Hennepin County provides equal access to employment, programs and services without regard to race, color, creed, religion, age, sex, disability, marital status, sexual orientation, public assistance or national origin. If you believe you have been discriminated against, contact the Administration Division of the Human Resources Department.

Hennepin County Human Resources
A-400 Government Center
Minneapolis, MN 55487-0040
612-348-7855 or TTY 612-348-5467

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Dear Commissioners:

In 2016, Human Resources (HR) and Labor Relations initiated an evaluation of our programs in response to the board’s request to develop recommendations for a total compensation and benefits strategy in order to attract and retain a well-qualified and diverse workforce. We are now in year two of our five-year Total Rewards strategy and our annual report reflects this effort.

The county is committed to its employees and aims to be an organization that people want to come to, and where they want to stay. Our region will be facing a significant workforce shortage over the next 5-10 years, increasing the competition for talent. HR strategically brands our core services and communications under the Total Rewards framework of pay, benefits and culture – all the things that make this a great place to work. During year two, we focused on benchmarking benefits, launching new programs and initiatives, and improving core services and existing programs. 2017 accomplishments include:

**Benefits:**
- Offered increased benefits communication, additional benefits education, and new financial wellbeing tools and 1:1 open enrollment self-service appointment scheduling.
- Improved the dental plan from 0% to 40% employer-paid contribution for non-union (negotiations in 2018 for organized employees).
- Established earlier benefits eligibility for new employees on the first of the month following date of hire.

**Pay:**
- Implemented a non-organized pay pilot.
- Performed comprehensive IT market evaluation and reclassifications.
- Made significant progress on a comprehensive market pay study of all job classes.

**Culture:**
- Increased training and development opportunities to support employee development.
- Launched full-day, weekly New Employee Academy for more flexible, smaller cohorts.
- Launched the Employee Career Center to encourage and support employee development.
- Developed a talent review model and an executive succession planning model.
- Expanded and refreshed programs for giving and volunteer opportunities.
- Aligned our performance review and 360 feedback model with Core Values.

Just as HR supports Total Rewards, the work of reducing disparities clearly fits into our objectives – most notably in the in the Workforce Development and Diversity and Inclusion divisions. As the recent Pathways ROI report clearly showed, fostering a successful pathways program results in employment, higher wages and decreased dependence on public assistance. We have created new partnerships with both public and private sector entities, as well as community organizations and education partners. We will continue to launch new programs such as the 911 telecommunicator, build new partnerships for a more diverse public workforce and focus on the next stage for pathway participants – retention of talent!

HR is continuously expanding the use of analytics to better establish priorities and determine where limited resources should be used for maximum impact. We are also sharing, collaborating and reaching out to colleagues in other organizations more than ever before as well as increasing internal collaboration, through closer partnerships with Labor Relations, the County Attorney’s Office, Information Technology, and Communications.

I would like to thank the Hennepin County Board of Commissioners, the Human Resources Board, and County Administration for their continued support of the Human Resources Department’s strategic and operational initiatives. I would also like to thank all the dedicated Human Resources and Labor Relations staff for their vital role in the provision of comprehensive and flexible services. HR strives to be the model for the best practices it puts in place and the programs it endorses. I am confident that HR can adapt to the challenges ahead by proactively putting systems and practices in place that set the stage for success. I am excited about the possibilities and hope you are too!

Respectfully submitted,

Michael D. Rossman
Chief Human Resources Officer
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Mission

To provide an employee experience that attracts and retains the best talent to serve our residents.

Vision

We encourage employee career development, cultivate their wellbeing, and honor their commitment to public service so both residents and employees can thrive.

Core Values

Core Values provide a framework for excellence and accountability for the manner in which we serve residents and the quality of services we deliver.
In 2016, Hennepin County Human Resources began implementing the *Total Rewards* strategy to attract and retain a well-qualified and diverse workforce by communicating the value of working for Hennepin County. Total Rewards is an established industry term used to describe the total package an organization provides to its employees. Our Total Rewards strategy encompasses benefits, pay, and culture.

