



Human Resource Assessment Report

PROFESSIONAL SERVICES REPORT FOR

NMRE Assessment of Northern Lakes CMHA

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Introduction

In today's business world, a knowledgeable Human Resources (HR) Department is more important than ever. HR encompasses everything from identifying staffing needs, orienting, and training employees, understanding federal and state laws, and implementing policies that safeguard workers while minimizing risk. The consequences of a major HR mistake or oversight can be devastating both legally and economically to Northern Lakes CMHA.

Taking the time out of your busy schedule to take a close objective look at your Human Resources policies and practices can be an overwhelming task. The objective review of the current state of your processes, procedures and policies is a vital means of evaluating whether specific areas are adequate, legal and/or effective, and help avoid regulatory liability that may arise from non-compliant or non-existent HR policies and practices.

The objectives of this Human Resources Assessment included the following:

- Identify problems and concerns and recommend improvements for Northern Lakes CMHA to review and implement.
- Ensure that Northern Lakes CMHA is compliant with local, state and government regulations.
- Assess the human resources needs for the overall Northern Lakes CMHA organization.
- Identify if barriers or obstacles exist.
- Survey the employee engagement of the organization.

While Human Resources is not often considered a revenue generating department in an organization, good Human Resources practices affect every aspect of productivity by securing and retaining qualified, trained, engaged, motivated employees who have the information and resources needed to perform effectively. These practices include a rich and diverse array of tasks including, but not limited to employee training and development, policy development and dissemination, conflict resolution, morale building, recruiting and retaining employees, reviews and evaluations, compensation, and regulatory compliance.

The results obtained from this review can provide Northern Lakes CMHA insight into the current state of key HR areas and provide recommended changes to bring Northern Lakes CMHA into compliance or in line with best practices. As you review this information keep in mind that this report will provide you with an overview of recommendations for improvement or enhancement and identify areas that should be added to the daily routine for successful, compliant administration of sound HR practices.

The main areas of focus for this assessment:

- Recruiting, Selection & Onboarding Process
- Employment Practices
- FLSA Compliance and Proper Compliance
- HR Policies and Procedures
- Employee Handbook Review
- HR Documents and Forms
- Employee Relations

Executive Summary

Northern Lakes CMHA has a several relatively new Human Resources Department employees. While the employees who are responsible for training have extensive longevity, there are three members of the HR team that have less than 1 year of current service. There were several opportunities identified to improve performance in key Human Resources practice areas. Observations and recommendations are included in the body of this report.

While all the recommendations should be considered, the **highest** priority should be placed on the following areas:

Legal risk concerns:

- I-9 Audit
 - Completion of a full I-9 Audit including correcting missing or incorrect data.
- Hiring Process
 - Creating a hiring process that ensures that all applicants are reviewed, considered, and reconciled.
- Fair Labor Standards Act (FLSA) classification audit.
 - Ensure compliance with federal and state job classification set-up requirements.
- Pay equity.
 - Ensuring Equal Pay for Equal work
- Personnel files Maintenance
 - Train the affected employees on Personnel file maintenance

Operating/Administrative concerns or opportunities:

- Streamlining Human Resources Department and updated processes.
- Enhancing the onboarding experience.
- Establishing the employee handbook.
- Updating job descriptions and detailing essential job duties appropriately.
- Evaluate the training of Human Resources Department.
- Restoring trust in the HR Department as valuable resource for employees.

I. Policy Compliance

One of the biggest challenges in Human Resources is familiarizing yourself and management with all the government-mandated regulations with which the Northern Lakes CMHA must comply. There are many tools available to educate management and employees about federal, state, and local laws. Handbooks, policies, posters, and forms are only a few of the tools that must be used to bring awareness about the importance of compliance.

Employee Handbook. An Employee Handbook is a valuable tool used to communicate employer/employee expectations. Employee handbooks are a centralized resource for outlining the organizations policies, procedures, and guidelines. They provide a clear and consistent reference point for employees to understand the organization's expectations regarding behavior, performance, and conduct. Handbooks can serve as a legal document that outlines the terms of employment, including policies on discrimination, harassment, benefits, and termination procedures. The handbook helps protect the organization by demonstrating that it has properly communicated policies and expectations to employees in a clear and consistent manner.

Beyond being a mere informational document, Employee Handbooks often carry legal significance by outlining the terms of employment, encompassing policies on critical matters such as discrimination, harassment, benefits, and termination procedures, while also acting as a protective shield for the organization by demonstrating proactive communication of policies and expectations.

Standardizing practices is a key function of handbooks, ensuring that employees are treated consistently across various situations, from disciplinary actions to time-off requests and workplace behavior expectations. Particularly crucial during the onboarding process, these handbooks acquaint new hires with the organization's culture, values, and expectations, setting the tone for a positive work environment.

Upon receiving the handbook, employees are typically required to provide a written or electronic acknowledgment of its contents and any subsequent modifications. Furthermore, these handbooks serve as essential training tools for managers, ensuring they comprehend and enforce organizational policies consistently throughout the workforce.

A paramount purpose of Employee Handbooks is to ensure compliance with local, state, and federal labor laws. By outlining the minimum legal requirements related to wage and hour laws, leave policies, workplace safety, and more, these handbooks safeguard the organization from legal pitfalls and contribute to a fair and lawful work environment.

In summary, employee handbooks serve as a valuable resource, they are a multifaceted tool that fosters transparency, compliance, consistency, and a positive work environment, benefiting both employees and employers alike.

The following topics are commonly covered in Employee Handbooks:

1. Introduction
 - a. Welcome
 - b. About your handbook
 - c. Employment status
2. Your benefits
 - a. Benefit disclosure
3. Time at work
 - a. Working hours
 - b. Overtime pay
 - c. Time keeping
 - d. Pay day policy.
 - e. Breaks
 - f. Uniforms, dress, and grooming standards
 - g. Personnel records
 - h. Promotions
 - i. Transfers
4. Time away from work
 - a. Holidays
 - b. Vacation/Personal Time
 - c. Attendance and Punctuality
 - d. Leaves of absence
 - e. FMLA
5. Health and safety
 - a. Safety – a mutual responsibility
 - b. Reporting accidents
 - c. Drug-free and alcohol-free workplace
 - d. Smoke-free workplace
 - e. Workplace violence
6. Employment conduct
 - a. Standards of conduct
 - b. Standards of Appearance
 - c. Progressive discipline
 - d. Secondary Employment
 - e. Non-discrimination
 - f. Anti-harassment
 - g. Anti-nepotism
 - h. Social security number privacy
 - i. Staff personal relationships
 - j. Social media
 - k. Vehicle usage
7. Electronic Communication Systems
 - a. Use of Personal Electronic Equipment
 - b. Cellular Phone Usage
 - c. Access to Electronic Information
 - d. Computers, Internet, and Email
 - e. Social Media
 - f. Media Inquiries
 - g. FOIA
 - h. Bulletin Boards

8. Separation from Employment
 - a. COBRA
 - b. Re-Employment
 - c. Return of Property
9. General policies and practices
 - a. At-will status of employment
 - b. Equal Employment Opportunity
 - c. Americans with Disabilities Act
 - d. Authorization of employment
 - e. Title VII of 1964 Civil Rights Act
 - f. Anti-Harassment
 - g. HIPAA
 - h. Workplace Violence
 - i. Weapons on Premises
 - j. Social Security Number Privacy

Employee Handbook – Observations and Recommendations

The absence of an employee handbook at Northern Lakes CMHA during the on-site assessment revealed a significant void in the organizational framework. However, the new HR Manager has prioritized the development of an employee handbook which speaks to the recognition of its pivotal role. It is crucial to have a thoughtfully crafted employee handbook especially within any organization, particularly one that is undergoing transformation.

An employee handbook acts as a compass that guides both employees and management through the intricate landscape of organizational expectations. In essence, it becomes a foundational document that articulates the core values, mission, and vision of the organization. This not only aids in shaping a unified organizational culture but also provides employees with a clear understanding of the principles that govern their professional conduct. Northern Lakes CMHA has adopted several solid policies that will help shape the employee handbook.

The significance of the handbook extends beyond its role as a mere informational document. It is a living guide that delineates the rules of engagement, fostering a sense of accountability among employees. By clearly outlining what is expected of them and what they can expect in return, the handbook becomes a crucial tool in managing expectations, reducing ambiguity, and mitigating potential conflicts.

In a legal context, the handbook takes on added significance. What is put in writing regarding organizational policies and procedures holds weight as a legal document. It can be considered part of an employment contract or agreement, and, as such, it is legally binding. This acknowledgment underscores the necessity for precision and accuracy in the handbook's content, ensuring that it not only reflects the organization's values but also adheres to state and federal regulations.

SUMMARY RECOMMENDATION – EMPLOYEE HANDBOOK

We Recommend:

- **Complete the Draft Employee Handbook:** Ensure the comprehensive development of the employee handbook draft, emphasizing its role as a tool to help employees understand both their expectations and what they can expect from the organization.
- **Conduct a Thorough Review:** Following the completion of the draft, conduct a thorough review to ensure alignment with key state and federal labor law requirements, including but not limited to FMLA, Civil Rights Act, Paid Medical Leave, HIPAA, and COBRA. Additionally, verify that the policies do not conflict with any existing Collective Bargaining Agreements. It is recommended to have the handbook reviewed by a labor attorney prior to its completion and circulation.
- **Engage with the Unions:** Upon finalizing the draft, initiate meetings with the unions to review the employee handbook. This proactive step opens lines of communication and provides the unions with an opportunity to address any concerns before widespread distribution to all employees. Reviewing the Employee Handbook with the Unions in advance of distribution presents the opportunity to address concerns or potential conflict between the handbook and existing Collective Bargaining Agreement language.
- **Distribution and Acknowledgement:** After the employee handbook is finalized and formally adopted by the agency, distribute copies to all employees. It is essential to require a written acknowledgment from each employee, confirming receipt and understanding of the handbook's content. This acknowledgment process sets a solid foundation for the future, ensuring that all employees have a clear understanding of the organization's expectations, policies, and conduct protocols consistently throughout the organization.
- **Future Distribution:** After adoption, employee handbooks should be distributed to all new hires for acknowledgement and signature during the onboarding process and anytime there are changes to the handbook.

Throughout the assessment and forty plus interviews that were conducted, there were recurring concerns that surfaced regarding inconsistent and unfair treatment, a lack of trust, and the fear of retaliation. It is apparent that the absence of clear expectations and standardized operational norms has contributed to these issues, leading to a negative impact on employees across the organization.

The inconsistent application of policies, whether explicitly written or based on perceived understanding, has been a source of disruption. This inconsistency not only creates challenges for managers attempting to uphold standards but also erodes the overall trust within the organizational culture.

For managers, the difficulty lies in maintaining a consistent standard when discrepancies exist between organizational areas. Establishing a uniform set of expectations and transparent processes for addressing behaviors becomes imperative to rectify these issues. Such measures aim to foster a work environment characterized by fairness and equity, benefiting both employees and leaders alike. By implementing a consistent standard, the organization can cultivate an atmosphere of trust, mitigating concerns related to unfair treatment and fostering a shared commitment to organizational standards.

Policy and Procedures Manual: A comprehensive document detailing specific organizational policies and procedures in a systematic manner, the manual offers detailed guidance on executing various processes and tasks. It ensures consistency in layout and provides specifics on the who, what, when, where, why, and how of the covered activities. It's crucial to recognize that the content of such manuals can carry legal implications.

Written policies and procedures can be considered part of an employment contract or agreement, rendering them legally binding. It's imperative for management to be mindful that the documentation they put in writing about organizational policies can serve as a legal document. This awareness is particularly important as the content may be used against the organization in the event of a wrongful dismissal suit. Lawsuits have been successfully brought against organizations where employees demonstrated in court that they were adhering to published procedures or that the organization itself was not following its established protocols.

Clearly outlined policies and procedures play a crucial role in ensuring that employees understand both their responsibilities and what they can anticipate in return. Serving as a framework, these guidelines establish the standards for employment practices and actions within Northern Lakes CMHA. Three compelling reasons support the maintenance and dissemination of written policies and procedures.

- **Establishing Expectations and Accountability:** Well-documented policies form the foundation for setting expectations and holding employees accountable to a consistent set of standards that align with the culture and operations of Northern Lakes CMHA.
- **Limiting Liability for Northern Lakes CMHA:** Enforcing policies consistently and having well-established procedures for work conduct reduces liability for Northern Lakes CMHA. This proactive approach helps create an environment where employees are treated fairly, minimizing the potential for claims related to discrimination and harassment. Ongoing training serves as a preventative measure against inappropriate behaviors that could lead to legal claims.
- **Preventing Surprise and Enhancing Employee Engagement:** Clearly communicated policies prevent surprises for employees regarding performance expectations. Disciplining an employee for a policy they were unaware of can lead to discontent and reduced engagement. Consistent policy enforcement ensures that employees, even those doing well, remain engaged, preventing misunderstandings that could result in the unnecessary cost and time investment of hiring and training new personnel.

Policy and Procedures – Observations and Recommendations

Northern Lakes CMHA has more than 65 human resources related workforce policies. The policies are comprehensive, detailed and in some cases complex. Most of the policies were last reviewed in August or October of 2021. There are several laws that are not covered in any of these policies that should be reviewed and incorporated. Examples of missing policies include the 2023 PUMP Act and the 2019 Paid Medical Leave Act.

During our review we found other policies that should be reviewed and updated because they are not being followed/enforced, lack details, or are outdated. Examples of policies that need to be reviewed include performance evaluations, hybrid workforce, compensation and classification, promotion and transfers, vaccine and face coverings, and workforce culturally engaged communications. A full comprehensive review of all policies and procedures should be conducted so that updates can be

made. References to the Human Resource Officer should be updated to reflect the Human Resource Manager. A legal review of policies is always recommended.

From our observations and numerous interviews, it is evident that several organizational policies do not align with actual practices, either being disregarded, partially adhered to, or lacking crucial information. Equally important to having robust policies is the provision of training for both employees and supervisors, ensuring consistent policy application throughout the organization. For instance, while an extensive Drug and Alcohol policy exists, there is a notable absence of reasonable suspicion training. Furthermore, the Discriminatory Harassment policy lacks a mechanism for employees to contact someone outside of management when issues involve management. This leaves employees without an avenue to address serious concerns for fear of retaliation, intimidation, or dismissal.

While conducting the interviews, several employees provided specific examples highlighting instances where policies were overlooked or intentionally disregarded. The unaddressed concerns foster a climate of mistrust and ongoing apprehension within the organization. To bridge the gap between policy creation and implementation it is imperative to foster a culture of adherence through comprehensive training for employees and supervisors. There also needs to be established and well-known avenues for employees to report issues without fear of negative repercussions.

