

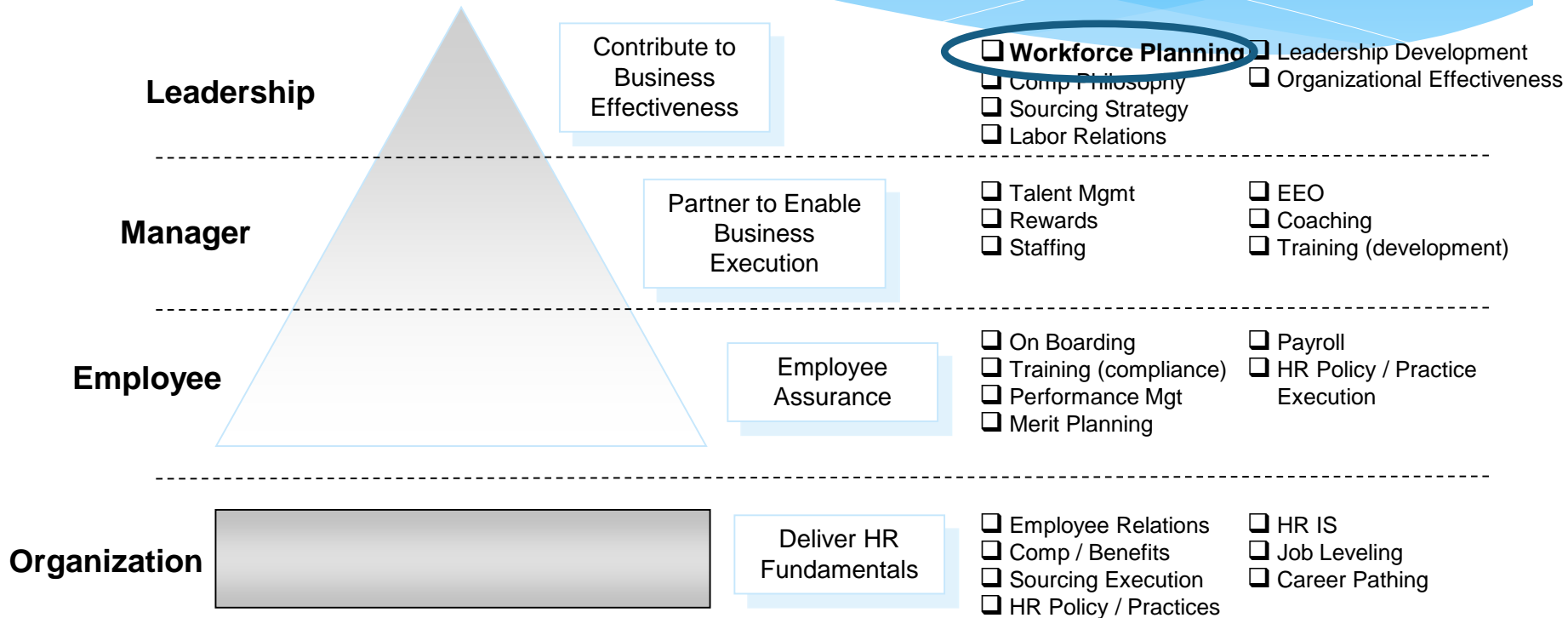
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MBTA HUMAN RESOURCES STRATEGY WORKFORCE UPDATE

