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# <sup>00057 0575</sup> e of Minnesota Civil Service Pilot Projects

Improving government effectiveness through better human resource management

Minnesota

Department of

Employee

Relations

Leadership and Partnership in Human Resource Management

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# Minnesota Department of Employee Relations

*Leadership and partnership in human resource management* 

September 1994

TO: Legislative Commission on Employee Relations

FR: Linda Barton, Commissioner

RE: 1994 Report on Human Resource Innovations

The Minnesota Legislature, in 1993 and 1994, authorized the Department of Employee Relations and four state agencies to conduct pilot projects to explore innovative ways to improve the state's human resource system. Many of the system's stakeholders have said the system has become complicated, slow and inefficient.

Over the past year, innovative work has been done on two fronts: 1) the Human Resource Innovations Labor-Management Committee, and 2) state agency civil service pilot projects.

The attached report summarizes progress being made on both fronts. The report is submitted to the Legislative Commission on Employee Relations as required by the 1993 and 1994 legislation. We welcome the opportunity to discuss this report in detail with you at an upcoming commission meeting.

Reforming a complex system of rules, policies, procedures and statutes is a difficult challenge. However, the efforts we have launched this year have laid a solid foundation for making meaningful, long-lasting improvements to the state's human resource system. This process will not be completed quickly. Enduring reform requires a long-term commitment from the Legislature, the Department of Employee Relations, labor unions and state agency stakeholders.

Over the past year, I have been impressed with how eagerly lawmakers, labor, management and human resource professionals have joined hands to achieve a common goal: improving the state's human resource system. Given the proper support, I am confident this partnership will lead to many positive results.

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# Summary

Winds of change are blowing through state government. State agencies—providing services ranging from education to health care to transportation—are focusing more and more on objectives, outcomes and customer service.

To accomplish their objectives, state agencies have had to learn how to operate more efficiently. Since state agencies are made up of employees, the system that hires and supports these employees can have a significant impact on how efficiently state agencies operate.

Labor unions, state agency managers and human resource professionals and the Department of Employee Relations are working together to create a human resource system that promotes efficiency and quality. Progress is being made on two fronts: the Human Resource Innovations Labor-Management Committee (HRILMC) and state agency civil service pilot projects. Both initiatives were authorized by the Minnesota Legislature.

The HRILMC has established four subcommittees to improve various parts of the state's human resource system.

The Retraining Grants Subcommittee is administering \$200,000 in grant money authorized by the Legislature to retrain *and retain* state employees. The subcommittee seeks to show that it is more economical and efficient to retrain and retain employees who are at risk of being laid off, rather than terminate their employment. The Performance Management Subcommittee is creating a new system for managing employee performance. The new system focuses on ongoing performance communication and coaching designed to help employees accomplish their agency's mission.

The Selection Subcommittee is developing ways to improve the hiring system. The goal is to simplify the system so that agencies can effectively meet their needs for a skilled, qualified workforce.

The Clerical Issues Subcommittee is exploring ways to simplify the state's largest group of civil service classifications. Simplifying the clerical job classes will enable state agency human resource directors to efficiently meet their agency's demands for qualified clerical workers.

Four state agencies—The Office of the State Auditor, the Housing Finance Agency, the Department of Transportation and the Department of Human Services are conducting their own civil service pilot projects. These pilot projects allow the agencies to waive certain civil service rules to test innovative ways to make the human resource system more efficient.

All of these efforts to improve the state's human resource system are being conducted through labor-management partnerships. These partnerships have already helped build trust between labor and management, and will help ensure that meaningful, enduring reform will occur.

# Section 1 Human Resource Innovations Labor-Management Committee



# A Message from Committee Chairs

A year ago labor and management joined hands to take on the challenge of improving the state's human resource system. Both sides agree that many of the programs for recruiting, hiring, classifying, compensating, managing and training employees are working well but that the overall system could be simpler and more efficient. Through the work of the Human Resource Innovations Labor-Management Committee, the State of Minnesota is beginning to launch innovations in human resource management that will improve state government for years to come.

