Hennepin County as an employer

- County population: 1.2 million
- Total # of employees: 9,139
- Job classifications: 365
- Total # of job postings: 799
- Total # of hires: 1,350
- Union representation: 69%
- Bargaining units: 17
- Average age of employee: 46
- Average retirement age: 63
- Average years of service: 11

Source: Year-end 2017 data
Our Total Rewards strategy

- 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.
Motivating factors for change

• Building a diverse workforce that mirrors the customers we serve
• Focus on workforce development (attract, develop, and retain)
• County Board request for compensation reform
• Growing retirement-eligible pool of employees
• Shifting generational demographics
• Regional workforce shortage and competition to attract best talent
Regional workforce shortage

- 2020 employment outlook for the Twin Cities region:
  - 670,000 replacement job openings
  - 370,000 new jobs created
  - 1,040,000 total anticipated hires

- Projected workforce shortage of 100,000 workers by 2020

Source: “Taking on 2025: Preparing for a New Demographics” by Jane Tigan (Wilder Research) and Sean Kershaw (Citizens League)
Hennepin County workforce generations

Generation X now comprises the largest % of the workforce, followed by Boomers, with Generation Y (Millennials) projected soon to be larger than Boomers.

Note: Regular, unclassified, and temporary employees

Traditionalists – b. before 1946
Boomers – b. 1946 – 1964
Generation Z – b. after 1994
Hennepin County resident race/ethnicity demographics with projections

Hennepin County’s residents of color population continues to increase and is projected to continue increasing.

Source: U.S. Census Bureau
Hennepin County’s goal is to attract and retain a workforce that represents the community it serves.

We’ve seen increases in the percentage of employees of color in recent years.

If efforts continue to be successful, we expect to reach representation around 2030.
A unique approach for local government

• Proactive approach to attraction and retention of employees

• Keeps a closer eye on practices of the private sector

• We added the “culture” bucket of work
High level overview of process

• County Board approval for consultation

• Worked with Mercer:
  • Internal labor market map (why things are happening, identifies risks, provides direction for priorities)
  • Conducted focus groups to better understand employees’ perspectives

• Development of compelling Total Rewards philosophy

• County Board approval for implementation

• Implementation: Moving from philosophy to strategy
  • Project manager
  • New programming and services
  • Key messaging
HR’s and LR’s timelines

• Year 2 of 5-year plan

• We are on track for our 5-year goals

• Addressing quick wins demonstrated immediate big impact

• Demonstrating progress on long-term recommendations and goals
Messaging and buy-in

• Messaging and buy-in from County Board was critical, to convince them to take the lead.
• We demonstrated a high level of engagement from staff to help create solutions.
• We took a holistic approach to address many challenges and find sustainable solutions.
• We developed set of key philosophies and consistent branding for Total Rewards.
• We gained support from County Administration and other county leaders by demonstrating a winning proposition.
• What we provided to the Board of Commissioners:
  • Timelines
  • Engaging documents: placemat, tables, infographics, etc.
  • Simple messaging
Benefits work: Benefits programs

• Bringing to benchmark existing programs

• Dental: 40%+ employer-paid
Benefits work: Financial wellbeing

• Financial literacy: Encouraging employees to save

• New tools:
  • Paycheck tool
  • Budgeting podcast
  • Benefits lunch-n-learns

• Online financial wellbeing tools: Over 17,000 views by employees

• Messaging and resources for resident population
Benefits work: Tuition reimbursement

• County commitment to development: $5,250 (IRS max non-taxable annual amount)

• Financial aid application support

• Information sessions about exploring graduate school

• Site visits from educational institutions
Culture work: Cohort-style New Employee Academy

- NEOGOV onboard
- APEX registration
- New employee newsletter
- 3-month engagement activity
- 7-month engagement activity
- 12-month celebration
Participant satisfaction with cohort-style NEA

- HR collects feedback in-person during 3 and 7-month engagement sessions
- Provides new way for HR to hear from employees early in their employment
- Gives HR the ability to address emergent issues

Note: Satisfaction rate includes only agreement responses on 5-point Likert scale.
Culture work: Employee Resource Groups

8 active ERGs:
• Asian Connections
• Interfaith and Spirituality
• Lean In
• Millennials
• People of Color
• Transgender and Gender Non-Conforming
• Veterans
• Women in STEM

Participation:
• 1,504 employees (16.5%) are active in ERGs

Events:
• Networking events
• Volunteer events
• Trainings
• Listening sessions
• Projects with county departments
Culture work: Employee Career Center

History: Launched in August 2017

Employees served to date:
- Over 240 1-on-1 appointments
- Over 800 participants in trainings, classes, and events

Vision:
We envision a future where all employees have access to resources that will inspire them to reach their full potential and experience career fulfillment.

Mission:
To connect Hennepin County employees to resources that inspire them to learn, grow, and explore career opportunities.

