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Office of the City Auditor

Report to the City Council
City of San José

EMPLOYEE HIRING: THE CITY SHOULD STREAMLINE HIRING AND DEVELOP A WORKFORCE PLAN TO FILL VACANCIES

Report 15-04
April 2015

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Office of the City Auditor
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April 9, 2015

Honorable Mayor and Members
Of the City Council
200 East Santa Clara Street
San José, CA 95113

Employee Hiring: The City Should Streamline Hiring and Develop a Workforce Plan to Fill Vacancies

With a workforce of about 7,000 employees and a turnover rate of approximately 12 percent, the City of San Jose's department of Human Resources (HR) performs over 900 full-time hires a year to keep City services running. These hires fill a broad range of positions performing work across the City.

Finding 1: The City's Vacancy Rates Are Unacceptably High and a Significant Backlog Exists. As of February 2015, the City had over 600 vacant full-time positions. In 2013-14, HR's recruitment efforts resulted in over 900 full-time hires. However, many of the City's hires are current City employees and when they leave their positions to move into the new positions, another vacancy is created. Given this movement within the organization and the current rate of separations, we believe the City will continue to have a backlog which cannot be resolved with current HR staffing. In our opinion, the City needs temporary staffing in HR to clear the backlog and fill budgeted positions that provide critical services to City residents.

Finding 2: The Hiring Process Takes Too Long. The City has a lengthy hiring process with timeframes for employees to start work ranging from 4 days for a position where a list of candidates already was identified, to 10 months for a position that was hard to fill. This audit focused on non-sworn positions. On average it takes 6 months to hire for a vacant position if no candidate list exists. HR's hiring process has 53 steps from approval of the position for hire to the employee being hired. There is frequent back and forth between HR and the various departments adding to the time. Customization of recruitments, unclear delineation of HR and department roles in hiring, and lack of coordination and training also increase the time to get people to work. For example, it can take 3 months on average to prepare a job for posting. In our opinion, the City needs to make process improvements, accurately track the time it takes to hire, coordinate some recruitments, clarify HR and department staff roles, and establish hiring timelines and deadlines.

Finding 3: The City's Outreach to Potential Applicants Can Be Expanded. The City has been working to improve outreach to potential candidates, but there is room for expansion of these efforts. The City's current job website, CityJobs, is outdated, with a poor user interface. This impacts the ability to apply for jobs and the attractiveness of San José as a place to apply for work. The City should update its website to provide more information and to visually appeal to potential applicants. In addition, Human Resources should increase outreach efforts to entry-level applicants for relevant positions.

Finding 4: The City Needs to Expand Its Long-Term Workforce Planning Efforts. While the City has made progress in recognizing and developing strategies for workforce development, it still faces challenges including a potential wave of retirements in the next ten years. Developing and retaining new talent and succession planning are key to this strategy. In our opinion, the City should review and plan for upcoming vacancies and retirements.

This report includes 14 recommendations. We will present this report at the April 16, 2015 meeting of the Public Safety, Finance, and Strategic Support Committee. We would like to thank the Department of Human Resources for their time and insight during the audit process. The Administration has reviewed this report and its response is shown on the yellow pages.

Respectfully submitted,

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Introduction

The mission of the City Auditor's Office is to independently assess and report on City operations and services. The audit function is an essential element of San José's public accountability and our audits provide the City Council, City management, and the general public with independent and objective information regarding the economy, efficiency, and effectiveness of City operations and services.

In accordance with the City Auditor's fiscal year (FY) 2014-15 Audit Work Plan, we have completed an audit of Employee Hiring. The purpose of our audit was to assess the efficiency and effectiveness of the City of San José's (City) current hiring process for non-sworn employees.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We limited our work to those areas specified in the "Audit Objective, Scope, and Methodology" section of this report.

The Office of the City Auditor thanks the management and staff from the City's Human Resources Department (HR); Environmental Services Department (ESD); Finance; Information Technology (IT); Library; Parks, Recreation and Neighborhood Services Department (PRNS); Planning, Building and Code Enforcement (PBCE); Public Works; and Department of Transportation (DOT) for their time, information, insight, and cooperation during the audit process.

Background

Over the last decade, the City of San José faced significant General Fund shortfalls. The worst shortfall was in FY 2010-11 of about $120 million. To balance the budget, the City reduced staffing and cut various City programs. In the past 10 years staffing was reduced from a high of 7,200 full-time equivalents (FTEs) in FY 2007-08 to a low of 5,440 FTEs in FY 2011-12.

Because of these shortfalls, the City's hiring dipped to a low of 74 new full-time permanent employees in FY 2010-11. During that time, the City instituted a de facto hiring freeze, essentially "freezing" all positions that became vacant, with some exceptions. In FY 2012-13 the City faced its first budget surplus after 10 years of shortfalls. With improvement in the budget situation, the City has begun hiring in various departments. The City's Budget Office reports that in

FY 2014-15, the City is budgeted for 5,759 FTEs. As of January 2015, there also were 172 authorized overstrength positions[1] in the City. In total, the City has nearly 7,000 active employees.

The City's Employee Services Division Manages Hiring

The Employee Services Division is located within the Human Resources Department and is responsible for citywide hiring. Its mission is to *"Facilitate the timely hiring of excellent employees and maintain the City's classification and compensation systems."* Its key operational services are: recruitment, assessment and hiring; executive recruitment; temporary employment program; job compensation and classification reviews; employee reallocations; civil service and hiring rules, policies and procedures; and employee placements.

Staffing

The Employee Services Division in HR has 16 full time employees, including one Division Manager and 15 analysts. It also has several temporary overstrength positions, including one Staff Technician and is in the process of hiring one Analyst, one Senior Office Specialist and one part-time exam assistant. Each of the FTE has dedicated funding sources. Half of the positions are entirely funded by the General Fund; the remaining positions are either partially funded by the General Fund and other sources or fully by other sources.

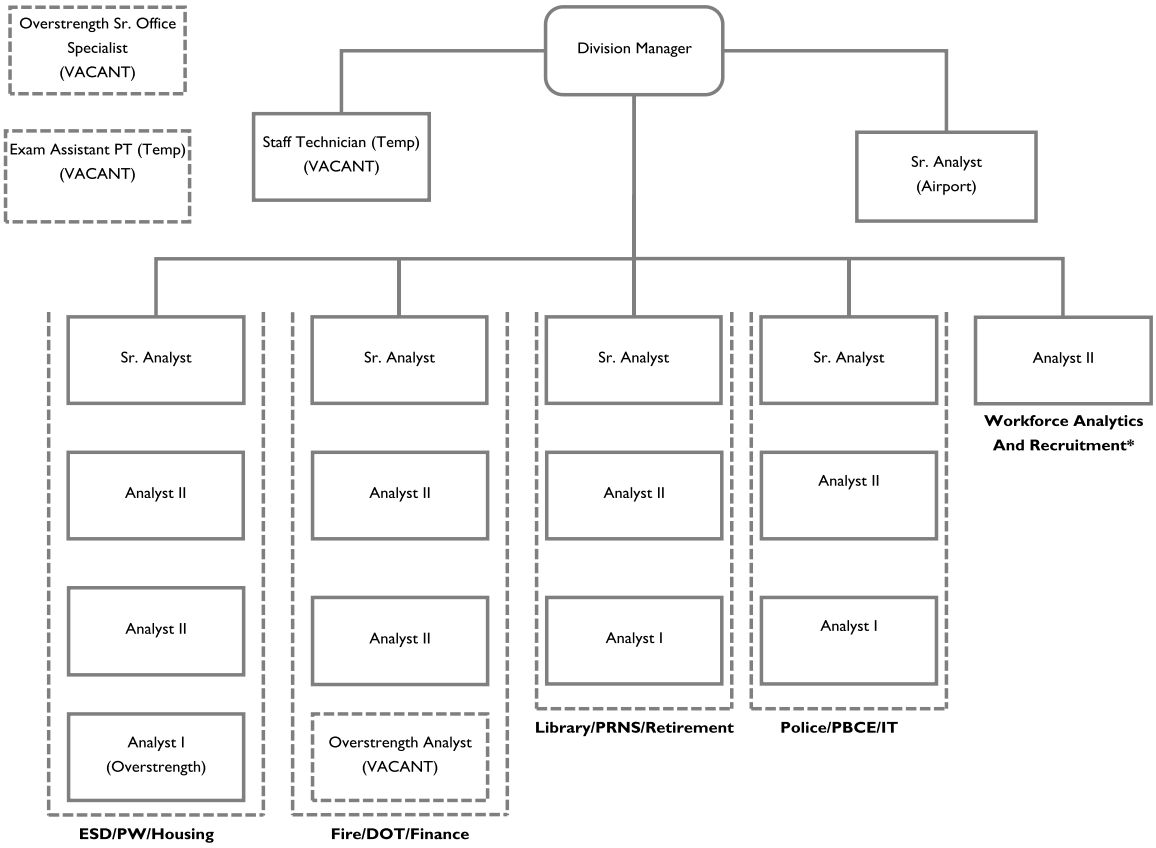
The Division has divided its workload by the various City departments. Each of the analysts is assigned to a department and focuses exclusively on the hiring and recruitment needs of those departments.[2] Some analysts work on multiple smaller departments.

In response to a recommendation made by a recent audit by the City Auditor's Office, *"Ten Years of Staffing Reductions at the City of San José: Impacts and Lessons Learned"* the Employee Services Division hired an analyst in 2014 to focus part-time on workforce analytics in order to *dedicate time to ongoing human resources analytics and focus on human capital* as recommended by that audit. Exhibit 1 shows the Division organization chart with the assigned departments.

[1] Positions that are funded on a temporary basis, usually through vacancy savings.

[2] One Senior Analyst is funded through the Airport and works exclusively on Airport recruitments and human resources issues.

Exhibit 1: HR's Employee Services Organization Structure (as of February 2015)



*The analyst assigned to workforce analytics also works on hiring.
Source: HR

Other Departments Have Also Dedicated Staff to Hiring and Recruitment

In addition to the above staff in HR, there are multiple other hiring resources citywide. Many departments maintain their own staffing in order to support and expedite their own recruitments. For example, the departments of Information Technology; Public Works; Transportation; Environmental Services; Finance; Planning, Building and Code Enforcement; Parks, Recreation and Neighborhood Services; and Library all have staff working on hiring and recruitment related activities. Some staff work exclusively on those activities, but in general this staff has hiring responsibilities in addition to their other duties. Some departments independently conduct their recruitments with check-in points for HR approval, whereas others rely entirely on HR. Some departments do a combination.

According to HR, each of the Employee Services staff has a workload of 6-8 recruitments at any given time.[3] The amount of time the analyst dedicates to a department depends on what the department is looking for. Some departments have a well-developed hiring process that requires little help from HR staff. For example, DOT staff need little help from HR and have a dedicated staff person for recruitment (discussed later). Others such as PBCE rely heavily on HR during all steps of a recruitment.

Human Resources Uses External Recruiting Firms

In addition to internal hiring staff, HR also has contracted with two external recruitment firms: CPS and Koff & Associates. Their services are used on an as-needed basis for hiring in different departments. Finance, ESD, DOT and PRNS have used their services on a regular basis. The City has spent about $300,000 for these services over two years. The use of this resource depends on the funding that departments have available to dedicate to this activity.[4]

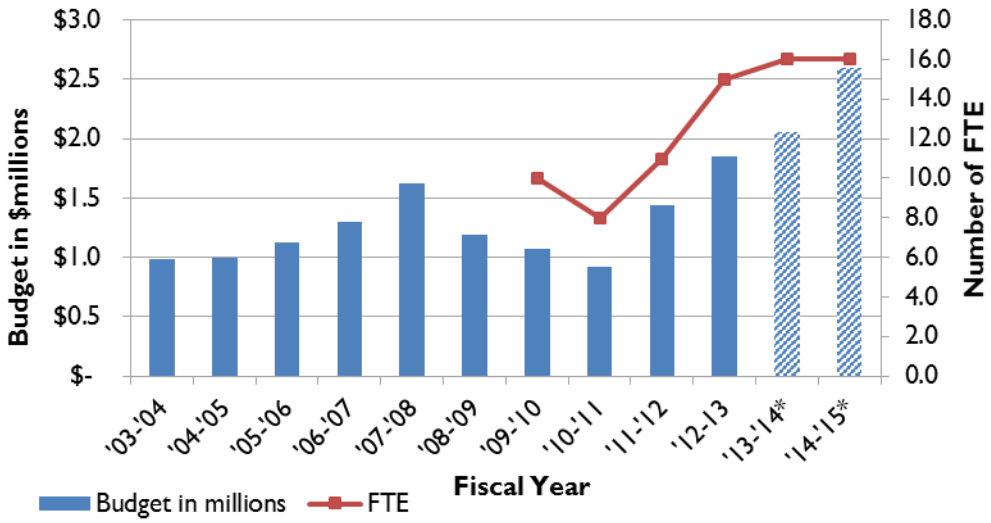
Budget

HR's Employee Services Division's budget has fluctuated over time. The budget decreased during the hiring freeze and budget crisis from FY 2008-09 to FY 2010-11. Since that time, the budget has increased, returning in FY 2014-15 to be about $1 million more than its previous high in FY 2007-08. As shown in Exhibit 2, the staffing has doubled since its low in FY 2010-11 (from 8 FTE in FY 2010-11, to 16 FTE in FY 2014-15).

