



**Massachusetts Bay  
Transportation Authority**

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## Human Resources Strategy Update

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Secretary of Human Resources

**August 01, 2016**



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## This update includes information on:

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- Payroll Reduction Program
- Time to Hire
- Absence Management
- Overtime Management
- Technology





## HR progress since June 2015: Steady and Strong

	Value	June 2015	June 2016
<b>Workforce Reduction</b>	\$15M savings in 2017 and \$25M in 2018	Lack of position control	<b>\$13.3M annual recurring savings</b>
<b>Time to Hire</b>	Quicker recruitment of talent	Excessive time to hire	<b>Over 35% improvement</b>
<b>Absence Management</b>	Reduce impact on customers	Absenteeism negatively affecting rider experience	<b>23% reduction</b>
<b>Overtime Management</b>	Operating budget savings	Excessive use of OT w/ insufficient controls	<b>40% reduction</b>
<b>Compensation</b>	Ensure talent is appropriately compensated	Compensation strategy missing	<b>Building overall strategy for FY17</b>
<b>Performance Management</b>	Hold employees accountable for their performance	Inconsistent use of P/M	<b>Hold managers of people accountable</b>
<b>Technology</b>	Improve internal customer experience and reduce human input errors with self service	Unfunded technology roadmap	<b>Commitment to modernize</b>



## Payroll Reduction Program

Voluntary Retirement Incentive Program (VRIP)/  
Voluntary Separation Incentive Program (VSIP)  
both closed 6/30/16:

- 264 employees opted to participate
- \$13.3M recurring annual payroll savings
- \$4.4M program expense
- 156 positions will not be back-filled
- To achieve 300 position goal, a further 144 positions will be eliminated
- Involuntary program is under review
- Also reviewing open reqs, backfill requests and budgeted vacancies as well as alternative organizational design considerations

	Admin	Ops	Total
VRIP	63	192	255
VSIP	7	2	9
<b>Total</b>	<b>70</b>	<b>194</b>	<b>264</b>
Backfill	0	108	108
<b>Net Reduction #</b>	<b>70</b>	<b>86</b>	<b>156</b>
<b>Total Population</b>	<b>1,001</b>	<b>5,551</b>	<b>6,552</b>
<b>Net Reduction %</b>	<b>7.0%</b>	<b>1.5%</b>	<b>2.4%</b>

Employee exits are staged beginning 8/1, monthly through years-end



## Time to Hire decreased by 35% in 2016 compared to 2015

### Staffing Team is hiring more employees, faster than in year's past

- Over 490 employees hired YTD
- Of these, 131 designated as priority hires
- 767 employees hired in 2015

### Time to hire

- CY16 Q1: 182 hires in an average of 75.4 days
- CY16 Q2: 290 hired in an average of 89.0 days
- CY 15: 767 hired in an average of 137.5 days

