


Memorandum

To: Joseph M. Ferguson
Inspector General

From: 
Soo Choi, Commissioner
Department of Human Resources

Date: June 15, 2012

Re: IGO Hiring Oversight Report on Reclassification Process

I have reviewed your June 1, 2012 report regarding the reclassification process and the recommendations contained therein. The Department of Human Resources (“DHR”) is in full agreement that much can be done to improve the reclassification process. As evidenced by our current work processes, DHR has been pro-actively working towards improving the management of the City’s human resources. Before turning to the recommendations in your report, I would like to provide a brief overview of the Classification Program and some of the improvements that we have been undertaking.

City’s Position Classification Program

The City of Chicago, like many government entities, uses a system of job evaluation referred to as “whole job classification.” DHR has established a Position Classification Program that incorporates and uses the principles of position classification to evaluate and classify positions and to help create and maintain an equitable system of compensation – *i.e.*, substantially equal pay for substantially equal work.

The Classification Section in DHR administers the City’s Position Classification Program. The unit has a staff of four Classification and Compensation Analysts reporting directly to a Managing Deputy. A fifth staff person has been hired and should be starting with the unit shortly.

Under the umbrella of Position Classification, a number of functions are performed, including:

- 1. Administering the Position Classification Program by conducting individual and group audits of positions, as well as organizational reviews to ensure positions are properly classified.**

Classification is the process of allocating a class title and associated pay or salary grade designation at the time it is established (for example, when a new position is created).

Reclassification is the process of changing a position's current title to a different title that may or may not involve a change in pay or salary grade designation. There are established procedures for the submission and evaluation of positions for proper classification. The same principles of job evaluation are applied in the classification and reclassification of positions, and no distinction is made between a non-Career Service and Career Service position. Correspondence signed by the Commissioner of DHR communicating the findings and the classification recommendation is sent to the department head, Personnel Administrator of the department and the Office of Budget and Management ("OBM"). Copies of the correspondence are also sent to the IGO's Hiring Oversight Section.

DHR does not have the budgetary authority to make changes to the City's line item or grant funded budgets to effect the title change and associated change in compensation. Therefore, our requests to establish or change titles of positions are referred to as "recommendations." All letters issued by DHR include the following disclaimer: "this recommendation cannot be implemented nor can any appointment be made to this position until an appropriate budget line item is available." However, we have recognized that OBM should be an active partner in the enforcement of our recommendations, and we have already begun discussions with OBM on how they can play a more effective role in that regard.

2. Performing compensation analytical functions associated with the classification and corresponding pay grade level or salary rate of positions.

As part of the classification and compensation process, the Classification Section conducts salary surveys and researches salary data to establish grade levels for newly established classes, adjusts grade levels as warranted, and provides salary data for class titles designated as Special Rate ("SR") as requested by OBM.

This function is critical in helping to ensure an equitable pay structure within the City service and to enable the City to remain fairly competitive with the external labor market.

3. Researching and developing class specifications or job descriptions for city's class titles as documented in the Classification and Pay Plan ("Schedule A").

Creating, writing, and updating class specifications, including validating the accuracy of the duties and establishing minimum qualifications, is an ongoing and continuous function.

4. Maintaining and publishing Schedule A.

The Classification Section tracks changes (such as additions and deletions) to class titles and documents the use of current class titles and their assigned pay grades or salary designations. As a management resource, the Classification and Pay Plan also includes the regulations governing the administration of the classification plan and employee benefits. For 2012, approximately 141 titles were deleted from Schedule A and 34 new titles added. Reduction in the overall number of titles is also part of our process to ensure better position control.

5. Position control through the review of vacancies prior to intake sessions and posting.

With the implementation of the new Taleo-driven CAREERS system in 2008, the Classification Section initiated position control procedures to proactively identify and correct potential misclassifications and/or the inappropriate use of class titles.

Critically reviewing vacancies for proper classification and enforcing required reclassifications before the vacancies are posted allows DHR to more aggressively identify opportunities to affect cost-savings and maintain the equity of the position classification program.

Beginning in the fall of 2011, departments began submitting information to the Classifications Section prior to scheduling intake sessions. Departments are required to submit a brief description of the position's duties, an organizational chart, the name of the previous incumbent, and whether the position is budgeted in the current year. The Classifications Section reviews the information and determines whether the intake session should move forward with the current title. If there is doubt regarding the title, the Classifications Section gathers information to determine the appropriate title. As indicated previously, the Classification Section checks the position again before it is posted on Taleo.

6. Maintaining working relationships with Personnel Administrators in operating departments.

The Classification Section maintains open lines of communication with operating departments by sharing and providing information on the classification process and related HR functions that directly impact on class titles and positions, including: employment status, FLSA designations, union grievances requiring position audits, and bargaining unit information.

