



Building Careers and Opportunities

Commonwealth of Kentucky
Personnel Cabinet – personnel.ky.gov



Personnel Cabinet

■ Mission Statement

- The Personnel Cabinet is dedicated to providing exceptional services and leadership for effective, efficient, and proactive human resources management.

■ Vision

- To serve as a state model for innovative, accessible and responsive human resources services.

Expectations

- Comprehensive Automated Payroll / Personnel System
- Easy Access to Data and Reports
- Oversight/ Compliance / Best Practices
- Applicant to Retirement in One System
- Benefits Administration
- Recruitment / Testing
- Self-Service

Current HR Systems

Current Enterprise Systems

Main Frame
Personnel
Position Control
Payroll

Finance
MARS

Cabinet / Agency HR Systems

Merit
Recruitment
Custom

Non-Merit
Applicant Data
Custom

CLICK HR
Employee Self Service
Custom

On-Line Enrollment
Custom

Worker's Compensation
Custom

Group Health Insurance
Custom

Testing
Custom

Employee Suggestion
System
Custom

Premium Billing
& Reconciliation
Custom

Reporting
CICS & Excel
Manual

Web Register
Custom

Cabinet for Health
and Family Services

Commerce Cabinet

Economic
Development
Cabinet

Personnel Cabinet

Education Cabinet

Transportation
Cabinet

General Government

Finance and
Administration
Cabinet

Environmental and
Public Protection
Cabinet

Justice and Public
Safety Cabinet

Systems Overview

HRIS

Payroll Mgmt. - Benefits Adm. - Human Resources
Employee Self-Service - Workforce Planning
Time & Attendance

Recruitment

Job Posting
Applicant Portal
P1 Workflow
Pre-Qualification

Testing

Remote Test Sites
Proctored Tests
Automated Scoring
Web Based

Recruitment

- 60,000 Applicants Qualified Annually
- Approximately 4,000 Hired Annually
- 200-300 Walk-in Applicants Per Day
- 500 Mail-In Applications Per Week
- 9000 Phone Calls Per Week
- Registers vary from 2-1,700 Qualified Applicants
- 1,400 Job Classifications and Growing
- Cannot Search Applications for Skills or Abilities
- 60% Paper Driven
- Job Classes are Complex
- Many Job Classes Have not Been Reviewed Since the Early 1980's

Current Job Register

CERT NO: 05001 31040004

EXPIRES: 3-15-05 F

POSITION: Staff Attorney III LOC: Fran

DATE: 1-14-05 1

Name		Address	Score	Action	Effective Date
DOE 111-11-1111	JOHN 502-555-1234	540 YELLOW ST LOUISVILLE, KY 40214	IM		
DOE 222-22-2222	JANE 502-555-4321	117 ANYWHERE ST LEXINGTON KY 40502	IM		
SMITH 333-33-3333	ROBERT 502-555-5555	3318 KENTUCKY WAY LOUISVILLE KY 40220	IM		

DATE: _____

APPOINTING AUTHORITY _____

INSTRUCTIONS

ACTION TAKEN BY AGENCY: Indicate action in column 4 with proper code

A- Appointed

AFR – Appointed – Failed to report

C-Considered

FR – Failed to reply to written inquiry

I – Interviewed

WA-Wrong Address

D- Declined offer of Appointment

AE – Agency Exception (reason for exception must be submitted in writing and approved by Personnel Cabinet)

NA – Not Available

FI – Failed to schedule or report for interview

Comparison of a Classification

Project Manager Job Description from the Private Sector

Assignment Summary

- The successful candidate will have the ability to design, guide the development and implementation of process which will meet the requirements of Project owners for delivering Testing results on Projects
- The ability to lead technical resources is essential
- Must develop and maintain key relationships within all impacted areas (business, Information Technology and external)
- Reviews and analyzes Test results, and aids in issue resolution
- Responsible for organizing and leading Testing for Projects or Project components, understanding system and Environmental Issues, conducting and acting upon lessons learned related to Testing
- Traditional Auditing and Data Analysis experience is a plus
- This role will contribute to final decisions regarding readiness of production installations

Comparison of a Classification

Project Manager Job Description from the Private Sector

Key Requirements

- Master's Degree. May Accept Exceptional Skills and Relevant Experience as a Substitute.
- Applied knowledge of Health Care Insurance Processing Preferred
- Excellent Verbal and Written Skills
- Excellent Time and Project Management Skills
- Excellent Analytical and Problem-Solving Skills
- SQL Skills
- Detail-Oriented
- Able to Manage Multiple Projects/Tasks Simultaneously
- Ability to Effectively Interact with Peers, Assigned Groups and Other Groups
- Ability to Excel in a Fast Paced Work Environment
- Ability to use Web-Based Technology, Computer Software Systems and Productivity Tools Necessary to Accomplish Individual and Team Objectives
- Working knowledge of MS Access, Excel, PowerPoint, Visio and Word Preferred
- Reliable, Accountable and Self Motivated

Comparison of a Classification

Project Manager Job Description from the Private Sector

Desired Skills

- Management
- Microsoft Access
- Microsoft Excel
- Microsoft PowerPoint
- Microsoft Visio
- Microsoft Word
- Project Management
- Insurance
- Benefits
- ITS
- Structured Query Language
- Intel 8086 microprocessor
- Test IBM 4381 Coding Audit
- Data Analysis
- Medical
- Operating Room
- Reviews
- Environmental Issues
- Information Technology
- Software

Comparison of a Classification

Systems Consultant IT: Commonwealth Equivalent

CHARACTERISTICS OF THE CLASS

Analyzes requests for information technology development and prepares long range information technology plans across agency organizational business lines. Provides analytical support for large-scale development projects including overall system design and integration; **OR** Analyzes requests for training and /or plans, coordinates or develops highly complex training programs for information technology personnel; and performs other duties as required.

Comparison of a Classification

Systems Consultant IT: Commonwealth Equivalent

Examples of Duties or Responsibilities of the Classification

Works with user agencies in the planning of information technology resource utilization. Serves as project leader or provides analytical support to information technology management in the integration and design of large-scale development projects. Analyzes project requests for selection of packaged software, new computer development and/or major system modifications. Prepares feasibility study documents, long range information technology plans and summaries of agency project requests and other reports resulting from the analysis of requests for information technology services. Plans, develops, coordinates or presents highly complex information technology training. Analyzes user problems and makes recommendations for solutions. Develops and makes presentations to agency heads and information technology management explaining the planned and actual utilization of information technology resources. Monitors plans and products developed by contract consultants and other information technology staff. Provides leadership and/or assistance in the formulation of contractual relationships with vendors, such as Request for Project Services Proposals (RPS), Service Level Agreements, Enterprise Licensing Agreements, Scope of Work documents, Business Cases, Request for Proposals (RFP) and/or evaluation methodologies. Provides technical assistance to systems analysts, programmer analysts, business analysts and /or contract consultants in the development and integration of computer systems to enable the business processes of user agencies.

Applicant Waiting Room

Current

- Applying for 4-15 Job Classifications at a Time
- 60% Applying to Non-Vacant Positions
- 10% Applying for 3 or Less Job Openings
- 30% Retest, Re-instatements, Verifications
- Average Wait Time for Applicants is 2 - 4 Hours

Future

- Express Check-in
- Help Desk
- Extend Postings to 10 Business Days
- Expansion of Staff to Handle Mail-in Applications
- Exploring Vacancy Only Job Postings

Recruitment Solutions

(Currently Implementing)

- 24/7 Web Based Access
- Searchable Applicant Data
- User Friendly Reporting Capabilities
- Implement / Monitor Standard Recruitment Processes
- Applicant Self-Service
- Email Notifications

Testing

HRIS

Payroll Mgmt. - Benefits Adm. - Human Resources
Employee Self-Service - Workforce Planning
Time & Attendance

Recruitment

Job Posting
Applicant Portal
P1 Workflow
Pre-Qualification

Testing

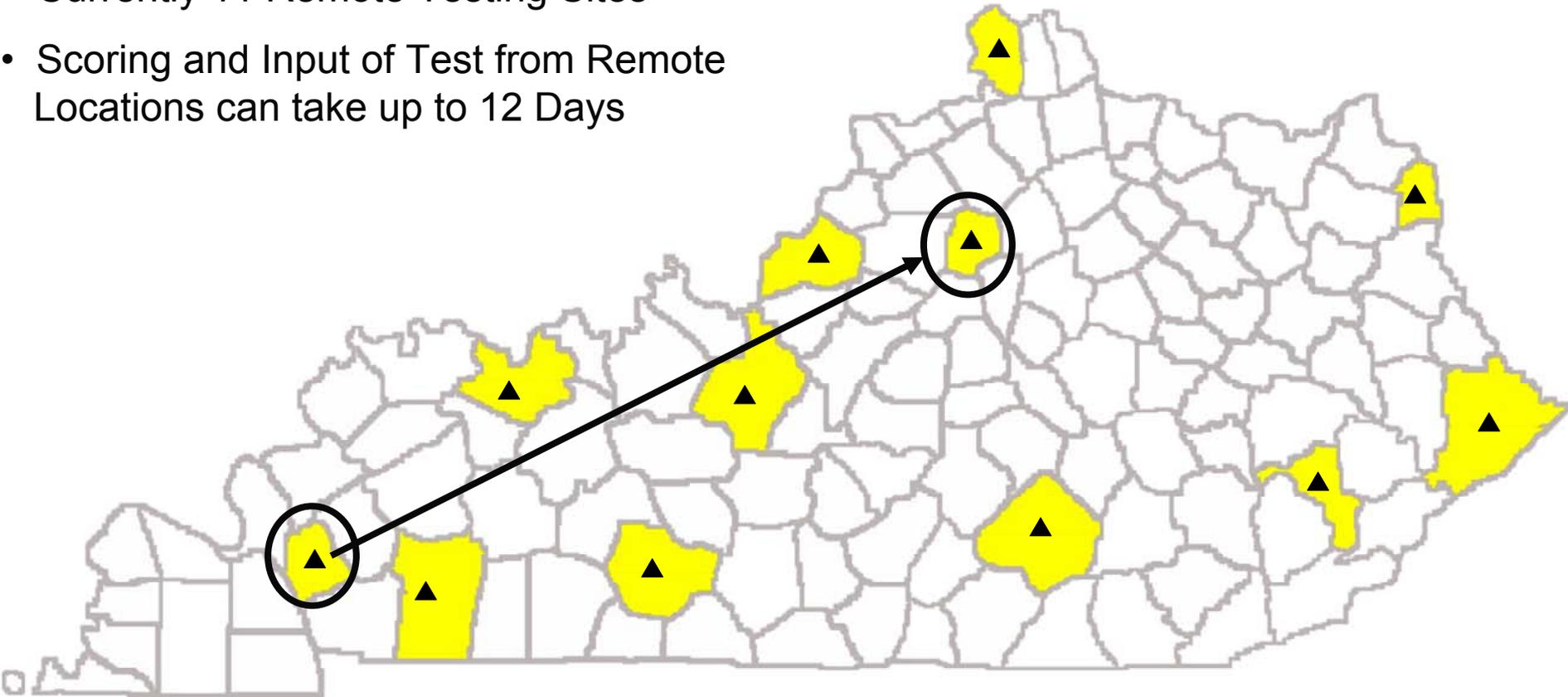
Remote Test Sites
Proctored Tests
Automated Scoring
Web Based

Testing

- Total Tested Positions – 227
- Tests Taken Per Year - 24,418
- Average Test can Take 1-1.5 Hours to Complete
- 91.4% of all Tests are Taken in Frankfort
- Tests Questions Developed by the Cabinets
- All Vacancies for A Job Classification are Given the Same Exam
- Some Tests Not Updated or Changed Since the 1980's
- Average Test Center is Open Once Monthly/ 60% Absentee Rate
- Tests at Remote Sites are Paper Based
- No Feedback / Test Validation

Current Testing Arrangement

- Jobs Post for 10 Calendar Days
- Currently 11 Remote Testing Sites
- Scoring and Input of Test from Remote Locations can take up to 12 Days



Driving to Frankfort for Testing Can Take Approximately 4hrs 17 minutes
One Way from Eddyville, KY

Sample Test Question

Ticket Clerk

The following question is designed to evaluate your ability to use coins in combination to make correct change. You will be told the amount of change in bills and you must select the group of coins necessary to provide the correct change to the customer.

A man has a bill for \$4.07. He gives you a ten-dollar bill. The change you return is a five-dollar bill and which combination of coins below?



three quarters, two nickels, three pennies



three quarters, one dime, one nickel, three pennies



three quarters, three dimes



five dimes, six nickels, three pennies

More Sample Test Questions

Kentucky Vehicle Enforcement Officer

I'm going to have a date with either Ann or Kathy. If I go out with Ann, I will see a movie but if I go out with Kathy, I will see a baseball game. I didn't see a movie therefore,

1. I didn't have a date.
2. I took Ann to the baseball game.
3. I saw a baseball game.
4. I went home.

My favorite ice cream is chocolate. My doctor has me on a diet that does not allow ice cream. I always eat dessert. I have a choice of cake or chocolate ice cream for dessert. I'd better follow the doctor's orders therefore,

1. I'll have chocolate Ice cream for dessert.
2. I won't have dessert.
3. I'll have my favorite ice cream for dessert.
4. I'll have cake for dessert.

Testing Solutions

- Web Based System
- Increased Frequency of Testing Dates at Remote Test Centers
- Tests Developed by Certified Psychometrician
- Computer Adaptive Testing (CAD)
- Combination of Question, Essay and Interactive Test Questions
- Test Validation and Feedback
- Immediate Scoring with Real Time Feedback to the Recruitment System

HRIS

HRIS

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Employee Self-Service - Workforce Planning
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Web Based

HRIS

- No Single Source of Information
- Multiple Paper Documents Required for Employee Updates
- 15,000 Timesheets Printed Monthly
- Approximately 45,000 Paychecks Produced every 2 Weeks
- Multiple Custom Applications
- Duplicate Data Entry
- 180,000 Benefits Enrollees Per Year
- Limited Self-Service Options
- No Centralized Store of Historical Data
- Reports are Difficult, Complex and Time Consuming to Produce

What is a State Employee?

Merit Employee

Non-Merit Employee

Governor's Office

Interims/Co-ops

Legislative Branch

Universities and Community Colleges

Lt. Governor's Office

Ky Teachers & Teacher's Retirement (KRS 161)

Auditor's Office

KY River Authority

Attorney General's Office

PVA's

Agriculture Commissioner's Office

KY Turnpike Authority

Secretary of State's Office

General Assembly

Commonwealth Credit Union

Unified Prosecutorial System

Appropriation Budget Reserve USA

Sheriff's Offices

KY Local Jail Authority

State Troopers (KRS 16)

KY Long Term Policy Research

Fair & Exposition Center

Department of KY Vehicle Enforcement

KCTCS

Kentucky Center for the Arts

Transportation Budgetary Control USA only

Legislative Research Commission

Counties over 70,000

Boards & Commissions

Office of the Controller

Some Employees of Cabinet 51 (KRS 151B)

KY Lottery Corporation

Personal Service Contract Employees

National Guard

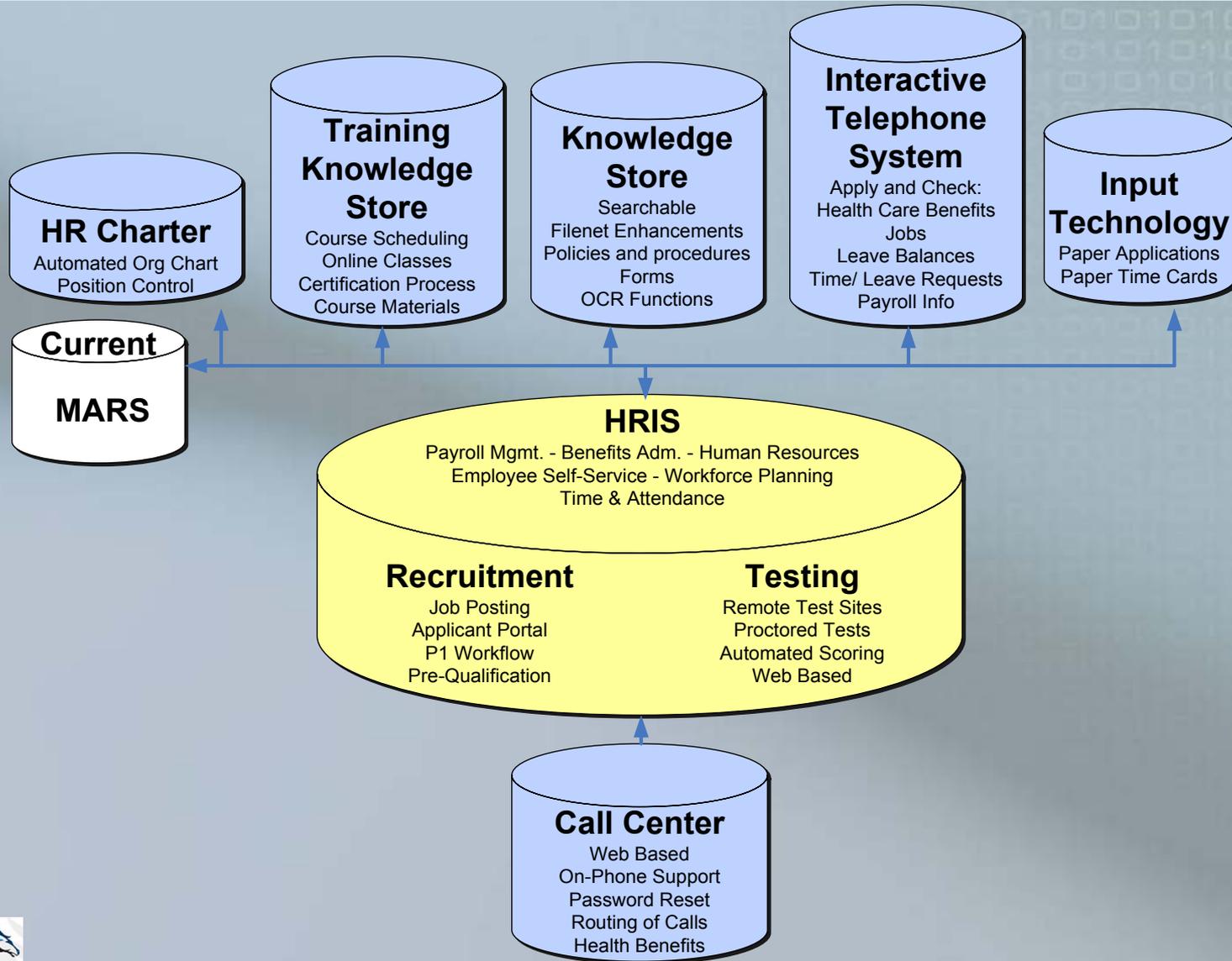
KY Housing Corporation

KY Agricultural Finance Corporation

HRIS Solutions

- Process and Procedural Improvements
- Centralized Employee and Financial Information
- Position Control
- Centralized Benefit Management
- Electronic Workflow
- Significant Decrease in Manual Processes
- Expanded and Enhanced Self-Service Options
- User-Friendly Reporting Tools

HRIS Vision



How Do We Get There?



