begin development of online enrollment for family status changes.	
Manage Resources	Deliver Competitive Services	Promote employee and retiree health and wellness strategies to control health care costs.	Percentage of employees & retirees receiving preventative health care services.	NA	Lag	Increase % of employees & retirees receiving preventative health care services.	

Perspective	Corporate Objective	KBU Initiative	Measure	FY08 Actual	Lead Or Lag	FY09 Target	YTD
Develop Employees	Achieve a Positive Employee Climate	Promote Wellness in Worksite Environment.	Each HR division will promote wellness through awareness building and activities during an assigned month.	100% of HR functional areas hosting wellness activities during their assigned month.	Lag	100% of HR divisions will implement a wellness initiative as part of their FY09 work plan. \$\$	
Develop Employees	Achieve a Positive Employee Climate	Promote Wellness in Worksite Environment.	Measure number of employees participating in at least three Wellness Works sponsored programs.	90% of medical insurance eligible employees will participate in at least three HR wellness challenges.	Lag	90% of HR staff will participate in at least three Wellness Works sponsored programs. \$\$	
Develop Employees	Recruit and Retain a Skilled and Diverse Workforce	Revise the picture of the future in the Strategic Workforce Planning Report.	Revise the picture of the future in the Strategic Workforce Planning Report.	NA	Lag	Complete revisions and publish to the organization by June 30, 2009.	
Develop Employees	Recruit and Retain a Skilled and Diverse Workforce	Increase diversity awareness and diversity related skills of supervisors through continuation of Diversity Training Phase 3 (first line supervisors).	Percent of all KBU first line supervisors attending diversity training.	90% of KBU leadership team members attended Phase I diversity training. Significant progress was also made in Phase II training.	Lead	90% of KBU first line supervisors attending diversity training.	

Perspective	Corporate Objective	KBU Initiative	Measure	FY08 Actual	Lead Or Lag	FY09 Target	YTD
Develop Employees	Promote Learning & Growth	Successfully deliver City Manager's mentoring program (Shared Leadership Learning) for leadership development.	Successfully deliver City Manager's mentoring program for leadership development (Program to begin in 2nd quarter of FY09).	Presented design proposal by December 31, 2007.	Lead	Achieve 3.5 out of possible 4.0 on Level 1 evaluations from mentors and mentees. \$\$	
Develop Employees	Promote Learning & Growth	Develop strategy for overall leadership development based on findings of impact study.	Develop strategy for overall leadership development and redesign leadership development opportunities based on strategy.	Delivered results of impact study to Develop Employees Work Team in June '08.	Lead	Develop strategy and begin implementation of redesigned leadership development opportunities by second quarter FY09.	
Develop Employees	Promote Learning & Growth	Complete successful implementation of enterprise-wide Learning Management System – Plateau. (Plateau is already being used by CMPD and CMU. CFD will be bringing it online as a separate CFD tech project.)	Increase use of technology for tracking training activity and for administering eLearning as an instructional delivery / information sharing model.	NA	Lag	Plateau will be implemented and fully functional for KBU use by December 31, 2008.	

V. Resources

HR requested four service / current level changes for FY09. These requests and the funding outcomes are outlined below.

Service Level Change Request	Rank	Funding
Unfreezing a position to lead diversity and workforce planning efforts	1	Funded
Funding for Plateau Learning Management System	6	Funded
Mentoring Program	5	Funded
Benefits Systems Specialist – 10 additional hours	4	Funded

Change to Current Level	Rank	Outcome
PeopleSoft upgrade for FY09	2	Funded
PeopleSoft maintenance and support	3	Funded
Two additional QUEST classes	7	Not Funded

VI. Conclusion

Human Resources faces challenges in helping the City and its KBUs recruit and retain skilled and diverse employees. The strategies outlined in this strategic operating plan are designed to achieve this goal.

VII. Appendix

Appendix A

Vision
Community of Choice for
Living, Working and Leisure

Strategic Themes - City Council Focus Areas
*Community Safety - Communities within a City - Environment
Transportation - Economic Development*

Run the
Business

Enhance
Customer Service

Optimize Business
Processes

Manage
Resources

Deliver Competitive
Services

Develop
Employees

Achieve a Positive
Employee Climate

Recruit & Retain a Skilled,
Diverse Workforce

Promote Learning &
Growth