### Backfill

- 108 positions to be backfilled due to VRIP/VSIP



## Hires Highlights – CY 2016

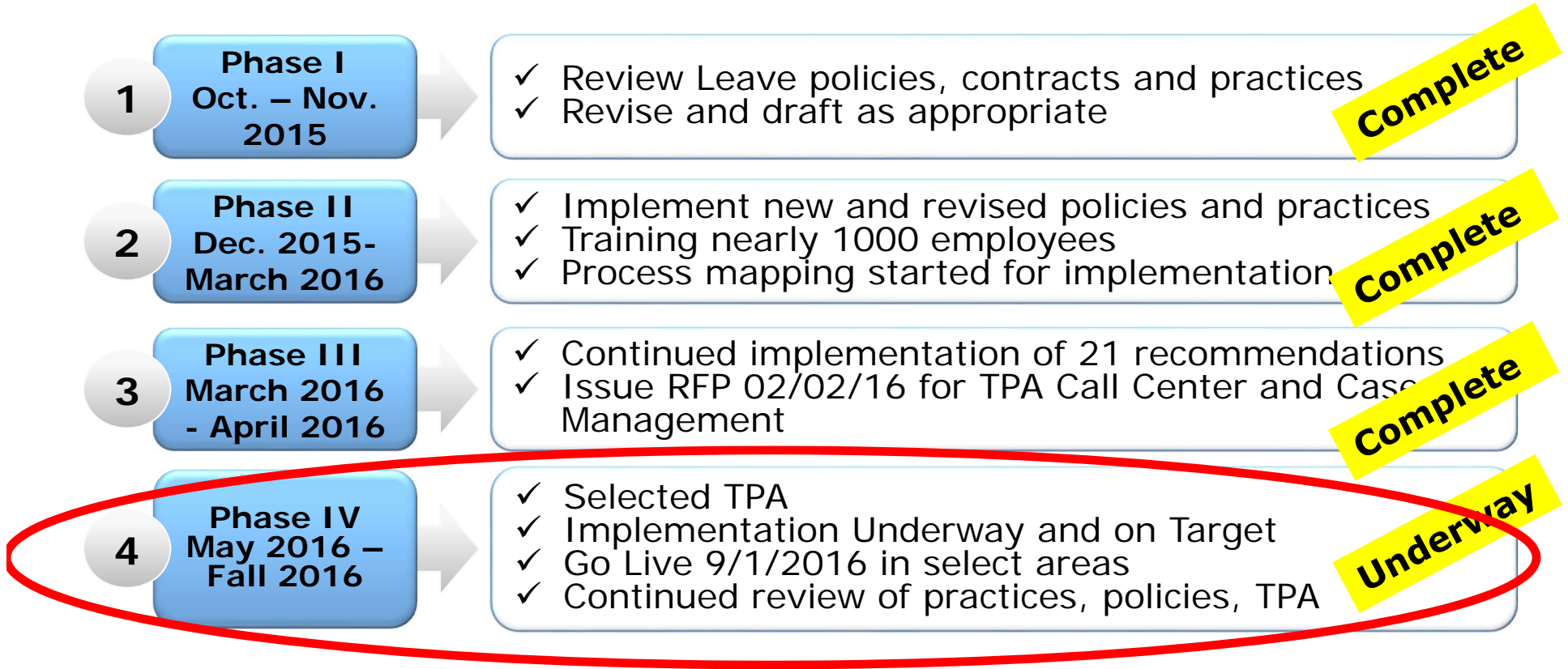
The **HR Talent Acquisition team** has partnered the business to help drive the transformation of the organization with the hiring of high caliber talent across many departments. Talent has filled important roles including:

- **Administration** hired a new CFO, CTO, Director of Financial Analysis & Planning, Director of Revenue, Deputy Director IT Risk Management, Director Warehouse and Logistics and Deputy Director eSourcing
- **Operations** hired a Director of Power, Deputy Director of Power, Director of Power Systems Maintenance and Deputy Director of Power Systems Maintenance

	Total Hires	Key Positions
<b>Administration</b>	89	23
<b>Operations</b>	358	85
<b>Design &amp; Construction</b>	21	13
<b>Human Resources</b>	3	0
<b>Procurement</b>	10	5
<b>Rail Road Operations</b>	11	5
<b>Total</b>	<b>492</b>	<b>131</b>



# Absence Management Strategy





# Absence Management Strategy: Phase 4- TPA

## Absence Management Third-Party Administrator:

Why?

- 24/7 Intake Contact Center
- Case Management
- Experience in Transit
- Actionable Reporting and Data Management



- Cost

What are MBTA expectations?

- Accountability
- Transparency
- Controlled absences

What is the benefit to employees and MBTA?

- Compliance
- Improved Absence Management
- Alliance with an Absence Management Leader

What is the benefit to the service area?