Involvement From:

Blue Ribbon Task Force

Agencies

Employees

Citizens

Overview of the Projects

ERP (Enterprise Resource Planning) System

Human Resources Information System (HRIS)

Web Based Front End – Workflow Driven

Testing & Scoring	Recruitment	Payroll	Benefits	Time and Attendance	Position Control	Human Resources	Self-Service
<ul style="list-style-type: none"> • Test Validation • Schedule Test • Dispersed Test Locations • Routine Test Updates • Test Security • Online Remote Test Centers 	<ul style="list-style-type: none"> • Merit/Non-Merit • Job Postings • Reports • Database of Applicants • Distribution of Registers • Apply Online • Job Alerts 	<ul style="list-style-type: none"> • Standardization of Commonwealth Policies • Improved Entity Interfaces • Automated • Applicant to Retirement • Bill Work Hours as Needed • Standard and Flexible Schedules 	<ul style="list-style-type: none"> • Health Insurance • Life Insurance • Flexible Spending Accounts (FSA) • Reports • Family Medical Leave Act (FMLA) • Interface with Deferred Comp 	<ul style="list-style-type: none"> • Enter Work Times • Leave Balance Maintenance • Personnel Budget • Standardization of Time and Attendance Software 	<ul style="list-style-type: none"> • Review Cabinet Cap • Employee Counts • Approval Cycle • Personnel Budget 	<ul style="list-style-type: none"> • Worker's Comp • Training • Streamline Re-org Process • Performance Management • Employee Suggestion System • Mediation Record Keeping 	<ul style="list-style-type: none"> • Benefits Enrollment • Update Personal Information • View and Print Personnel Record • View & Print Paycheck Stubs and W2's • Reports • Management Self-Service

Data Feeds

Financial System
e-MARS



Commonwealth of Kentucky

**Presentation to the Governor's Blue Ribbon
Task Force on a Review of the Merit System**

September 14, 2005

HayGroup

Presented By

Neville B. Kenning
National Director, State Government Consulting
Hay Group
Los Angeles

Today's Agenda

- ▶ About Hay Group
- ▶ Hay Group Experience
- ▶ The Focus of Your Review
- ▶ A Model for Human Resources Effectiveness
- ▶ Addressing Major Components:
 - ✓ Classification and Compensation
 - ✓ Recruitment and Selection
 - ✓ Governance and Administration of Human Resources
- ▶ Two Case Studies of Success
- ▶ An Important Lesson Learnt
- ▶ Questions?

About Hay Group

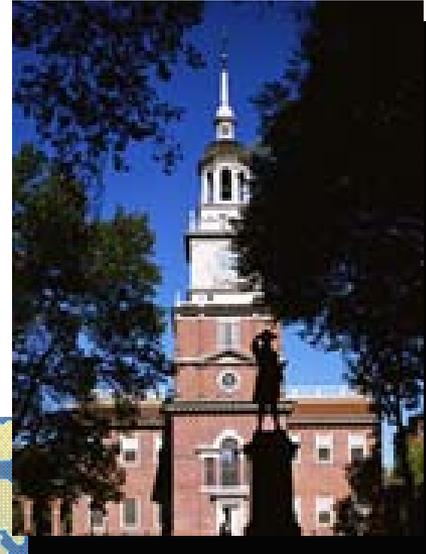


Our Mission: To help clients achieve their strategies through PEOPLE...

About Hay Group (Cont'd.)

Established in
Philadelphia in 1943

41 countries/78 cities

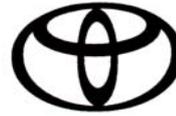


2,000 employees

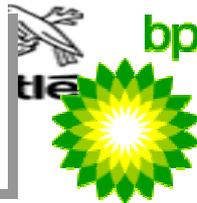
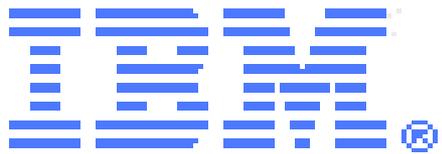
10,000+clients
Worldwide



Representative General Industry Hay Reward and Job Evaluation Clients



JOHN DEERE



AMERICAN EXPRESS



HayGroup

Hay Group Experience - State Governments

- ▶ State of Idaho
- ▶ State of Mississippi
- ▶ State of Oklahoma
- ▶ State of New Mexico
- ▶ State of South Carolina
- ▶ State of Alabama
- ▶ Commonwealth of Kentucky
- ▶ Commonwealth of Pennsylvania
- ▶ State of Louisiana
- ▶ State of Oregon
- ▶ State of Florida
- ▶ State of Delaware
- ▶ State of Minnesota
- ▶ State of New Hampshire
- ▶ State of Maine
- ▶ State of South Dakota
- ▶ State of Kansas
- ▶ State of Arizona

Hay Group Experience with the Commonwealth of Kentucky

Classification, Compensation and Benefits Project

- ▶ Significant project that addressed classification, compensation and benefits review and design (linked to EMPOWER Kentucky and House Bill **268**).
- ▶ Recommendations made relating to:
 - ✓ Classification consolidation
 - ✓ Use of a defensible method of job evaluation
 - ✓ Pay Structures
 - ✓ Benefits Cost Savings
- ▶ It is our understanding that little, if any, of the recommendations were implemented for a variety of internal reasons.

The Focus of Your Review

- ▶ is getting the attention of key leaders in a number of States
 - ✓ State of Idaho - Interim Committee
 - ✓ State of Washington – Civil Service Reform
 - ✓ State of Georgia – “Georgia Gain”
 - ✓ State of New Mexico –NMHR2001
 - ✓ State of Colorado – Personnel Reform
 - ✓ State of Louisiana – Civil Service Reform
 - ✓ State of South Carolina – the “Green Plan” document

What Are the Common Drivers of These Reviews?

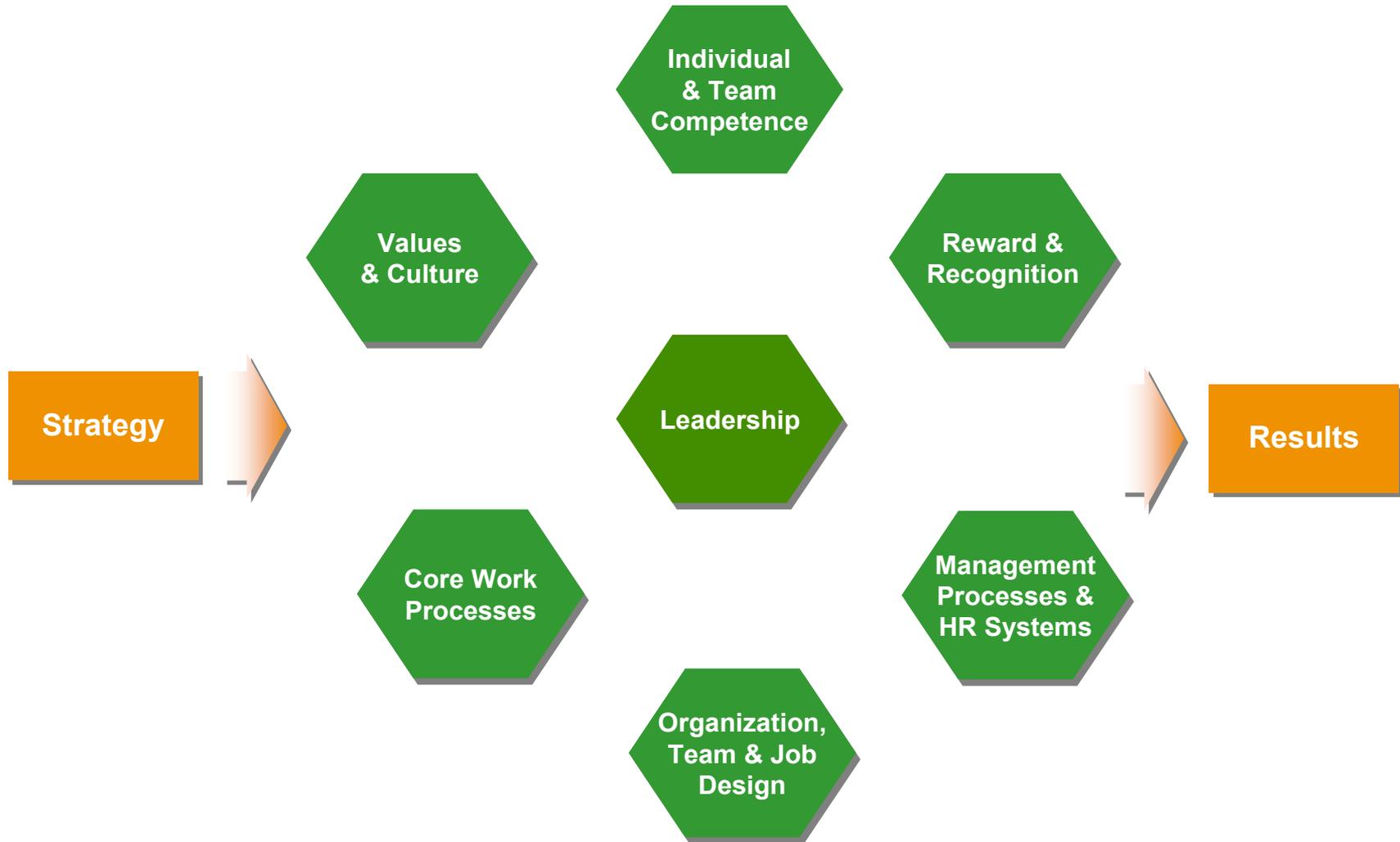
- ▶ Accountability in Government legislation;
- ▶ Drive for “performance” based....;
- ▶ Desire for simplification;
- ▶ Enhance the productivity and effectiveness of managers and employees;
- ▶ Heightened awareness of “ROHRI;” and
- ▶ ... “it takes that long?”..... “you do what?”.....

Why is Understanding the Value and Effectiveness of our HR Programs Important?

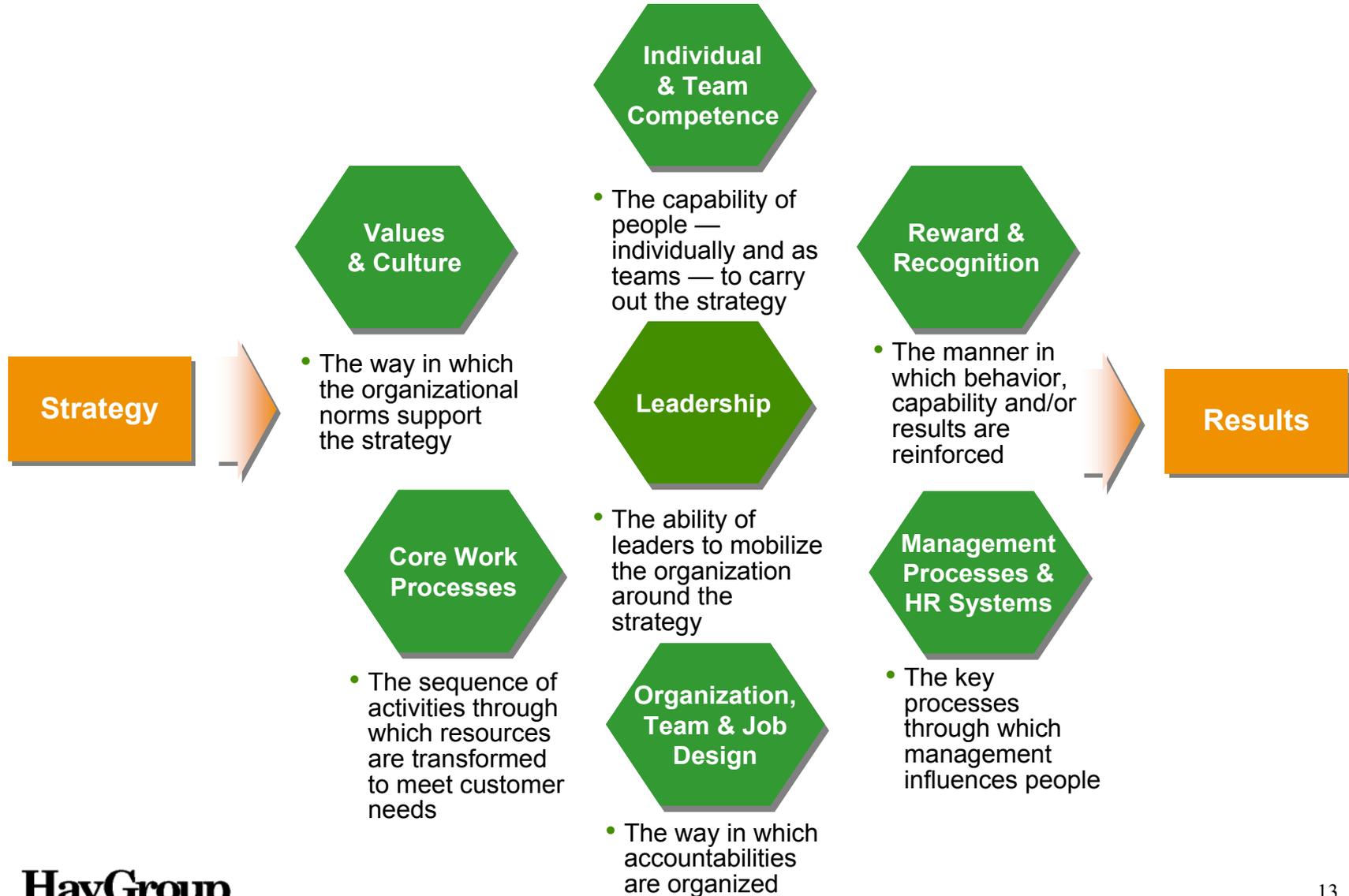
It can be measured and proven of value in the private sector, but what's the value in the public sector?

- ▶ Human resources expenditures are the “big ticket item” in the service sector in general and the public sector in particular.
- ▶ Human Resources staff are under pressure to become “business partners” (people who add value) rather than overhead (people who cost money).
- ▶ Becoming a business partner requires our ability to prove our worth and speak the language of our “customers” – dollars.
- ▶ We have “stakeholders” who view employees as a cost, rather than an asset in which we need to make an investment. “What do you mean, we need to pay that much – I can get my ranch hands for 3 and ¼ per hour and they work hard.”

A Model for Human Resources Effectiveness



A Model for Human Resources Effectiveness (Cont'd.)



Classification and Compensation

What Are The Issues You Face?

- ▶ Demands for less classifications;
- ▶ Demands for less grades;
- ▶ More flexibility in recruiting, testing, lists, etc.
- ▶ Demands for higher pay rates;
- ▶ Demands for creating a pay-for-performance environment from some “constituencies” and yet a resistance to a pay-for-performance culture from others;
- ▶ Demands for performance to be about how the role is performed, not just what is done; and
- ▶ Need to take a Total Remuneration approach to compensation, not just base pay.

Classification and Compensation (Cont'd.)

How Are These Issues Expressed?

- ▶ The current classifications no longer reflect the nature of today's roles;
- ▶ Many employees are misclassified;
- ▶ Minimum qualifications are restrictive;
- ▶ Pay is too low; “we can't attract nor retain;”
- ▶ There is inadequate mechanisms for rewarding employees who attain and apply new skills and knowledge;
- ▶ Professional individual contributors end up in management positions to give them a promotion because there is no career progression; and
- ▶ “We can't pay for performance.”

Classification and Compensation (Cont'd.)

What Is The Potential Fiscal Impact?

The Value Equation

1.	Number of employees: approximately 24,000		
2.	Average salary and benefits cost/employee: \$35,000*		
3.	Total payroll: \$840MM (24,000 Employees x \$35,000)		
4.	Assumed misalignment of classification and compensation that is likely to exist if 5-7 years since plan was last reviewed: 15% of employees*		
5.	Estimated misallocation of compensation: \$126MM (\$840MM x 15%)		
In addition:			
6.	Average Rate of turnover for the organization: 12% per year		
7.	Estimated percentage of turnover caused by compensation issues: 33%*		
8.	Approximate cost to replace an employee: 75% of the annual salary of the position*		
9.	Total cost of employee turnover caused by compensation issues in the organization: \$24.948MM (\$840MM x 12% turnover x 33% compensation factor x 75% of the salaries of the position)		
* Assumption (conservative)			

Classification and Compensation (Cont'd.)