March 28, 2016

HR Delivery 2.0



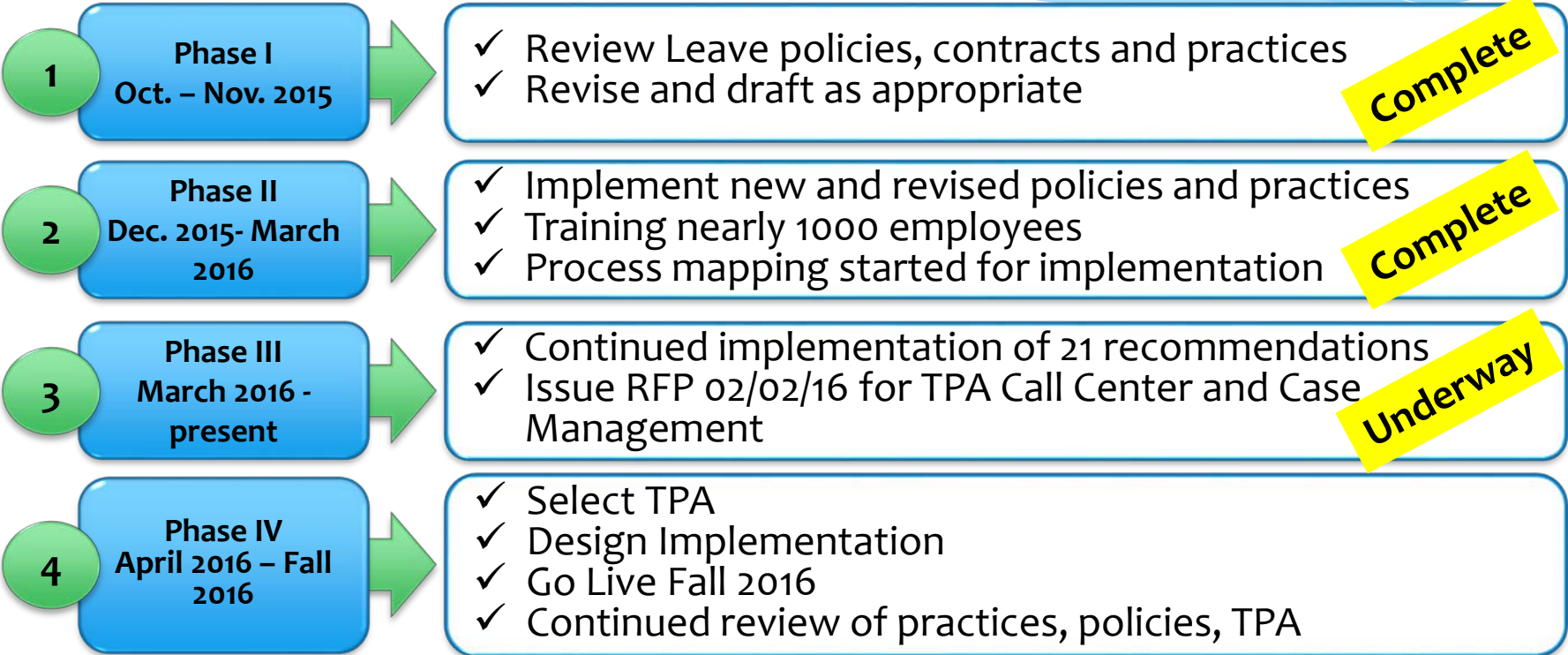
HUMAN RESOURCES STRATEGY

MBTA/HR Strategic Initiatives

The MBTA and HR have identified the following key initiatives that will help to transform the MBTA into a dependable transit service deliverer and employer of choice.

| INITIATIVE | GOAL |
|---|--|
| Absence Management | ✓ Reduce absenteeism, dropped trips, and overtime |
| Payroll Reduction Program | ✓ Reduce its payroll costs by 5% or \$25M without material impact on ridership |
| Reduce Time to Hire | ✓ Hire candidates in less than 100 days |
| Full Cycle Talent Management and Succession Planning | ✓ Attract, Retain, Develop diverse talent to perform service and support functions and develop career path |
| Information Technology Solutions | ✓ Identify and Implement technology tools that support the efficient delivery of HR services |
| Risk Mitigation | ✓ Reduce employment-related risks through cohesive, proactive, and corrective measures through policy development and effective training |

ABSENCE MANAGEMENT



2016 YTD Unscheduled Absenteeism is down 24% for overall MBTA employees versus last fiscal year benchmark

Unscheduled Absence %

| | FY15 | YTD16 | vs FY15 |
|----------------|--------|--------|---------|
| Trans Operator | 12.72% | 9.31% | -26.8% |
| Bus Oper, FT | 15.24% | 10.59% | -30.5% |
| Bus Oper, PT | 7.44% | 5.55% | -25.4% |
| Fueler | 10.65% | 10.19% | -4.3% |
| Machinist | 9.42% | 8.83% | -6.3% |
| Non Union Exe | 3.84% | 3.22% | -16.0% |

| | | | |
|--------------|-------|-------|--------|
| Overall MBTA | 9.44% | 7.18% | -24.0% |
|--------------|-------|-------|--------|

PAYROLL REDUCTION PROGRAM

Payroll Reduction Program

Identify opportunities to reduce both payroll and headcount. Overall the MBTA needs to reduce its payroll costs by 5% without material impact on ridership. The payroll reduction program (PRP) looks at:

- * Budgeted headcount
- * Actual headcount
- * VRIP eligible employees (as of 12/16)
- * Who is eligible and what incentives will be appropriate
- * Implications of VRIP to the operations
- * Back fill needs
- * Open requisitions

STATUS: Issued RFP March 23; Met with 21 of the 39 departments; scheduling meetings with Department Managers to continue discussion around workforce plan and incorporate feedback

TIME TO HIRE

Staffing has taken steps to reduce time to hire for critical positions:

- * Tuesday / Thursdays hiring huddle
- * Leverage Office of the Governor
- * HR Aligned to Key Executives
- * Reduced process steps for speed to hire
- * Stronger partnering with Unions / Vendors
- * Competitive salary assessment
- * RFR / RFP for Staffing Vendors
- * Open position prioritization
- * Identifying recruitment firms through RFR for high volume and high profile positions

| 2015 | Average of Time to Fill | Jan - Days | Feb - Days | Average |
|----------|-------------------------|------------|------------|---------|
| 38 days | Appointment | 0 | 3 | 3 |
| 97 days | Job Lottery 2009 | 14 | 35 | 23 |
| 5.9mo | Selection Process | <4mo | 4.8mo | 4mo |
| 7.2mo | Seniority | 4.5mo | 1.6mo | <4mo |
| n/a | SPP Temporary | 0 | 58 | 58 |
| 142 days | Union Referral | 20 | 26 | 24 |

Recruitment Strategies

- * **HR has made significant strides to proactively increase the pool of candidates for key hires:**
 - * Sourcing of candidates; actively search profiles and social networking sites
 - * Increase in advertising roles in industry or niche sites frequented by the ideal candidates
 - * Utilizing the existing database to source candidates
 - * Expanding University recruiting to Alumni organizations
 - * Increase in career coaching to internal employees that interview but are not selected for a promotional role
 - * Relationship driven approach – being talent focused
 - * Partnering closely with the vendors on critical hire positions
 - * Transforming recruiting process to an “evergreen network” model where we develop robust pools of “warm” candidates
 - * Market compensation being reviewed for critical roles to ensure we can attract, recruit and retain candidates

HR INFORMATION SYSTEMS

- 1) Align with overall HR Strategy
- 2) Formalize oversight of data governance, project management, policies, and investment decisions
- 3) Optimize investment in people, process, and technology necessary to deliver the appropriate level of service for our clients and minimize risk to the organization (including our clients)
- 4) Maintain core competencies in-house and build out the infrastructure necessary to deliver those services as best-in-class
- 5) Use reporting and analysis to make the best decisions. Consider past performance, predictive models, and industry benchmarks to inform those decisions

| Human Capital Management Functions | |
|---------------------------------------|---|
| Core Human Resources | Employee records management |
| | Position management / Job Codes |
| | Base Benefits & Benefits billing |
| | Payroll |
| Workforce Mgmt. | Time & Attendance |
| | Labor Scheduling |
| | Daily Operations and Scheduling |
| | Absence / Leave Management |
| Talent Management | Workforce Planning |
| | Recruiting |
| | Onboarding |
| | Performance Evaluation |
| | Competency Assessment |
| | Random Drug Testing (schedule and administration) |
| | Labor, Discipline and Grievance Administration |
| | Compensation Management |
| | Career Development |
| | Succession Planning |
| Training / Learning Management System | |
| Communication & Decision Support | Reporting (canned, custom, and self-service drill-down) |
| | Analytics to inform strategic planning |
| | Self-Service for Employees |
| | Case Tracking Tools |
| | Knowledge Management |
| | HR Call Center Tools |

HR 2.0 Dashboard

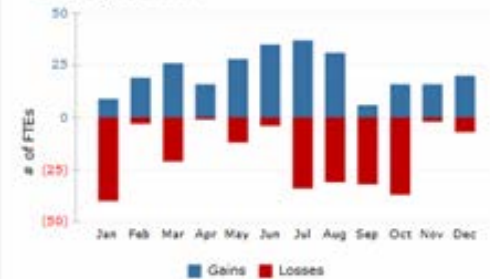
HR Management Dashboard

Recruitment Performance

Total Employees



Employee Churn



Key Metrics



Open Positions by Division



Data-Ink.com

Absence Overview

Time run: 4/14/2011 3:13:27 PM

Top 5 Absence Groups

Date run: 4/14/2011

Absence Type Overview

Date run: 4/14/2011

| Metric | Value |
|-------------------------------|-------|
| Employee Headcount | 529 |
| # Absent Employees | 24 |
| Employee Absence Rate | 4.55% |
| Total Absence Days | 276.3 |
| Avg Absence Duration (Days) | 11.6 |
| Avg Absence Days per Employee | 0.5 |

View Organizational Staffing Level

Business Staffing

Absence Calendar

Time run: 4/14/2011 3:13:27 PM

View By: Employee Location Name

Click on the month name or absence count on the date to view employee absence details.

Year: 2009

| Month | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
|----------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| January | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| February | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| March | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| April | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | |
| May | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | |
| June | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | |
| July | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | |
| August | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | |

Legend

- < 2 Employees
- 2 Employees
- > 2 Employees