

Office of the Auditor General
Preliminary Survey Summary

Workforce and Succession Planning System
Michigan Department of Transportation

November 2021

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

The auditor general may make investigations pertinent to the conduct of audits.

Article IV, Section 53 of the Michigan Constitution



OAG

Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

November 17, 2021

Mr. Todd Wyatt, Chair
State Transportation Commission
and
Paul C. Ajegba, PE, Director
Michigan Department of Transportation
Murray D. Van Wagoner Building
Lansing, Michigan

Dear Mr. Wyatt and Mr. Ajegba:

This is our preliminary survey summary of the Workforce and Succession Planning System (WSPS), Michigan Department of Transportation. Although we identified areas of interest that may warrant the additional use of our audit resources, we have decided to terminate our performance audit because the Office of Organizational Development is in the process of implementing the system and WSPS has not reached a sufficient level of maturity to justify an audit.

We appreciate the courtesy and cooperation extended to us during our preliminary survey. If you have any questions, please call me or Laura J. Hirst, CPA, Deputy Auditor General.

Sincerely,

A handwritten signature in black ink that reads "Doug Ringler". The signature is written in a cursive, flowing style.

Doug Ringler
Auditor General

PRELIMINARY SURVEY SUMMARY

WORKFORCE AND SUCCESSION PLANNING SYSTEM

RESULTS

Although our preliminary survey identified areas of interest, we decided to terminate the audit project. The Michigan Department of Transportation (MDOT) is in the process of implementing a Workforce and Succession Planning System (WSPS), which is being facilitated by the Office of Organizational Development (OOD). The WSPS has not reached a sufficient level of maturity to justify an audit. As the procedures we employed did not constitute a performance audit, we will not issue an audit report and do not express conclusions on the overall effectiveness and efficiency of OOD or its role in the implementation of WSPS.

FACTORS IMPACTING AUDIT TERMINATION

- MDOT established OOD in April 2019 and one of OOD's functions is to facilitate and support the implementation of the department's WSPS, known as the MDOT House, containing five framework pillars: Leadership Standards of Excellence, Role Assessment Model, Talent Review Process, Knowledge Management System, and Employee Life Cycle (see supplemental information). MDOT has substantially implemented the Leadership Standards of Excellence and the Talent Review Process pillars.
- MDOT utilized a consultant's recommendations to implement the MDOT House. OOD has tracked its implementation efforts for the MDOT House since 2019 and plans to track future implementations.
- MDOT estimated it would take 5 to 7 years to fully implement all five pillars of the MDOT House.
- Implementation of the MDOT House continues to evolve. MDOT is beginning a process to update MDOT's mission, vision, and values, which are the foundation of the MDOT House. OOD had not established policies and procedures or other guidance, but was researching performance metrics to monitor successful implementation of the MDOT House.
- MDOT executive management implemented and supports the MDOT House. Executive management asserted that attracting and developing talent in the workforce, supporting employee success, enabling an exceptional workplace culture, and maintaining institutional knowledge are essential to achieving MDOT's mission.
- MDOT communicated the five pillars of the MDOT House to its employees using videos, tutorials, job aids, pamphlets, and forms.

- OOD utilized MDOT's Lean Process Improvement to assist employees in developing and implementing solutions to achieve greater efficiency and effectiveness in their work processes. Since April 2019, OOD facilitated 32 Lean Process Improvement projects that affected 39 MDOT work areas, including bureaus, offices, regions, and programs.

OBSERVATIONS

While conducting our preliminary survey, we identified the following considerations for OOD as it continues to facilitate and support implementation of the MDOT House:

- OOD should continue to obtain regular feedback from MDOT employees to assess their participation and execution of the MDOT House. OOD informed us that it is researching a combination of surveys and qualitative measures to evaluate its success in supporting implementation of the MDOT House.
- OOD should continue to fully facilitate and support implementation of the remaining three pillars (Role Assessment Model, Knowledge Management System, and Employee Life Cycle) of the MDOT House.
- OOD should continue to develop performance metrics and reporting methods to measure the success of the MDOT House.

BACKGROUND

Description: Based on 2017 data, MDOT determined 40% of its employees are over 50 years old and eligible to retire within 5 years. Another 40% of employees are between the ages of 35 and 49 with the potential to fill these positions. However, they are attractive to other employers and many in this group are not eligible for a pension via their employment with MDOT. MDOT's 2019 Transportation Asset Management Plan identified staffing shortages and an inability to attract needed talent as severe threats to continued operations. MDOT established OOD in April 2019 with one of its functions being to facilitate and support the implementation of WSPS, referred to as the MDOT House. OOD's mission includes serving as trusted advisors and delivering services and programs that attract, nurture, and empower the people of MDOT.

The MDOT House is designed to attract and retain the employees needed to accomplish MDOT's mission of providing the highest quality transportation services for economic benefit and improved quality of life.

Employees: As of July 29, 2021, OOD had 23 employees, including 19 full-time employees and 4 student and veteran interns.

