



City of Chicago
Richard M. Daley, Mayor

Department of Human Resources

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August 3, 2009

The Honorable Richard M. Daley
Mayor
City of Chicago
121 North LaSalle Street, 5th Floor
Chicago, Illinois 60602

Dear Mayor Daley:

On March 5, 2009, the Shakman Decree Monitor filed a report with the Honorable Wayne R. Andersen pursuant to the Agreed Settlement Order and Accord ("Accord") entered on May 31, 2007. On March 23, 2009, parties to the Shakman case appeared before Judge Andersen for a status on the proceedings.

On March 30, 2009, the Court issued a "Memorandum, Opinion and Order" ordering the Executive Director of the Office of Compliance ("OCX") and the Commissioner of the Department of Human Resources ("DHR") to submit a series of Progress Reports to you with copies to the Court, the Corporation Counsel, Plaintiff's Counsel and the Monitor. The Progress Reports shall detail the City's actions toward achieving Substantial Compliance under the Accord as well as recommend any additional authority needed to carry out the responsibilities under the Accord. DHR submitted its first Progress Report on June 3, 2009.

Second Progress Report from Commissioner of Human Resources

On July 9, 2009, I was appointed Acting Commissioner and respectfully submit the following as DHR's second Progress Report ("Report") describing the City's efforts toward Substantial Compliance. This Report also addresses the City's progress in implementing recommendations made by the Monitor's Office, particularly in her most recent July 16, 2009 Report ("Monitor's July Report") through current initiatives.

The Report will provide a:

- I. Status on Current and Upcoming Initiatives
- II. Progress on Compliance with the Hiring Plan
- III. Recommendations and Conclusion



I. Progress on Current and Upcoming Initiatives

Taleo Permissions Restructuring is an important initiative that restructured the access rights that all DHR employees have within the Taleo system. Previously, user access and permissions were designated based on the requirements of the Taleo System Implementation project team and the access required by the project team members. Upon completion of the implementation, DHR recognized the need to revise (and create new) user roles, permissions and employee role assignments.

This restructuring required that user roles, permissions and assignments must be based on an employee's job title and job responsibilities. These assignments were made in accordance with the Shakman Accord, Hiring Plan and regulatory mandates from the Monitor's Office and OCX. An example of this change is users' access to approve, change or duplicate an existing requisition, a task which recruiters had been allowed to perform. As a result of the restructuring, supervisors and managers are now the only employees able to approve, change or duplicate existing requisitions.

While this initiative was a detailed and lengthy process which took approximately three (3) months, quality control measures such as this demonstrate DHR's commitment to securing critical City data and Substantial Compliance, as well as our ability to quickly resolve issues that endanger the integrity of the Hiring Process.

Requisition Content Monitoring System (RCMS) Enhancement was created by DHR to track changes or modifications to requisitions after being posted on the CAREERS website as well as any modifications of the content library. Following a recommendation made in the Monitor's July Report, DHR immediately conducted a feasibility study and is in the process of developing a RCMS reporting component enhancement that will check all changes and report them in a cumulative matter. This enhancement will also identify ownership of a requisition. In addition, this new feature will report changes on a requisition from one year to the next by comparing the previous years' requisition to the current carryover requisition, provided that the numbers of both requisitions are known. This enhancement increases transparency and will allow OCX and the Monitor's Office to immediately see what change was made, by whom and facilitate auditing of the system. Directly linked to the RCMS Enhancement, is the **Justification Form Approval Initiative**, which is focused on retraining DHR staff on the need and importance of utilizing Justification Forms. These forms are required when a Recruiter is seeking approval to change or modify posted requisitions.

Eligible Candidate Requisitions (ECR) is a new process that allows DHR to post high volume and frequently hired titles once annually. All subsequent vacancies will be filled using the pool of candidates generated from the original posting. The Taleo system can accommodate this by allowing individual candidates to be scored and screened en masse, yielding a large pool of qualified individuals. Upon request from a hiring department, DHR can move quickly to refer candidates and process hiring documentation. Numerous weeks, if not months, will be eliminated from the hiring process, allowing departments to expeditiously fill critical vacancies.

Offer Management and Onboarding Initiative is an overhaul of the process by which new hires are processed in Taleo to boost efficiency and enhance transparency in the hiring process. Offer Management electronically extends offers to candidates upon approval by the OCX and the Monitor's Office. This automated process easily tracks offers, increases the speed with which employment offers are made, provides uniformity among offer letters by using a standard template and reduces the possibility of human error.

