

# **a.55 - Personnel Cabinet Strategic Plan**



**b.** 790 - Secretary's Office  
793 - Human Resources Administration  
794 - Employee Insurance

**d.** 08/08 - Origination Date

**e.** 10/11 - Update/Revision Date

**f.** 2 - Revision Number

## I. Mission Statement

The Personnel Cabinet provides leadership and guidance to attract, develop, motivate and retain a talented, diverse workforce; foster an understanding of and adherence to regulatory requirements; and create a positive, supportive work environment that values all employees.

## II. Vision Statement

To be regarded by our employees and stakeholders as a trusted and valuable resource for innovative, accessible and responsive human resource services.



## III. Core Values

### **Integrity**

We believe in adherence to the highest standards of conduct and the conviction to do what is legally and morally right.

### **Quality**

We are committed to providing quality customer service. We will continually review our business processes based on customer needs and establish measures by which we will monitor our effectiveness.

### **Diversity**

We believe that embracing people from diverse backgrounds adds to the richness and creativity of our workforce. We will ensure all people have equal access to the Commonwealth's employment opportunities and other human resource services.

### **Innovation**

We are committed to finding new and creative ways to serve our customers. We will apply progressive thinking to our systems, processes and services.

## IV. Statement of Alignment with Governor's Strategic Themes/Goals

### A. Give all children valuable educational opportunities

The Personnel Cabinet supports the Education Cabinet which is responsible for the education and development of citizens of all ages and also offers the following adult learning opportunities:

- The Governor's Minority Management Training Program;
- The Governor's Annual EEO Conference;
- The programs of the Governmental Services Center at Kentucky State University—the primary training arm of Kentucky State Government; and,
- The Kentucky Employees Assistance Program (KEAP). The KEAP Program offers its services to the employees of state employees and their dependents as they try to work through difficult personal situations.
- Alliance for a Healthier Generation- a program focused on sharing vital information and resources to enable children to lead healthy, active lives.

### B. Create and protect 21st Century jobs

The Personnel Cabinet recruits a diverse and talented workforce for Kentucky State Government and works to establish a culture of valuing each employee. We work to retain employees and to protect their employment through the State Merit System as codified in KRS Chapter 18A. The Commonwealth's classification and compensation system helps assure that state employees are fairly compensated for their work, and the Cabinet works to assure that the Commonwealth's benefits structure remains competitive with the private sector. We provide:

- Benefits, payroll, and HR Services for 41,816 employees in the Executive Branch;
- Benefits for 99,000 boards of education employees including health insurance and life insurance.
- Workers' compensation benefits for most state employees and such quasi-governmental agencies as KCTCS and Murray State University.

### C. Improve access to quality & affordable health care

Each year the Personnel Cabinet, Department of Employee Insurance works diligently with a strong focus on the over 260,000 state employee plan members and their dependents needs. We work to ensure we are finding new and innovative ways to provide the best coverage for the best price. The Commonwealth's role in providing quality health care for the Kentuckians under our plan is simple: wellness. For us, being a trend setter across the nation in our wellness efforts is really paying off. We were the first state in the nation to launch Virgin HealthMiles, a state-of-the-art online pedometer and software program, which allows members to track their daily steps/miles while earning cash and prizes. The program also allows employees to interact with online walking challenges. This is just one of many initiatives the Department of Employee Insurance has initiated. Others include:

- The first ever KHRIS online passive enrollment
- Collection of over 150,000 e-mails to better contact members
- Smoking cessation programs
- Health Coaching, with a new 1-800 number for direct and quicker service
- Weight Wise Challenge, employee weight loss competition
- First Onsite, employee health clinics
- Wellness Walks

DEI and the Cabinet manage the largest self-insured health insurance plan in Kentucky. Coverage extends to state employees, the employees of boards of education, retirees under the age of 65 in the various state retirement systems, and to various quasi-governmental agencies. The Cabinet and DEI have worked to lower the cost of health insurance for lower income employees, and employees have been able to afford to insure more dependents. Through marketing and successful plan development, a dramatic increase occurred in employee enrollment to consumer choice health plans in calendar 2009 helping to maintain the affordability of the Commonwealth's health plan offerings.

