City of Goodyear

PEOPLE Master Plan

City of Goodyear

8/1/2015

Table of Contents

EXECUTIVE SUMMARY

Successful organizations have learned that investment in human capital and the next generation workplace results in sustained performance and increased capacity to meet the emerging trends, changing demands and new challenges of the 21st Century.

Best-in-class organizations are now focusing even more on optimizing engagement and development of their human capital. These best-in-class organizations develop and implement comprehensive Human Capital Management (HCM) strategies to address the organization's need to connect, measure and improve strategic outcomes that are most influenced by human capital.

The PEOPLE Master Plan will serve as the City of Goodyear's HCM strategy to maximize organizational effectiveness by attracting, developing, retaining and fully engaging a high performing workforce. The Plan provides the framework for ongoing cultivation of the desired workplace culture with specific focus on creating a culture of innovation and exceptional customer service.

The PEOPLE Master Plan places increased emphasis on:

- Creating a foundation for ongoing development of human capital strategy,

- Intensified leadership involvement to attain increased levels of employee engagement, and

- The significance of leaders' roles as champions of the culture.

Through these points of focus on leadership of people and development of employees to do best work, we position the City to achieve sustained success in an environment of growth, challenges and change. Focus on our greatest asset, "PEOPLE" is a critical success factor for meeting the City's vision and strategic initiatives.

The plan is designed to address existing and emerging human capital environmental challenges that might otherwise threaten the successful implementation of the City's strategic initiatives. These challenges include:

- A dynamic U.S. and Regional employment market fueled by growing segments that are reaching retirement age, an increased competitive environment for talent and a shortage of skilled workers.

- A newly defined employment relationship driven by new expectations of the emerging millennial workforce.
- Fiscal impacts associated with the rising cost of healthcare.
- The necessity to maintain high morale and employee engagement in an environment of continuous growth and increasing performance expectations.
- Change fueled by technological advancements and increased service demands.

The PEOPLE Master Plan is built around five key components of human capital planning. These components address the core functions of human resources and provide the framework for a structured approach to address these challenges. The components are:

- Organizational Development
- Learning and Development
- Employee Relations and Engagement
- Performance Management
- Workforce Planning and Staffing

Outlined in the PEOPLE Master Plan are five overarching goals associated with each component:

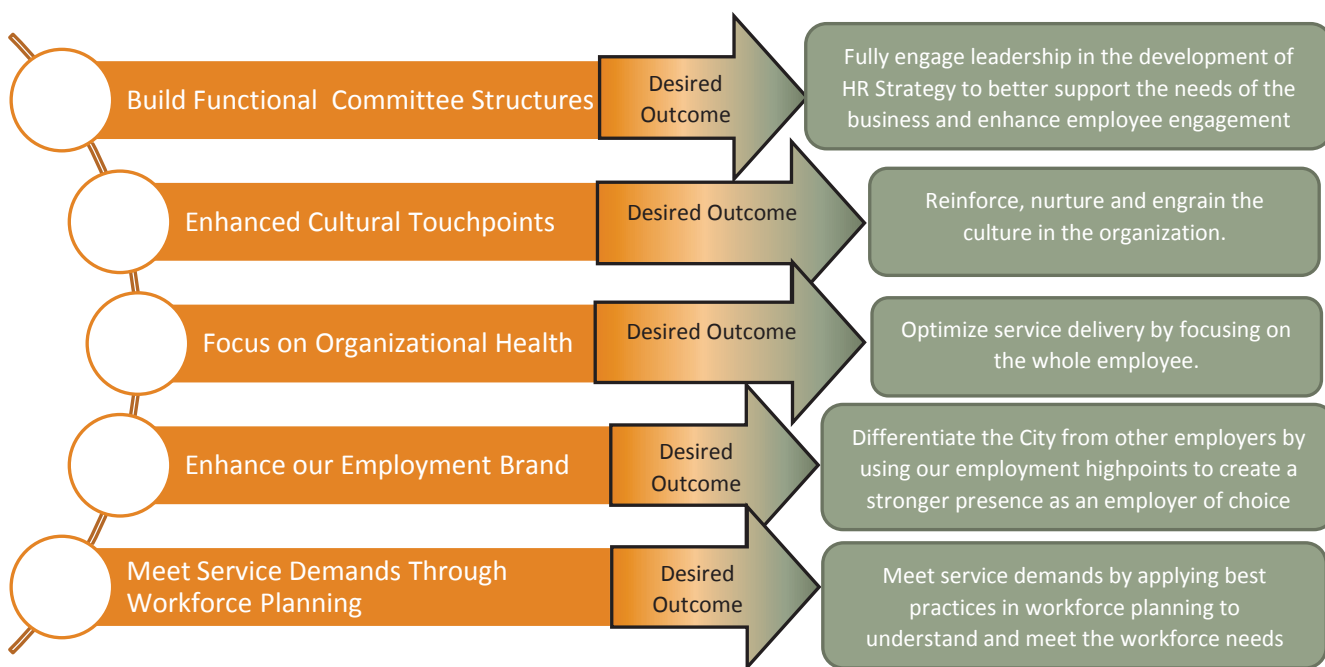| PMP Component	Overarching Objectives
Organizational Development	**Cultivate the Culture and Maintain High Performing Teams** *Develop the structures and systems that support cultivation of our organizational culture and maintenance of high performing teams.*
Learning and Development	**Create a Learning Culture that Values Development** *Develop a continuous improvement learning culture that thrives on innovation and systematically builds organizational capacity to fill required skill, technical competency and cultural fit needs for growth.*
Employee Relations and Engagement	**Achieve Sustained Organizational Effectiveness through Employee Engagement** *Create an environment that maximizes employee engagement by focusing on the "whole employee".*
Performance Management	**Connect Team Member Focus and Achievement to Organizational Strategy** *Further develop or enhance systems that effectively measure achievement of goals and connect employees to the strategic goals of the City on an individual, team, and organizational level.*
Workforce Planning and Staffing	**Forecast and Fulfill Workforce Requirements to Maintain a High Performing Team** *Create a unique employment brand reinforced by a streamlined recruitment process and comprehensive workforce and succession planning processes that secures talent with the right skills at the right time.*

Work Done Thus Far

Significant work has already been accomplished to lay the PEOPLE Master Plan foundation. These accomplishments include:

Accomplishments	Organizational Development	Learning & Development	Employee Relations & Engagement	Performance Management	Workforce Planning & Staffing
GEO – Goodyear Orientation Updates	*	*	*	*	*
#Notes2Know – Communication Strategy	*		*		
Introduction of Lean Thinking	*	*			
Electronic Benefits Open Enrollment			*		
New Learning Management System – Target Solutions Implemented		*			
New Performance Appraisal and Performance Management Process Implemented				*	
Culture of Safety Implementation/Integration	*	*	*		
Wellness Program Implementation			*		
Implementation of Retention Interviews			*		*
Implemented a Business Partner HR Model	*		*		*
Implemented a Leadership Development Series		*		*	
Launched Shout Out Award Recognition Program			*		
Introduced People Clues as a Pre-employment Assessment for Manager Level and Higher Positions	*		*		*
Launched Citywide Employee Engagement Survey and Action Plan			*		
Recruitment Kaizen	*		*		*
Revision of the Tuition Assistance Program			*		
Further integration Occupational Medicine in Clinic Operation			*		
Development of Internal Training Facilitators		*			

Desired Outcomes

The introduction of the PEOPLE Master Plan brings together deliberate linkages to achieving our organizational goals through leadership of our PEOPLE.   As a result of implementing the PEOPLE Master Plan some of the high level outcomes we expect include:

	Desired Outcome	
Build Functional Committee Structures	Desired Outcome	Fully engage leadership in the development of HR Strategy to better support the needs of the business and enhance employee engagement
Enhanced Cultural Touchpoints	Desired Outcome	Reinforce, nurture and engrain the culture in the organization.
Focus on Organizational Health	Desired Outcome	Optimize service delivery by focusing on the whole employee.
Enhance our Employment Brand	Desired Outcome	Differentiate the City from other employers by using our employment highpoints to create a stronger presence as an employer of choice
Meet Service Demands Through Workforce Planning	Desired Outcome	Meet service demands by applying best practices in workforce planning to understand and meet the workforce needs

A key foundational element of the PEOPLE Master Plan was the completion of the Citywide Employee Engagement Survey. The survey was launched in July of 2014 and completed in August 2014. We contracted with National Research Center the same company that conducts the National Citizens Survey.

Build Functional Committee Structures

The committee structure is a key element of the PEOPLE Master Plan. The structure provides the framework for increasing leadership engagement and ownership related to nurturing the culture of the organization. The committee structure also helps shift the organization to the next phase of performance management by further connecting HR strategy to the strategic plans of the departments. With greater Department Director and department leadership involvement, the HR strategic focus can better address the human capital requirements necessary to meet department level strategic goals.

Most importantly, the focus of the committees will be on maximizing employee engagement. Gallup Inc., has done extensive research on employee engagement. Gallup places U.S. employee engagement levels at 32% across all sectors. With only 32% of the US workforce engaged in their jobs and 68% either "not engaged" or "actively disengaged" there is tremendous opportunity. These results provide recognition of both the challenge and significant impact increasing employee engagement can have organization wide.

While the committees are structured around key HR functions, they all share an underlying goal of maximizing employee engagement. Our ability to increase employee engagement will be a significant differentiator in the City's overall brand.

Enhance Cultural Touchpoints

The ability to build and nurture a culture that supports the values and strategic direction of the organization is challenging work from most organizations. As noted in the work that has previous been accomplished, we have a unique opportunity to further enhance and build new cultural touchpoints that have lasting impact on reinforcing, nurturing and engraining our culture in the organization. The cultural touchpoints include:

Existing	New
GEO & GEO Reunion	Mgr. & Supervisor Orientation
Principles of Lean Thinking -Kaizen Events	Goodyear Specific Customer Service Training
Employee Appreciation Events	Career Development Planning
	Wellness Event – "The Whole Employee"

Through these cultural touchpoints, we will immerse employees into key elements of our organizational culture. For managers and supervisors, we will develop the leadership foundation for nurturing and championing our culture.

Focus on Organizational Health

The impact of Organizational Health as a component of optimizing service delivery and strategically containing expenditures associated with the rising cost of healthcare, is an emerging and growing trend in high performing organizations.

This effort focuses on the "whole employee concept" as a strategic approach to improving employee engagement. As noted by, Sharlyn Lauby in her August 20, 2015 article in GREAT Place to Work; "the best definition I've found describes employee engagement as the intersection of maximum contribution for the business and maximum satisfaction for employees. It draws the connection between employee satisfaction with their work and employer to their productivity and organizational results." The "whole employee concept" brings employee wellbeing into the equation by recognizing and identifying strategies that address impacts to service that can be enhanced by improvements to organizational health individually and collectively.

Great Place to Work, August 2015;

http://www.greatplacetowork.com/publications-and-events/blogs-and-news/3051-employee-engagement-involves-bringing-the-whole-self-to-work#sthash.iJScIsRF.dpbs

Enhance our Employment Brand

The focus of our employment branding effort is telling our story in a way that compels the best and brightest talent to pursue being part of our team. This effort also includes focusing on retaining our existing talent by continuous assessment and improvement of the City of Goodyear employee experience.

Our employment experience will be the point of emphasis that allows us to differentiate ourselves from other organizations. As the employment market continues to get more competitive, the way in which we brand ourselves will have significant impact on our ability to reach and retain our talent for the future.

Meet Service Demands through Workforce Planning

Consistent with the human capital dynamics of other organizations we are beginning to feel the impact of an aging workforce. This dynamic will be ongoing and require that we plan for smooth transition of employees moving into retire, and new employees entering the organization.

The planning will require identification of:

- Key roles that require extensive knowledge transfer
- Hard to fill positions requiring a greater focus on growing our own
- Segments that have large numbers approaching retirement age
- Industry talent shortages
- Areas that will be impacted by significant growth in service demands
- Necessary skills gaps to support existing, new and emerging service needs

Along with planning for future workforce needs, this initiative also brings focus to employee development and organizational succession planning.

Timeline – Initial Work

The following timeline outlines the initial work being implemented as the Committees are being formed.

Initial Strategy Rollout *(HR begins work Committees engage after being formed)*	Q3-2016			Q4-2016			Q1-2016			Q2-2016			Q3-2017			Q4-2017			Q1-2017			Q2-2017		
Month	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D

Build Functional a Committee Structure
- Form Committees and move to a functional state
- Engage committees in the PEOPLE Master Plan Objectives
- Committee begin address new and emerging HR Strategic Issues

Enhance Cultural Touchpoints
- Develop Supervisor Orientation
- Develop Goodyear specific Customer Service (CS) Training
  o Launch CS Training

Focus on Organizational Health
- Develop a Wellness Event that better connects employee health and wellness to performance outcomes
- Develop performance measures that measure outcomes of wellness efforts, cost containment achievements and productivity impacts

Enhance Employment Brand
- Implement Kaizen 30/60/90
- Enhance web presence (Employment Branding Story)
  o Establish Employment messaging (PD, Fire, PW, Development, Parks & Rec, City Hall)

Meet Service Deliver through Workforce Planning
- Develop Workforce Plans for all Departments
- Develop a Succession Plans for All Departments
- Implement an Individual Development Plan Process
- Implement a Mentoring Program

INTRODUCTION

In June of 2014, the City Council approved the General Plan and adopted the 2015-2017 Strategic Action Plan. The Strategic Action Plan was designed to serve as a tactical plan to achieve the City's mission, vision and the goals and objectives outlined in the General Plan and defined in the City Council Priorities.