Enhancements to the Taleo System Affecting the Termination for Cause (TFC) Process have been made in response to the Monitor's July Report. To ensure that former City of Chicago employees who were Terminated for Cause or who resigned in lieu of termination are not rehired, DHR created a process in the Taleo system that requires the recruiting staff to verify whether a candidate is on the TFC list. The TFC list is generated from the CHIPPS system and provides the "reason code" stating why the individual was terminated.

A mandatory workflow step was added to the Taleo system to automatically flag individuals who were Terminated for Cause or resigned in lieu of termination.

Optimization of the Reduction-in-Force (RIF) Process has reinvented what had been a manually intensive process that required DHR to perform numerous tedious activities within a short amount of time, thus creating a high risk for human error. Of notable importance is the inclusion of OCX in the RIF process from start to end, enabling the City to address potential concerns upfront. DHR conducted a detailed analysis of this process and identified areas for revision and optimization with the goal of enhancing the process and mitigating the risk for errors. As a result, the following changes were implemented:

- **"Push Button" generation of RIF letters.** Formerly, each set of RIF letters was generated by type and department via mail merge and then printed on each department's stationary. A database application was created to generate all RIF letters by department on stationary with the push of a single button. The letters are automatically saved in an easily identified folder and ready for delivery.
- **Vacancy Questionnaire.** Previously, operating departments were required to completed and sign the Vacancy Questionnaire as part of the RIF and send it by fax or U.S. mail to the Labor Relations division in DHR. Labor Relations would then manually input the data into a spreadsheet for reporting purposes. An online Vacancy Questionnaire with an electronic signature was created. Operating departments submit the data which are automatically fed into a database.

Other initiatives include:

- Job specifications for approximately 1300 job titles currently in existence have been posted on DHR's Internet page.
- DHR, Law and OCX are in discussions regarding the classification process and developing a plan to ensure that Personnel Rule XXVI and the function of the classification team do not conflict with the Acting Up Policy.

II. Status of Compliance with the Hiring Plan

The following are updates on items contained in our previous Report. These items are related to requirements within the Hiring Plan. Each heading describes the activity required and provides a citation to the appropriate section in the Plan. It is followed by the actions taken or the data supporting efforts toward the requirement.

City employees involved in all hiring processes, other than the Exempt Position Hiring Process, are certifying that no political reasons or factors were considered in the employment action. (II.3)

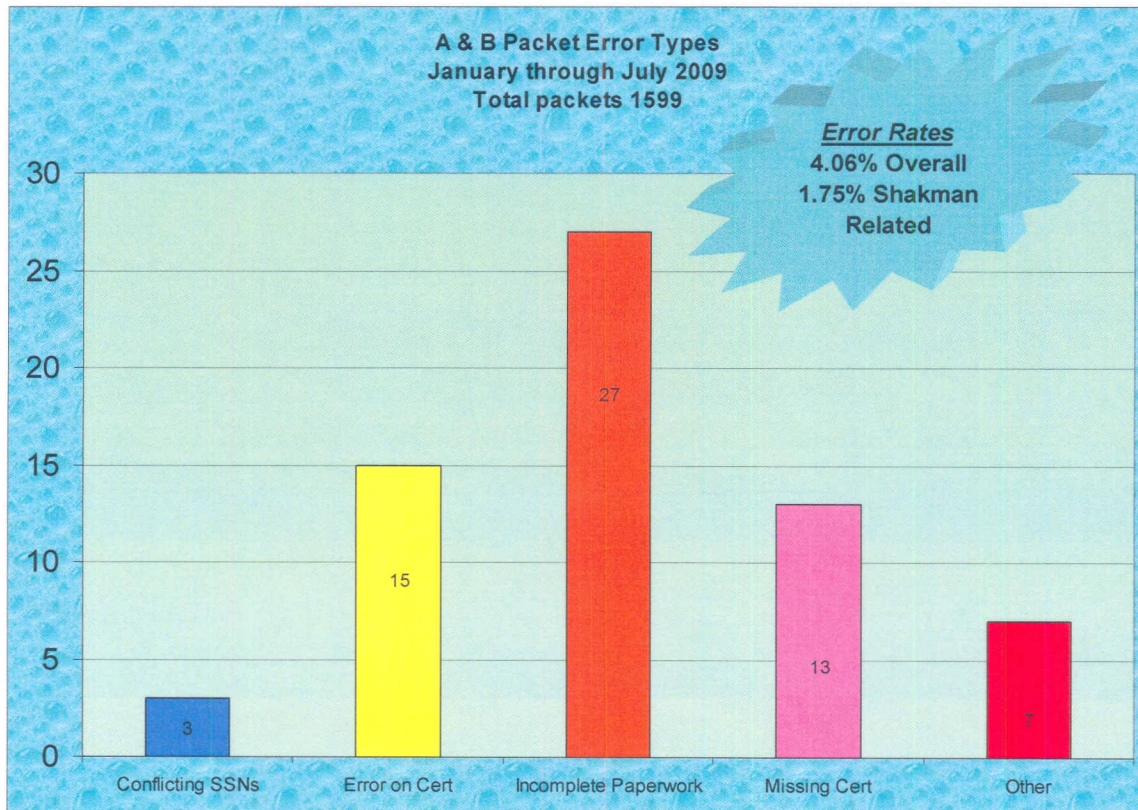
DHR is the Gatekeeper to the City's Hiring Plan. As such, DHR has identified key red flag errors, which include errors on a hire certificate and incomplete or missing hire certifications which are further detailed below.