Changing a system that has roots extending back more than 50 years has proven to be a major undertaking. While we are making progress in certain areas such as performance management and training and development, we realize that complete change will not occur overnight. We have made a commitment to continue working together to make long-term improvements.

We are proud of the evolving partnership between labor and management, and we are confident that, working together, we will succeed in making government run more efficiently.

The Minnesota Department of Employee Relations has enthusiastically supported our work with staff and resources. We thank them for their direction and support. We also thank the Minnesota Legislature for initiating this important partnership between labor and management.

The following report outlines the progress we have made over the past year and paints a picture of where we want to go. We look forward to continuing this important labor-management partnership and reporting again in the future on significant innovations in human resources.

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Peter Benner AFSCME, Council 6 Co-chair

- Martha Watson

Martha Watson Department of Human Services Co-chair

**Civil Service Pilot Projects** 

# Introduction

Oil and water. That's how some people view labor-management relations. Sometimes the two sides just don't seem to mix very well.

The Human Resource Innovations Labor-Management Committee (HRILMC) is changing that view. The committee is proving that when it comes to issues of mutual importance, oil and water can mix to create a new force capable of moving mountains.

The HRILMC-made up of 10 union representatives and 10 management representatives-was launched in August 1993 to move the State of Minnesota's human resource mountain, which has grown to be complicated and inefficient. Both labor and management believe state government can run more efficiently if the systems for hiring, classifying, compensating, managing and training state employees are simplified and improved. The human resource system is not just the Department of Employee Relations (DOER), which administers the system. It encompasses DOER and all of the system's key stakeholders, including state agency human resource directors, managers, supervisors, unions, employees and job applicants.

While the voices for change have been heard before, the voices became especially loud in 1991, when DOER collected customer feedback during its strategic planning process. Many customers said the current system was slow, complicated and inefficient. Similar feedback was heard by the Governor's Commission on Reform and Efficiency, which was also examining the state's human resource system.

Heeding the pleas for change, DOER sought legislative funding in 1993 for human resource innovations. The Legislature provided funding and directed a team of labor and management representatives to identify and guide the innovations.

The HRILMC is putting Minnesota ahead of the pack in implementing cutting-edge human resource innovations. In fact, the committee's work parallels much of what is being recommended on the federal level. When Vice President Al Gore released his **Report of the National Performance** Review (NPR), From Red Tape to Results: Creating a Government that Works Better and Costs Less, HRILMC committee members found that it contained many of the same recommendations the committee was already exploring. A subsequent report, outlining how the federal recommendations should be implemented, strongly recommends forming labor-management partnerships to bring about change.

Minnesota's experience with the HRILMC may be a good model for the federal government to follow. The HRILMC's experience shows how labor and management can work effectively together to reform systems that affect all stakeholders, including labor and management.

The HRILMC has barely scratched the surface of the human resource mountain. For true reform to proceed and succeed, the committee will need a strong, longterm commitment from all of the human resource system's customers and stakeholders—from the governor and legislators to agency heads, human resource directors, unions, employees, job applicants and the public. The HRILMC has built a strong foundation for improving state government's human resource system. With the proper support, the committee can complete the process of rebuilding the system.

The remainder of this section is a progress report on the work of the HRILMC. Most of the work is being carried out by subcommittees that are addressing specific human resource issues. We hope the report gives you a glimpse into the work of the subcommittees as well as a picture of where the state's human resource system is heading. If you have questions, or if you would like to offer your comments or suggestions, please contact one of the committee members listed in the appendix, or contact Jan Wiessner, deputy commissioner, Minnesota Department of Employee Relations, (612) 297-3859.

# Human Resource System Outcomes

Changing complex systems without identifying what the end result should be is a little like trying to sail around the world without a chart.

The HRILMC knew it would be hard to reach its destination of a better human resource system without first agreeing on a set of desired outcomes for the new system. That set of outcomes, listed below, is the chart that will guide the committee toward its final destination. Drawing this chart supports state government's growing commitment to improve services by focusing first on desired outcomes, then designing systems to achieve those outcomes.