- More Efficient MBTA Workforce

### **Important Dates:**

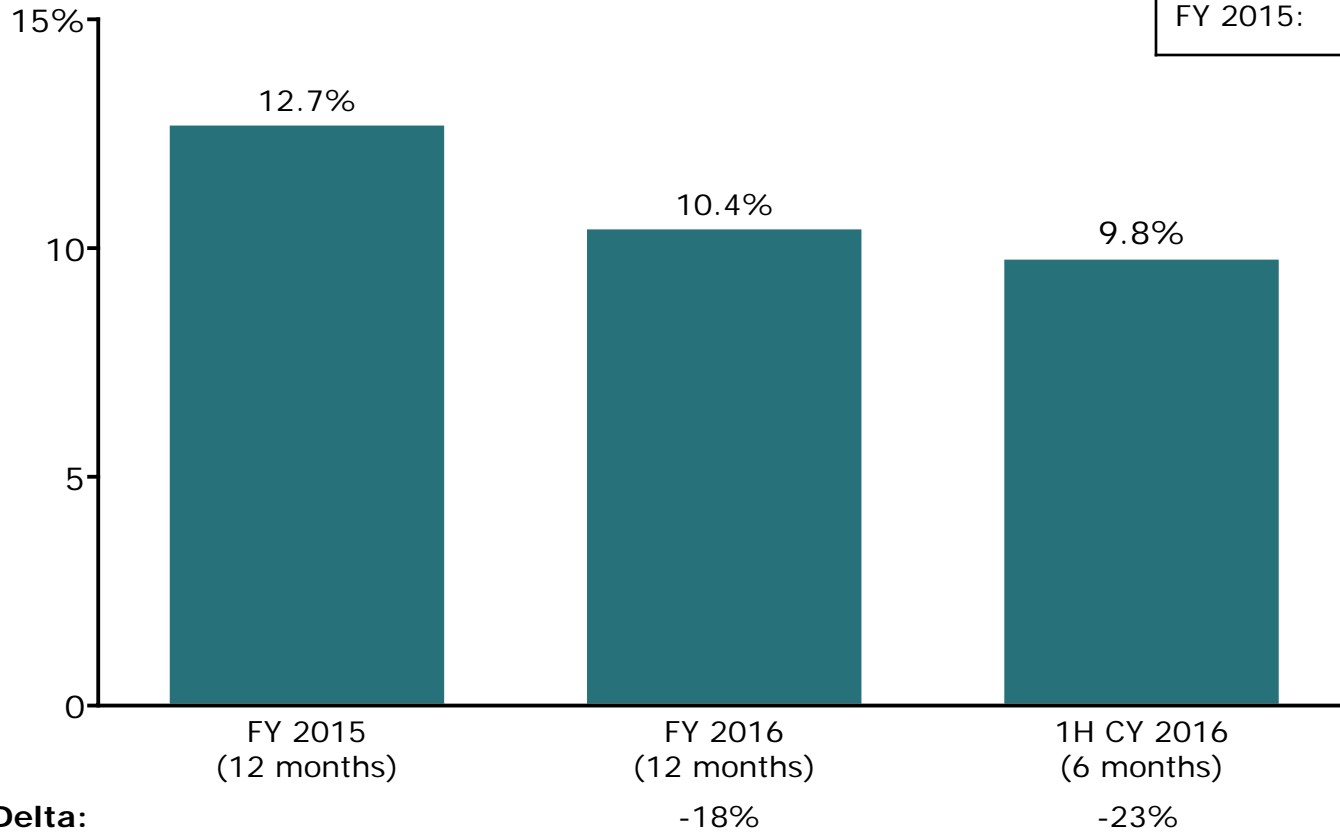
- RFP Posted – 2/2/16
- Contract Signed – 5/16/16
- Kick-Off Meeting with Vendor – 5/19/16
- Policy update & Implementation planning – 6/1/15
- Pilot of select areas go live 9/1/2016





## Absence Management results: Unscheduled absence percentage for transportation operators down 18% in FY2016 vs. FY2015 and down 23% 1H CY2016 vs. FY2015

MBTA Unscheduled Absence %  
(All Transportation Operators)