DHR understands that mistakes in record keeping (such as seniority dates), clerical, spelling or typing errors can result in potential problems in the overall hiring process and thus will not be overlooked. In order to reduce the overall error rate and ensure that common mistakes do not influence hiring, DHR maintains an error tracking spreadsheet with errors flagged by OCX and/or DHR.

The graph below measures the following errors:

1. Errors on a Shakman Certificate include: wrong name, missing date, not initialed, wrong A-form and Taleo requisition number, not signed and the wrong job code.
2. Incomplete paperwork includes: incomplete I-9 form, incomplete residency affidavit and unapproved A-form.
3. Other types of errors include: expired professional licenses, Paid As form missing, expired I-9 form and missing A-form.

DHR has developed safeguards to identify errors as they occur in the DHR review of hire packets. The Recruiting team has initiated a system that requires another Recruiter or Manager/Supervisor to review a hire packet for accuracy thereby eliminating and correcting errors prior to any hiring action. These safeguards appear to be decreasing the error rate. In June, the error rate was 2.12 percent while it was 2.0 percent in July; it is our goal to keep the error rate below 1.0 percent. In July 2009, DHR sent letters to hiring departments having three (3) or more errors related to Shakman Certificates which specifically identified deficiencies. DHR will initiate training with operating departments' HR Liaisons around the most common type of errors and with those departments that are repeatedly submitting hiring packets with errors.



(DHR) Files quarterly reports with the City Council identifying the race, ethnicity and gender of the City's quarterly hires and workforce. (II.4)

DHR's recruitment efforts are focused on hiring qualified and diverse employees. DHR ensures that all applicants have equal access to employment opportunities. In furtherance of this goal, we file quarterly reports with the City Council on diversity and maintain data which details the gender and ethnicity of employees by department. For new hires, appointments and rehires in the first and second quarters of 2009, 52.8% were from various minority groups. Women represented 32.3% of the hires during that period. This is an increase from the same period last year when 46% of the hires were minority and 26.4% were women.

To increase our diversity numbers, DHR has explored new networking opportunities and partnerships. DHR has been very successful in establishing new career-oriented networks, building professional relationships, extending community outreach, working with educational institutions, and broadening our scope of opportunities to increase diversity in City hires. DHR participated in 22 recruitment activities with various universities and professional organizations from January to July 2009.

Post quarterly reports for all non-exempt hires on the website (II.6); Post modifications to the Exempt List. (IV)

Since the adoption of the Accord, there have been no emergency hires. DHR continues to provide quarterly updates on the Non-Exempt hires and the Shakman Exempt list. These reports were posted on the City's website as required. The Non-Exempt hires report lists the number of hires/promotions by department and the ward where the hired/promoted person resides. There were 784 Non-exempt hires and 74 Exempt hires from January 1 to July 16, 2009.

