

HUMAN RESOURCES 2014 RECRUITMENT AND HIRING DATA REVIEW

PROGRAM EVALUATION AND AUDIT



June 2016

INTRODUCTION

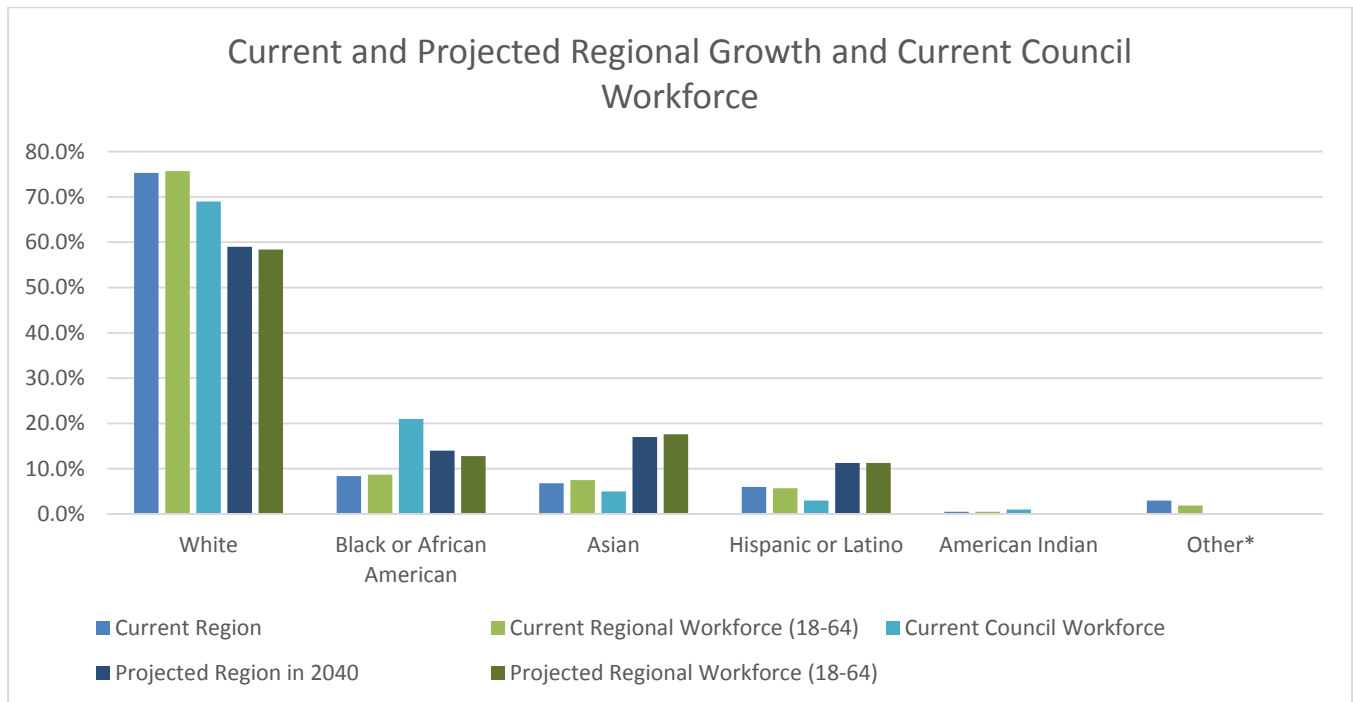
Background

The Human Resources department operates as a strategic partner to address human capital, workforce, and labor relations within the Metropolitan Council. A core priority of Human Resources is to “Address Council human capital needs: As the Council grows and changes Human Resources will recruit, retain and develop a skilled, diverse workforce with fair and competitive compensation and benefits making the Council an employer of choice among public employers.” This priority is in alignment with the Council’s Thrive 2040 regional equity goals principles and outcomes.

Additionally, the Council’s Diversity Equal Opportunity and Affirmative Action Policy states “the Council will take affirmative action to overcome the present effects of historical employment discrimination against women, people of color, people with disabilities, and Vietnam era veterans.” The purpose of the policy is to “articulate the Council’s commitment to valuing diversity, providing equal opportunity in employment and public services, and practicing affirmative action to correct the historic under representation of certain groups in its work force.” While the policy makes strong and timely statements it has not been updated since 1998.