[3] With 16 employees dedicated to recruitments, each performing about 6 recruitments at a time and for which HR estimates the average length of each recruitment is 3 months, the expected number of recruitments per year would be about 380. This is comparable (slightly higher) to the actual recruitments completed in FY 2013-14. As noted earlier, staff in line departments also work on completing recruitments.

[4] The City also retains services of different recruitment firms for executive level recruitments. Since January 2013, the City has used various recruitment firms for over 25 executive level recruitments and paid about $700,000 for these services.

Exhibit 2: Employee Services Budget and FTE Over Time



Source: Adopted and proposed operating budgets, FY 2003-04 through FY 2014-15.
*FY 2013-14 and FY 2014-15 data are adopted.

HR currently uses PeopleSoft and its module CityJobs as its recruiting and hiring software. The City has completed a Request for Proposal (RFP) process for budgeting and personnel software. As a result, HR anticipates changes to the current software and related processes

Laws and Regulations

The *San José City Charter* establishes the Civil Service System and generally defines those employees who are classified and unclassified. Chapter 3.02 of the San José Municipal Code lays out the City's personnel regulations including establishment of classified and unclassified positions, recruitment and assessment, eligible lists and disqualification, and filling of vacancies (civil service rules). While the civil service rules establish general principles on fairness and equality in employment practices, it leaves the discretion of establishing those rules to the HR Director.

The Municipal Code gives the HR director the authority to administer the civil service rules. According to section 3.04.030 *"the director shall administer all provisions of the civil service rules not specifically reserved to the council, the commission, the city manager or other officer or officers."*

In addition to the City Charter and the San José Municipal Code, the City policy manual provides guidance on hiring practices and HR has its own internal policies and procedures manual (Standard Operating Procedures for Hiring) which is available on the Intranet. We should note that this procedures manual has not been updated since 2008, nor has HR provided formal training to City staff.

Civil Service Commission

The Civil Service Commission comprises five members. The commission reviews and recommends changes to the civil service rules and appoints members to the City Council Salary Setting Commission. The commission may also act as an appellate body for certain personnel decisions affecting City employees. For example, non-selected candidates may request reconsideration by HR on basis of discrimination, fraud, or violation of hiring rules, policies or procedures. According to Section 3.1.1.11.3 of the City Policy Manual, candidates may request an investigation by the civil service commission according to the authority of Charter Sec. 1001.F (2) by contacting the clerk of the commission.

Types of Hiring

Hiring is classified into different types. These are described below.

- ***Position Based*** - Position-specific hiring is the default or typical method for filling vacancies. This means that an individual vacant position will be described and announced ("posted"), inviting applications just for that position. Once a selection is made for that vacancy, the recruitment is closed.
- ***Classification Based*** - Under this method, HR posts an announcement for the classification, accepts applications, and coordinates a centralized assessment (testing) process that is often conducted periodically throughout the year.[5] Job candidates who successfully complete the testing will be placed in a class-based, qualified candidate group. When a hiring department seeks to fill a specific vacancy within this classification, it submits a request to screen the qualified group for individuals who meet the desirable qualifications for the particular vacancy. The department then interviews and hires someone from that qualified group.
- ***Promotion Eligible Lists for Sworn Police and Fire Classifications*** - Police and Fire sworn employees have written exams for promotions. The names of persons in sworn police and fire classifications who have met the requirements for eligibility are placed on an appropriate eligibility list and remain on that list for two years.

We should note that most hiring in San José is position-based hiring. This approach is unique compared to the other California jurisdictions we surveyed, which rely primarily on classification based hiring. In those jurisdictions, vacant

[5] San José does not administer written exams for most non-sworn positions. The exceptions are some citywide classifications, including: Account Clerk I/II and Senior Account Clerk, Accounting Tech, Building Inspector, Code Enforcement Inspector, Electrician, Office Specialist and Senior Office Specialist, Permit Specialist, Wastewater Attendant/Operator Trainee, Security Officer, Staff Specialist/Staff Technician, and Maintenance Assistant.

positions are filled using eligibility lists usually created from civil service examinations.

History of Hiring Reform

In Mayor Susan Hammer's 1995 State of the City address, she recommended the creation of the New Realities Task Force. Prior to the formation of the Task Force, the City had experienced a cumulative budget shortfall of $113 million over four years. City staff also projected an additional cumulative shortfall of $40 million during the following five years. The Task Force was given the mission of designing a balanced package of proposals to identify ways to correct this structural imbalance.

The New Realities Task Force recommended civil service reform in five areas: 1) more hiring flexibility through exempting certain management and temporary positions from civil service; 2) streamlining the recruiting and hiring processes; 3) enhancing progressive discipline; 4) permitting modified duty placement; and 5) specific direction to include all attorneys in the City Attorney's Office and the Mayor and Council Assistants as civil service exempt employees. The New Realities Task Force also recommended streamlining the hiring and recruiting processes to enable the HR department to fill vacant positions more quickly and in a manner that better meets requesting department needs.

Civil service reforms included modification of the City's hiring practices. This included moving away from a previous list-based process to a more customized approach—giving departments flexibility in making hiring decisions. In 2003, the City changed the civil service rules to allow for this process, and developed the current customized model.

Thus, the City's hiring process is slightly different from many other jurisdictions. The City generally hires based on positions and not classifications. Other cities have a more stringent hiring process which involves classification lists based on one recruitment—similar to what the City had previously done.

Matrix Program

In FY 2006-07 the City piloted the Matrix program to focus on recruitment. Various HR analysts were housed within the various departments. The departments where the analysts were housed paid all costs associated with these analysts. However, the Matrix analyst reported to HR.

This program was initially piloted with the larger departments but then extended to the rest of the City. The departments we talked to expressed satisfaction with this program but were concerned that the level of service that the analysts provided was directly proportional to the funding. This meant that departments with smaller dedicated budgets would not receive the same level of service. This program ended in FY 2010-11 when most of the analysts relocated to HR.

Currently, one HR Analyst works at the Regional Wastewater Facility three days a week, and one Analyst works at Police Personnel two days a week.

Audit Objective, Scope, and Methodology

The objective of the audit was to assess the efficiency and effectiveness of the City's current hiring process. In order to achieve our audit objective we did the following:

- Ran vacancy, hiring, and turnover reports for FY 2003-04 to FY 2014-15 from the City's PeopleSoft system;
- Reviewed HR's demographic and projected retirement data;
- Reviewed staffing and workload in HR;
- Reviewed relevant City laws, regulations, and City policies and procedures related to employee hiring—the San José City Charter, San José Municipal Code, the City Policy Manual, and HR's internal hiring policies and procedures;
- Reviewed the City's contracts with the two external recruiting firms—Koff & Associates and CPS;
- Interviewed staff from HR, PRNS, ESD, Library, DOT, Public Works, IT, PBCE, and Finance to understand their hiring/recruiting experiences;
- Reviewed a sample of recruitments performed by HR and department staff, including reviewing applications, resumes, scoring, and final selection;
- Benchmarked the City to other jurisdictions to compare the City's hiring practices to others. The jurisdictions we compared were: City of San Diego, City of Sunnyvale, City of Long Beach, City of San Antonio, and the County of Santa Clara;
- Did a user experience comparison review of the City's CityJobs webpage. We reviewed the websites of the 10 largest California cities.

We did not review the hiring practices for sworn employees. The City Auditor's upcoming audit of Police Hiring will address those practices.

Finding I The City's Vacancy Rates Are Unacceptably High and a Significant Backlog Exists

The City has an unacceptably high number of vacancies. As of February 2015, the City had over 600 vacant full-time positions. HR completed 341 recruitments in 2013-14, resulting in over 900 full-time hires. However, many of the City's hires are current City employees and when they leave their positions to move into the new positions, another vacancy is created. Given this movement within the organization and the current rate of separations, we believe the City will continue to have a backlog which cannot be resolved with current HR staffing. In our opinion, the City needs temporary staffing in HR to clear the backlog and fill budgeted positions that provide critical services to City residents.

The Current Number of Vacancies Is Unacceptable

Since FY 2009-10, the City has maintained an average vacancy of 489 full-time[6] positions per year. In FY 2010-11 the City's hiring dipped to a low of 74 new full-time permanent employees. There was an average of 331 vacancies that same year.

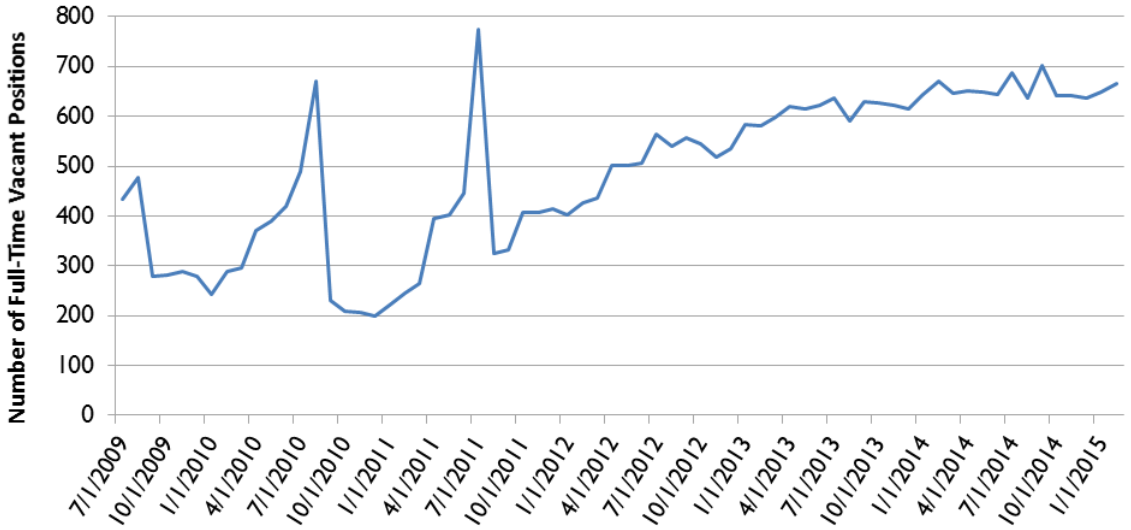
In FY 2012-13, the City faced its first budget surplus after 10 years of shortfalls. Departments have begun adding back positions to revamp services. Since then the City has filled 1,800 positions, but as described below, the number of vacancies remains high.

Exhibit 3 shows the increasing number of full-time vacancies over the past five years. The average number of full-time vacant positions has increased since FY 2009-10, when the average was 337 for the year. For the seven months from July 1, 2014 to February 1, 2015, the average number of full-time vacant positions was 658. As of February 2015, the City had 665 full-time vacancies[7] and 4,830 full-time employees.

[6] Full-time is categorized as any position equaling 1.0 FTE. This does not include full-time overstrength positions (positions that are funded on a temporary basis, usually through vacancy savings). It does include sworn vacancies excluded from Budget Office FTE vacancy calculations.

[7] Of the 665 full-time vacancies, 251 (38 percent) were in the Police Department (sworn and non-sworn).

Exhibit 3: Full-Time Vacant Positions by Month



Source: Auditor analysis of PeopleSoft data.

Multiple factors contribute to vacancies. Internal movement of employees, resignations, and retirements (discussed more in Finding 4) are the major contributors to the City's large number of vacancies. It should be noted that some positions may be deliberately vacant, and some vacant positions have remained open for extended periods.

In some cases, City departments use vacancy savings from these positions to fund other positions on a temporary or "overstrength" basis. These are positions that are above the adopted budget staffing level, usually funded through vacancy savings. As of January 2015, the City has 172 authorized overstrength positions. HR is also responsible for recruitment for these positions.

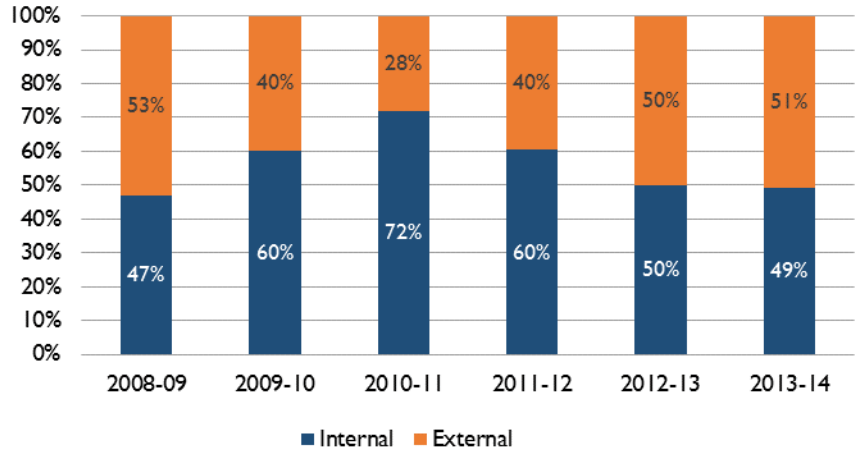
Nonetheless, when the City Council approves the annual budget, it essentially approves funding for certain positions to provide services that it deems important for City functions. When these positions are not filled, services fall below what was intended.