#### **D. Ensure Safe Communities**

The Department of Employee Relations is currently spearheading a state-wide effort to develop and implement a work place violence task force. It is our commitment to not only recognize the needs of our employees but develop new ways to reach those needs. Other safety initiatives include:

- The Kentucky Employee Mediation Program (KEMP)
- Governmental Services Center (GSC) employee trainings
- Employee Health and Safety Program
- Kentucky Employee Assistance Program
- Increased efforts by the Cabinet to ensure we are following an employer of choice methodology to provide higher levels of employee engagement and satisfaction.

The provision of Human Resource services to the Justice Cabinet—Kentucky State Police, Corrections, and Juvenile Justice—has been of assistance to those agencies as they have worked to protect all Kentuckians. The Cabinet provides workers' compensation coverage for all of the Volunteer Fire Departments and Volunteer Ambulance Companies in the Commonwealth.

#### **E. Develop energy resources in environmentally sustainable manner**

The Personnel Cabinet provides HR services to all of the Commonwealth's energy and environmental protection and natural resource agencies. Our success in the provision of those services assists in their efforts.

Personnel Cabinet employees have also started a Green Team to help support and achieve government efficiencies. The team currently consists of Personnel Cabinet and Finance Cabinet employees who voluntarily work together to offer a variety of green initiatives, education and events to all state employees. During the 2011 Go Green Expo, fellow state agencies and vendors from across the state shared tips, statistics and other useful information about sustainable energy usage and the benefit of minimal effects on our environment.

#### **F. Provide ethical, transparent, and honest state government**

The Personnel Cabinet works to promote and protect the Commonwealth's merit system on behalf of the public and state employees. We promote fairness, equity, and diversity. The Department of Human Resources Administration works to assure compliance with Federal and State Statutes including but not limited to the U. S. Fair Labor Standards Act and KRS Chapter 18A.

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## V. Statement of Alignment with the Agency's Budget Request & 6-Year Capital Plan

The Personnel Cabinet's budget request through the thoughtful application of its Mission, Vision, and Values will continue to work to achieve the Governor's goals and meet statutory obligations. We will continue to administer the State Merit System fairly and impartially in accordance with KRS Chapter 18A and will promote and attract an educated, diverse, and professional workforce. We will emphasize wellness and disease management to benefit state employees, teachers, others, and their dependents as we provide health insurance benefits. We will provide employee benefits such as life insurance, workers' compensation, deferred compensation, a cafeteria plan, and adoption benefits. We will work to improve the new KHRIS System. KHRIS went live in the spring of 2011 and is an electronic system used to administer the state payroll, benefits, and human resources. The Cabinet will use the limited resources remaining in an innovative manner to continue to make improvements that benefit the Commonwealth and its employees.

## VI. Statement of Alignment with the Agency's Budget Request & 6-Year Capital Plan

### STRENGTHS

- Teamwork
- Knowledge
- Accessible and responsive HR services
- Innovative leadership
- Diversity
- Courage
- Talented workforce
- Adherence to regulatory requirements
- Active collaboration with other cabinets and agencies
- HR governance

### WEAKNESSES

- Lack of funding
- Small staff/large demands
- Lack of an adequate one-employer concept across state government

### OPPORTUNITIES

- State government as one employer
- State government as an employer of choice
- Technology advancements
- Engage employees in health & wellness
- Empower, motivate & equip employees
- Set standard for Kentucky
- Career development & leadership training
- Flexibility in work
- Sustain objectives beyond four years
- Customer service
- View employees "holistically" (work life, home life, etc.)
- Communication
- Share data, benchmarks, information
- Define & measure success

### THREATS

- The loss of technical resources to the private sector and to other agencies because of reduced funding and increased job stress
- Loss of institutional knowledge through attrition
- High cost of IT contractors and lack of available contractors to operate and maintain new systems.
- Resistance to change

# VII. Measurable Goals, Objectives & Key Performance Indicators

## 1. Make Kentucky state government an employer of choice

### 1.1. Promote workplace flexibility

Performance Indicators:

- Number and percent of employees utilizing flexible work options
- Decreased absenteeism
- Decreased presenteeism

### 1.2. Ensure diversity of the workforce

Performance Indicators:

- Increase minority & female utilization by .5%
- EEO complaint data
- Increase training

### 1.3. Promote health & wellness

Performance Indicators:

- Number and percent of employees participating in Journey to Wellness activities
- Number of employees participating in exercise programs
- Percentage of employees participating in biometric screenings

### 1.4. Recognize and reward outstanding employee performance

Performance Indicators:

- Number of nominations for Governor's Ambassador Awards
- Number of recognition programs in the Cabinet
- Number of employees receiving recognition from peers and supervisors

## 2. Create a learning and development culture

### 2.1. Develop innovative learning strategies

Performance Indicators:

- Number of alternate learning strategies (computer-based learning, distance learning, mentoring etc.)

### 2.2. Encourage employee learning

Performance Indicators:

- Number and percent of employees participating in learning activities
- Percent of participants graduating from the Governor's Minority Management Program

### 2.3. Create career development & training paths

Performance Indicators:

- Number of job classes with defined career paths
- Number of employees with formal learning & development plans

### 2.4. Share knowledge across the enterprise

Performance Indicators:

- Participation in cross-cabinet and enterprise-wide advisory groups
- Usage of various department newsletters, training sessions and other communication strategies
- Mentoring opportunities

**3. Promote a one-employer concept across Kentucky state government**

3.1. Ensure full maintenance and functionality of KHRIS

3.2. Partner with other agencies in the development and implementation of HR programs, projects and procedures

Performance Indicators:

- Participation in cross-cabinet and enterprise-wide advisory groups
- Number of projects or improvements implemented

3.3. Create standard procedures for all human resource related functions

Performance Indicators:

- Number of procedures revised and/or implemented
- Compliance with procedures

**4. Enhance customer value**

4.1. Measure value of and satisfaction with cabinet services & programs

Performance Indicators:

- Results from customer satisfaction surveys

4.2. Ensure cabinet structures and systems enable high-quality customer service

Performance Indicators:

- Number of employee entries in the Employee Suggestion System
- Number of process improvements implemented
- Number of employees who completed the customer service training
- Results from customer satisfaction surveys

4.3. Improve communication with customers

Performance Indicators:

- Number of communication vehicles used (newsletters, web sites, e-mails, committees, etc.)
- Results from customer satisfaction surveys
- Customer awareness

## VIII. Strategic Plan Progress Report on Goals & Objectives Operable in the last year for information & guidance, see Progress Report Steps

### 5. Make Kentucky state government an employer of choice

#### 5.1. Promote workplace flexibility

- Several Cabinet's and Agencies continue to offer Flexible Work Options

#### 5.2. Ensure diversity of the workforce

- Update Affirmative Action Plan; develop targeted recruitment plans for females and minorities.
- Develop EEO training modules for managers and employees—Affirmative Action Plan updated to include protection from discrimination because of gender orientation; targeted recruitment plans in progress; training modules not yet in development.
- The Office of Diversity and Equality trained 350 state employees on EEO, Diversity and Anti-Harassment.
- Counseled potential EEO complainants via the phone, one-to-one meetings and e-mail regarding employee rights and complaint procedures.
- ODE staff has attended numerous recruitment events with the Division of Career Opportunities. ODE continues to provide guidance on outreach to minorities and other underrepresented populations and is reviewing recently released census data on Kentucky demographics and workforce availability for the future development of a Minority Resource Recruitment Guide.
- Creating a foreign language directory and database for the Personnel Cabinet's internal website, CSI was able to provide Personnel Cabinet employees a resource where they can quickly retrieve helpful information about translators when taking a call from a variety of different customers from different backgrounds.
- The division of career opportunities continued to participate in recruiting events and career fairs to address specific recruiting needs of hiring agencies.

#### 5.3. Promote health & wellness

Developed new methods for the sustainability of health benefits under the self-insured health care program in 2011/2012—wellness initiatives, increase consumer driven health plans enrollment; health coaching program; First On-site clinics in state buildings, benefits estimator for open enrollment.