The following graphics were developed to illustrate the high level components of the Strategic Action Plan and the City's Performance Management Program. The Performance Management Program graphic illustrates how the plan is disseminated, moves to action, and is measured in the organization.

In support of the vision outlined in these strategic planning documents, Human Resources is pleased to present the 2015 -2017 PEOPLE Master Plan. The PEOPLE Master Plan serves as the Human Capital component of the Performance Management Program. This plan outlines our human capital goals, objectives, and initiatives that will be implemented over the next

several years to assist in achieving the goals identified in the General Plan, Strategic Action Plan and Council Priorities.

What is the PEOPLE MASTER PLAN?

The PEOPLE Master Plan is a total people strategy for the City that focuses on the leadership and management practices needed to optimize performance and realize our strategic goals and objectives.

In simple terms:

The PEOPLE Master Plan is a plan for attracting, engaging, developing, retaining and maximizing the contributions of a highly effective workforce capable of achieving organizational goals and objectives

PEOPLE Master Plan

- Attract
- Retain
- Develop
- Engage
- Contribute

Why is the PEOPLE MASTER PLAN necessary?

Organizational success begins with comprehensive strategic planning. Achieving the goals and objectives outlined in the strategic plan requires the successful execution of the plan. This effort is best accomplished with team members who are connected to the strategic goals of the organization. Team members who are highly engaged, empowered and prepared to meet the challenges that present barriers to success.

The PEOPLE Master Plan is a strategic approach to maximizing engagement and connecting people with the organizational strategy.

GOODYEAR 2025

CITY OF GOODYEAR GENERAL PLAN

+ Engaged Empowered Employees **=** ORGANIZATIONAL SUCCESS

The ability to connect people to the organizational strategy is widely regarded as the differentiator between good organizations and great ones.

PEOPLE MASTER PLAN DEVELOPMENT

The process for the developing the PEOPLE Master Plan included collecting and interpreting data, applying principles of human capital planning and researching applicable best practices. These inputs have been brought together with an overarching philosophy.

The **PEOPLE Master Plan** will provide a roadmap to sustained success. The Plan adopts the philosophy that our PEOPLE are the differentiator that will drive sustained success and elevate the City to best-in-class status. Leadership's role is to create the environment that maximizes employee effectiveness and engagement.
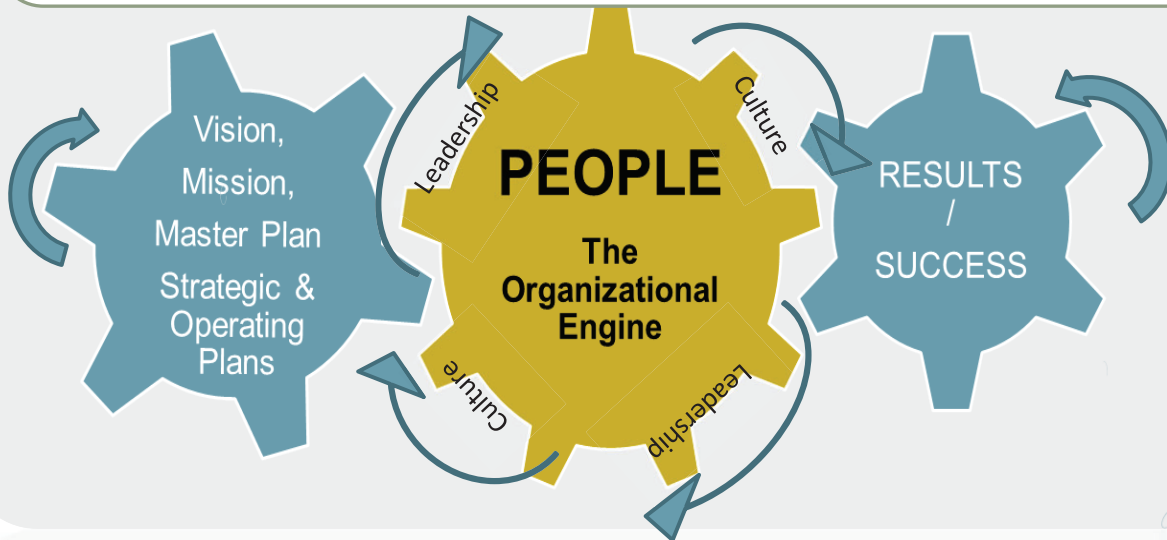
With a continuous goal of maximizing employee effectiveness and engagement to sustain a high performing culture. Requires leadership to continuously develop leaders that like them are nurturers, cheerleaders and champions of the organizational culture. Leadership must understand the "Cultural Touch Points" that are necessary to maximize employee engagement. They must also be increasingly targeted in their approaches to develop employees.

The overarching philosophy along with the inputs shown in the following graphic provide foundation for the People Master Plan goals and objectives. Each of these inputs provide key insight on the human capital environment internally and externally:

People Master Plan Inputs

City of Goodyear Strategic Planning

Human Capital Planning Strategies & Best Practices

People Master Plan

Employee Engagement & Satisfaction Survey

Human Capital Environment

## EMPLOYEE ENGAGEMENT AND SATISFACTION SURVEY KEY FINDINGS

In May of 2014, the City contracted National Research Center (NRC) to conduct a citywide employee engagement and satisfaction survey. The instrument used by NRC called the National Employee Survey is a comprehensive survey that provides comparisons to benchmark data from similar government agencies.

The survey was launched in July of 2014 and completed in August 2014. The employee survey provided a wealth of information with a high confidence level as a result of a 92% employee response rate. The following are key findings from the survey as reported by NRC:

#1 – Employees are satisfied with jobs

#2 – Employee Contribution and Fit; and Wages and Benefits are key job satisfaction components for Goodyear employees
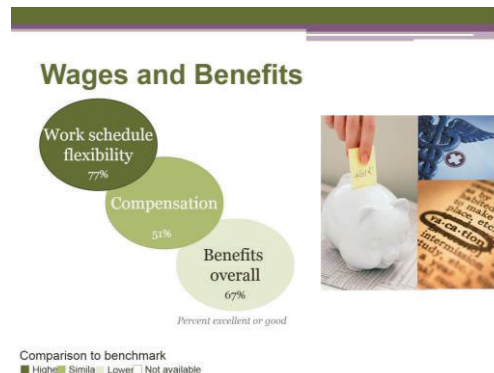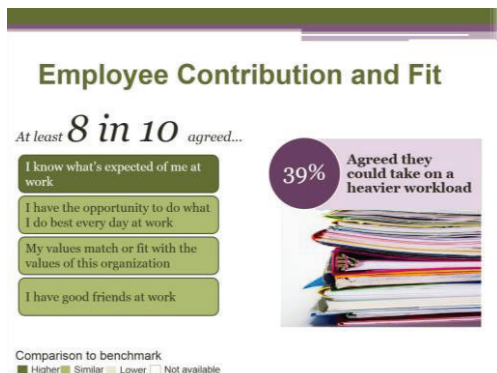
#3 – Employees appreciate supervisor relationships and view performance evaluation positively

EMPLOYEE SURVEY ACTION PLANNING PROCESS

In an effort to fully understand the survey results and begin developing an action plan to address opportunities, the results were shared with the organization as follows:

Sept 23, 2014
- **Results shared with Leadership Team**
  - Worksession to establish and prioritize City-wide focus areas
  - Priorities established using Impact/Effort Matrix

Sept 29, 2014
- **Results shared with organization**
  - Conducted five presentations with Q&A sessions

Oct 22, 2014
- **Held five Employee Engagement Roadshows**
  - Gathered further insight into survey results through interactive sessions

Oct 28, 2014
- **Managers and Supervisors convene at Leadership Summit**
  - Using Lean Thinking Tools Mgrs and Sups. developws action items
  - A3's completed, Just Do Its (JDI's) established

The survey results, feedback gathered and subsequent strategy sessions have identified opportunities for improvement and several objectives that are included in the PEOPLE Master Plan. From these action planning activities four areas of focus were established. These areas are:

Areas of Focus	Survey Rating	
	Current State	Future State
Opportunities to develop a career plan	54%	**75%**
Providing recognition for doing good work	64%	**75%**
Dealing with low-performing employees	33%	**75%**
Communicating information in a timely manner	63%	**75%**

The future state reflects the targeted goal for the next survey established by the Leadership Team.

As we implement the PEOPLE Master Plan, we will continue to seek input from employees and explore opportunities to improve our people strategies. Employee engagement is a foundation for many of the initiatives that are identified in the PEOPLE Master Plan. Continuous engagement with employees in addition to maintaining a high level of participation in our bi-annual survey will be an ongoing element of the PEOPLE Master Plan. Ongoing opportunities for feedback to strengthen our initiatives will be planned.

The PEOPLE Master Plan also incorporates critical information gathered from an environmental scan and also draws from best practices in human capital planning.

HUMAN CAPITAL ENVIRONMENT

The environment impacting Human Capital Planning is best described as "dynamically uncertain". Current economic conditions create an environment of uncertainty with influences ranging from growth in some sectors to slow recovery following the Great Recession in others. Economic conditions coupled with demographic shifts create an environment that greatly impacts workforce planning. For example, take into consideration that every day 10,000 baby boomers are reaching retirement age. The economic conditions along with other factors greatly influence decision by employees who are reaching retirement age. These factors also greatly

contribute to prospective employees decisions to accept employment, particularly when relocation is involved. This dynamic creates opportunity, yet it also produces many challenges. On the other end of the spectrum, we have Millennials entering the workforce. Many have different expectations of the workplace than that of other generations. The convergence of these perspectives can create management challenges. These are a few examples of this "dynamically uncertain" environment.

The following data will provide a snapshot of key findings of the human capital environment:

Economic Outlook

- Using data through March 2015, Arizona has recovered 78.1% of the jobs lost during the downturn (Exhibit 1). In contrast, the U.S. has not only replaced all of the jobs lost during the recession, but has added an additional 32.3%.

- The slow growth that the state has experienced since the end of the Great Recession is expected to continue in 2015, with job, population, and income gains well below average growth during the 30 years before the downturn. However, as (Exhibit 2) shows, state job gains are expected to come at a faster pace than nationally.

- During the next three years, the state is forecast to add nearly 200,000 net new jobs. Most of those new jobs will be in the service-providing sectors, particularly professional and business services; education and health services; trade, transportation and utilities; and leisure and hospitality. These four sectors alone are expected to account for 73.5% of net job growth.

- Job growth contributes to increased net migration, which boosts overall population gains. State population gains rise from 86,200 in 2014, to nearly 130,000 per year by 2018. That translates into an acceleration of population growth from 1.3% in 2014 to 1.8% by 2018. Most of the population growth is expected in the Phoenix Metropolitan Statistical Area.

Gallup's research identified the following as some of the most important findings:

1. Engagement makes a difference in the success of the organization
2. Managers and leaders play a critical role in maximizing engagement
3. Different types of workers need different engagement strategies
4. Engagement has a greater impact on performance than policies and perks
5. Employees are not prepared to engage customers
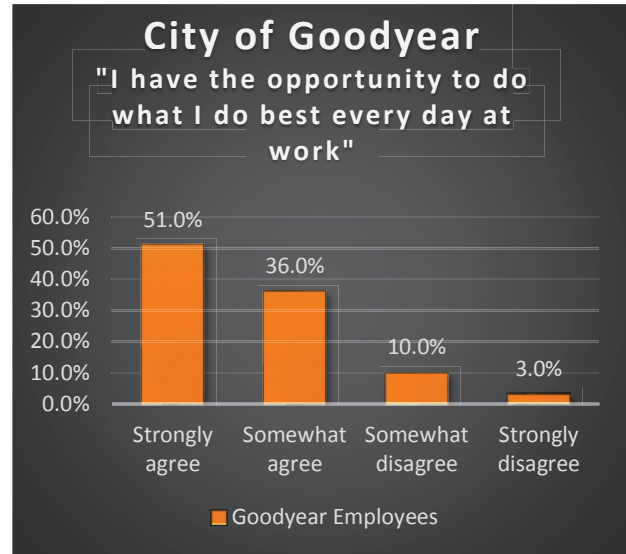
In this report, Gallup identifies three ways to accelerate employee engagement:

1. Select the Right People
2. Develop Employee's Strengths
3. Enhance Employees' Well-being

Gallup, Inc., (2013). *State of The American Workplace*

ANALYSIS OF THE HUMAN CAPITAL ENVIRONMENT

The City has benefited from a highly engaged workforce as evidence by the 92% response rate to the City's recent employee engagement survey. Not only is the workforce engaged, 90% of employees like their jobs and by and large the majority of employees rate relationships with supervisors positively. The foundation of a highly motivated workforce provides a great opportunity to build on. The ability to further measure the level of engagement and apply the continuous improvement philosophy will be a critical component of achieving organizational success.