Finally, we have already started a review of current procedures used in the reclassification process, including appeals, and plan on making changes both to the process and to the Personnel Rules. Your report will further assist in that process, so we welcome the feedback contained in your report. In the meantime, we have started working with OBM on better ways to implement and enforce the recommendations made by the Classification Section. For example, on March 22, 2012, DHR and OBM issued a joint memorandum regarding reclassification requests for the 2013 budget, which is attached. In that memorandum, we informed departments that “[c]opies of recommendations for reclassifications will be sent to OBM for implementation in the 2013 budget” and that “[d]epartments MUST include DHR recommendations in their 2013 budget.” We also informed departments that they would no longer be able to withdraw requests to reclassify positions once an evaluation had been conducted or a recommendation had been made, which had historically been allowed.

Your Recommendations

Recommendation #1: Requiring department heads to provide a documented explanation of reason(s) for requesting a position audit, including the circumstances surrounding the modifications to a position's duties and responsibilities.

Although our current process does not require department heads to provide a documented explanation as to the reason for submitting a request for a position classification review, we do obtain this information as part of the audit interview process.

Specifically, Question #16 on the position description questionnaire ("PER15") states: "Describe in detail why this position is being submitted for review." Thus we require that the immediate supervisor respond to this question, as well as additional related questions. Also as part of the audit process, Analysts conduct a separate interview with the supervisor and ask specific questions to determine what has changed to warrant a change in title for the position.

In addition, the department's Personnel Administrator is required to assess the validity of the request, review the request for accuracy and completeness, and provide a signature. The department head, based on the recommendation of the Personnel Administrator on whether the audit is warranted, also provides his/her signature authorizing that the request for audit be forwarded to DHR.

DHR will review our current procedures to assess how they may better capture the information your recommendation is aimed at getting and make any necessary changes to better achieve that accountability.

Recommendation #2: Developing reclassification rules and procedures for non-Career Service positions recommended for reclassification, including clarifying whether they have a right to appeal. And Recommendation #6: Consolidating the Personnel Rules and Sections regarding the (re)classification of positions in a single Personnel Rule.

Because the language in Personnel Rule I – Position Classification does not contain a limitation to Career Service employees, DHR applies the classification and reclassification process, as well as the appeal process available to department heads, to both categories of employees.

However, Personnel Rule XXVI – Reclassification of Employees does apply only to employees who occupy titles that are assigned Career Service employment status. Under this rule, Career Service employees are entitled to request a review of the reclassification recommendation, and they must provide a statement as to why the reclassification is not warranted. Under this review process, a re-audit of the position is not conducted. Rather, a designated review officer evaluates the audit findings and renders a decision.

We agree that the Personnel Rules should be consolidated in a single Personnel Rule to minimize confusion and provide clarity to employees on the reclassification process. We

are currently working on revisions to the Personnel Rules, which will include this change, as well as clarity on what rules apply to Career Service and non-Career Service employees.

***Recommendation #3:** Requiring department heads to report to DHR within a specified period their final action on reclassification recommendations and provide a written justification for deviating from the recommendation. **Recommendation #4:** Working with OBM to determine a method of holding department heads accountable for their responses to reclassification recommendations and enforcing those decisions. And **Recommendation #5:** Developing a tracking system for departmental responses to reclassification recommendations as well as information regarding recommendation appeals.*

Your report's specific recommendations relating to setting time periods for implementing recommendations, developing procedures to identify and respond to instances of non-compliance, and establishing and creating tracking system are suggestions and ideas that DHR fully supports. Our plan of action is to continue working with OBM and the operating departments to develop a framework for the implementation of reclassifications, as well as a reporting system to track implementation via changes in budgeted line items and payroll records.

In conjunction with that plan, we intend to develop a clear policy statement that (1) defines the purpose of the position reclassification process and its appropriate use by departments; (2) identifies the responsibilities of the Personnel Administrators in the operating departments; (3) outlines the role of OBM in implementing the classification recommendations via the budget and compensation control process; and (4) lays out the role of DHR in the overall administration of the position classification program.

In addition, we plan to develop a reporting system to track the implementation of classification/ reclassification and appeals similar to the system and database we currently have in place to track and monitor position audit requests received by the Classification Section.

Finally, you made a further recommendation that the Classification Section of DHR receive training on the Escalation Procedure outlined in Chapter XII of the General Hiring Plan. This has already been done, as all DHR employees, including employees in the Classification Section, have received training on the full Hiring Plan. However, your report makes a valid point: the General Hiring Plan only contemplates that Escalations will be initiated by DHR Recruiters when issues arise during a hiring sequence. We agree that having a formal mechanism for the Classification Analysts to report issues in the reclassification process to IGO Hiring Oversight is needed. Once we have developed an actual process, we will work with IGO Hiring Oversight to successfully implement this mechanism, and it will be included in the revised Personnel Rule.