The Human Resources department uses NeoGov, an applicant tracking system, and PeopleSoft, a workforce management system to manage Council staffing from application to retention. Human Resources works with hiring managers to review staffing needs and then assists in the hiring process from creating requisitions to screening candidates.

Below is the current regional demographic for the working population aged 25-64 from the American Community Survey (2014), the Council staffing for the year 2014, and the projected regional demographics for the year 2040¹²³.



Purpose

In accordance with Thrive 2040 principles, accountability at the Council includes a commitment to monitor and evaluate the effectiveness of our policies and practices toward achieving shared outcomes and a willingness to adjust course to improve performance. This review is to validate the statistics reported in the 2014 Human Resources Service Review against which achievement of equity hiring goals can be measured and to identify potential areas of improvement.

Scope

Hiring and recruitment statistics of full and part-time staff, long-term temporary staff, and interns for the period January 1, 2014 – December 31, 2014.

¹ Other refers to two or more races, some other race alone, and unspecified.

² American Indians are included in other because of statistical limitations with MetroGis data.

³ Asian refers to people having origins in Asia. For reporting Hawaiian and Pacific Islanders have been looped in with Asian.

Methodology

To better understand policies and procedures for recruitment, hiring, and retention the following methods were used:

- Review of
 - Standard Operating Procedures for recruitment, hiring and retention of Metropolitan Council employees
 - Human Resources Quarterly and Annual Reports
 - Related federal laws enforced by the Equal Employment Opportunity Commission (Title VII of the Civil Rights Act of 1964, Title I of the Americans with Disabilities Act of 1990, The Equal Pay Act of 1963)
 - Thrive 2040 principles and outcomes
- Interviews with
 - Human Resources staffing specialists and managers
 - Office of Equal Opportunity staff
- Queries of
 - NeoGov application statistics
 - PeopleSoft staffing statistics

Assurances

This audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and the U. S. Government Accountability Office's *Government Auditing Standards*.

OBSERVATIONS

Annual Service Report Statistics Have Been Validated

Audit reviewed the “Talent Management” data of the Human Resources Annual Service Review to validate the employment numbers reported for the year ended December 31, 2014. Data from NeoGov and PeopleSoft was used to verify and confirm the accuracy of the information reflected in the Annual Service Report. The total reported new hires and promotions for 2014 was 689 of which 549 were new hires.

Differences exist between PeopleSoft and NeoGov that require reconciliation

Audit found that there are records in PeopleSoft that are nonexistent in NeoGov and vice versa due to system functionality. It appears that the two systems are unable to synchronize data because one system is for applicant tracking and one system is for workforce management. This created an initial Audit identified discrepancy in the data, which was later reconciled by the Business Analyst for Human Resources. For example, an intern or temporary worker may have their status changed to extended long-term or regular employee, a temporary employee may be appointed to a position, or a current employee may be promoted to a new position; in each of these instances, that particular employee is not going to the application tracking process in NeoGov. Additionally, the offers of employment made and accepted in 2013 for a position with a 2014 start date were not included with the 2014 data. Below is a representation of the available data in NeoGov and PeopleSoft related to 2014 staffing.

NeoGov and PeopleSoft Validation

		Difference
NeoGov Count	863	
PeopleSoft Records	689	
Difference between NeoGov and PS	222	
	31	NeoGov Interns
	130	* NeoGov Transfers
	7	LTT To Reg
	5	Temporary Assignments
	1	Declined Offer
	13	Promotions
	4	Rehires
	3	Temp Hires
	28	Hires from 2013 Reqs

Additionally, Human Resources and the Office of Equal Opportunity (OEO) use different metrics to document workforce statistics. Human Resources excludes information on transfers, interns, and temporary employees under 90 days from its reporting. At any point throughout the year, the Human

Resources department and OEO may have different data on Council employees and may report different information

This is exemplified with the monthly Global Utilization Analysis created by the Office of Equal Opportunity, based on a dataset provided by Human Resources, which reflects areas of need for people in a protected class⁴. The information compiled by OEO for the report is based off of data that may not be representative of the data referenced in the quarterly reports provided by the Human Resources department. A study has not been conducted by either department to verify whether the data they share is incomplete.