A Significant Number of Those Hired Are City Employees Moving Into Different Positions

Many of the City's recent hires are current City employees moving between departments and positions. Since FY 2008-09, the percent of internal hires within the City has remained steady but significant—nearly 72 percent of total hires in FY 2010-11. Many of these were internal promotions. In FY 2013-14 49 percent of total hires were City employees moving from different positions—a total of 444 employees.

While internal candidates bring knowledge of City functions, this results in additional vacancies within the City of San José. This is because when a position is filled with an internal candidate; a different position becomes vacant. Exhibit 4 shows the breakdown of internal hires vs. external hires since FY 2008-09.

Exhibit 4: Percent of Internal vs. External Hires (FY 2008-09 to FY 2013-14)



Source: Auditor analysis of PeopleSoft data.

Internal Hiring Workload for HR Is the Same as External Candidates

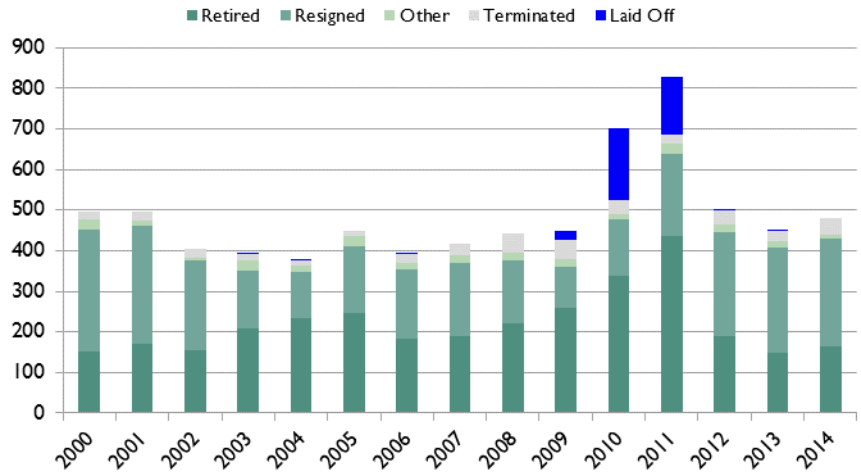
Hiring internal candidates does not reduce workload and time to hire for HR. This is because most hiring within the City is done competitively and most jobs posted are "open" and not only internal. The only exception is promotions for the Police and Fire department sworn staff. For this, HR conducts written tests and then develops a list of eligible candidates based on the scores. For all other jobs, because of the City's position-based hiring process, all recruitment steps have to be followed—from posting the job opening to interviews.

Resignations and Retirements

The City continues to face a high number of resignations and retirements—a trend we reported in our 2012 audit "Ten Years of Staffing Reductions at the City of San José: Impacts and Lessons Learned."[8] In 2014 nearly 56 percent of City separations were resignations; 34 percent were retirements. Exhibit 5 shows the breakdown of separations by type.

[8] Ten Years of Staffing Reductions At the City of San José: Impacts and Lessons Learned

Exhibit 5: Number of Full-Time Employees Leaving City Service by Type of Departure (2000 to 2014)



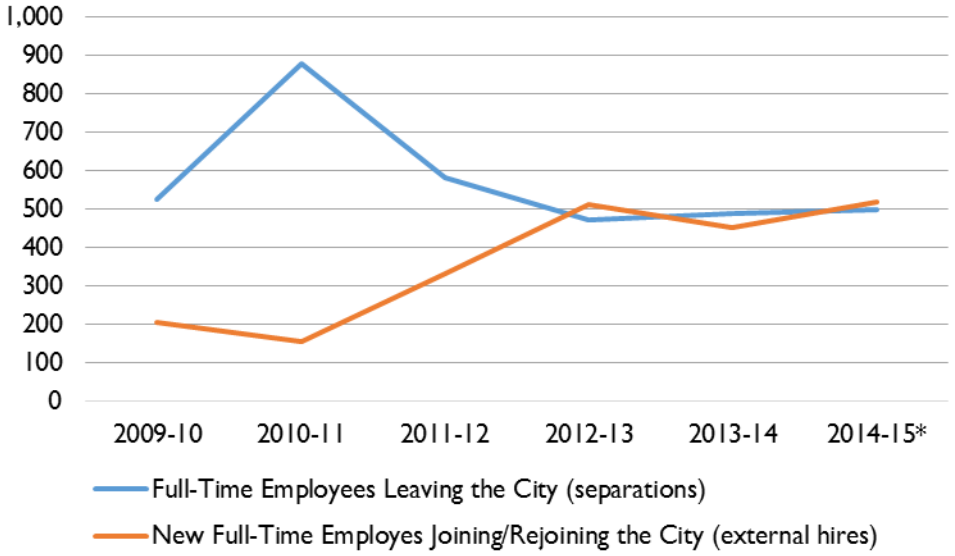
Source: Auditor analysis of PeopleSoft data.

The Vacancy Backlog Cannot Be Filled with Current Staffing

Hiring is currently being done by 15 staff in HR many of whom have been hired themselves in the past two years (HR also has one vacancy), and other staff in hiring departments. HR completed 341 recruitments in 2013-14 that resulted in over 900 full-time hires.

As Exhibit 6 shows, the rate of external hiring is simply keeping up with the rate of separations.

Exhibit 6: Full Time Employee External Employee Hires and Separations[9]



Source: Auditor analysis of PeopleSoft data.

* Projected based on July through February data.[10]

Since the number of new external employees being hired is just replacing separating employees, the current hiring level is not beginning to chip away at the large backlog of vacancies. Since the City is projected to hire just over 500 employees in FY 2014-15, but vacancies total 665, we estimate that the City would need to hire at more than twice the current rate to eliminate the backlog of vacancies and keep up with hiring.

However, once the backlog is eliminated, we believe HR staff should be able to hire at the right pace to keep up with separations. Specifically, as HR estimates, each of its analysts perform about 6 recruitments at a time; the average length of each recruitment is 3 months. We expect that based on this, the number of recruitments per year would be about 380. With 341 recruitments in FY 2013-14 (leading to about 460 new external hires), if the City continued its current pace, it would be able to hire as many employees as are leaving the City.

Recommendation #1: In order to reduce the vacancy backlog, the Human Resources Department should hire temporary recruitment staff.

[9] Separations include resignations, retirements, terminations, layoffs, and all other reasons that employees left City employment.

[10] Projection for FY 2014-15 does not account for any spikes in separations from retirements that may occur in March.

The City Has Successfully Used Outside Recruiters to Hire for Some Positions

As was discussed in the Background Section of this report, the City has an open contract with two recruiting firms.[11] The City has used these firms for 18 recruitments in the last two years. Each recruitment costs between $12,000 and $25,000. The departments that used these external recruitments were: DOT, ESD, Finance, PBCE, PRNS, and the Police Department. It took the recruitment firms from 80 days to over 200 days to fill positions. In general, these firms are used for management level positions such as Division Manager, Administrative Officer, etc. According to HR staff, recruitment firms are able to do targeted recruitments and reach out to potential applicants and generally meet their time targets. Departments that have used these firms also report a high level of satisfaction with the firm results.

Some Positions Are Hard to Fill

There are some positions within the City that are especially hard to fill. Some of these positions are specialized and have multiple job opportunities in the private industry, and/or may have more competitive salaries elsewhere. Some of these hard-to-fill positions include building inspectors, water pollution control plant operators, many positions in IT, etc. These positions require more time and effort to fill.

Many positions in IT are hard to fill. As of March 2015, IT had 24 vacancies, and reports frequent problems hiring positions in its department because they are competing with the surrounding private sector for the same jobs. For example, a Supervising Applications Analyst (SAA) job was initially created in March 2013. Only 17 people applied, of whom none were deemed competitive. In July 2013, IT again posted this job to be "open until filled." 33 people applied, of whom one person was hired in November 2013. The job became open 6 months later and IT is once again hiring. This time they are hiring for four SAA positions. There are 53 applicants, many of whom have already been screened out. In contrast, many other job openings receive over 200 applicants. To date these SAA positions are still not filled, and have remained so for almost two years with the actual recruitments taking up the departments' and the HR analysts' time.

Some of these hard-to-fill positions also require written tests which are more time consuming to schedule. These could use additional outreach efforts and/or specialized recruiting to fill and may need to be continuously open for recruiting.

In our opinion, HR should consider increasing their usage of outside recruiters to work on positions that take significant resources to recruit and fill, and focus HR resources on the remaining more routine positions.

[11] The City also uses recruitment firms for executive level recruitments. In the past two years the City has used these firms for about 20 executive recruitments for a total cost of about $700,000.

Recommendation #2: In order to recruit for hard to fill positions, consider increasing usage of outside recruitment firms that are specialized to fill these positions.

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Finding 2 The Hiring Process Takes Too Long

Summary

The City has a lengthy hiring process with timeframes for employees to start work ranging from 4 days for a position where a list of candidates already was identified, to 10 months for a position that was hard to fill. On average it takes 6 months to hire for a vacant position if no candidate list exists. HR's hiring process has 53 steps from approval of the position for hire to the employee being hired. There is frequent back and forth between HR and the various departments adding to the time. Customization of recruitments, unclear delineation of HR and department roles in hiring, and lack of coordination and training also increase the time to get people to work. For example, it can take 3 months on average to prepare a job for posting. In our opinion, the City needs to make process improvements, accurately track the time it takes to hire, coordinate some recruitments, clarify HR and department staff roles, and establish hiring timelines and deadlines.

Civil Service Rules Define the City's Hiring Process

Civil service rules require the City's HR Director to develop a process to ensure that the hiring process is fair and equitable. According to the Municipal Code

> *Except as otherwise provided […], the nature and type of recruitment and assessments to be conducted for each class or position shall be determined by the director. The assessment techniques used shall be impartial, shall use job-related screening requirements, and shall fairly determine the qualifications and the relative merit and fitness of candidates for the classification and position to be filled.*

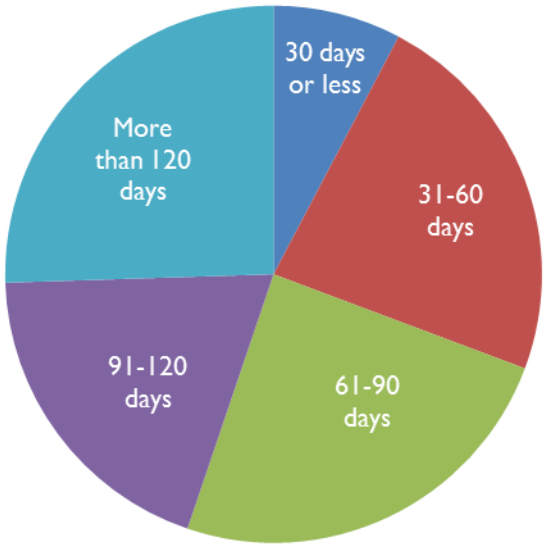
This essentially means that the HR Director determines the recruitment process that shall be used citywide.

The Current Recruitment Process Is Lengthy

With the City's current hiring process, HR reports that it takes an average of three months to hire for a vacant position—from the time a job is posted until the hire is made. However (as discussed later in this Finding), we found on average that the time that it takes to post the job adds an additional 3 months.

The time to fill a position varies dramatically. For example, HR reported that the recruitment for a Park Facility Supervisor took the least amount of time of any recruitment at 4 days from approval to hire because a list of candidates already existed, but a Laboratory Technician I recruitment took nearly 10 months to fill (not including time to post the position).

Exhibit 7: Recruitment Hiring Times in FY 2013-14



Source: HR time-to-hire calculations (does not include time before posting).

According to a survey of recently hired candidates conducted by a City consultant,[12] three to six months passed after submitting an application before the candidates were notified of next steps in the hiring process. Applicants may be discouraged by how long it takes, or may move on to other positions because they cannot wait.

Other jurisdictions have their own timeframes:

- San Diego and Sunnyvale report that it takes an average of 2 months to create an eligibility list for a vacancy; Sunnyvale reports it is an additional 2 weeks to 1 month to make a hire.
- Long Beach reports that it takes between 6 weeks and 3 months to create an eligibility list; after the list is created, the screening process takes another 6 weeks.
- Santa Clara County reports that it takes nearly 3 months to create an eligibility list, with additional time to make a hire following the list creation.
- San Antonio reported that their process took an average of 48 working days, which is approximately 2 calendar months, from when a department asks to fill a position until the employee starts.