SCOPE

Our preliminary survey generally covered April 1, 2019 through September 30, 2021 and included a limited review of the following activities MDOT undertook to implement the MDOT House:

- Implementing contractor recommendations.
- Creating the MDOT House pillars and corresponding implementation teams.
- Communicating the MDOT House to employees.
- Tracking the implementation of the MDOT House.
- Restructuring employee recruiting efforts.
- Researching WSPS best practices.

PURPOSE

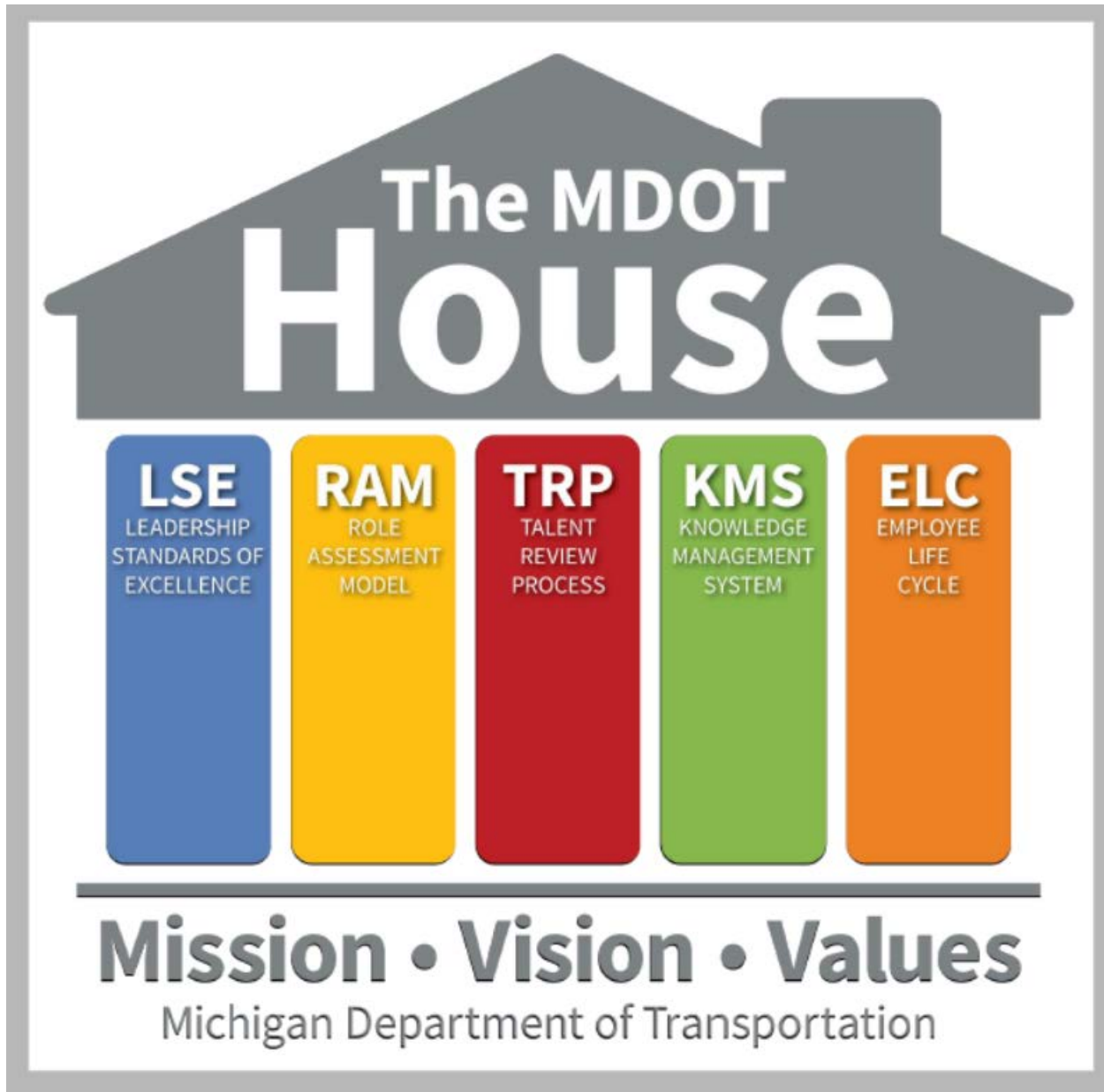
Within a performance audit, we design the preliminary survey to obtain an understanding of the core activities within an entity or a program and to identify potential program improvements and/or deficiencies that could impair management's ability to conduct its operations in an effective and efficient manner. If the results of a preliminary survey do not identify significant concerns, our practice is to terminate the planned performance audit.

Preliminary survey procedures are limited in nature and should not be considered a completed performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. In addition, our preliminary survey procedures would not necessarily disclose the presence or absence of any material conditions and/or reportable conditions. Given that the procedures we employed did not constitute a performance audit, we will not issue a performance audit report and we do not express conclusions regarding the effectiveness or efficiency of WSPS.

SUPPLEMENTAL INFORMATION

Workforce and Succession Planning System
Michigan Department of Transportation

Overview of the MDOT House



Source: MDOT provided this exhibit.



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