For non-exempt positions, post and advertise open positions to maximize pool of applicants. (II.7)

A total of 17,775 profiles have been created in CAREERS since January 1, 2009. The addition of these second quarter numbers represents a significant increase from the first quarter of 2009 when 7078 profiles were created. Individuals who complete profiles receive electronic alerts when a position matching their interest is posted. Applicants can apply for those openings using the information contained in their profile.

DHR has posted 84 job openings this year, with a total of 30,144 applicants to date averaging 3588 applicants per posting. Below is a quarterly break down:

QTR1

22 Jobs posted
8,364 Applications completed

QTR2

48 Jobs posted
18,424 Applications completed

QTR3

14 Jobs posted
3,356 Applications completed

Report improper contacts between departments and DHR to HPCM and the Monitor (II.8); Report contacts by elected officials to HPCM and the Monitor. (II.10)

Since our June 2009 Report, DHR has provided notification to the HPCM and the Federal Monitor of six (6) direct contacts by elected officials. DHR recently reinforced the importance of this reporting mandate through additional training of all Recruiters and Recruiting Analysts on proper escalation procedures and the necessary forms to be sent to the HPCM and Federal Monitor. All staff received copies of the Shakman Accord, the City's Hiring Plan and a memorandum providing specific examples of activities that should be escalated to the Monitor's Office and OCX.

Review all existing job titles to determine minimum qualifications, testing protocols and appropriateness of job descriptions. (III)

The City engaged Valtera Corporation to conduct an independent job analysis of approximately 945 City job titles. The purpose of the job analysis is to update job specifications that contain minimum qualifications, knowledge, skills and abilities required for the position. Those minimum qualifications were derived using a scientific methodology that limited external manipulation or modification of minimum qualifications by outside parties. As the Monitor's July Report also addressed, Valtera, DHR, the Monitor's Office and OCX worked very closely on this project. This initiative will provide DHR with updated job specifications, career progressions, and testing recommendations. The project, successfully managed by DHR, is nearing its completion pending an internal job specification review and approval.

Minimum qualifications, testing protocols and job descriptions for each job shall be posted on the City's website. (III)

As of July 2009, approximately 1300 class specifications for Administrative Services, Health and Welfare Services, Public Safety Services, and the Labor Services have been posted on the City's website. This was completed in advance of the August 2009 target date. The approval process was finalized this week and an agreement will allow OCX and the Monitor's Office to simultaneously review the job specifications of a job family in its entirety. OCX and the Monitor's Office will also have access to the surveys kept independently by Valtera, which in order to protect the integrity of the job analysis, DHR has not seen. The City's website will be updated when the job specifications receive final approval from the Monitor's Office, OCX and DHR.

(DHR) approves job postings including job description, minimum qualifications, screening criteria, test score requirements, and selection protocols. (XI)

DHR continues to strengthen its staff qualifications by providing test administration training sessions and attending professional conferences that provide our staff with the most recent research in the areas of employee assessment and selection. DHR regularly conducts targeted research on testing trends and processes as they relate to other municipalities and municipal hiring. Over the last year, we have increased our library of exams developed in-house. In addition, we continually work to strengthen our relationships with both testing vendors and HR Liaisons in the operating departments. All of those initiatives ensure that DHR maintains high quality, secure and fair testing processes.

Ensure that all applications are submitted on-line. (XI.4)

Applications for the General Hiring and Senior Manager processes are received electronically within the posting period. As part of the Taleo conversion, paper applications were no longer accepted by DHR for posted positions effective June 2008. Recently, DHR collaborated with the Fire Department to implement an electronic process for the hiring of an Assistant Director of Training. Previously, a manual paper process was used.

Send immediate electronic notification to applicants of whether or not he/she meets the minimum qualifications for the position. (XI.5)

Each application contains Disqualification Questions based on the minimum qualifications for the position. The pre-defined Disqualification Questions are contained in a library attached to a particular title and are automatically populated in the application based on the title. The Recruiter can see, but not modify, any of the questions for a particular title. Only the Content Librarian, with supervisory approval, can modify Disqualification Questions. Candidates who do not meet the minimum qualifications based on their responses to the Disqualification Questions are immediately notified via an electronic message from the Taleo system. Candidates who meet the minimum qualifications based on their responses to the questions receive an e-mail confirming the receipt of their application. A total of 13,675 applications were received during the first and second quarters of 2009. Of the applications received, 695 or 19.7 percent were disqualified by Taleo.