Upon closer examination, it became apparent that the disparities between organizational policies and their actual implementation could potentially have legal ramifications. The failure to adhere to established policies may expose the organization to legal liabilities, creating a risk that extends beyond internal challenges. In particular, the absence of reasonable suspicion training within the Drug and Alcohol policy raises concerns about the organization's ability to address substance abuse issues effectively. This gap in training may create a legal vulnerability for the organization, especially in situations where proper procedures were not followed.

Similarly, the deficiency in the Discriminatory Harassment policy, where employees lack a designated channel to escalate issues beyond management, could give rise to legal complications. The inability of employees to report harassment or discrimination to an impartial third party may be seen as a violation of employment laws, potentially exposing the organization to legal actions.

SUMMARY RECOMMENDATION – POLICY REVIEW AND IMPLEMENTATION

We recommend:

- Establishing schedule to review and update policies at designated intervals.
- Ensuring policies provide options for reporting concerns that involve the employee's direct supervisor.
- Providing supervisory training to ensure consistent policy administration throughout the organization.

LEGAL CONSIDERATIONS/RISK – POLICY COMPLIANCE

The disconnect between policies and their implementation jeopardizes organizational culture and opens avenues for legal implications. Addressing these issues is a crucial component in fostering a healthy work environment and mitigating legal risks that may arise from non-compliance with established policies. Establishing a robust system that ensures policy adherence, comprehensive training, and effective mechanisms for issue resolution becomes imperative to safeguard the organization from potential legal consequences.

Risks include:

- Developing a policy and/or procedure and not being consistent in their implementation throughout the organization.
 - When policies are developed, they should be intentional and clearly spell out the expectations and document the process to address non-compliance.
- Incurring penalties imposed by a government entity because required workplace posters are not displayed properly in a public area at all locations where applications or resumes are accepted.
- Discrimination claims based on an employee’s perception of unfair treatment because the application of personnel policies has been inconsistent.

Federal & State Posting Requirements. This section reviews federal and state posting requirements. The following is a list of the required Federal and State Posters for 2023. The Labor Law Center is an excellent resource to purchase required posters. They provide Federal and State “All in one poster” www.laborlawcenter.com. The following outlines essential poster that must be visible to all employees:

2023 Federal Posting Requirements:

- Minimum Wage (Fair Labor Standards Act, FLSA)
Job Safety and Health "It's the Law!" (OSHA 3165)
Employee Polygraph Protection Act (EPPA)
Know Your Rights: Workplace Discrimination is Illegal
Family and Medical Leave Act (FMLA)
Uniformed Services Employment and Reemployment Rights Act (USERRA)

2023 State of Michigan Posting Requirements:

- Minimum Wage
Paid Medical Leave Act
Safety & Health Protection on the Job (MIOSHA)
SDS #2105 (Michigan Right to Know Law)
SDS #2106 (New or Revised SDS)
Employment Security Act
Michigan Law Prohibits Discrimination
Whistleblowers' Protection Act
Youth Employment Standards Act

Generally, federal workplace posters must be displayed or posted in conspicuous places where they are easily visible to all employees - the intended audience. However, the FMLA, Equal Employment Opportunity (EEO) Poster (“Equal Employment Opportunity is the Law”) and the Employee

Polygraph Protection Act (EPPA) must be posted in conspicuous public accessible places available to employees and applicants for employment.

We recommend for multiple locations and remote work environments that required employment posters be posted at each of the physical work locations and also on the Northern Lakes CMHA intranet.

Federal and State Posting Requirements – Observations and Recommendations

During our observation and follow-up with remote locations, it was noted that labor law posters were not prominently displayed in public areas for applicants to view which would be a violation of the law.

The required FMLA, EEO and EPPA posters should be moved to locations that are visible and accessible to both employees and potential job applicants. Keeping all required workplace posters in designated would be considered best practice. Each work location should have their own set of posters and posters should be updated annually and as needed when changes arise.

Additionally, a crucial annual requirement for Northern Lakes CMHA is the posting of the Summary of Injury OSHA 300A log, mandated to be displayed from February 1st to April 30th each year. Our review fell outside of this specified time frame, preventing us from directly observing these postings. Nevertheless, it is imperative to reiterate the importance of adhering to the OSHA 300 annual posting obligation to maintain compliance and transparency regarding workplace safety records. This commitment ensures that employees have access to pertinent information related to workplace injuries, fostering a culture of awareness, transparency, and accountability within the organization.

II. Record Keeping – Legal Considerations

The improper handling of employee records poses substantial risks, potentially exposing employers to various litigious and penalty situations. The consequences of inadequate record-keeping include:

- **Claims of Unfair Employment Practices:** Inclusion of unnecessary, biased, or confidential information in employee records can leave employers vulnerable to allegations of unfair employment practices. This risk underscores the importance of maintaining accurate and relevant information to ensure fair and equitable treatment of employees.
- **Breach of Confidential information:** Mishandling confidential information is a critical concern. Any compromise of sensitive employee data not only jeopardizes individual privacy but can also lead to legal repercussions for the employer. Safeguarding confidential information is paramount to maintaining trust and compliance.
- **Fines Due to Incomplete Forms or I-9 Errors:** Errors or omissions in the completion of Form I-9, a crucial document for verifying an employee's identity and eligibility to work in the United States, can result in substantial fines. Employers must diligently adhere to the proper procedures to avoid financial penalties and legal complications.
- **Unauthorized access to Information:** Granting access to employee records to individuals not authorized to view them can lead to serious privacy breaches. Unauthorized access may result in the misuse of sensitive information, posing a threat to both employees and the organization. Implementing robust access controls is imperative for data security. As Northern Lakes continues to transition paper records to electronic personnel files it is important to have the ability to audit who has access to the electronic files and to audit when electronic files were accessed.

Addressing these risks requires a comprehensive approach to record-keeping practices. Northern Lakes CMHA should establish and adhere to clear policies regarding the types of information included in employee records, implement stringent confidentiality measures, and provide thorough training to staff involved in record maintenance. Regular audits and reviews can help identify and rectify any potential issues, ensuring compliance with legal requirements and mitigating the risk of litigation and penalties. Additionally, staying informed about evolving regulations in the dynamic legal landscape is essential to proactively adapt record-keeping practices to emerging compliance standards which continue to change as businesses move to being paperless.

Employers typically organize employment records into three distinct filing systems. The primary one is the personnel file, encompassing hiring documents, job descriptions, status changes, and employee performance information. The second is the medical/confidential file, safeguarding protected, non-job-related, or confidential information such as background checks and drug test results. The third set is the Form I-9 files, which the USCIS recommends employers keep separate from personnel records to facilitate an inspection request.

In addition to these, there may be a need for additional files dedicated to recruitment records (pre-hire) and separate files specifically designated for complaint investigations. Employers must exercise careful consideration regarding the storage and access protocols for these files, ensuring limited access only to those with a legitimate need to know. This approach safeguards applicants and employees from potential issues such as discrimination, identity theft, breaches of privacy, and violations of the Health Insurance Portability and Accountability Act (HIPAA).

It is crucial for employers to recognize the heightened scrutiny from government agencies regarding how employee information is maintained. These agencies are actively leveraging their enforcement capabilities to ensure strict compliance, underscoring the importance of secure and confidential record-keeping practices in today's regulatory environment.

Storing and Maintaining I-9s

Employers may retain Form I-9 using either a paper or electronic system, or a combination of both. As organizations transition to electronic records, paper form I-9s may be scanned and uploaded including the original signed form, correction, or update, and it may be retained electronically.

Employers may destroy the original paper form after they have securely stored it in an electronic format. Any electronic system used to generate Form I-9 or retain completed Forms I-9 must include:

- Reasonable controls to ensure the system's integrity, accuracy, and reliability.
- Reasonable controls designed to prevent and detect the unauthorized or accidental creation of, addition to, alteration of, deletion of, or deterioration of an electronically completed or stored Form I-9, including the electronic signature, if used;
- An inspection and quality assurance program that regularly evaluates the system and includes periodic checks of electronically stored Form I-9, including the electronic signature, if used.
- An indexing system that allows users to identify and retrieve records maintained in the system; and
- The ability to reproduce legible and readable paper copies.

Record Keeping – Observations and Recommendations

We completed a sample personnel file audit as part of the HR Assessment. Six randomly selected personnel files were reviewed to determine compliance.

The personnel files were retained in the Human Resources office area in a locked cabinet that had restricted access for Human Resources Personnel. During the review of the personnel files the following were observed:

- Northern Lakes is in the process of converting to electronic personnel files.
- During the transition, personnel files consist of a combination of hard copy and electronic records.
- Review of the hard copy files did not identify any critical concerns; however, there are some areas of the file that should be standardized for consistently going forward.
 - Medical information was maintained separately.
 - Files contained pay rate information.
 - Interview questions were not included in the hard copies that were reviewed.
 - Disciplinary Notice and Bullard-Plawecki notices were included where applicable.
 - Third party information was included in one of the six files we reviewed.
- Review of the Electronic personnel files revealed:
 - Personnel files were saved to a restricted location on the network.
 - Documents that were previously maintained as hard copy were now saved in electronic medium after being scanned and uploaded.
 - Human Resources was able to locate and provide information efficiently.
 - Medical information was contained as a subfolder of the personnel file.
- I-9 Sampling completed.
 - 10 random I-9 forms were reviewed.
 - Approximately half of the I-9 Forms included copies of the documents presented while the other half did not.
 - Best practice would be to administer the I-9 process consistently throughout the organization. If backup documents are copied, they should be copied for all new hires during onboarding. If the organization chooses not to copy and maintain the backup documents, this should be a consistent practice across the agency.
 - If the employer chooses to make copies or electronic images of the employee's documents, the copies of the forms must be retained with the corresponding Form I-9 or with the employee's records according to the electronic records retention standards and must be presented for inspection upon request.
 - The I-9 Form was most recently updated on 08/01/2023.
 - Beginning **November 1, 2023**, employers can only use form I-9 with the 08/01/2023 edition date.
 - Section 1 of this form must be completed by the employee on or before their first day of employment.
 - Section 2 of this form must be completed within three business days by the employer.

The USCIS recommends maintaining all I-9 forms separately from the employee personnel file where they can be easily accessed or audited. Failure to properly maintain all form I-9's completely and accurately can result in civil fines, criminal penalties, and debarment from government contracts.

Form I-9's – Observations and Recommendations

During the onsite visit, we learned that Northern Lakes CMHA completed an unofficial audit of the I-9s to determine if all active employees had an I-9 form on file. The I-9 Forms that were reviewed were completed by several different employees including Human Resource employees, Home Supervisors, and Account Clerk Specialist.

The sampling included forms that were completed between 2009 and 2023. In our review of the I-9 forms we sampled, we observed several compliance issues related to the processing the I-9 documentation during the hiring/onboarding process.

A random selection of ten I-9 forms found a missing employee signature, missing fields, and incorrect date formats on 7 of the 10 forms reviewed. Additional action is needed to correct I-9 forms that have missing or incorrect information.

SUMMARY RECOMMENDATION – RECORD KEEPING

We Recommend:

- All Northern Lakes CMHA employees who are responsible for participating in any part of the I-9 process should complete formal I-9 training.
 - Training should be provided to all employee who will be responsible for any part of the I-9 process.
- Ensure the most current I-9 Form (Edition 08/01/23) is being used throughout the organization.
 - The updated form has been simplified reducing common errors that occurred with previous forms.
- Register the organization for E-Verify to help automate the I-9 process and reduce common administrative error when completing the manual form.
- After completing training, conduct a comprehensive audit of all I-9 forms to identify any errors or deficiencies. This audit should ensure that all required fields are properly completed, and the documentation is valid and up to date.
- Rectify Errors and Incomplete Information:
 - Once the audit is completed, rectify any areas or incomplete information found in the I-9 forms. Ensure that all necessary fields are filled out accurately and completely, and the documentation provided by the employee is in line with the requirements set by the IRS.
 - Follow established guidelines available on the USCIS website related to self-audits and correcting mistakes
 - <https://www.uscis.gov/i-9-central/complete-correct-form-i-9/self-audits-and-correcting-mistakes>
 - Consider implementing additional safeguards when maintaining and accessing electronic I-9 records to ensure the documents remain secure, accessible and can be printed upon request.
- All Northern Lakes CMHA employees who are responsible for maintaining records should complete training on the best practices for file and document management.
 - Again, this is especially important during the transition from paper records to electronic records.
 - Recommendation is to maintain background / confidential information and Medical information in a separate electronic folder (not subfolders) to ensure that these documents remain separate from the personnel file.
- Complete a full personnel file audit during the transition from paper to electronic files, to ensure compliance and to ensure that medical/confidential information is maintained separately.
- Develop a separate records retention policy to assist with compliance of personnel records.
- Incorporate a comprehensive easy to view updated checklist for reference to ensure consistency in the information requested and contained in personnel files.
- Conduct regular compliance checks to ensure that the organization continues to meet the IRS guidelines and other relevant regulatory requirements.

By taking these steps, Northern Lake CMHA can address the deficiencies in its current practices and ensure that it gains full compliance with the IRS guidelines and other relevant regulations relating to the handling of I-9 documentation.

III. Training

Training within the agency is sourced from various outlets. Currently two full-time Human Resources employees are dedicated to agency training. After scrutinizing job descriptions, conducting interviews, and gathering insights from several departments across the organization, the assessment identified that opportunity exist to rebalance, redefine and realign the training component currently being administered by Human Resources.

Both employees in the training positions have extensive longevity having been with the organization for more than 25 years. Based on the information obtained during the assessment, these two employees are currently siloed into their respective areas which is not in line with how the job descriptions were written.

Notably, there appeared to be a lack of cross-training or backup resources for this organizational function. One employee is located out of the Cadillac Office and goes onsite when needed, the second employee has remained mostly remote since the pandemic and has not been required to return to the office although the other members of the HR Team have returned to in-person work to meet the needs of the organization.

A time study and a comprehensive review of each of their respective areas has the potential to reveal opportunities to increase efficiency, rebalance workloads and to better serve the organization.

Opportunity exists to integrate the HR training staff into the new hire orientation process and would help Northern Lakes CMHA create a more robust new hire onboarding experience. The current Relias platform, utilized for standardized training tracking and assignments, remains a reliable foundation for essential employee training. Evaluating how HR training personnel should be utilized for tracking and maintaining records related to existing staff licenses, CEUs should be reevaluated. Several of the tracking and approval processes are antiquated and could be automated and streamlined. There is a wealth of online information available for licensed individuals including professional association memberships that offer scheduled training throughout the year. The responsibility for identifying and scheduling CEU credits should shift to employees and their supervisors, allowing employees and supervisors to plan, budget and manage time and available training funds more efficiently.