## **Outcome statement**

The human resource system is made up of many components and people. The components include hiring, classification, compensation, performance management, and training and development. The people include employees, unions, agency heads, human resource directors, managers and supervisors.

The goal of the state's human resource system is to create a workforce that has the skills and support needed to provide quality public services to the people of Minnesota. To accomplish this goal, the system will be fair, consistent and adaptable. The state, as the employer, will respect state employees, recognizing that they are state government's most valuable resource. The human resource system will foster a supportive environment in which state employees will be:

#### Responsive to the public's needs

Employees will be supported and recognized for putting the public's needs first.

#### Responsible

Employees will act in the best interests of the public by being full partners in state government and by helping to identify and take responsibility for desired outcomes.

## Diverse

The State of Minnesota's workforce will reflect Minnesota's diverse population and will possess the skills and abilities to serve all of Minnesota's citizens and communities sensitively and fairly.

## Creative

Employees will be supported and rewarded for finding innovative solutions to challenges and for taking risks to improve public services.

## Motivated

Employees will be motivated—through effective management, positive support, opportunities for advancement and appropriate compensation—to continuously improve the quality of their work.

## Knowledgeable

Employees will receive the ongoing training and development they need to meet the public's wishes for efficient, effective services and to excel in their jobs and careers.

## Valued

Employees will be satisfied with their work and will feel valued for providing important public services to the people of Minnesota. The HRILMC has already begun to define specific ways to measure these outcomes. If all seven outcomes are achieved, everyone's needs will be met: State agencies will have a capable and qualified workforce to accomplish their mission, taxpayers will be assured that the State's workforce is productive and efficient, and the public will receive the highest quality public services available.

# Subcommittee Progress Reports

# **Retraining Grants Subcommittee**

The State of Minnesota's 40,000 employees are its greatest resource. The HRILMC appointed the Retraining Grants Subcommittee to find ways to retrain *and retain* state employees who are at risk of being laid off due to changes in the workplace. The state is learning what many private employers have already learned: that new initiatives and agency reorganizations will not succeed without adequate training and retraining of employees. Realizing this fact, the 1993 Legislature appropriated \$200,000 to the HRILMC to distribute to agencies proposing innovative employee retraining programs.

This retraining grants project expects to demonstrate that: 1) it costs less to retrain and retain state employees than it does to lay them off; and 2) a variety of models for retraining employees at risk of layoff can be tested through this grants project, with the most successful models being replicated by other state agencies. We will be in a better position to assess the effectiveness of the various models next year, after they have had time to produce results.

The Retraining Grants Subcommittee reviewed 16 proposals totaling \$774,393, and selected eight, totaling \$200,000, for funding. In addition to funding these important retraining programs and enabling state employees to remain in the workforce, the Retraining Grants Subcommittee has expanded awareness of the need to provide adequate training in today's workplace.

The grants approved by the subcommittee are summarized below.

# 1. Minnesota Department of Economic Security

\$19,600 to develop a training program to help employees now classified as jobs and training representatives acquire skills needed to serve as account representatives, reflecting a shift in the department's delivery of services to customers. Methods include three days of classroom training followed by two weeks of hands-on training.

# 2. Minnesota Department of Economic Security, St. Paul Office

\$10,000 to establish an Employee Development Services Project in their Office of Quality Resources. The project will help staff whose current responsibilities may change due to technology or job class transition in the clerical, professional and management classes, and staff who may be affected by downsizing or who are facing career changes. Resources will include self-assessment computer programs related to career change and a four-part class on career assessment.

## 3. Minnesota Department of Human Services, Moose Lake Regional Treatment Center

\$12,000 to help Moose Lake Regional Treatment Center (MLRTC) employees gain employment as security counselors at the new psychopathic personality facility to be located adjacent to the MLRTC. A curriculum will be developed based on the security counselor examination, and an inservice training course will be delivered.