The City has experienced rapid growth propelling it to be the sixth fastest growing city in the U.S. as reported by the U.S. Census Bureau 2014. The potential for continued growth remains a key factor that must be addressed in the PEOPLE Master Plan. The City must remain nimble in its PEOPLE Master Plan strategies to address the uncertainty related growth. At

minimum it is anticipated that growth will continue at a conservative to moderate pace. However, the potential for accelerated growth exists and must be planned for.

The City must be able to address similar workforce planning challenges that similar and larger size organizations are facing. These challenges include an increasing segment of the organization reaching retirement age over the life of this plan and beyond. Skilled labor shortages that will impact an already competitive talent acquisition environment. Areas such as Water/Wastewater, Information Technology and Traffic Engineering currently have skilled labor shortages. This also includes the Public Safety sector of the organization where there are approximately 1,600 public safety personnel throughout the Phoenix Metropolitan area who have elected the Deferred Retirement Option Plan (DROP). In addition, we have fields such as building safety inspection and planning where many have left the field following economic downturn. Workforce shortages such as these require specific plans to maintain the necessary staffing levels to meet the City's strategic initiatives.

Developing highly effective teams is a critical success factor to sustain ongoing success. As we continue refining our culture, it will be imperative that we invest in the continued development of high performing teams. Initial work has been done to help team members identify work style preferences and understand the preferences of those who may have different styles. An inventory of our True Color primary color results provides a snapshot of a dimension of diversity that must be leveraged to build effective teams. (exhibit 12) Further development of our teams must include using the strengths, work styles and different perspectives to maximizing cohesion, collaboration, innovation and overall team effectiveness.

Organizational health is a component that combines employee wellness and safety with a goal of minimizing organizational risk and maximizing organizational productivity by maintaining a workforce that is present and capable of maximizing performance. More importantly this component seeks to maximize the organizational benefit of a health and safety conscious organization that has a mindset of prevention. The combination of occupational and non-occupational health provides the opportunity for coordinated focus on health promotion and injury and illness prevention programs.

At present, a significant amount of work has been accomplished in the area of building a culture of safety. This is evidenced by the increase in reporting of incidents and the subsequent follow-up to address safety concerns. The

level of engagement in safety programs has increased significantly. The City has also embarked on a wellness initiative that brings greater focus to employee wellness. Participation in wellness efforts has also continued to increase. From a budgetary perspective, the City has great interest in containing cost associated with outcomes that are directly related to organizational health. These outcomes include the impact of the rising costs of providing quality healthcare, the impact of presenteeism, and absenteeism.

SWOT Analysis

The following SWOT analysis provides a summarized view of the strengths, weaknesses, opportunities and threats related to the human capital environment.

Strengths	Weaknesses
- Highly engaged and motivated workforce - Sixth fastest growing City in the U.S. - Great reputation in Municipal Gov't - Best practice model for new employee orientation - Employees are overwhelmingly satisfied with supervisor relationships - Employees have a vested interest in the success of the City - The City is financially stable	- Strength of our employment brand - Perceptions related to dealing with poor performance - Disconnect of between the significant impact Organizational Health focus - Challenges of effectively communicating with a growing workforce - Communication channels do not effectively reach all employees
Opportunities	**Threats**
- Leverage technology to become more data driven and more efficient - Strengthen cultural touch points to engrain and sustain desired culture - Focus on Organizational Health to help contain rising cost of Healthcare - Enhanced city-wide succession and workforce planning - We have a great story to tell from an employment branding perspective	- Rising cost of healthcare - Workers compensation liability - Employees reaching retirement age dramatically increases in 2018 an beyond - As the economy continues to improve talent acquisition will be more competitive - Impact of dynamic talent acquisition market

STRUCTURE OF THE PEOPLE MASTER PLAN

There are five components of a PEOPLE Master Plan:

Organizational Development	Learning and Development	Employee Relations & Engagement

Performance Management	Workforce Planning & Staffing

These five components provide a comprehensive structure and approach to Human Capital Planning. Our PEOPLE Master Plan is framed around these five critical components of human capital planning.

The five components are defined as follows:

Organizational Development

The primary purpose of OD is to develop the organization, by engineering processes, systems and structures that support sustained organizational effectiveness.

Learning and Development

The primary purpose of Learning and Development is to develop greater capacity within the organization through development of a learning culture that focuses on skill building targeted at maximizing sustained organizational effectiveness.

Employee Relations and Engagement

The function of Employee Relations is to strike a balance between the individual interest of employees and that of the organization in a manner that produces mutual benefit to these stakeholders. The Employee Engagement component seeks to maximize individual contribution to drive organizational success.

Performance Management

The purpose of Performance Management is to influence and measure overall organizational performance. This includes the individual, team, group and enterprise-wide level of the organization.

Workforce Planning and Staffing

Workforce Planning is the systematic assessment of the current and future state of the workforce with the objective of determining workforce needs in terms of the size, type, quality and skill to achieve our organizational objectives. Staffing relates to our approach and ability to attract, hire and retain the best and the brightest talent.

From a tactical perspective, the follow outlines the work that happens in each of these areas:

Tactical Component Overview

Organizational Development

- Strategy development and alignment
- Systems integration
- Work/process design and alignment
- Organization design
- Change management / leadership tools, diagnostics, leadership coaching
- Environment and culture design, development, and management
- Continuous improvement
- HRIS/HRMS
- Enterprise Risk Management

Learning and Development

- Employee development
- Management development
- Executive development
- Career management tools & resources
- Learning methodologies
- Learning networks
- Competency development
- New employee orientation

Employee Relations & Engagement

- Policy & practice development, application & interpretation
- Complaint resolution
- Issues investigations
- Employee service center
- Work/life programs
- EE engagement, morale, retention monitoring
- Change management
- Transition management
- Volunteer
- Wellness
- Base and variable pay programs design and administration
- Benefits program plan design, administration & communication

Performance Management

- Performance objectives & measures consulting and alignment(City, group & individual level)
- Formal and informal recognition
- Coaching and counseling
- Performance improvement
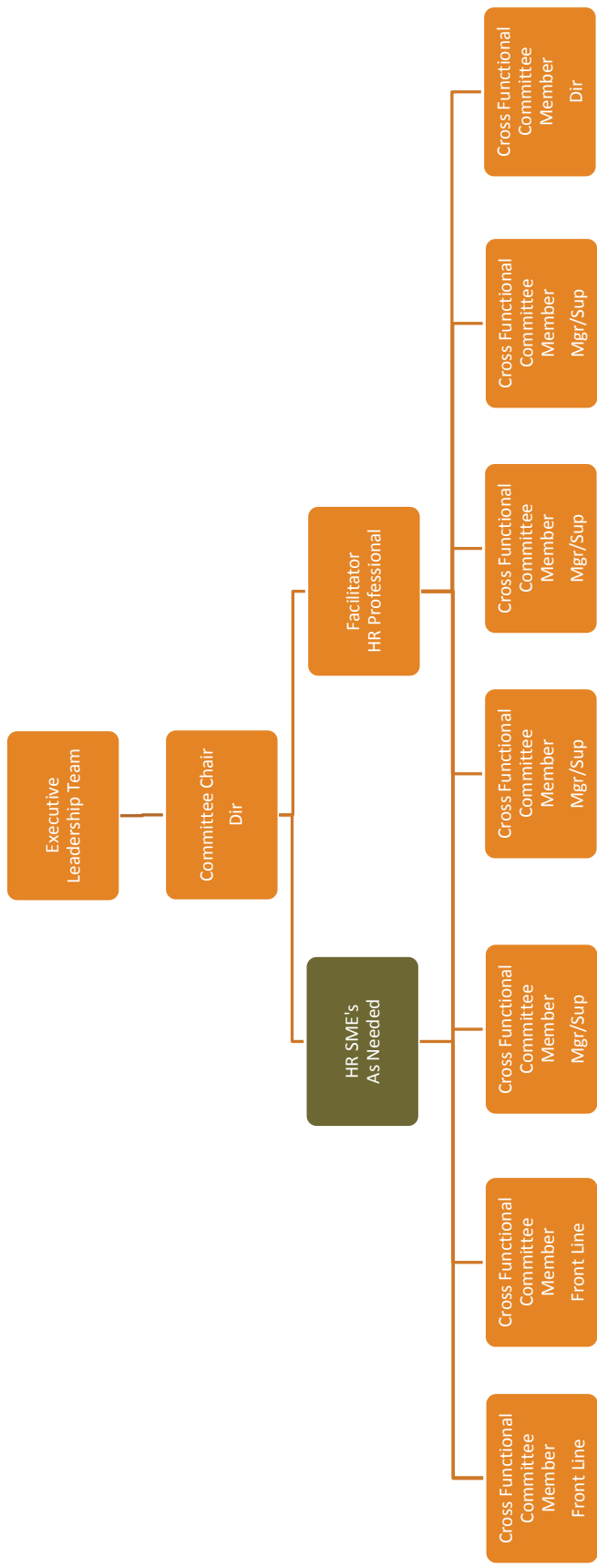- Discipline
- Performance Improvement Plans

Workforce Planning & Staffing

- **Workforce planning:**
- Current workforce supply (#'s & skills)
- Business change drivers
- Future workforce demand
- Gap analysis
- Staffing plan
- Development plans
- Transition plans
- **Staffing:**
- Employment Branding
- Professional recruitment
- Non-exempt recruitment
- Executive recruitment
- Internal staffing & placement
- College relations/internships
- Temporary & flex staffing
- Succession planning

The goals and objectives of the PEOPLE Master Plan will have broad implications that impact every segment of the organization. As such, the successful implementation of the People Master Plan will require broad level participation and input. A Committee Structure is a best practice in implementation of human capital planning. The following is the recommended committee structure:
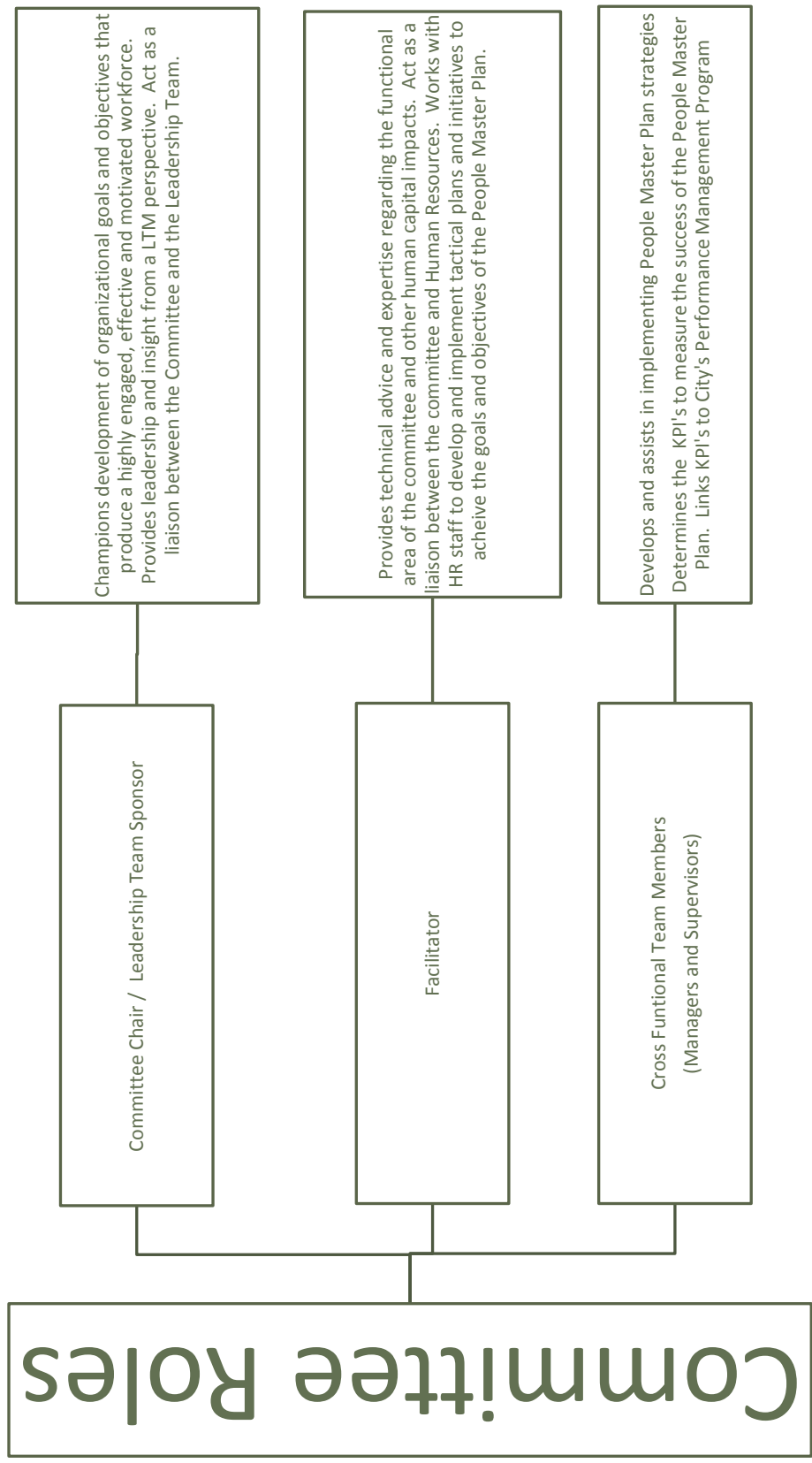
Committee Structure

```
                          Executive
                        Leadership Team
                               |
                        Committee Chair
                              Dir
          ┌──────────────────┼──────────────────┐
     HR SME's                              Facilitator
    As Needed                           HR Professional
```

Cross Functional Committee Member — Front Line
Cross Functional Committee Member — Front Line
Cross Functional Committee Member — Mgr/Sup
Cross Functional Committee Member — Mgr/Sup
Cross Functional Committee Member — Mgr/Sup
Cross Functional Committee Member — Mgr/Sup
Cross Functional Committee Member — Dir

It is suggested that committees meet a minimum of 3 to 5 times annually to do high level strategy work. Committees have the discretion to meet more often as desired or necessary. Committee members will serve a one year term terms will be staggered, to initial terms will be either one or two years.

