National Cooperative Highway Research Program
Project 20-7 Task 205
Workforce Management Review

Workshop Documents

University of Minnesota
McNamara Alumni Center
December 7-8, 2006

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Results of Interviews with State DOT Human Resources and Operations Staff

Presentation made by
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Principal, Howard/Stein-Hudson
December 7, 2006

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CTS CENTER FOR TRANSPORTATION STUDIES

National Cooperative Highway Research Program
Project 20-7 Task 205
Workforce Management Review

Results of Interviews with State DOT and Human Resources and Operations Staff

Project Delivery Workforce Management Workshop

Presented by Arnold Bloch, Ph.D.

McNamara Alumni Center, University of Minnesota
December 7, 2006

Presentation Outline

- Introduction to Survey

- Outsourcing

- Human Resources

- Points to Ponder

Survey Introduction: Task

- Understand how state DOTs conduct outsourcing

- Identify best practices with public-private contractual arrangements

- Determine successful HR strategies to retain and recruit staff
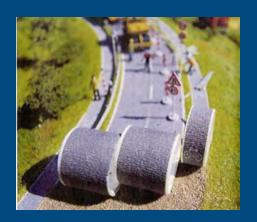
Survey Introduction: General Information

- Total of 45 interviews
  - 27 with Human Resources
  - 18 with Operations
- 27 states represented

Outsourcing: General Information

- Noticeable increase in outsourcing
- Design & Contract work
- Roadway Operations
- Planning

Outsourcing: Reasons

- Workload

- Political Climate

- State Labor Market

Outsourcing: Challenges

- Contracting Procedures
- Value Comparison
- Communication Gaps

Outsourcing: Contracting

- Strategic Positioning
- Lack of Standardization
- Negotiation
- Confidence vs. Relationships
- Mistrust

Outsourcing: Best Practices

- Quality Proposals- How to Get Them?

- Performance-based Contracts

- Establishing Local Roots

Human Resources: General Information

- Recruitment and Retention Focus

- Local Labor Markets

- Strategies

Human Resources Challenge:
Do More With Less

- Decreased Staff

- Movement from Work Production to Service Provision

Human Resources Challenge:
Visioning

- Top-down Tendency
- Reactive vs. Proactive

Human Resources Challenge:
Structural Disincentives

- Civil Service & Rigid Budgets
- Statewide Pay Scales

Human Resources Challenge:
Recruitment and Retention

- Competitive Salaries

- Benefits Packages

- Backfire

Human Resources: Successes

Recruiting

- Accelerated Promotions (GA, AK, LA)

- Performance-Based Pay (VA, TX, NC)

- Relocation Assistance (MO, NV)

- Pre-graduation/Continued Training Programs (NJ, NC)

Human Resources: Successes
Succession Planning

- CA: Succession Plan for Executive Development, Leadership Training

- FL: Deferred Retirement Option

- FL, MD, CO: Mid- level Training Academies & Programs

Points to Ponder

- No One-Size Fits All

- Local Environment

- Information Sharing

- Internal and External Strategizing

Group Discussion Templates

Challenges to Outsourcing and Workforce Management

December 7, 2006

Outsourcing Breakout Session- Challenges

- Methodology
    - Cost-benefit analysis
    - Defining reasons for outsourcing
    - Deciding what should be outsourced
    - Value comparison
    - Performance measurements
    - Errors and omissions

Outsourcing Breakout Session- Challenges

- **Effective Partnering**
  - Developing relationships
  - Clearly defining roles/responsibilities
  - Training: Who's responsible (state or consultant)
  - Negotiation standards
  - Establishing communications
  - Keeping skills current

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Outsourcing Breakout Session- Challenges

- Procedural
  - Procurement
  - State laws
  - Oversight
  - Litigation
  - Innovation

Outsourcing Breakout Session- Challenges

- **Employee Morale**
  - Effects on DOT personnel
  - Managing relationship of outsourcing and in-house work
  - Teaming, Internal (co-location) tension
  - Transition

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Outsourcing Breakout Session- Challenges

- Public Interest
  - Determining what's in the public interest
  - Recognizing changes
  - Long vs. short term

Outsourcing Breakout Session- Challenges

- Consultants
  - Communication
  - Evaluating their resources
  - Evaluating qualifications
  - Methodology (Performance measurements)

Workforce Management Breakout Session- Challenges

- Approach/Visioning
  - Not just salary
  - Lack of agility and flexibility (procedural and mindset)
  - Accurate comparison (public/private not just public/public)
  - Creative use of technology

Workforce Management Breakout Session- Challenges

- Approach/Visioning
  - Clearer definition of the agency- "Selling" the agency
  - Predicting staff levels in the future
  - Sufficient resources
  - "Professionalize" organization
  - HR not approached as strategically as other parts of the agency

Workforce Management Breakout Session- Challenges

- **Recruitment**
  - Quick response
  - Diversity
  - Ethical standards balance with responsiveness
  - Understanding needs of Generation Y workforce
  - Flexibility to Compete (Private negotiation)
  - Location sensitive pay scales
  - Filling pipeline from early on (high school, college)

- **Retention**
  - Loss of organizational/technical knowledge
  - Aging workforce
  - Re-hiring retiree issues