[12] Workforce Support and Planning Framework—Patrick Ibarra, The Mejorando Group.

Current Hiring Process

As discussed in the Background section of this report, previous hiring reform changed the way the City recruited and hired employees. The City has moved away from a list-based system to a more position-based system. In order to maintain consistency and fairness in hiring, HR developed the process discussed below after discussions with, and agreement from, the various bargaining units.

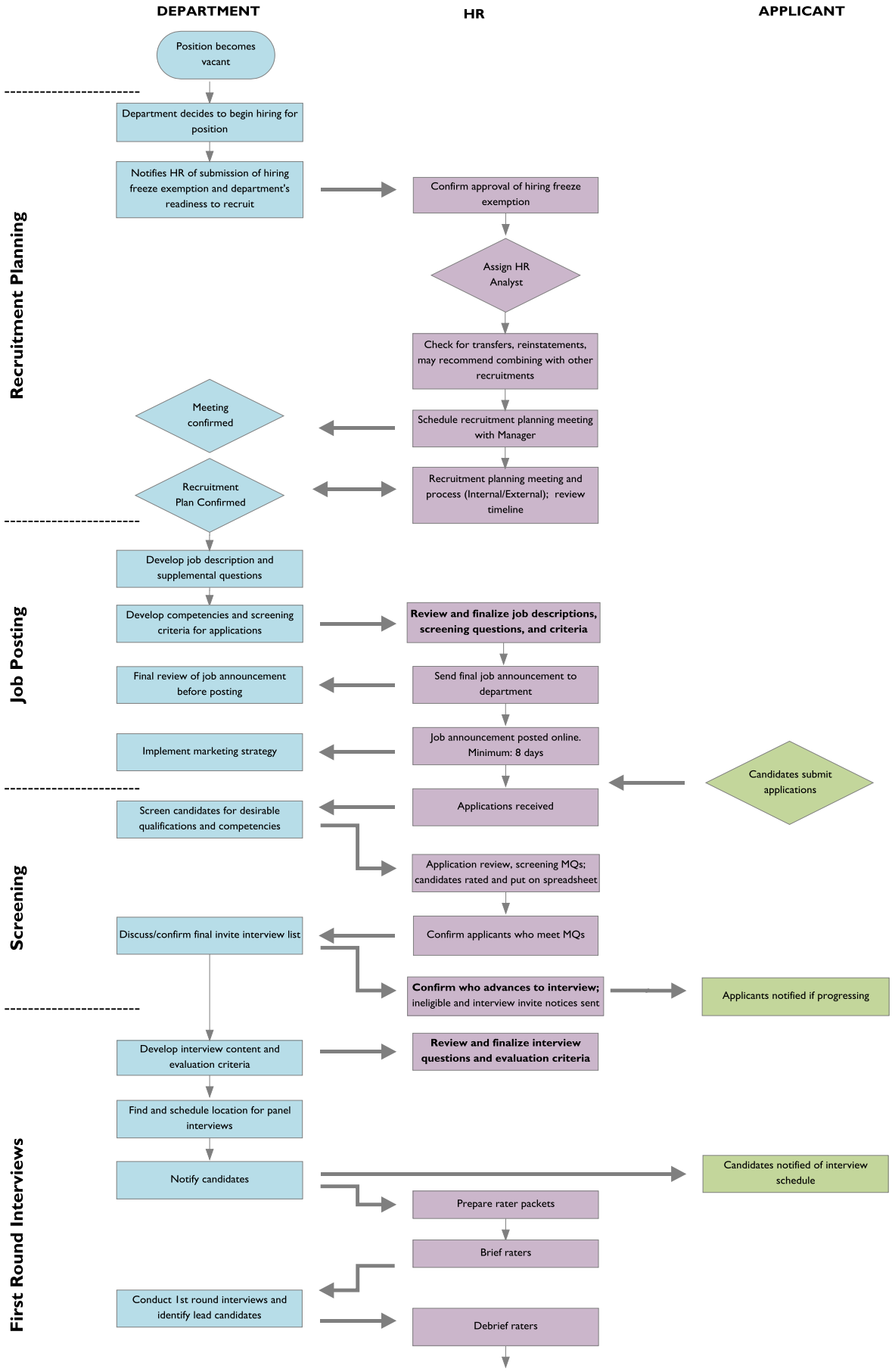
Multiple departments are involved in the hiring process. Funding for a position becomes available to a department as part of the City's annual budget process. Once a department decides to fill a position, it then makes a separate hiring request review to the City Manager's Budget Office. Budget Office approval generally can take between one day and one week.[13]

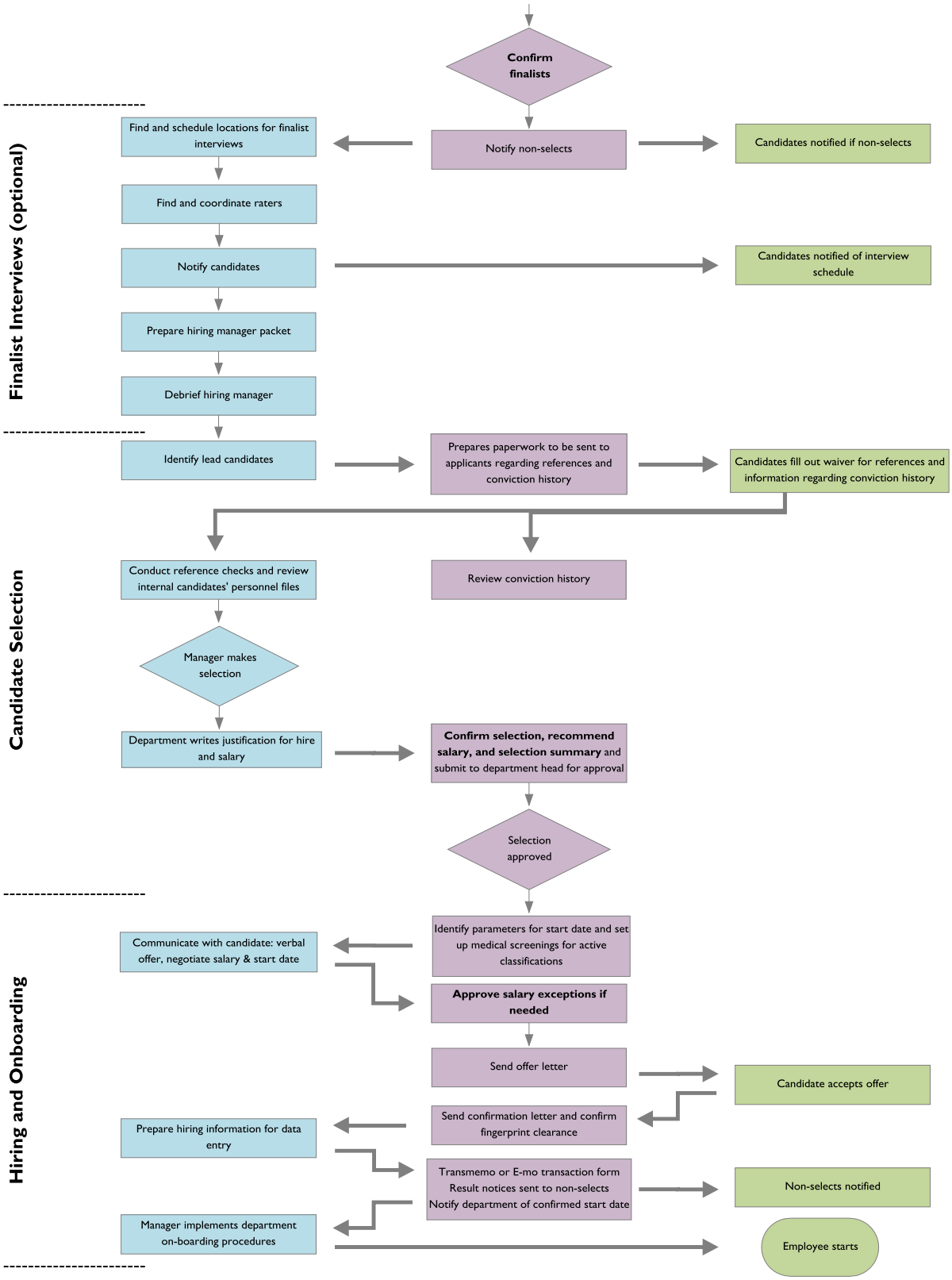
After the Budget Office approves the position for hire, the department notifies the assigned HR analyst that they want to begin the process of filling the position. The analyst begins gathering material on recruitment and meets with the hiring manager to understand their priorities for hiring. Recruitments are scheduled based on HR workload and department priorities. Department staff generally coordinate many steps but HR is involved and approves most major milestone steps. The steps are documented in Exhibit 8.[14]

[13] The hiring request review process is a remnant of previous years of budget shortfalls that had resulted in a hiring freeze. During those years this process took much longer.

[14] As described later in this Finding, the hiring process is customized between departments. The flowchart shows a general recruitment process.

Exhibit 8: Hiring Process Flowchart





Source: Auditor summary of HR hiring process.

The Current Hiring Process Requires Significant Interaction Between Departments and HR

As demonstrated in the flowchart above, the current hiring process for a standard recruitment involves **at least** 20 handoffs on average between hiring departments and HR, and an additional approval process by the Budget Office. These handoffs add time to the already lengthy process. Department staff and HR both report that they each can wait for days, possibly weeks, to receive information at any given stage.

When department staff is responsible for completing a recruitment, there are designated check-in points at which staff must submit information to HR for approval. Typically, these check-in points are:

- Finalizing the job posting (only HR staff can approve jobs for final posting)
- Confirm interview candidates
- Review interview questions and evaluation criteria
- Confirm interview finalists for second interview
- Review selection of final candidate[15]

Before beginning each recruitment, HR and department staff discuss the timelines and the hiring process. Nevertheless, both HR and department staff reported frustration with the timeliness of the interdepartmental handoffs.

The length of time each check-in takes depends on the department and the HR analyst. Some departments report that they receive approvals back within a few days, while others report it takes an average of two weeks to hear back.

One department estimated that it takes HR one month to review their documentation. On the other hand, one HR analyst reported that it took many weeks to hear back from department staff because the department did not prioritize the recruitment and the department liaison was on leave for over a month. The recruitment process for this posting began in May 2014 and the recruitment was posted in July 2014. An employee was finally hired in this position in February 2015. This is an unacceptable timeframe not only from the perspective of getting employees started on budgeted priorities, but also from a candidate's perspective. The first candidate for this posting applied for the position in July 2014. The final decision was seven months later.

[15] The HR Director has to approve application salary exemption requests.

Established and agreed-upon deadlines can reduce frustration and sustain momentum during recruitments. Based on when a department would like a vacancy filled, HR and department staff should work to establish deadlines or service level agreements for each of the major parts of the recruitment: creation of job posting, selection of first-round interview candidates, selection of second-round interview candidates (when applicable), final selection of candidate, and start date.

Recommendation #3: Human Resources should work with departments to establish deadlines for key recruitment steps to manage hiring times.

A Significant Amount of Time Is Spent Prior to Even Posting a Job

Recruitments are posted on the City website. The posting process can take multiple weeks of back and forth between the HR analyst and the department hiring manager or liaison. Hiring managers work with the HR analyst to develop a list of competencies and supplemental questions that fit with the classification. Even though the City has a list of pre-defined classifications, every recruitment is customized to what the department wants/needs. This process is faster if the department has recently hired for a similar position and already has the required information. However, in other cases, this job posting information must be created.

We found that the time it takes even before a job is posted adds a significant amount of time to the hiring process. Specifically we found that the time it takes between when the Budget Office approves the position for hire and when HR posts the job is an average of 94 days, or 3 months.

Human Resources Should Track Recruitments to Improve and Provide Accurate Hire Time Estimations

It is important to provide departments with accurate time estimates for hiring. However, HR's homegrown database for tracking recruitments has not been set up to track timeframes associated with all the major hiring steps. For example, even though the timeframe before job posting is significant (from 1-7 days to get Budget authorization, plus an average of 94 days to clarify competencies and supplemental questions), HR does not count this time in their performance metric of "time to hire." According to HR, the timeframe before posting is not within their control because departments are oftentimes not ready to post and recruit for that job even though the Budget Office has approved the position for hiring.

In our opinion, HR should not only track this time but also provide it to departments in order to provide a more complete picture of the actual timeframe for a hire. Further, it would allow HR to make better predictions when establishing targets with departments for hiring times.

To monitor these targets and improve time estimations, HR should explore using a comprehensive system to track applications and recruitments. The current system, an Access database, is sufficient to track start and end dates of a recruitment. It does not, however, allow for more robust data collection for the time between those dates that would be useful when planning recruitments and holding everyone responsible for deadlines. The software HR is procuring may have this capability.

Recommendation #4: To better inform recruitment processing deadlines, Human Resources should track and report all the time between major hiring steps, and provide hire time estimations to departments for each step.