Interviewers shall be trained on proper interviewing procedures. (XI.B.5)

As of June 9, 2009, 279 hiring managers received Interview and Consensus training. After that date, training transitioned to OCX along with four (4) members of DHR's training staff. Since that transition, DHR's training goals have been redefined to provide comprehensive periodic training to DHR employees and hiring departments on our role as the Gatekeepers of the Hiring Process. Hiring departments and DHR staff are being trained on Offer Management and Onboarding. Internal training for DHR employees will include comprehensive instruction on the hiring process from beginning to end; it will also highlight the need for independent verification of hiring justifications, recognizing potential avenues for manipulation, and the steps in the employment cycle most subject to human error or intentional violations. DHR created study guides summarizing key provisions in the Shakman Accord and the City's Hiring Plan which are currently being reviewed by the Monitor's Office and OCX. Assessments for comprehension will be administered to all DHR staff to ensure uniform understanding of the process.

Place Pre-Qualified Applicants/Bidders candidates on a list who were not selected for employment due solely to limited vacancies available at the time. (XI.A.10)

Pre-Qualified Pools have been active and available since July 2008. PQAs are established when a department has more qualified applicants (post interview/test) than number of approved vacancies. Candidates can be placed on a PQA list for a period of one (1) year commencing from their date of application. If the hiring department elects not to use the PQA list, the position will be posted and a new referral list created.

Currently, four (4) active PQA requisitions are available in the Taleo system: Recruiting Analyst which has six (6) candidates; Animal Placement Coordinator which has two (2) candidates; Finance Officer which has four (4) candidates; and Criminal History Analyst

which has no candidates. Thus, the total number of Pre-Qualified Applicants is 12. DHR anticipates that the number of PQA lists used by departments will significantly increase as more vacancies are approved. As has been stated in previous reports, the lack of approved vacancies inherently limits the number of Pre-Qualified lists that DHR can generate.

DHR Testing Administrator shall proctor as many tests as possible ...the DHR Testing Administrator who proctors the exam shall certify that the testing process has been followed. (XI.A.4)

Forty-four tests and writing samples were reviewed and evaluated by DHR and/or approved by the OCX and the Monitor's Office between January and July 2009. There were 63 test administrations and 63 tests certified across 28 titles, some of which were previously approved in 2008/2009. In instances where DHR proctored exams, the proctor completed a Hire Certification Form. In instances where DHR did not proctor the exam, the hiring department designated a proctor who signed a Hire Certification Form as the Test Administrator.

Plan for Hiring Student Workers. (Exhibit I.5)

The Pre-Qualified Student Intern Pool (PQI) process has been revised in an effort to maintain transparency while enhancing the overall efficiency in referring Student Intern candidates. DHR revised the Disqualification Questions (DQ) and the Preferred Criteria Selection form which is submitted by the hiring departments when requesting a Student Intern. The revisions are designed to improve selection and evaluation of student candidates. DHR has reduced the posting time for each Requisition. Additionally, the Taleo system is being configured to send electronic modifications to Student Intern applicants at the time of application. The modification will remind applicants to attach required documentation in order to be considered for employment. Furthermore, DHR is developing a program to generate a referral lottery list in random order. This program will be used for all positions that will require a random order lottery list to ensure fairness and transparency. A randomization initiative also is in progress that will manage the generation of referral lottery lists for all recruiting processes that require a randomized list.

DHR acknowledges that errors occurred during the rehire process for the City Clerk's Office. To address the issues of interns who were not students due to the fact that they graduated or that they anticipated graduating, DHR has developed a questionnaire that will be included into the hiring packet which seeks specific information as it relates to a student's graduation date. For the 2009 Student Intern hiring process, DHR revised the Student Intern job specification sheet to require a minimum cumulative grade point average for all internships. In the past this was not a requirement for all internship titles.

Moving forward, DHR will require all student interns to complete the interview and hiring process. DHR will review the rehire process with OCX and the Monitor's Office.