- 2010 Weight Wise Challenge and Holiday maintenance Challenge weight loss program results: 921 participants, Total pounds lost: 4,721, average pounds lost per person: 5.12 pounds, the winner losing 45 pounds.
- Open Enrollment benefit and health fairs across the state promoting the use of Summit screening to provide a "Know Your Numbers" and flu shot service.
- Launched no co-pay on-site employee medical clinics in Frankfort; performed glucose checks in partnership with a diabetes awareness promotion and provided information tables at each site twice a month on various health topics.

#### 5.4. Recognize and reward outstanding employee performance

- The Personnel Cabinet continues to sponsor the Governor's Ambassador Awards. The program recognizes employees in five categories: customer service, courage, leadership, professional achievement, and teamwork or community service. The award winners are recognized by the Governor and receive their names inscribed on bricks in the Thomas D. Clark Center for Kentucky History.
- Through the Employee Suggestion System, state government employees use an Internet-based system to submit improvement suggestions on-line. During FY 10-11, employees submitted 467 suggestions. Awards totaling \$43,942 were presented to 53 state employees through the Employee Suggestion System. During FY 2010-11, employee suggestions saved \$10.18 million in the first year of implementation.
- The annual ESAC Safety Awards recognized those cabinets with departments/divisions or offices that had no lost time injuries for calendar year 2010. Six cabinets received plaques and 57 departments, divisions or offices received safety certificates for their accomplishments.

### 6. Create a learning and development culture

#### 6.1. Develop innovative learning strategies

- GSC developed 11 online courses that are now available on KYTrain. DEI trained 890 Insurance Coordinators (IC) on eligibility issues and benefits, and more than 1,000 ICs participated in online HIPAA Training.
- DEI helped to increase participation in the Benefits Analyzer tool from 2009 to 2010. Participation with the online tool increased to 28% with more than 30,000 unique users accessing the Benefits Analyzer to learn more about selecting the right benefit plan for their specific healthcare needs. The Benefits Analyzer format was sent to members of the Kentucky Teachers' Retirement System providing them with their specific benefit information.
- ODE provided a diversity education toolkit to schools from across the state who conducted Governor's Diversity Day programming.
- Working to re-engage website users with new and innovative trainings, CSI is preparing nearly 30 website users across the agency for the transition from CMS to SharePoint. Regular meetings and trainings are being held to ensure the Personnel Cabinet has a new website that meets the needs of our customers and our departments.
- During both 2011 Regular Legislative and 2011 Extraordinary sessions, CSI provided training on the new bill review system (KLIR) and oversaw the bill review process for the Cabinet.

#### 6.2. Encourage employee learning

- Increased awareness, knowledge, and understanding of health care plans by plan participants (Health Insurance)—greatly improved health choice booklet publication, benefits estimator to help employees choose among plans.
- Deferred Comp hosted mini Expos across the state to help educate participants on the benefits of opening a Deferred Comp account.
- Seventeen employees earned a Certificate of Management Fundamentals in FY 2010 – 11.
- The Employee Educational Assistance program had total expenditures of \$115,600.
- ODE staff attended training and networking events with the Kentucky Diversity Business Network, the Society for Human Resources Management and the ADA Action Network

- of Kentucky. Also, during this year, the Executive Director served on the Governor's Minority Employment Business Affairs & Economic Development Council.
- CSI continues to partner with the University of Kentucky, Institute for Workplace Innovation to offer Employer of Choice webinars, articles and information to Personnel Cabinet employees.
- Following the completion of the Request for Proposal process, the Deferred Compensation Board selected Mercer Investment Consulting, Inc. (Mercer) to provide consulting and advice services for both the Authority's mutual funds investments and stable value investments.
- Twenty-four employees are certified in First-Aid, CPR, and AED.
- The Office of Employee Relations Return to Work Branch staff continues to provide training related to the Americans with Disabilities Act (ADA) and Americans with Disabilities Act Amendment Act (ADAAA).
- The Office of Employee Relations continued the effort to provide standardized, state-wide safety training through offering The "Fundamentals of Safety and Health" class. "Fundamentals" teaches the basic skills needed to keep workers safe and is available as an on-line training. One hundred fifty-eight employees have taken this course, saving the Commonwealth both time and money.
- The Kentucky Employee Assistance Program (KEAP) staff delivered regular presentations at GSC on topics such as Stress Management and Verbal De-escalation Skills. KEAP staff also conducted workshops on a variety of mental health topics and provided Critical Incident Stress Debriefings and Grief in the Workplace sessions.