Recruitment and Selection Processes

The recruitment process for the Council is typically 12 weeks from the time a requisition is created and approved to when a candidate is offered a position and agreed upon start date. The average for 2014 was actually 10.3 weeks. Throughout the process the Talent Management team works with the Hiring Manager to define the position details and assess an applicant's fit with the Council. If possible and/or necessary, Talent Management staff may recommend, after the Hiring Manager's review of candidates' qualifications, to bring in additional candidates for an oral exam in order that they may obtain a more diverse candidate pool. Typically there is a selection interview in which one or multiple finalists are again interviewed prior to a candidate being referred for hiring. The referral process includes a written hiring justification memo of the selected candidate and an evaluation from the Office of Equal Opportunity who authorizes a "concur-to-hire" for the selected candidate after reviewing all applicants in the pool. The "concur-to-hire" process reviews the Council's Global Utilization Analysis created by OEO that defines within each job category where there may be a need for minorities, women, and the disabled.

Human Resources Has Made Changes to its Recruitment Sources

The way people learn about employment opportunities is very important in guiding recruitment strategies that enhance the diversity and quality of applicants. For the year 2014, applicants selected 25 recruitment sources of the possible 148 sources available with regard to how they learned of an available Council position. Given the available options, the top six sources accounted for the 73% of applicants across all ethnicities. The six job sources most frequently used ranked in highest order are as follows:

- Indeed.com
- Employee Referral
- Metrocouncil.org
- Governmentjobs.com
- Other
- Metrotransit.com

⁴ Protected class refers to women, minorities, and the disabled.

An in depth review into the primary sources of where applicants learn of Council positions may improve the Council's ability to reach more diverse and qualified candidates. Council job postings are posted using the Council's online applicant tracking system, NeoGov, and prior to November 2015 were electronically distributed to other posting sources using two vendors (Star Tribune and jobsinminneapolis.com). In 2014, jobsinminneapolis.com pushed Council jobs to hundreds of websites using their job posting network. Currently the job postings are distributed to JobinMinneapolis.com and minnesotajobs.com. Both push Council jobs to a variety of websites (national, local, cultural affiliation organizations, veteran's organizations, and professional groups). The Council also posts positions at various colleges and universities.

Talent Management has used a new subscription with Minnesotajobs.com since December 2015. JobsinMinneapolis uses a Community and Diversity Outreach Program to share job announcements with targeted organizations based on their constituents. JobsinMinneapolis shares relevant job announcements with organizations that are likely to have constituents that are potentially interested in a Council job posting. There are approximately 300+ organizations that JobsinMinneapolis has the capability of reaching, including skilled trades, ethnic/racial affiliations, organizations serving special needs and differently abled individuals, colleges and universities, and veteran's services. Talent Management staff reviews statistics on identified applicant sources to modify the available applicant source selections listed on the application. Talent Management staff indicated that this data helps inform where Human Resources should or should not advertise.

Additionally, Talent Management staff will advertise jobs within certain industry specific spheres depending on the discussion that staffing specialists and hiring managers have prior to the start of the recruitment process. As an example, the job posting for the Director of Transit Oriented Development was posted to: Planetizen, the American Planning Association – National, Urban Land Institute, Congress for New Urbanism, and Streetsblog Jobs Board" in addition to being pulled by subscription services such as the Star Tribune and JobsinMinneapolis.

The Council Has Expanded Its Internship Program

The Council administers three internship programs: High School (Step-Up Achieve, Right Track), Urban Scholars, and the Council's Annual Internship Program. Step Up is for youth aged 16-21 to work experience. The Urban Scholar program is tailored towards students of varying ethnic and racial backgrounds to assist them with developing professional and leadership skills through intensive training and mentorship. The Council Internship Program is typically for students with at least one year of college. Internship programs often help develop a pathway to employment. Audit did not evaluate any statistics on the number of interns that have successfully completed a Council internship and secured full-time employment with the Council afterward.