Workforce Management Breakout Session- Challenges

- Performance/Employee Management
  - Need to weed out poor performing workers
  - More protective unions
  - Employee mobility with job responsibilities
  - Developing and expanding disciplines
  - Balance recruiting with treatment of current employees
  - Compression Issues (salary levels)

Workforce Management Breakout Session- Challenges

- Skills
  - Keep current (agency employees and consultants)
  - Giving management experience to newer employees (project management skills)
  - Employee development aligned with on-the-job needs
  - Management styles
  - Relationships with Universities

Group Discussion Templates
Best Practices in Outsourcing and Workforce Management

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Outsourcing Breakout Session- Best Practices

- **Getting Quality Proposals/Contracts**
  - Engineering cost study (project basis and annual)
  - Effective overhead calculators
  - Performance specs (less prescriptive), detailed design-build contracts
  - Allow consultants to comment on draft specs during letting process
  - Consolidated negotiation & negotiation training

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Outsourcing Breakout Session- Best Practices

- **Streamlining Processes**
  - Master contracts, on-call lists
  - Construction fair, Annual Contracting meeting
- **Legislative Awareness**
  - Issue Papers
  - Transparency Initiatives

Outsourcing Breakout Session- Best Practices

- Partnering Methods
  - Using "master consultants" to oversee other consultants
  - Position: Oversight on Partnering Efforts (Training, Communication, Conflict Resolution)
  - ACEC meetings on a regular basis
  - Meet with consultants about future needs
  - Formal Partnering sessions pre-start of project
  - Partner with other levels of government, in-house

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Outsourcing Breakout Session- Best Practices

- QA/QC Practices
  - DOT staff as resident engineer with supplemental staff from contractor
  - Performance/Incentives-based contracts
  - Consultant ratings
  - Product standards (agency-wide reporting)
  - Quarterly project reviews
  - Formal escalation ladder
  - Competitive, sealed proposals

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Outsourcing Breakout Session- Best Practices

- **Additional Best Practices**
  - Monitor outsourcing percent of total work
  - Assessing needs on specialty work (hazardous waste)
  - Knowledge-transfer practices
  - Project Management training
  - Use ACEC as a partner (training, feedback)

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Workforce Management Breakout Session- Best Practices

- Recruitment
  - Experienced professionals
    - Use website testimonials
    - Use post-consultant workers as recruiters
    - Promote as lifestlye job
    - Hire at upper pay levels to get experience
  - New Hires
    - Recruit May graduates in the fall
    - Offers on-the-spot
    - Internships

Workforce Management Breakout Session- Best Practices

- **Educational Opportunities/Incentives**
  - Tuition reimbursement (50-100%)
  - State-rate payment
  - Educational support programs
    - Part-time, full time educational leave, fee waiver (state schools)
    - Partner with universities to offer Master's programs
  - Scholarship programs (intern and scholarships)
  - Co-op programs
  - Teach university classes (Capstone, LTAP)

Workforce Management Breakout Session- Best Practices

- Training
  - Set continuing education goals
  - Support & reimburse technical skills training
  - Apprenticeship programs (linked with later 4-year possibilities)
  - Roads Scholar: Recognition of technical work
  - Mentoring programs (linked to classifications)

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Workforce Management Breakout Session- Best Practices

- Training
  - PE training classes
  - Progression Programs with specific training
  - Formalized intern programs with marketing, personalized component
  - Certification programs (maintenance, ITS, traffic control, design)

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Workforce Management Breakout Session- Best Practices

- ## Measuring Success
  - – Performance during internship
  - – Hiring rate
  - – Program size
  - – Counting internship time toward accelerated promotion
  - – Comprehensive internship review

Workforce Management Breakout Session- Best Practices

- **Performance/Employee Management**
  - Define performance measures/standards for management
  - Setting group performance measures
  - State medical officers: abuse of medical leaves
  - Supervisor short-term improvement plan, Final performance improvement plans

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Workforce Management Breakout Session- Best Practices

- **Performance/Employee Management**
  - Proactive/encourage communication with HR
  - Inform supervisors/managers of HR actions
  - Work plans into evaluations to identify high & low performers at once
  - 360° evaluations
  - Unpaid leave time

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Workforce Management Breakout Session- Best Practices

- ## Succession Planning
  - Job-exchange program: Switch office and field workers
  - Strength/weakness identification and rotation
  - Robust selection process
  - Formal mentor programs
  - Executive partnering, reverse mentoring
  - Jr./Sr. Program levels
  - Voluntary programs

Workforce Management Breakout Session- Best Practices

- Compensation
  - Signing bonus (spread over time)
  - Reducing experience required (retention tool)
  - Accelerated promotions (3-6 month reviews with possible promotions)
  - Accelerated time-off scale for managers
  - Referral bonus
  - Pay differential/market adjustment
  - Overtime

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Workforce Management Breakout Session- Best Practices

- Incentives
  – Perfect Attendance
  – Incentives/Recognition efforts (Solutions at Work)
  – Educational leave opportunities
  – Access to higher management (Coffee with Regional Administrator), feedback mechanisms
  – Safety incentive program
  – Points award system/discretionary programs
  – Initiative Incentives: Gift certificates