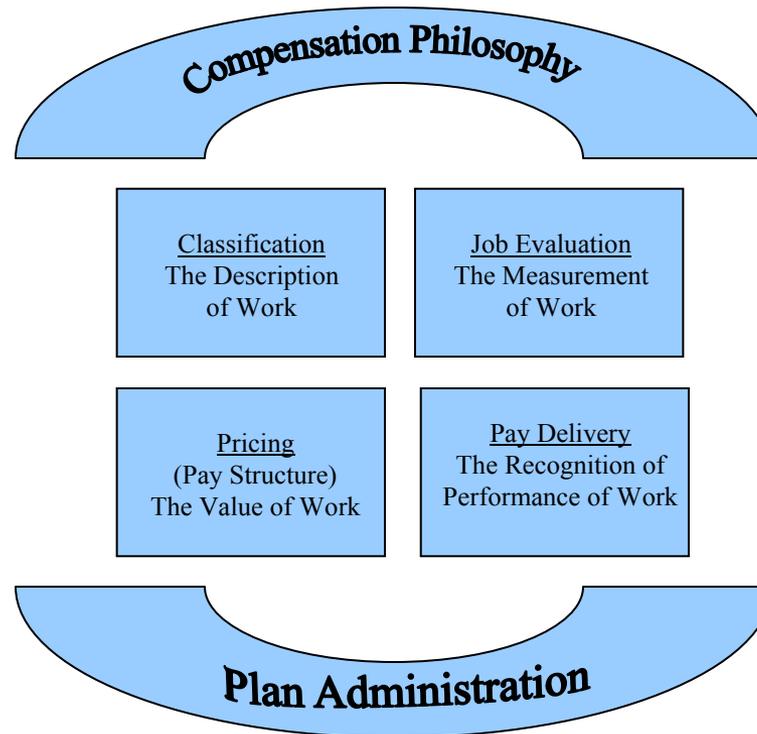
The Value Equation (Cont'd.)

1.	Number of employees:		
2.	Average salary and benefits cost/employee:		
3.	Total payroll:		
4.	Assumed misalignment of classification and compensation that is likely to exist if 5-7 years since plan was last reviewed:		
5.	Estimated misallocation of compensation:		
In addition:			
6.	Average Rate of turnover for the organization:		
7.	Estimated percentage of turnover caused by compensation issues:		
8.	Approximate cost to replace an employee:		
9.	Total cost of employee turnover caused by compensation issues in the organization:		

Classification and Compensation (Cont'd.)

Common Examples	Reward Elements	Definition	
<ul style="list-style-type: none"> ■ Quality-of-Life ■ Affiliation ■ Development 	Other Non-Cash Rewards	TOTAL REWARD	
<ul style="list-style-type: none"> ■ Cars ■ Clubs ■ Physical Exams 	Perquisites		
<ul style="list-style-type: none"> ■ Retirement ■ Health & Welfare ■ Time off w/Pay ■ Statutory Programs 	Benefits		
<ul style="list-style-type: none"> ■ Stock ■ Equity 	LTI		TDC
<ul style="list-style-type: none"> ■ Annual Incentive ■ Bonus ■ Contract 	Annual Variable		TDC
<ul style="list-style-type: none"> ■ Base Salary ■ Hourly Wage 	Base Cash		

Classification and Compensation (Cont'd.)



Classification and Compensation (Cont'd.)

Some Examples of States That Have Addressed This Issue

- ▶ State of New Mexico
- ▶ State of Oklahoma
- ▶ State of Mississippi
- ▶ State of Idaho
- ▶ State of Georgia
- ▶ State of Maine
- ▶ State of Minnesota
- ▶ State of Washington
- ▶ State of South Carolina
- ▶ State of New Hampshire

Recruitment and Selection

What Are The Issues You Face?

- ▶ Major trends affecting the talent pool:
 - ✓ A demographic shift
 - ✓ An aging workforce
 - Teachers
 - Nurses
 - Public Servants
 - ✓ The decline in mentoring
 - ✓ A more mobile workforce
 - ✓ Work/Lifestyle Pressures
 - ✓ Changing Aspirations/Commitments
 - ✓ The need for more “positives” and fun in life

Recruitment and Selection (Cont'd.)

How Are Some of These Issues Expressed?

- ▶ The inability to attract qualified and quality candidates;
- ▶ Early retirements and the lose of organization history and knowledge;
- ▶ The time taken to fill positions;
- ▶ A recruitment and selection process with which today's applicants are not familiar;
- ▶ The “restrictiveness” of lists;
- ▶ “Conflict” between recruiting processes of Central HR and the needs of the Agencies; and
- ▶ Too much paperwork/lack of technology based recruiting.

Recruitment and Selection (Cont'd.)

Some Examples of States That Have Addressed This Issue

- ▶ State of Wisconsin
- ▶ State of Idaho
- ▶ State of New Mexico
- ▶ State of California
- ▶ State of Mississippi
- ▶ State of South Carolina

Governance and Administration of Human Resources

What Are The Issues You Face?

- ▶ Centralized vs. Decentralized administration;
- ▶ HR vs. “Line” management authorities;
- ▶ Role of Human Resources employees: administration vs. internal consultant;
- ▶ Role of the State Personnel Board;
- ▶ “Rules” vs. “Tools;”
- ▶ Automation of HR processes and Human Resources Information systems;
- ▶ Legislative vs. Executive Branch roles; and
- ▶ Doing it in-house vs. Outsourcing.

Governance and Administration of Human Resources (Cont'd.)

How Are Some of These Issues Expressed?

- ▶ Governance established many decades ago, often for reasons which are not relevant today;
- ▶ Central HR viewed as “enforcer of rules” rather than “enabler through tools;”
- ▶ Lack of automated processes;
- ▶ Pressure from legislators to outsource;
- ▶ Multiple “stakeholders” with potentially conflicting agendas;
- ▶ The role of Unions; and
- ▶ Attitude – “its fine for the private sector but....”

Governance and Administration of Human Resources (Cont'd.)

Some Examples of States That Have Addressed This Issue

- ▶ State of South Carolina
- ▶ State of New Mexico
- ▶ State of Idaho
- ▶ State of Oklahoma
- ▶ State of Florida
- ▶ State of Texas
- ▶ State of Georgia
- ▶ State of Colorado

Two Case Studies of Effectively Tackling Human Resources Reform

State of South Carolina

- ▶ Only State to be given an A grade for Human Resources by Governing magazine in the first two “Grading the States” survey;
- ▶ Winner of prestigious award at National IPMA Conference in 2000;
- ▶ Attracted young talent into the Office of Human Resources from the private sector;
- ▶ Continuity of successful leadership of the OHR; and
- ▶ Implemented Reform on a no-cost basis.

Two Case Studies of Effectively Tackling Human Resources Reform (Cont'd.)

- ▶ Development of 5 Year Strategic HR Plan (the “Green document”);
- ▶ Development of Performance Measures;
- ▶ Classification Consolidation;
- ▶ Grade Structure Consolidation;
- ▶ Formation of Agency Head Salary Commission;
- ▶ Adoption of competitive pay structures, particularly at Agency Head level;
- ▶ Delegated Authorities to Agencies through the development of Service Agreement contracts of performance;
- ▶ Training of HR professionals in how to be “internal business partners and consultants;”
- ▶ Head of HR acting as “Chief Marketing Officer” for Human Resources; and
- ▶ Report and Celebrate Success.

Two Case Studies of Effectively Tackling Human Resources Reform (Cont'd.)

State of New Mexico

- ▶ The Accountability in Government Act (1998) sought to improve the effectiveness of state government operations through the mechanisms of program and performance-based budgeting;
- ▶ Vision of the State Personnel Director aligns human resource management with program and budget management to fulfill the dual promise of the Personnel Act and the Accountability in Government Act;
- ▶ Aimed at increasing the productivity and effectiveness of the classified service; and
- ▶ To be achieved by heightening the effectiveness of managers through improved human resources systems, tools, skills and delegated authorities.

Two Case Studies of Effectively Tackling Human Resources Reform (Cont'd.)

▶ Merit Based Opportunity

- ✓ Fewer more generic classifications with use of working titles;
- ✓ Separate Technical Occupation Group classifications from Management Classifications;
- ✓ Recruitment by working title based on JRQS (job related qualification standards); and
- ✓ Applicants “tested” or assessed against JRQS.

▶ Compensation

- ✓ Redefinition of Comparative/Competitive Market;
- ✓ Redefinition of Policy level in the market;
- ✓ Pay Band Structures;
- ✓ Annual Pay Structure Movement; and
- ✓ Policy Based on Total Compensation, not just base pay.

Two Case Studies of Effectively Tackling Human Resources Reform (Cont'd.)

- ▶ Training and Development
 - ✓ Creation of Management Training and Development Program (funded by the Legislature);
 - ✓ Creation of a “Senior Executive Service” component; and
 - ✓ Consolidation of training efforts.

- ▶ Performance Audit and Accountability
 - ✓ Development and Implementation of Authorized Agent;
 - ✓ Establishment of HR Quality Assurance and Agency Relations Unit;
 - ✓ Changing of the Performance Management Plan and enhanced linkage between pay and performance; and
 - ✓ Re-definition of the role of the State Personnel Board and re-writing of the entire Personnel Rules.

Two Case Studies of Effectively Tackling Human Resources Reform (Cont'd.)

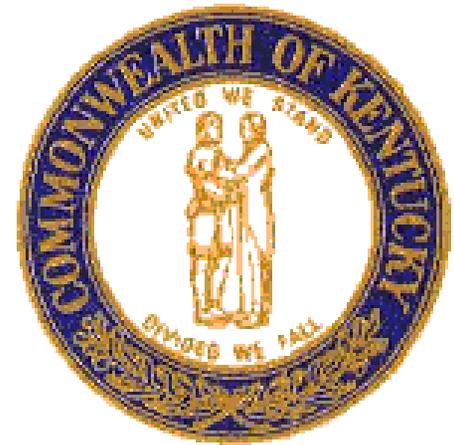
- ▶ New Automated Human Resources System
 - ✓ While not within the scope of NMHR2001, it was recognized by all key stakeholders that such a system would be integral to the future success on new initiatives of State Personnel.
 - ✓ Importance of the linkage between strategic direction of technology and the strategic direction of human resources.

Finally, an Important Lesson Learnt

- ▶ **Involve Key Stakeholders**
 - ✓ Policy Advisory Group
 - ✓ Steering Committee
 - ✓ Project Teams

- ▶ **Four Examples**
 - ✓ State of Idaho
 - ✓ State of Mississippi
 - ✓ State of Oklahoma
 - ✓ State of New Mexico

Creating Value from Human Resources: An Examination of Best Practices in Public Human Resource Agencies



Christel C. Slaughter, Ph.D.
SSA Consultants

The ultimate measure of HR programs is how well they help attract and retain customers and improve their satisfaction.

**Dave Ulrich and Wayne Brockbank
*HR Magazine, June 2005***



It's all about...

VALUE

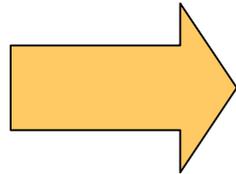


But, Who are Your “Customers”?



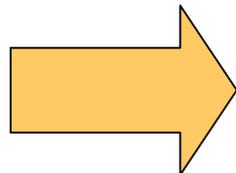
Traditional HR Role: Create Value for Internal Stakeholders

Employees



**Competent
and Committed**

Line Managers



**Deliver Strategy and
Reach Agency Goals**



HR in the New Millennium

Focus on Two Levels:

Internal Customers

External Customers



Traditional Focus: Internal Customers

- How well do you know your agency HR professionals, department heads, key leaders?
- Do they view you as a partner, an advocate, an approval mechanism?
- Do you know their biggest challenges?



New Focus: External Customers

- How well do you know the concerns of regulated industry?
- What about citizen concerns about crime, safe roads, tax questions?
- Could you articulate frustrations with permitting and licensing processes?



Change at Warp Speed for HR Professionals

- HR professionals from high-performing organizations have substantially greater knowledge of external factors than their less-successful counterparts.
- They help external customers become connected to the organization.



HR's Emerging Role...

To improve customers' experiences and deliver value through customer share.



How???

- Develop customer literacy
- Think and act like a customer and competitor
- Measure and track targeted customers and contribute to their value proposition
- Align HR practices to the customer value proposition
- Engage target customers in HR practices



Customer Literacy

- Who are they?
- Why are they here?

REMEMBER THE 80/20 RULE!!!!



Customer Loyalty Questions

- Were you satisfied with our service?
- Would you want to work with us again?
- Would you recommend us to others? Or, if you had a choice would you work with us again?



Think Like a Customer and Competitor

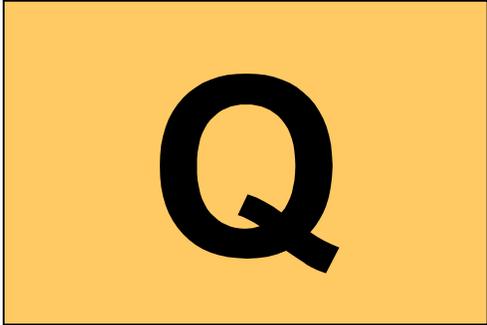
- Mystery shop the agency
- Review customer feedback
- Attend meetings with program/agency people and their customers
- Observe processes, regional offices



Monitor Results

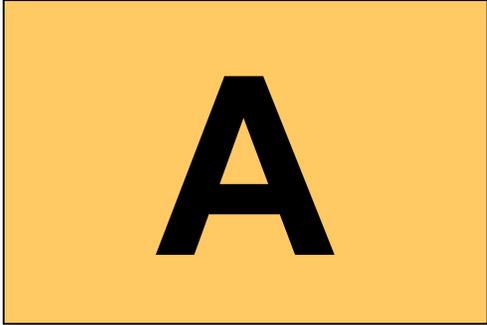
- Link to performance appraisals
- Reward and recognize superior customer service
- Assist in gathering customer data





Q

Is there a proven, effective method for determining how satisfied customers are?



A

Yes. Ask them.



Ask...

- Overall, how satisfied were you with your experience?
- How responsive was the employee who served you?
- How reliable was the employee who helped you?
- How much empathy did he/she demonstrate?



What is the Cost of Poor Service in Public Services?

- Outsourcing
 - *DOT's and DPW's outsource design work*
- Agency consolidation
 - *Commissioner of Elections*
- Oversight or new agency creation
 - *FBI and Department of Homeland Security*



Understanding Customer Expectations

Before an organization can develop service innovation priorities, it's important to learn as much as possible about customers' expectations. How many of the following expectations apply to your customers? Can you add any?

Professionalism
Prompt delivery
Compatibility with their operations
"Easy" buying
A smile (on your face or in your voice)
Clear instructions
Courteous telephone manners
Prompt return of phone calls
Follow up
Deadlines are met
Awareness of their problems
Anticipation of their needs
Flexibility
Quality service
Sincere efforts to meet their needs
Satisfaction guaranteed
No surprises
Quick response to changes
Positive attitudes
Prompt handling of
problems or mistakes

Personal service
To be listened to
Top value for their dollar
Full disclosure
Convenience
Integrity
Options
No "hidden" costs
No recorded messages in the
service department
No pressure
To be as important after the
sale as before
To keep your promises
To be known by name
Competitive pricing
Discounts for
volume purchases
A commitment to quality,
service and innovation
The pursuit of excellence in
all you do

Customer service support systems
Detailed and understandable billing
A direct line to the agency head
when necessary
Application of the golden rule
Ability to meet "special" needs
Respectful of the competition
Results, not excuses
Training on effective use of products
and services
Prompt refunds
Hassle-free replacements
A thank you



Feedback

In order to be successful, an organization should have established methods of getting feedback from its customers. Below are some ways to find out how your customers think and feel about your services. Place a check next to those items you think are appropriate for your agency.

- Listening carefully to what customers have to say
- Checking back regularly to see how things are going
- Making comment cards available to customers
- Providing a special phone number for customers to call for questions, problems or suggestions
- Asking other employees to solicit regular feedback when appropriate
- Ensuring the manager has regular customer contact
- Providing a method that invites customer criticism and responding constructively to any complaints
- Acknowledging all positive comments and reactions, as well as any negative ones
- Other: _____
- My ideas for improving feedback: _____



It's Not Just the Toolkit...

***...It's what the craftsman
does with it!***



Align HR Practices

- Staffing
- Training
- Rewards
- Communication
- Governance



Engage Customers

- Staffing – major airlines, hospitals
- Training and development – General Electric
- Appraisals and rewards
- Governance and communication – Medtronics, EMS



New Trends in Staffing

- Hard to find talent
- Making room for more qualified staff
- Creative use of temps
- Testing and soft skills



Current Trends in Performance Review

- More strategic
- Learning opportunities
- Linked to technology
- More flexible and decentralized
- Forced ranking
- 360° feedback



Forced Rankings

- “Rank and Yank” systems
- Ranking everyone in an agency or division
- Used to allocate pay or workforce reductions
- 20% of US private companies use them –
Microsoft, Conoco, Ford Motor, ExxonMobil...



Rank and Yank

- Align employee evaluations with predetermined performance distribution percentages

Person vs. Person
NOT
Person to Established Standards



Vitality Curve – Jack Welch

- A's – High performance, high potential
- B's – Medium performance, medium potential
- C's – Slugs

Lop Off Your Bottom-Dwellers



360° Feedback Evaluations

- Retention focused and rave reviews
- Objectives are clearly defined
- Competency model and instrumentation are well researched, reliable and valid
- Feedback reports are easy to interpret
- Linked to development tools and processes



Compensation System Innovations

- On-the-spot bonuses
- Team-based pay
- Skill-based pay
- Competency pay
- Retention bonuses
- Benefits – flexible, more comprehensive



Pay for Performance

- Organizational goals, division or unit goals, individual goals
- Must be measurable
- Periodic feedback
- Customer satisfaction, employee satisfaction and financial performance are common



Pay at Risk

- Lower percentage of merit (more like COLA)
- Higher percentage based on objective measures
- Project completion, benchmarks, quality, etc.



