

**International Public Management Association for Human
Resources**

HR-CENTER

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Personnel Practices:
**HR Strategic Planning
Policies**



***International Public Management Association
for Human Resources***

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HR STRATEGIC PLANNING POLICIES

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Strategic Human Resources – You can have a seat at the table!

By Judith Brown, Director of Research

Introduction

Traditionally, your role as a human resources professional was pretty straight forward the personnel function was the administrative force behind employee issues. HR managers did the hiring, firing and any other employment-related paperwork. Now, human resources is a lot more. Much more...

The 2000/2001 IPMA Benchmarking Survey reports that only fewer than half of the respondents (42%) say their central personnel/HR agency has a written strategic plan. What is getting in the way? Part of the problem is that HR has not traditionally been viewed in a strategic role—it has been considered a support service department. In addition, HR professionals have also been holding themselves back by being complacent. You may be great recruiters, great benefits people, or great trainers, but if you don't understand what the organization is doing, why the competition is better than you are, it is inevitable that you will be gone in a matter of time. Some people spend almost their entire careers in HR and yet they really don't know what is going on in the organization. You need to get out of the HR department at times; that builds credibility.

No longer confined to the role of administrative record-keeper, HR has to assume a greater role as a strategic business partner. Traditionally perceived as bureaucratic, HR has been criticized for failing to contribute strategic direction to organizations' objectives. As a HR professional you are now forced to redefine your responsibilities and develop a compelling response for critics who dispute HR's value to the bottom-line.

So, what do you do in this “Damned if you do or damned if you don't” situation? One important thing you need to do is decide what your role will be. You need to take a proactive stand and make this decision based on the best outcomes for the organization. As an HR professional you have always been reactive and may have waited to be told what role to play. As a result, you may not have gained that respect you so desire. It is now time to pick a role, instead of trying to be all things to all people, which cannot be healthy for the HR department's bottom-line or the organization as a whole.

When you clarify your primary role upfront - whether it is making a radical shift from employee advocate to more of a business partner, being a change agent or the knowledge worker management guru - the dichotomies will iron themselves out. That doesn't mean that in the end you still won't end up having more than one role. As a strategic partner you will still be required to carry out your traditional activities, but you now need to do them more efficiently, so you are able to take on a more strategic role. Think of yourself as an individual who might at the same time be a businesswoman, a mother, a wife, a daughter, a sister, etc. The important thing is to be clear about which roles are primary, which are secondary and how best to fulfill the roles your HR department agrees is important, along with the organization's other senior managers.

It should be obvious that human resources management practices should be an important aspect of the strategy of any organization. The annual reports of many organizations argue that their human assets and intellectual capital are their most important assets. In addition, in many organizations, compensation is one of the largest costs. When you add training costs and other human resources management costs to compensation costs, the human resources management function often bear responsibilities that affect a large portion of an organization's total expenditures. Even when human resources account for very little of the cost of carrying out the organization's functions, they still have a significant impact on the performance of the organization. In essence, without effective human resources, organizations are likely to have little or no revenue. The most automated production facilities require skilled, motivated employees to operate while knowledge work organizations depend on employees to develop, use, and manage their most important asset....knowledge.

According to Susan Mohrman and Edward Lawler III in a 2000 report, *Creating a Strategic Human Resources Organization*,... "the human resources function should be positioned and designed as a strategic business partner that participates in both strategy formulation and implementation. To be a business partner, HR executives need expert understanding of business strategy, organizational design, and how integrated human resources practices and strategies can support organizational designs and strategies."

The Nature of Strategic Planning

In any organization, there is always potential for the phenomenon of "HR vs. CEO," or "HR vs. Controller," or "HR vs. All Employees," etc., with the credibility of the HR team diminishing in each case. The expectation in today's world is that the HR department may be asked to be a strategic business partner, an advocate for its workforce, a cheerleader to enhance organization morale, and an integral part of the executive team. This may mean that HR walks a tightrope from time to time, balancing and challenging the needs and demands of each of its constituents.