Workforce Management Breakout Session- Best Practices

- **Additional Best Practices**
  - Market surveys
  - Equity/inequity evaluations
    - Addressing subordinates who earn more than supervisors
    - Equity pay in localized areas with higher COL
    - HAM- Hire above minimum (w/ approval)
  - Knowledge management
    - Automated programs (value?)
    - Approving temporary positions to transfer knowledge
    - List topical experts, conference calls

Workforce Management Breakout Session- Best Practices

- ## Additional Best Practices
  - Proactive toward future needs
  - Using banked hours toward cash payments, health care costs after retirement
  - Get Workforce Management on top management agenda; include personnel in project/production meetings
  - HR scorecards
  - Workforce Resource Center (web-based)

Discussion Notes

Challenges and Best Practices:
A Vision for the Future

Thursday, December 7, 2006

Initial Thoughts

- ID competencies needed in workforce—internal and external

- Look forward to hear about best practices

- Workforce mgt. See our DOT as all "modes." Look for better ways to do things. Work closely btwn HR and ops. Pilot positions for recruitment

- Get more ideas; talk about unexpected consequences (morale problems). Retention/recruitment issues.

- Two objectives: Succession Plan; Recruitment Plan Outsourcing: from complicated pits to simpler projects

- Toll road projects. Major shift in staffing with new pub/pvt partnerships. Early retirements didn't work out way expected. Major turnover rate. More outsourcing occurring. Problem: can't pay competitive salaries.

- Want to know if CEOs are in line with feds. How should we do pub/pvt partnerships when pvt funds involved. How will we do it?

- Retirements. Fewer engineers. Lose people to contractors. Good feel for competencies, but difficult to get right people. Trying to get $ for right people. Have faster promotions but people less skilled. Using inspector mentoring program is a response to that

- Hope to see: tangible actions; specific, immediate ideas.

- Workforce development. Challenging times. Lots of talk. Are we behind the curve re: pipeline of moving employees along.

- Here to learn.

- Success in planning going on. Competencies based. Compensation system outdated. Very unionized. Want to retain QA/QC

- What are others doing in these environments. (Very resource-driven process. Lots of effort to get this done.)

- Finding good, qualified engineers. Private sector pays more. Fewer people. Contractors don't do as good a job as we do. Want scholarship pgm. Just got "direct hiring" prgm.

- What are others doing? Recruiting overseas. (Philipines)

- Could lose 75% upper management-developed successions planning programs: retaining institutional knowledge and (Timed out people) hiring engineers out of school, with salary exceptions. Accelerate project pipeline as well.

- See what I can learn.

- Find out what we can do re:

  o Supply and demand (not enough hires). Sponsor overseas employees.

- o Becoming employers of choice

- o Personnel rules not geared to professionals workforce. HR needs to focused on wrong things (set by legislature).

Lots of challenges. Hopefully we haven't waited to long.

Radical changes needed.

- o "Hire-on-the-spot" has started

- Lots of outsourcing going on. We are losing experience. (use downsizing). Have protected some employees. Have started succession planning. Trending towards more professional work force: e.g. project managers. Promoting core competencies. Have gotten hiring leeways during downsizing. Doing "spot hiring" on campus. Problems with compensation. More able to get more competitive. Attracting back private engineers:
  - o More interesting work. (not pigeon-holed)

  - o More "balanced" lifestyle

- Got new ideas

- Succession planning → calling it "accelerated leadership program." Not much room for salary competitiveness. Doing more in-house studies. Have done "equity increases." Retirees came back to work part-time for DOT (over 100). Moving into D-B projects. Back-drop program: → still struggling with this.

- Success with seasonal employees? Want to know other experiences. What else going with bonuses + retirees?

- Aggressive recruitment from colleges. Lots of funding competency based organization (many well defined.) Civil service reform → Private seeder hiring model. Getting engineers in classroom to build viable staff competencies. Hire apprentices. Internship program successful. Direct hire system. Work with local unions. Work/life balance important for recruiting private sector employees. What is our core workforce level? Figuring out. Using people for their strengths.

- Want to see ideas, challenges, successes.

Reactions to Presentations

- DOT must be more flexible, adaptive; otherwise we will outsource more and more.

- Need supply of professionals: engineers, others; diversity attraction (e.g., non-white, female)

- Want 50/50 split outsourcing↓ /in-house

  > Must be a partnership, not enemies
  > Focus on the Mission.

- More market drives: re staff

  o Training

  o Rewarding

- Improve public accountability: performance measures. What they are getting for the $.

- Improve top/bottom understanding + discussions + information + roles.

- Performance specs. + measures are cornerstone

  o Measure contractor based on this. e.g. → "Fatality-rate projections" used for English-private contracts.

- In-house↓ /outsource balance necessary.

  o Must retain critical mass

  o Must have done some efforts yourself, not just management.

  o Performance requirements are cornerstone

- Partnering with legislators is important. Need to get steps going + promote.

- "Taking peaks off the workload" is shortsighted. Must maintain private sector staff as well.

- Legislative partnering on HR issues: what will our agency be like in the future (professional vs. other).

- Need HR flexibility in benefits

- Professional development needed.

- Succession planning needed.

- Where DOTs are headed _____ expansion where $ coming from.

- FHWA: encourage innovation

  > : share success/failure with DOTs

Other Ideas

- Started using other DOT regions as in-house consultants when some regions less busy. Innovative. Challenges, but has worked well

- Distributed staff works, but set up "contracts" with other regions can work well.