<u>FY 2016 vs. Prior Periods:</u>	
FY 2014:	-16%
FY 2015:	-18%

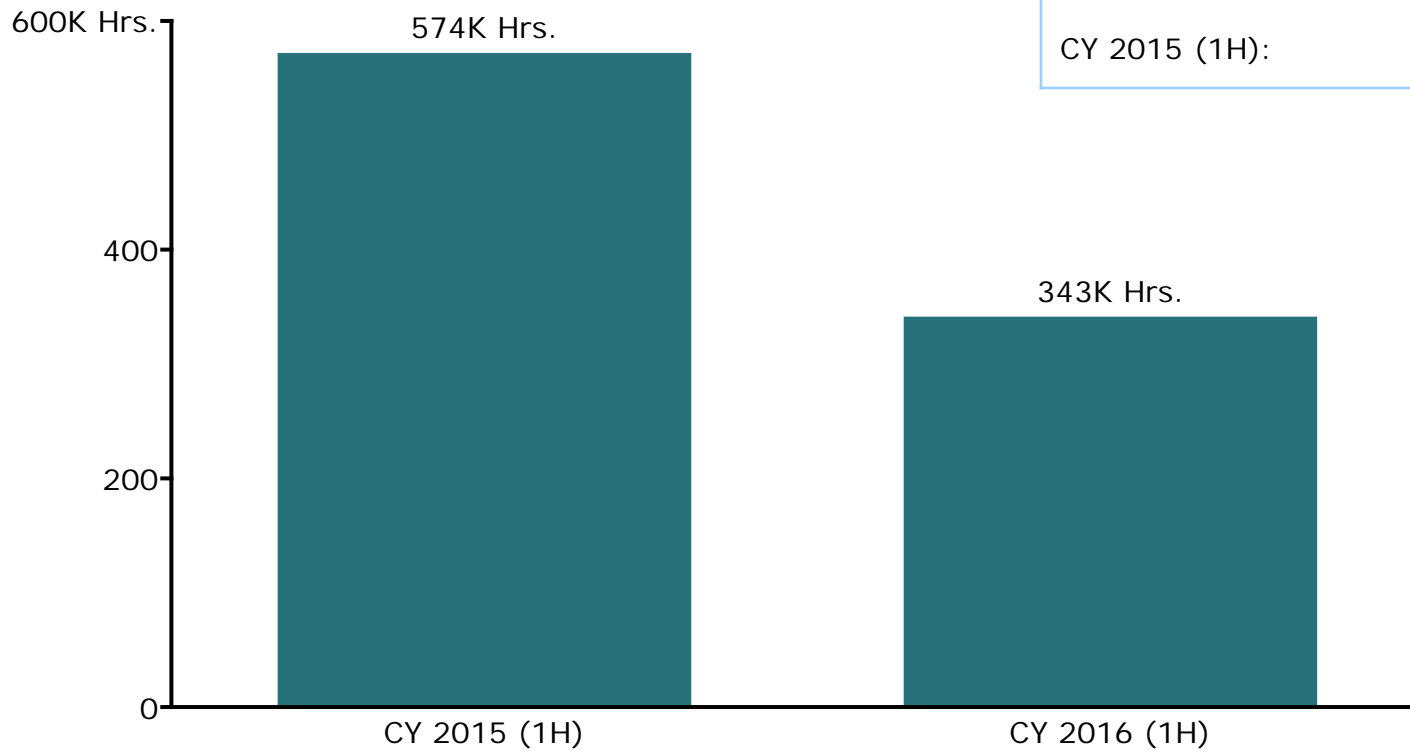
**Delta:**

Source: Internal MBTA data



## Overtime Management: Operating Budget OT Hours down considerably in first half of CY16 compared to both CY15 and CY14

Operating Budget Overtime Hours  
(January 1st - June 30th)



**CY2016 (1H) vs. Prior Periods:**

CY 2014 (1H): -17%

CY 2015 (1H): -40%

**Delta:**

-40%

Source: Internal MBTA data

Draft for Discussion & Policy Purposes Only



## Technology: Enabling HR 2.0 through PeopleSoft 9.2

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Current HR technology does not enable a good experience for HR's customers – our MBTA employees

- Current Oracle software version is PeopleSoft 9.2
- MBTA is on PeopleSoft 8.9 which is no longer supported by vendor
- This is 2 versions behind industry standard

MBTA is exploring new HR solutions

- Move quickly to deploy new, modern HR software
- Potential partnership with Commonwealth to more closely align systems