Our Total Rewards strategy also supports the county’s disparities reduction efforts. Through the buckets of benefits, pay, and culture, we are working to reduce disparities in employment and income, which positively impact other disparity domains.

Total Rewards is our frame for transformative change in workforce attraction and retention. Developing a culture of “One Hennepin” is key to providing a consistent vision that all employees can support. We strive to build this culture so that Hennepin County can attract and retain the best talent. We are proactively developing strategies and services to support the organization as we move to a more integrated and collaborative culture.

The Human Resources department’s core services align with these three areas, and we work to offer:

- Benefits that support health and wellness and recognize the diverse needs of the workforce.
- Pay that is competitive with the public sector and recognizes employee performance.
- Culture that respects and encourages employees to develop and use their talents.
Why Total Rewards?

According to Gartner, attracting and retaining talent and increasing diversity and inclusion in the workforce are the top two concerns of Chief Human Resource Officers around the country. We are using our Total Rewards strategies to address both disparities issues and an impending, long-term regional workforce shortage.

Recently, Hennepin County began to experience a major shift in resident and workforce demographics. The percentage of non-white Hennepin County residents is projected to increase from 33% to 36% by 2020 and 41% by 2030.

In addition, as members of the Baby Boomer generation retire and the working age population shrinks, finding and recruiting talent will become more difficult.

The retirement issue

By 2020, the greater Twin Cities region is expected to experience a workforce shortage of 114,000 qualified workers. As an organization, Hennepin County is anticipating a significant number of retirements to occur, particularly in leadership positions, over the next 10 years.

- 21% of Hennepin County employees are eligible to retire within 5 years.
- The amount of retirement-eligible employees increases to 28% within 10 years.
- Over half of all directors and managers will become eligible to retire within the next 10 years.
Diversity of the workforce and the community

The organization’s goal is to employ a workforce that represents the diversity of the community we serve.

- The racial and ethnic diversity of Hennepin County’s workforce has continued to increase since 2010, but does not yet reflect the diversity of the resident population.

- 28% of Hennepin County’s workforce are employees of color.

- Although the organization has made progress, a continued effort to close the gap is needed. For the organization’s workforce composition to reflect the population served, a sustained effort in making racially diverse hires and an increased focus on retaining employees of color is needed.

- With current hiring and retention efforts, the rate of growth of employees of color exceeds the rate of growth of residents of color, slowly closing the gap.
What we have accomplished in year two

- **Improved the employee experience:** We have refined and expanded our services to improve the overall employee experience.

- **Brought benefits to benchmark:** We have expanded and refined benefits options in an effort to bring Hennepin County’s offerings to benchmark.

- **Developed leaders at all levels:** We have created a model, resources, and services to support the development of leaders at all levels, whether employees are leading self, leading others, or leading the organization.

- **Implemented a Total Rewards newsletter:** In an effort to more broadly communicate all of the various benefits and advantages of working for Hennepin County, we created a monthly Total Rewards newsletter to showcase programs, resources, trainings, and opportunities within the county.

- **Launched the Employee Career Center:** To support employee develop, we launched the Employee Career Center in August 2017 to provide services and resources to all employees, Pathways participants, interns, and volunteers at the county.

- **Launched the New Employee Academy:** We have created a cohort-style orientation and onboarding system to better meet employees’ and departments’ needs.

- **Begun to address pay management:** We have researched and piloted compensation approaches for competitive pay management.

- **Prepared for countywide disparities reduction efforts:** We have created a solid foundation to support the 2018 countywide disparities reduction initiatives through facilitated disparities conversations, diversity and inclusion trainings, and consultations.
Where we are going

Our goal is to help employees recognize and appreciate the benefits of working for Hennepin County. Our commitment is to continually review our benefits to ensure that we remain competitive to attract, develop, and retain a talented workforce.