26

The Committee will have a committee chair, a facilitator and a cross-functional team. The committee is structured to enable a high level of collaboration and innovation. The chief role of the committee is to review the business strategy and develop recommendations that shape the PEOPLE Master Plan strategies to support the business needs.

Committee Roles

Committee Chair / Leadership Team Sponsor

Champions development of organizational goals and objectives that produce a highly engaged, effective and motivated workforce. Provides leadership and insight from a LTM perspective. Act as a liaison between the Committee and the Leadership Team.

Facilitator

Provides technical advice and expertise regarding the functional area of the committee and other human capital impacts. Act as a liaison between the committee and Human Resources. Works with HR staff to develop and implement tactical plans and initiatives to acheive the goals and objectives of the People Master Plan.

Cross Funtional Team Members (Managers and Supervisors)

Develops and assists in implementing People Master Plan strategies Determines the KPI's to measure the success of the People Master Plan. Links KPI's to City's Performance Management Program

HOW COMMITTEES FUNCTION

The committees operate under the following principles:

- Human resources work is managements work
- Management and HR should work together on human resources strategy
- Human resources strategy should be aligned with the business strategy
- Human resources strategy should be a chapter of every operational plan
- Human Resources contributes the best available HR insight on processes, tools and methods
- Management proposes human resources strategy to the Executive Leadership Team
- Management should not design human resources tactics, HR specialist develop tactics
- Management is responsible for implementation of the PEOPLE Master Plan
- If Human Resources disagrees with a direction that the line wants to take, HR owes the company an expert point of view
- Human Resources professionals serve as technical advisers to management in the development of the PEOPLE Master Plan
- Human Resources plays a key role in the process and program management of implementing the PEOPLE Master Plan

The following is a guide to what the committee meetings may entail:

First Meeting	Review the business strategy and current HR strategy and begin thinking about the human resources implications
Second Meeting	Brainstorm specific human resources implications of the business strategies. Prioritize those that are of greatest value to the organization
Third Meeting	Finalize the proposal for that committee's area to be passed on to the ELT. On the basis of acceptance by ELT, assign subgroups to do research and design on these solutions
Fourth Meeting	Review and assess actual accomplishments against last year's plan

Framework modeled from: Christensen, R. (2006) *Roadmap to Strategic HR*; New York, NY: American Management Association

In consideration of the committee structure, PEOPLE Master Planning objectives have been identified as a starting point for the Committees work to begin. The objectives follow:

Organizational Development

Goal #1   ***Launch a Committee Structure to address human capital management needs of the organization***

     Tactic #1   Vet committee structure with Executive Leadership and cascade if approved to Leadership Team

     Tactic #2   Develop plan to launch committee structure

Goal #2   ***Develop key "Cultural Touch Points" that provide continuous nurturing and integration of the City's culture***

     Tactic #1   Establish "Effectively Shaping Organizational Culture" as a required leadership competency

     Tactic #2   Develop supervisor orientation as an extension of GEO

Goal #3   ***Develop strategies, systems and structures to fully integrate lean thinking into our culture and operational practices***

     Tactic #1   Include Lean Thinking as a citywide core competency

     Tactic #2   Develop an organizational structure that provides the foundation to support Lean Thinking principles across the organization.

         • Create a standing Lean Committee with a FT Committee Chair.

Goal #4   ***Integrate a PEOPLE Master Plan Component into all Department Operating plans***

     Tactic #1   Establish goals and objectives for maximizing employee effectiveness and engagement

Learning and Development

Goal #1   ***Build a learning culture where all team members are focused on and responsible for preparing themselves to achieve excellence in their area of technical expertise.***

     Tactic #1   Strengthen a development planning process that is driven by the individual

     Tactic #2   Provide enhanced career development services

Goal #2   ***Provide learning and development curriculum, tools, and methodology to support workforce and succession planning priorities***

     Tactic #1   Develop a strategy to "develop our own" where industry shortages indicate that the pipeline of employees will not meet our staffing needs

     Tactic #2   Develop a strategy to accelerate development for key positions with impending shortages

     Tactic #3   Develop a plan to maximize local leadership development opportunities for our employees

Employee Relations and Engagement

Goal #1   ***Develop a comprehensive communication strategy that improves employee communication***

     Tactic #1   Address communication for field workers

Goal #2   ***Build recognition programs that contribute to sustaining a highly engaged and motivated workforce***

     Tactic #1   Assess the effectiveness of current recognition programs. (On the Spot and Shout Out Awards) Develop a plan to enhance as needed and fill any gaps that exist

Goal #3 ***Enhance Wellness and Safety programs to increase employee knowledge related to prevention and becoming smarting consumers of healthcare***

  Tactic #1 Develop and provide recommendations for cost containment measure related to funding methods for health insurance and workers compensation insurance

Goal #4 ***Assess the effectiveness of our current compensation plans under the current market conditions***

  Tactic #1 Assess the quartile program provide recommendations for enhancements, changes, etc.

Goal #5 ***Develop strategies to maintain a high level of employee engagement***

  Tactic #1 Engage employees in the retention survey process

Performance Management

Goal #1 ***Introduce a 360º Appraisal to support learning and development***

  Tactic #1 Design and launch and development focused tool that supports all aspects of leadership development

Goal #2 ***Provide tools and mechanisms to create SMART(Specific, Measurable, Attainable, Relevant, Time-based) objectives that strengthen the connection of every employee to the organizational strategy***

  Tactic #1 Integrate SMART objectives with direct linkage to organizational strategy into the PA process

Goal #3 ***Assess the effectiveness of the Performance Appraisal process for measuring competencies in the desired areas***

  Tactic #1 Integrate "Lean Thinking Principles" in the PA process as an evaluation component

Workforce Planning and Staffing

Goal #1 ***Develop an "Employment Brand" that positions the City to effectively recruit and retain talent in a competitive employment environment***

  Tactic #1 Enhance employment online messaging
  - Splash Page

  Tactic #2 Streamline recruitment process

Goal #2 ***Develop a comprehensive succession plan that provides a planned approach to meeting organizational staffing needs***

  Tactic #1 Through interactive effort with department leadership and Human Resources. Identify key and hard to hire positions that require targeted plans to develop our organizational bench strength
  - Develop an approach to identify participants

  Tactic #2 Develop and implement a comprehensive individual development planning process that is owned and driven by the employee

  Tactic #3 Develop a comprehensive mentoring program that supports the development of future leaders

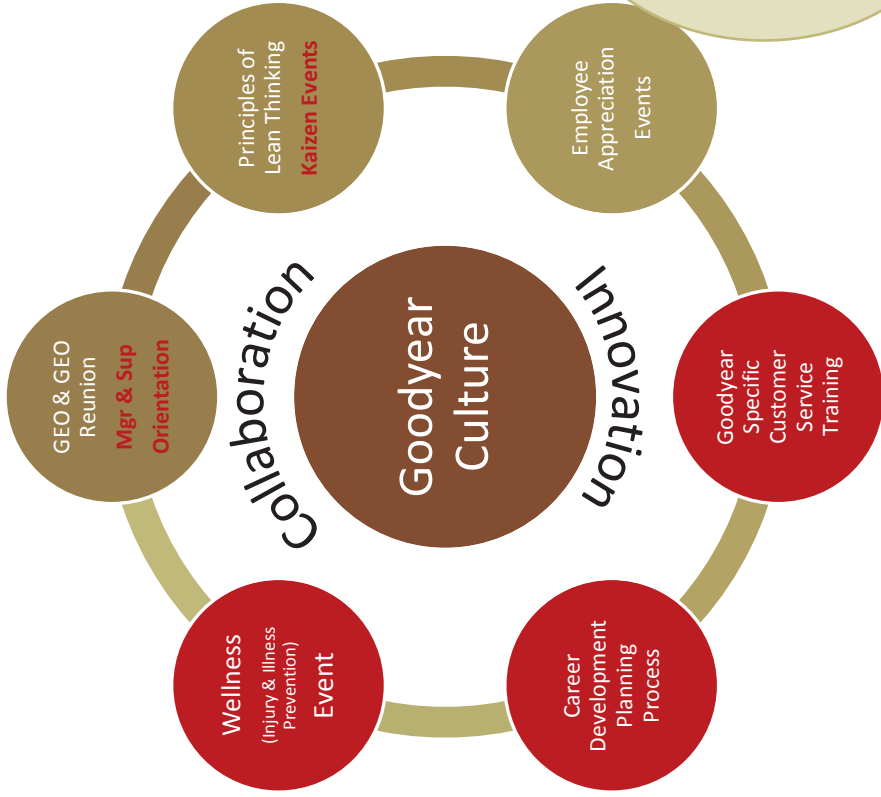 Tactic #4 Develop approaches that phased retirement models

Goal #3 ***Enhance selection process to yield candidates that embrace and have the attributes to excel in the City's culture***

  Tactic #1 Implement MSEC assessment as part of the hiring process for all positions

CULTURAL TOUCH POINTS

Cultural touch points are critical elements of building an enduring culture. Leadership's ability to act as a cheerleader and champion of culture is greatly assisted by using cultural touch points to create an experience that helps define the culture.

We have existing cultural touch points and potential opportunities to create other experiences that can assist in defining our culture.

Cultural Touch Points

"Any tool or point of interaction, seen or unseen, utilized to create experiences."
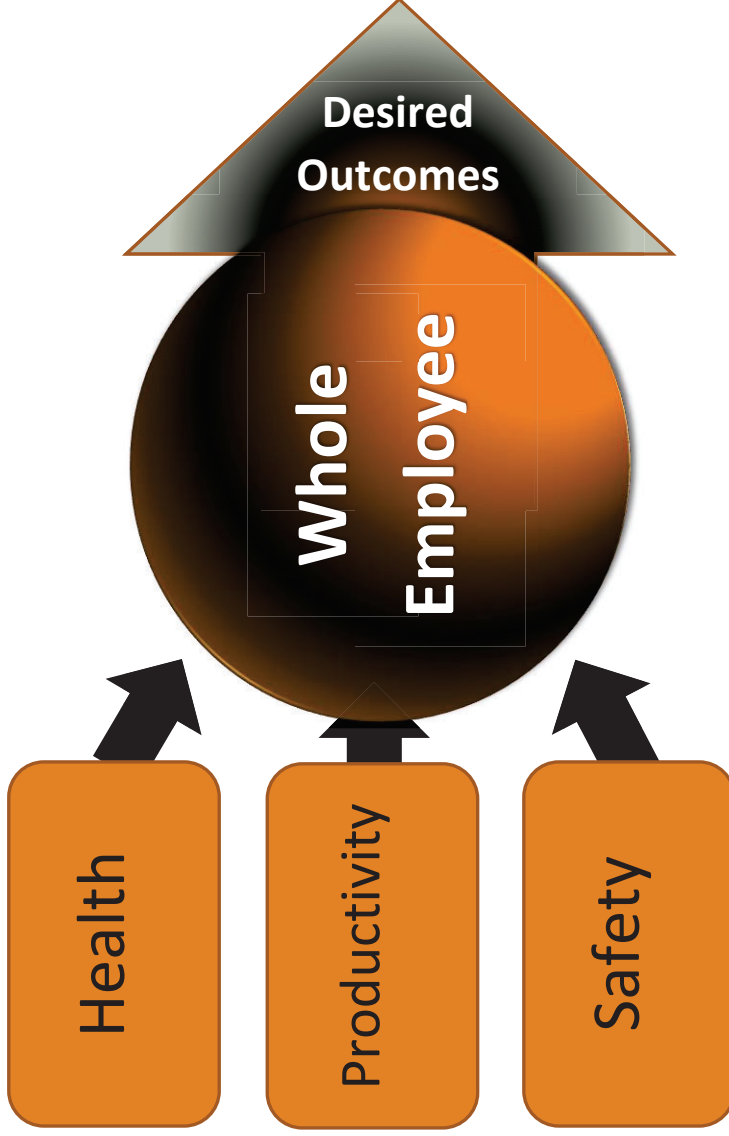
Mike Watson