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# Appendix

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# Appendix



# Time to Hire

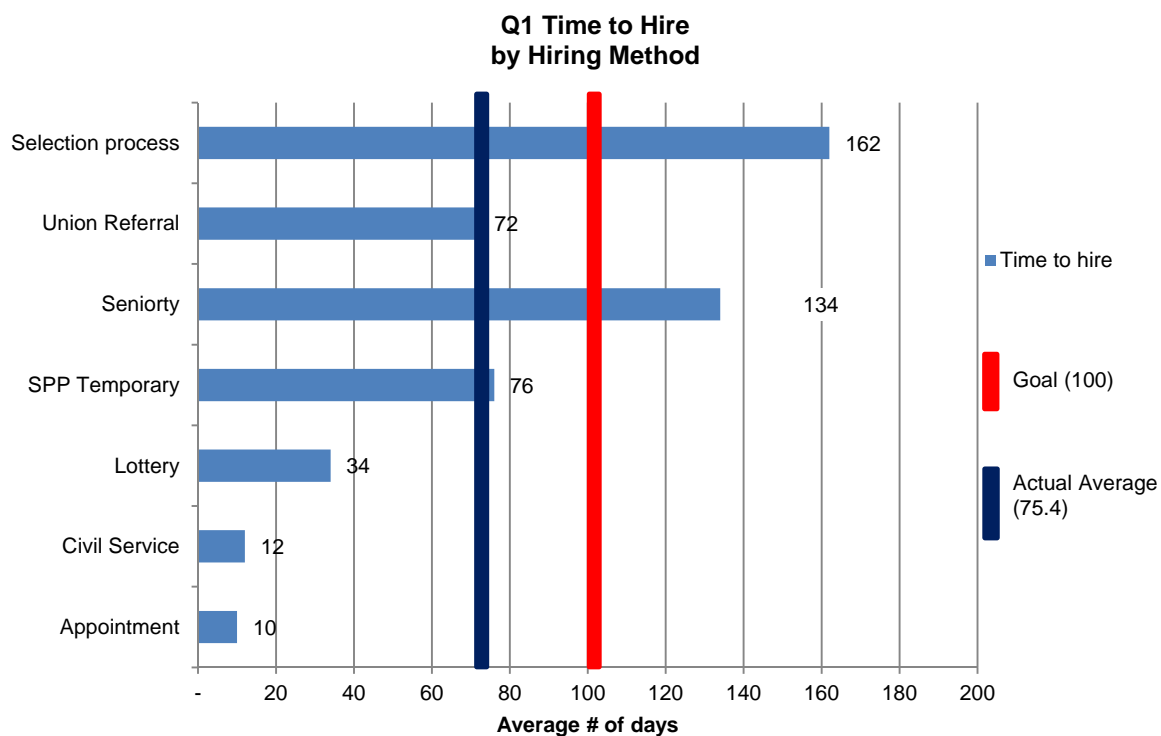
## Quarter 1 Executive Summary

Date Range: 1/1/2016 – 3/31/2016

Total Hires: 182

Average time to hire: 75.4 days

Note: Hires are organized by month based on the candidate's start date. If a candidate begins a job on 1/11/2016, that candidate will be counted as a January hire. For the purposes of this report, time to hire is defined as the date of job posting to the job start date.