What we have accomplished

Human Resources has many programs that support our Total Rewards vision. These programs help employees successfully integrate their career with the rest of life's priorities. Recent additions to these established programs and services include:

Increased benefits communication:
- Benefits webinars
- Individual appointment scheduling with Benefits team
- Employee Resource Group lunch and learns
- Video announcing open enrollment changes

Benefits education and financial wellbeing tools:
- Budgeting podcasts
- Retirement, flex spending, tuition reimbursement, and financial wellness videos and webinars

Dental plan improvements:
- 40% employer-paid contribution for non-union
- Union negotiations in 2018

Earlier benefits eligibility:
- Benefit-earning employees are eligible on the 1st of the month following hire date
- Bi-weekly paycheck deductions for consistency

What is next for benefits

Continue bringing benefits to benchmark:
- PTO consistency across job classes (negotiation begins 2018)
- Transit subsidy: increase employer-paid contribution from 40% to 50% or higher to offset MetroTransit cost increases and remain competitive
- Health care savings plan consistency across job classes and payout type
- Increase basic life insurance from $30,000 to $50,000

Improve benefits communication and reach:
- Create podcasts about financial wellbeing and volunteer/giving opportunities
- Create tools for understanding benefits (e.g., a paycheck definition tool and videos)
- Increase personalized touchpoints (e.g., personalized and targeted emails)
- Provide year-round 1-on-1 appointment scheduling for new employees
Where we are going

We are in the process of researching compensation approaches in preparation for the next round of negotiations in 2018. In partnership with Labor Relations, we seek to establish the foundation for competitive pay management and take a total-package approach to negotiations, negotiating pay and benefits at the same time.

We are looking at ways to re-balance parts of the wage package with the idea that spending less in one part might allow us to spend more in a way that may be more meaningful for employees.

After conducting a comprehensive market pay study, we found that 99% of job classes at Hennepin County are within a ±10% corridor of the market rate for that job, or higher. We remain dedicated to creating the most meaningful compensation package for employees that will allow the organization to attract and retain talent now and in the future.

What is next for pay

• Prepare for negotiations in 2018: enact pay and benefits negotiations concurrently
• Establish the foundation for flexible, progressive, and market competitive pay management, which may include:
  • Research on compensation structure:
    • Merit step values
    • Open ranges
    • General salary adjustment evaluation
  • Evaluation of job classification structure:
    • Reduce number of classes and levels
  • Incorporate dual career tracks: create technical track for individual contributor
  • Continued standardization of minimum qualifications

What we have accomplished

• Implemented a non-organized pay pilot
• Performed IT reclassification to address long-term competitiveness
• Completed, and are now monitoring, a comprehensive market pay study
Culture

Where we are going

Human Resources recognizes that culture plays a significant role in employee engagement and attracting and retaining employees. We seek to offer services that support and improve the employee experience.

What we have accomplished

Human Resources has several culture initiatives in the works to make a real difference now and in the future.

Career development:
- Launched full-day, weekly New Employee Academy for more flexibility and smaller cohorts
- Launched Employee Career Center that provides 1-on-1 appointments and trainings, information sessions, and workshops
- Developed executive succession planning model
- Developed talent review model
- Offered executive coaching

Core Values:
- Continued to integrate Core Values into performance reviews and other county functions and trainings
- Aligned annual employee survey with Core Values
- Aligned 360° feedback model with Core Values

Diversity and inclusion:
- Implemented Leaders of Color mentorship program with 23 mentor-mentee pairs and started a second cohort
- Launched a new Interfaith and Spirituality Employee Resource Group (now up to 8 ERGs)

Employee engagement:
- Successfully implemented year 4 of the annual employee survey and the year 5 report-out is in progress

Strengths culture:
- Integrated Strengths into New Employee Academy so that all new employees can take the assessment
- Grew 1-on-1 and team debrief facilitator bench