- Put design office in cheaper place to live

- HR functions outsourced in Texas—not necessarily worked well. Sold as more efficient, but cost savings haven't yet occurred. Has it worked? Not sure. ROI for short-term↓ vs. long-term.

  (due to budget problems)

- Federal contracts require prevailing wages. ACEL salary/benefit report is very useful for information.

- Depolitize salary structures—caps, tied to legis. salaries. Go to classification system that doesn't work. Legislature is always crisis-responsive; doesn't respond well.

- Need long-term perspective, not year by year, for salaries and other benefits. Hinders recruitment.

- Purely market drivers needed, get winners + losers. Currently, we have a more generalized system.

- Can we look at market or do we end up looking at crises, not the market? Need to do salary surveys, not just be reactive.

- Look at salaries every 2 years.

Challenges of Outsourcing

- Maintaining accountability

- Maintaining capacity in-house for QA/AC

- Finding qualified personnel

- Cost-effective for taxpayers

- Negotiating/arranging contracts

- Communication

- Why we need to do it → defining need to do it.

- Standard methodology for company inhouse/outsource

- Total cost-benefit analysis

- Labor relations

- State laws that limit appropriate contracting

- Effective partnering upfront

- Consistency in contract negotiation (among regions) (need for centralizing)

- Procurement procedures

  o Qualify based vs.
  o Cost based

- o Measuring performance

- Level of DOT oversight needed

- Clear lines between staff and consultants. (Litigation issues)

  - ▪ Co-housing staff/consultants

    - o Tension of different pay

    - o Holidays

    - o Retirement plans

    - o Ethics—getting inside tract on upcoming jobs.

  - Can Stae DOT employees embrace new ways to do things.

  - What to outsource vs. not to outsource.

  - Sound decisions vs. the fad.

  - What's in the public interest: 5 years from now; 10 years; 15 years

  - Errors + omissions – less oversight and with less control. Risk factor.

  - Available resources for consultants.

  - Keeping in-house/contractor skills current.

    - o Transfer of knowledge in contracts

Workforce Challenges

- Making sure supervisors/managers know impact they have on workers (i.e. worker satisfaction) Worker clarity. Public service nature of job.

- Lack of modern, agile compensation system with artificial carriers. Market basic compensation philosophy is lacking.

- Need to have public/private comparisons of compensation.

- Skills sets of tech. Staff—being able to move people among jobs. People who want work inside vs. outside.

- Aging workforce—large % of people near retirement. Ability to retain them. Need for "gradual retirement."

- 30 year work horizon at DOT vs. longer work careers in private world.

- Lack of incentives to keep older employees.

- Making job attractive to those who want to near retirement.

- Altered work styles, work schedules (part-time, etc.)

- Diversity in recruiting

- Need to be open to diversity

- How to describe benefits of DOT jobs to prospective people

- "Selling an agency" to prospective employees.

- Performance management $\rightarrow$ getting rid of people who don't measure up, especially after they have been there awhile.

- Creative use of technology (telecommuting)

- Quick response for hiring is needed. Lots of forms and processes.

- Trying to make sure we hire ethically

- HR needs to stop recruiting—get engineers, designers, recent grads to be recruiting

- Need to have those with negotiating authority at "job fairs" and other recruitment events.

- Letting People know DOTs too changes

- Newly hired, professional Project Managers (P.E.) don't have real organizational experience like those who have been there for years have (who may not have PE)

- Predict staff levels for 10-15 years out.

- Roles of universities, private sector, associations

- Sufficient resources to figure out/do HR activities (workforce planning)

- Employment development – continuing education

- Missing skills—how to build them

- Finding environmental skills to other new needs

- Attracting students back to Civil Engineering and related fields

- Incentives to get P.E.s

- Balance new recruitment and not neglect current employees

- Legislators providing pressures (?)

- Show managers how to deal with employees

- Pipeline from University $\rightarrow$ DOT; is there enough $ for university to educate engineers

- Understanding young work force; do we need to restructure work + organization for them.

- Student loans and ability to get reimbursement from DOT.

- Cost of living differences in different parts of the State.

- State statutes that restrict flexibility

- More competition in urban areas

- Need executive support for all good ideas

- Agility & flexibility: on the agencies and among employees

Reaction to Summary of Challenges

- Is there access to CEO?

- Yes…but, not always a strategic issue for CEO often just
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Best Practices—Outsourcing

- Cost analysis done for each project and annually to indicate need/justification of outsourcing

- Employee → supports communication skills, resolving issues, partnering for outsourcing efforts. Sets ground rules and "how each party will be treated." Proactive resolution.

- Most _____ with ACTC to work with general issues

- Hold annual ACTC meeting to talk about key needs with all types of contractors.

- Transfer of knowledge: Dot employees work alongside consultants.

- Consolidation negotiation allows us to standardize

- Negotiation training

- Formal partnering sessions, then meet later to review how well goals are met:

    o Construction

    o Design

- D-B

- Letting, with specs. In draft allowing contractors to propose

- More details in RFP describing communications.

- Statewide project reviews—insure adherence allows transfer of knowledge

- DOT staff as resident engineers, with consultants as support staff. Allows to make timely decisions

- Incentive based contracts

    o Reduce environment impacts

    o Timelines

- Monitor % split of outsourcing to see if goals are being met.