While conducting the interviews, there was a consistent theme that demonstrated the training currently provided to new hires lacks depth; therefore, new hires arrive in their departments ill prepared to use critical software systems such as the electronic medical records system. The current onboarding process often leaves critical training up to the hiring supervisors. The coordination of key training during onboarding would prove to be valuable and would better prepare employees to be successful in their roles.

The allocation of responsibilities within the two training positions appeared to be imbalanced. A thorough assessment and/or time study of the HR training functions should be conducted. Based on the findings to the comprehensive assessment, tasks should be reallocated and rebalanced to ensure they are correctly aligned throughout the HR department.

There was a lack of understanding on how training budgets were set for each department. Supervisors indicated that they did not receive any formal training when promoted to a supervisor position which made the transition from co-worker to supervisor challenging.

SUMMARY RECOMMENDATION – HR TRAINING

We Recommend:

- Conducting a thorough evaluation of the current training resources and realigning the HR Training based on the current needs of the department and organization. Based the feedback received, technology changes and the implementation of Relias have changed how training can be conducted. Several employees indicated the current training structure should be realigned to better serve the needs of the organization.
- Reviewing the onboarding training to determine how best to position new hires for success within the first 30, 60 and 90 days. For example, Electronic Health Record training is essential; however, multiple supervisors reported that they needed to provide this training to their new hires before they could get started.
- Reviewing of the training data points that need to be tracked, how training data will be pulled and who will have access to the training data. Based on the information requested and provided during the interviews, obtaining data for training outside of the Relias system was not easy to obtain.
- Developing a structured supervisor/leadership training. Employees who had been promoted into supervisory positions reported they did not receive any formal training or mentorship to prepare them for their new responsibilities.
 - Basic supervisor training on key items including initiating crucial conversations, conducting performance evaluations, establishing performance improvement plans, issuing discipline, and implementing and enforcing policy would assist in preparing new supervisors for their new responsibilities.
- Supervisors should work directly with their employees to identify training needs and establish annual budgets for their department’s specific training requirements.
- Tailoring training for specific roles.
 - For example, several employees who meet with individuals in the community would like to see specific training related to safety in the field.
 - Employees who meet with individuals in the office also wanted to have more safety related training specific to their situations.
- Offering refresher training and ongoing support for employees using the Relias system. Provide follow-up training sessions, tutorials to boost user confidence and ensure effective utilization of the system.
- Evaluating the effectiveness of in-person verse online training for each training being offered.
- Providing required training at the remote locations, when possible, having the instructor(s) travel to the location instead of requiring groups of employees to travel to a training location.
- If training programs are rescheduled or cancelled ensure all scheduled attendees are notified as soon as possible.
- Consider combining in person training sessions based on length of the program and the content covered.
 - Employees reported being required to drive an hour to attend a short 15-minute training session which was not an efficient use of employees’ time.

IV. Employment Practices

The cornerstone of every thriving organization lies in the implementation of a robust and efficient recruiting process. The significance of this process cannot be overstated, as it plays a pivotal role in attracting and onboarding individuals who contribute meaningfully to the business's success. Effective recruitment goes beyond merely filling positions; it is about identifying and bringing on board individuals who enhance the quality of services and embody the values and character of the organization.

In the current labor market, the landscape is marked by distinctive challenges that organizations must navigate to secure top talent. The dynamics of workforce expectations, job preferences, and the overall employment ecosystem are continually evolving. These changes necessitate a strategic and adaptive approach to recruitment.

One of the central challenges in the labor market today is the competition for skilled and qualified candidates. As industries undergo transformations and new skill sets become crucial, organizations find themselves vying for a limited pool of talent. Consequently, crafting compelling employer brands and fostering positive organizational cultures are imperative to stand out as an employer of choice.

Moreover, the digital era has reshaped the recruitment landscape, with online platforms and social media playing a significant role in the job-seeking process. Organizations need to adeptly leverage these digital tools for outreach, engagement, and establishing a strong online presence to connect with potential candidates effectively.

The ongoing evolution of workplace expectations, especially in the aftermath of global events, demands a recruitment strategy attuned to the changing needs of employees. Flexibility, work-life balance, and a supportive work environment are now key considerations for prospective hires.

Effective recruitment is not a static process but a dynamic and strategic endeavor. It requires continuous adaptation to the prevailing labor market conditions and a keen understanding of the evolving needs and aspirations of the workforce. By addressing these challenges head-on, organizations can fortify their recruitment processes, ensuring the acquisition of talent that not only meets the current needs of the business but also propels it towards sustained success in the future.

Recruiting

The following steps outline a foundation of best practices in the recruiting process:

1. Complete a requisition form to begin the recruiting process documenting proper approvals have been obtained.
2. Create a Posting Folder for each posting.
 - a. Anything related to the posting should be maintained in the folder.
3. Review job description for accuracy prior to posting.
 - a. If changes are made to the approved job description after the job is posted, the posting should be closed, and the position should be reposted with the updated job description.
4. Establish and adhere to consistent posting procedures for internal and external job postings.
 - a. Posting should clearly identify the minimum requirements of the position.
 - b. Posting should clearly outline the steps in the selection process including any testing requirements that will be used as part to the selection process (i.e., Microsoft Skills Test, Typing test, pre-employment standardized testing).
 - c. Posting should include EEO Statement and ADA accommodation request information.
 - d. Posting should include steps in the selection process.
 - i. Pre-employment clearance requirements should be clearly outlined, i.e., Drug testing, pre-employment physicals, TB Testing, I-Chat, Secretary of State, etc.
 - e. When possible, posting should include an established timelines for key milestone in the process.
5. Require that all applicants apply for open positions through the established posting system (no exceptions unless required for Accommodation).
 - a. Resumes and applications that come in outside of the applicant tracking system should be contacted requesting that they apply through the online application system if they are interested in being considered further.
 - b. All communication related to the position should be documented and retained as part of the posting file.
6. Establish a set of position specific pre-defined interview questions to be used for each position. Prescreen questions and interview questions should be approved by Human Resources to ensure they follow best practice. All interview questions should be treated as confidential with access on need-to-know basis only.
 - a. Include a copy of the approved questions in the posting folder.
 - b. Maintain list of approved behavioral-based questions to incorporate for each posting process.
7. Pre-screen resumes based on job description requirements. Utilize a minimum requirement check sheet to ensure all applications are screened in a consistent manner.
8. Require candidates complete an application prior to interview being scheduled / conducted.
9. Schedule interviews (initial phone, virtual, in person)
10. Interview candidates with all appropriate parties.
 - a. Ensure interviewing managers are properly trained to reduce potential liability.
 - b. Consistent list of behavioral-based questions and use of an interview guide.
 - c. Consistent rating scale and evaluation process.
 - d. Maintain copies of all interview documents.
11. Initiate any pre-employment tests, assessments, etc.

12. Prepare conditional offer of employment and receive signed acceptance by candidate prior to conducting any pre-employment checks.
 - a. Provide FCRA (Federal Credit Reporting Act) with contingent job offer and prior to conducting any background checks.
13. Initiate pre-employment checks and ensure a consistent process is utilized.
 - a. Routinely check references before each hire.
 - b. Background verification (Education, Felony Federal and State, DMV etc.).
 - c. Pre-employment physical
 - d. Drug Screening
14. Reconcile each posting after posting closing date.
 - a. Comprehensive list of all applicants including final disposition.
 - b. Every applicant needs to be accounted for.
 - c. Interview notes should be maintained for each candidate interviewed.
15. Applicant disposition
 - a. Notify all candidates (send turn down letters) of final status of application.

Recruiting Process – Observations and Recommendations

The recruitment procedure has been identified as a critical area requiring enhancement. A notable concern stems from the number of different ways that applications and resumes can be submitted. Currently, HR post open positions utilizing the Paychex posting system for internal and external postings.

Currently applicants can apply online through the Northern Lakes Website; however, current practice also allows for applicants to mail in a resume, email a resume, drop off a resume at any Northern Lakes location, complete an application at Northern Lakes location or submit a resume directly to the hiring manager or department. Applicants have not historically been required to apply through one primary location (i.e., Northern Lakes Website). The current process makes it difficult to verify all resumes have been received by Human Resources or considered for the position.

Allowing multiple options to submit resumes and applications increases exposure to the organization as there is no sure way to verify that applicants complete and submit applications by the posted deadline date (if applicable) and there is no guarantee that HR receives and can track every single application and/or resumes that comes in outside of the Paychex job posting board on Northern Lake's website.

During the onsite interviews conducted by Rehmann, it was brought to light that some hiring managers had managed their hiring process independently of Human Resources, while in other instances, not all applications/resumes were properly documented. The divergence from a standardized application process creates challenges in ensuring comprehensive and accurate records of all applicants are reconciled and maintained.

The current state of the recruitment process creates concerns for Human Resources and their ability to reconcile all applicants who have applied. The recruiting process should be standardized. All applicants should be required to submit their resume/application through the Northern Lakes website with no exceptions (unless to accommodate a restriction).

The absence of a unified application submission process creates challenges in ensuring that all qualified applicants are afforded the same opportunities for a position. The decentralized approach, where applications can be submitted through various channels, makes it difficult to ascertain whether certain individuals were eliminated from consideration based on a legitimate reason or if there were

instances of discrimination in the selection process. This lack of standardized application procedures poses a potential risk to fair and equitable hiring practices, making it imperative to address and streamline the recruitment system for greater transparency and consistency.

The current Northern Lakes CMHA HR Specialist assigned to recruiting has been with the organization less than a year and has already made solid progress in the recruiting area to develop a structured approach for recruiting and onboarding; however, the requirement for all applicants to apply through one system with a standardized application process had not been obtained at the time of our onsite assessment.

The standardization of the selection process beyond the initial application phase is crucial. Human Resources should play an active role in ensuring that hiring managers conducting interviews without HR presence are adequately trained. To ensure hiring compliance, each hiring manager should be required to attend a formal interview training prior to conducting interviews if HR will not be present for the interviews.

Interview training should review criteria for permissible and non-permissible interview questions, standardize the interview process from introduction to interview completion. Provide guidance on how to respond when interviewees begin to divulge information related to race, religion, medical conditions, or any other protected class. Provide guidance on when and how to ask and document follow-up questions. Outline process to document and save interview questions. Understanding of EEO process and how to conclude the interview and make final hiring recommendation.

Establishing consistency in the entire selection process, from interviews to the final recommendation, is vital for maintaining fair and effective hiring practices throughout the organization.

It is important to highlight that Becky Brown, HR Specialist, has been a part of Northern Lakes CMHA for less than a year and has already made significant strides in this area. Her efforts have not only contributed to improvements in the recruitment process but have also played a crucial role in rebuilding confidence in the Human Resources department.

During the onsite Rehmann interviews Supervisors shared that they had historically been allowed to handle their own hiring and recruitment process for each role within Northern Lakes CMHA, it is important that all supervisors understand the current hiring process and to ensure all current practices are being followed.

Establishing a standard recruitment process is highly recommended. This process should include how positions are posted, how interviews are conducted, who will be involved in the process and how offers are made to employees. Should Northern Lakes CMHA have an Anti-Nepotism policy in place it will be important to ensure candidates comply with the policy when applying.

Based on feedback from interviews with current employees, there is a perception that there were a few recent new hires and promotions that did not meet the minimum requirements of the job description. Upon review of the job description and the incumbents' qualifications, we were not able to identify any recent deviations as it appears the job descriptions had been revised prior to the posting. It will take time to rebuild trust in the hiring and selection process. Incorporating informational meetings for internal postings would help ensure that the employees have a clear understanding the minimum qualifications and ensure transparency in the process. Done right, the information meetings can be very beneficial to the hiring manager and the employee group.

Typically, the informational meetings would be scheduled prior to or early in the posting process. All employees would be notified that an informational meeting is being held and candidates who are interested in the position would be encouraged to attend. The Union would also be encouraged to attend.

During the informational meeting, Human Resources would review the hiring and selection process including reviewing the established minimum requirements, anticipated timeline, and testing requirements (if any). Hiring managers are afforded the opportunity to review the functions of the position and share their expectations, potential applicants can meet the hiring manager (or designee) and ask any questions they have about the position.

Prior to employees being promoted, it is essential to ensure they meet all posted requirements, have been armed with the necessary tools to be successful in their positions and have adequate training to support them in their new positions. Well defined job descriptions will help establish qualifications and help determine which candidates meet those qualifications. This is extremely important in the posting process and crucial when more than one internal employee applies for a promotional position.

Having a documented selection process helps to ensure that a fair and unbiased process has been followed and candidates are evaluated on their qualifications and ability to do the job. In today's environment finding an employee with the qualifications is only one part of the equation. Ensuring the candidate is a right fit for your organization, the department, and the position being filled will also impact the success of the candidate.

The posting process was reviewed in detail with Becky Brown. Union positions are first posted internally for 5 business day. If there are no internal candidates, the position is then posted externally. When internal candidates apply, the internal process is completed prior to starting the external posting process.

SUMMARY RECOMMENDATION – RECRUITING

We Recommend:

- Northern Lakes CMHA develop a formal recruiting process as outlined in the section above.
- Requiring, unless part of an ADA Accommodation, that all applicants apply through the Website.
- Documenting communication with individuals that apply outside of the established process directing them to apply through the website.
- Updating Policy 108.201 Background Investigations to reflect the current practice.
- Developing a formal recruiting process will help ensure that all qualified candidates have the same opportunity, free from bias.
- Ensuring all candidates are asked the same set of permissible questions to avoid violating any labor laws.
- Consistent interviewing, hiring and job posting practices reduce the potential for discrimination claims.
- Requiring all applicants to complete an employment application prior to interview.
 - Provides opportunity to clarify and follow up on questions related to employment application.
- Clarifying roles and responsibilities in the selection and hiring process, defining the roles of both the hiring managers and HR in the process.
- Offering annual training to hiring managers to familiarize themselves with the recruitment process.
 - Suggested training includes but is not limited to effective interviewing techniques, understanding employment laws, and utilizing applicant tracking systems.
 - Allowing hiring managers to have direct access to applicant tracking systems significantly improves turnaround time when it comes to interviewing and hiring.
- Working with HR and the hiring managers to create a well-defined recruitment process that includes clear steps, timelines, and communication protocols. This includes everything from meeting with the hiring managers to determine the desired qualifications, reviewing and updating job descriptions (if needed) prior to every posting, developing predefined interview questions for each posting, background clearances and establishing a comprehensive onboarding process to welcome new employees.
- Enhancing communications, encourages open the dialogue between hiring managers and HR.
- Regular meetings or check-ins help to ensure everyone is on the same page and that any issues or concerns are addressed promptly.
- Human Resources should have ownership of the recruitment process while providing support to hiring managers.
- To increase transparency, consider incorporating Informational Meetings for internal postings.
 - Informational meetings are scheduled prior to or at that start of the posting.
 - This provides hiring managers the opportunity to explain the functions of the position, establish their expectations, review the schedule requirements and it also provides potential candidates the opportunity to meet directly with the hiring manager to address questions they may have.
- Consider incorporating debrief sessions with internal candidates that were not selected for the position as part of the employee development process.
 - Meeting with HR professionals to debrief after an interview can provide valuable insight and help better prepare the employee for future promotional opportunities.
- Reviewing the current application process to make it as efficient as possible while also collecting the required information to effectively screen candidates who should advance to the interview.
- Additional training may be necessary on the Paychex system to optimize its use. If Paychex is unable to meet the needs of Human Resources, there are several affordable and robust applicant tracking systems that can be used to expand these efforts and meet the needs of hiring managers.