The best hope for HR to survive these various and dichotomous roles, is to ensure that its goals and objectives are linked systematically to the organization's values and goals. If anything close to that ideal state could be achieved, the scenario of "HR vs. CEO" -- or other internal combat -- can be greatly minimized. The most effective HR professionals begin with their organizations' goals and define their human resource mission and strategic plan from there. Those who do not will find themselves floundering. The organizations' objectives should be your lighthouse. Without it to focus on, you will get lost in the seas of uncertainty. The main lesson to keep in mind: if you take it for granted that you are there to fulfill the needs and requests of everyone in the organization at all times, you will be spending a lot of time on unnecessary and non-value added activities. Keep the big picture in mind!

Today, things are different. Strategies now increasingly depend on strengthening organizational competitiveness and on building committed work teams, and this places HR in a central role. These results indicate the need for HR departments to have a more

strategic focus. HR needs to spend more time being a business partner, especially when an organization is particularly focused on building its human and intellectual capital. In a fast-changing, globally competitive, and quality-oriented environment, it is the organization's employees, the human resources who provide the competitive key. It is now increasingly common to involve HR in the earliest stages of developing and implementing an organization's strategic plan, rather than allowing HR to just react to it. The competition for capable and talented employees has elevated the role of HR in many organizations.

The Strategic Planning Process – Identifying Goals and Action Steps

An article entitled "Strategizing for HR- A Well Written Business Plan Can Earn You A Seat At The Table With Top Management" appeared in the HR Magazine in February 2001. Deborah Dwyer, PHR, associate professor and chair of the management department at the University of Toledo in Ohio, pointed out that, "Most HR folks don't have a lot of training in how to do strategic planning." The first step, then, is to understand the difference between a company-wide business plan and one geared specifically to the HR function."

An organization wide business plan traditionally outlined the organization's current situation and where it intends to go. In its simplest form, the plan was a goal statement. The plan also included information on the issues facing the organization—competition, opportunities, market conditions, industry changes and the organizations' strengths and weaknesses. This was usually a job for the organization's line managers. The personnel implications of the plan (hiring or firing new employees, hiring outplacement firms, etc.) were then to be carried out by HR management.

Today things have changed. Strategies increasingly depend on strengthening organizational competitiveness and on building work teams, and these put HR in a central role. An HR plan describes what HR must do to assist the organization to achieve the goals outlined in the organization. Once there is an understanding of your organization's goals, you must establish your own HR departmental goals. An HR plan lists the action steps or milestones for meeting those goals, as well as target dates for completion and specific guidelines for measuring performance.

In deciding on the future projection of the plan, Lee Hargrave, author of *Plan for Profitability! How to Write a Strategic Business Plan* suggests, "a typical organization might have three to five years as the planning horizon."

You might be asking, Why plan so far in advance? According to Robert G. Stovall, principal of Robert G. Stovall Consulting, an HR solutions firm in Houston, ... "the planning process itself is worth the effort. Investigating the facts and your assumptions about the future will give you new information that can help you react more quickly and with greater confidence."

An HR strategic plan refers to specific HR courses of action the organization plans to pursue to achieve its goals. As a part of the strategic planning process, HR executives

should devise a three to five year strategic human resources plan with flexible one-year milestones. The plan should map out the personnel expenses, programs, and facilities that will be needed to support the organization's main strategic plan.

If well designed and presented in specific terms, an HR plan enables top management to adjust its plans to the realities of the organization's human capabilities. In some instances, the organization's strategic plan could even become more ambitious if the HR plan demonstrates that the organization's human resources are fully positioned to support its objectives.

An HR component of an organization's strategic plan educates managers about the changes they can expect and the impact on their employees. This knowledge arms them with important information about the existing talents, capabilities, weaknesses, and training needs of their employees and smoothes the transition to new systems and programs. Bringing the human resources function into the management's inner circle and making it an integral part of the organization's strategic planning process is the only way to assure that the organization's employees have the necessary characteristics, attitudes, aptitudes, skills and training to carry out whatever is required of them.