The Hiring Process Is Highly Customized

Not only is each recruitment customized, we also found that each department follows a slightly different hiring process. As shown above, departments go through the same basic steps, but we found a high degree of customization within each of the steps—to the extent that it felt like departments and HR analysts were "starting from scratch" for almost each and every recruitment. The customized approach (both for each recruitment and for each department) affects recruitment timelines, screening of applicants, responsibilities between HR and department staff, and documentation of hiring decisions, to name a few. Each customization adds time, particularly when HR analysts are shifted between assignments. Where possible, HR should work to standardize hiring steps and keep the hiring process consistent.

Other jurisdictions we surveyed reported that their hiring processes were standard across hiring departments. In Sunnyvale, all departments must choose from an eligibility list unless they are granted an exception because the position is highly specialized. San Diego has one recruiting process for all departments, but departments are responsible for interviewing and screening, so these procedures may differ across the city.

Delineation of HR and Departmental Responsibilities

One side effect of the customized approach is that the responsibilities given to HR and department staff can vary greatly across the City. In departments with trained staff who were formerly HR employees (such as DOT), department staff

performs a much larger portion of the hiring process than departments without such trained staff. This forces HR staff to have individualized approaches to each department's hiring, which can add time and complication to the process.

For example, under the current customizable hiring process, hiring departments can create practical exams to use during the screening process. Though HR approves the exams, the suggestion for using a particular assessment comes from a department, along with the content of the exam. Though HR may feel the exam is an unnecessary step, they generally allow the departments to take the extra time during the process if the exam is appropriate for the classification.

For example, Finance routinely administers practical exams for Accountant I/II positions—positions that already require a bachelor's degree in Business Accounting or a related field with at least 12 semester units in accounting subjects. In those exams, candidates are asked to perform basic tasks such as building a table, addition and subtraction of figures, and creating a pie chart. While City rules require written tests for certain positions, Accountant I/II is not one of those positions. In this particular case, the Finance department has chosen to add this additional step to the process, even though it is not required.

In another case, PRNS prepared a practical test for an Analyst I position, which is an entry-level position in the City. It was a simple logic test with questions that appeared to have no direct correlation to work that the analyst would be performing. This test was not used for this or any other analyst positions. Even though HR reviews all exams, the decision to have such a test and the questions to include are the creation of individual hiring managers or department staff.

Recommendation #5: To reduce hiring times, Human Resources should:

a) Standardize hiring steps where possible to make the hiring process consistent, and

b) Delineate consistent roles for Human Resources and department staff in the hiring process.

More Recruitments Should Be Coordinated

In addition to the customization discussed above, departments do not coordinate hiring for similar positions. The City has a significant number of positions that are citywide classifications—almost all departments have them. These include Analysts, Staff Technicians, Office Specialists, Accountants, etc.

Because of current software limitations, departments are unable to view when there are other citywide recruitments happening that would help them piggy-back

on those recruitments. Furthermore, future recruitments could be coordinated. For example, as of January 21, 2015, the City had budgeted vacancies for:

- Four Accountant II positions in Finance, ESD and PBCE; and
- Eleven Analyst II positions in the Airport, City Manager's Office, Housing, ESD, Finance, Fire, Police and PRNS.

In our opinion, hiring for these positions should be coordinated.

The lack of coordination may be exacerbated by the fact that HR is overwhelmed by the current backlog, and lacks bandwidth to do pre-planning for vacancies that departments have not yet requested be filled. It may also be exacerbated by the fact that HR divides its analysts by department, not by job type, so in some cases they may not be aware of budgeted vacancies in other departments or how those could be prioritized.

Other jurisdictions use unranked or ranked eligibility lists to coordinate recruitments. In the City of San Diego, unranked lists are created based on a posting for the classification. Every department in San Diego that has positions in the classification reviews the posting to ensure that they will be satisfied with the results. Once the unranked list is created, departments are allowed to choose any candidate on the list.

In Sunnyvale, ranked eligibility lists are good for up to 1 year or until 2 or fewer candidates remain. However, if a position is specialized and requires specific screening, departments can request full recruitments to fill those positions.

Recommendation #6: Human Resources should develop lists of common citywide positions and coordinate recruitments between departments where possible.

Department Staff Do Not Receive Formal Hiring/Recruiting Training

As noted previously, department staff performs a significant number of recruitment related activities. HR has designated check-in points to ensure that the department is on track to completing a fair, informed recruitment.

Several of these department staff who work on these recruitments previously worked in HR and have significant experience with the hiring process. However many others do not have human resources background or training.

In order to provide consistency, citywide training should be provided. HR reports that it performs one-on-one training with new analysts that are working on recruitments, but no formal training has been offered for many years.

If department staff were trained on the hiring process and requirements, HR could potentially delegate more control over check-in steps and allow departments to conduct their own independent recruitments. This would allow for fewer handoffs between departments and HR, reducing the overall workload and the hiring time.

In addition, more training may reduce the number of complaints received about the hiring process, which reduces the workload of HR and the City Attorney's Office staff. For example, more extensive training on appropriate interview questions could help prevent inquiries that could be potentially construed as a violation of City policies.

According to *Public Personnel Management*,[16]

> *The trend in human resources management is towards decentralization. […] There can be concern that decentralized personnel processes could lead to more violations of merit principles. On the other hand a recent U.S. Merit Systems Protection Board concluded that the decentralization has occurred with no corruption linked to "spoils," no decline in quality of federal employees, and increases in diversity.*

Supervisor Resources

Currently on the City's intranet site, there is a page devoted to providing recruitment information to hiring managers. This "Supervisor's Hiring Toolbox" includes information on job classifications, guidelines for conducting recruitments, and materials to provide to new employees.

These resources, though useful, could be updated. The Standard Operating Procedures for Hiring, for example, have not been updated for seven years. Providing up-to-date information for departments to use will help department staff conduct recruitments in line with City policies. Like with HR training, this will reduce the amount of time HR spends helping departments with recruitments and address HR concerns about department staff being unaware of HR requirements.

In our opinion, once HR has developed and conducted trainings for staff, it would be useful to put videos of these trainings online. That way, if a hiring manager has not been trained but needs to conduct a recruitment before the next Citywide training is available, they can still receive HR instruction without the need for one-on-one training.

[16] *Public Personnel Management: Contexts and Strategies*; Fifth Edition; by Donald Klingner and John Nalbandian.

Recommendation #7: Human Resources should update the hiring resources available to department staff on the intranet, and conduct regular training for department staff on recruitment procedures and regulations.

Human Resources Staff Offers Options to Reduce Hiring Time

HR recognizes that the City's hiring process is lengthy and has tried to make improvements. For example, HR maintains a qualified candidate list for positions in the City that are cross-departmental and require written tests. These positions are Account Clerk, Engineering Technician, Maintenance Assistant, Senior Office Specialist, and Staff Specialist. Departments can choose candidates from this list to start work immediately. Written exams are conducted on an as-needed basis.

Subsequent Hiring

The *subsequent hiring system* is essentially a "list" that maintains candidates from previous recruitments and offers departments the opportunity to choose from this pool instead of going through the whole hiring process.

Using the subsequent hiring process can significantly reduce a department's hiring time. Specifically, we found that subsequent hires take an average of 56 days to complete (from approval to hire), as opposed to the average 111 days it takes to complete a regular recruitment from post to hire. In our opinion, HR should actively encourage departments to increase use of the subsequent hiring process.

Cascade Hiring

The goal of the *Cascade Hiring* program is to speed up the hiring process for departments and relieve employees from having to complete several applications. As part of the Cascade Hiring Process (which HR is running on a trial basis), participating departments can use the same job announcement to recruit for both a higher- and lower-level classification at the same time when it's reasonable and practical to do so. Departments can opt to use Cascade Hiring when it's expected that a higher-level vacancy may be filled from the ranks of employees occupying similar, lower-level positions in the same job series. In addition, interested candidates can apply for one or both of the posted classifications simultaneously while using the same application. The hiring manager would be able to screen, interview, and fill the higher position first. Once that part of the process is completed, another manager would access the remaining candidate pool to fill a position left vacant by the newly promoted employee.

Expedited, Standardized, or Customized Processes

These modifications to the City's process can help reduce the time it takes to hire employees who will provide residents with necessary services. In our opinion, HR should provide more clarity to departments on the timelines and steps for the various hiring options—expedited process, standardized process, or customized process.

Recommendation #8: To encourage expedited hiring and highlight the length of time needed for specialized recruitments, Human Resources should provide hiring process options to departments. These options should include an expedited hiring process (using an existing candidate pool), a standard process, and a specialized recruitment process with added steps for practical exams or additional screening criteria.

Interviews and Scoring for Civil Service Positions

The first level of candidate screening is typically done through questions and minimum qualification requirements that are developed with/by the hiring department and are incorporated into the initial application requirements. Candidates are screened out based on these questions.

The next step is inviting candidates to a first round of interviews. All top-tier candidates are invited to this interview. Typically there are two rounds of interviews. In some cases, HR coordinates the interview process but, in general, departments coordinate the logistics of scheduling and setting up interview panels. Interview questions and scoring criteria have to be developed with final approval resting with the HR analyst. Many departments also do not realize that they are allowed to ask limited follow-up questions during the interview process, which can help create flexibility in interviews. HR staff does not typically sit in on these interviews but, instead, does a pre-interview briefing with the panelists. We should note that this briefing is oftentimes conducted by the department hiring staff if they have had previous hiring experience.

Average Scores and Weighting

Each candidate is asked the same questions and scored on each question as Highly Competitive, Competitive, Marginally Competitive, or Not Competitive. The scoring is then averaged with the candidate(s) getting the highest score(s) invited back for a second interview. Some department staff we interviewed did not understand that the scoring system does allow for weighting by order of importance. According to HR, departments can decide prior to interviews that candidates who will be moving on to the final interview must be highly competitive in certain categories. This helps to ensure that final candidates have certain desirable qualifications. Currently, departments may feel the need to

increase the final interview candidate pool if the average scoring without weighting does not satisfy their assessment of a best fit. The final interview is often used as a less formal process and generally the major criteria is the candidate "fit."

In San Antonio, Texas, the recruiting staff trains supervisors on how to weight answers to questions when interviewing candidates. For example, a candidate may get a high score on four questions, but a low score on the fifth, receiving 21 points in total. Another candidate might get 80 percent on all five questions, for a total score of 20 points. Even though the first candidate has a higher score, a hiring team may want to select the more well-rounded candidate who scored relatively highly on all categories.

Scoring of Applicants Is Extensive and Inflexible

As discussed above, the scoring of applicants, before and during interviews, requires extensive analysis. According to HR, scoring is intended to maintain a fair hiring process and limit complaints. However, it has also resulted in an inflexible process that may limit the quality of the candidates and the number of entry-level candidates.

Departments find workarounds in order to circumvent this inflexible process. For example departments spend a lot of time developing extra questions to address the core job competencies and then have to spend extra time scoring those questions.

Not all competencies may be created equal. Because departments generally do not weight the scoring system, they sometimes add multiple questions to the competencies that they consider important and fewer questions to those competencies that are "nice to have." Second interviews are also important to address the important competencies. Departments also report that they have been told that they should not ask follow-up questions during interviews. However, HR told us that a certain number of relevant follow-up questions are allowable. Evaluating the best fit for an organization may require some level of flexibility.

Many Civil Service Classifications Still Require Written Tests

Some City positions require written and/or practical tests. There are 18 non-sworn City classifications that have to undergo written tests. These are:

- Account Clerk I/II FT/PT
- Accounting Tech FT/PT
- Building Inspector/Combination FT/PT
- Code Enforcement Inspector
- Electrician

- Engineering Tech I
- Heavy Equipment Operator
- Instrument Control Technician
- Laboratory Technician
- Maintenance Assistant
- Office Specialist I/ II FT/PT
- Permit Specialist
- Wastewater Attendant
- Wastewater Operator Trainee
- Security Officer
- Senior Account Clerk FT/PT
- Senior Office Specialist FT/PT
- Staff Specialist/Staff Technician

These written tests have to be scheduled and so positions may take longer to fill. Candidates also can only do these tests at pre-scheduled times and locations so these have to be arranged. This can add more time to the process. According to HR, if there are many candidates for a position, tests are conducted on Saturdays. Usually these tests are at community centers and requires HR staff to facilitate the tests. In addition, HR staff reports that a significant number of candidates fail to show up for these tests. Reducing the number of written tests would streamline the process.

Recommendation #9: Human Resources should encourage hiring managers to use available flexibility on the methods of rating or scoring candidates and interview follow-up questions. Further, review and reduce number of classifications requiring written tests.