- Keeping interesting jobs in-house

- Outsourcing Speciality work: e.g. Haz waste Phase II assessments Archeological

- Use of master consultants to oversee other consultants

- Consultant ratings

- In-house "consultant" shifts (from 1 region to another)

- Work orders written on some overall contracts

- On-call lists of consultants (avoid RFP process over and over again)

- Construction fair—present future outsourcing projects

- Solicitations

- Good information presented to legislature re: outsourcing vs. in-house decision making

- Transparency in telling legislature what our work is about.

- Alternative delivery systems (D-B) and proposals, not just low bid

- Formal "Escalation Ladder"—match up people from DOT and consultant level; helps in problem solving.

  o under soc-------pic

  o mgr-------------proj. mgr

  o eng-------------eng

- Partnerships with counties—save admin. costs

- Annual conference on "quality" with FHWA, contractors, consultants, state DOT

- Clear communications that we are/why outsizing (done for internal and external audiences)

- Introduce project management academy (and tech skills); include PM for outsourcing

- Joint DOT/consultant training (with ACEC)

HR Best Practices

- 50% tuition reimbursement (any employee); some do up to 100% reimbursement

- Time off to pursue education (6-10 employees)

- Undergraduate scholarship program—get full year or ½ year off at salary. Brought back at higher $ (few people per year)

- Co-op programs for some employees

- Some states (NY, VA) give scholarships to undergrads for intern positions. Prior to graduation. In-state schools

- P-T and F-T leave for school

- University of Tennessee for M.C.E.

    o Money come from state sources
    o Could use federal dollars, but hard to get it away from other uses

- Continuing Education Programs
    o Short-courses, etc
    o Goal: 40 hours per year

+ Tuition reimbursement for GED, other technical skills as well

+ High school apprenticeship program equivalent to Assoc. Degree, on way to undergraduate
    BCE degree.

+ Roads Scholar—maintenance workers

+ Univ. partnership—capstone project

Mentoring/Exec. Coaching/Succession Planning

- ID skill sets then help develop plan for them

- Job exchange program

- Univ. training→job rotation in areas needed help in:

  o PE training classes and fees

Intern Programs

- How to measure success?

  o Individual performance

  o Got #s applying

  o #s returning to program

- Recruit in Spring for Summer construction

- Count intern time as appropriate

- 3 part review

  o University assesses student performance

  o Exit interview

  o Manager review

Certification Program

- Certification becomes retention tool

o Moved from maintenance→ITS→sign shop→heavy equipment operators

- Promotions follow certification

Other

- Compensation

  o Signing bonus – get it every 3 months

  o Referral bonus

  o 6 month wage increases

- Reduced years of experiences before promotion (from 2 yrs to 1 yr)

- Pay differential→like a pay bonus/adjustment (differential from what other jobs get)

- Market survey re: salaries

- Review of salaries in DOTs and change starting/other salaries (compare to other DOTs, private sector); equity increases

- Concern equity among non-DOT in-state agencies. Sometimes look at private sector, but not always.

- Web site testimonials from employees re: why they are at DOT

- 2x annual receptions of DOT staff; invite students. Marketing effort.

- 10-15 year consultants→came into DOTs from private sector. Using them to tell others about why they are at DOTs.

- Paying overtime to senior inspectors

- Hiring above pay-scale mid-points to be more competitive for employee recruitment

    o Raise current employees who are below mid-point up to mid-point

- Employees overall years of experience for employees; Hiring Above Minimum (HAM)

Progression Program

- Training→skilled and knowledgeable→10% increase (complete ½ program got 5%)

Performance Management

- How to get supervisors to pay more attention

- Sick leave abuse→refer to state medical illness and determine abuse or not

- Informal Performance Reviews for problem ("unsatisfactory") people

- Get HR involved ASAP

    o Coaching supervisors

- Tell supervisors with a "push"; can't afford dead weight

- Share info re: member of performance actions. Let supervisors know efforts can be taken

- 360 degree review of supervisors to see if they are/are not dealing with poorly performing employees

- Performance measures for supervisors are needed (but not there). Easier to deal with conduct vs. performance for supervisors.

- Strong support for performance reviews (they get done and paid attention to). Setting group performance measures can help get rid of problem people. Performance reviews need to go up the ladder.

Dealing with Good Performance

- Proactive to look at future needs. Single out key people for what rewards you can give.

- Group dialogues about overall strategies

- In-depth succession plan

    o Nominations (from supervisors group)

    o Select 24 to through mentoring for 4-6 years. Protégé has dialogues that gives feedback to people above

- Standards of performance good to evaluate high and low performers. Incorporate work plans into reviews. Build in accountability.