For example, in considering new directions in which the organization may wish to move, the human resources manager should be consulted about the availability and characteristics of the labor pool from which the necessary employees will be drawn. Likewise, the human resources manager should anticipate the impact of a new service on operations, work rules and regulations, cultural and economic conditions, and other "people factors." He or she should also begin to make recommendations about the training needs the strategic plan is likely to generate. An involved human resources manager should also advise top management about the availability of employees and how they might be groomed from within or recruited. In these and in other ways, the human resources manager can help top management anticipate future needs and implement staff development initiatives to ensure that the organization has the necessary expertise to go forward with its strategic plan.

In the case of the City of Charlotte, the City's mission is to: "Ensure the Delivery of Quality Public Services; promote safety, Health and Quality of Life; identify and respond to Community Needs: Create and maintain effective partnerships, attract and retain skilled, motivated employees and use strategic business planning. The City Council's organizational focus lay in the areas of:

- Community Safety
- Transportation
- Economic Development
- City within a City

- Restructuring Government

In order to establish HR departmental goals, Charlotte's HR department had to first understand the organization's goals.

The City of Charlotte's Human Resources Department, already involved in providing services and support to key business units and divisions in the first four focus areas, figured they could also play a unified role involving the Restructuring of Government. With this in mind, they developed a 5-year vision statement... the HR business plan. Their mission: "We will provide the City of Charlotte organization with effective human resource services which anticipate, respond to and focus on our customer's needs. We will support the City in its effort to provide the highest quality services at the lowest possible cost.

A very comprehensive plan, it focuses on the most effective ways to manage resources, utilizing these premises as a guide:

- We must have a customer focus
- We must attract, retain and motivate a quality workforce
- Workforce preparedness is the key to success
- We should educate, motivate and support employees to win in the competition arena

David Ripley, a lecturer on HR management at the University of Canterbury in Christchurch, New Zealand, also recommends that HR managers focus on three main areas, when developing a strategic business plan:

1. Operational excellence. How well are you conducting basic HR operations? This includes all functional areas, such as recruiting and compensation. To determine how you are doing in these areas, you can conduct employee surveys and review statistical data such as turnover and absenteeism rates, in relation to industry averages.

2. Short-range objectives. Every business objective has a human content. Find out what it is, and make sure it is addressed in your plan. HR must be seen as a contributor to the business. This will lead to HR practices that match current operational needs.

3. Strategic organization building. This includes the things you do to help build the human capital that will enable the business unit to survive in the future

An example of Charlotte's HR Department aligning one of their goals and plan of action with an organization initiative, is illustrated below:

Learning and Growth Perspective: Achieve Positive Employee Climate

Financial Perspective: Maximize Benefit/Cost

GOAL: Support the City's Restructuring Government initiatives relative to Workforce Recruitment and Retention (the need for work-life initiatives and a high level of employee satisfaction), Workforce Development (diversity awareness), and Competition so that the City retains a highly qualified workforce which is fully

prepared to provide cost-effective services to a rapidly changing and increasingly diverse community.

Challenges:

- There is an ever-increasing need to serve a dynamic, growing and diverse community with quality services at competitive costs.
- There is a need to continually evaluate the practices which may impact key business units' abilities to retain high quality employees and maintain high levels of employee morale.

Workforce needs must be evaluated in keeping with the Human Resources Philosophy adopted by the City Council which provides that we will have employee benefits at "moderate" levels.

An increase in retirements has resulted in the promotion of employees into supervisory and managerial positions who need additional coaching and developmental training.

Competition efforts mandate that initiatives being considered in order to help maintain a healthy, proactive work environment for employees also be considered in terms of how these initiatives impact KBUs' abilities to compete.

Objectives:

Serve as the primary resource in support of the initiative to build diversity awareness into the City's organizational culture, in recognition of the belief that a diverse workforce is key to serving a diverse community.

Serve as the primary resource for assessing current work-life/family issues and determining needed changes. Develop and manage changes as needed.

Serve as the primary resource to the Restructuring Government cabinet in the development of an action plan based on employee satisfaction survey results.

Support competition by offering consulting and other assistance to KBUs involved in competition processes and in development of incentive programs as part of their competition efforts.