Summary

Early in my tenure as Commissioner of DHR, I saw that the reclassification process needed improvement, and we started making procedural changes within the confines of the existing rules with the end goal of revising and improving those rules. Your report has provided us with valuable insight into our existing processes and the issues that need to be addressed. Formal revision to the Personnel Rules will take some time, as we are working on multiple revisions to the document and do not wish to confuse employees by issuing multiple versions in a short time span. Nevertheless, I have no doubt that we can quickly begin to implement either your specific recommendations or equivalent changes that fully achieve the spirit of your recommendations in the interim. We will keep your office updated as these improvements are effectuated.





CITY OF CHICAGO

**DEPARTMENT OF HUMAN RESOURCES AND
OFFICE OF BUDGET AND MANAGEMENT**

MEMORANDUM

TO: All Department Heads

FROM: 
Soo Choi, Commissioner
Department of Human Resources


Alexandra Hoyt, Budget Director
Office of Budget and Management

RE: Reclassification Requests for 2013 Budget

DATE: March 22, 2012

This memorandum is to inform you of the deadlines for reclassification and new position requests for the 2013 budget season. In addition, we have made some changes in our position classification policies and procedures that will be in effect for the 2013 budget season.

Reclassifications

The deadline for the submission of reclassification requests, with all supporting documentation, to the Department of Human Resources ("DHR") for the 2013 budget is April 27, 2012. Your requests must include a memorandum requesting reclassification review by DHR, a completed Position Description Questionnaire (PER15) for the position, and an organizational chart with the reporting structure of the position.

Please note, DHR will no longer respond to routine reclassification requests received after the April 27, 2012 deadline. Routine classification requests received after the April 27, 2012 deadline may be audited by DHR later in the year but the results will not be sent out until the following budget season. DHR will continue to review audits requested because of union grievances or due to labor arbitrations throughout the year.

DHR will not conduct job evaluations submitted for the following reasons:

- To move a position compensated at a special rate (SR) to a class assigned to a graded salary schedule.
- To obtain a salary increase. These requests should be forwarded to the Office of Budget and Management ("OBM") for consideration as part of the regular budget cycle.
- To move an employee into a *Shakman* Exempt position.

In addition, DHR will not conduct a job evaluation if:

- Employee does not meet the qualifications for the requested job title;
- Department has a vacancy in the title that is being requested;
- Position has been previously audited within the past three (3) years and the duties have not significantly changed;
- Position Description Questionnaire (PER15) is not sufficiently completed and current organizational chart and other requested documentation are not attached;
- Department has a surplus of jobs in the requested job title; or,
- PER15 has not been reviewed and authorized by the department's HR liaison and signed by the department head.

Reclassification requests in these categories will be returned to the requesting department. It is highly recommended that the Labor Relations specialist for your department review the request in consideration of the position's Collective Bargaining Agreement, prior to submittal.

Appeals

Copies of recommendations for reclassifications will be sent to OBM for implementation in the 2013 budget by September 1, 2012. Appeals for any reclassifications must be submitted within ten (10) business days of the recommendation to be considered. **Departments may not withdraw requests to reclassify positions once an evaluation has been conducted or a recommendation has been made.** Audit appeals without additional justification from the department head will **not** be considered. Departments **MUST** include DHR recommendations in their 2013 budget requests.

New Position Requests

DHR will continue to review requests for the establishment of new positions throughout the year. However, any new positions that a department wishes to include with its 2013 budget request must be submitted, with supporting documentation, to DHR by May 18, 2012. New position requests will not be considered by OBM unless they are supported by a DHR recommendation. The recommendation cannot be implemented until an appropriate budgeted line item has been created by OBM and a recommendation by DHR is not a guarantee that such a line item will be created.

Vacancies

DHR will not audit vacant positions that have been reviewed and classified within the preceding three years with the exception of vacancies for the following titles:

- 0309 – Coordinator of Special Projects
- 0310 – Project Manager
- 0311 – Projects Administrator
- 0313 – Assistant Commissioner
- 1912 – Projects Coordinator

As these titles are generic, and sometimes a more specific title is appropriate, we would like to review any vacancies in these titles for proper classification well in advance of the hiring process so there are no delays when the actual process is initiated with the Recruiting team.

Finally, for your convenience, an electronic copy of the Position Description Questionnaire (PER15) is on the City's Intranet at:

http://my.cityofchicago.org/publish/etc/medialib/intranet_media_library/documents/empservices/humanresources/job_classification.Par.14765.File.dat/Position%20Description%20Questionnaire_PER-15_2010.pdf

Please forward this link to department managers and supervisors who are submitting requests for the 2013 budget.

If you should have any questions please contact Leo Burns, Managing Deputy Commissioner, DHR, at (312) 744-7154 or Leo.Burns@cityofchicago.org or Annette Plattner, Deputy Director, OBM, at (312) 744-9485 or Annette.Plattner@cityofchicago.org.

cc: Personnel Liaisons
Budget/Finance Liaisons
L. Schwallie