## 4. Minnesota Department of Human Services, Cambridge Regional Human Services Center

\$27,931 to provide computer training to direct-care and general-support employees who are at risk of layoff, so they are better able to obtain clerical vacancies as they occur in the state. Methods include 30 hours of formal instruction in partnership with community education, and accessibility to a computer lab 24 hours a day, seven days a week, for coaching and tutorials.

**5. Mankato State University** \$15,769 to train clerical employees at risk of layoff to compete for new positions in campus security and microcomputer consulting positions. Methods include coursework and on-the-job training.

#### 6. Minnesota Department of Health

\$16,600 to prevent the layoff of five consulting sanitarians by retraining them in new technical areas of environmental health. Methods include coursework offered by in-house staff and vendors on asbestos, radon, carbon monoxide, indoor air quality, lead, computer data entry, surveys and report writing.

#### 7. Minnesota Community College System/State Board of Technical Colleges/State University System

\$60,000 to establish a temporary retraining coordinator position to serve as a resource for employees in the three current system offices who will not have a position in the new system office following the merger. Responsibilities include helping employees find jobs, identifying vacancies, identifying skill gaps, and coordinating courses and workshops to meet specific needs.

#### 8. Minnesota Department of Military Affairs

\$38,100 to hire a part-time employee to assess the interests and aptitudes of 20 atrisk employees and implement individual development plans for each, including classroom training, on-the-job training, and career counseling. Develop a system to notify employees of job openings and arrange for civil service testing.

The Retraining Grants Subcommittee is made up of three labor representatives and three management representatives. It is coordinated by Jackie Lind, Department of Employee Relations.

## **Performance Management Subcommittee**

The Performance Management Subcommittee is developing a dramatically different performance management system for state employees. The present system, which focuses mainly on once-a-year performance appraisals, does not promote continuous improvement of performance. It can even be a barrier to better performance. For example, if communication about performance problems is delayed until the next formal appraisal, employees or work groups may assume their performance is satisfactory, when it is not.

The new system will replace the once-ayear performance appraisals with year-round performance communication and coaching. The goals are to provide employees with ongoing direction and

**Civil Service Pilot Projects** 

support, to help them work together more effectively, and to keep their efforts focused on their agency's mission and customers.

This new approach to performance management and performance improvement is important because it is the result of a collaboration between labor and management. The labor-management work group analyzed problems with present state practices, explored best practices in other states and organizations then developed the following performance management principles:

- Employees are state government's most valuable resource
- The culture and values of state agencies must support good performance
- Performance management starts with and builds on the key goals of the organization and the needs of its customers and clients
- Good performance requires:
  - clear expectations
  - knowledge, skills and abilities
  - resources
  - feedback
  - recognition for good performance
  - consequences for poor performance
- Employees at all levels need continuous development
- Effective communication skills and feedback tools are crucial to all employees

These principles have been incorporated into a program of needs assessment, training and follow-up support designed to establish and strengthen good performance management practices in state agencies. In the past, performance management training has generally been available only to supervisors. The new twoday training program is designed to teach the necessary skills and practices to complete work groups. This approach involves all employees, supervisors and managers in learning how to communicate more effectively about performance issues. The training is customized to fit each agency's particular needs.

Four agencies are piloting the new approach: the Department of Economic Security, the Department of Natural Resources, MN Planning, and the Department of Employee Relations. Once the pilots are completed, trainers will be recruited from state agencies to deliver the training to work groups throughout state government. If all goes well with the pilots, the new system will be rolled out statewide in October 1994.

The Performance Management Subcommittee is made up of three labor representatives and eight management representatives. It is chaired by Gene Jensen, Minnesota Association of Professional Employees. Three professional staff from DOER also work on the project.

## **Selection Subcommittee**

Selection refers to the process by which individuals are chosen for state jobs. The process is founded on the merit principle: that employees of the state should be hired based on their knowledge, skills and abilities, not their political or personal connections or characteristics such as race, creed or color.