Partner with the Training Team and KBUs to develop employees for supervisory and managerial positions to attract and retain a qualified and motivated work force.

Assist KBUs in successful recruitment of candidates from the global applicant pool for hard-to-fill technical positions.

Measures:

Assessment of utilization of current work-life initiatives for cost effectiveness.

On-going development and enrichment of work/life/diversity programs and services.

Development and implementation of training programs.

Development of guidelines for supervisors to hire non-U.S. workers.

Training classes to assist new supervisors or managers on HR issues.

Who is involved in the process

Even though the head of the HR department will steer the HR planning effort, it is important to consult with those who have to implement the plan. They have at their fingertips the tools for accomplishing your goals. One group you also work closely with is your finance team. It is important to bring them in at the beginning of the planning, rather than after you are finished. Financial information is the backbone of any organization initiative, so it is also important that you as an HR professional get background training in reading financial statements. You need to have an understanding of the financial side of the organization's operations to carry out your strategic planning effectively.

Communicating the Plan

In order to gain buy-in and trust in the plan, let all the relevant players review it and measure against it. You can use charts and graphs to make the plan easy to understand in meetings. If the key players do not understand the plan and what the strategy is, the team will not be unified in its objectives. Mutual understanding will energize employees to make progress towards achieving the goals.

Conclusion

If HR wants to be invited to take a seat at the table in the organizational strategic planning process, then you have to prove you have the ability to implement the strategy. If you show top management that you can perform well in even one aspect of strategic planning, you would more likely be involved in other projects. If you only focus on maintenance and administration, you will become an endangered species, because outsourcing firms can do a great job of handling these tasks. The key is to focus your HR department's goals and action plans more on activities that clearly add value to the organization's bottom line...activities such as strategic planning.

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Human Resources Team

Mission Statement

The City of Annapolis Human Resources Team is committed to providing exemplary service to employees, applicants and other stakeholders. We are dedicated to recruiting and retaining a well-trained, diverse workforce, motivated to provide superior public service.

City of Annapolis Department of Human Resources 5-year Vision Statement

- ~ Performance based/management by objective review system
- ~ HRIS technology
- ~ New office (physical space)
- ~ Paperless office
- ~ Telecommuting/Flextime/Condensed work week/Part-time
- ~ Better employee incentives (bonus pay)
- ~ Worklife issues (daycare, cleaning)
- ~ Stay with personal service
- ~ Computerized benefit enrollment (automated)
- ~ Revision of Personnel Rules & Regulations
- ~ New phone system (voice mail, job line, improved internet)

Organization Values

- ~ diversity in workforce

- ~ customer service - supporting
- ~ employee education and training - to perform job duties
- ~ family service
- ~ accuracy
- ~ promoting health and wellness
- ~ technology
- ~ morale boosting
- ~ recruit and retain highly skilled candidates
- ~ policy/procedures (create and implement)
- ~ innovation/creativity/"stepping out of the box"

City of Columbus
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Department of Human Resources

Department Description

The Department of Human Resources provides leadership, direction and support to city departments by:

- Administering employee benefit programs
- Coordinating and delivering citywide training and workforce development opportunities
- Designing and administering a fair, equitable, and market driven compensation management system
- Consistent and uniform administration of collective bargaining agreements
- Development and monitoring of occupational health and safety standards and drug-free workplace programs
- Coordination of citywide recognition and charitable programs
- Ensuring fair and equal treatment of employees and applicants

Department Mission

The mission of the Department of Human Resources is to promote and support organizational excellence through effective human resources programming administered in an environment that embraces diversity, quality customer service and professional development.