By implementing these steps, you can create a more efficient and effective recruitment process that is well-managed by HR while still involving hiring managers in a meaningful way. This will help your organization attract candidates and reduce the likelihood of issues such as rescinded offers or losing potential employees to other employers.

Job Descriptions. Job descriptions are important documents for recruitment, onboarding, succession planning, performance evaluations, compensation analysis, worker’s compensation, and medical accommodations, etc.

The job description needs to communicate clearly and concisely what responsibilities and tasks the job entails, the qualifications of the job i.e., experience, skills, credentials, and the mental, physical, and work environmental requirements. Well written job descriptions are helpful in combating potential discrimination claims by clarifying the minimum qualifications of a job. A well-written job description is more than a laundry list of tasks. It must also reflect a sense of priorities. Done correctly, a well thought out job description has many benefits including:

1. Serving as the basis for hiring criteria.
2. Establishing the expectations of what should be done on the job.
3. Serving as a reference tool during performance evaluations or on the job performance.
4. Providing the framework for the essential job duties for the position if an individual needs to request an accommodation.

Job descriptions provide a basis from which to determine whether a disabled applicant is otherwise qualified under the Americans with Disabilities Act (ADA). If so, they assist in determining what accommodation would be required for the applicant to be able to perform the “essential functions” of the position.

Job descriptions also provide a basis for determining job status as “exempt” or “non-exempt” under the Fair Labor Standards Act (FLSA) law for receiving overtime payment.

Job Descriptions– Observations and Recommendations

Northern Lakes CMHA has a policy on position descriptions that explicitly state the commitment to developing and maintaining comprehensive job profiles for all agency positions. The policy mandates that employees are required to sign a copy of their respective position descriptions, with copies provided to both the employee and their supervisor. However, a critical omission from the policy is any stipulation regarding the frequency of reviewing these position descriptions. Consequently, many of the existing job descriptions are outdated, failing to accurately reflect the current duties of the positions.

Based on the small sample of job descriptions reviewed during the onsite assessment, Northern Lakes CMHA has a solid job description structure which includes summary of the position, essential position functions, supplementary functions, general performance requirements, qualifications and competencies, licensing and certification, education and experience, knowledge, and experience, working conditions and physical requirements, and limitations and disclaimers. The header of the job descriptions sampled also included information related to the FLSA status, location, department, and report to.

Overall, the current structure of the job description is solid, the current duties need to be reviewed and updated. If significant changes are made, job classification should be performed to determine if a reclassification (up or down) is warranted. After job descriptions are created, an FLSA audit should be conducted to ensure that the position is properly classified as exempt or non-exempt.

SUMMARY RECOMMENDATION – JOB DESCRIPTIONS

We Recommend:

- Ensuring that job descriptions accurately reflect current expectations of the position.
- Conducting an FLSA Audit when positions are created and reclassified to determine exempt and non-exempt status.
- Including supervisory responsibilities section, if applicable.
- Including remote, hybrid or in person status of the position.

Below are some additional recommended details to include in job descriptions:

- Including anticipated range of hours worked per week.
- Including if any travel (domestic or foreign or both) will be required.

Employment Application

The employment application is one of the most important documents a potential employer can require applicants to complete.

The employment application:

1. Acts as a legal document. Ensures the applicant understands your organization is an equal employment opportunity employer, and that their employment is at-will.
2. Their signature attests that the information that they are providing is accurate and truthful.
3. Mitigates risks of discrimination claims. A properly formatted and consistently used employment application standardizes the information a candidate provides when applying for a role.
4. Various statements such as the Equal Opportunity Statement and ADA requirements assist in risk mitigation.
5. Organizes past work experience, skills, and abilities. The application provides a framework for the interview process and determination if the applicant has the skills required to successfully work in the role.

The Employment Application should contain language on:

6. Authorization of Disclosures
7. At-Will Employment if applicable
8. Accommodation of Disabilities
9. Authorization to Work in USA
10. Expiration of Application
11. Application should include the question of whether the candidate is subject to any post-termination agreements with a prior employer (mainly salaried employees).
12. Conditional Job Offer *should not be* on the application.

Employment Application – Observations and Recommendations

Rehmann reviewed the employment application and employment application process. The current application / application process contains several elements that should be updated.

SUMMARY RECOMMENDATION – EMPLOYMENT APPLICATION

We Recommend

- Incorporating an electronic employment application into the job posting process to streamline the process. Applicants would complete and submit an electronic application at the same time they submit their resume.
- Page 2 - Updating instructions to have applicant contact Human Resources for questions. Current application directs applicants to refer to whoever provided the form.
- Page 2 - Updating EEO statement to include the following protected classes: *race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), parental status, national origin, age, disability, genetic information (including family medical history), political affiliation, military service, or other non-merit-based factors.*
- Page 2 - Updating drug screen statement to be consistent with policies required as a recipient of federal funding.
- Page 2 – Removing request for Maiden Name – may indicate marital status.
- Page 5 - Removing language regarding testing for prescription medication – the purpose of preemployment drug testing is to test for illegal drugs which is already covered in the statement.
 - There should be a policy that states employees in safety sensitive positions are required to notify the designated employer representative (typically Human Resources Manager or designee) if they have been prescribed any medication that may impact their job performance or create a safety concern.

Posting - Observation and Recommendations

The job postings are thorough in their presentation, capturing the details of the job description. They provide a clear, detailed account of the role, outlining its responsibilities and the requisite qualifications. The use of specific language in delineating key duties and responsibilities creates a vivid portrayal of the job's nature and sets clear expectations for potential candidates.

Positions posted externally are posted on Indeed, LinkedIn, ZipRecruiter, and US Military. Additional job boards were being added at the time of the assessment. Indeed, quick apply is currently allowed.

The current posting process allows for a built in Questionnaire that can be set up to include questions that would disqualify candidates that are not qualified for the position.

The recruitment video included on the main posting page promotes a culture of gentleness and introduces candidates to the values of the organization. Adding a one pager which summarizes the benefit package for each of the employee groups would be a valuable tool in the recruiting efforts. The job postings reviewed were in a standardized format and contained comprehensive information about the position.

SUMMARY RECOMMENDATION – WEBSITE POSTINGS

We Recommend:

- Creating a one-page benefit flyer to attach to each posting.
- Increasing the information displayed on the Career page so that it does not require a candidate to click on every position to gain key information.
- Periodically review the content of the Northern Lakes CMHA website to ensure that it reaches a wide range of audiences for all backgrounds.
- Creating a page that is welcoming to all those who may apply. This is the agencies' chance to make a good first impression.
- Reviewing the length of time and number of steps that it currently takes to apply for a job. In doing so, it will also be important to evaluate if all the information obtained is necessary at the time of application or could some of the information be requested if a contingent job offer is extended.
- Utilizing a screening questionnaire to aid in determining if candidates are qualified.

Interviews. Determining if a candidate is unsuitable for a position can be disheartening. A pre-screen interview helps hiring managers and employers save time. While an applicant may appear to be suitable on paper, an informal interview over the phone can help determine the extent of his or her skills and experience along with a preview of personality and social aptitude and whether he or she will be a good fit with the organization's culture. For all these reasons, conducting a thorough pre-screening process is essential for an efficient recruitment process.

Pre-screening phone interviews also allows the applicant to obtain a clear understanding of the position. Applicants can voice their own understanding of the position and salary requirements to determine whether the position is a good fit. This will also allow the employer to clarify any misconceptions the applicant may have about the position – ensuring that the potential employee fully understands the organization's expectations. By the end of the pre-screening interview, your organization should have a better understanding of whether to continue with the hiring process or move on to more suitable applicants.

Every applicant must go through a **consistent** process. Formalize, document, and utilize a compliant and consistent interview process. Develop a formal plan for interviewing a candidate with the questions and criteria identified in advance of the interview and administered the same for each candidate. Follow established policy relating to the creation and retention of hiring documentation.

Interviews – Observations and Recommendations

Due to staffing time constraints and department experience conducting interviews, HR participates in some interviews but not all. Currently there is no consistent process to ensure HR is notified of all interview schedules or that HR receives the interview notes for all candidates.

SUMMARY RECOMMENDATION - INTERVIEWING

We Recommend:

- Each position should have a set of approved interview questions that determine if the individual is qualified for the position and if the employee is a good fit for the culture of the organization.
- All hiring Managers should be trained on how to interview, what the dos and don'ts are during interviews and how to appropriately rate applicants in a consistent manner.
- Each applicant should be evaluated, and a determination made on each candidate.
- The final determination should be documented during the reconciliation of the posting process.
- HR should approve all interview questions in advance to ensure that only permissible questions are being asked.
- HR should be a resource to help provide well-developed behavior-based questions which will assist in gaining valuable insight and determining if a candidate meets the needs of the organization.
- Offering annual interview training and interview refresher training is also recommended.
- All interview questions should be uploaded in Paychex (if this feature is available).
- If this feature is not available, all interview questions should be maintained in the HR posting folder.

Candidate Selection. After completing the screening process (examining job applications, resumes, conducting interviews, and gathering tests or assessment scores) the next critical step is to make a well-informed decision. This involves evaluation the information as objectively as possible and applying a systematic approach. Assessing all candidates against a consistent set of established criteria, allows you to objectively evaluate their qualifications and qualities. This method, when consistently applied, provides a structured and transparent process, and also allows the screener to factor in their professional judgment. This combination of data-driven analysis and HR experience forms a reliable and defensible procedure for making hiring decisions.

When you adhere to this systematic approach, you're likely to see improvements in your ability to select the most suitable applicant for the job. It enhances the efficiency and accuracy of your hiring process, ultimately contributing to the success of bringing in new employees who are a good fit for your organization.

In general, applicants who have realistic expectations and understanding of the position including detailed information about work schedules, work preferences and work environment are more likely to turn down an initial job offers; however, data supports that well informed candidates typically have lower turnover. Investing time on the front end to ensure candidates have a full understanding of the position is much more cost effective and improves overall retention.

Employment Offer– Observations and Recommendations

It is important to have a consistent process to ensure that the applicants selected for the position meet all the minimum requirements of the position and that the Northern Lakes CMHA is selecting the best candidate for the position.

Offers should be made as a conditional offer of employment and the collection of any personal information such as birthdates, social security numbers, maiden names, etc. should not be asked for or required before the offer is presented to the selected candidate.

Employment Offers. We highly recommend all offers be written on the organization’s letterhead and have outlined a few key items:

1. Job Title
2. Reports to, Manager Name
3. Compensation, hourly rate, or salary rate by pay period.
 - a. Exempt / Non-Exempt Status
4. At-will statement if applicable
5. Overview of Benefits
6. **Conditional offer** of employment based on successful completion of pre-employment screening requirements such as drug screen, background check, etc.
7. Anticipated start date after completion of screening.
8. Contact for answering questions.
9. Necessary attachments i.e., Authorization for Disclosure forms, etc.

Contingent Employment Offers – Observations and Recommendations

SUMMARY RECOMMENDATION – CONTINGENT OFFER LETTER

We Recommend

- Adding language to reflect that the offer of employment is contingent on successfully completing all pre-employment requirements.
- Requiring candidates’ signature when offer is accepted.
- Maintaining a copy of the signed offer letter in the employee’s personnel file.
- Non-Union Positions
 - Include language that outlines which benefits the candidate will have and how the benefits will be administered.
 - (I.e., As a Non-Union employee your benefits will be administered in accordance with (Policy Name).
- Union position benefits are outlined in the Union Contract – Contingent offer letters should reflect that benefits will be administered in accordance with the Collective Bargaining Agreement. A link to the CBA should be included with the offer letter.

Pre-employment Checks. Pre-employment background checks are designed to verify the individual has sufficient work experience (meets the minimum requirements), possesses the required education, is not listed on an excluded provider list, and does not pose a liability or risk to the organization. Pre-employment clearances should all be conducted after receiving a signed contingent offer and completing a signed authorization form. Pre-employment clearances are conducted prior to the

candidate being cleared for hire. Should a new hire prove to be unreliable or possess a fraudulent resume and credentials, the cost of restarting the hiring process waste valuable time and money and can affect the competitive edge of the organization. The pre-employment clearance process is designed to objectively vet out candidates that would not meet the clearance requirements.

Reference and background checking are designed to help prevent claims of negligent hiring and part of the care an employer must take to ensure that the potential employee will not pose a threat to current employees or customers. Failure to complete the established pre-hire clearances could expose an employer to negligent hiring practices.

Pre-hire clearances should be completed after a conditional offer of employment is made to the selected candidate. A release authorization form should be completed upon acceptance of the employment offer. Employers who fail to exercise “due diligence” in checking a job candidate’s background may find themselves legally liable if the candidate is hired and subsequently uses the job to commit a crime. Liability may even extend to offenses that occur outside of work time. Unfortunately, for the hiring organization, companies that previously employed the job candidate almost always have policies that severely limit the types of answers they will provide, due to potential litigation. The limitations are generally verification of name, dates of employment and job titles held.

There are two key reasons, therefore, for checking references and backgrounds. One is to verify the facts provided by the applicant. The second reason is to uncover damaging background information such as criminal records that should be reviewed for their relevancy to the position for which you are hiring. For example, a conviction for embezzlement would be cause enough not to hire for a financial position such as Controller.

Pre-Employment Checks – Observations and Recommendations

Northern Lakes CMHA currently conducts thorough background checks and reference as part of the hiring process.

The Background Check Policy needs to be updated to reflect current practice related to Felonies. Currently felony charges are reviewed by the HR Manager and CEO

SUMMARY RECOMMENDATION – PRE-EMPLOYMENT CLEARANCES

We Recommend

- Evaluating the timing of the pre-employment checks and reference checks to ensure they are being done in an efficient fashion to expedite the hiring process.
- Updating the Background Check Policy to be align with current practice as related to felonies.