Why Do Good People Leave?

- Often it's not about \$\$\$\$\$
- Often it is about money



Why Do People Stay?

- Career growth
- Exciting work
- Meaningful work
- Great people
- Part of a team
- Good boss
- Recognition
- Fun on the job



***Compensation is a right;
recognition is a gift.***

Rosabeth Moss Kanter



Loyalty a Paycheck Can Never Buy

I moved here from Canada thinking that I would only stay a few years. The first year I was here, my father suddenly got very sick. I went back to Canada at Thanksgiving to see him and he died two weeks after I got back. I couldn't afford to bring my children back for the funeral, so my manager and co-workers put up the money for our airline tickets.

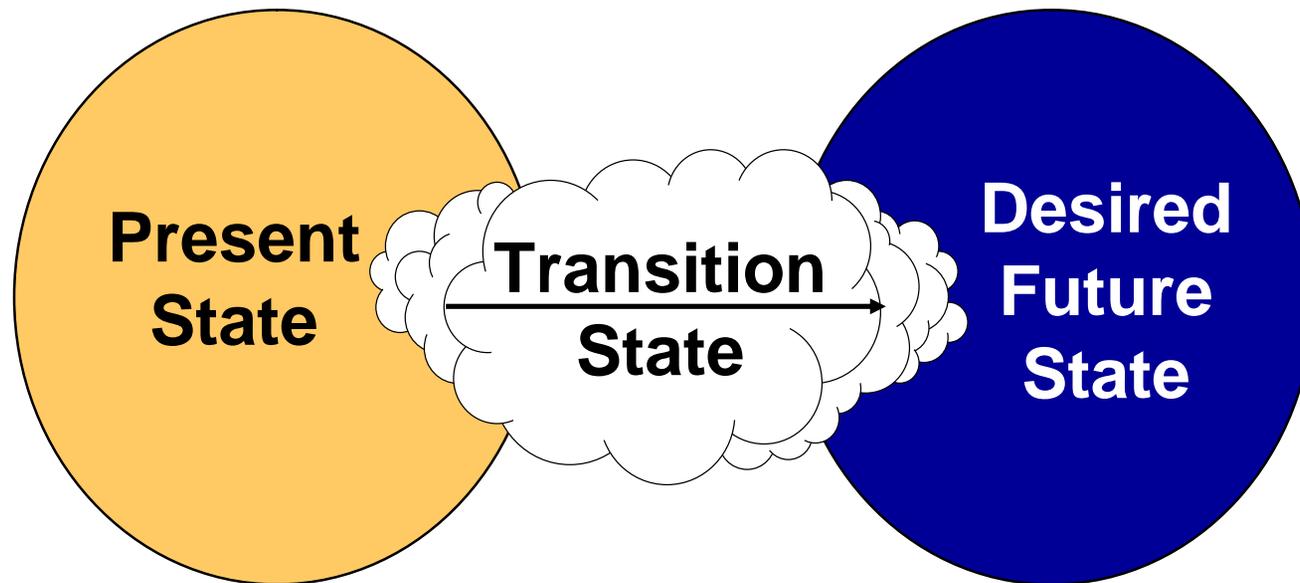


The New Motivation

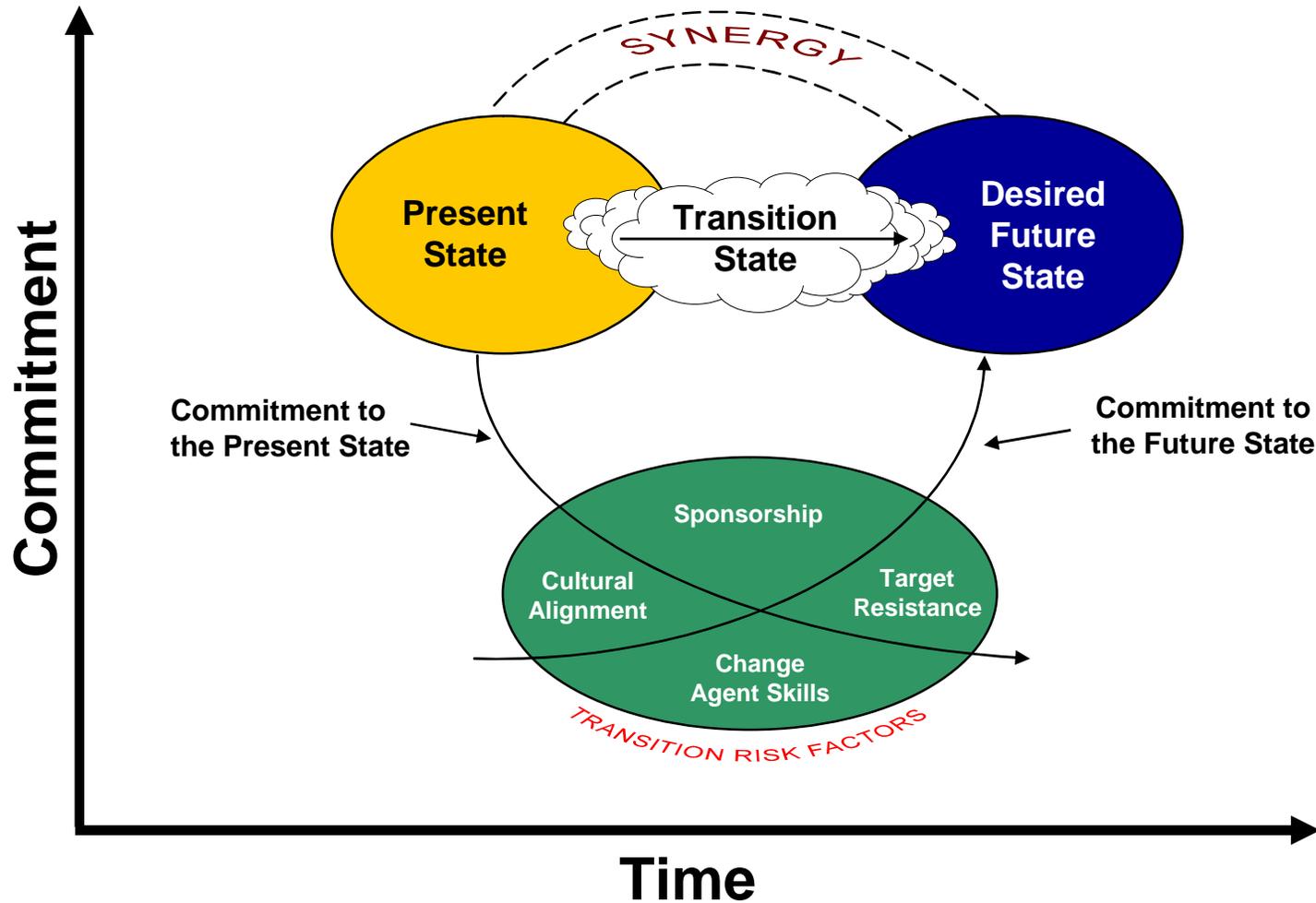
- The role of the supervisor of the future will be the “Chief Retention Officer.”
- You will need to deal with unique individuals, with unique motivational drivers.
- How will you recruit and identify these managers?



Managing the Transition



A Model for Managing the Transition



Conner, *Managing at the Speed of Change*, 1992

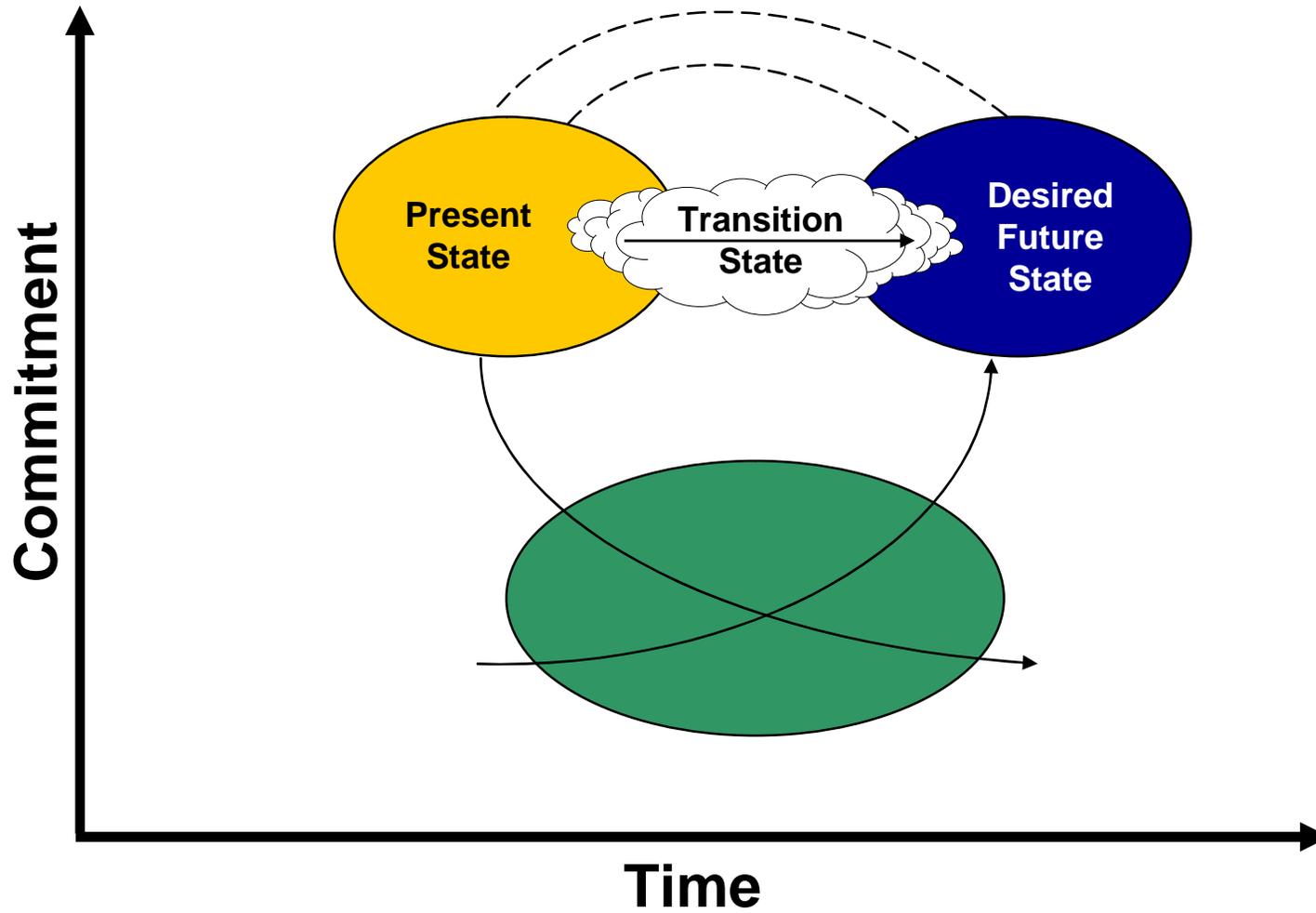


The Seven Deadly Sins of Change Management

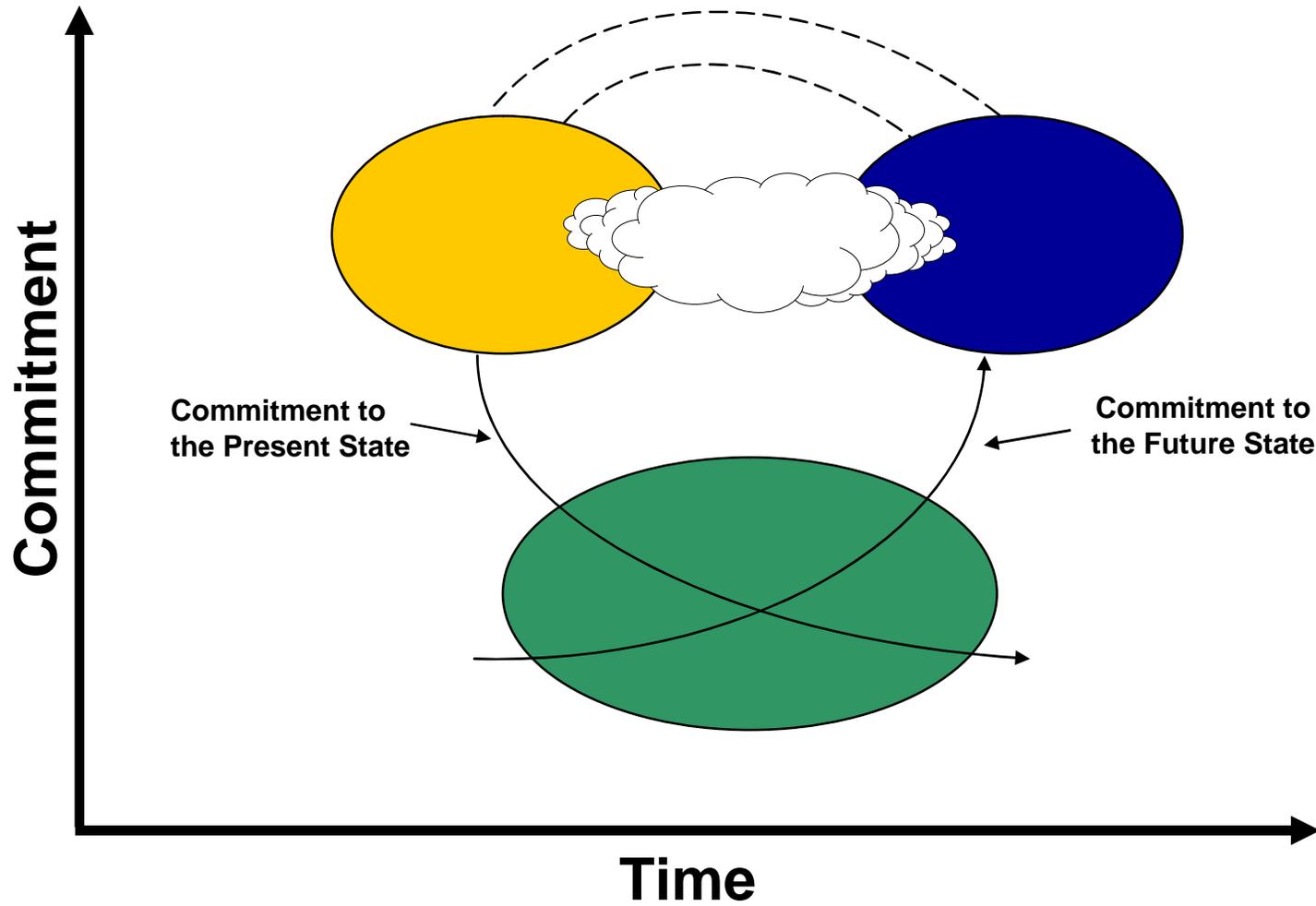
- Underestimating the time needed
- Not giving up commitment to the past
- Ineffective “pain management” and remedy selling
- Weak sponsorship
- Resistance
- Ineffective change agent
- Misreading the culture



Change is a Process



Commitment



Types of Pain

	<i>Problem</i>	<i>Opportunity</i>
CURRENT PAIN	“We’re in trouble now.”	“If we act immediately, we can take advantage of this situation.”
ANTICIPATED PAIN	“We’re going to be in trouble.”	“In the future, we could be in a position to profit from what is going to happen.”



Pain Management

- The process of consciously surfacing and orchestrating certain information in order to generate the appropriate level of pain to discontinue the status quo.
- Vehicles:
 - One-on-one interactions
 - Meetings
 - Newsletters
 - Memos



Burning Platforms

- A burning platform-type decision is at hand when the organization is facing a major, disruptive change in which the cost (pain) for the status quo is prohibitively high.



Creating the Burning Platform

1. Share what competitors are doing.
2. Explain your organization's finances and budget trends.
3. Share your organization's vision and future ideal.
4. Clarify the impact on the organization and employees of a particular situation or issue.
5. Conduct an organizational survey. Feed it back to "x."
6. Collect interview data and feed it back to "x."
7. Re-explain job expectations/standards of performance.
8. Change the reward system (individual – team – organization-wide).
9. Discuss changes in the environment that impact the organization.
10. Discuss why there is a need to change.
11. Explain the organization's strategic plans and direction and why they are chosen.

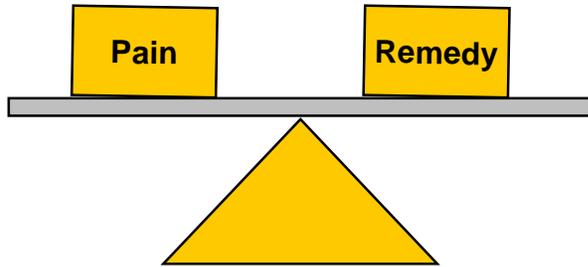


Creating the Burning Platform *cont . . .*

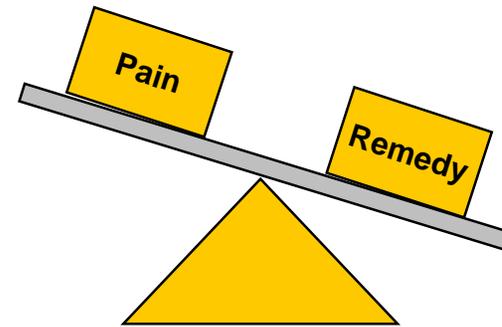
12. Set goals with employees.
13. Examine employee data such as turnover, etc.
14. Conduct an unfiltered upward feedback meeting.
15. Change the roles of key informal leaders.
16. Feed back customer perceptions and data.
17. Conduct focus groups of employees or customers.
18. Change the location of management offices to be closer to the workers.
19. Set up task forces to analyze issues and recommend solutions.
20. Explicitly evaluate employees (including senior management) on your espoused values.