- Dealing with Unions and Civil Service and EEO in Succession Planning

- No Promises made

- Just giving training

- Everyone wants to get into the program. Publicize, don't hide the effort

- Look to managers and supervisors (and below) to get into succession planning program

  o Promotions from among program members

- Incentive Program – solutions that work

  o What have you suggested that has been implemented in your group?

  o Monetary reward

- Perfect attendance program

  o Was very successful

  o Dropped due to budget limits

- Informal "coffee with the R.A." talk with the regional administration. (210 employees per year)

- "Meet and Greet" with employees and top managers

  o Create agenda at the meeting

- Safety incentive program – people without accidents

- Employee recognition programs – points that build up and get you prizes (good idea, but nobody in the room is doing it)

- Discretionary awards: $ to correct salary adjustments. But not necessarily viewed well outside of agency

- Inventive Incentives – Gift Certifitcates

- Can bring on new managers with more "time off" in the bank

- Intranet site for employees re: career development

  o Classification guide (viz internet) to help employees understand job openings and shifts to new types of jobs

- Top Management Strategic Planning

  o Weekly p/t reviews that bump up to CEOs

  o HR scorecard (summary of lots of issues and findings) every 6 months

- Knowledge Management

  o Texas Construction area – captures S.O.P only very tedious; on job training better idea. Some people keep knowledge and won't share

  o Wisconsin agree. Better to brink back employees who have retired.

- Y-generation looking for knowledge management

Group Discussion Templates

Toward a CEO Workshop and Transferring Best Practices

December 8, 2006

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Advancing the State of Practice: CEO Workshop

- Issues to be Discussed
  - Creating a strategic package (with toolbox from this workshop)
  - Political Climate affects HR "actionability"
  - Risk mitigation (looking at trends)

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Advancing the State of Practice: CEO Workshop

- **Issues to Be Discussed**
  - Standardization of Performance Measures
  - Educational issues related to pipeline of prospective employees
  - Communication Gap: 4 of 5 CEO NCHRP Projects HR related

Advancing the State of Practice: CEO Workshop

- Kinds of Information to take to CEO
  - Value comparison to evaluate costs (outsourcing vs. in-house)
  - Data analysis on attrition, upcoming retirements at executive level
  - Challenges and Best Practices for Implementation (Buy-In)

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Advancing the State of Practice: CEO Workshop

- **Information you need**
  - What do CEOs want in choosing NCHRP Projects? Background
  - What is the DOT Business Plan?

- **Other techniques for CEO workshop**
  - Video conference
  - AASHTO meetings: national & regional

Advancing the State of Practice: Transferring Best Practices

- Techniques
  - Workshops
  - Webcasts
  - Case studies
  - Video clips with Director on website (internal)

Advancing the State of Practice: Transferring Best Practices

- Organizations
  - NSHRM webcasts/workshops
  - HR Planning Society (Succession Planning)
  - IPMA
  - FHWA with NHI

Advancing the State of Practice: Transferring Best Practices

- Organizations
  - Transportation Research Board (TRB):
    - Management and Productivity Comm.
  - AASHTO committees
    - "Best Practices Website" for AASHTO sub-committee

Advancing the State of Practice: Transferring Best Practices

- **Other Issues**
  - Improve accessibility of information online
    - Ease of website infrastructure
  - Communities of Practice: Knowledge Management (bottom-up organization)
    - Use AASHTO subcommittee?

Advancing the State of Practice: Transferring Best Practices

- **Other Issues**
  - Working with libraries
  - Universities
    - Sit on curriculum committees, set up labs/ centers (sponsor interns)
    - Point of contact with universities

- **Desired Products**
  - Need a list of state initiatives by topic
  - Direct Contact with HR Representatives

Group Activity Templates
Research Needs and
Other Funding Opportunities

December 8, 2006

Advancing the State of Practice: Outsourcing Research

- **Cost/Benefit Analysis for Outsourcing vs. In-House: Evaluating Efficiencies**
  - Cost comparison methodologies for in-house vs. outsourcing
  - National/Regional Data of costs vs. realized savings (including start-up, transition, maintenance, staff redirection costs)

Advancing the State of Practice: Outsourcing Research

- **Cost/Benefit Analysis for Outsourcing vs. In-House: Evaluating Efficiencies**
  - Cost/Benefit Analysis of outsourcing experience in other states
  - Developing a standard methodology for comparing public and private delivery costs
  - Regional data on outsourcing vs. in-house including results and procedures

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Advancing the State of Practice: Outsourcing Research

- **Cost/Benefit Analysis for Outsourcing vs. In-House: Evaluating Effectiveness**
  - QA Procedures and Standards
- Develop performance standards for outsourcing work products (measuring results like quality of work performed, etc.)

Advancing the State of Practice: Strategic Business Planning Research

- Overarching theme
  - Define the links between DOT missions and work force issues
  - State DOT baseline in workforce management/development in a "comparative way" as opposed to trends across all state DOTs (who does what)
  - Research on performance metrics for workforce management
  - HR metrics at State DOTs

Advancing the State of Practice: Strategic Business Planning Research

- Overarching theme
  - Making the case for strategic workforce management (Case Studies)
  - Using HR & workforce management to strategically meet a future DOT vision (Case Studies)
  - Developing a business plan
  - Examples of organization and staffing models based on a vision for the transportation industry
  - Inventory role of partners (resources, services)

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Advancing the State of Practice: Strategic Business Planning Research

- ## Outsourcing Offshoot
  - HR functions successfully outsourced by AASHTO states (Case Studies)
  - Successful methodologies to shorten outsourcing processes
  - Workforce challenges to outsourcing
- How to evaluate available resources for outsourcing