People have often said that the selection process is slow and cumbersome. DOER has already begun implementing technical changes that will make the process more efficient. Other, more complicated changes require careful consideration by both labor and management.

The HRILMC appointed the Selection Subcommittee to recommend ways to improve selection. The subcommittee began by identifying four principles to guide the subcommittee's work:

- 1. The State, as Minnesota's largest single employer, will follow hiring processes that are efficient, responsive, cost effective, understandable, fair, accesssible and designed to provide managers with competent candidates who possess the skills necessary to perform the jobs.
- 2. The State is an equal opportunity/ affirmative action employer. Its staffing practices will help state agencies acquire and retain a diverse work force.
- 3. The State encourages cooperative labor-management relations and will honor the contracts it makes with exclusive representatives of employees and the plans it provides for unrepresented employees.
- 4. The State promotes maximum workforce productivity. Its hiring, career development and promotion practices will help managers and employees optimize human potential.

With these principles in mind, the Selection Subcommittee has developed a list of possible improvements to the system. The improvements range from simple, shortterm actions to more complex longer-term solutions. Here is a summary of some of the improvements the subcommittee is working on.

## Short-term improvements

**Revising the application.** The state's employment application form will be revised to make sure it gathers the appropriate information and is user-friendly.

**Scoring retests.** Employees who test a second time for a particular class will no longer be able to use the higher of the two scores. Employees will be required to use the most recent test score.

**Recruiting for specific locations.** The Department of Human Services will conduct a pilot project in which it will recruit employees for certain jobs in a smaller geographic area.

**Recruiting for routine service positions.** The Department of Natural Resources will conduct a pilot project in which it will directly recruit employees for routine service positions, rather than going through the state Job Service.

**Combining lists.** The subcommittee will explore certifying both competitive and promotional lists at the same time. This will help managers get more names of applicants as well as a fresher list of applicants.

## Improvements slated for consideration by work groups

Selection process. A work group of managers and human resource directors will examine the entire selection process. This will enable the two groups to address together the complexities of the present system and explore ways to simplify it.

Affirmative action. The Statewide Affirmative Action Committee is considering alternatives to the way the state uses "missed opportunities" to measure affirmative action progress. The Diversity Action Council will explore ways to expand internship and trainee programs to meet affirmative action goals. The council will also explore ways to recruit protected group members (women, minorities and persons with disabilities).

Rule 10 appointments and consultant contracts. A work group will be formed to explore ways to encourage managers to use regular selection channels, rather than obtaining employees through consultant contracts or Rule 10 (short-term)

# Longer-term projects to be considered

appointments.

**Partnership with Job Service.** The subcommittee will explore ways to build a stronger partnership with the state Job Service to meet the state's hiring needs.

**Career and outplacement counseling.** The subcommittee will consider the possibility of developing counseling for employees who want to develop their careers or are leaving state service.

The Selection Subcommittee is made up of four labor representatives and six management representatives. It is chaired by Peter Benner, AFSCME, Council 6.

# Clerical Issues Subcommittee

Over the years, people have voiced various concerns about the clerical job classes and exams. The most common concerns are that there are too many clerical classes and that it is hard to distinguish between levels in a clerical-class series.

The Clerical Issues Subcommittee was created as a formal labor-management committee under the authority of the HRILMC during 1993 contract negotiations with AFSCME, the union representing clerical employees. The subcommittee's first objective was to become more familiar with the state's overall human resource management system. Subcommittee members spent their first few meetings learning more about the merit system, the job classification system, the Hay job-evaluation system, exam development and administration, eligible lists, and alternative ways of appointing employees to classified service.

With a common understanding of the state's human resource system, the subcommittee developed a work plan for the coming year to address the following issues.

**Position descriptions.** How are they used? Can they be simplified? Are there alternatives to the standard PD? Job evaluation. How has technology changed clerical jobs? Do job evaluations accurately reflect the level of technology involved with the job?

Job classification. How are new clerical classes created? Can we reduce the number of clerical classes?