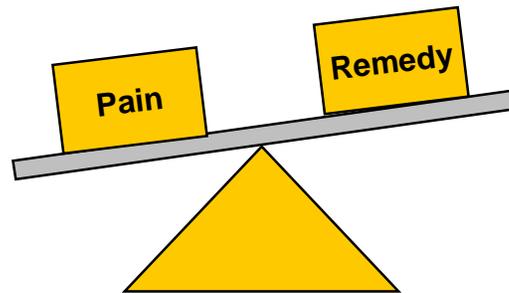
Pain Management and Remedy Selling



**Sustained
Change**



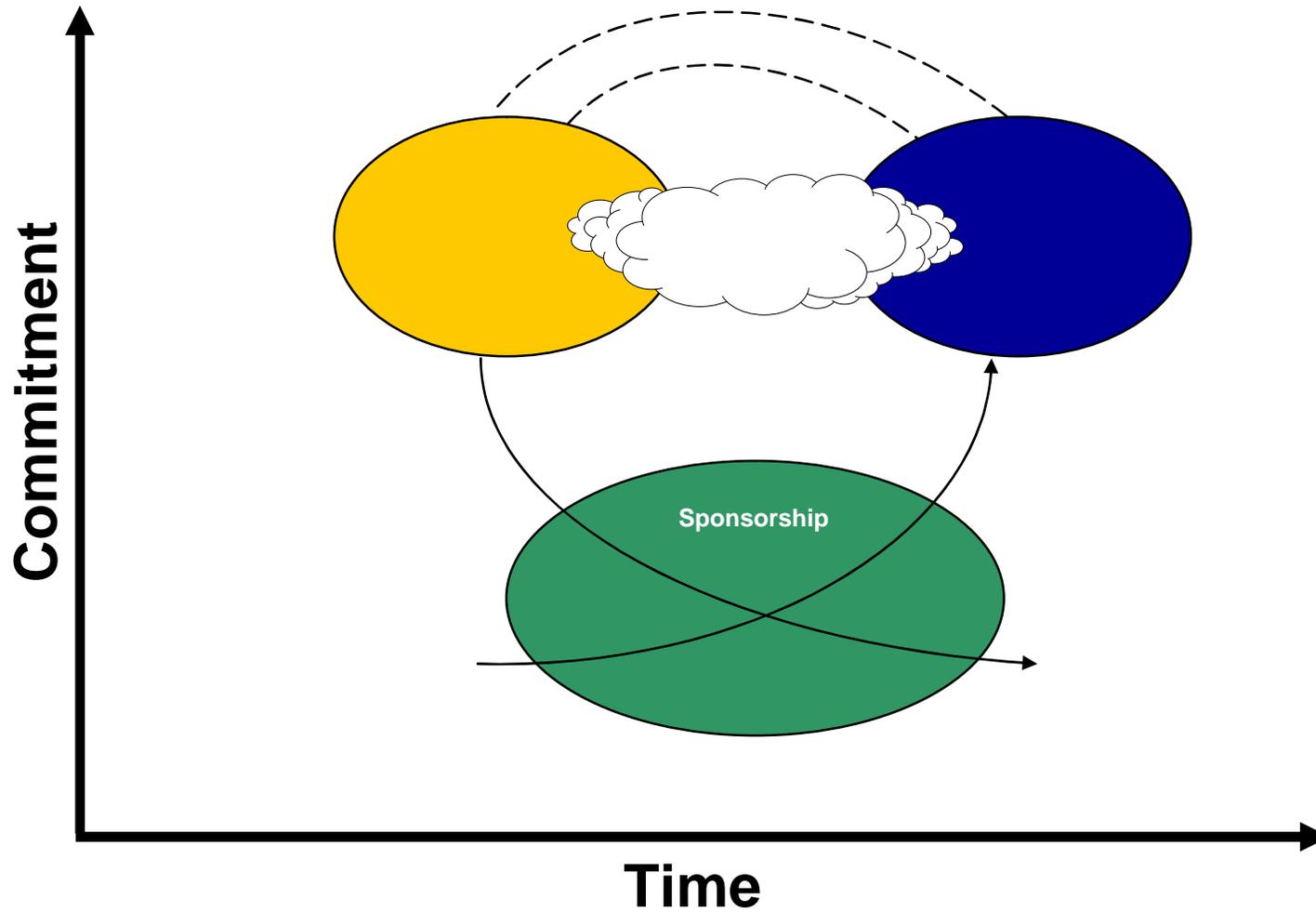
**Superficial or
No Change**



Ulcers



Transition Risk Factors: *Sponsor Commitment*

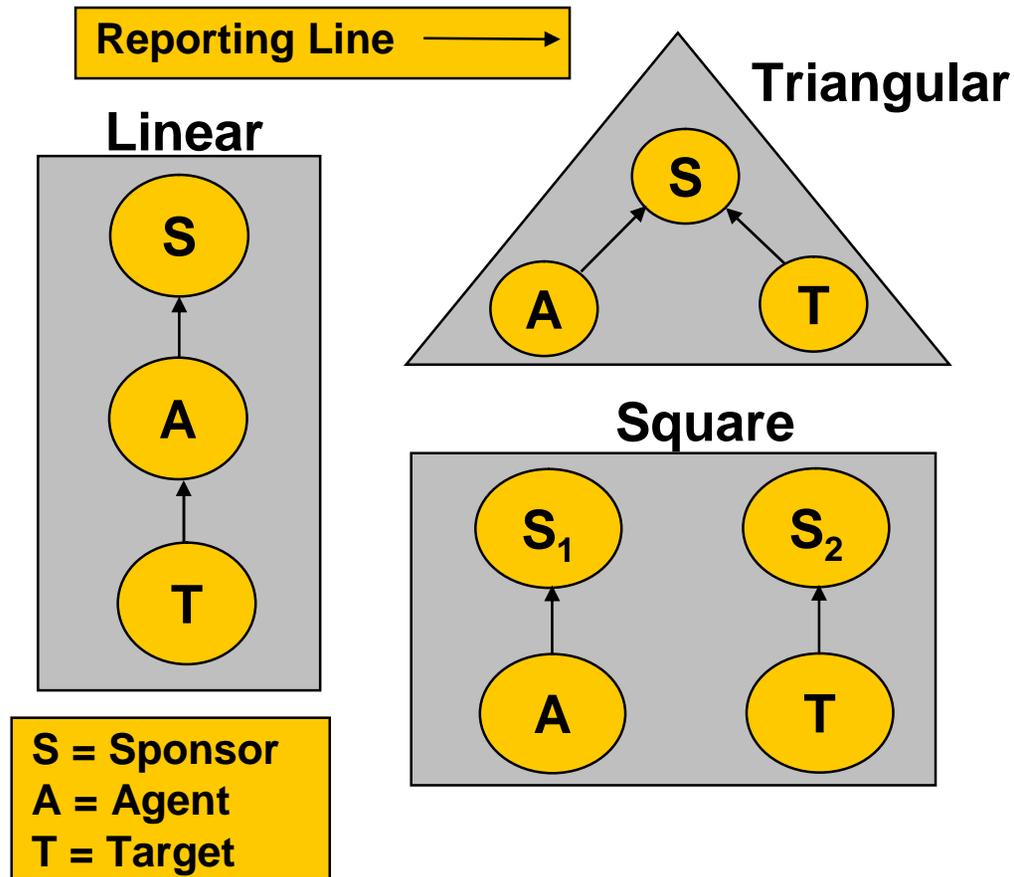


Key Roles in the Change Process

- **Sponsor** Individual or group who legitimizes the change
- **Agent** Individual or group who is responsible for implementing the change
- **Target** Individual or group who must actually change
- **Advocate** Individual or group who wants to achieve a change but does not possess legitimization power

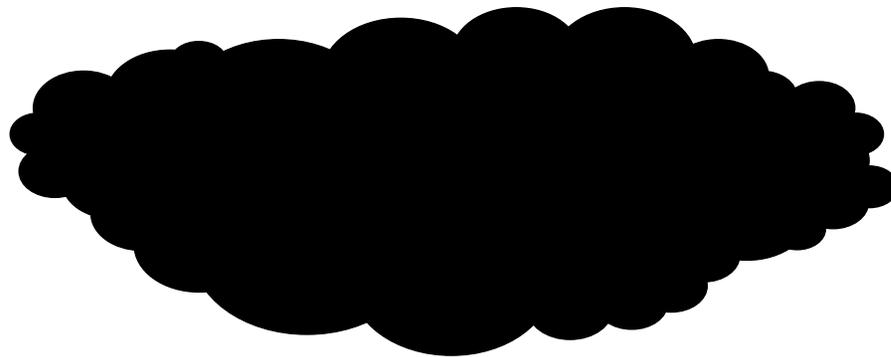


Key Roles: *Three Basic Structures*

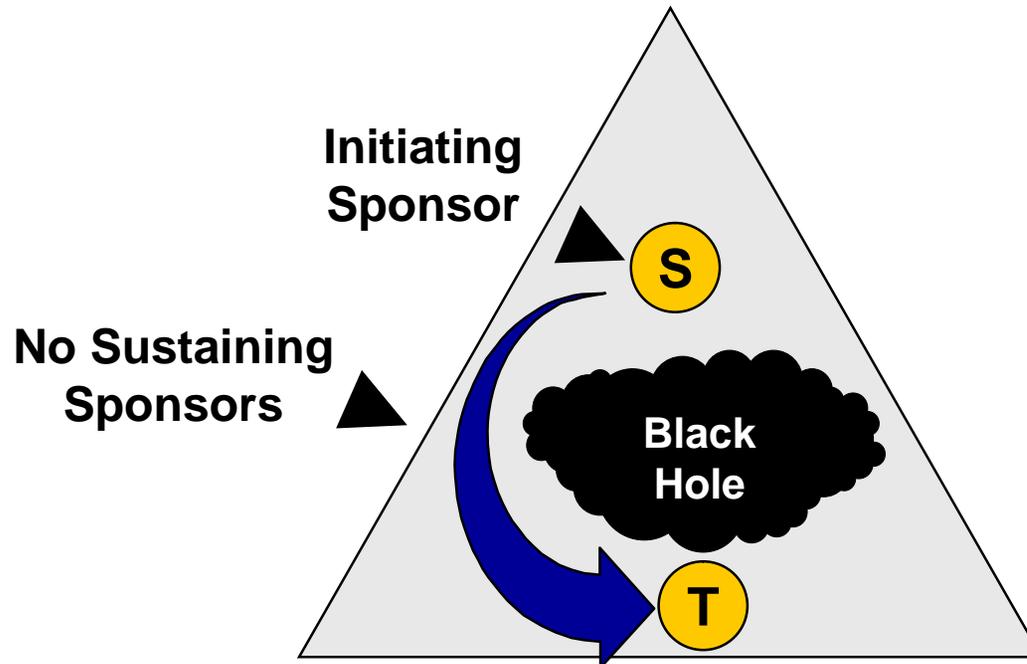


Black Holes

- The term is borrowed from astrophysics. These mysterious spots in the universe have a gravitational pull so strong that everything, including light, is pulled in – and little or nothing emerges.
- There are spots in bureaucratic structures that display the same characteristics – the rhetoric of change goes into these areas but nothing ever happens.
- The cost for black holes can be devastating:
 - The organization loses confidence in its leadership when management can't successfully fulfill the promise of their announced intentions.
 - The result is people learn to ignore management directives.



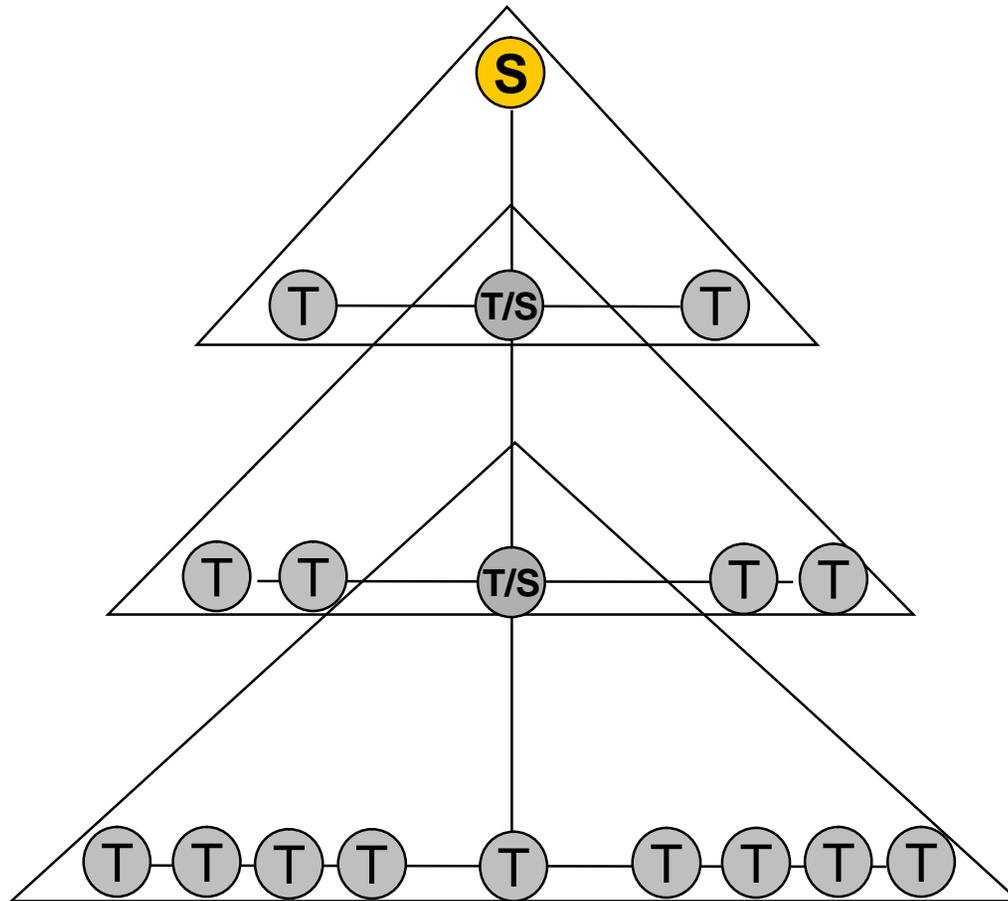
Ineffective Sponsorship



- **Symptom**
 - Inability to generate sufficient sustaining sponsorship
- **Results**
 - No change
 - Superficial change
 - Short-term change
 - Distorted change



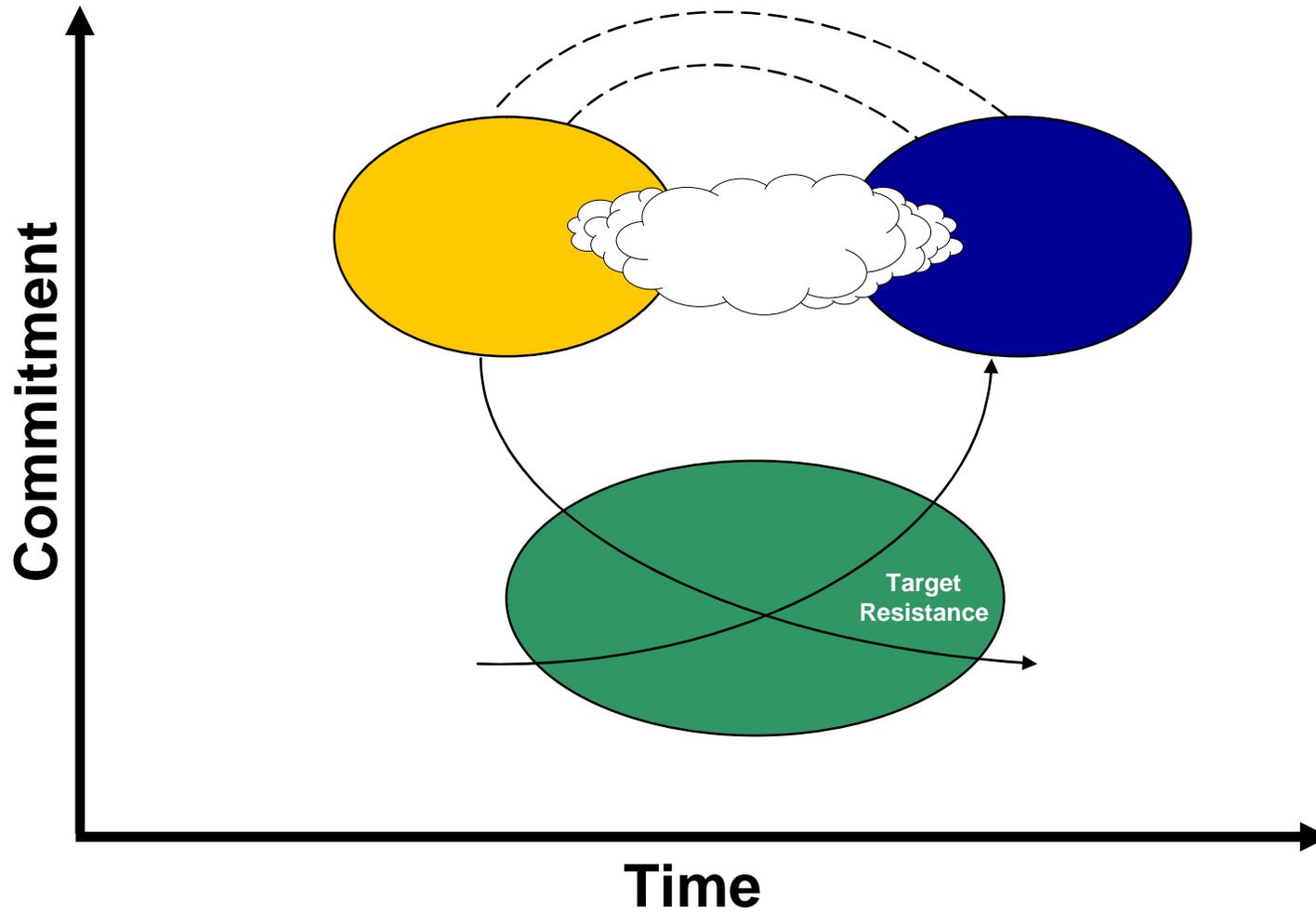
Effective Sponsorship



-  Initiating Sponsor
-  Sustaining Sponsor



Transition Risk Factors: *target Resistance*



Resistance to Change

Here are some of the reasons why people “resist” change:

- New goals not accepted
- Reasons for the change not communicated well enough
- Fear of the unknown
- Fear of failure in the new situation
- People like the current situation
- They supported another approach to change
- Purposes of the change not clear
- People don't like the individual or group announcing the change
- People weren't involved in planning the change
- The change conflicts with plans set for the current system
- New goals are unimportant to people
- People have a different perspective on the problem

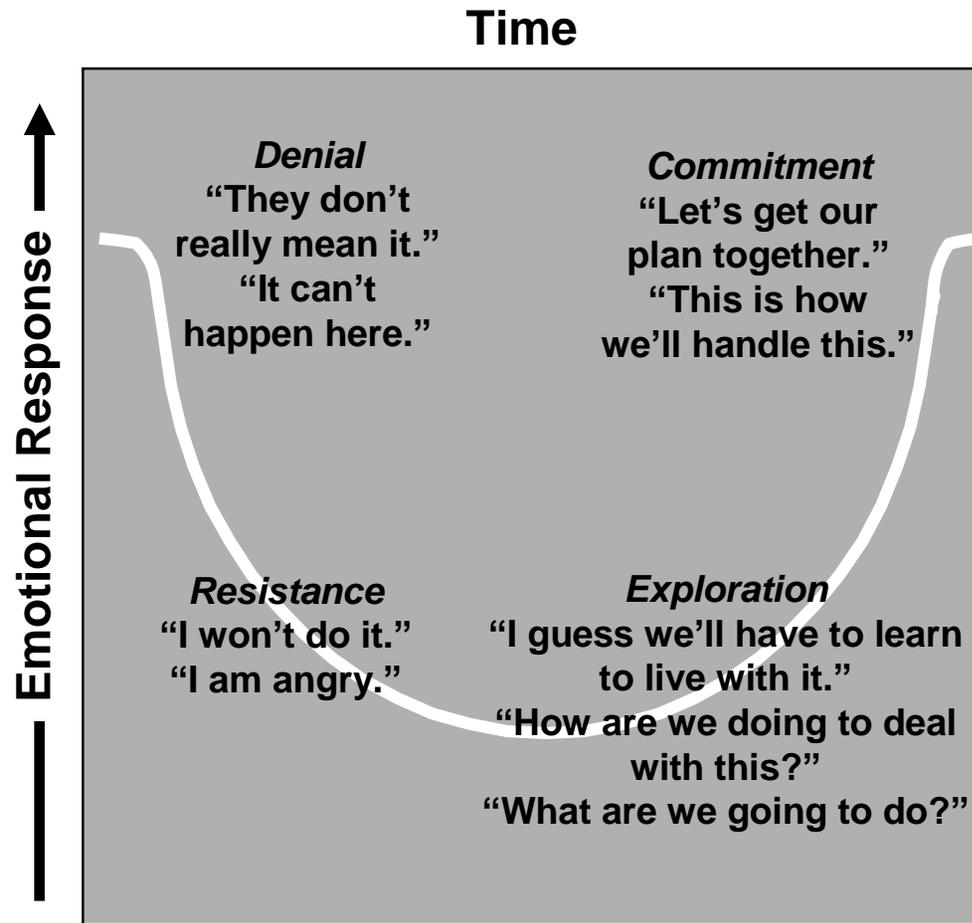


Resistance to Change *cont . . .*

- The situation is seen as an opportunity to oppose management
- Accidental misstatements during the announcement of the change set off resistance
- People resist leaving friends or comfortable surroundings
- People see change as an attack on their performance to date
- The timing is wrong – or is perceived as wrong
- People see management as introducing change to make themselves look good – with nothing for them in the change
- People resist this change, even one they see as desirable, due to their fear that the next change may hurt them
- Fear of having to learn a new job, or work harder
- Fear or loss of status, or rights or privileges in the new situation
- Resistance to change just because it is change



Resistance to Negatively-Perceived Change



Examples

- **Denial**

- It will be over real soon
- Apathy
- Numbness



- **Resistance**

- Can't sleep at night
- Anger/fights
- Gave my all and now look what I get
- Withdrawal from the team



- **Commitment**

- Teamwork
- Satisfaction
- Clear focus and plan



- **Exploration**

- Overpreparation
- Frustration
- Too many new ideas
- Have too much to do
- Can't focus

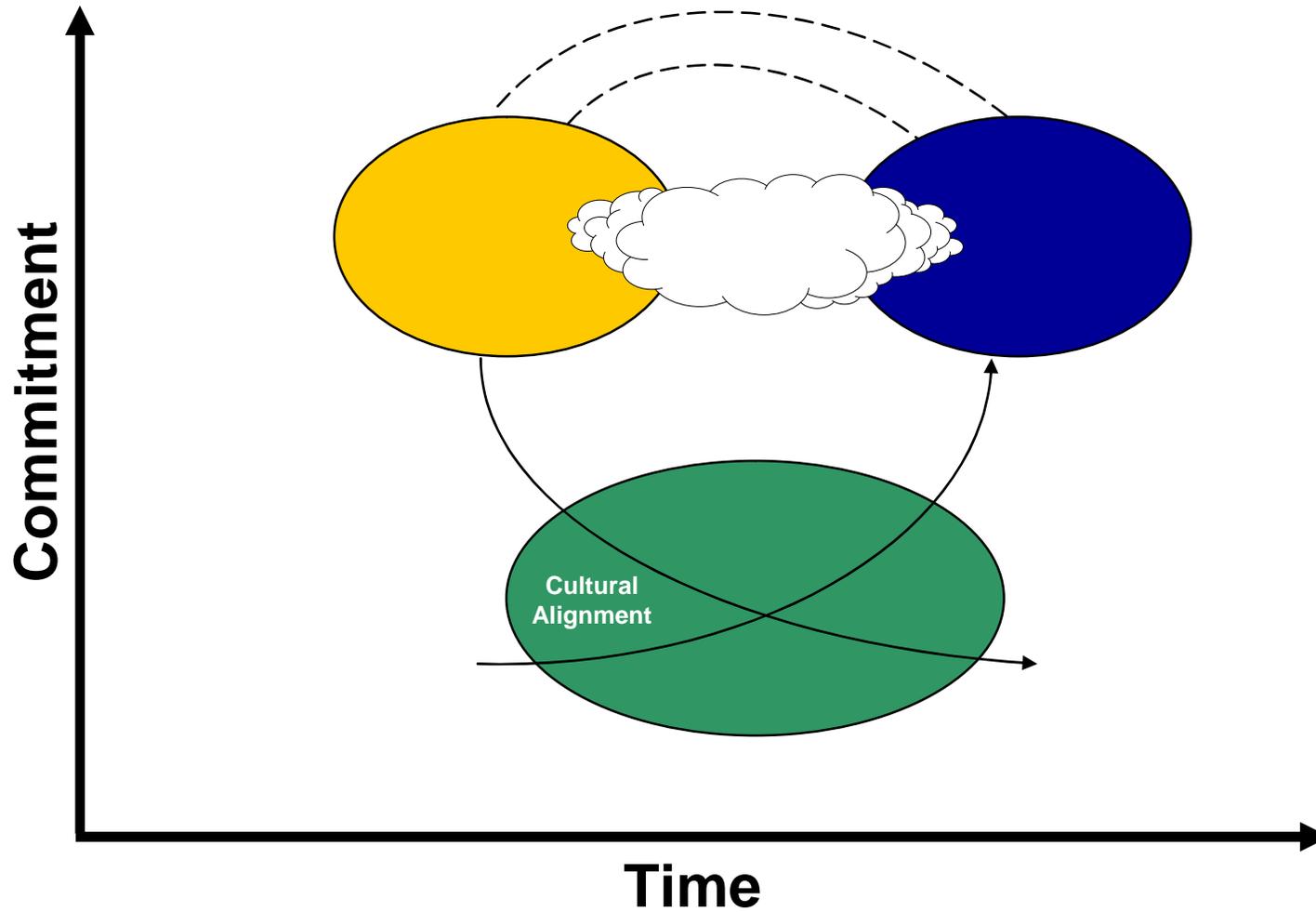


The Basic Characteristics of Highly-Resilient People

- Positive
 - Display a security and self-assurance that is based on their view of life as complex but filled with opportunity
- Focused
 - Have a clear vision of what they want to achieve
- Flexible
 - Demonstrate a special pliability when responding to uncertainty
- Organized
 - Develop structured approaches to managing ambiguity
- Proactive
 - Engage change rather than defend against it



Transition Risk Factors: *cultural Alignment*

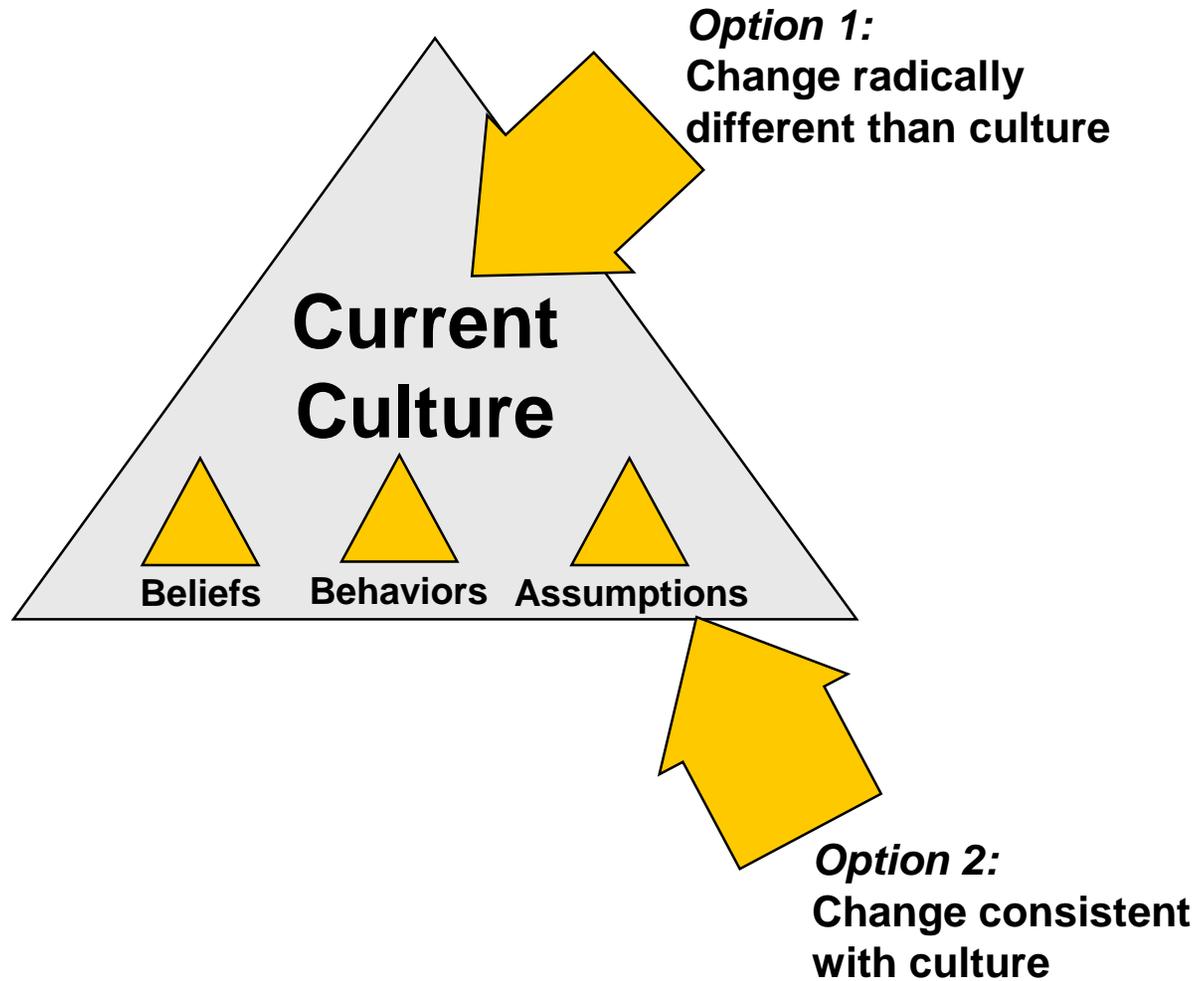


Definition of Culture

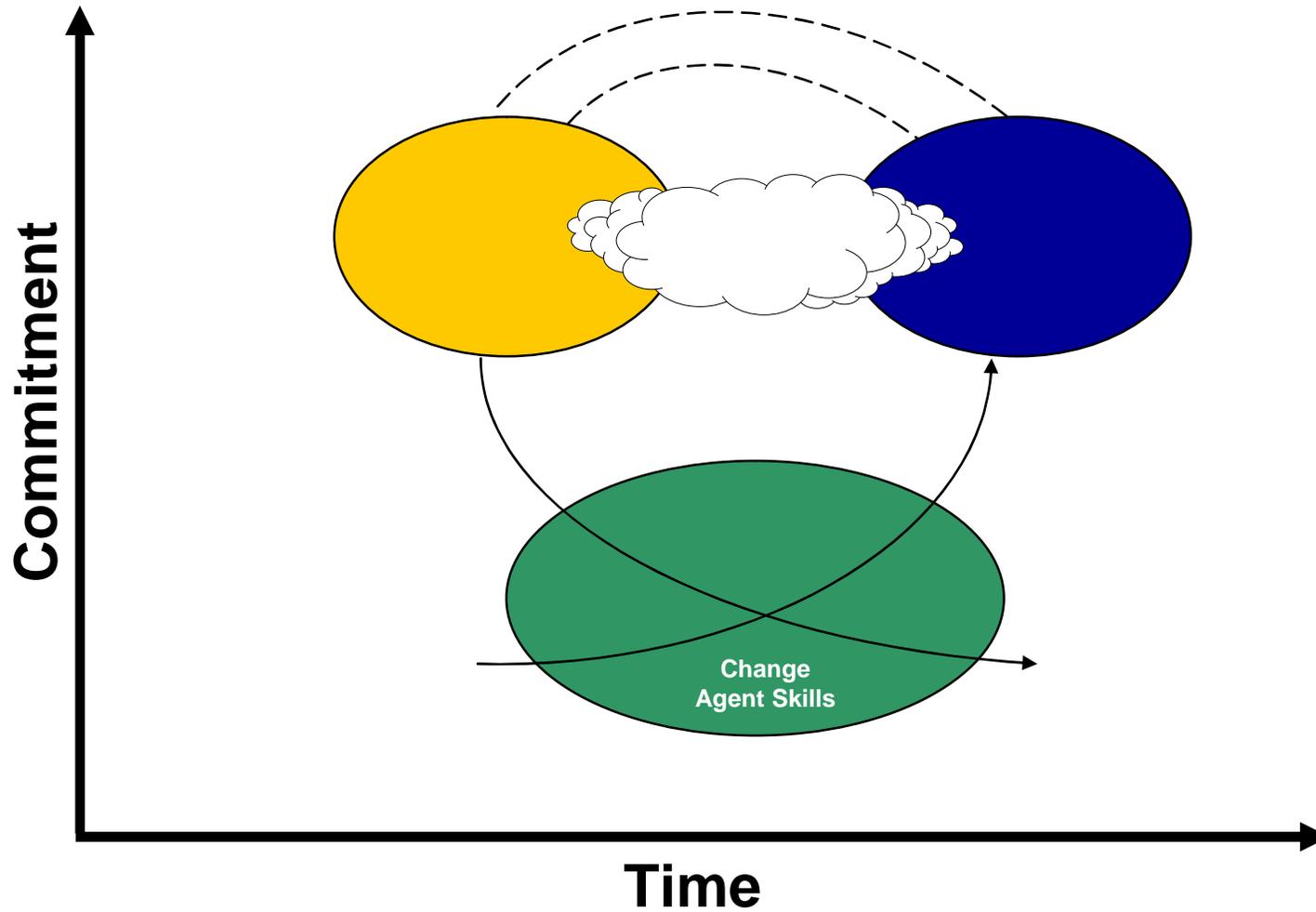
- Corporate culture is the basic pattern of shared beliefs, behaviors and assumptions acquired over time by members of an organization.
 - “The way we do things around here”



Introducing Change: *Two Options*



Transition Risk Factors: *Change Agent Skills*



Advice for Agents

- Don't take bad business
- Don't work harder than your sponsor



Making Changes

- Describe the future state. What will the department (division) be like when the change has been implemented?
- Describe the present state. What is happening in the department (division) now? What is the problem or lost opportunity, as you see it now?
- Who decided this change needed to occur? What is his/her influence ability in the organization?
- What is your position in this change effort? What role will you play?
- What are action steps that need to be taken to implement the change? What are the dates for implementing each step?
- What are the factors helping the change?
- What are the factors hindering the change?
- What people and departments (divisions) will the change impact?



Tools Which Will Be Needed to Implement the Change

- What information will the people need? How will they get this information? How often?
- What kind of training will they need?
- What technology will help them as they implement this change?
- Do they need more people? Does restructuring need to be done?
- How will the change impact the budget? Does the budget need to be increased?
- What red tape can be removed?
- Will the people be allowed time/opportunity to make mistakes as they implement the steps in the change? How will they know this?
- How will feedback on the change be gathered?