Organizational On-Boarding. After recruiting, screening, and selecting a new employee, the next step involves orienting and training new hires to perform their new job effectively. New hire orientations, whether formal or informal, presents a wonderful opportunity for Northern Lakes to introduce the new employee into the organization.

The purpose of Orientation day is to provide new employees with the basic information required to perform their jobs satisfactorily and to acclimate the employee into the organization’s way of doing

things. Orientation provides the foundation to engage employees early while sharing expectations and instilling Northern Lake CMHA attitudes, standards, and values.

The New Hire Orientation should make the employee feel welcomed and valued. The basic goal of every orientation process is one of introduction and acclimation into the organization culture, with team members and their own specific job responsibilities.

The orientation process begins with the first day on the job and will continue for a reasonable period of time before they have a comprehensive understanding of their responsibilities, are productive and feel they are a valuable part of the team. Orientation should address four main areas:

1. New employee anxieties.
2. Job tasks, expectations, and accountabilities.
3. Operations, culture, and values.
4. Basic policies and procedures.

New Hire Training may include a safety overview, cover proper use of equipment and review procedures applicable for their new position. Those involved in new hire training should know the objectives to be communicated, be prepared to deliver soon after the new hire is on board and document that the training was completed with the signature of the newly hired employee.

An effective orientation should have a checklist of the necessary documents the employee must complete, provide the necessary information the employee needs to know and review the benefits the employee will receive as a result of joining the organization. A consistent orientation with each employee will ensure key items are covered and required documents get to the proper parties, i.e., payroll, insurances, and HR.

New Hire Packet. A comprehensive new hire packet helps the new employee get acquainted with your organization. It also ensures you're in compliance with employment and labor laws and can protect the organization against wrongful termination lawsuits should the relationship not work out.

Below is a list of documents to consider including in the new hire packet.

A modern ATS system should be used to collect the onboarding documents efficiently.

1. **Welcome Letter:** A short welcome letter from leadership sets the tone for the relationship and reflects your organization's culture.
 - a. It is important to ensure the welcome letter does not contain any promises as to terms or conditions of employment.
2. **Benefits:** If the new hire is eligible for benefits you should include summary plan descriptions and enrollment paperwork. (i.e., medical, dental, 401(a), 457(b), etc.)
3. **Required Forms and Brochures:** Forms required by law include W-4s and Immigration Form I9. Additional documents are used to collect employee contact information, emergency contact information.
 - a. Recommend providing a checklist to help ensure the new hire understands which documents to sign and return.
4. **New Employee Orientation:** Due to the number of variables by positions, documenting the orientation process and steps by position is recommended.
5. **Employee Handbook (when developed):** Include a new hire packet with an acknowledgement form for the new hire to sign and return on the first day or within the first week.

- a. **Information Security Policies:** Your policy should include statements that the organization reserves the right to monitor and access any employee communications.
 - i. Employees should be informed that communications using Northern Lakes CMHA property or over the Northern Lakes CMHA provided systems are not private.
- b. **Harassment Policy:** Consider including a separate acknowledgement form the new hire must sign and return stating they read, understand, and will comply with the Harassment policy.
- c. **Code of Ethics/Business Conduct:** Include this information in the new hire package along with an acknowledgment form like the one regarding harassment policy.
- d. **Driving Polices and Requirements:** If the job requires driving, include all applicable driving policies, requirements, reimbursement policy, forms, insurance information, etc.
- e. **Payroll Documents:** If your organization uses direct deposit, include the enrollment forms in the new hire package with instructions on where to return it on the first day of work.

A well-designed new hire packet helps the new employees understand what is required of them on the job. It also helps them feel part of the organization. A comprehensive set of information backed up with knowledgeable HR, leadership, and supervisors helps employees get off to a great start.

Organizational Onboarding and New Hire Packet– Observations and Recommendations

Northern Lakes CMHA currently conducts an onboarding process; however, the current process is not automated or integrated into the HRIS System. Based on the technology available today the recommendation is to automate the onboarding process using a robust applicant tracking system that creates workflows and allows you to move applicants from the recruit stage into an onboarding stage seamlessly using the information that is already available in the system.

If Paychex is not equipped to provide the automation needed, the recommendation would be to consider implementing an applicant tracking system that can make this happen. Whatever system is chosen, it is important to verify that it can handle the complexities associated with onboarding and credentialing in the Community Mental Health arena and that have a proven customer service track record.

The onboarding process should include training information for each position, a training sign-off sheet clearly listing everyone's training received, employee policies and procedures, benefit summaries and any other information that is necessary for an employee at the Northern Lakes CMHA to be successful.

SUMMARY RECOMMENDATION – ONBOARDING

We Recommend:

- Continuing to enhance the onboarding experience by automating the onboarding process using a robust applicant tracking system that creates workflows and allows you to move applicants from the recruit or application stage into an onboarding stage seamlessly using the information that is already available in the system.
 - Establishing dynamic onboarding checklist that can easily be modified as processes change.
 - Creating an electronic system that allows employees to sign off on the employee handbook, and key policies.
- Conducting new hire orientation for all employees regardless of work location. While an in-person onboarding is desirable a virtual onboarding via one of the electronic platforms such as Zoom or Microsoft Teams can also work.
 - Consideration needs to be given to the I-9 process and the requirements to inspect original documentation.
 - E-Verify allows for remote I-9 processing.
- Including time in the onboarding agenda for employees to meet with the employee’s hiring manager or designee. This is a great way for departments to welcome a new employee and answer any non-HR related questions.
- Reviewing expectations for the first 30, 60 and 90 days during the first week of employment.
- Ensuring that the onboarding provides the training needed to do the basic function of the position.
 - Feedback obtained during the interviews revealed there is a lack of training in job specific systems (i.e., health record systems) which often requires hiring managers to complete individualized training when the training should have been handled by someone else in the organization. It is recommended that following the organization wide onboarding, new hires be scheduled to complete required training before being required to report to their department (i.e., health records systems).
- Ensuring there is a good transition from Human Resources to the department after onboarding is critical.

Organizational Exit. An employee’s last day may be emotional and stressful for the employee, manager and other employees depending on the circumstances of the exit. How you say “good-bye” can have a huge impact on how the employee feels about your organization, how the manager feels about the exit and how the employees feel about losing a team member. Having a well-defined process for exiting employees will help all parties involved in following the necessary steps to make the exit as smooth and as thorough as it needs to be.

The individual manager needs to be aware of his/her influence and impact on direct reports. Some turnover can be positive when employees are not acclimating to the position or not meeting performance goals. The individual manager must also engage and retain high performing employees. This process is a continual balance for management. Gallup studies have stated “An employee hires into the organization and leaves because of the manager.” Ensuring that conversations, activities, and

feedback are all aligned to engage employees and keep them productive is not an easy task and does require consistent practices and tools.

Many employers conduct exit interviews with employees who are voluntarily leaving the organization. It is important to identify who will complete them and to ensure the person completing the interview has appropriate training. The purpose is to elicit information that might give the employer better insight into what is right or wrong about the organization. Having a questionnaire ready with a list of questions prepared is valuable. Being prompt in holding the interview and consistent in what information may be obtained will best serve the organization.

Employers need to be prepared to respond to concerns addressed during an exit interview. Many times, an employee is sharing information for the first time.

LEGAL CONSIDERATIONS/RISK – EMPLOYMENT PRACTICES

1. Accommodation claims by an employee based on the federal or state ADA.
2. Incomplete or inaccurate documentation in job offers.
3. Legal claim arising from a termination of employment based on the employee's perception of unfair treatment.
4. Discrimination or retaliation claim arising from termination of employment.
5. Claim for unpaid wages with penalties arising from a termination of employment.
6. Claim of defamation arising from the termination of employment or based on the employer's failure to give a fair and factual reference to a potential new employer.
7. Inability of the employer to defeat a claim for reemployment benefits when the termination was based on employee misconduct.
8. Overall lost opportunity to address issues that you may not otherwise have been aware existed.

Exit Interview Observations and Recommendations

The Exit Interview process can be improved by placing an emphasis on its importance, ensuring employees know how the data will be collected and more importantly how the data will be used in the future.

There was not a well defined and consistent practice of obtaining valuable information upon an employees exit. The information should be obtained, compiled and any issues that are identified should be explored further. This will help to address issues that can be impacting the organization

SUMMARY RECOMMENDATION – EXIT INTERVIEWS

We Recommend:

- A formal exit interview process be implemented to ensure Northern Lakes CMHA is asking consistent questions when employees separate so that trends can be identified.
- Develop a reporting process that helps to address issues that have been raised in a way that helps retain a level of confidentiality.
- The exit interview be a process handled by HR as the final step in the employee lifecycle.
- A virtual or in person interview be conducted.
 - Northern Lakes CMHA will gain far more insight into why an employee is leaving if they take the time to meet with them individually.

IV. Compensation & Benefits

Compensation simply defined is earned income for work performed. Examples of compensation include wages, salaries, bonuses, and commissions. Discretionary bonuses can be classified as compensation.

While it is becoming increasingly important for organizations to ensure that they provide competitive compensation and benefits to attract and retain the talent needed to create or maintain their competitive advantage in the marketplace, it is critical that companies have a well thought-out and clear compensation philosophy along with sound pay structures and policies that are linked to their core values, mission, and vision.

Compensation and benefits plans should be thought of as an investment in the organization's people. Not surprisingly, more and more individuals today expect fairness and evidence that an organization's compensation and benefits plans are designed for their unique needs. And, more organizations are sharing their pay ranges and pay strategy with employees and job candidates, as more individuals expect transparency in the organization's compensation structure and processes. There is no shortage of data on market compensation practices that individuals have access to when deciding whether to join or stay with an employer.

An increasingly common employer practice is sharing total compensation statements with employees. A total compensation statement outlines all employee's rewards (salary, bonuses, equity, health insurance, etc.) and often applies a monetary value to non-cash items.

To maintain a competitive compensation environment, employers need to utilize a range of tools to gather and act upon market data and practices. This includes but may not be limited to the use of salary surveys from various sources including third-party entities, government surveys, industry surveys and paid on-line sources.

Compensation: Employers also must ensure their compensation program is not creating compliance issues for the organization. Employers should conduct regular and thorough audits of the organization's compensation practices, uncovering problems and identifying ways to address them.

Audits can focus on answering several key questions, such as:

- Is available data clean and robust enough to support a comprehensive compensation audit?
- Do compensation decisions reflect Northern Lakes CMHA's pay strategy?
- How do median pay levels differ when compared to specific groups - for example, median pay for men compared to that of women?
- Are some employees earning bonuses for unexplained or inadequately documented reasons?
- Is the compensation strategy encouraging discrepancies in pay levels or are discrepancies happening because managers are not following the compensation philosophy?
- If the goal is to pay for performance, is the organization paying for performance?

Reclassification Process:

Northern Lakes CMHA has a policy on Compensation and Classification which outlines when pay rates can be changed and when reclassifications of positions will take place. What is lacking is the policy that details on what basis a reclassification will be evaluated.

- During the onsite interviews, there were several concerns raised related to the reclassification process.
 - Both employees and Managers questioned the classification and reclassification process.
 - Under the previous leadership, Managers stated they received no support or guidance from Human Resources during the reclassification process and when request were denied, no feedback was provided to the manager or the employee.
 - Employees perceived the process to be subjective with no valid reason for the denial.
 - Prior to 2023, employees reported that most reclassification request were denied and then in 2023 there were a group of reclassification requests that were all approved without going through formal reclassification review.
 - The inconsistency has left several employees to question the fairness of the process.

Benefits: Benefits are cash and non-cash rewards in addition to compensation. Benefits include health insurance, paid time off, wellness programs, 401(a)/457(b) match, pension. Other types of benefits can include health care reimbursement accounts, flexible spending accounts, pet insurance, flex time, education, or tuition reimbursement, and paid and unpaid sabbaticals.

It is important that organizations regularly evaluate their benefit programs to make sure they are still what employees want. As workers age and new employees join the organization, employers now have to offer benefits that appeal across multiple generations of employees. This requires analyzing employee demographics to learn how many employees are in specific income brackets, geographies, and general life stages, such as those new to the workforce, workers who have families and workers approaching retirement. Employers can then evaluate benefits based on facts about their workforce.

Health and wellness benefits, which are designed to enhance employees' physical, mental, and emotional well-being, are being adopted by more organizations as a way of differentiating themselves from their competitors and showing that they care about their employees. The Harvard Business Review has done extensive research on workplace health and wellness programs that has led them to arrive at this definition for a Health & Wellness Program:

An organized, employer-sponsored program that is designed to support employees (and, sometimes, their families) as they adopt and sustain behaviors that reduce health risks, improve quality of life, enhance personal effectiveness, and benefit the organization's bottom line.

Healthy employees are more likely to stay with an organization and just as importantly – be productive employees.

Compensation and Benefits – Observations and Recommendations

The scope of this HR Assessment did not include a comprehensive compensation analysis or a complete Fair Labor Standards Act (FLSA) audit for Northern Lakes CMHA. However, the review of the census and insights gathered during interviews revealed that several positions underwent reclassification over the past year. During the interviews, multiple concerns were raised about the selective nature of this process, with only a specific subset of positions being considered for

reclassification. The reclassified positions had been brought to the attention of the previous administration but remained unaddressed.

Notably, this HR assessment found there to be a lack of documentation regarding the criteria used to determine raises for each position, and new positions descriptions were not created in accordance with the adopted policy.

Moreover, the optics surrounding the salary adjustments have raised additional concerns among employees. It was observed that those near decision-makers had their salaries modified. Given recent experiences with a controlling and less than transparent administration, the perception from some of the employee group is that leadership is prioritizing those within their inner circle.

Establishing a well-thought-out plan to systematically review and address the current wage structure, with clear communication and execution, is essential for laying the foundation. While the policy specifies that adjustments are considered between July 1st and July 31st, any allowances for adjustments outside of this time limit need to be clarified and tightened in the policy. If exceptions exist, the policy should explicitly outline the circumstances under which the evaluation of positions would occur. Following these practices will provide transparent guidance to all employees and create a framework for fair evaluations.

Increasing wages, without a systematic approach, may have inadvertently created compression issues potentially resulting in individuals in similar classifications with similar experience receiving significantly different wages. Instead of instilling confidence in the HR department and ensuring equitable treatment, these practices have unfortunately fueled perceptions of favoritism and unequal treatment among employees. Addressing wage issues systematically and transparently will be crucial for rebuilding trust and establishing a fair and consistent approach to compensation within the organization.