**Application process.** How do applicants obtain information about clerical job openings? Are applicants adequately instructed about how to complete the job application form? Are we communicating well enough about mobility opportunities in state government?

**Testing.** Why do employees need to re-test every two years? Should the Clerk 1 and Clerk Typist 1 tests be the same? Is there a better way to refresh lists of applicants?

The Clerical Issues Subcommittee is made up of 10 AFSCME members from the office-clerical bargaining unit and 10 management representatives, including two clerical supervisors from the Middle Management Association. It is co-chaired by Mary Benner, AFSCME, and Martha Watson, human resources director for the Department of Human Services.

# **Future Directions**

The HRILMC is making significant progress toward shaping a human resource system that will improve state government for years to come. The continued partnership between labor and management is critical to the success of this long-term effort. To accomplish its goals, the committee will need ongoing support from the Legislature and other human resource stakeholders. The committee, in partnership with the Department of Employee Relations, will be proposing a budget for the 1996-97 biennium that will enable it to continue its progress. The following issues are on the agenda for the committee.

**Retraining grants.** Review the results of the first round of retraining grants. Identify positive programs and encourage agencies to duplicate them.

**Performance management.** Assess the results of the performance management pilot projects. Refine the system so that all state agencies can benefit from it.

**Clerical issues.** Resolve the many issues surrounding clerical job classifications. Simplify the classification to make it more efficient and understandable.

**Selection.** Finish making minor modifications to the selection process. Begin focusing on more comprehensive, systemwide improvements.

**EDP (electronic data processing) classifications.** A new subcommittee will be formed to examine the current EDP classifications. Numerous classifications exist with overlapping responsibilities. The subcommittee will identify ways to simplify and clarify the classifications.

**Outcomes measurement.** The committee will develop ways to measure the state's progress toward achieving the desired outcomes outlined on page 7.

**Classification.** The HRILMC has identified as a priority for the next biennium to review the entire classification system. This review is expected to be a major undertaking. The goal will be to simplify and clarify the system, which currently consists of 2,200 job classifications.

# Section 2 State Agency Civil Service Pilot Projects

# Introduction

The Minnesota Legislature in 1993 authorized two state agencies—the Office of the State Auditor and the Minnesota Housing Finance Agency—to waive certain civil service rules, with approval from the Department of Employee Relations. The purpose of the waivers was to allow the two agencies to try out changes to the human resource system that would improve efficiency.

In 1994 the Legislature authorized two more departments—the Minnesota Department of Transportation and the Department of Human Services—to conduct civil service pilot projects. This section of the report describes the results of these four pilot projects.

# Office of the State Auditor

The Office of the State Auditor's (OSA's) labor-management committee—the Staff Partnership Attempting to Redesign Civil Services (SPARCS) Committee—is composed of the following representatives: two from AFSCME, six from MAPE, two from MMA, and six from management.

The SPARCS Committee met eight times between October 1993 and July 1994.

## **Preliminary Issue Identification**

Through a survey of OSA employees and brainstorming sessions, the SPARCS Committee identified the following issues for possible waivers of civil service rules: hiring procedures; promotions; employee scheduling; employee recognition; staff training and development; and performance evaluations.

## **Subcommittee Progress Reports**

The SPARCS Committee formed three subcommittees to explore in more detail the identified issues.

## **Employee Development Subcommittee**

This subcommittee is charged with issues related to employee training and recognition.

The subcommittee evaluated the achievement award process and established a labor-management group to evaluate achievement award nominations. The achievement award review group consisted of subcommittee members, plus two audit staff who are MMA representatives. The group reviewed the nominations and made their final recommendations to senior management.

The subcommittee will also:

- Develop and propose a standard performance evaluation system for all employees. (Measures and technical issues would vary by job classification and work performed, but all evaluations would have a similar format.)
- Develop a policy supporting upward evaluations of supervisors by staff.
- Evaluate and update the OSA employee orientation program. DOER will provide some assistance on this issue.