Strategic Priorities for 2005

From the Columbus Covenant:

Customer Service/Peak Performance

- Expand the city's "training enterprise" through the coordinated activities of the newly created citywide office of training and development (COTD). COTD will focus on the design and execution of training partnership agreements (TPA's) for each department and will partner with department/division liaisons to create outcome specific training plans. COTD will begin full utilization of the recently purchased "GYRUS" system as a central source of training data retention; thereby, enhancing outcome measurement capabilities. COTD will continue to contract with external entities to provide course offerings in targeted areas as an additional source of revenue.
- Work collaboratively with department and division safety professionals throughout the city as well as the Bureau of Workers' Compensation to expand programs that contributed to our success in reducing the frequency and severity of claims in 2004. The implementation of transitional work programs and expansion of industrial hygiene services will continue to be an area of focus. Human Resources will work with the Health Department to Human Resources devise and implement a comprehensive strategic plan for more efficient and cost effective delivery of clinical services. In 2005, the Employee

Benefits/Risk Management Division will begin implementation of a document imaging process that will enhance the efficiency of workers' compensation and injury leave claims administration. Full participation in the 2005 Capital Area Safety Council Incentive Program will result in additional workers' compensation premium discounts.

- Continue to focus on maximizing the city's ability to recruit, develop, and retain quality employees in support of the Columbus Covenant. In 2004, guidelines for administration of the management compensation plan (MCP) and administrative salary resolution (ASR) pay plans were designed and implemented. A 2005 strategic priority for the compensation management program area is the design and implementation of a citywide individual performance management program with a particular focus on the MCP and ASR. With the implementation of the Columbus Municipal Association of Government Employees (CMAGE) pay plan in 2004, the establishment of guidelines for the consistent administration of the plan will be a priority for 2005.

- Recruitment of quality employees and fair and equitable treatment of employees and applicants, consistent with the city's policies and executive orders will continue to be the priorities of the Equal Employment Opportunity (EEO) program area.

- Another strategic priority for Human Resources will be the full implementation of the "Front-line Supervisor" training modules. This will address a need identified in many of the training partnership agreements executed with departments/divisions in 2004. Additionally, COTD will continue to expand the number of courses offered to non-profit and government entities as a source of additional revenue.

- In 2005 Human Resources will focus on the redesign of the current employee recognition program. Focus groups were conducted in 2004 involving representatives from all areas of the city's operations. This information will serve as the foundation for the redesign of the program.

- Consistent administration of collective bargaining agreements will be the priority for the labor relations section. This will be achieved through a citywide human resources conference, periodic customer service visits with appointing authorities and their management teams, effective labor/management committees, and the implementation of a grievance-tracking database. Human Resources

2005 Budget Issues

- The Department of Human Resources will continue to provide professional development opportunities for the city workforce in 2005. A \$66,379 contract for employee training is budgeted in 2005. The department will continue to market training opportunities to external entities at competitive rates, thereby providing an additional source of revenue.

- The department will continue to keep the position of chief negotiator vacant in 2005. Instead the department has included \$100,000 for an independent contractor to perform the duties of a labor negotiator.

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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

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% Disabled 7.1% POC 17.4%	Women 32.9% Disabled 6.2% POC 18.4%	Women 34% Disabled 6% POC 20%	Women 35% Disabled 7% POC 24%	Women 30% Disabled 7% 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.

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.

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BUREAU OF HUMAN RESOURCES STRATEGIC PLAN

PURPOSE

WHEREAS, the Bureau of Human Resources (BHR) seeks to deliver effective and efficient human resources services and systems in support of the strategic business needs of the Council and bureaus in delivering services to Portland's citizens; and

WHEREAS, on February 14, 2001, the Council approved a recommendation by the Chief Administrative Officer and the Director of the Bureau of Human Resources to reorganize the delivery of human resources, together with the development of a Human Resources Strategic Plan; and

WHEREAS, the Bureau of Human Resources senior management team has developed a vision, mission, values and goals which are reflective of the new direction; and

WHEREAS, the Strategic Plan articulates for Council and BHR's customers its goals, strategies and benchmarks/indicators of success, which will guide day-to day activities and long-term strategies for achieving Council's human resources policy direction; and

WHEREAS, strategic planning and management of human resources will allow BHR human resources activities to become more future-oriented and to make proactive and informed decisions on program activities and allocation of resources; and

WHEREAS, the Bureau of Human Resources Strategic Plan is complementary to the Strategic Plan of the Office of Management and Finance; and

WHEREAS, the Human Resources Strategic Plan sets forth the Council's policy direction for the City's human resources functions and systems.