LEGAL CONSIDERATIONS/RISK – COMPENSATION & BENEFITS

There is a continued increase in awareness by employees related to overtime laws and changing regulations. Common claims brought by an employee or by a government authority that an employee's compensation is illegal include:

1. Employee is not classified correctly for FLSA purposes.
2. Employee is inappropriately being treated as “exempt” when they should be ‘non-exempt’.
3. Employee is a “nonexempt” employee who is paid less than the minimum wage.
4. Employee is a “nonexempt” employee is not receiving overtime compensation as required.
5. Documentation of hours worked, and compensation paid is inadequate.

SUMMARY RECOMMENDATION – COMPENSATION

We Recommend:

- Northern Lakes CMHA complete a comprehensive FLSA audit to ensure all positions are appropriately classified as exempt or nonexempt. This should be a priority as noncompliance can result in Department of Labor violations and fines.
- Northern Lakes CMHA consider a pay equity evaluation especially if hiring and compensation practice have been inconsistent.
- Updating Policy 108.301 Compensation and Classification to reflect the current practice.
- Creating and implementing a factoring system by which positions will be reviewed for reclassification or wage adjustment.
- Expanding the compensation and classification policy to include the parameters of which position will be reevaluated. Assuming more of the same level of work does not necessarily mean a reclassification would be successful as the work itself has been classified in a certain grade.
- Implementing a well-defined classification tool that can be used for new positions and reclassification requests. During this period of continued change it is imperative to establish and maintain a clear reclassification process to ensure transparency and consistency in aligning roles based on established criteria. The reclassification process must be done systematically.
- The following criteria is often used to determine the classification of a position:
 - Education & Relevant Experience
 - Judgment & Independence of Action
 - Internal & External Relations
 - Supervisory or Managerial Responsibility
 - Job Complexity & Analytic Demands
 - Responsibility for the Safety and Convenience of Others
 - Technology & Equipment Use
 - Impact on Programs, Services, and Operations
 - Intensity & Demand for Concentration
 - Work Environment

Additional criteria can be added based on the agency's operations and unique organizational structure.
- Reviewing and updating the policy language related to the reclassification process.
 - It is imperative the policy be updated to reflect current process and then followed to restore trust in the process moving forward.
- Following established reclassification process to ensure all requests are handled in a consistent manner.
- Providing timely and consistent feedback to employees and managers when requests for reclassifications are denied or delayed.

V. Performance Management

A Performance Management system means more than assessing an employee's performance on a periodic basis. Current trends find that employees need and desire more immediate feedback and are looking for some type of formal feedback at least on a quarterly basis. More frequent feedback is more reliable and may provide a "no surprises" approach.

An effective performance management system:

1. Establishes clearly defined performance expectations.
2. Sets clear measurable objectives linked to business goals, coaching, and providing constructive feedback on job performance and employee behavior and rewarding and recognizing employees based on individual performance.
 - a. Employees should be equal participants in the process and work with their leader/supervisor to set objectives and plan their career development.

Performance Management – Observations and Recommendations

Currently Northern Lakes CMHA has a policy on Performance Evaluations which indicate that new hires will have at least evaluation during the first 6 months of employment and annually thereafter.

Based on feedback from the interviews, Northern Lakes CMHA has not consistently conducted performance evaluations. In fact, several employees reported never having an evaluation. The performance management process is inconsistent at best. The evaluation itself leaves room for improvement. Managers/Supervisors and employees have not been trained on conducting performance evaluations or on giving and receiving feedback. To further complicate the process the questions asked and rated are not meaningful. For example, raters are asked to give a rating on the employee's goals.

When determining if employees received one-on-one meetings throughout the week, month, quarter, year the responses were just as concerning.

Several individuals reported receiving no one-on-one time with their supervisor. It is recommended that Northern Lakes CMHA provide employees with scheduled performance feedback, whether it be through regular one-on-one conversations between employee and the supervisor or through a more formal performance review. If implementing regular one-on-one meetings, meeting notes should be documented and utilized if pay for performance is to be implemented.

LEGAL CONSIDERATIONS/RISK – PERFORMANCE MANAGEMENT

1. Legal claims based on an employee's perception of an unfair performance evaluation or disciplinary process.
2. Retaliation claims resulting from employee discipline or performance correction.
3. Defamation or invasion of privacy claim resulting from employee discipline or performance correction.

SUMMARY RECOMMENDATION – PERFORMANCE MANAGEMENT

We Recommend:

- Re-evaluating the performance evaluation system to make it meaningful for all parties.
- Training both managers and employees on the performance evaluation grading system.
- Clearly defining and communicating the probationary period evaluation process.
- Have clearly defined 30/60/90-day goals for each position.
- Following up with new hires during the 90 days to determine if they have the tools, they need to do their jobs.
- Establishing best practice for communicating on employee performance more than once a year and during that time include career development discussions for employees.
 - While there is a formal process in place to evaluate or provide feedback, employees are looking for intentional conversations, recognition, and feedback.
 - Performance discussions should be a time to recognize all employee performance not only a time to address underperformers.
- Improving the process to ensure that the evaluations can be done electronically.
- Northern Lakes CMHA leadership identifies a set of standard annual goals that they would like to see Northern Lakes CMHA meet as a whole.
 - From here, everyone can work with their supervisor to see how they impact Northern Lakes CMHA goals.
 - When employees can see that they have a direct impact on the success of Northern Lakes CMHA, it increases employee engagement and connection with Northern Lakes CMHA

VI. Career Development & Succession Planning

Career Development. A career development program provides many advantages to the success of the organization. Providing constructive career development opportunities for the employees is one of the most cost-effective ways to achieve the following benefits for your organization:

1. Retention
2. Engagement
3. Productivity
4. Knowledge Transfer/Retention
5. Skills & Abilities
6. Positive Northern Lakes CMHA Branding
7. Healthy Succession Pipeline

Career Development – Observations and Recommendations

Northern Lakes CMHA currently does not have a formal career development plan in place for any employees. Northern Lakes has two employees dedicated to training who have more than 25 years with the agency and no succession plan should either choose to retire or leave the agency sooner than expected.

It is recommended that the Northern Lakes CMHA identify career development opportunities for current and future employees especially if they intend to continue a “Grow our own” approach.

Succession Planning. Succession planning identifies job vacancies that can be expected to occur through retirement or attrition and then takes into consideration a strategic approach on where and how internal candidates might fill those vacancies. Succession planning involves assessing job requirements and the skills of existing employees and then develops a plan to fill identified gaps between the needs of the organization and the skills that can be developed with training and development activities.

A strong succession plan:

1. Identifies future leaders.
2. Develops a promote from within culture.
3. Is cost effective.
4. Identifies competency gaps.
5. Ensures continuous effective leadership.

Succession Planning – Observations and Recommendations

The interviews with Northern Lakes CMHA employees found there is no formal or structured succession planning practice in place.

LEGAL CONSIDERATIONS/RISK– CAREER DEVELOPMENT & SUCCESSION PLANNING

An insufficient Career Development & Succession Planning can result in:

1. Non-flexible career paths that result in lack of creativity.

2. Higher turnover rates.
3. Failure to notice potential high performing successors.
4. Increased discontinuity in the event of the sudden departure of a key employee.

SUMMARY RECOMMENDATION – CAREER DEVELOPMENT & SUCCESSION PLANNING

We Recommend:

- That Northern Lakes CMHA evaluate and initiate career development opportunities for employees.
 - Career development should be discussed with employees during their performance evaluations or one-on-one supervisions.
 - Career development within the organization should be considered when evaluating the training positions to expand the duties to be more inclusive.
- The agency should place a focus on succession planning to ensure there are future successors ready to move into key positions when vacancies arise.

Providing career development opportunities for employees is a great way to engage and invest in employees and makes employees feel valued.

VII. Employee Relations

The Society of Human Resources Management (SHRM) defines employee relations as a function that encompasses a broad range of concepts, transactions, practices, behaviors, and objectives arising out of the relationship between an employer and its employees, supervisors and subordinates, and co-workers.

Employee relations supports and guides a myriad of decisions that an organization's leaders will make while recruiting, screening, hiring, training, compensating, assessing, accommodating, coaching, counseling, disciplining, and terminating employees.

It is impossible to anticipate all situations managers and employees will face in the workplace. Nevertheless, human resource professionals who understand the basic concepts of employee relations and who take steps to ensure their organization's rules are logical and well understood by employees and leaders will know how to identify needs, spot issues and form solutions to situations as they arise.

Basic employee relations concepts include equal employment opportunity, fairness, and consistency in the treatment of employees, effective communications between management and employees, documentation of employment actions, record-keeping as required by law and practice, performance management systems, and conflict resolution processes. In some organizations employee relations professionals are responsible for creating and maintaining a positive, productive, and cohesive work environment within the organization's particular business model and corporate culture.

Employee Relations– Observations and Recommendations

We conducted over 50 hours of interviews during the HR Assessment. Initially interviews were scheduled with a smaller group of hiring managers, leadership, the union, and the HR team. Due to interest, the opportunity to meet with Rehmann was extended to anyone willing to participate in the assessment process. This resulted in 49 employees being scheduled for an interview. Additionally, Northern Lakes CMHA agreed to broaden the avenues for feedback through the employee engagement survey, the findings of which will be discussed later in the report.

As HR professionals, the insights we gained were disheartening. The organization has grappled with years of mistrust, fear of retaliation, harassment, intimidation, inconsistency, frustration, and unacceptable working conditions. The impact on employees runs deep, with the root cause of most concerns traced back to a culture where top executives misused their authority, employing intimidation and retaliation as management tools.

A select inner circle of employees-controlled resources, finances, and policies, profoundly affecting each department's operations. Those aligned with this group received preferential treatment, while those outside the group faced unprofessional treatment which was a recurring theme throughout our assessment.

Engaging with the Rehmann team proved challenging for several employees due to fear of potential retaliation. As promised during interviews, this report will not disclose identities but will aggregate and summarize the factors contributing to the current environment.

Much of the employee feedback provided in the engagement study closely mirrored what was shared during the one-on-one interviews. Results of the interviews are also aggregated into this report where applicable.

We found the employees to be open and candid when they met with the Rehmann Team.

- Many employees shared their concerns about past practices.
- Several employees indicated that an assessment by an outside company was a step in a positive direction and were grateful for the opportunity to be heard.
- Many employees shared their hope for the future based on recent events that have transpired and changes that were being made under the new leadership team.
- Compliance concerns that were identified have been forwarded to the appropriate individuals for further investigation or follow-up.
- Other themes that came up during the interviews included:
 - Lack of accountability (supervisors witnessing behavior but not correcting it).
 - Inconsistent application of policy (breaks, scheduled start and stop time, remote work)
 - Unbalanced workloads (some employees feel overwhelmed while others appear not to have enough work)
 - Unfair hiring practices (perception that minimum qualifications not being met or being changed for a specific individual).
 - Insubordination (unprofessional behavior toward supervisor).
 - Lack of inclusiveness.
 - Lack of diversity within the organization.
 - Supervisors not being available.
 - Lack of Leadership response to critical safety concerns.
 - Lack of overall response to safety concerns.

Employee interviews during the assessment revealed that confidential information was inadequately safeguarded, with crucial details of sensitive matters reaching supervisors or managers via other employees, and necessary job-related information often being restricted on a need-to-know basis determined by individual that did not have a full understanding of the situation.

Significant organizational changes over the past year, have left employees uncertain about their future with many wonderings who may be the next to leave the organization. Improved communications, even when detailed information cannot be shared, is crucial to steer the organization in a more positive direction. To accomplish this may require written communications on sensitive topics, acknowledging, for instance, an employee's departure with unknown duration, and directing any questions or concerns to a specific contact person within the organization.

It is crucial to highlight two significant aspects that emerged during the evaluation concerning the unity, or lack thereof, within the organization.

First, there is a sentiment that offices outside of Traverse City are perceived as the stepchildren of the organization. Despite each location playing a vital role in providing essential services, employees in these offices often feel disconnected, as if they are an afterthought. While commendable initiatives have been introduced to have the current leadership team visit these alternate locations on a more regular basis, it has not yet changed employees' perceptions that remote locations are valued differently than the Travis City location. Every office and every employee, regardless of its location, should feel equally integrated into the organization - ensuring a sense of connection is imperative to change that perception.

A genuine concern resonated not only about job security but also about the future trajectory of the organization. Frontline employees, serving as the face of the organization, seem to lack a sense of connection and understanding regarding the board's vision. Differing opinions exist on whether the board has definitively charted the organization's course for the future.

The dedicated team of passionate employees' desires to deliver high-quality services, however the lack of a clear organizational vision creates uncertainty. Connecting each employee to the organization's overarching goals can profoundly impact employee engagement and provide a measure of goal achievement.

The interviews revealed that the employees like to understand 'Why' changes are being made or considered. When compliance changes are implemented, it is critical to communicate the reason for the change with the employee group and when possible, provide supporting documentation for those that want more detailed information. For example, if the change is related to MDHHS guidelines, employees would like a link related to the change be provided so they can review the information to gain a better understanding for the reason for the change. Without having access to the source for the change, employees are apt to do their own research which can lead to confusion if they are unable to locate information supporting the change or if they locate information that contradicts the change. Employee feedback supports that employees gain comfort when provided access to the source document initiating the change.

Annual strategic planning sessions present a valuable opportunity to unite the organization. A skilled facilitator can assist the board in refining their focus, linking senior leadership to the goals, and instilling a cohesive vision throughout the organization. At present, there seems to be a lack of focus and heightened uncertainty, prompting individuals to keep their options open.

LEGAL CONSIDERATIONS/RISK – EMPLOYEE RELATIONS

1. Lack of communication
2. Employee relation issues due to blind biases, inconsistent practices
3. Failure to train.
4. Increased risk due to unknown compliance requirements
5. Lack of connection to the board of director's vision

SUMMARY RECOMMENDATION – EMPLOYEE RELATIONS

We Recommend:

- Focusing on rebuilding trust throughout the organization.
- Ensuring a consistent application of policies and procedures.
- Ensuring all actions of the agency are in line with the core values and mission.
- Increasing transparency to ensure employees have the information they need to do their jobs.
- Developing a structured communication plan that reaches all employees.
- Recognizing employees for their work
- Providing supervisors with structured leadership training
- Providing employees with growth and development opportunities
- Implementing a performance appraisal system that fosters effective feedback between managers and employees.
- Continuing with the employee engagement surveys to actively monitor progress.
- Adhering to a structured internal promotional process.