Required component(s) of a Cultural Touch Point:

- Memorable experience or events designed to help define and engrain the City's culture
- System and/or a process that delivers continuous reinforcement of the City's culture
- Experiential immersion focused on the City's mission, vision and values and how each employee impacts them

31

Goodyear Culture

Collaboration

Innovation

- Principles of Lean Thinking **Kaizen Events**
- Employee Appreciation Events
- GEO & GEO Reunion **Mgr & Sup Orientation**
- Goodyear Specific Customer Service Training
- Wellness (Injury & Illness Prevention) Event
- Career Development Planning Process

New Touch Points

ORGANIZATIONAL HEALTH MODEL

Focus on Organizational Wellbeing

Whole Employee

Desired Outcomes

Health

Productivity

Safety

Individual & Organizational Outcomes

HEALTH & SAFETY
-Continue to develop a health and safety conscious culture
-Improved quality of life (Employment to Retirement)
-Improved knowledge as consumers of healthcare

WELLNESS
-Fully maximize prevention approach to health and safety
-Integrate outcome based approaches to wellness initiatives

FISCAL AND RESOURCE MANAGEMENT
-Maintain financially sustainable high quality healthcare benefits
-Contain rising cost of healthcare individually and collectively as a City

PRODUCTIVITY
-Increased employee engagement
-Maximize the benefits of health and wellbeing
-Minimize risk factors that impact workplace productivity
-Increase capacity to deliver services by minimizing absenteeism and presenteeism

PRODUCTIVITY is defined in broader terms to include: service delivery, relationship building, ability to innovate, knowledge improvement, creativity, active engagement, and the ability to work within a team structure.
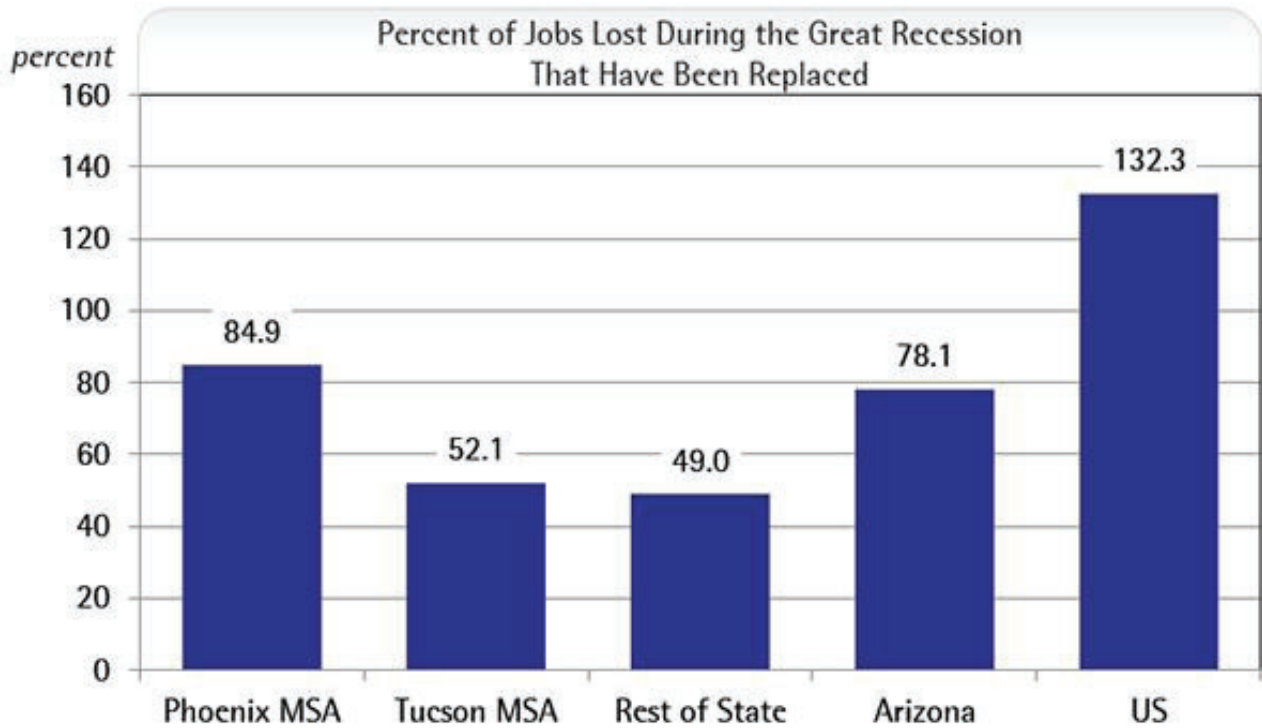
Exhibit 1
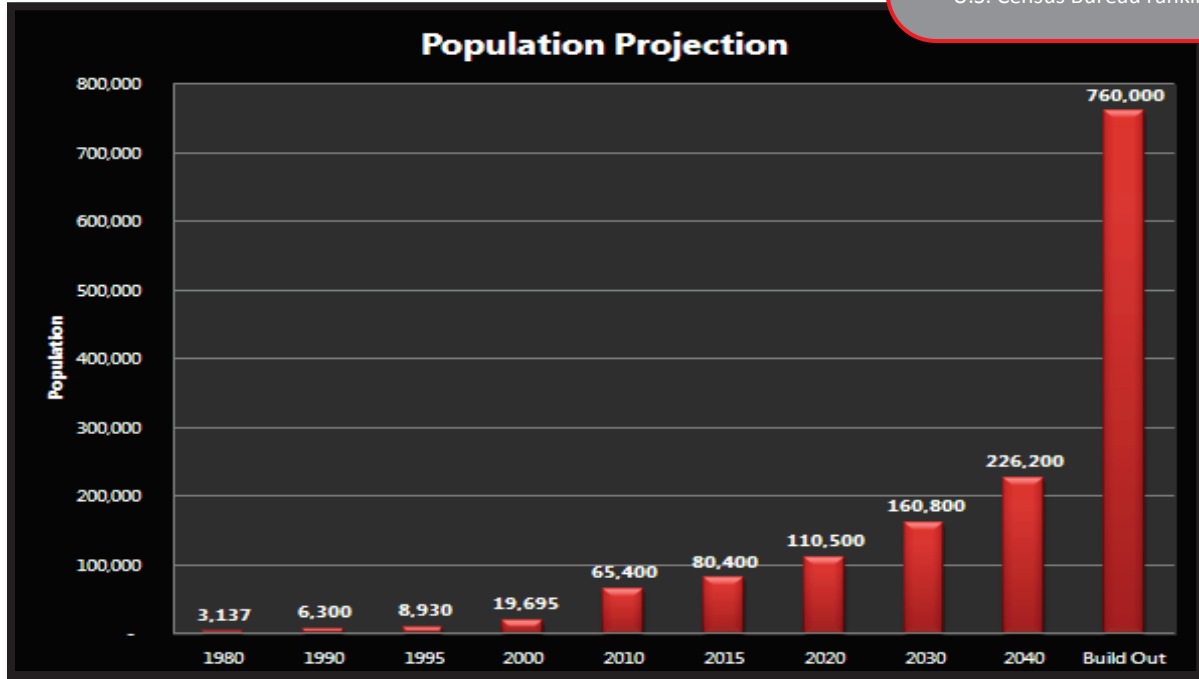

Exhibit 1: Arizona Jobs Are Still Recovering

Exhibit 2

Exhibit 2: Arizona Outpaces U.S. Job Growth During the Forecast

University of Arizona Economic and Business Research Center

Goodyear Projected Population Growth

Population Projection

Year	Population
1980	3,137
1990	6,300
1995	8,930
2000	19,695
2010	65,400
2015	80,400
2020	110,500
2030	160,800
2040	226,200
Build Out	760,000

## CITY OF GOODYEAR WORKFORCE PLANNING DATA

Internal factors:

The following charts and graphs will provide key demographic data impacting human capital management within the City of Goodyear.
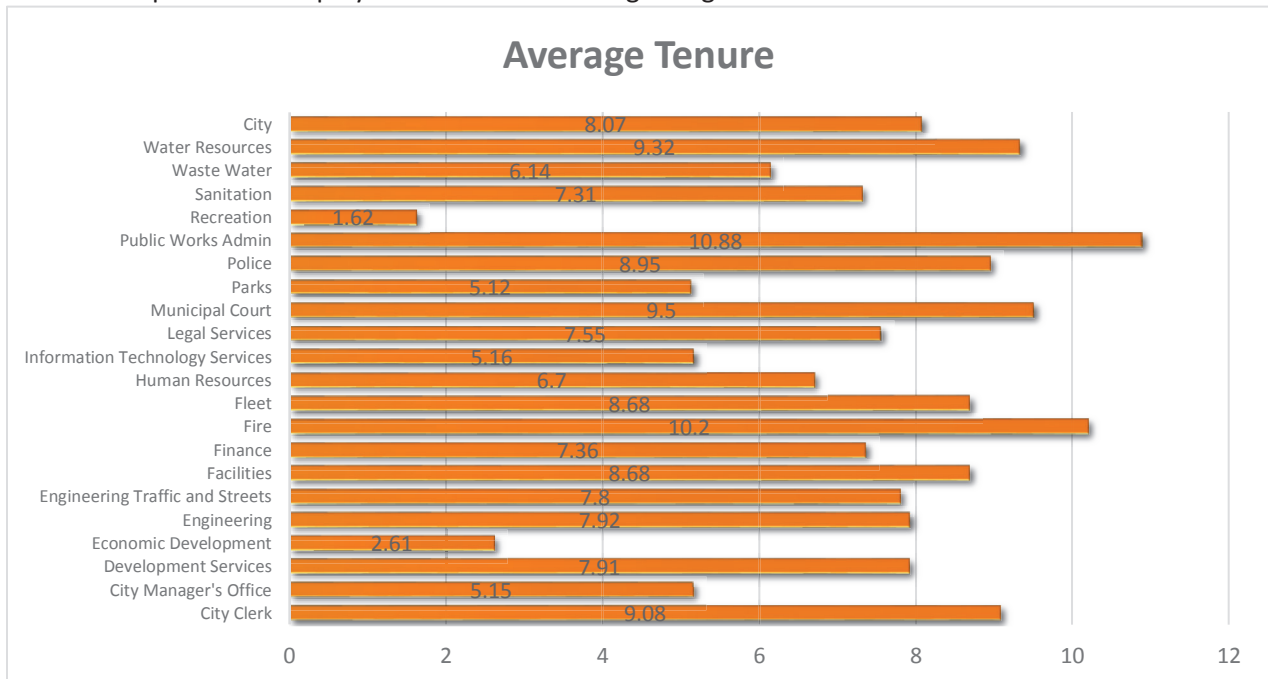
Age Distribution

Age Range	21 and Under	22 to 34	35 to 44	45 to 54	55 to 64	65 and Older
Employee Count	1	105	185	147	69	5