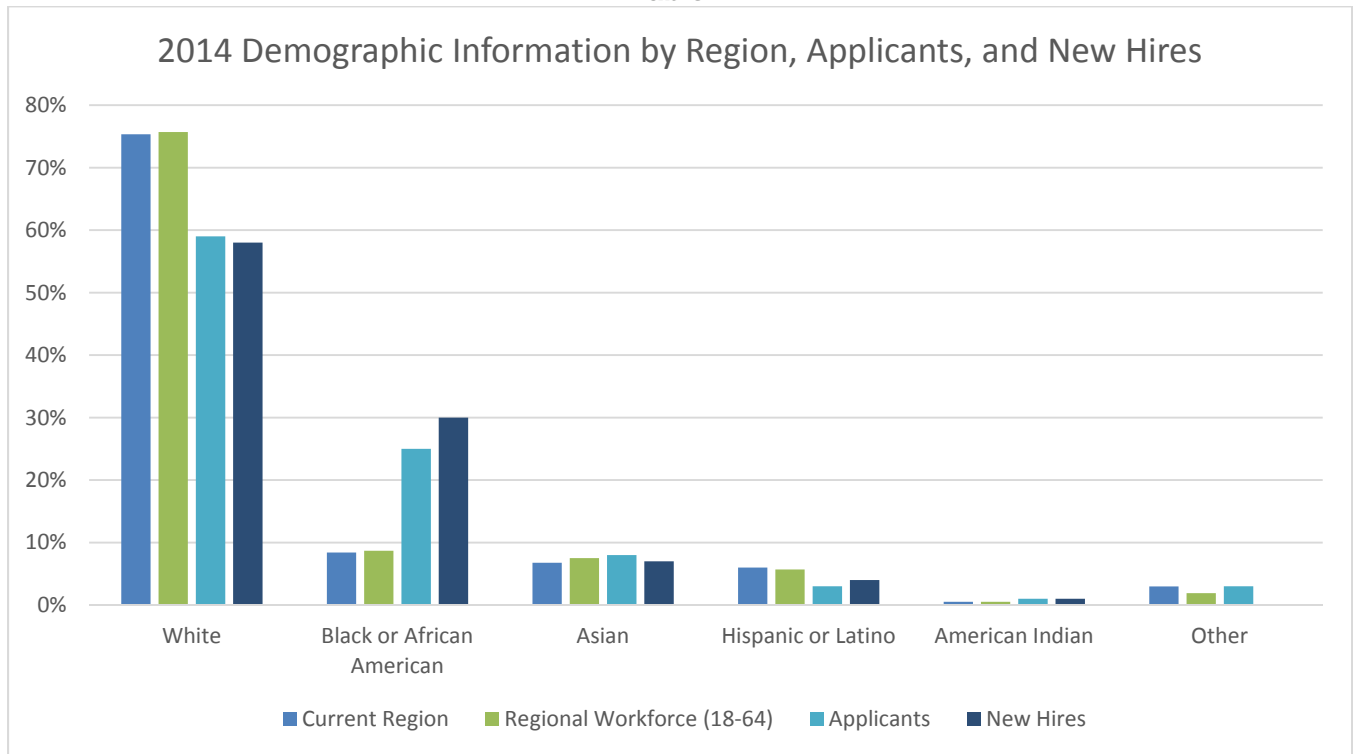
Tracking the Success of the Outreach and Recruitment Process

Human Resources went to 21 job/career fairs in 2014. The result of the job fairs and their ability to turn interested persons into new hires is not tracked. The Office of Equal Opportunity (OEO) also attends career fairs and outreach events and began tracking intern applicants from their outreach events in 2015. Audit did not evaluate OEO's success at tracking interns through the completion of the hiring process.