Job Competencies Should Be Reviewed

HR provides hiring managers with a list of 50 job competencies. Competencies are the measurable or observable knowledge, skills, abilities, and behaviors critical to successful job performance. Further, describing desired competencies in recruitment announcements gives job seekers a clearer picture of what jobs entail. Competencies also provide the foundation for assessment and selection techniques, including exams, interviews, and reference checks.[17]

We found that the list is overly long and some of these competencies are repetitive and redundant. For example the list includes "change management" and "entrepreneurship" as two different competencies when they both signal the

[17] http://www.hr.wa.gov/WorkforceDataAndPlanning/WorkforcePlanning/Competencies/Pages/default.aspx

same competency—a willingness to embrace change within and outside the organization. According to HR, they are currently in the process of revising and reducing the number of available competencies.

We found that hiring managers may not necessarily understand why and how to select these competencies. For example, HR reports that the City posted over 20 Analyst jobs in various departments over the past two years and that each position had different required basic competencies. Currently the City's job specifications do not tie to specific competencies.

Job Competencies Are Not Always Used For Evaluating Candidates

Moreover, the list of job competencies on a job posting is not always used for evaluating candidates, despite that being their primary purpose. In one case, for a DOT Maintenance Worker job, one of the competencies listed was Computer Skills, which includes "*experience with common business computer applications including but not limited to MS Outlook, MS Word, MS PowerPoint, MS Access and MS Excel.*" The actual scoring/interview questions did not even include computer skills as a criteria for evaluation.

Recommendation #10: Review and reduce job competencies. Develop competencies that are tied to classifications and use these consistently.

Many Job Specifications Are Out of Date

The City maintains a long list of job classifications. Each classification has a job specification (or "job description"). Some of these job specifications are old and have not been updated for a long time. For example,

- Account Clerk 1, last updated in 1980, makes no mention of computer skills as minimum qualification or competency;
- Twenty-two percent of the job specifications are more than 20 years old; and
- Fifty percent are more than 15 years old.

Many of these specifications may need updating. For example, some specifications may not include skills that are now necessary to perform a job, or they may have higher minimum qualifications standards than are necessary for the positions. This may increase hiring time if staff needs to update the job specifications and/or the description of an open job before posting.

Making More Entry Level Positions Available to Bring in New Hires From the Outside

In some cases the City may be requiring more stringent minimum qualifications than may be needed for doing the actual work. As mentioned above, not having the required minimum qualifications automatically screens a candidate out. In some cases, this may not be required. For example, the Network Technician I is the lowest level position in IT. The job's minimum qualifications require "*two years of college with courses in Business Administration, Public Administration, Computer Technology, or a closely related field and one year experience performing computer-related work such as computer repair, technical troubleshooting, application support or related duties*." According to IT, this is not something IT sees as necessary for the actual work and these requirements limit the candidates that they receive. IT would like to attract applicants that have the **equivalent** of 15 semester hours in Computer Science or Information Technology Systems from an accredited college or trade school. This would allow IT to get both college students and those attending some Silicon Valley trade programs.

Recommendation #11: Work with departments to update minimum qualifications and job specifications to ensure they are pertinent to job requirements, starting with those that are out-of-date.

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Finding 3 The City's Outreach to Potential Applicants Can Be Expanded

The City has been working to improve outreach to potential candidates, but there is room for expansion of these efforts. The City's current job website, CityJobs, is outdated, with a poor user interface. This impacts the ability to apply for jobs and the attractiveness of San José as a place to apply for work. The City should update its website to provide more information and to visually appeal to potential applicants. In addition, Human Resources should increase outreach efforts to entry-level applicants for relevant positions.

The City Continues to Make Improvements in its Outreach Efforts

The City has taken steps to improve its outreach to applicants. In December 2013, the consultant Mejorando Group submitted a final report entitled "Workforce Support and Planning Framework." The report outlined issues the City is currently facing regarding the attraction and retention of employees. The City then launched the WorkForce Support and Development Strategy initiative (discussed more in Finding 4 of this report). The initiative involves eight teams of employees from across the City that are working to improve the City's workplace and provide support to City staff.

The teams have made progress promoting San José's image as an employer, creating resources to boost recruitment, and facilitating the hiring process for prospective applicants. These successes include a recent video showcasing what employees enjoy about work with the City to welcome new employees. This video has been posted on the City's employee Intranet site and public LinkedIn page,[18] but not on the City's public Internet site—which is where many applicants would look.

The Recruitment Team has also developed a flier promoting work at the City, and the Hiring Team has suggested a graduation waiver to allow students who will soon receive a degree to apply for City employment.

HR is working to expand recruitment outreach onto social media and job websites. One priority has been to expand the use of LinkedIn in job postings and advertisements to expand the qualified candidate pool. HR has recently signed a contract with LinkedIn in order to expand usage.

As part of a larger Citywide purchase of updated budgeting and personnel software, HR anticipates major changes to the current recruiting and hiring software used. As explained in the following section, the current website

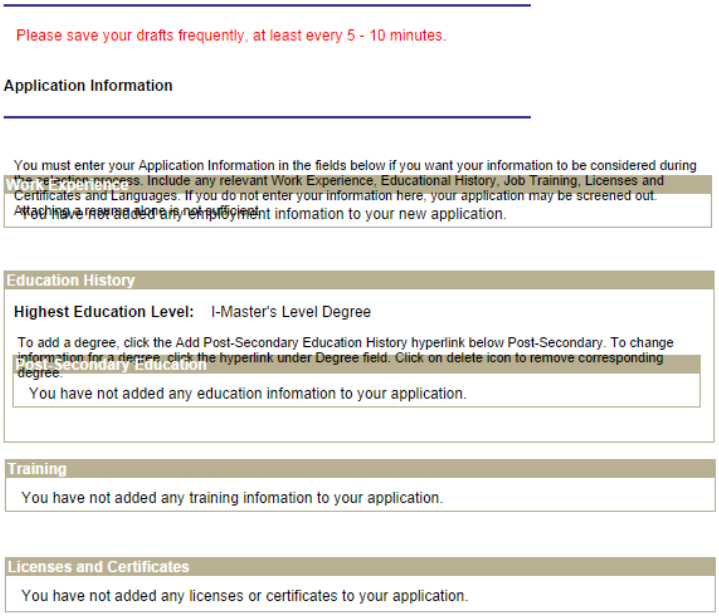
[18] https://www.linkedin.com/company/city-of-san-jose/careers?trk=top_nav_careers

interface has significant room for improvement. Additionally, as discussed in Finding 2, the current software does not allow for comprehensive tracking of applications and recruitments.

Human Resources Should Update Website Interface to Improve Applicant Experience and Attract Candidates

The current City jobs website interface needs improvements. The website is not compatible with all web browsers. For example, when using Google Chrome with the application website, text becomes illegible. It becomes difficult to read and nearly impossible to apply for a position opening. Exhibit 9 shows the over-writing that the viewer sees when using Google Chrome as the browser.

Exhibit 9: User Experience with Google Chrome



Source: CityJobs Website

Even with the most compatible web browser, Internet Explorer, the user experience is poor. The software, CityJobs, does not allow for filtering by categories that would allow for more targeted review of the current job openings. To search for types of jobs, an applicant would need to know the "job family" the position is in, which is not always intuitive. The postings are listed by their job title and include the open date, close date, and unique job identification number. To learn more about the job, such as starting salary or department, requires opening the entire posting. Postings are formatted such that all information is on one page, rather than broken up into separate tabs for quickly finding information. The postings do not typically contain detailed information

about the selection process or the recruitment timeline. The entire look of the website does not convey a dynamic, innovative employer.

The City of Los Angeles offers a more user-friendly experience. While an initial page lists only the job title opening and the open date, the full listing of all job openings allows for selecting topics (listed in clear layman's terms). Jobs are listed with salary information and a brief summary of the job duties, so applicants can easily see what jobs they might be interested in. Job posting data is organized into tabs that allow a user to quickly find information about different topics. The postings have a section that explains how candidates are selected and the timeline for possible interviews for the position.

Many other California jurisdictions use the same software and interface as Los Angeles. Of the ten largest cities in California, seven use the same software (including Los Angeles). San Francisco, though using different software, has a similar user experience as Los Angeles.

According to the International Personnel Management Association's 2014 Talent Management benchmarking survey,

> *Public sector HR practitioners consider their own organization's website the most effective tool for recruiting both millennials (72%) and military personnel (80%). For millennial recruitment, it is important that the organization's Internet presence includes social media (57%) posts that are up-to-date (36%). An organization's website could potentially be used to help refute the "unfavorable stereotype of public service" that 40% of respondents believe millennials hold.*[19]

The City is in the process of procuring a new software for budgeting and personnel, which would include an update to the job openings website and the online application portal.

Applying for a Job Online Has Major Glitches

The application portal is equally hard to use and is without visual appeal. To begin, the only reliable web browser is Internet Explorer. Once a user finds a job and makes a login ID, the website has several pages that allow an applicant to upload a resume and answer questions. When testing, the audit team attempted to upload a resume. The resulting file, as saved on the website, was unreadable. The website did not instruct to upload resumes in PDF format. When reviewing other applications submitted through CityJobs, this seems to be a recurring problem with some resume uploads.

After filling out the application, the audit team was unable to submit due to a repeating error message that had limited information and no instructions for how

[19] http://ipma-hr.org/files/surveys/2014%20Talent%20Management%20Benchmark%20Survey-Executive%20Summary.pdf

to correct the problem. Abandoning that application to try another, the team found that submitting a second application resulted in the submittal of the first.

As noted earlier, it is expected that the interface will be improved with the new software.

The City's Website Can Improve Promotion of Job Opportunities

The current City website homepage, www.sanjoseca.gov, lacks prominent links that might encourage prospective employees to learn more about the City's job opportunities. As shown in Exhibit 10, on the current home page the link to find current job openings is small and easy to miss.

Exhibit 10: City of San José Home Page

Source: City of San José homepage, www.sanjoseca.gov

One possible location for the "Careers" link would be in the options ribbon alongside Customer Service and City News and Information.

In comparison, as shown in Exhibit 11, the City of Los Angeles has a link for "Job Seekers" at the top of their webpage clearly displayed.

Exhibit 11: City of Los Angeles Home Page

Source: City of Los Angeles homepage, www.lacity.org

City of San José Consultants Have Targeted Recruiting Materials

As mentioned previously, the City uses consultants to conduct some recruitments. When this occurs, consultants will prepare recruitment materials for that position. These recruitment materials are far more targeted, visually appealing, and informative than the City's job postings and website information.

Exhibit 12: Sample of Consultant Brochure

ANNOUNCING AN EXCITING

EMPLOYMENT OPPORTUNITY FOR

PUBLIC INFORMATION MANAGER

Final Filing Date: August 18, 2014

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Recruiting Services Provided by

Koff & Associates

CITY OF SAN JOSE – PLANNING, BUILDING, AND CODE ENFORCEMENT

About the Department

The City of San José plays a vital economic and cultural role as the center of Silicon Valley. With an incredibly diverse community of one million people who have family and business ties around the world, San José is also at the crossroads of innovation and tradition that is the home of global technology companies and high quality neighborhoods. Located at the southern end of beautiful San Francisco Bay, San José is within easy reach of California's beaches and mountains, and enjoys an abundance of good weather.

The City of San José provides the full range of municipal services from an airport to a zoo, and is regarded as a leader for municipal innovation. As the 10th largest city in the United States, San José offers meaningful job opportunities where you can make significant contributions to enhance quality of life in this community and to the professional advancement in your field.

About the Department

The Planning, Building, and Code Enforcement Department preserves, enhances, and builds a safe, attractive, vibrant, and sustainable San José. Through partnership with and exceptional service to our diverse communities and customers, the Department provides the following services :

- Creating community-based land use plans for strategic areas of San José located near transit to transform them to vibrant neighborhoods with a genuine sense of place.
- Evaluating land use and zoning applications for all types of construction, from kitchen remodels to high rise buildings to achieve community development goals.
- Ensuring that building plans are consistent with local, state, and federal standards to protect long-term life safety for the community.
- Inspecting home remodels, office tenant improvements, and new construction projects; ensuring these are built according to plans and are in compliance with codes.
- Responding to citizen concerns and educating customers about compliance with local and state codes to maintain quality of life in San José.
- Engaging residents and businesses in active participation for the development of policies, programs, and projects to ensure that San José development is responsive to community needs and priorities.

About the Opportunity

The City of San José is seeking an experienced and savvy senior communicator with strong strategic and tactical abilities for a new position in the Department of Planning, Building, and Code Enforcement (PBCE). The successful candidate will demonstrate excellent writing and presentation skills, and have substantial experience with developing and executing effective communication plans using a wide range of appropriate tactics including traditional and new media. Candidates with public sector, corporate or public relations agency experience are invited to apply. Creativity, good judgment, and initiative are essential. Knowledge of land use planning and development issues and processes is desirable, but not essential.

This is an outstanding opportunity to establish a unique communications program for an organization that is creating the future for the Capital of Silicon Valley.

Recruitment Services Provided by Koff & Associates

Source: Brochure for Public Information Manager Recruitment (pages 1 and 2)

These types of brochures detail the job, benefit offerings, job requirements and salary ranges in a format that would make working for the City seem exciting. They also outline interview steps to keep applicants informed. HR staff should use the type of information provided and the visual presentation of the brochures as a guide when developing the job website and any outreach materials for the other City positions.