#### 6.3. Create career development & training paths

- Approximately 75 executives, managers and employees interested in leadership positions attended Leadership training during FY 2010/2011.
- The Governmental Services Center held 96 traditional classroom workshops training a total of 1,679 employees across the state.
- ODE continued to provide leadership, management and educational programming for the Governor's Minority Management Trainee Program (GMMTP). GMMTP, a two-year program focused on developing minority managers within state government, concluded in May with the graduation of seventeen participants.

#### 6.4. Share knowledge across the enterprise

- GSC created two new merit system modules to help protect the integrity of the merit system by educating more Executive Branch employees.
- Enhanced Personnel Cabinet website; workers' compensation administrative system; e-learning from Governmental Services Center; enhanced electronic HIPAA compliance; significant expansion of information technology professionals in cabinet resulting in enhanced capability.
- By way of working with various legislative leaders and Governor's Office, CSI was able to collaborate on the passage of several bills during the 2011 Regular Legislative Session. CSI also monitored legislation and provided information to the LRC through the 2011 Extraordinary Session.
- As a member of the Personnel Cabinet furlough team, CSI was assigned to several agencies to answer furlough-related questions and serve as the Personnel Cabinet's liaison on the agency's furlough plan.
- CSI provided Health Insurance briefings for legislators in reference to the 2012 Plan Year and preparing various materials and presentation for legislative committees.
- The Office of Legal Services actively engaged with the Governor's Employee Advisory

Council (GEAC), and provided guidance to all agencies outlining the scope of employee steward engagement.

- The Kentucky Employee Mediation program (KEMP) manager has formed a partnership with the University of Louisville Ombudsman Program for reciprocal training and collaboration. Information sharing has also taken place with a representative from a neighboring state interested in beginning a similar mediation program for its state employees.
- The Division of Technology Services migrated all users to MS Office 2007 and training was completed.

## **7. Promote a one-employer concept across Kentucky state government**

### **7.1. Ensure full maintenance and functionality of KHRIS**

- The Personnel Cabinet implemented the Kentucky Human Resource Information System (KHRIS).
- DEI conducted KHRIS Training sessions for their staff.
- ODE has worked with Division of Employee Management in the creation of internal reports for tracking any possible disparities within employment actions and in transitioning EEO and Affirmative Action reports from the legacy system into KHRIS.
- CSI lead the KHRIS communication team and advised 25-plus agency communication liaisons through implementation, April 4, 2011. CSI staff held regular project meetings, drafted informational communications, edited the KHRIS website and developed the KHRIS newsletter.
- CSI staff assisted in the KHRIS 'war room' which handled training related calls and e-mails from users across state government.
- The Office of Legal Services provided ongoing legal assistance to the KHRIS project.
- The Division of Technology Services answered 3226 phone calls to support KHRIS users through the KHRIS Service Center. DTS also researched, planned, and implemented operations support manual and processes to support KHRIS into production as well as trained support staff on FrontRange which is the help desk software to track tickets through the KHRIS Service Center.

### **7.2. Partner with other agencies in the development and implementation of HR programs, projects and procedures**

- ODE has worked with Division of Employee Management in the creation of internal reports for tracking any possible disparities within employment actions and in transitioning EEO and Affirmative Action reports from the legacy system into KHRIS. ODE staff also consulted with the Classification and Compensation Branch on designating proper EEO Classifications for newly created job specifications.
- The Office of Employee Relations provides dispute resolution for Executive Branch employees through KEMP. In addition to the program manager, there are 20 certified part-time KEMP mediators. These volunteer mediators are state employees who work in various cabinets and agencies.
- The division of Career Opportunities conducted an HR Roundtable meeting dedicated to sharing best practices in recruitment and selection method.