Applicant and Employee Statistics

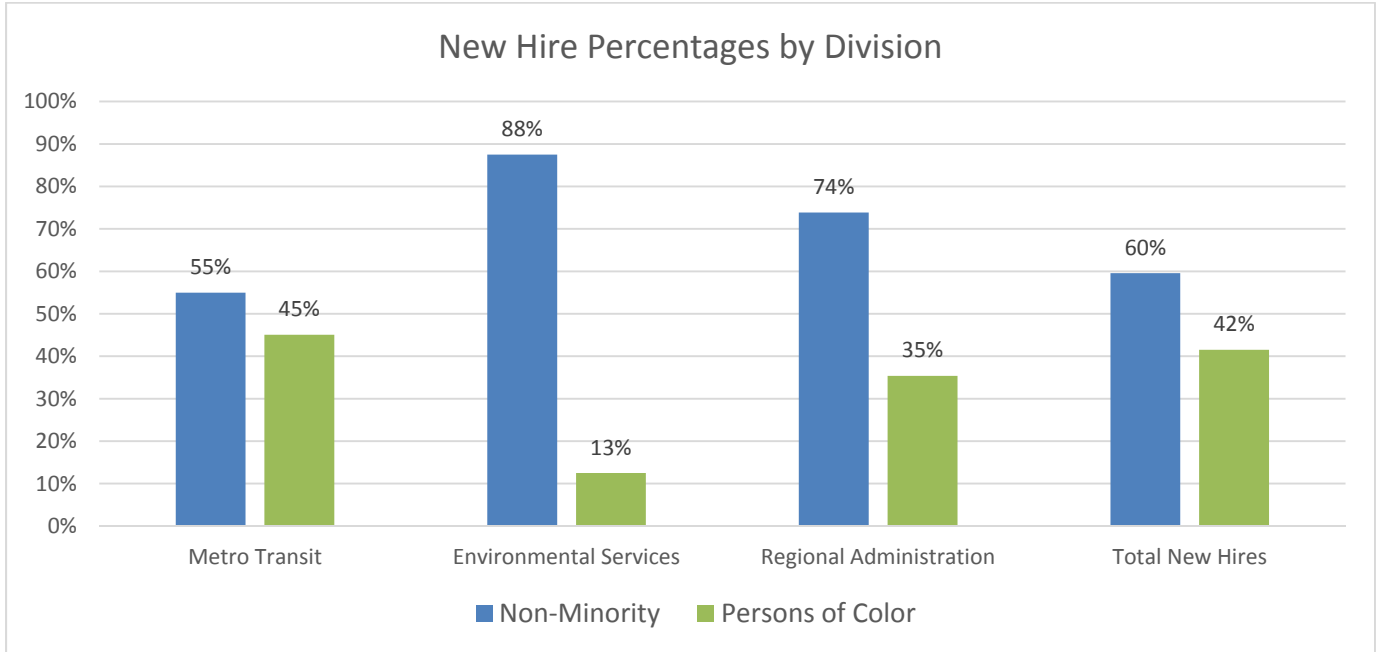
The majority of applicants for Council positions are White, followed by Black, Asian/Pacific Islander, and Hispanic. Although this applicant breakdown is reflective of the region (See Table 1)⁵ there is underrepresentation in various job categories within Council divisions. Table 2 references the total hires across the Council by minority and non-minority and division. A further breakdown of Council hiring and promotion is provided in the appendix.

Table 1



⁵ Asian includes Hawaiian and other Pacific Islander.

Table 2



Audit was unable to perform two tests: one on demographic information of applicants by division and one on the risk of adverse impact. Adverse impact evaluates the selection decisions and policies that may disproportionately affect protected classes. Audit was informed by an Office of Equal Opportunity staff member that it is not possible to do adverse impact analysis on each requisition due to the number of requisitions throughout the year and OEO staffing constraints. It is important to test for adverse impact in order to identify potential disparities in hiring practices.

CONCLUSIONS

The nature of this review rested on using 2014 employment data as a base to measure future Council recruiting and retention efforts as the Council implements Thrive 2040 commitments. At the time this review was concluded Audit was able to validate the Human Resources Annual Service Review.

NeoGov and PeopleSoft data is not intended to be in either system and that causes some limitations to reporting. There is a potential that the Global Utilization Report may have variances from actual due to the refinement of the data provided by Human Resources.

In reviewing the recruitment and selection processes, there are opportunities to evaluate the effectiveness recruiting and hiring strategies that may better inform future staffing activities in order to ensure the Council reflects the region in future years. As the Council's Thrive 2040 publication reflects, the region is changing, and the Council should be preparing for those changes with, or in advance, of the region.

RECOMMENDATIONS

Program Evaluation and Audit recommendations are categorized according to the level of risk they pose for the Council. The categories are:

- **Essential** – Steps must be taken to avoid the emergence of critical risks to the Council or to add great value to the Council and its programs. Essential recommendations are tracked through the Audit Database and status is reported twice annually to the Council’s Audit Committee.
- **Significant** – Adds value to programs or initiatives of the Council, but is not necessary to avoid major control risks or other critical risk exposures. Significant recommendations are also tracked with status reports to the Council’s Audit Committee.
- **Considerations** – Recommendation would be beneficial, but may be subject to being set aside in favor of higher priority activities for the Council, or may require collaboration with another program area or division. Considerations are not tracked or reported. Their implementation is solely at the hands of management.
- **Verbal Recommendation** – An issue was found that bears mentioning, but is not sufficient to constitute a control risk or other repercussions to warrant inclusion in the written report. Verbal recommendations are documented in the file, but are not tracked or reported regularly.