34

Most significant is the age range 45-54, 55-64 and 65 and older, these groupings represent 43.16% of the organization and are in a range of 0 to 11.5 years before reaching retirement eligibility.
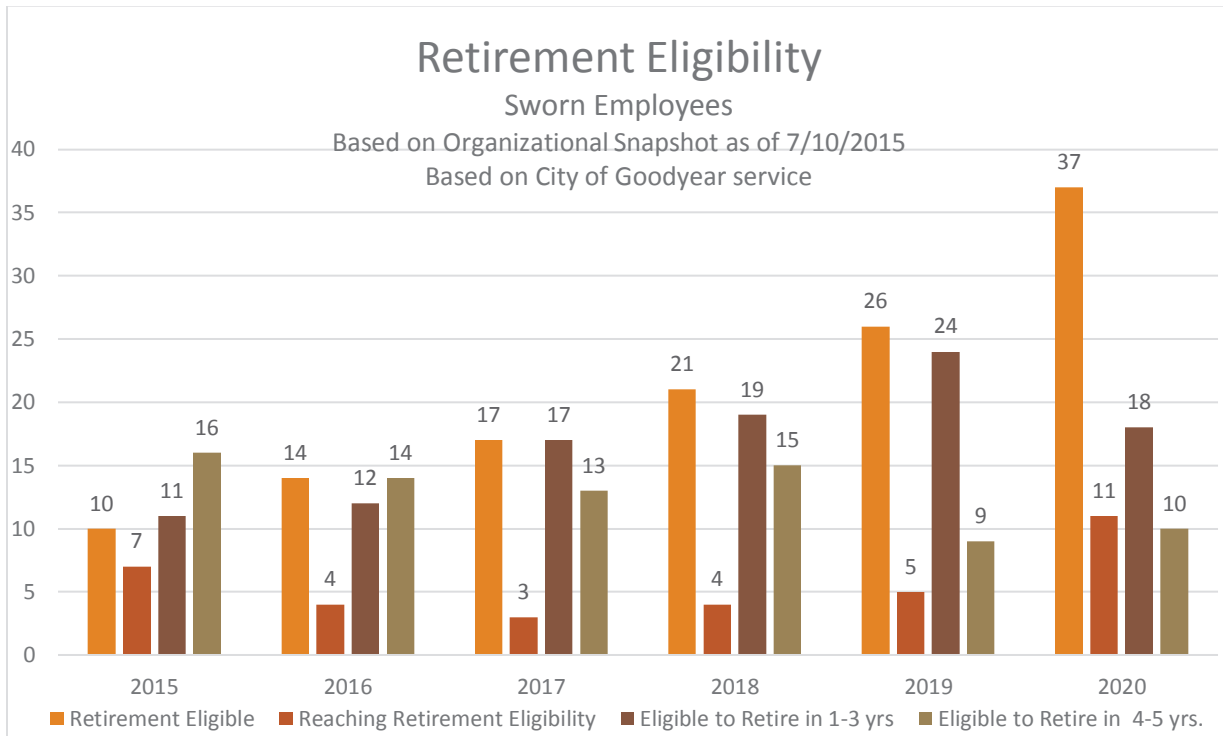
Average of Tenure by Age
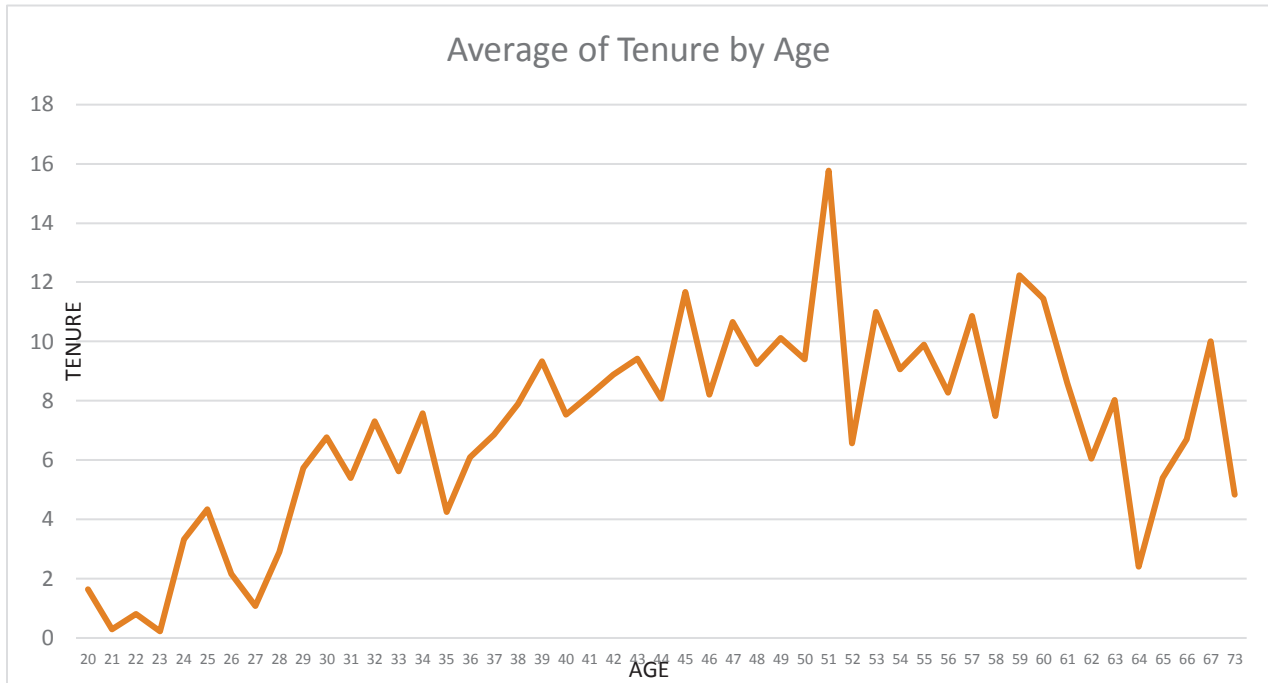
Our most experienced employees also fall into the age range of 45 – 60. This distribution illustrates the

Average Tenure

Department	Average Tenure
City	8.07
Water Resources	9.32
Waste Water	6.14
Sanitation	7.31
Recreation	1.62
Public Works Admin	10.88
Police	8.95
Parks	5.12
Municipal Court	9.5
Legal Services	7.55
Information Technology Services	5.16
Human Resources	6.7
Fleet	8.68
Fire	10.2
Finance	7.36
Facilities	8.68
Engineering Traffic and Streets	7.8
Engineering	7.92
Economic Development	2.61
Development Services	7.91
City Manager's Office	5.15
City Clerk	9.08

need to develop mechanisms to ensure that institutional knowledge is transferred as employees exit the City.

Overall Goodyear average tenure is 8.07 years. This ranges from a high of 10.88 years in Public Works Administration to a low of 1.62 in Recreation.
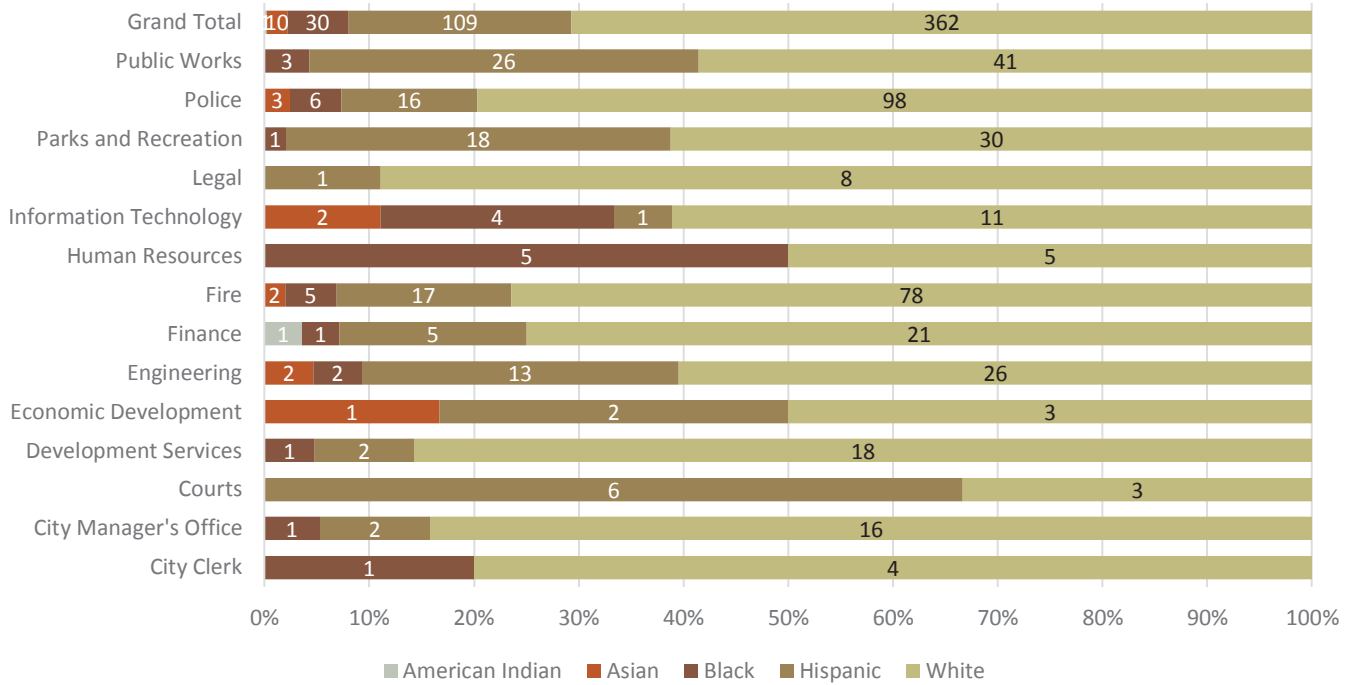
Retirement Eligibility
Non-Sworn Employees
Based on Organizational Snapshot as of 7/10/2015
Based on City of Goodyear service

Year	Retirement Eligible	Reaching Retirement Eligibility	Eligible to Retire in 1-3 yrs	Eligible to Retire in 4-5 yrs.
2015	7	3	16	25
2016	9	2	27	24
2017	12	3	37	27
2018	23	11	37	30
2019	36	13	40	26
2020	48	12	42	33

Retirement Eligibility
Sworn Employees
Based on Organizational Snapshot as of 7/10/2015
Based on City of Goodyear service

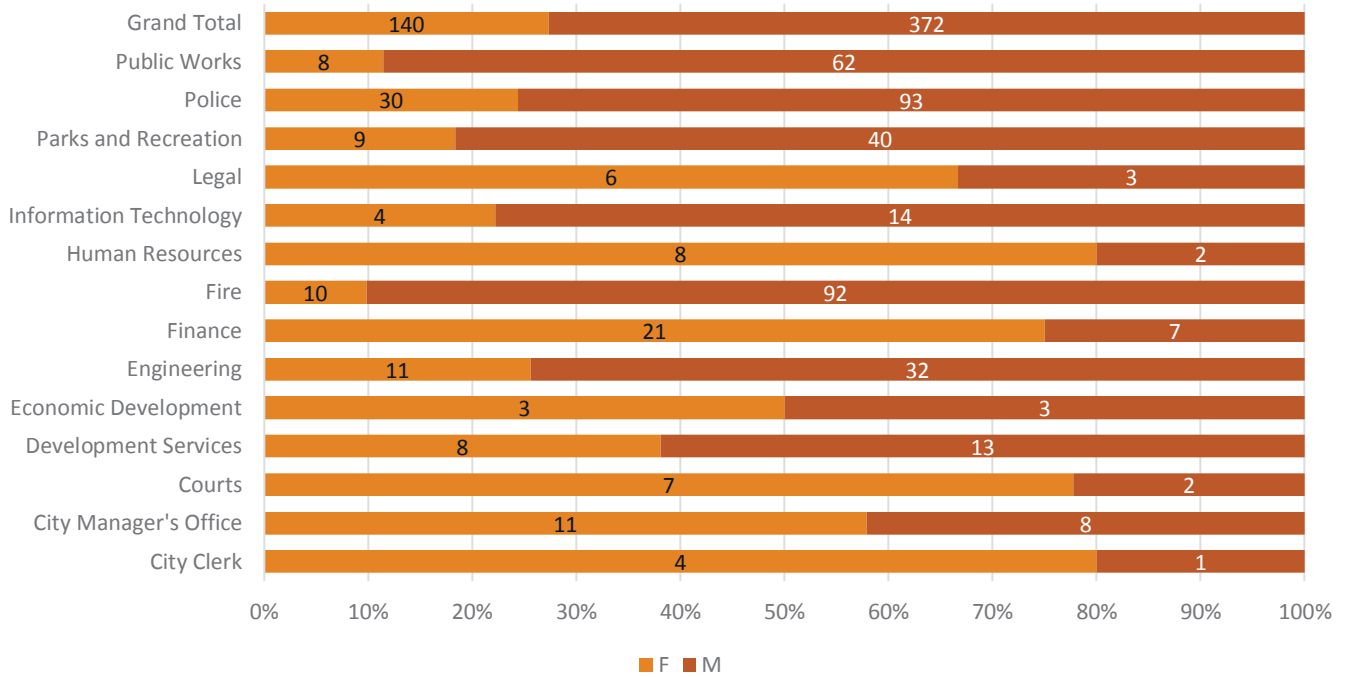| Year	Retirement Eligible	Reaching Retirement Eligibility	Eligible to Retire in 1-3 yrs	Eligible to Retire in 4-5 yrs.
2015	10	7	11	16
2016	14	4	12	14
2017	17	3	17	13
2018	21	4	19	15
2019	26	5	24	9
2020	37	11	18	10

As of June 30, 2014 there are 1559 in the PSPRS DROP program. The impact of this large segment of public safety personnel retiring will likely have significant market implications.