SUMMARY RECOMMENDATION – CAREER DEVELOPMENT &

VIII. Health & Safety

The goal of the occupational safety and health program is to foster a safe and healthy work environment. The following is an excerpt of key employer responsibilities from the Department of Labor – Occupational Health & Safety Administration:

1. Examine workplace conditions to make sure they conform to applicable OSHA standards.
2. Make sure employees have and use safe tools and equipment and properly maintain this equipment.
3. Post, at a prominent location within the workplace, the OSHA poster (or the state-plan equivalent) informing employees of their rights and responsibilities.
4. Keep records of work-related injuries and illnesses.
5. Update Policy 2.16 Department of Labor Safety Investigations (OSHA)

Health and Safety – Observations and Recommendations

During the Assessment interviews, it was mentioned that Northern Lakes CMHA experiences relatively few work-related injuries or illnesses. However, the existing safety committee's effectiveness was questioned, primarily concerning its composition and decision-making authority.

It is advisable to reassess the safety committee's structure, incorporating HR into its membership and establishing a streamlined process for project completion. Delaying simple task for extended periods of time (some reported greater than a year), such as changing a light bulb, fixing a door or implementation of other safety standards is not in line with best practices. It is crucial to ensure that the right resources are allocated and that the CEO and CFO regularly follow up on safety meeting activities and findings to enhance the committee's overall effectiveness.

Safety concerns included:

1. Risks of additional physical attack by consumers.
2. Lack of security while the Crisis Welcoming Center is temporarily being operated in the Traverse City Location.
3. Current greeters being vulnerable and unprepared to deal with an emergency on the first floor of the Traverse City location while the Crisis Center is being operated.
4. Office set-up not meeting safety guidelines.
 - a. Desk placement - not having unobstructed access routes when meeting with individuals in the office.
5. Panic buttons on laptops do not identify location. False alarms are common, diminishing other employee's reaction/response to the alarm.
6. The inability to remotely lock down facilities if needed (secondary location).
7. Distance to nearest faucet to wash hands after providing services to an individual. (Secondary location).
8. Lack of debriefing after critical incidents.
9. Lack of leadership support after critical event.
10. Lack of specialized situational awareness or self defense training for personnel that directly services individuals onsite or out in the community.

LEGAL CONSIDERATIONS/RISK– HEALTH & SAFETY

Failure to provide a safe work environment can lead to:

1. Costly mistakes from lack of preparation and training
2. Failing an OSHA audit – not good for business!
3. Injury
4. Employee morale and short-term hires

SUMMARY RECOMMENDATION – HEALTH AND SAFETY

We Recommend

- Reassessing the safety committee's structure, incorporating HR into its membership and establishing a streamlined process for project completion.
- Reassessing if the current panic button system provides effective notification for current operations.
- Responding to all safety related inquiries and feedback in a timely manner to ensure employees know their concerns have been received.
- Providing specific safety related to training for clinicians who meet with individuals.

IX. Government Regulations

HR and leadership are key to alignment with federal and state regulations. HR and leadership ensure federal and state compliance with a wide range of statutes and implementing regulations. Being aware of the following governmental regulations is critical to the organization's compliance and risk mitigation.

Major federal regulations include:

1. Immigration Reform and Control Act
2. Equal Pay Act
3. Employee Polygraph Protection Act
4. Fair Labor Standards Act
5. Occupational Safety and Health Act
6. Employee Retirement Income Security Act
7. Uniformed Services Employment and Reemployment Act
8. Consumer Credit Protection Act
9. Jury Systems Improvement Act

Major state regulations include:

10. Elliott-Larsen Civil Rights Act
11. Persons with Disabilities Civil Rights Act
12. Workforce Opportunity Wage Act
13. Bullard-Plawecki Employee Right to Know Act
14. Whistleblowers' Protection Act
15. Michigan Occupational Safety and Health Act

LEGAL CONSIDERATIONS/RISKS – GOVERNMENT REGULATIONS

Familiarity with government regulations is imperative to mitigating risk to the Northern Lakes CMHA, being fair in employee actions, consistent in the treatment employees, and avoiding litigation.

X. Process Improvements – Employee Feedback

The HR Assessment not only focused on the employee life cycle from the HR operations perspective, but it included determining how HR's customers felt about the department and service delivery. Based on our review of processes and practice coupled with feedback from the end user this is what was identified in the Assessment Interviews:

HUMAN RESOURCES

1. A majority of the HR team is new to the organization, presenting a wealth of opportunities. The HR Assessment and the employee engagement survey elicited valuable feedback, shedding light on various aspects. It is important to recognize that significant personnel changes have taken place, and these recent changes are poised to have a positive impact on the organization.
2. Employees expressed highly favorable sentiments about Becky Brown in her new HR Specialist role. As Becky is provided with the necessary tools and resources needed, the organization will undoubtedly reap continued benefits.
 - Implementing a robust recruiting process that ensures consistency in hiring for all positions will not only generate momentum in the hiring process but also instill trust among those relying on the organization to make sound hiring decisions.
3. Based on feedback received, employees believe that Kris Rehling is a valuable resource for benefit related questions.
4. Selecting and hiring, Neil Rojas, HR Manager has been well received, employees have found Neil to be very approachable, reachable, and responsive. Neil brings a fresh perspective to the HR Department which employees appear to have embraced.
 - Neil's lack experience working in a Union environment and navigating labor relations will require dedicated mentorship as personnel and union concerns arise. Providing Neil with the resources needed will be important for his success in the HR Manager position.
 - It is critical that Neil be provided ongoing access to a resource or mentor he can contact when HR guidance is needed. While this will be challenging in the beginning it also presents room for growth and development, having the right mentorship will provide Neil with the support needed to develop the HR Manager position to its fullest.
5. Human Resources plays a crucial role in guiding employees through various aspects of their employment journey, including understanding policies, benefits, grievance procedures, and career development opportunities. When support is not readily available or communication channels are unclear, employees may struggle to resolve issues, resulting in prolonged conflicts or unresolved concerns. This lack of clarity can also contribute to a sense of disengagement and mistrust among employees, as they feel their needs are not adequately addressed. As the new team continues to build relationships with employees, this will begin to take shape and trust in the department will begin to be restored.

6. In addressing these challenges, Northern Lakes CMHA should institute well-defined channels for employees to identify the appropriate contacts for HR related matters. Additionally, continuous training for HR personnel is crucial to ensure their readiness in promptly and effectively addressing employee inquiries. An accessible and supportive HR function plays a pivotal role in fostering a positive and productive work environment, where employees feel acknowledged and valued.

It is advisable for Northern Lakes CMHA to explore the streamlining Human Resources duties and responsibilities, promoting a more seamless connection with employees and reducing risks associated with legal, regulatory, and policy compliance.

Cross training is critical. To avoid disruption during unplanned leaves or unexpected vacancies it is strongly recommended to have redundant admin access in place for each HR system including but not limited to HR Admin access to all benefit systems, HRIS system, Applicant Tracking, Workers' Compensation, I-Chat, Secretary of State, NPDB, Exclusion Databases, etc. Establishing redundancy is much efficient when the current system administrator is actively working and can add other Admins to the system relatively easy compared to having to establish new administrator access which can take days or weeks to accomplish.

COMMUNICATION

7. Policies and Procedures –HR policies should be reviewed with leadership on a periodic basis to ensure leadership understands their role. Understanding expectations will help to ensure that policies are consistently applied throughout the organization.
8. Consistent communication gaps emerged as a recurring theme in interviews. The absence of regular and transparent communication poses a potential threat to overall organizational success and employee morale. Without clear and consistent guidance from leadership, employees feel a sense of disconnection, leading to misunderstandings, decreased productivity, and a decline in trust. Addressing these challenges requires Northern Lakes CMHA to prioritize open and transparent communication channels from top to bottom. If employees continue to face difficulties in obtaining information, an examination of management communications becomes essential to rectify the breakdown. Through a commitment to consistent communication and ongoing improvement, Northern Lakes CMHA can foster stronger employee relationships and enhance adaptability. Clear and consistent communication will be a key factor in restoring trust in the organization, every employee should feel valued and respected.

SUMMARY RECOMMENDATION – HR PROCESS IMPROVEMENTS

We Recommend

- Prioritizing succession planning for the HR training positions as both incumbents have expressed concern that there is no backup for their positions, and they both shared that they are nearing retirement within the next few years and could leave in close proximity of each other.
- Reevaluating the current HR Training structure to find efficiencies, rebalance and redistribute workloads as appropriate and automate processes.
- Developing a communication plan to ensure HR related information reaches the right people in a timely manner and to help employees understand why things are changing.
- Providing Compliance Training – FLSA, I-9, Personnel Files
- Providing cross training for all HR functions
- Establishing redundant access to all electronic systems to ensure continuation of services in the event of unexpected absence or vacancy.

BOARD OF DIRECTORS

1. Employees provided candid responses during both the interviews and the employee engagement feedback sessions. Despite lingering hesitation, fear, and uncertainty, employees, when prompted about barriers to their job performance or any unaddressed concerns, expressed apprehensions about the future. Beyond the challenges of the internal culture that require time and actions to repair, their concerns extended to the direction of the agency. Specifically, employees shared their apprehensions about the Board of Directors, the perceived lack of direction, and the overall support for the agency's mission and its employees.
2. Questions loom regarding job security, the agency's continued service to the population it serves, and whether the board comprehends the impact of its actions and words on the employees and the agency's reputation.
 - The critical need for alignment within the organization becomes evident for the future of Northern Lakes CMHA and its beneficiaries. Establishing a clear understanding of the board's mission, vision, values, and goals as a unified entity will lay the foundation for the organization's trajectory.
 - The CEO's goals should be structured to complement those of the Board of Directors, ensuring a harmonious alignment.
 - Every employee in the agency should have goals aligned with the collective objectives of the Board of Directors and CEO, working collectively to advance the organization.
3. As the Board of Directors undergoes a period of transition and formation, it is essential to navigate the inevitable ups and downs and find common ground aimed at supporting the core mission of Northern Lakes CMHA. The undeniable care employees provide to those they serve and the passion for the work they do cannot be overlooked, nor can their concerns for the future. The past several years have been marked by widespread uncertainty, numerous questions about the agency's future, and an overarching contemplation of its trajectory.

EMPLOYEE ENGAGEMENT SURVEY SUMMARY

Rehmann conducted an employee engagement survey in December 2023. The purpose of the survey was to identify the status of factors that influence employee engagement and the overall morale and impact on employee performance and retention.

The survey was implemented using the world-class Gallup Q12 survey platform. All employees were invited to respond to 12 Gallup and 10 organization-specific rating-based questions. The engagement survey also provided an opportunity for employees to share feedback and comments by responding to four comment-based open-ended questions. A summary of the results is below.

Survey Results

Participation

Invitations	Responses	%
351	233	66%

Percent of Engaged Employees

Responses	Engaged	Not Engaged	Actively Disengaged
233	39%*	47%	14%

**This is above Gallup's current average of 34% for US and Canada overall.*

Survey Findings: Strengths

The following items were reported through the questions or comments as positive attributes of working at NLCMHA:

- Noticeable positive changes since the interim CEO took over – specific examples were provided in the comments.
- Strong basic needs including setting expectations and providing what is needed to get the work done.
- Relationships with coworkers and consumers.
- Flexibility in schedules and benefits.
- Growth and development opportunities.

Survey Findings: Opportunities

While there were many positive attributes, respondents were honest and candid about what they would like to see improved. Below are a few themes from the data and comments.

- Acknowledgement and recognition for great work.
- Transparency and communication.
- Accountability and teamwork.
- Support from the Board.

Overall

- The survey identified variation in sentiment between divisions allowing best practice identification and targeted actions to be taken.
- The CEO has made a noticeable impact changing the culture and it is appreciated.
- Creating plans to address opportunities and improvements can increase engagement and impact organization results.
- The complete details of the employee engagement survey are provided in a separate document.

XI. Department Structure and Responsibilities

Presently, the HR department is in a development phase, with several member of the team learning and growing in their individual roles. Despite having a positive team dynamic which is a refreshing attribute for HR, there is a notable absence of resources available to provide HR support during peak periods, absences, and staff transitions.

Three members of the HR team, including the HR Manager, work out to the Traverse City Office, one member of the HR Team works in person out of the Cadillac Office and two HR members are dedicated to training, working mostly remote.

Due to the current structure, HR training has become siloed. To foster a cohesive team a conscious effort needs to be made to break down the silos within HR allowing the HR manager the opportunity to develop succession planning based on the operational needs and current staffing levels of the department.

Dedicated and structured cross training is needed. Requiring all HR staff onsite at least two days per week would provide a more conducive environment for cross training than the current arrangement presents. Consideration should be given bringing all HR Staff on site two or more days each week while cross training is being conducted, additional onsite time could be scheduled when needed. Having everyone onsite on the same days and at the same location will provide Neil with the opportunity to gain a more comprehensive understanding of the functions of each HR position and determine where there is a need to rebalance and/or redistribute tasks.

Based on the results of the Assessment, we also recommend conducting a thorough time study on the two training positions to identify areas where efficiencies can be introduced. This may involve expanding the trainer pool through a train-the-trainer series or re-evaluating how training requests are made, tracked, and delivered within the organization.

During the assessment, Northern Lakes CMHA benefited from the presence of a competent intern showcasing a keen eye for detail. Given the substantial seniority of the two training individuals with over 25 years of experience, the organization should consider initiating succession planning to safeguard the wealth of knowledge they contribute. HR could take a lead role in championing succession planning within the department and subsequently extend its implementation to the broader organization. This strategic approach will ensure a smooth transition of skills and expertise, fostering continuity and organizational resilience.

The reclassification of the HR Director to the HR Manager within the current organizational structure appears to have appropriately aligned the role with the actual operational need and requirements. The crucial aspect is to furnish the HR Manager with training to effectively navigate areas where they may be less familiar. There is a discernible need within the department for an on-site presence, someone readily available, and actively engaged with employees.

Lastly, it is crucial to acknowledge that the interim appointment of Brian Martinus as the CEO has been instrumental in steering the organization in the right direction. Brian has navigated through several challenging decisions that needed to be made, demonstrating a commitment to addressing years of unwelcome leadership styles that did not align with the organization's values and failed to foster a positive, welcoming, or engaging environment. While there is still much work ahead, the key

to future success lies in providing stability, transparent communications, and rebuilding trust through open-mindedness and a willingness to listen to those outside of his immediate circle. A harmonious alignment between the board and the CEO in this environment would undoubtedly be a recipe for success.

Understanding the Union contract, developing the employee handbook and having clear policies that are consistently followed and enforced will be essential for the success of the human resources department and the organization. When challenges are faced, or questions arise with the union, HR employees first resource should be the union contract and then once developed the employee handbook. Where the contract is silent, employees she look to the employee handbook and other written policies and then refer to past practices that supports the questions.