Advancing the State of Practice: Workforce Management Research

- **Training & Competencies**
  - Standardized competencies with associated curriculum options (TCCC)
  - Helping initiatives like LTAP to get more funding
  - Training for competencies
  - Developing more cost-effective relationships with Universities
  - Best Practices for maintaining core competencies to oversee outsourcing

Advancing the State of Practice: Workforce Management Research

- **Innovative Compensation & Classification Systems in DOTs & Other Entities**
  - Methodology to reduce absenteeism and motivate attendance
  - Best Practices for streamlining job class systems
  - Performance standards for contract management, lost work days and costs per employee/accidents

Advancing the State of Practice: Workforce Management Research

- **Innovative Compensation & Classification Systems in DOTs & Other Entities**
  - Research in innovative "total compensation" systems
  - Employee incentives that work
  - Best Practices for performance appraisal systems

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Advancing the State of Practice: Workforce Management Research

- ## Compensation Studies
  - Salaries studies
  - Salary Data (Market based and private vs. public)
  - Analysis of paid leave benefits and cost of healthcare
  - Total compensation analysis
  - Benchmarks for HR (Compensation, Benefits, Development)

Advancing the State of Practice: Workforce Management Research

- **Recruitment and Retention**
  - Analyze trends in professional make-up of DOT staffs
  - Trends in intern usage for project delivery and future employment
  - Diversity recruitment
  - Survey of universities on graduation statistics for C.E. students including diversity information

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Advancing the State of Practice: Workforce Management Research

- **Recruitment and Retention**
  - Survey of universities on enrollment and graduation trends in Civil Engineering
  - Generating interest in engineering from grades K-12
  - Identify barriers to drawing more students to engineering
- Best Practices for recruiting strategies (Engineers, IT, Finance, etc)

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Advancing the State of Practice: Non-Research Needs

- Internet clearinghouse for workforce management metrics
- Central clearinghouse for information on workforce management
- In-depth forums or workshops to share detailed practices
- Funding to provide linkages to HR Professional associations
- Develop a website with best practices and contact names

Advancing the State of Practice: Non-Research Needs

- Problem solving forum for workforce issues updated quarterly (web)
- Place to share practices
- Central info/data area
- Website that addresses workforce questions with answers
- Reactivate AASHTO administration sub-committee

Discussion Notes

Advancing the State of Practice and Concluding Remarks

December 8, 2006

HOWARD/
STEIN-
HUDSON.
ASSOCIATES

CTS
UNIVERSITY OF MINNESOTA
CENTER FOR
TRANSPORTATION STUDIES

NCHRP Project 20-7 Task 205
Workforce Management Review
Friday, December 8, 2006
Discussion Notes

Creating a CEO Workshop

Prior Mode: CEO, together with peers, met, discussed; senior manager passes results and info. down and on.

Problem: How do we move this process forward so it is not just information but actions are taken? Washington, Minnesota and Maryland seem to have moved ahead.

Our Charge: What should a CEO workshop be? What should CEOs do? Are there alternative methods to get CEO input without a workshop like this forum?

- CEOs are very busy. Try video-conferencing in place of a workshop.
- We need to brainstorm ideas here so that CEOs get buy-in. Need to give briefings to CEOs and convince them.
- There are different models of CEOs; they have different backgrounds. One size doesn't fit all in terms of communicating with CEOs.
- How to create a toolbox: which would be to bring all of the issues together (start to finish) and turn it into a strategic plan; CEOs need to focus on strategic planning instead of…
    - Tying tools to a specific "business" problem w/o a strategic plan
- What sells a CEO? How do you reach a CEO that may be in office for just a few years?
- What do we want from a CEO?
    - It is what it is- there isn't much to get from him but the overall political system is against more than just the DOT's needs

- Need to tie the HR/outsourcing to overall goals of the DOT! Deal with broader goals, then link to HR/operations
- Getting Awareness with CEOs
    - Educate on operations in the form of issue papers and high-level presentations to get the attention at the executive level. More in-depth is the way to go. We must monitor our (HR) business and bring it to the CEO. Partnership is needed
- Regional (CEO) AASHTO Meetings
    - CEOs want to talk about regional projects
    - Need time for management issues to discuss best practices, share models, and actions that can work
    - At the same time, the DOT is so spread out that issues may not be the same as other states. It's a national, not a regional problem; attention needs to be at the National AASHTO level.
    - However, there is some value in regional discussions vs. national approach
- Premise: DOTS are not moving fast enough to meet their problems. Is this true?
- Other NCHRP Projects: Are you aware of these?
    - Alt. Org. designs
    - Benchmarking of recruitment
    - Diversity benchmarks
    - HR activities benchmarks
    - In-service training needs
- Group was not generally aware of these projects.
- What are the motivations of the projects? [CTS to provide project statements to attendees]?
- CEO/AASHTO relationship
    - CEO AASHTO workshops generated these problems that led to the NCHRP projects
    - Human Resource subcommittee is an antiquated concept. AASHTO needs to elevate this area of concern and create its own standing committee.