#### **Scheduling Subcommittee**

This subcommittee is evaluating flexible scheduling as an innovative means of improving the OSA's operating efficiency and effectiveness. Alternative schedules could include job sharing, part-time, seasonal or other scheduling arrangements. Approximately 8-10 employees are interested in alternative scheduling.

The subcommittee has developed guidelines for implementing a flexible scheduling program, and has identified the impacts on benefit costs and OSA work flow. The subcommittee will present its final recommendations to the SPARCS Committee in September 1994. If approved, the recommendations will be forwarded to OSA management for consideration.

#### Hiring and Promotions Subcommittee

This subcommittee identified short-, midand long-term initiatives in its review of civil service rules related to hiring and promotion procedures. The short-term initiatives include:

- 1. Waiving the hiring eligibility list requirement.
- 2. Waiving the reallocation justification memorandum required by DOER for supervisory-recommended promotions.
- 3. Waiving the salary justification memorandum required by DOER for appointing employees beyond the third step of existing salary ranges established by bargaining unit agreement.
- 4. Waiving the testing requirements for employees who are promoted and expanding the probationary period to one year.

The subcommittee involved the MAPE business agent in preliminary discussions of these proposals. The SPARCS Committee approved three of the four proposed waivers or delegations of authority, as summarized in the recommendations that follow. The remaining short-term initiative, Item 4 above, will be re-considered later.

## Recommendations

The SPARCS Committee approved three requests for waivers of civil service rules or delegations of authority. The Hiring and Promotions subcommittee discussed the proposals in detail with the MAPE business agent.

1. Waive the hiring eligibility list requirement and modify testing procedures for entry-level MAPE positions. This would speed up the process of filling vacancies. With this waiver, the OSA would test and score applicants on its own and keep its own candidate lists. OSA would continue to post vacancies, publish newspaper ads and advertise at colleges and universities. After interviews and selection of a candidate, the candidate would serve a one-year probationary period as part of the examination process.

2. Monitor the impact of the waiver on affirmative action goals during the pilot period. Documentation justifying selection would still be required to meet post-audit requirements.

3. Seek a delegation of authority for internal approval of supervisor-recommended promotions without prior approval from DOER. This would eliminate the need for the reallocation justification memo required by DOER to promote staff. The Appointing Authority would send a form to DOER certifying that the employee being reallocated is working at the next level. Documentation justifying the promotion would still be required to comply with post-audit requirements; however, its preparation would not interfere with employee promotions.

4. Seek a delegation of authority to set the salaries of employees within salary ranges established by collective bargaining agreements. This would eliminate salary justification memos for appointing employees beyond the third step of the range. Currently, DOER must approve salaries for employees appointed beyond the third step of the salary range. OSA must receive approval from DOER prior to making offers of employment to candidates who, because of work or salary history, would be appointed beyond the third step of the range. This delegation of authority would allow the Appointing Authority to set salaries at their discretion within the existing salary ranges established by the bargaining unit agreement.

# Minnesota Housing Finance Agency

The Minnesota Housing Finance Agency's (MHFA's) labor-management committee is composed of two representatives from each of the agency's three bargaining units—AFSCME, MAPE and MMA—and six management representatives. Business representatives from MAPE, MMA and AFSCME, and staff from DOER also participate in the committee's activities.

After considerable discussion, the committee concluded that the MHFA would operate more efficiently if its classification system underwent a fairly significant overhaul. The committee decided to focus specifically on how the emerging concept of broadbanding could help the agency accomplish its mission. Broadbanding makes human resource management more efficient by replacing a large number of very narrowly defined job classifications with a few broad classifications that encompass a variety of jobs.

DOER helped the committee design a broadbanding model tailored to the agency's needs. The committee calls the model the "Job Family Career Development Track Model." The model consists of three broad job family bands: Paraprofessionals, Professionals and Management.

Using the agency's mission statement and values statements, the committee outlined the agency's essential functions. Working with a consultant, the committee held 10 focus groups of MHFA employees to clarify what skills were required for each essential function and to determine where those essential functions belonged on the broadbanding model.