1. (Significant) The Human Resource department should establish criteria to evaluate the effectiveness of outreach activities and recruitment strategies.

The Human Resources department attended 21 recruiting and outreach type events during 2014. The benefit of attending such events has not been indexed. To create effective potential recruiting strategies, the department should create a measurement and goal standard.

Management Response:

Human Resources will continue to be committed to attending recruitment and outreach events. Human Resources will include a supplemental question on the application that will ask the applicant where they first heard of the vacant position for positions that have a targeted need or goal. This will assist in tracking the effectiveness of attending the recruitment/outreach events.

Staff Responsible:

Human Resources/Talent Management staff will continue to log all recruitment/outreach events and run reports for positions with the added supplemental question to track the effectiveness of the events.

Timetable:

Human Resources will pilot this methodology of tracking the effectiveness of attending recruitment/outreach events with 10 positions over the next 6 months (July through December). If this method works, we will implement this methodology for all positions that have been identified as having a targeted need or goal.

Thrive 2040 Principles: Collaboration and Accountability

2. (Significant) Data used for creating the Global Utilization report should be reconciled to recruitment and workforce management system data.

The Human Resources department and the Office of Equal Opportunity utilize two different standards to report employment data. Utilizing and reporting with one standard would be beneficial to the entire organization, however, if that is not possible, the system data should be reconciled and differences identified.

Management Response:

Human Resources and the Office of Equal Opportunity will work together in identifying differences in their own respective reports. Once identified, both departments will collaborate to determine which report will need to change (if need be). If both reports are to remain unchanged (out-of-synch), both departments will need to identify differences, and why, when reporting out similar data.

Staff Responsible:

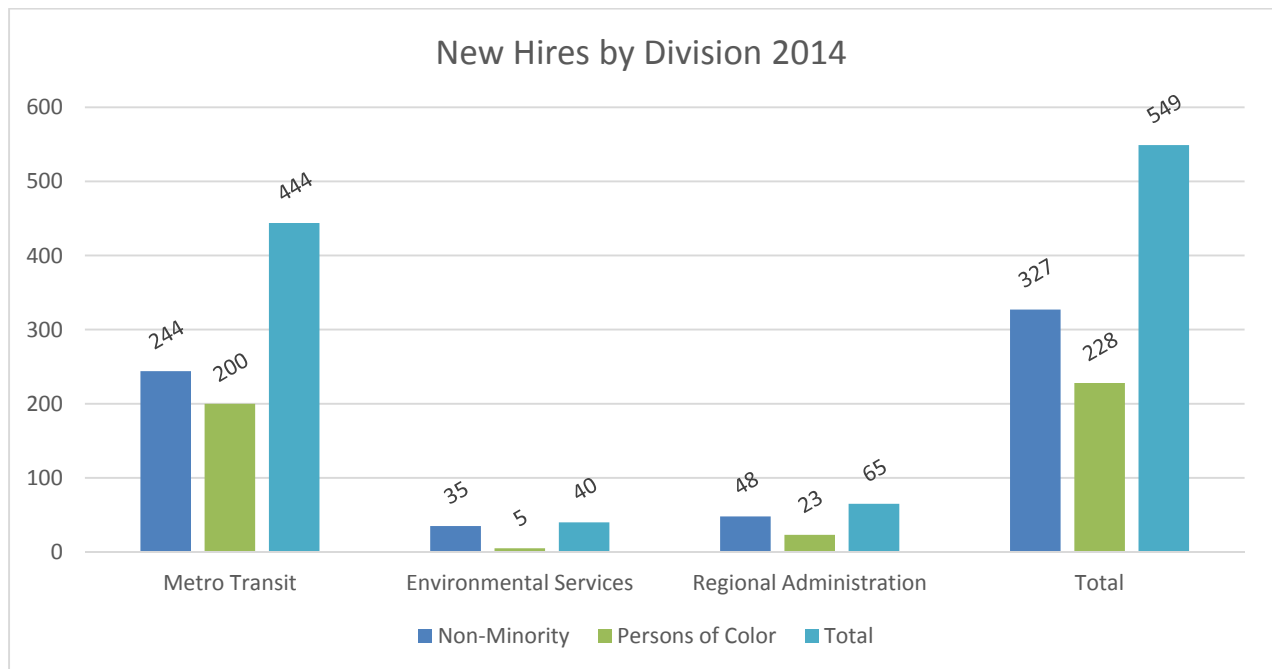
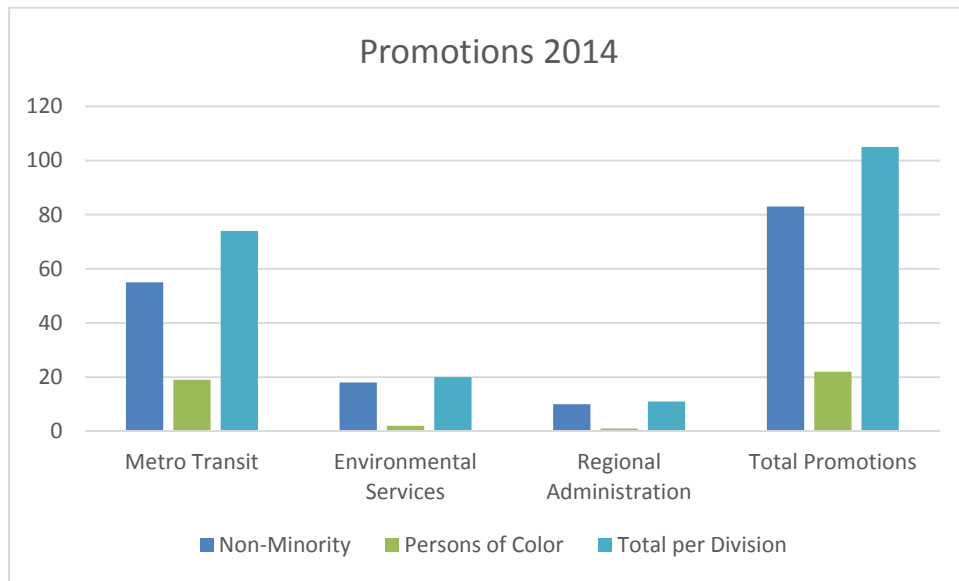
Human Resources and the Office of Equal Opportunity will partner together to determine what, if any, changes to be made to one or both reports.