Volunteering/giving:
- Expanded giving and volunteer opportunities:
  - 779 employees volunteered through Hennepin County-organized events, a 289% increase from 2016
  - Employees volunteered 1,012 hours of their time, a 90.5% increase from 2016
What is next for culture

In addition to expanding our resources and development opportunities for all employees, we will continue to create training and development opportunities for managers and supervisors. We know that one of the most important reasons employees stay with an organization is because they like and trust their supervisor, so we need to continue to develop the skills of supervisors and managers so they can create a supportive and welcoming environment where employees thrive.

- Expand New Employee Academy to provide new employees a 12-month, cohort model onboarding experience
- Create new supervisor onboarding process
- Develop conversation training, tools, and templates
- Offer Covey leadership trainings to employees, supervisors, and managers
- Expand 360° assessment offerings for development feedback
- Establish baseline for “One Hennepin” culture
Disparities reduction

Where we are going

Human Resources is reshaping how public and private sectors work together to reduce disparities and change the region. We are supporting countywide disparities reduction efforts through the Diversity & Inclusion division’s work and our workforce development initiatives. Through these efforts, we continue to see a steady increase in new hires of color and individuals who have experienced hardships and barriers to employment.

What we have accomplished

Diversity & Inclusion Division:

• Held countywide disparities conversations

• Formed community engagement partnership with County Administration to work on disparities reduction efforts

• Created Conducting Non-bias Interviews training and roster of trained individuals

• Prepared employees to effectively work with the communities they serve

• Offered diversity and inclusion trainings and consultations upon request

• Developed 3-tiered diversity training for supervisors and managers

Workforce development initiatives:

Pathways to Employment:

• Human Resources increased the number of Pathways: Pathways to Employment includes training programs and hiring initiatives for the under-employed, the unemployed, veterans, and individuals with disabilities

• We facilitated new partnerships with public sector entities, private sector employers, community organizations, and education partners.

• 328 Pathways participants graduated between 2014 and 2017.

• 80.7% of graduates are hired by Hennepin County, employer partners, or elsewhere. As of 2017, 159 graduates were hired by Hennepin County; 106 graduates were hired elsewhere.
Pathways to Employment continued:

- Graduates experienced an average wage increase of 82%; the average annual income increased from $20,000 to $36,600.

- Pathways graduates' dependence on public assistance decreased (in medical assistance, cash assistance, food support, group residential housing, and the Minnesota Family Investment Program).

- 65.5% of Hennepin County hires were people of color.

- 12 months after hire, Hennepin County retained 88% of the Pathways hires.

Pathways Program new hires

Pathways graduate:

"Pathways has done everything for me. I can provide for my family now, and take time off to spend with my kids."
Internships and student opportunities:

- Hennepin County has hosted 1,110 students since 2014.
- 370 students were hired, a 13% increase over 2016.
- 40% of hires for these positions are students of color.
- Human Resources created new partnership position with the University of Minnesota: Workforce Development Coordinator.
- The organization maintained the paid internship policy with a minimum of $15 per hour.

Hennepin County intern:
"This internship did more for me than I ever expected. I came to gain some experience in my field of study. I'm staying because I've found my calling: Public service."
Recruitment:

- Established $15 per hour minimum pay for all jobs
- Reviewed minimum qualification requirements and increased opportunities to substitute experience for education
- Focused recruitment plans on areas of employment disparities and diverse communities
- Opened Cedar Riverside Opportunity Center, a place-based population recruitment initiative

Workforce Leadership Council:

- Expanded Workforce Leadership Council by forming new partnerships with public and private sector employers

What is next for disparities reduction

**Hennepin County as an employer:**

- Launch new workforce development Pathways (911 telecommunicator, assessor, CDL/transportation)
- Strengthen partnerships with other employers
- Launch new internship partnerships (Urban Scholars, PEACE, College Fellows)
- Strengthen student pipelines
- Continue to develop and implement Walk the Talk and veterans hiring initiatives
- Focus on retention efforts