City's Postings on External Websites Are Not Always Up-to-Date

The City also posts jobs on external websites to promote employment at the City of San José. Depending on the type of recruitment and input from the hiring department, recruitments are generally posted on CalOpps.[20] We found that jobs posted on the City's website and the CalOpps website are sometimes inconsistent. For example, a job posted on the City's website for a Senior Accountant on March 2, 2015 was not posted on the CalOpps website. In

[20] Calopps.org is a public employment job board owned and operated by public agencies. Prospective candidates can search public agency career opportunities based on specific search criteria.

another example, a job opening for a Parking Control Officer shows the application close date of March 4, 2015 on CalOpps, but was listed on the City's website as "open till filled." According to HR, the discrepancy was because of staffing changes at HR.

Recommendation #12: Human Resources should work with the City Manager's Office to improve the promotion of City jobs on the Internet by:

a) Enhancing the visual appearance, usability, and recruiting content of the City's job website, and

b) Ensuring jobs posted on external sites contain correct recruitment information

The City Should Improve Outreach Efforts to Potential Entry-Level Applicants

The City has some entry-level positions. As recommended in Finding 2, the City may be able to expand the number of available entry-level positions. At this time, HR does not regularly attend college career fairs or circulate recruitment brochures nor is there a long-term strategy to reach out to these potential employees.[21] This may be limiting the pool of qualified entry-level applicants that the City receives. As the City increases the number of entry-level positions, HR should plan to also increase efforts to attract more qualified entry-level applicants to City employment.

Recommendation #13: Human Resources should develop a strategy to increase outreach to potential entry level applicants.

[21] This excludes any efforts to recruit for sworn positions.

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Finding 4 The City Needs To Expand Its Long-Term Workforce Planning Efforts

While the City has made progress in recognizing and developing strategies for workforce development, it still faces challenges including a potential wave of retirements in the next ten years. Developing and retaining new talent and succession planning are key to this strategy. In our opinion, the City should review and plan for upcoming vacancies and retirements.

Workforce Support and Development Strategy

In 2013, the City Manager hired a consultant to review workforce issues in the City's four largest departments. The consultant reported that the City had high vacancy rates, low morale, many upcoming retirements, and a need for training, development, and support.

In order to address some of these issues in 2014, the City embarked on developing a citywide strategy on workforce support and development. Eight teams were created to focus on key elements of the "shared work experience." The intent was to cover the full tenure of an employee from the recruiting process through ongoing professional development to retiring. The teams and their missions are described below:

- **Reputation** - How are we perceived by prospective and current employees? How do we ensure our reputation isn't defined by the headline of the day?
- **Recruitment** - How do we find and hire the best candidates?
- **Onboarding** - The first year is critical in successfully bringing in a new employee to our culture. How do we set up systems so people feel welcome and prepared and integrate in to the organization?
- **Professional Development and Training** - What do our current staff need to meet their professional development goals and what training do they need to support them?
- **Talent Management** - Regular, constructive feedback is key for everyone. Knowing what you are doing right, and what might need tweaking helps employees grow and the organization thrive. How do we make this process more interactive, valuable and consistent?
- **Succession Planning** - How do we handle transitions in our organization as people retire, promote, or leave the organization? How can we make sure the work continues and honor the contributions people make?

- **Hiring** - Once we find a good candidate to hire, how do our hiring systems work? Are they efficient and painless?
- **Environment** - What are those things we can do to our physical workplace or policies that would make working here more enjoyable?

Some of the initiatives from these teams include the Cascade Hiring program (described earlier in this report), temporary waiver of graduation requirements to apply for some jobs, and a video diary describing experiences of City employees.

Planning for Upcoming Retirements and Separations

The International Personnel Management Association's 2014 Talent management benchmarking survey[22] reported that

> *The "silver tsunami" has hit the public sector. Four out of 10 public sector human resources practitioners' organizations could lose 20% or more of their employees to retirement within the next 5 years.*

In April 2014, HR made projections regarding how many current employees will be eligible for retirement in the coming years. As of last April, 11 percent of employees in the City's pension plans were already eligible for retirement. Looking ahead, 32 percent of all current employees would be eligible for retirement (including those eligible now and within 3 years) by 2019—more than 1,550 employees—whose positions will likely need to be filled.

A December 2013 *Governing* magazine article titled, "The Public Employee 'Silver Tsunami' Looms for Governments," describes the silver tsunami as "a sudden wave of baby boomer retirements that could potentially cripple the workforce." According to a December 2014 International City/County Management Association (ICMA) article,[23]

> *One of the most integral aspects of succession planning is focusing on knowledge transfer. Knowledge transfer ensures that the loss of experience and institutional knowledge accompanying the departure of baby boomers in the workforce is minimal. A formal plan in place for the transferring of knowledge can go a long way in allowing local governments to avoid watching decades of experience go out the window. Communities that have training programs and tools in place are well situated to have their successors hit the ground running after retirements.*

[22] http://ipma-hr.org/files/surveys/2014%20Talent%20Management%20Benchmark%20Survey-Executive%20Summary.pdf

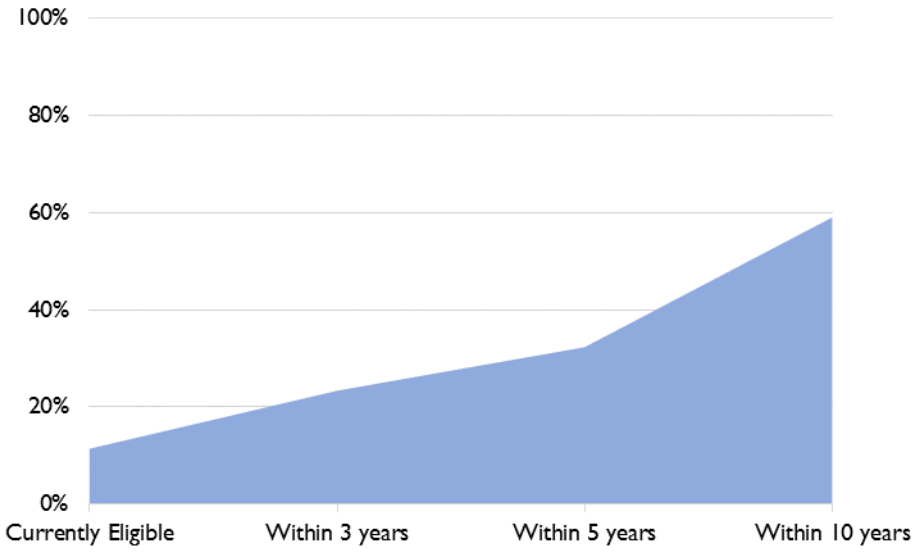
[23] http://icma.org/en/Article/105311/Training_for_the_Silver_Tsunami

A long-term plan is particularly important for the City of San José in light of the projected separations the City faces. According to *Public Personnel Management-Contexts and Strategies*, one of the approaches of human resources management is workforce planning.

> *The response to contemporary challenges is to act upon them through planning, not letting the short-term challenges dictate an organization's actions. The essence of this approach is a plan that identifies and connects present and future competencies with the outcomes identified in an organization's strategic plan. It includes an inventory of what is available in the current workforce and what is needed, and it develops a plan to close the gap.*

The ongoing wave of retirements presents a staggering challenge for recruitment, especially combined with the current vacancy backlog that already reaches over 600 full-time positions. As shown in Exhibit 13, one third of current employees would be eligible for retirement in 2019. Nearly 60 percent would be eligible by 2024.

Exhibit 13: Employees Eligible for Retirement (Based on April 2014 Projections)



Source: HR department projections[24]

Without a long-term plan, it is unclear whether HR would be prepared to face the increased recruiting needs the City is facing. Given these threats to the stability of the organization, a long-term recruitment plan could significantly impact service delivery to residents. The City's Director of Human Resources is launching a strategic planning effort to address some of these issues.

[24] Projections for IAFF Tier 2 retirements are based on 1/22/15 data. Calculations are cumulative, i.e. those eligible within 3 years are also included as eligible within 5 years.

Many Local and State Governments Are Facing Similar Challenges

According to a survey conducted by the Center for State and Local Government Excellence,[25] local and state governments are hiring again, although workforces remain smaller since the 2008 economic downturn. Recruiting and retaining qualified personnel to public service was reported as one of the most important challenges facing state and local governments in the near future. Specifically, the survey reports that:

- Sixty-six percent hired employees in the past year.
- Fifty-five percent hired more than they did in 2012.
- One-third hired contract or temporary employees.
- Forty-nine percent reported higher levels of retirement in 2013 compared with 2012.
- Twenty-two percent reported that employees had accelerated their retirement.

The survey goes on to state:

> *Looking ahead, the majority of respondents say that their top concerns are recruiting and retaining qualified personnel, staff development, succession planning, employee morale, competitive compensation packages, public perception of government workers, reducing employee health care costs, and dealing with employee workload challenges.*

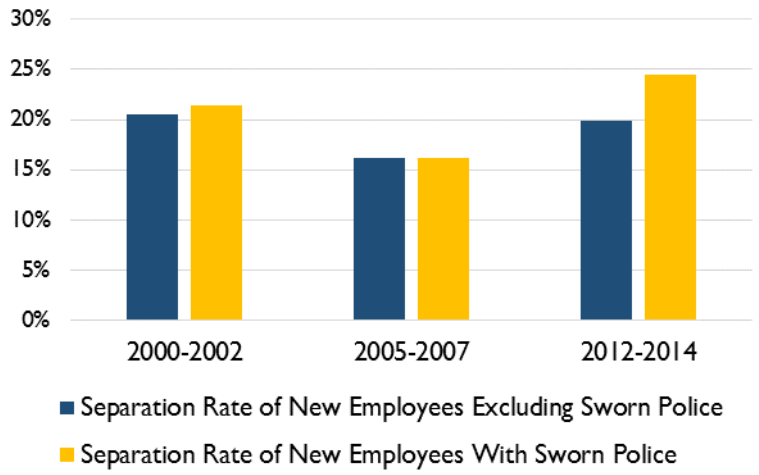
The Importance of Focusing on Turnover and Retention

The City's turnover rate for FY 2013-14 was 11.6 percent. Employees left City employment for a variety of reasons—mostly, they resigned or retired; a few were terminated.

Some of the employees who left had been recently hired. Between 2012 and 2014, 21 percent of new employees (excluding sworn Police hires) left within the same three year period. Only two percent of the 1053 new, full-time, permanent employees hired during that timeframe were terminated for failing probation—most left for other reasons. Exhibit 14 shows these trends over time.

[25] State and Local Government Workforce: 2014 Trends (http://slge.org/wp-content/uploads/2014/05/Workforce_Trends_2014.pdf).

Exhibit 14: Separation Rates of Full-Time, Permanent New Hires Over Time[26]



Source: Auditor analysis of PeopleSoft data.

The retention of newly-hired employees is an issue facing many organizations. In 2008, PricewaterhouseCoopers issued a report on new employee retention stating: *"Nearly one in three of newly hired employees leave the company voluntarily or involuntarily before the end of their first year."*[27] This turnover does not come without a price. The report further states:

> *The costs of new-hire turnover are immediate and significant. Calculating the business impact covers many components, including the cost to hire a replacement, compensation and benefits paid to the departed employee, cost of training, cost of facilities, systems and tools, cost of on-the-job training (for example, lost time for the hiring manager and team), cost of hiring manager (and team), time to hire the replacement, and more. In total, Saratoga, a human capital consulting service of PricewaterhouseCoopers, estimates that costs can be 50 percent to 150 percent of the annual salary for the job.*

According to the report, onboarding is a key strategy to reducing the rate of new employee separation. Onboarding is already included in the City's Workforce Development Strategy. HR should look at the current onboarding efforts, as well as any other strategies to reduce the rate at which newly hired employees are leaving the City.

[26] Separations include voluntary and involuntary terminations. Retention of sworn Police personnel will be addressed in an upcoming audit of Police recruiting.

[27] http://www.pwc.com/en_US/us/hr-saratoga/assets/retaining_employees_onboarding.pdf.

Recommendation #14: Human Resources should develop a long-term strategic plan to focus on employee retention and plan for upcoming vacancies.

Conclusion

Human Resources' Employee Services Division and department hiring staff are facing a vacancy backlog of over 600 full-time positions and a turnover rate of 12 percent. To eliminate the backlog and fill positions that have been approved to provide City services, HR should hire temporary staff and use consultants for hard-to-fill positions. To hire new employees faster and more efficiently, HR should examine its lengthy hiring process to standardize steps, reduce customization, establish deadlines, and track the time required to complete hiring steps. Expanded outreach and a long-term plan for workforce development will ensure that the City of San José workforce is able to continue providing high-quality services to residents in the future.

RECOMMENDATIONS

Recommendation #1: In order to reduce the vacancy backlog, the Human Resources Department should hire temporary recruitment staff.