Services:
- 1-on-1 career conversations
- Group trainings and class sessions:
  - Creating a Professional LinkedIn Profile
  - Resume Writing
  - Exploring Graduate School
  - Etc.
- Open houses, tours, career fairs
- Professional photos/headshots
Satisfaction with Employee Career Center

- 92% employee satisfaction rate within first year of operation
- Qualitative feedback:
  - “The ECC is one of the best ideas Hennepin County administration has had.”
  - “I stopped looking for jobs with other counties closer to home after visiting the ECC.”
  - “I know the ECC can’t offer me a management position, but knowing that the county is investing in its employees by having a career center is reason enough for me to stay and build my future at Hennepin County.”
  - “I used the Employee Career Center to get help on becoming a mentor. The input I got was very useful. It helped me set realistic expectations for myself as I began this journey.”
Pay work: 5-year plan for pay strategy

- Board of Commissioners requested compensation reform
- HR developed 5-year plan for implementation:

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market analysis</td>
<td>Market data (partial use)</td>
<td>Market data (partial use)</td>
<td>Market data</td>
<td>Market data</td>
</tr>
<tr>
<td>Job descriptions</td>
<td>Job descriptions</td>
<td>Job descriptions</td>
<td>Job descriptions</td>
<td>Job descriptions</td>
</tr>
<tr>
<td>Points (partial use)</td>
<td>Points</td>
<td>Points</td>
<td>Points</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Job evaluation</td>
<td>Job evaluation</td>
<td>Grading</td>
</tr>
</tbody>
</table>
## Pay work: Current vs. future pay practices

<table>
<thead>
<tr>
<th>Category</th>
<th>Current practices</th>
<th>Future practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>• Knowledge is people-based</td>
<td>• Knowledge is people-based</td>
</tr>
<tr>
<td></td>
<td>• Knowledge is people-based</td>
<td>• Succession-based thinking</td>
</tr>
<tr>
<td></td>
<td>• Knowledge is people-based</td>
<td>• Centralized processes</td>
</tr>
<tr>
<td></td>
<td>• Knowledge is people-based</td>
<td>• Standard operating procedures</td>
</tr>
<tr>
<td>Job description</td>
<td>• Informal</td>
<td>• Formal job descriptions for all jobs</td>
</tr>
<tr>
<td></td>
<td>• Informal</td>
<td>• Owner for the process</td>
</tr>
<tr>
<td>Pay structure</td>
<td>• Job classes</td>
<td>• Job classes</td>
</tr>
<tr>
<td></td>
<td>• Steps/open range</td>
<td>• Grades</td>
</tr>
<tr>
<td></td>
<td>• Cash merit</td>
<td>• Points</td>
</tr>
<tr>
<td></td>
<td>• Job classes</td>
<td>• Steps/open ranges</td>
</tr>
<tr>
<td></td>
<td>• Steps/open range</td>
<td>• Minimum/median/maximum</td>
</tr>
<tr>
<td></td>
<td>• Cash merit</td>
<td>• Cash merit</td>
</tr>
<tr>
<td>Rewards management</td>
<td>• Online PeopleSoft process</td>
<td>• Updated PeopleSoft process</td>
</tr>
<tr>
<td></td>
<td>• Online PeopleSoft process</td>
<td>• Add 5-point rating</td>
</tr>
<tr>
<td></td>
<td>• Online PeopleSoft process</td>
<td>• Disconnect GSA increases for individuals</td>
</tr>
<tr>
<td></td>
<td>• Online PeopleSoft process</td>
<td>• Rewards measured against job description</td>
</tr>
<tr>
<td></td>
<td>• Online PeopleSoft process</td>
<td>• Eliminate/freeze retention pay</td>
</tr>
<tr>
<td>Pay progression</td>
<td>• Inconsistent use of pay ranges for hiring and promoting employee</td>
<td>• Define a consistent approach to hiring and promoting employees in the use of pay ranges</td>
</tr>
</tbody>
</table>
Pay work: Merit pay pilot study

• Conducted merit pay pilot study for Information Technology job classes

• Outcome: Reclassification for consistency and market fit

• “Do no harm” philosophy
Total Rewards and Labor Relations strategy

- **Total compensation and benefits statements issued annually** plants the seed that the employment package/employee experience is more than just the pay rate.

- **Changed negotiations calendar** to negotiate pay and benefits at the same time.

- **Market study** formed backbone of our negotiations proposals:
  - Employee focus groups highlighted concerns about inconsistency of pay and benefits.
  - Generated a list of benefits improvements to pursue.
  - Compensation data provided a credible perspective on pay heading into negotiations.

- **More purposeful and consistent communication** strategy for negotiations.
Communications strategy for negotiations

We are being clearer and more consistent about how we talk about the benefits of working for Hennepin County and then explaining how that translates to our proposals at the bargaining table.
Results

• **Stronger rationale for more consistent benefits** rooted in the Total Rewards’ focus on the employee/applicant experience.

• **Solid grasp of where we are above and below the market** which provides us with both concessions we want and possible “gives” we could make at the bargaining table.

• **More impactful Board presentation** – The market scan of both pay and benefits allowed us to level set our Board re: how good our current employment package is, and our justification for the various proposals we will be making (and the cost of those proposals).

• **More consistent conversation about the “whys” of our proposals** by everyone in the organization (not just the labor negotiator).

• **Better and more consistent data to support our “no’s” at the table** makes our work more credible.

• **(Hopefully) starts to teach the organization how to manage pay** and how to provide a credible “no” when it is needed.

• **Stay tuned.**
Michael Rossman
Chief Human Resources Officer
Hennepin County
Michael.Rossman@hennepin.us
612-348-7855

Kathy Megarry
Chief Labor Relations Officer
Hennepin County
Kathy.Megarry@hennepin.us
612-348-7855