Northern Lakes CMHA has a dynamic work environment which depends on its employees to serve its consumers. The goal to establish a solid HR foundation will benefit all employees and Northern Lakes CMHA. It is critical to support the agency, meet the needs of its employees and provide the resources that are so critical to operate Northern Lakes CMHA .

Conclusion

The team while relatively new is off to a good start. The assessment interviews indicate that personnel changes that have taken place in the Human Resources Department are being viewed as positive. With a new team there is a need for structured training in the areas of effective and compliant practices and processing and maintaining proper documentation. Having direct access to HR expertise on matters such as employment law, best practices, labor relations and implementation will ensure the new HR Manager is positioned to fully develop and will provide the resources needed to meet the challenges of managing today's workforce. We highly recommend you consider these recommendations. Many are easy, achievable, and cost-effective to implement.

Having a HR department built on a foundation of legal compliance and clearly documented policies is a solid step for communicating management's philosophies, reinforcing the Northern Lakes CMHA culture, and rebuilding trust with employees through their consistent application.

As shared by Michael Burchell, Partner, Great Places to Work Institute at a Detroit SHRM Chapter Event, a business with a strong culture built on credibility, respect, fairness, pride, and camaraderie outperforms companies listed on the S&P companies by over 360%. TRUST is the main component, "the enduring connection" as Michael described it. The definition of a Great Place to Work:

A great workplace is one where employees TRUST the people they work for, have pride in what they do and enjoy the people they work with.

Rehmann appreciates the opportunity to conduct this HR Assessment and looks forward to assisting with the action plan. It has been a pleasure to work with the Northern Lakes CMHA.

Thank you!

Appendix A & Appendix A-1– Employee File Setup, Record Retention and Personnel File Audit Results

Checklist: Personnel File Audit

Employee name: Job title:

Employment/Orientation Records

- Application and/or resume.
- Offer of employment letter.
- Job description.
- Confidentiality, noncompete or other employment agreement(s).
- New hire checklist.
- Handbook acknowledgment (latest revision date _____).
- Drug testing policy acknowledgment and consent form.
- Background check consent form.
- (Other) _____

Performance Records

- Performance evaluations.
- Self-evaluations.
- Disciplinary warnings and performance improvement plans.
- Notes to file regarding verbal counseling/discipline.
- Awards or recognition for exemplary performance.
- (Other) _____

Training Records

- _____ Required training/certification.
- _____ Required training/certification.
- New-hire orientation checklist.
- New-hire safety training checklist.
- Job-specific safety training checklist.
- Harassment training acknowledgement.

Separation Records

- Resignation letter.
- Notes about the reason for separation.
- Exit interview.
- Separation checklist.
- Unemployment documents.
- Separation agreement.

- Post-termination correspondence.
- Reference release form and reference statements
- (Other) _____


Remove the following types of documents from employee personnel files and store separately:


- I-9 forms and copies of identification.
- Investigation notes and reports.
- Drug test and background check results.
- Payroll records containing social security numbers or other protected information, including W-4s and garnishment orders.
- Medical records including medical exams, disability benefits claim forms, notes from doctors, Family and Medical Leave Act (FMLA) leave records, requests for ADA accommodations, worker's compensation claims and related documents, EAP referrals, results of drug/alcohol tests, reimbursement requests for medical expenses, health-related information about an employee's family members, and any documentation about past or present health, medical condition, or disabilities.
- Confidential records include anything that has protected or sensitive information such as date of birth, marital status, religious beliefs, etc.
- Consumer-related credit information, credit reports, and personal or financial data.

Appendix B-Compliance Calendar

2024 Annual HR Planning Compliance Reporting Calendar

Deadlines Month/Date	Compliance Event	Owner	Applies To	Source Link or Reference
January 1st	Minimum Wage Review	Finance / HR	All Employers - Review Minimum Wage consider if any other wages are impacted by Minimum Wage Changes	https://www.michigan.gov/leo/bureaus-agencies/ber/wage-and-hour/minimum-wage-january-2024
January 1st	Update Mileage Reimbursement rate	Finance / HR	All Employers	https://www.irs.gov/tax-professionals/standard-mileage-rates
January 1st	Paid Medical Leave -Required for individuals who work on average greater than 25 hours per week for greater than 25 weeks in the preceding calendar year	HR	Employers with 50 or more Individuals	https://www.michigan.gov/-/media/Project/Websites/leo/Documents/WAGE-HOUR/WHD-99xx-Information-Sheets/WHD-9911-PMLA-Poster/Paid_Medical_Leave_Act_Poster_9911_English.pdf?rev=764ee47c1ed442bd9ac1d904eb042ea7
January 31st	Send Copy of 1099-NEC Form to IRS	Finance	Anyone who paid someone who is not their employee, such as a subcontractor, attorney or accountant \$600 or more for services provided during the year	https://www.irs.gov/businesses/small-businesses-self-employed/forms-and-associated-taxes-for-independent-contractors
January 31st	Distribute W-2 Forms to Employees	HR/Payroll	Every employer engaged in a trade or business who pays remuneration, including non-cash payments of \$600 or more for the year (all amounts if any income, social security or Medicare tax was withheld) for services performed for each employee (even if the employee is related to the employer) from whom: Income, Social Security, or Medicare tax was withheld Income tax would have been withheld if the employee had claimed no more than one withholding allowance or had not claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate	https://www.irs.gov/instructions/iw2w3 https://www.irs.gov/forms-pubs/about-form-w-2
February 1st (post) April 30th (remove)	Post in Workplace OSHA 300A - Summary of Injuries from Previous Calendar Year	HR/Safety	1 - 10 at all times during previous calendar year only if notified by OSHA/BLS to maintain records 11+ unless establishment is classified as a partially exempt	https://www.osha.gov/sites/default/files/OSHA-RK-Forms-Package.pdf
February 28th March 31st if filing electronically	File 1094-B and 1095-B form with IRS	HR/Finance	Self-Insured employer and not 50+ FTE in prior calendar year	https://www.irs.gov/instructions/i109495b
February 28th March 31st if filing electronically	File 1094-C and 1095-C form with IRS	HR/Finance	Employers (including government employers) subject to the employer shared responsibility provisions sponsoring self-insured group health plans, including individual coverage health reimbursement arrangements (HRAs) / Average 50+ FTE in prior calendar year	https://www.irs.gov/instructions/i109495c
March 1st	Distribute 1095-B form to employees	HR/Finance	Self-Insured employer and not 50+ FTE in prior calendar year	https://www.irs.gov/instructions/i109495b
March 1st	Distribute 1095-C form to employees	HR/Finance	Average of 50+ FTE in prior calendar year	https://www.irs.gov/instructions/i109495c
March 24th	Public Employer Contributions to Medical Benefit Plan Annual Cost Limitations Announced for Calendar Year 2025	HR/Finance	Michigan Department of Treasury releases the amount that a public employer may contribute to a medical benefit plan.	https://www.legislature.mi.gov/S(nbic0vqaeiagjvhyz1hptuj)/mileg.aspx?page=getObject&objectName=mc1-15-564
June 29, 2023 - Ongoing	New for 2023: Certification of Status of Affirmative Action Plan(s) on OFCCP Portal. Must be maintained in 2024 and on.		Executive Order 11246: Employers with 50+ employees and a single federal service/supply contract of \$50,000 or more (not required - employers whose sole coverage comes from construction contracts or federally assisted construction contracts. Section 503 of Rehabilitation Act: Employers with 50+ employees and a single federal service/supply contract of \$50,000 or more. VEVRAA: Employers with 50+ employees and a single federal service/supply contract of \$150,000 or more	https://www.dol.gov/agencies/ofccp/contractorportal https://www.dol.gov/agencies/ofccp/jurisdictional-thresholds
Filing Deadline: TBD Anticipated May-October 2024	File EEO-1 Report	HR	100+ or Federal Contractor 50+	https://www.eeoc.gov/employers/eeo-1-data-collection

Deadlines Month/Date	Compliance Event	Owner	Applies	Source Link or Reference
July 31st	PCORI Fee Patient-Centered Outcomes Research Trust Fund fee will continue to be imposed through 2029.	Finance / HR	Insurance carriers are responsible for paying PCORI fees on behalf of fully insured plans and employers are responsible for paying the fee on behalf of self-insured plans.	https://www.irs.gov/affordable-care-act/patient-centered-outcomes-research-trust-fund-fee-questions-and-answers
July 31st (for plans that follow a calendar year) OR last day of 7th calendar month after plan year end	File Form 5500	Finance/TPA	Any company with an employer tax deferred benefit plan or a tax- deferred retirement plan	 https://www.irs.gov/retirement-plans/form-5500-corner#:text=File%20Form%205500%20to%20report%20a%20calendar%20year%20plan
Reporting Period: August 1st through September 30th Filing Deadline: September 30th	File VETS-4212 Report with US DOL	HR	Federal Contractors or Subcontractors with \$150,000+ in annual contracts	https://blog.dol.gov/2021/08/12/vets-4212-filing-season-is-here#:text=Federal%20contractors%20and%20subcontractors%20must%20covered%20government%20contract%20or%20subcontract
September 30th	Summary Annual Report - The plan administrator generally must furnish SARs within nine months after the end of the plan year (which is two months after the normal due date for Form 5500s).	HR	Summary Annual Report contains information regarding the claims and premiums paid under the terms of the Plan during the Plan year.	https://www.dol.gov/general/topic/retirement/planinformation#:text=This%20is%20a%20summary%20of%20available%20at%20no%20cost
September through October (generally) as new benefit plan year rates are set	Public Act 152 Publicly Funded Health Contribution Act	HR	Public Employers take recommendations to governing body to approve either 80/20 rule, Hard Cap or Opt-Out for new plan year/fiscal year.	https://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-152-of-2011.pdf
October 3rd	Retiree Drug Subsidy (RDS) Application due to CMS	HR	Allows employers and unions to continue assisting their Medicare eligible retirees in obtaining more generous drug coverage.	https://www.cms.gov/medicare/coordination-benefits-recovery/employer-services/union-retiree-drug-subsidy
October 15th Generally	Distribute Medicare Part D Notice of Creditable Coverage Notice to Medicare-Eligible Employees	TPA/Broker	Any Company Offering a Health Insurance Plan	https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage
October 2 through December 1	401(k) Safe Harbor notices must be sent to employees within a reasonable period before the beginning of the plan year	HR	Applicable only to companies offering a 401(k) safe harbor contributions	https://www.irs.gov/retirement-plans/plan-sponsor/401k-plan-overview
November	EEO-5 Report	HR	EEO-5 Report, formally known as the Elementary-Secondary Staff Information Report, is a biennial data collection typically conducted every other year in the even-numbered calendar years from all public elementary and secondary school systems and districts with 100 or more employees in the United States.	https://www.eeoc.gov/data/eeo-data-collections
January 1st, 2025	Corporate Transparency Act Beneficial Ownership Information Report with FinCEN	Compliance	Any employer not qualifying for an exemption: Large Employer as defined by the CTA; Non-Profit, Political Organizations, and certain Tax-Exempt Trusts; Public Companies, Banks, Insurance Companies, Registered Investment Companies & Advisors; and certain other entities already subject to regulatory oversight; Subsidiaries whole owned by an exempt entity.	https://www.fincen.gov/boi
25-Jan-25	2024 EEO-4 Online Filing	HR	State and Local Governments with 100 or more employees.	https://www.eeocdata.org/
Annually - Last day of the current plan year	Non Discrimination Testing	HR	Plans governed by Section 125, which includes a flexible spending account (FSA). Section 125, testing is also required for health reimbursement arrangements (HRAs) and self-insured medical plans (SIMPs).	https://www.irs.gov/pub/irs-tege/epch702.pdf
Annually	Review and Update Employment Posters	HR	Statutes and regulations enforced by the U.S. Department of Labor (DOL) require that notices be provided to employees and/or posted in the workplace.	Federal Poster Requirements https://www.dol.gov/general/topics/postersState https://www.michigan.gov/leo/bureaus-agencies/ia/tools/publications/ia-list-of-required-employee-posters
Annually	Review and Update Employee Handbook	HR	Confirm all new statutes and regulations are included in updated handbook	
Annually	Update Tax Forms / Verify I-9 Form	HR	All	

General HR Compliance Date Reminders				
Common Tasks				
Employee - 1st day of Work - Section 1 Employer - Complete Section 2 within three business days after the employee's first day of employment.	I-9 Reporting	HR	All Employers	https://www.uscis.gov/i-9#:~:text=Both%20employees%20and%20employers%20(or%20of%20identity%20and%20employment%20authorization.
Within 14 days of hire	New Hire Notices		Send notices to employees within 14 days of hire: The notice must be written, and include details about the Health Insurance Marketplace. You must also provide a Summary of Benefits and Coverage and Notice of Plan Changes.	https://www.dol.gov/sites/dolgov/files/ebsa/laws-and-regulations/laws/affordable-care-act/for-employers-and-advisers/model-notice-for-employers-who-offer-a-health-plan-to-some-or-all-employees.pdf
Within 20 days of Hire	Michigan New Hire Reporting	HR	All employers must report every employee within 20 days of hire - Employers must report all employees, including seasonal and temporary, rehired workers and returning after a period of absence must be rereported, report independent contractors by providing SSN or copy of W-9.	https://www.m-newhire.com/downloads/MI_BROCHURE_2019.pdf
Within the first 90 days of Coverage	Cobra General Notice	HR	Employers that had at least 20 employees on more than 50 percent of its typical business days in the previous calendar year.	https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra
Within 14 Days of Notice of Qualifying Event	Cobra Notices - Within 14 days of Notice of Qualifying Event, the Plan must provide the qualified beneficiaries with an election notice within 14 days. The election notice describes their rights to continuation coverage and how to make an election.	HR	Employers that had at least 20 employees on more than 50 percent of its typical business days in the previous calendar year.	 https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra
60 Days of Qualifying Event	Cobra Election Procedures	HR	Plans must give each qualified beneficiary at least 60 days to choose whether or not to elect COBRA coverage, beginning from the date the election notice is provided, or the date the qualified beneficiary would otherwise lose coverage under the group health plan due to the qualifying event, whichever is later	https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/publications/an-employers-guide-to-group-health-continuation-coverage-under-cobra.pdf
Within 5 days of request	Provide FMLA Rights and Responsibilities + any request for Certification	HR	Government agency (state, local, or federal) A public or private school (elementary or secondary) A private-sector employer with at least 50 employees.	https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/e-employerguide.pdf
Within 5 days of Designation	Provide FMLA Designation Form	HaR	Government agency (state, local, or federal) A public or private school (elementary or secondary) A private-sector employer with at least 50 employees.	https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/e-employerguide.pdf