The procedures for filing positions under the exceptions to the New Hiring Plan shall be codified in the City's Personnel Rules and/or applicable policies and procedures. (XII)

Since the beginning of 2009, DHR, OCX and the Law Department have held several meetings and discussions on proposed revisions to the Personnel Rules as they relate to the General Hiring process. Areas of focus include updating rules on reclassifications of positions, veterans' preference, employment lists and transfers, re-employment, reinstatement,

demotions, bereavement and sick leave coverage as it relates to domestic partners and immediate family members. DHR will work with the Monitor's Office, Law, OCX and the Inspector General's Office to incorporate rules relating to violations of the City's Hiring Plan into the Personnel Rules. DHR is also nearing completion of a Standard Operational Procedural Manual for the entire Hiring Process. This manual will provide DHR and the hiring departments we serve with a step-by-step guide through the City's hiring processes and exceptions.

Process for Hiring Senior Managers Positions. (Exhibit I.2)

DHR conducted training sessions in July 2009 to improve communication on the process steps for Senior Manager hiring starting with the Chicago Public Library and to continue with other departments. A Senior Manager process Power Point presentation and a Senior Manager Business Rules document were developed to better educate departments on the overall process. The materials highlight several important points, specifically:

- After the department has received a referral list, the department should review resumes to ensure candidates meet minimum qualifications, although the Recruiter has verified.
- All interviewers must have completed Interview Training. In the event that a written exercise will be used in the hiring process, it (along with an answer key) must be approved by the Testing Manager before administering.
- All Senior Manager hires require a 48 hour interview notification to OCX and the Monitor's Office. Interviewers will conduct an informal Consensus Meeting to select a candidate for hire.
- All participants of the hiring process must complete a Hire Form.

DHR continues to file quarterly reports with OCX, the Monitor's Office and Plaintiff's Counsel containing the name, position, and ward for all Senior Manager hires. DHR also reports on the total number of Senior Manager positions held by the residents of each ward as of the end of the prior quarter and the change since the beginning of the year. There were six (6) Senior Manager hires during the first and second quarters of 2009. The most recent Senior Manager hire was a Senior Compliance Office position in OCX.

III. Recommendations and Conclusion

While there has been progress, DHR also acknowledges that improvement is necessary to attain and sustain Substantial Compliance, specifically in the following three areas: 1) ongoing need for DHR staff training; 2) promoting a zero tolerance stance on retaliation for reporting hiring violations; and 3) building a collaborative, transparent approach to working with OCX and the Monitor's Office.

As to the first point, ongoing training will allow DHR staff to be more confident as the Gatekeepers of the Hiring Process. DHR staff must be constantly vigilant and able to identify potential gaps so that the City can "*limit and prevent*" not simply report violations of the hiring plan. To that end, DHR is committed to work closely with OCX and DHR training staff to ensure that all staff is knowledgeable of all the rules and procedures to ensure the integrity of the hiring process. DHR staff must also fully understand all Taleo functions and enhancements, which will also require ongoing training.

Second, which is a concern also addressed in the Monitor's July Report (pg 9) and articulated in one of the recent open forums with the Monitor, there appears to be fear of retaliation in DHR. To be clear, retaliation toward any employee in any form will not be tolerated, and anyone found violating this policy will be subject to discipline. DHR is committed to working with the Inspector General's Office, OCX and the Monitor's Office to change the current culture and reinforce the fact that retaliation for escalating matters will not be tolerated.

Last, DHR must build a truly collaborative and transparent approach to working with OCX and the Monitor's Office. The Monitor's Office has been particularly gracious and committed to working with DHR to build this collaborative relationship. During the last three weeks, the Monitor's Office has held three open forums with our staff: one forum with the entire DHR staff and two smaller forums with our Employment Services and Information Services divisions. These dialogues have assisted in improving morale, established more clarity with reporting and hiring issues, and encouraged transparency, while reintroducing a sense of pride of the DHR staff in being the Gatekeepers of the Hiring Process. Similar meetings will be scheduled with OCX to continue to build a positive collaborative relationship between our offices.

In closing, DHR will not minimize the mistakes of the past. In fact, past violations yielded disciplinary action and/or retraining for members of DHRs staff. While we acknowledge our violations, we have no intention of repeating them. Rather, we view them as a learning tool from which we will build a solid foundation of transparency and compliance.

DHR is comprised of 83 talented professionals who are truly dedicated to the work that they do and the people they serve, and are deeply committed to achieving Substantial Compliance. Thank you.

Respectfully submitted,



Karina Ayala-Bermejo
Acting Commissioner
Department of Human Resources

cc: Noelle C. Brennan
Mara S. Georges
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