### **7.3. Create standard procedures for all human resource related functions**

- Continued to expand and streamline our return-to-work program—72 participating employers, 726 injured employees returned to work, workers' compensation savings of \$728,370 in FY 2010-11.

- Managed a managed care plan, including PPO participation, in workers' compensation to ensure effective coordination of medical benefits and reduce costs—PPO implemented with savings of \$395,870 in FY 2011 above current state fee schedule.
- DTS installed Entrust on all Personnel Cabinet machines ensuring that users are compliant with the Cabinets Electronic Security Policy.

## 8. Enhance customer value

### 8.1. Measure value of and satisfaction with cabinet services & programs

- Continued to conduct DEI employee survey to get staff feedback related to recognition, job satisfaction, work environment, training and development, and overall engagement.
- To continually improve and develop joint employer-employee programs that promote employee satisfaction—Kentucky Employee Mediation Program was the first program to win a national award from the International Personnel Management Association for effectiveness;
- Based on the most recent survey data available from the National Association of Government Defined Contribution Administrators (NAGDCA) for IRC Section 457 Plans, the Deferred Compensation Authority continues to rank 21st in the nation in terms of both 457 Plan Assets and in terms of the number of participants and 9th with respect to the 401(k) Plan.
- To further emphasize the magnitude of the Kentucky program's size and level of acceptance by eligible employees, in the February 7, 2011 issue of Pension & Investments magazine a survey of the top 1,000 pension plans (including defined benefit as well as defined contribution – both public and private) the Kentucky Deferred Compensation program ranked 569th in the nation compared to 580th last year.
- From the Office of Employee Relations, the Employee Engagement and Volunteerism department created and distributed customer service surveys for the Executive Safety Advisory Committee and the Department of Employee Insurance
- CSI assisted several departments and programs with surveys through Survey Monkey to measure the effectiveness, ensure quality and provide customer satisfaction.

### 8.2. Ensure cabinet structures and systems enable high-quality customer service

- Transitioned Applicant Services from a counselor model to a recruiter model to provide value-added services to the hiring process— applying for state employment has become almost completely electronic through the Career Opportunities System; very few applicants for state employment stop in for job counseling compared to prior years; testing for state employment has been eliminated.
- 97% of employees received an annual evaluation; 98.8% of employees met with their supervisors and agreed to a mutually acceptable performance plan
- The Office of Legal Services attended monthly Personnel Board meetings and provided a summary of the Cabinet's activities, suggested regulation amendments and trends throughout the HR enterprise.
- CSI consulted on and assisted with various employee communications regarding open enrollment including: the 2012 plan year benefits selection guide, letters to members and the Open Enrollment website.
- The Division of Career Opportunities implemented the practice of sending mass e-mails

on a weekly basis to provide information regarding veteran's preference to new applicants that indicate they are veterans.

### 8.3. Improve communication with customers

- Provided personnel and financial information in a timely, accurate, and responsive method to meet the needs of both internal and external customers—monthly financial management reports and we have devoted numerous resources to assist external customers.
- CSI developed communications and information for employees throughout the implementation of the six furloughs. CSI was a trusted resource to provide up-to-date furlough information on our public facing website.
- CSI created an innovative and easily accessible mechanism on our website to solicit feedback from employees and the public about our services. CSI also assisted the Cabinet by responding to inquiries from constituent, legislators and other stakeholders.
- CSI assisted with legislatively mandated reports including HB 387 and HB 149.
- Deferred Comp received notice from NAGDCA that the Authority has been awarded a 2011 Leadership Recognition Award for its outstanding achievements in effective communications, during calendar year 2010.
- The Office of Legal Services fielded numerous telephone calls from state employees regarding issues relating to personnel matters, human resource, benefit information, open records and background checks.
- CSI developed the quarterly Executive Branch employee newsletter, the Employee Connection, which reaches all Executive Branch employees. The newsletter provides up-to-date information on all things important to employees.