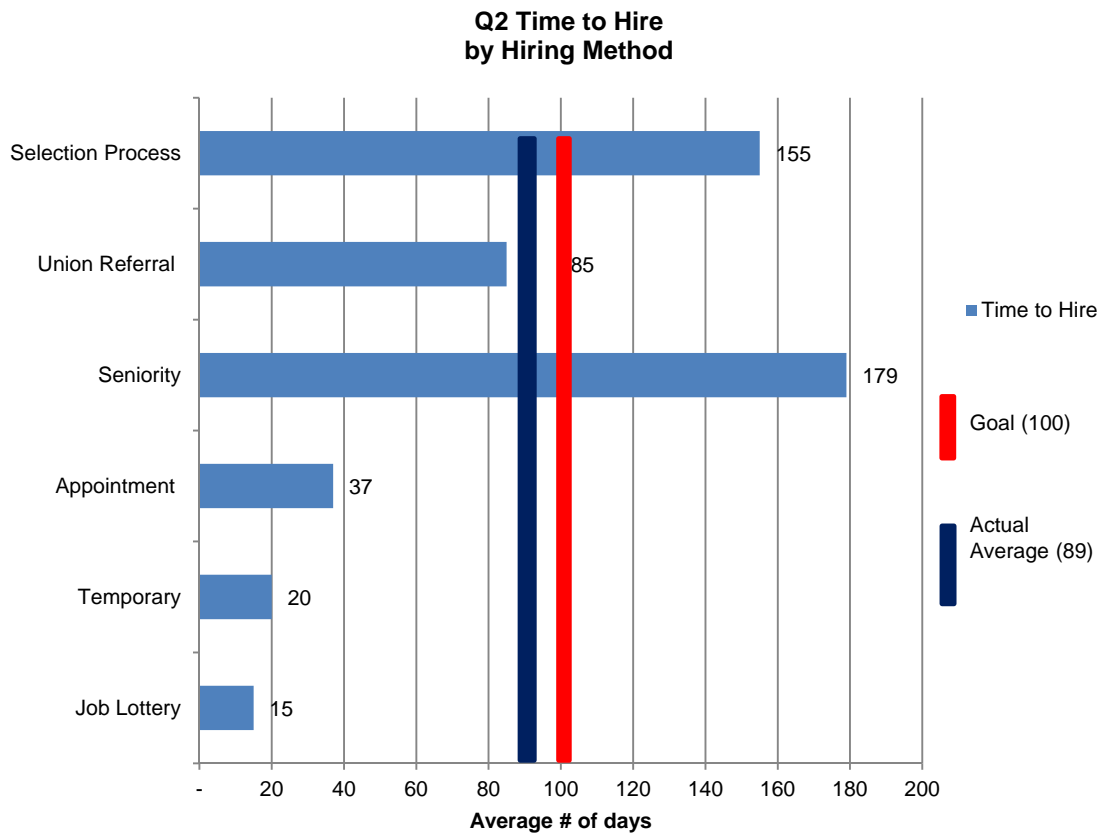
# Time to Hire

## Quarter 2 Executive Summary

Date Range: 4/1/2016 – 6/30/2016

Total Hires: 290

Average time to hire: 89 days



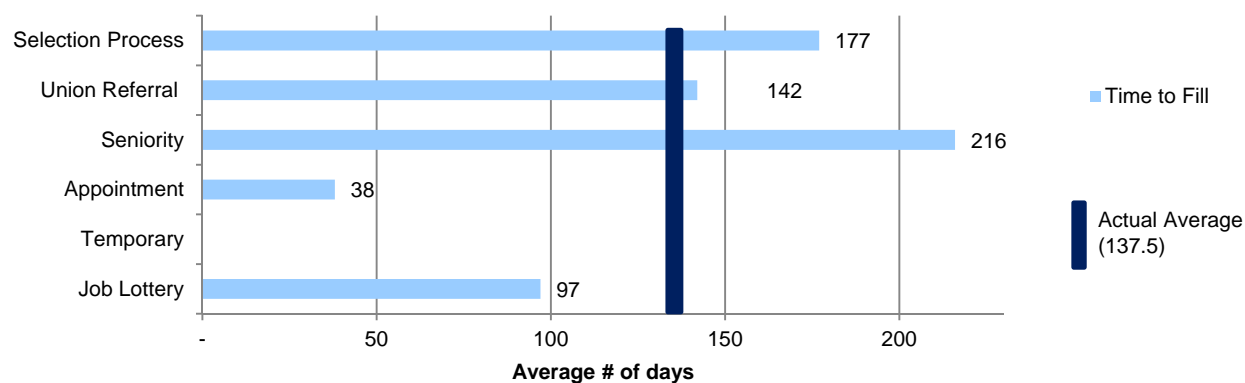


# Time to Hire

## 2015 Executive Summary

Date Range: CY 2015  
Total Hires: 766  
Average time to hire:  
137.5 days

2015 Time to Hire  
by Hiring Method



2015 v Q2 Time to Hire  
by Hiring Method