**Public sector strategy:**

- Build partnerships for a more diverse public workforce
- Align the public workforce system
- Create strategies for hiring those who have been incarcerated
- Remove barriers from hiring practices

**Workforce Leadership Council:**

- Continue regional leadership
- Expand private sector involvement
- Deepen and broaden engagement of employers
Workforce data

Hennepin County employees

- At year-end 2017, Hennepin County had 9,139 employees.
- 28% of employees are employees of color.
- 62% of employees are female.
- The average age of employees is 46.
- The average number of years of service for employees is 11.
Generations in the workplace

Hennepin County is experiencing a significant shift in generational demographics due to actual retirements, turnover, and new hires.

Baby Boomers (born 1946-1964):
- The Baby Boomer generation is leaving the Hennepin County workforce at an annual average of 3.7% over the past 5 years.
- Baby Boomers currently comprise 31.6% of the workforce, compared to 25% of the U.S. labor force.

Generation X (born 1965-1981):
- Generation X is holding steady at 40%, the largest percentage of the Hennepin County workforce. This is slightly higher than the U.S. labor force representation of 33%.

- Generation Y currently composes 26% of Hennepin County’s workforce, which is significantly lower than their representation in the U.S. labor force (35%).
- Their overall share of the county’s workforce increased by 3.1% annually over the past 5 years.
- Generation Y’s representation in the U.S. labor force will peak in 2030 at 75%.

Generation Z (born after 1994):
- Generation Z arrived in Hennepin County’s workforce in 2012, and more than doubled in numbers between 2015 and 2017.
- Generation Z currently composes 1.7% of Hennepin County’s workforce and 5% of the U.S. labor force.
Trends in hiring

- 47% of applicants are people of color, a percentage that has been increasing since 2010. This percentage is anticipated to increase as Human Resources explores new options for place-based recruitment.

- 39% of new hires are employees of color, demonstrating an upward trend since 2015.

- 62.3% of new hires are female. The percentage has remained between 60-63% since 2012.
Trends in turnover

- The organization’s overall turnover rate has remained below 9% since 2010 and is at a 5-year low of 8.3%.

- Comparatively, the annual turnover for government organizations is 20% (U.S. Bureau of Labor Statistics).

- Across all organization types (public, private, and government), the average turnover is 18% (Society for Human Resource Management).

- Some voluntary turnover in organizations is beneficial in increasing innovation, maintaining productivity, adding new skill sets, and maintaining employee satisfaction. Studies show that government organizations experience the peak benefit of voluntary turnover for organizational performance at 8% (Journal of Public Management Review).

- The number of retirements has remained steady, between 230-260 retirements per year, for the past 5 years.
Leader demographics

Leaders of color:

- 16.7% of Hennepin County leaders are leaders of color.

- Since 2010, there has been a 7.3% increase in directors of color, a 6.9% increase in supervisors of color, and a 1.9% decrease in managers of color. Though the director and supervisor trend is moving in a positive direction, the total percentage of leaders of color is below resident population representation.

- Promotions of employees of color increased from 23% to 34.8%.

Female leaders:

- Though the number of female managers decreased by 2% in 2017, there has been an overall increase of 3.8% since 2010.

- There has been little change in the number of female supervisors and directors.
Board information

Board of Commissioners:

- Mike Opat, District 1
- Linda Higgins, District 2
- Marion Greene, District 3
- Peter McLaughlin, District 4
- Debbie Goettel, District 5
- Jan Callison, District 6
- Jeff Johnson, District 7

HR Board Members 2017-2018:

- Jesse Winkler, Chair
- Anthony Untiedt, Vice Chair
- Thomas Brooks
- Janet Frisch
- Angelines Pabon
- Robert Powers
- Ned Rousmaniere