A task force of middle management staff is developing a new performance management system to complement the new broadbanding model. The new system will be aligned with the agency's mission and goals and designed to recognize the work that employees accomplish within each job family band. Another task force is now working to complete the model.

By October 1994 the labor-management committee hopes to have a well-defined broadbanding model to present to the agency's commissioner. Then, the agency will ask DOER to waive any civil service rules that may stand in the way of implementing the new broadbanding model.

The MHFA will hold meetings with employee unions to resolve any concerns they may have, and to ensure that employees support the new model. The committee and agency hope to fully implement the new model by Spring 1995.

# Minnesota Departments of Transportation and Human Services

The Minnesota Department of Transportation and the Minnesota Department of Human Services received legislative approval in 1994 to conduct pilot projects to test improvements to the state's civil service system. The legislation directed the departments to establish labor-management committees to oversee the projects.

Both departments have begun forming their labor-management committees and are working to define issues to be addressed. One likely issue to be addressed by both committees is how to simplify job classifications to make hiring and re-deployment of employees more efficient.

# Appendix

# Human Resource Innovations Labor-Management Committee

| Management Representatives                              | Phone        |
|---|--------------|
| John Lally, Revenue                                     | 296 - 1507   |
| Tracy Elftmann, Human Rights                            | 296-5667     |
| Jo Maniaci, MN Planning, Council of Managers            | 296-9016     |
| Ron Lang, Human Services, Council of Managers           | 296-3069     |
| Martha Watson, Human Services                           | 296-8067     |
| Tim Price, State Universities                           | 296-5313     |
| Joyce Wood, State Universities                          | 296-3944     |
| Bob King, Economic Security                             | 297-2059     |
| Michael Goar, Public Safety                             | 296-5198     |
| Karen Hanson, Administration                            | 296-7035     |
| Union Representatives                                   |              |
| Peter Benner, AFSCME, Council 6                         | 291-1020     |
| Mike Hamm, Law Enforcement                              | 653-0004     |
| Linda Lange, Minn. Nurses Association                   | 646 - 4807   |
| Edgar Twedt, Inter-Faculty Organization                 | 227-8442     |
| Larry Litecky, Community College Faculty                | 227-7244     |
| Jack Mogelson, State University Faculty                 | 331-3878     |
| Sandy Blaeser, Government Engineers Council             | 227-2316     |
| Russ Schultz, Minn. Assn. of Professional Employees     | 227-6457     |
| Gary Denault, Middle Management Association             | 222-3811     |
| Bob Idso, State Residential Schools Education Assn.(50) | 07) 931-7100 |
| Management Alternates                                   |              |
| John Mercer, Education                                  | 297-3115     |
| Larry Wilke, Revenue                                    | 296-17088    |
| Mary O'Neill, Natural Resources                         | 296-6478     |
| Rafael Esparza, Transportation                          | 296-1361     |
| Gloria Vogt, Community Colleges                         | 296-6216     |
| Mary Russell, Transportation                            | 296-4133     |
| Lynelle Wood, Human Services                            | 297-2385     |
|   |              |

**Civil Service Pilot Projects** 

| <b>Union Alternates</b><br>Gunnar Wikstrom, Inter-Faculty Organization<br>Gene Jensen, Minn. Assn. Of Professional Employees | <b>Phone</b><br>227-8442<br>227-6457 |
|--|--------------------------------------|
| DOER Staff   |                                      |
| Roger Miller, Performance Management   | 297-1386                             |
| Linda See, Performance Management  | 282-6858                             |
| John Kuderka, Labor Relations  | 296-8273                             |
| Jackie Lind, Human Resource Development  | 296-1713                             |
| John Stieger, Communications   | 297-3399                             |
| Sandy Stenum, Committee support  | 296-5438                             |
| Jan Wiessner, Deputy Commissioner  | 297-3859                             |
| Terry Chism, Staffing  | 296-3448                             |
| <b>Others</b><br>Greg Hubinger, Leg. Comm. on Employee Relations   | 296-2963                             |
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