Some Ways of Reducing or Eliminating Resistance to Change

- Involve interested parties in contributing to the planning of change.
- Clearly define the goals and objectives for the change.
- Transmit the goals and objectives for the change in written form to all involved, to reduce misunderstanding.
- Address the “people needs” of those involved. Disrupt only what needs to be changed. Help people retain friendships, comfortable settings, and group norms wherever this is possible.
- Have the group involved in planning the change announce the change.
- Design flexibility into change. Make change in a phase-in way, where this is possible, to allow for the completion of current efforts and the assimilation of new behaviors.
- Design open sessions where those involved can air their feelings about the change.
- Be open and honest. Don't pretend that negative aspects of the change don't exist. Don't try to maneuver employees or trick them (not at this moment or any other).



Some Ways of Reducing or Eliminating Resistance to Change *cont . . .*

- Do not leave openings for a return to the status quo. If you are not ready to commit yourselves to the change, don't announce it. Once you make your decision, do not waver. To do so is to encourage resistance.
- Continually focus on the positive aspects of the change.
- Look for areas of agreement between yourself and your opposition.
- Do not attack; be reasoned and controlled while not abusing your opposition or those involved in the change.
- Time the change – its planning process, announcements and implementation – as well as possible.
- Establish the parameters of the change and attempt to close off unwarranted fears that this change is an implication of future change.
- Attempt to design change to reverse as few rights, benefits and privileges of the people involved as possible.
- Design adequate retraining and adjustment mechanisms into plans for change.



How to Initiate Change: *Some Ideas*

- Start small
 - Change your behaviors first; let that change have time to make an impact
 - Practice active leadership; get out and listen; talk informally about what you want, search for examples and recognize (use the 45-minute, five-day workout)
 - Get groups together informally and talk about this conference – plant the seeds
- Create pockets of excellence
 - Get volunteer groups; lavish support, training, resources, encouragement and recognition
 - Be patient – don't push others; they will learn this is important and see its benefits



How to Initiate Change: *Some Ideas cont...*

- After some success, expand
 - Always choose the best possibility for success
 - Set a slight challenge; don't reach too far at first
 - Recognize success; be patient with problems
- After general (not total) acceptance, institutionalize
 - Develop vision and philosophy
 - Announce expectation of all
 - Implement organization-wide
 - Measure individuals and measure program results
- Celebrate your success



Warp Speed

Mario Andretti once said....

***If you feel like you have it under control –
you're probably not going fast enough!***

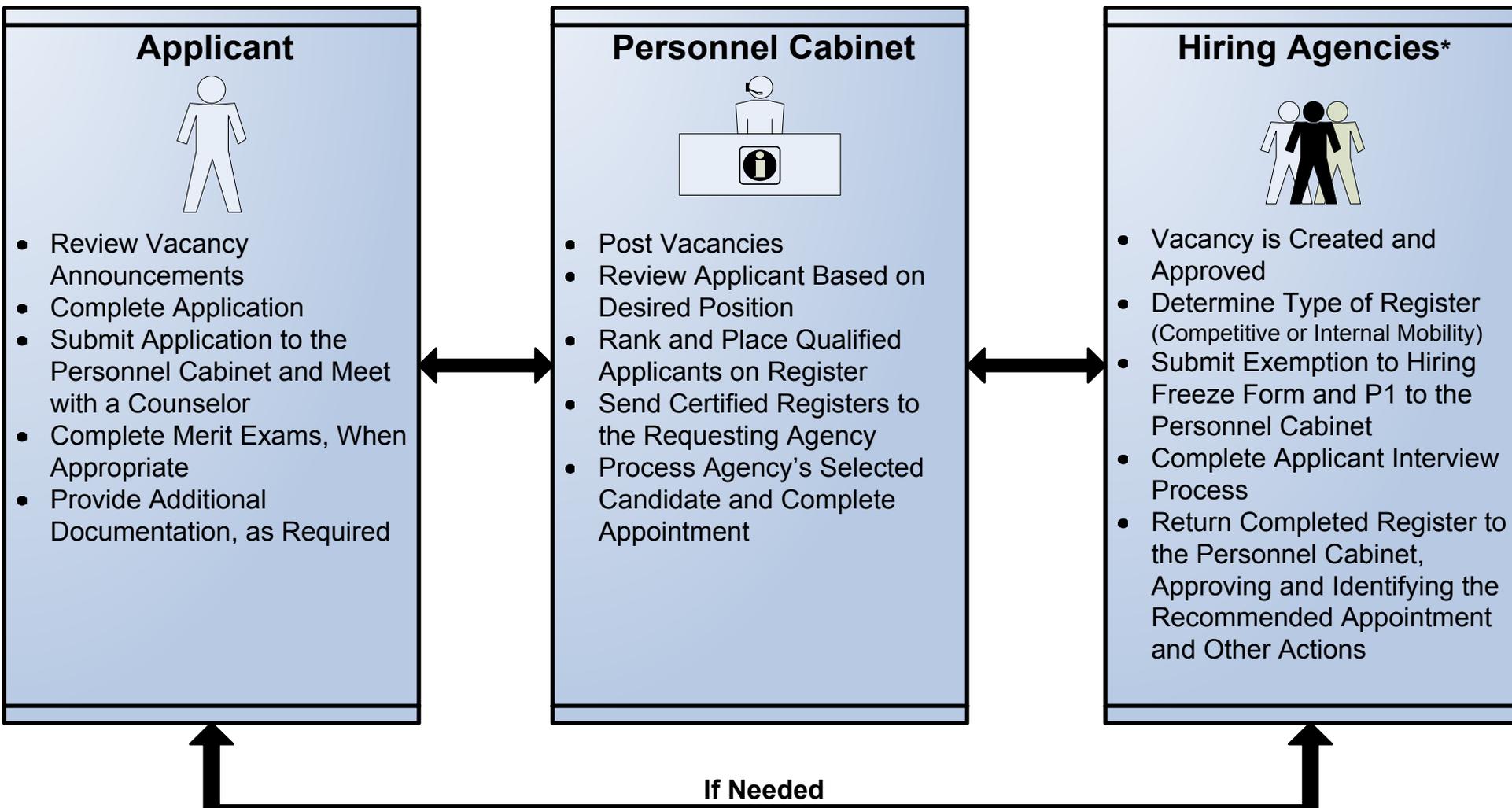


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- *Leading Change*, John P. Kotter, Harvard Business School Press, 1996
- *The Change Masters*, Rosabeth Moss Kanter, Touchstone of Simon & Schuster, Inc., 1983
- *The HR Value Proposition*, Dave Ulrich and Wayne Brockbank, Harvard Business School Publishing, 2005
- For a complete copy of this presentation, please email Jill Waguespack at jwaguespack@consultssa.com

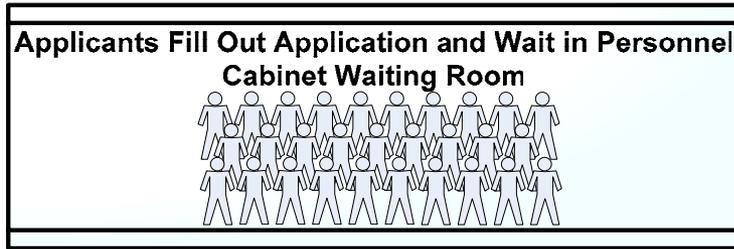


Merit Hiring Process Overview

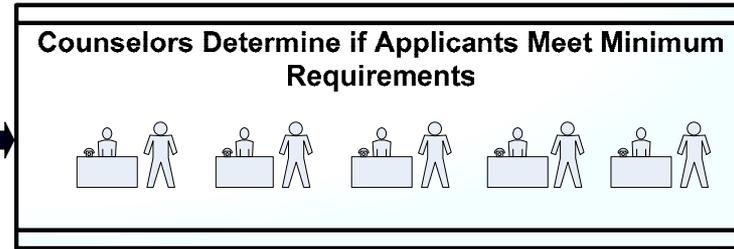


(*includes personnel Cabinet)

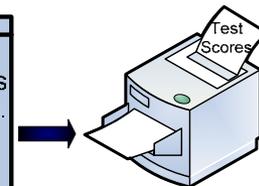
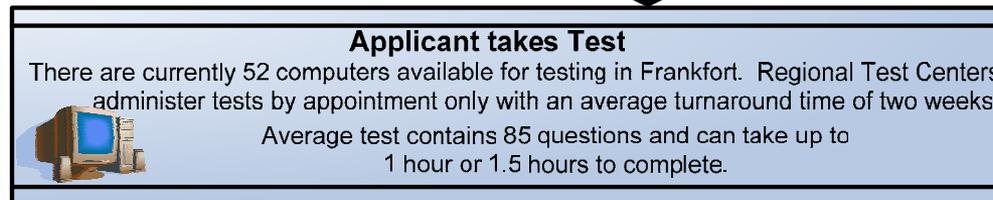
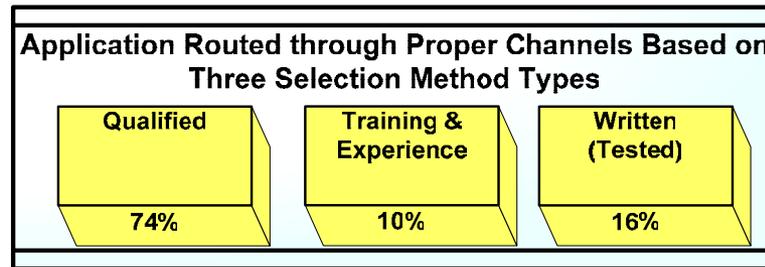
Merit Hiring Process Overview



Average waiting time to see a counselor is 1-2 hours



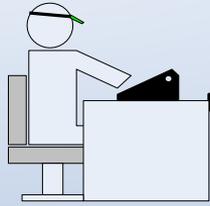
Average time in the Counselor's office is 10-20 minutes
Additional waiting time for tests is 5-10 minutes



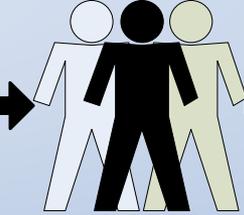
Test scores are provided upon completion of the test unless testing at a Regional Test Center



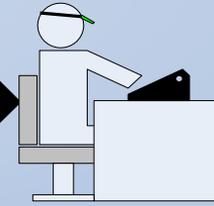
Posting a Vacancy



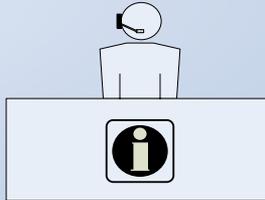
Agency sends request to the Personnel Cabinet for Job Requisition



The Personnel Cabinet Consults with Agency



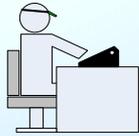
Agency Amends / Approves Job Requisition sent from the Personnel Cabinet



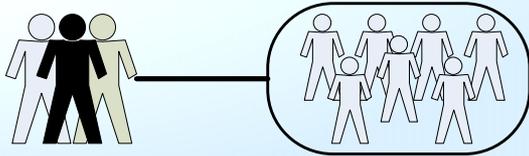
The Personnel Cabinet Posts Job to Personnel Home Page

Working a Register (Certificate)

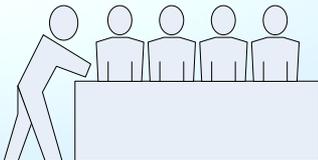
Requesting Agency Reviews and Considers Applicants on Register



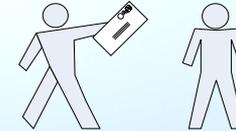
Requesting Agency Select Applicants for Job Interview



Hiring Manager Makes Recommendation for Hire and Obtains Appointing Authority Approval



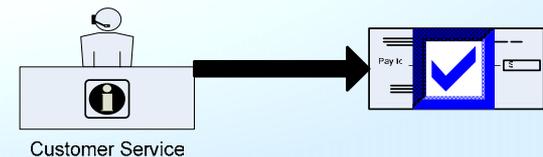
Hiring Manager Makes Offer to Candidate



Agency Returns Completed Register to the Personnel Cabinet Along with Personnel Action Form (P1)



Approved by the Personnel Cabinet and Appointment Process Completed

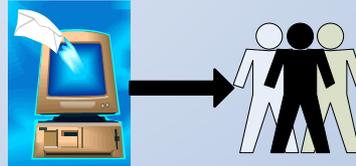


Register Certification

Job Vacancy Announcement Closes



Vacancy Announcement Register (Certificate) is filled electronically and certified to the requesting agency. Certification is based upon the selection method for the classification.

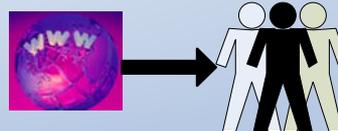


If the selection method is:

Qualifying – all applicants on the register are certified
Training and Experience (T&E) – top five applicant scores are certified
Written - top five applicant scores are certified

(Internal Mobility Candidates are included on all certified registers)

Register is Viewable by the Requesting Agency to Begin Working the Register



Personnel Statistics

Applications

- 50,000-60,000 applications received per year
- By 2007, that amount is expected to double resulting in 100,000 to 120,000 applications per year
- **4,000 open vacancies filled annually**
- Staffing Services is approximately 60% Paper Driven
- 60,000 applicants qualified annually

Employment Testing

- Applicants who test at remote test sites may not make the 10 day window on the job posting because scoring and input of test from remote locations can take up to 10 days.
- Total Number of Tests – 125
- Total Number of Positions Requiring Tests – 227
- Number of Questions – 85 to 130 Maximum Number of Questions
- Average Number of Tests Taken Per Month – 2,000
- Repeat Testing – 35%
- Percent of Tests Taken at Regional Test Centers – 15%
- Show Rate in Remote Test Sites – 42%
- Total Number of Tests Given Annually – 24,418
- Tests are only computer based in Frankfort

Breakdown of the “Register”

(A list of candidates that meet the minimum requirements for any given Job Specification)

- 1-2,000 candidates can be maintained on any given Register

A Register is maintained:

- For each class specification:
1,446 registers
- For each class specification in every county:
1,446 registers x 120 counties= **175,320 registers**
- For two (2) additional registers per county- Internal Mobility and Competitive:
175,320 x 2 = **350,640 registers**
- For two (2) more additional registers- Full-time and Part-time:
350,640 x 2 = **701,280 registers**

Employee Count*

Merit:

Full Time	32,433
Part Time	232

Total	32,665
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Non-Merit:

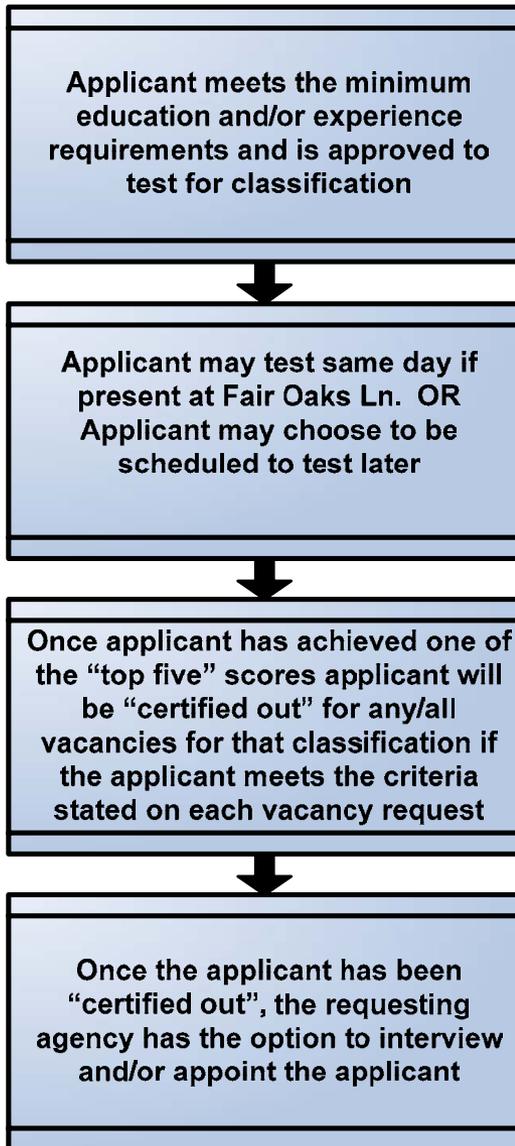
Executive Branch	1,640
Legislative Branch	418
Judicial Branch	3

Total	2,061
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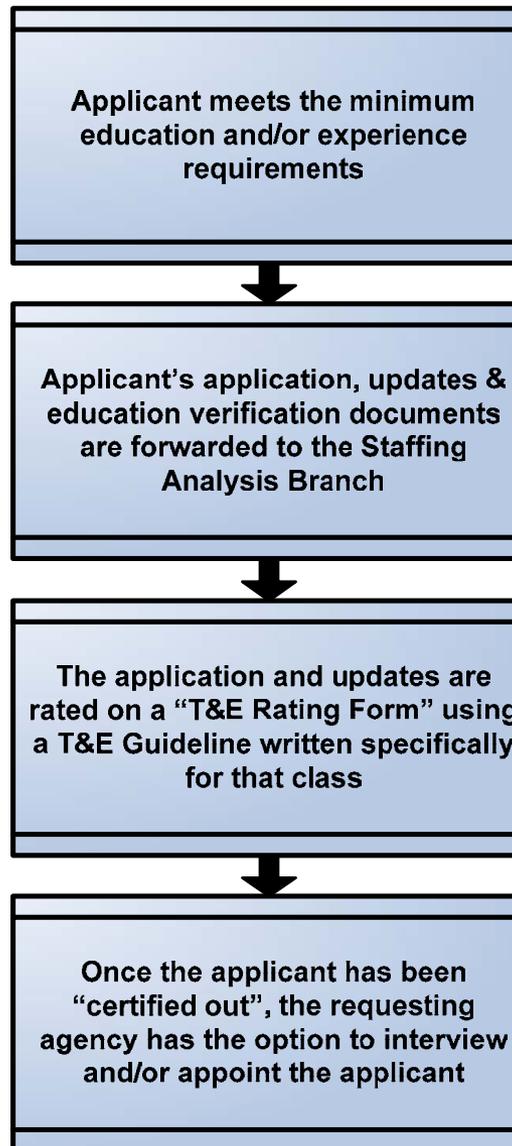
*KRS 18A Defined Employee

Selection Methods

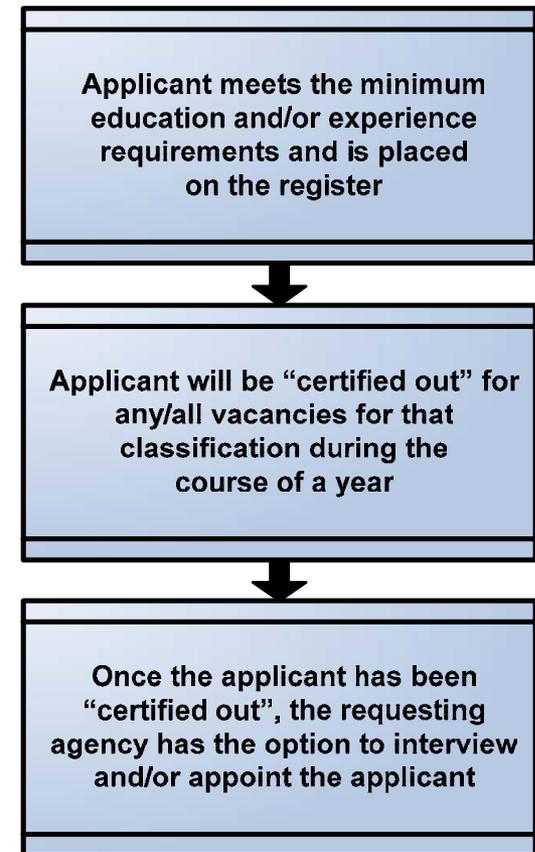
Written



Training & Experience (T&E)



Qualifying



Overview of the Merit System and the Personnel Cabinet's Role

Presentation to the Blue
Ribbon Task Force

August 8, 2005

Perspective on the Purpose of the Merit System

- Implemented in 1960 and modeled after the Federal Civil Service System.
- Designed to provide protections to employees related to job actions based on political activities.
- Give preference for career advancement for employees who are already in the system (internal mobility).