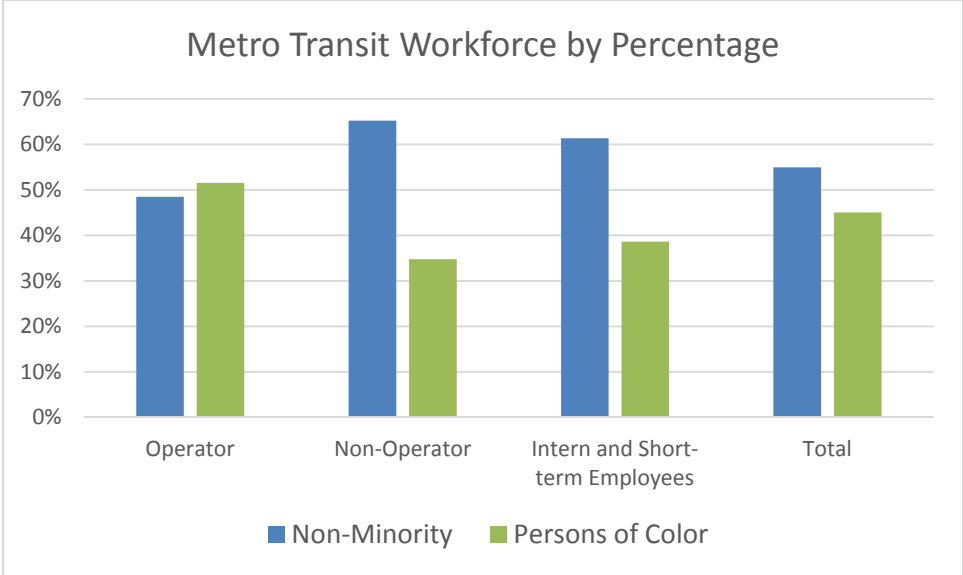
Timetable:

Both departments will meet within 30 days from the final audit report to review and make changes to the report(s).

Thrive 2040 Principles: Accountability

APPENDIX 1







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