Combined non-sworn and sworn we currently have 17 employees who are retirement eligible. Over the course of the next 5 years, 16.0% of our current employee population will reach retirement eligibility. These numbers do not reflect service time that employees may have or will purchase.
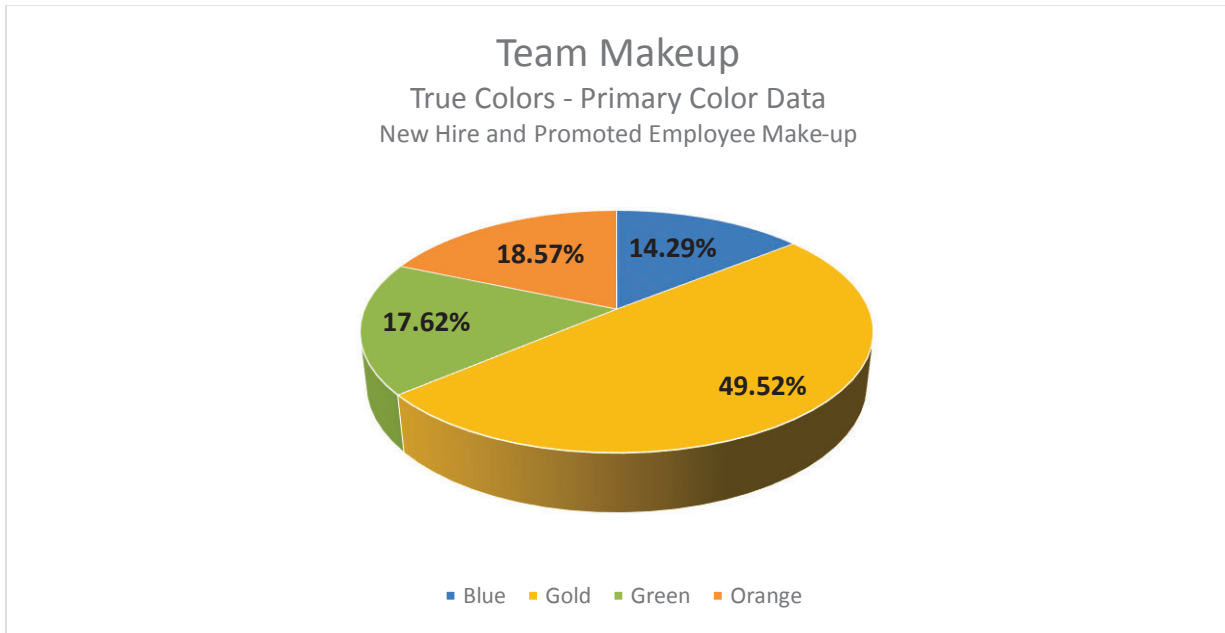
36

Racial/Ethnic Diversity
by Department

Department	American Indian	Asian	Black	Hispanic	White
Grand Total		10	30	109	362
Public Works			3	26	41
Police		3	6	16	98
Parks and Recreation			1	18	30
Legal				1	8
Information Technology		2	4	1	11
Human Resources			5		5
Fire		2	5	17	78
Finance	1		1	5	21
Engineering		2	2	13	26
Economic Development		1	2		3
Development Services		1	2		18
Courts			6		3
City Manager's Office		1	2		16
City Clerk			1		4

Legend: American Indian, Asian, Black, Hispanic, White

Gender Distribution
by Department

Department	F	M
Grand Total	140	372
Public Works	8	62
Police	30	93
Parks and Recreation	9	40
Legal	6	3
Information Technology	4	14
Human Resources	8	2
Fire	10	92
Finance	21	7
Engineering	11	32
Economic Development	3	3
Development Services	8	13
Courts	7	2
City Manager's Office	11	8
City Clerk	4	1

Legend: F, M

Teams Makeup from a True Colors Perspective

Team Makeup
True Colors - Primary Color Data
New Hire and Promoted Employee Make-up

18.57% 14.29%

17.62%

49.52%

■ Blue ■ Gold ■ Green ■ Orange

Gold
- Develop Focus
- Organize Focus
- Details of Focus

49.52%

Blue
- Networks
- Negotiate Networks
- Build Connections

14.29%

Green
- Visionary
- Seek Control
- Develop Vision

17.62%

Orange
- Vision + Creativity
- Think Outside the Box
- Immediate Results

18.57%

The True Colors has been a staple of the Goodyear Employee Orientation (GEO). It provides a means for employees to learn more about themselves and appreciate others. The graphic above represents the distribution of colors of new hires and promoted employees from 2011 to present.
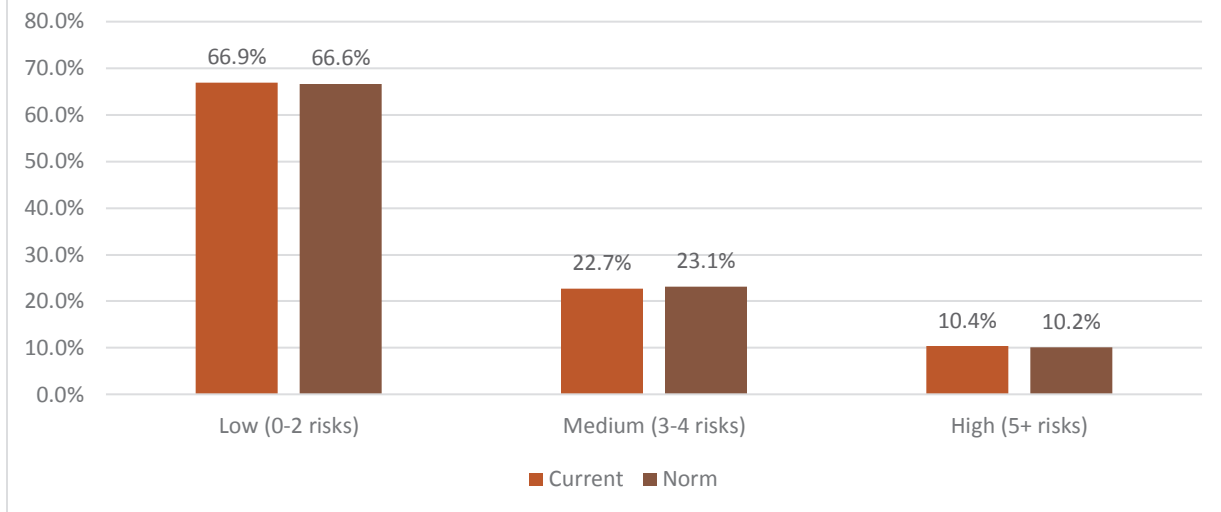
Organizational Health

Organizational health combines the elements of health, safety and productivity management to focus on delivering services in a cost efficient manner.

The city buys into the philosophy that employee health and wellness has a direct relationship to productivity and cost containment. Investment in keeping our employees safe, healthy and working from a preventative perspective will produce the greatest ROI.
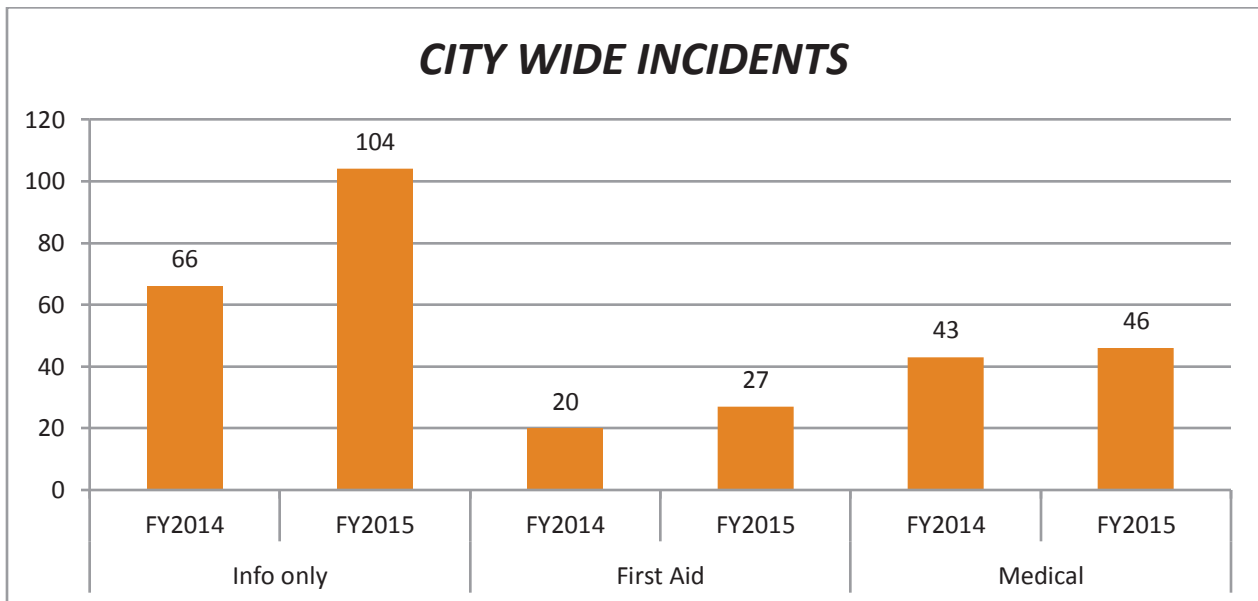

Medical/Dental Loss Ratio
CMG facility services not included
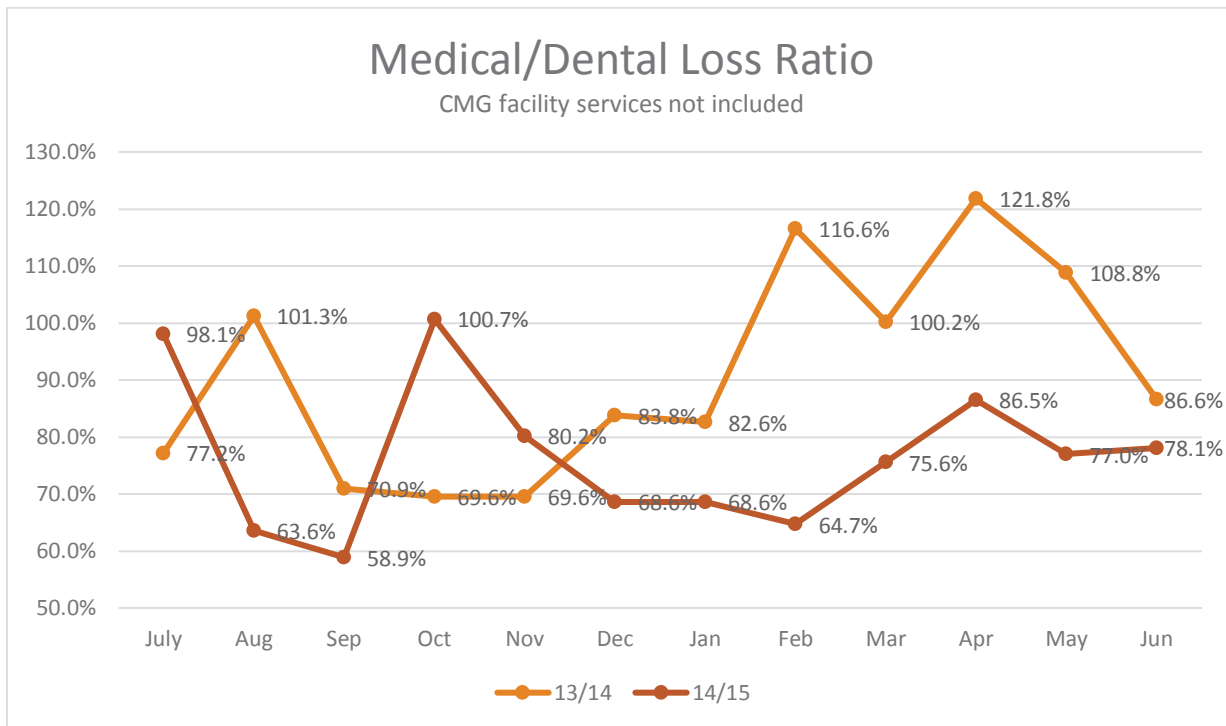
Historically, the City's loss ratio has been extremely high from February through May. We have however began to experience a better trend during this timeframe. We are confident that focus on becoming, "smarter consumers of healthcare" can continue to impact our performance and result in containment of healthcare cost increases.

Covered Population By Risk Level
2014 Health Risk Assessment

Chart: Covered Population By Risk Level showing Current and Norm values.