Subsequent Federal Employment Laws Affecting Personnel

- Equal Pay Act of 1963(amends FLSA)
- Title VII of the Civil Rights Act of 1964
- Executive Order 11246 amended by Executive Order 11375 (AAP Guidelines and non-discrimination guidelines for Fed. Contractors) 1965
- Age Discrimination in Employment Act of 1967
- Occupational Safety and Health Act of 1970
- Equal Employment Opportunity Act of 1972
- The Vocational Rehabilitation Act of 1973
- Employee Retirement Income Security Act of 1974
- The Vietnam Era Veterans Readjustment Assistance Act of 1974
- Pregnancy Discrimination Act
- Uniform Guidelines on Employee Selection Procedures (EEOC-1978)
- Immigration Reform and Control Act of 1986
- The Electronic Communications Privacy Act of 1986
- Drug Free Workplace Act of 1988
- Employee Polygraph Protection Act of 1988
- Older Worker Benefit Protection Act of 1990
- Civil Rights Act of 1991 (Amends Title VII of 1964)
- Worker Adjustment and Retraining Notification Act of
- Consolidated Omnibus Budget and Reconciliation Act (amends ERISA of 1974)
- Americans with Disabilities Act
- Family Medical Leave Act of 1993
- Fair Credit Reporting Act
- Health Insurance Portability and Accountability Act of 1996
- Uniformed Services Employment and Reemployment Rights Act

Context and Historical Role of the Personnel Cabinet

- Interpret and police statutes related to KRS 18A and promulgate administrative regulations related to same.
- Keep state government up-to-date on new employment laws and develop compliance packages.
- Conduct transactions related to payroll, employee benefits, employment, employee conduct, performance evaluation and other key personnel processes.
- Personnel decision-making very much decentralized.

The Contemporary Role of the Human Resources Organization:

- Requires improved systems and processes for:
 - collecting information about jobs which form the basis for job descriptions, employment tests, and compliance with discrimination laws
 - identifying selection criteria and hiring the candidates of best fit
 - tracking internal and external demographic trends and develop systems to ensure that the organization is leveraging diversity as a competitive advantage
 - evaluating employee performance and providing feedback for improvement in order to drive achievement of organizational performance
 - rewarding and remunerating employees for meeting or exceeding performance expectations as well as retention
 - providing employee development and continuous learning
- Design and develop problem resolution processes that provide due process and expeditiously resolve employee complaints
- Identification and implementation of technology solutions to perform transactions
- Provide systems and processes that empower employees to manage their information
- Provide systems and processes that enable managers to access information about their organizations and employees in order to make required changes

The Contemporary Role of the Human Resources Organization (cont'd):

- Serve as a consultant to employees and managers related to key HR processes and systems
- Stay abreast of state and federal employment laws and develop policies and procedures that ensure compliance through organization accountability
- Design and implement employee/family- friendly policies that promote a positive employee relations environment

Analysis: Merit System vs. Today's Contemporary HR System

- Requires improved systems and processes for:
 - collecting information about jobs which form the basis for job descriptions, employment tests, and compliance with discrimination laws
- Classification System – 1996 Hay Study conducted

Analysis: Merit System vs. Today's Contemporary HR System

- Requires improved systems and processes for:
 - identifying selection criteria and hiring the candidates of best fit
- Merit Hiring System (18A.032) qualifying, registers, and selection of candidates

Analysis: Merit System vs. Today's Contemporary HR System

- Requires improved systems and processes for:
 - tracking internal and external demographic trends and develop systems to ensure that the organization is leveraging diversity as a competitive advantage
- **Affirmative Action – State Executive Order 2003-533**

Analysis: Merit System vs. Today's Contemporary HR System

- Requires improved systems and processes for:
 - evaluating employee performance and providing feedback for improvement in order to drive achievement of organizational performance
- **KAR Employee Performance Evaluation**

Analysis: Merit System vs. Today's Contemporary HR System

- Requires improved systems and processes for:
 - rewarding and remunerating employees for meeting or exceeding performance expectations as well as retention
- Compensation

Analysis: Merit System vs. Today's Contemporary HR System

- Design and develop problem resolution processes that provide due process and expeditiously resolve employee complaints
- **Grievances and Personnel Board**

Analysis: Merit System vs. Today's Contemporary HR System

- Identification and implementation of technology solutions to perform transactions
- Enterprise Payroll and Human Resource Information Solutions

Analysis: Merit System vs. Today's Contemporary HR System

- Provide systems and processes that empower employees to manage their information
- Employee and Manager self-service to increase employee satisfaction and efficiency

Analysis: Merit System vs. Today's Contemporary HR System

- Provide systems and processes that enable managers to access information about their organizations and employees in order to make required changes
- Enterprise systems that enable human resource reporting on employee metrics for human resource planning and operational effectiveness

Analysis: Merit System vs. Today's Contemporary HR System

- Serve as a consultant to employees and managers related to key HR processes and systems
- Transformation of Personnel Cabinet staff from transaction processors to process consultants – this will require a variety of development activities, exposure to HR best practices, and leadership

Analysis: Merit System vs. Today's Contemporary HR System

- Stay abreast of state and federal employment laws and develop policies and procedures that ensure compliance through organization accountability
- Re-engineering of the Commonwealth's Personnel System and KRS's/KRA's that build in management accountability

Analysis: Merit System vs. Today's Contemporary HR System

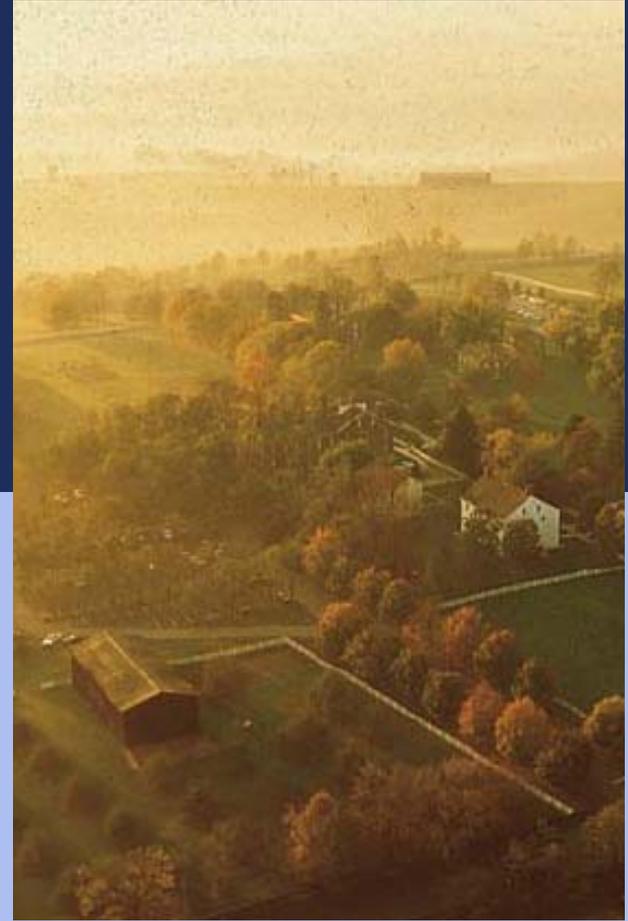
- Design and implement employee/family- friendly policies that promote a positive employee relations environment
- Best practices that involve employees and promote communication and build relationship between the Commonwealth administration and its employees (I.E. employee opinion surveys, peer review systems for selection, problem resolution, and performance evaluation)

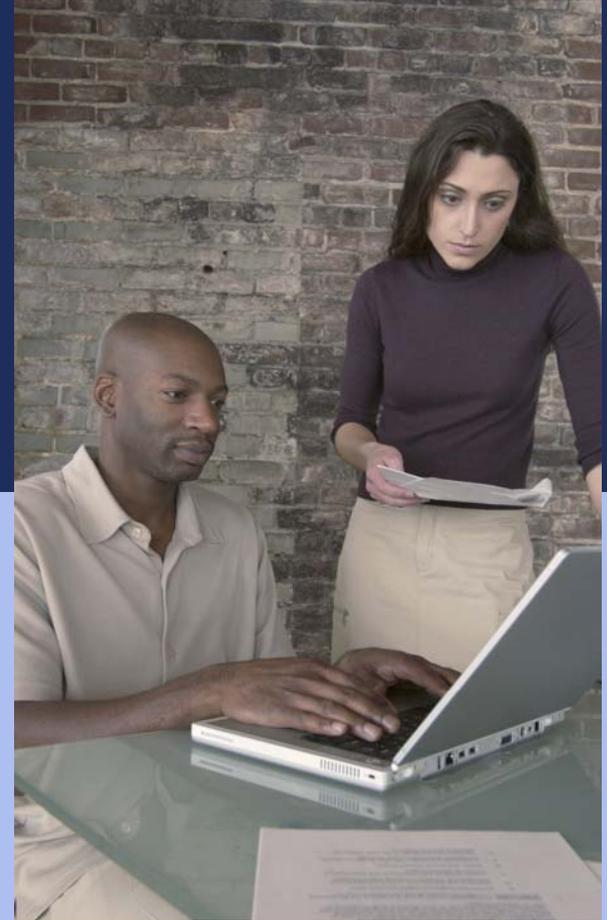
Summary of Analysis

- Most of this information has been known by past administrations:
 - 1993 study by KPMG by the Jones Administration (no changes implemented)
 - 1996 Hay study (no changes implemented)
 - Empower Kentucky Initiative (some change started in the area of employment testing and qualifying to benefit internal mobility candidates)
- The Commonwealth has not effectively used human resource management as a strategy to improve services to its citizens, improve working conditions for employees, and operate more efficiently and effectively
- There is a question as to whether or not the “flexibility” that currently exists within the merit personnel system has been left in place to serve management or political agendas.
- Kentucky is in competition with other states in order to attract new businesses, tourists, skilled workers and professionals, which all contribute to increasing the Commonwealth’s revenue. Other states such as Georgia, Florida, North Carolina, Pennsylvania, South Carolina, and Washington State have all re-engineered their human resource systems to drive the achievement of their goals.









Selection System Methodology Presentation for The Commonwealth of Kentucky Blue Ribbon Task Force

August 8, 2005

Presented by
Tom Chase
Vice President, Select International

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INTERNATIONAL





About Select International

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Select International, Inc. is a global provider of assessment systems for employee selection and development. More than 2 million people in 80 countries have been assessed using our behavioral interviews, automated tests, inventories and job-related simulations. A thought leader recognized for innovation in interviewing and testing technology, Select provides one of the most complete and well researched libraries of assessment content for all organizational levels.

Many of the world's largest and most successful organizations trust Select to deliver the best in automated, on-line assessment technology, behavioral interviewing and remote assessment services.



Select's founders coauthored the book *Hiring Great People, A 'Business Best Seller'*





About Select International

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Over 200 Implementations

- Over 2 Million People Assessed
- Highest Documented Validity (Accuracy)
 - Ratings .5 to .7
- Never Lost a Legal Challenge
- Assessment is Our Only Business
- 96% of Select's Clients are Repeat Customers





Partial List of Clients

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Weyerhaeuser



United Nations



SONY





World Class Selection Systems Are:

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- **Efficient**
- **Accurate**
- **Fair**





Efficient

SELECT
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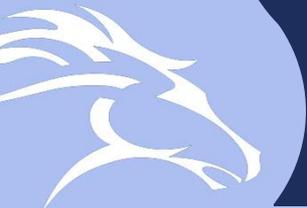
- Leverage technology
- Automate screening and scheduling
- Reduce hiring cycle time
- Minimize administration
- Lower cost per hire



Accurate

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INTERNATIONAL

- Competency based
- Measures skills, knowledge and motivations that are critical for success
- All steps in hiring process must relate to actual job performance



Fair

- Eliminates bias
- Best overall fit for job requirements
- All qualified applicants have equal chance
- Candidates measured against same standards



Simplify Job Groupings

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INTERNATIONAL

- Identify commonalities across job titles
- Create position groupings
- Establish core competencies, minimum qualifications and technical requirements as needed



World Class Selection Systems:

Are competency-based as determined by job analysis

Leadership
Planning and Organizing
Problem Solving
Project Management
Customer Commitment
Quality Focus
Adaptability
Initiative
Oral Communication

Integrity
Ownership
Sales Focus
Processing Speed
Data Entry Skills
Teamwork
Conscientiousness
Motivational Fit
Positive Attitude



Competency Definitions

LEADING OTHERS

- Leading by setting clear expectations for performance and responsibility.
- Coaching others for the purpose of improving that person's performance.
- Patiently working with the individual to ensure that they understand and are competent at the skill or competency area.
- Serving as a role model of appropriate attitudes and behaviors.
- Diagnosing the needs and capabilities of associates and taking actions to maximize each person's development.

MANAGING RESOURCES

- Establishing goals, identifying a purpose, and setting clear objectives to guide actions for self or others.
- Organizing or adjusting information, people, and materials to meet established goals and priorities.
- Instituting effective methods for keeping track of the status of the sub-tasks and the overall timeline of a project and for ensuring that project goals are met in a timely manner.



World Class Selection Systems:

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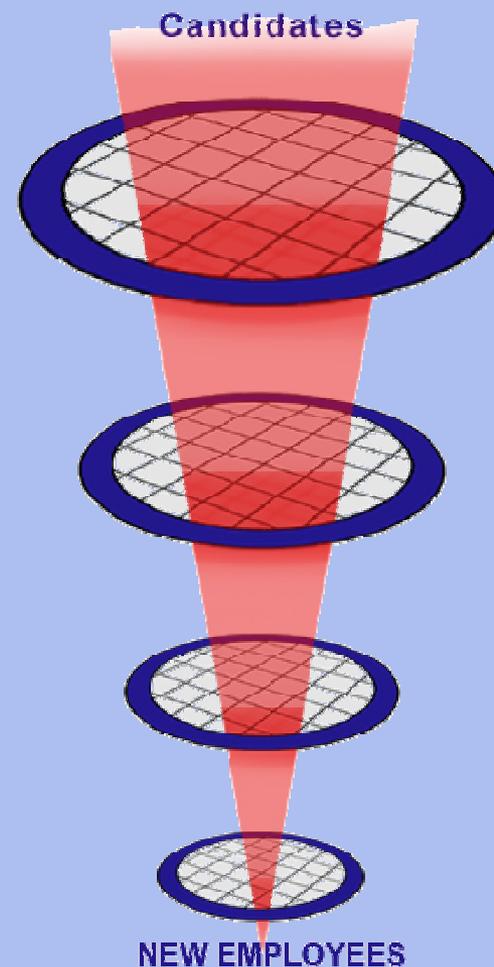
- Are true "Systems"
 - No single factor consistently predicts job performance best.
 - No single assessment method is acceptable for measuring all competencies.
 - Different companies and jobs require different employee profiles.



World Class Selection Systems:

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- Hiring profile
- Realistic Job Preview
- Web or IVR prescreening
- In-depth assessment
- Behavioral interviews
- Background checks
- Drug screening





World Class Selection Systems:

- Use behaviorally based interviewing
 - Allows interviewers to gather specific work related examples of a candidate's 'past behavior' by asking structured job relevant questions
 - Structured interview guides
 - Training for all interviewers
 - Behavioral anchors to create common standards



Questions and Discussion

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Thank You!