More emphasis would be put on HR issues of this is done.
- o Counter argument: But the subcommittee is barely active.
- o There is no home in the AASHTO family for strategic planning committee
- o If the AASHTO standing committee has a CEO as, chair, issues can be elevated.
- o When the NCHRP/AASHTO community does things with CEOs re: HR issues, HR directors should be copied as well so it isn't done in a vacuum.
- What should CEOs talk about?
  - o Trend in workforce and risks
    - But we are all aware of the trends
    - But how often do we present the picture to CEOs?
  - o HR Performance Measures is something CEOs need to hear about
  - o What needs to be in place to foresee problems
  - o Success stories from one state may be relevant to another (re: HR practices)
- Need to know DOT business plan to make this effort successful. Workforce strategies need to be tied into a business plan.

Transferring Best Practices

- Metrics need to be standardized to that everyone is talking the same language
- Reports are helpful
- Webcasts (i.e.-ASCE) or webinars
- Facilitated discussion with a list of questions to be asked
- TRB 275 generated case studies that are available on the NHI website
- Emails are helpful
- National Society of Human Resources (NSHR) has info on their website, etc.
- Video clips/voice clips posted on the web that are used internally are also helpful for employees who may miss information
- Human Resources Planning Society (HRPS) has a lot of information on succession planning
- IPMA: and HRPS also has private-sector information that can be useful
- Private sector sites are valuable
  - o Succession planning involves exempt employees (similar to pvt. Sector)
- Succession planning information
  - o It is best to call contacts in other states to get information.
  - o However, there is no set list of people even though the AASHTO sub=comm.. can be a source
  - o Website would be helpful with a list of best practices and people to contact
- TRB is also a great information source
  - o There is a mgmt. and productivity committee, which sponsors discussions on these issues, and workforce management is important.
- FHWA information is online
  - o Site is not easy to navigate
  - o Easy access is necessary

- o They need a better search engine
  - o FHWA is working to put information together by topic
- Communities of Practice: Knowledge management technique
  - o Can be virtual or meeting
  - o Universities are at the cutting edge and ahead with these techniques
- Labs/centers with universities to do work and sponsor interns; knowledge transfer is key
- University links are crucial
- Every agency needs a university contact who can be the "go-to" person in order to coordinate and solidify efforts into contracts.
- In more rural areas, libraries should be leveraged as contacts for information
- How about cross-connections among state HR/Ops people to assist in moving ideas up to CEOs.
  - o AASHTO is a venue for this (especially if HR subcomm. can work better)

Concluding Remarks

Final comments from Todd Lamphere and King Gee

Todd: Set forth pretty good expectations, did we meet what need to achieve?

King: Anxiety-are we too far in where it will be a problem? Observed a lot of sharing and ideas to take back. Need more leadership in AASHTO structure. Dealing with an unwieldy issue and had to temper expectations. Original expectations were too high with whole NCHRP Project. With tempered, have a good combo to move forward. With FHWA, will continue to support state DOTs.

Todd: Great pleasure in taking notes, improvements. Lot of areas to improve on, people are already doing a lot of good things. Continue to build on base and innovation. Built a good foundation, but can't stop. Being in recruiting, I know there are no book ends to the task; not going to "solve" the problem. Next steps are needed sub-committee on HR rejuvenated to be a viable source for info sharing…including regional committees.

Experience in workforce management speaking, always Standing Room Only (SRO); APWA conference and break-out session panelist where SRO while others were empty. There is opportunity not just a report but with a message back to AASHTO, lets put on an agenda for CEOs to hear and see. There is lots of interest and resources are available. ACEC are a vital link to success

Workforce Initiative to be a potential recommendation!

Group Input

o Good job of framing the issues; huge and difficult topic; NCHRP at least have information from a national perspective; constant struggle with the issues.

o Forum to develop personal relationships with colleagues to bounce ideas and get experience. Valuable to frame the issues and do something about the AASHTO committee on administration. Re-word it to Workforce instead of HR; not creating a new committee but freshen perspective.

o Value in terms of workforce planning on committee topics. Benefit in having operations and HR people. We are all working to deliver mission of their agencies. Cross-functional discussion was helpful.

o Surprise at such a small group; liked it a little bit better and chance to do one-on-one exchanges. Surprising to see that we can be so diverse yet common thread of concerns and issues no matter where you are. Hoping for information to share but give deliverables of information goes a long way.

o Productive meeting and a great opportunity to network.

o Liked the interaction; smaller group allows more information and getting deeper into the issue of Why. Difference between workforce management and development; hard to understand the difference. Excellent stuff to go forward

o Workforce development as subset of workforce mgmt.; it falls under one umbrella. This is a great size to do this and validates and energizes talking with optimistic people.

o Lot to go back with (HI). HR sub-committee more online and act as resource AASHTO. Maybe someone could look into a

sub-committee; or maybe regional committee that is more active. WAASHTO needs a sub-committee

o Good ideas and robust recruitment program but good ideas to incorporate in our strategic plan.

o Willingness to share information greatly appreciated. Valuable things to take back and recommend director come next time to inform with a broader perspective.

o Not sure issue is what to take to CEO, need to link HR needs to the mission and taking that to the legislature and even higher up. Strategic business planning issues discussed with help us

o Opportunity to hear comments and would have liked more time. What are HR items being outsourced with success? Hesitant to let others hire for them but open to it. Was hoping for looking at incentive reward/award programs and to keep absenteeism down. Performance plus program and encourage more with contracting and employees and involved in projects (outsourcing). (MO) Looking to do more employee recognition to turn to positive approach to handling employees.