Recommendation #2: In order to recruit for hard to fill positions, consider increasing usage of outside recruitment firms that are specialized to fill these positions.

Recommendation #3: Human Resources should work with departments to establish deadlines for key recruitment steps to manage hiring times.

Recommendation #4: To better inform recruitment processing deadlines, Human Resources should track and report all the time between major hiring steps, and provide hire time estimations to departments for each step.

Recommendation #5: To reduce hiring times, Human Resources should:

a) Standardize hiring steps where possible to make the hiring process consistent, and

b) Delineate consistent roles for Human Resources and department staff in the hiring process.

Recommendation #6: Human Resources should develop lists of common citywide positions and coordinate recruitments between departments where possible.

Recommendation #7: Human Resources should update the hiring resources available to department staff on the intranet, and conduct regular training for department staff on recruitment procedures and regulations.

Recommendation #8: To encourage expedited hiring and highlight the length of time needed for specialized recruitments, Human Resources should provide hiring process options to departments. These options should include an expedited hiring process (using an existing candidate pool), a standard process, and a specialized recruitment process with added steps for practical exams or additional screening criteria.

Recommendation #9: Human Resources should encourage hiring managers to use available flexibility on the methods of rating or scoring candidates and interview follow-up questions. Further, review and reduce number of classifications requiring written tests.

Recommendation #10: Review and reduce job competencies. Develop competencies that are tied to classifications and use these consistently.

Recommendation #11: Work with departments to update minimum qualifications and job specifications to ensure they are pertinent to job requirements, starting with those that are out-of-date.

Recommendation #12: Human Resources should work with the City Manager's Office to improve the promotion of City jobs on the Internet by:

a) Enhancing the visual appearance, usability, and recruiting content of the City's job website, and

b) Ensuring jobs posted on external sites contain correct recruitment information

Recommendation #13: Human Resources should develop a strategy to increase outreach to potential entry level applicants.

Recommendation #14: Human Resources should develop a long-term strategic plan to focus on employee retention and plan for upcoming vacancies.

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: Sharon Erickson
City Auditor

FROM: Joe Angelo

SUBJECT: **RESPONSE TO THE AUDIT OF EMPLOYEE HIRING**

DATE: April 6, 2015

Approved

Date 4/7/15

BACKGROUND

The Administration has reviewed the *Employee Hiring* audit and is in agreement with the recommendations identified in the report. The Audit assesses the efficiency and effectiveness of the City's current hiring process. Specifically, the audit addresses the following issues:

- With a turnover rate of 12 percent and internal hiring rate of 40 percent, the rate of external hiring is simply keeping up with the rate of separations; the result is a vacancy backlog of over 600 full-time positions.
- The recruitment process is lengthy, with multiple steps, and a high degree of customization.
- The City faces continuing workforce challenges in employee turnover.
- The Human Resources Department lacks resources in employment and in training department staff in the recruitment process.

The following are the Administration's responses to each recommendation.

RECOMMENDATIONS AND ADMINISTRATION'S RESPONSE

Recommendation #1: In order to reduce the vacancy backlog, the Human Resources Department should hire temporary recruitment staff.

Administration Response: The Administration is in agreement with the recommendation to add temporary recruitment staff. Two temporary positions are funded currently; it is anticipated that the 2015-2016 Proposed Operating Budget will again recommend continuation of one-time funding for these two positions through June 30, 2016. Funding for a third position has also been recently authorized through December 31, 2015 at which point the position will be re-evaluated for extension. A position to support service delivery analysis and process mapping of Human Resources functions, including the hiring process, has also recently been authorized to the department on a temporary basis and that position is expected to be recommended in the Proposed Operating Budget for continuation in 2015-2016. Additionally, various temporary positions funded through vacancy savings exist in other departments to facilitate position hiring.

The majority of those positions, if not all, will likely continue into 2015-2016 until the vacancy levels diminish. The Administration will continue to look for opportunities to add and/or redirect existing resources to ensure the Human Resources Department can provide support at the level needed to meet the organization's needs.

Recommendation #2: In order to recruit for hard to fill positions, consider increasing usage of outside recruitment firms that are specialized to fill these positions.

Administration Response: The Administration is in agreement with continuing and/or increasing the use of outside recruitment firms. The current master agreements for recruitment and classification/compensation services expire June 30, 2015; a Request for Proposal is anticipated to be issued this spring to renew and/or identify additional providers. Use of outside recruitment firms relies on vacancy savings that departments have available to dedicate to this activity.

Recommendation #3: Human Resources should work with departments to establish deadlines for key recruitment steps to manage hiring times.

Administration Response: The Administration is in agreement with the need for Human Resources and departments to establish standard timelines for key recruitment steps. As stated in the response to Recommendation #1, Human Resources has recently added a temporary position dedicated to service delivery analysis and process mapping that is anticipated to be continued through the 2015-2016 Proposed Operating Budget. The incumbent will work with Human Resources Employment Division staff and departments to review process steps, identify areas for improvement and standardization, and report on compliance. Additional funding for consultant services related to reviewing and refining the recruitment process, as well as reviewing job specifications as discussed in Recommendation #11 below, is also anticipated to be recommended as part of the 2015-2016 Proposed Operating Budget.

Recommendation #4: To better inform recruitment processing deadlines, Human Resources should track and report all the time between major hiring steps, and provide hire time estimations to departments for each step.

Administration Response: The Administration is in agreement with the need for tracking and reporting time between major hiring steps. Unfortunately, the current recruitment component of the City's Human Resources Information System (HRIS) has limited ability to track major hiring steps automatically and staff resources dedicated to tracking and reporting are limited. Staff time to manually track recruitment steps necessarily takes time away from actual performance of recruitment activities. The City is in the process of procuring an upgrade/replacement of the HRIS system, including the application tracking component. The new software has the potential to improve Human Resources' ability to track major hiring steps automatically. Subject to City Council approval, implementation of the HRIS project will begin in July 2015 and is scheduled for completion in the first half of 2016-2017.

Recommendation #5: To reduce hiring times, Human Resources should:

a) Standardize hiring steps where possible to make the hiring process consistent, and

b) Delineate consistent roles for Human Resources and department staff in the hiring process.

Administration Response: The Administration is in agreement with the need to increase consistency and reduce hiring time by standardizing hiring steps where possible and delineating roles for Human Resources and department staff in the hiring process. As stated in the response to Recommendation #1, Human Resources has recently added a temporary position dedicated to service delivery analysis and process mapping. The incumbent will work with Human Resources Employment Division staff and departments to review process steps, identify areas for standardization, and delineate Human Resources and department roles for the major steps in the process. Additionally, as stated in the response to Recommendation #3, funding for consultant services related to reviewing and refining the recruitment process, as well as reviewing job specifications as discussed in Recommendation #11 below, is anticipated to be recommended as part of the 2015-2016 Proposed Operating Budget.

Recommendation #6: Human Resources should develop lists of common citywide positions and coordinate recruitments between departments where possible.

Administration Response: The Administration is in agreement with the strategy of coordinating recruitments for positions in common city-wide classifications between departments where possible. Support from all departments is necessary to implement this strategy. Human Resources will take the lead by creating a list of common city-wide classifications with frequent recruitments and work with Senior Staff on implementation. A proposal for a city-wide Analyst recruitment is currently under development as a pilot.

Recommendation #7: Human Resources should update the hiring resources available to department staff on the intranet, and conduct regular training for department staff on recruitment procedures and regulations.

Administration Response: The Administration is in agreement with the need to update and enhance web-based resources and conduct regular training on recruitment procedures and regulations for department staff. Unfortunately, to date, additional staff resources have not been available in the Human Resources Department to develop, update, and deliver training, as staff time to focus on this necessarily takes time away from providing basic recruitment services. With implementation of the other recommendations, additional staff capacity should become available to regularly update the web-based resources and conduct trainings on recruitment procedures.

Recommendation #8: To encourage expedited hiring and highlight the length of time needed for specialized recruitments, Human Resources should provide hiring process options to departments. These options should include an expedited hiring process (using an existing candidate pool), a standard process, and a specialized recruitment process with added steps for practical exams or additional screening criteria.

Administration Response: The Administration is in agreement with the need to provide specific options to distinguish between the standard process, an expedited process using existing candidate pools, and customized recruitments with special needs like practical exams, extended

outreach, or backgrounding. As stated in the response to Recommendation #1, Human Resources has recently added a temporary position dedicated to service delivery analysis and process mapping. The incumbent will work with Human Resources Employment Division staff and departments to map out the standard and expedited processes; identify special needs that require a customized process; and determine hiring time targets for each option so that departments can make an informed choice of options to meet their needs. Additionally, Human Resources and the Environmental Services Department are piloting an "Express Desk" model with a department staff member housed in Human Resources to handle expedited recruitments for the department.

Recommendation #9: Human Resources should encourage hiring managers to use available flexibility on the methods of rating or scoring candidates and interview follow-up questions. Further, review and reduce number of classifications requiring written tests.

Administration Response: The Administration is in agreement with the need to provide more training for hiring managers on methods of rating or scoring candidates and interview follow-up questions. As stated in the response to Recommendation #7, to date, Human Resources' ability to provide training has been limited by the demand for basic recruitment services. The same staff dedicated to doing recruitments would have to be reassigned to do this training. With implementation of the other recommendations, additional staff capacity should become available to conduct trainings on recruitment procedures.

The Administration is also in agreement with reviewing the use of written exams. The 18 classifications using written tests represent only 5% of all classifications; however, the ability to further reduce use of written exams may be constrained by the need to maintain consistent standards for basic skills in classifications that do not require a college degree. Human Resources is researching on-line testing as an option for reducing staffing resources for scheduling and administration of written exams.

Recommendation #10: Review and reduce job competencies. Develop competencies that are tied to classifications and use these consistently.

Administration Response: The Administration is in agreement with the need to review the current list of standard competencies and increase consistency of use. Human Resources has already begun review of the current competencies to eliminate repetition and redundancy in preparation for implementation of the on-line application component of the HRIS upgrade/replacement that the City is in the process of procuring. As indicated in the response to Recommendation #4, the project is scheduled for completion in the first half of 2016-2017, subject to Council approval.

Recommendation #11: Work with departments to update minimum qualifications and job specifications to ensure they are pertinent to job requirements, starting with those that are out-of-date.

Administration Response: The Administration is in agreement that there is a need to review and update classification specifications. A similar recommendation was made in the Audit "Ten Years of Staffing Reductions at the City of San Jose" (12-08 #4). Unfortunately, to date,

adequate resources have not been available in the Department of Human Resources to address this recommendation, as staff time to focus on classification necessarily takes time away from recruitment. Funding for consultant services related to reviewing a limited number of job specifications is anticipated to be recommended as part of the 2015-2016 Proposed Operating Budget.

Recommendation #12: Human Resources should work with the City Manager's Office to improve the promotion of City jobs on the internet by:

a) **Enhancing the visual appearance, usability, and recruiting content of the City's job website, and**
b) **Ensuring jobs posted on external sites contain correct recruitment information**

Administration Response: The Administration is in agreement with this recommendation. Human Resources will coordinate with the City Manager's Communications Office to review placement of information about job opportunities on the City's website. The HRIS upgrade that the City is in the process of procuring has the potential to improve the interface of the on-line application website with external websites; reducing the need for staff to post information manually on multiple external sites will reduce the risk of errors.

Recommendation #13: Human Resources should develop a strategy to increase outreach to potential entry level applicants.

Administration Response: The Administration is in agreement that there is a need to increase outreach to potential applicants at all levels. Unfortunately, to date, it has been a challenge to dedicate resources to this specific function while also meeting the demand for conducting ongoing recruitment and selection activities. As time has permitted, however, the Human Resources Department and other departments have participated in a limited number of job fairs; the Police Department has participated more regularly. With implementation of the other recommendations, additional staff capacity should become available to more regularly conduct outreach to potential entry level applicants. The Administration will also look for opportunities to redirect resources, as available, to enhance the City's ability to participate in college, veterans, and community-based organization job fairs and other outreach activities.

Recommendation #14: Human Resources should develop a long-term strategic plan to focus on employee retention and plan for upcoming vacancies.

Administration Response: The Administration is in agreement that there is a need to focus on employee retention and future vacancies. Employee retention, starting with onboarding, is a priority for the Administration as demonstrated through the Workforce Development Strategy's ongoing work. The Administration will continue to look for opportunities to develop long-term strategies for addressing knowledge transfer/succession planning.

It should be noted that the Human Resources Department is in the process of completing its 2015-2016 Strategic Plan. That document will be the foundation of the department's annual goals and provide the foundation for longer term strategic planning.

CONCLUSION

This Audit makes valuable recommendations for improving the efficiency and effectiveness of the hiring process and for ensuring that our Human Resources Department has the capacity to meet our organization's needs.

The Administration thanks the City Auditor's Office for its informative review of the City's hiring process.

/s/
Joe Angelo
Director, Human Resources

For additional information on this report, contact Joe Angelo, Human Resources Director, at (408) 975-1428.