- Low (0-2 risks): Current 66.9%, Norm 66.6%
- Medium (3-4 risks): Current 22.7%, Norm 23.1%
- High (5+ risks): Current 10.4%, Norm 10.2%
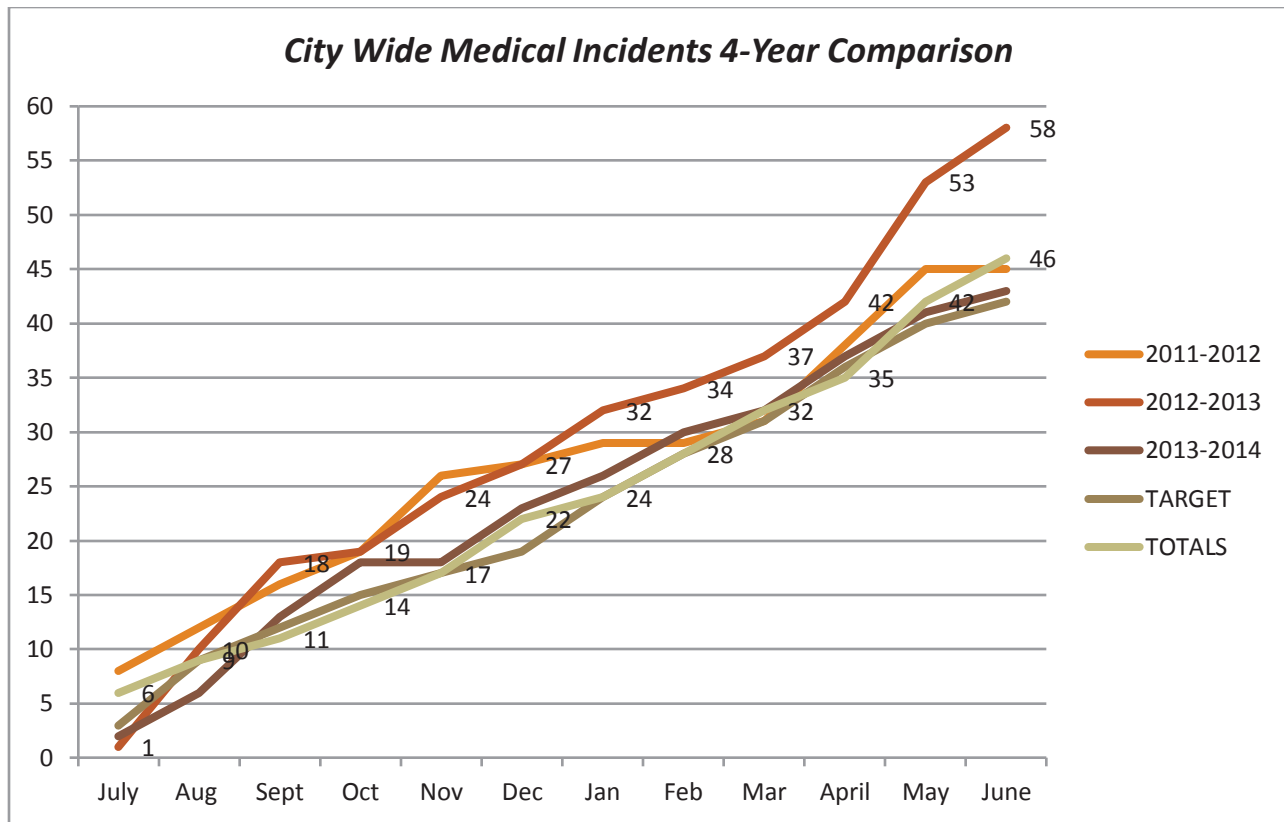
Legend: Current, Norm

The "current" data reflects our employee population's status from the 2014 health assessment initiative.   As we develop targeted wellness programs, this measurement will be a KPI of Organizational Health. As we build our data collection from year to year, the Norm will provide a benchmark to develop targets and measure performance.

Employee Safety

CITY WIDE INCIDENTS

Chart: City Wide Incidents

- Info only: FY2014 66, FY2015 104
- First Aid: FY2014 20, FY2015 27
- Medical: FY2014 43, FY2015 46

Significant work has been accomplished to create a culture that is safety conscious. Such a culture is marked by employees understanding of the need to report incidents. Incident reporting is a KPI that provides a measure of success in building a culture of safety. The continued increase in reporting demonstrates positive progress in this area.

City Wide Medical Incidents 4-Year Comparison

Legend:
- 2011-2012
- 2012-2013
- 2013-2014
- TARGET
- TOTALS

Year over year performance related to medical workers compensation claims also shows a positive trend.

COMPARATIVE HUMAN CAPITAL DATA

Since 2000, Gallup has conducted ongoing research focused on measuring employee engagement and its impact on organizational success. In their State of the American Workplace report published in 2013, they provide insight into trends in employee engagement, a look at the impact of engagement on organizational and individual performance and information about how companies can accelerate employee engagement.

Gallup's follow-up research suggests that, "less than one-third (31.5%) of U.S. workers were engaged in their jobs in 2014."

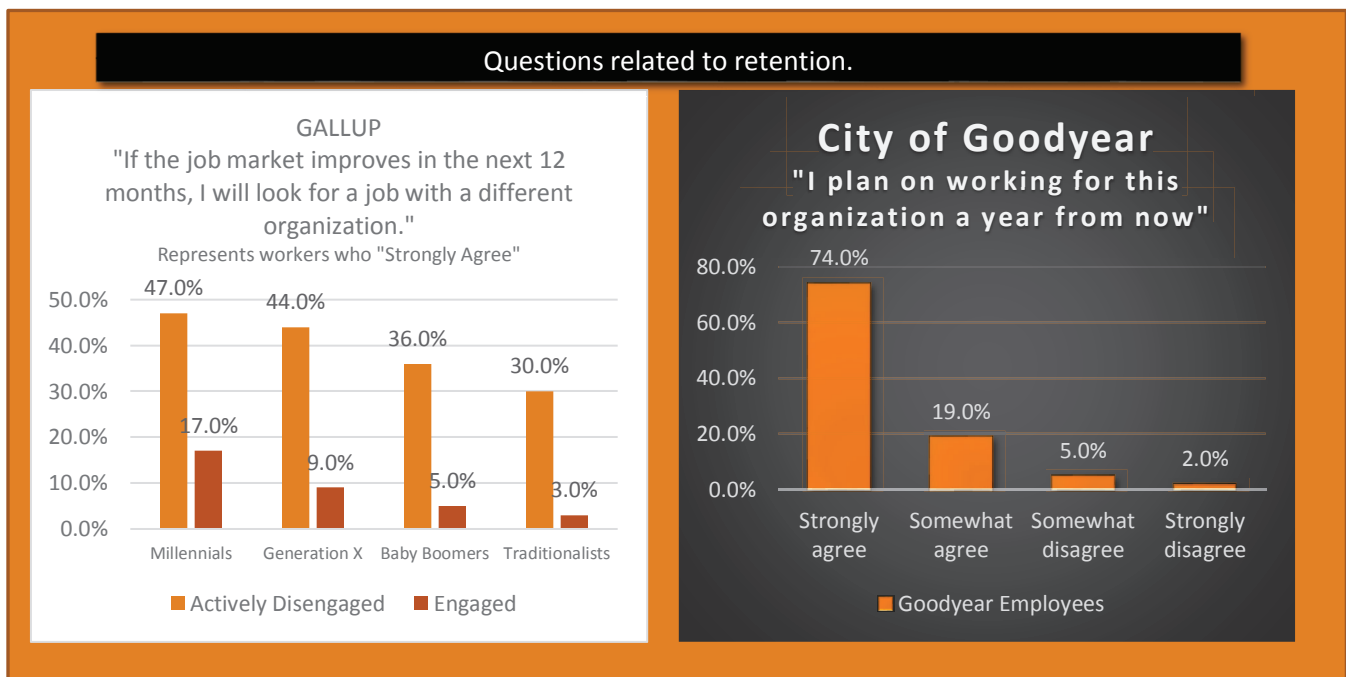> *"Employee engagement continues to be an important predictor of organizational performance"*
>
> GALLUP

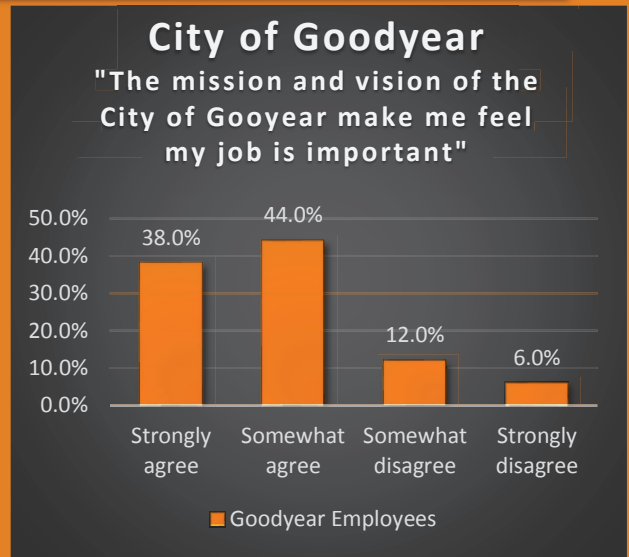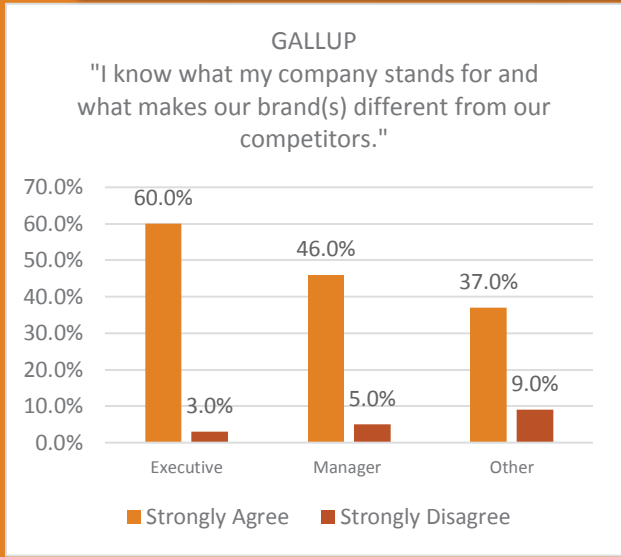Based on their research, Gallup categorizes workers as follows:

- **Engaged** employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.
- **Not Engaged** employees are essentially "checked out." They're sleepwalking through their workday, putting time – but not energy or passion – into their work.
- **Actively Disengaged** employees aren't just unhappy at work; they're busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

U.S. Employee Engagement, 2013 vs. 2014

	2013	2014
Engaged	29.6%	31.5%
Not Engaged	51.5%	51.0%
Actively Disengaged	18.8%	17.5%
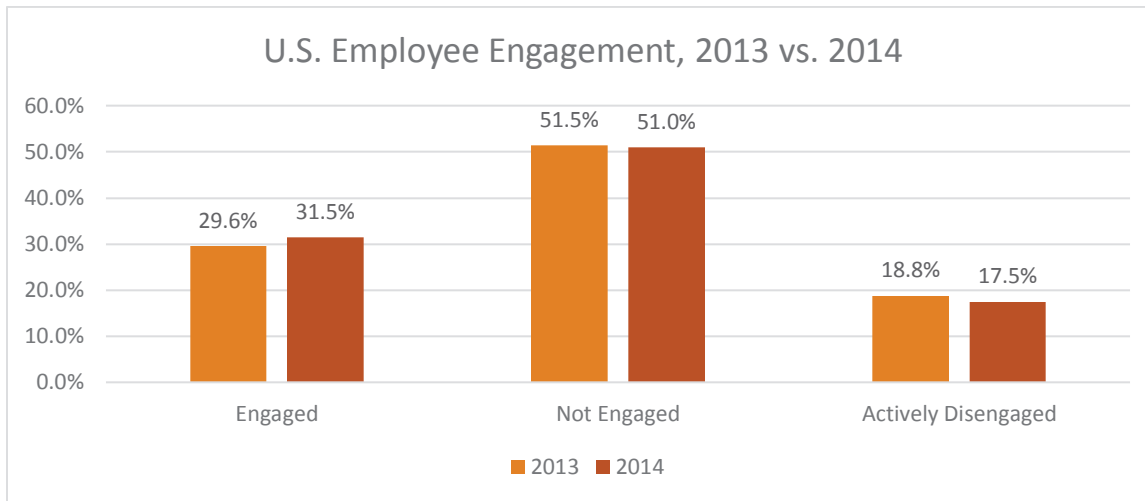
In an effort to draw some comparisons we have mapped Gallup Survey data to similar areas from our employee survey:

Questions related to retention.

GALLUP
"If the job market improves in the next 12 months, I will look for a job with a different organization."
Represents workers who "Strongly Agree"

	Actively Disengaged	Engaged
Millennials	47.0%	17.0%
Generation X	44.0%	9.0%
Baby Boomers	36.0%	5.0%
Traditionalists	30.0%	3.0%

City of Goodyear
"I plan on working for this organization a year from now"

	Goodyear Employees
Strongly agree	74.0%
Somewhat agree	19.0%
Somewhat disagree	5.0%
Strongly disagree	2.0%

Questions related to understand organizations purpose

GALLUP
"I know what my company stands for and what makes our brand(s) different from our competitors."

City of Goodyear
"The mission and vision of the City of Gooyear make me feel my job is important"

Questions related to employee strengths

GALLUP
Represents workers who strongly agree

City of Goodyear
"I have the opportunity to do what I do best every day at work"