



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Civil Service Hiring Process: Vetting Internal City Issues

OVERVIEW

In March of 2013, the IBA issued report 13-14 entitled “General Fund Vacancy Status” which focuses on how vacancies at the end of December 2012, and before and after that snapshot, have impacted departments. This report also discusses the process of filling classified City vacancies, and specific issues and challenges facing certain General Fund departments. It was presented at the March 13, 2013 Budget and Finance Committee (BFC) meeting.

At the March 13, 2013 Budget and Finance Committee meeting, Council President Pro Tem Lightner agreed to examine the City’s Civil Service recruitment and hiring process at the Rules and Economic Development (R&ED) Committee. The IBA produced report 13-30 entitled “City of San Diego Civil Service Hiring” for the July 24, 2013 R&ED Committee’s initial discussion on the hiring process. That report included, among other topics, updated information regarding steps that the Personnel Department had recently started and/or completed in order to reduce the time the Personnel Department takes in the hiring process.

Report 13-30 also includes, as an attachment, a memorandum sent on April 17, 2013 from the Personnel Director to Councilmember Lightner, which speaks to hiring process issues and suggestions for ways to enhance the process – which include the creation of a Departmental unit for new-hire processing, and the reinstatement of Personnel Department staff support in certain City departments. The suggested staffing increases that are highlighted in the Personnel Director’s memorandum total nine new positions. One position was approved in the FY 2014 budget. The other eight were requested as part of the Five-Year Outlook process and were included in Attachment 3 as discretionary operational needs.

These positions have been included in the IBA Critical Services and Operational Needs list included in our review of the Interim Mayor’s Five-Year Outlook. The IBA recommends that

the City Council consider whether any position increases should be included in the FY 2015 budget.

This report's main focus is the vetting of hiring departments' suggestions for hiring process improvements, but it also provides some background information, discussion of recent improvements made, a recommendation for a Solutions Working Group, a description of issues facing the Personnel Department and a comparison of average timeframes for steps in the hiring process (calendar year 2012 and the first ten months of calendar year 2013). Hiring departments' suggestions were requested by the Committee and received from about ten City departments.

Note that in addition to this report, the Office of the City Auditor also released an audit relating to the hiring process on November 27, 2013.

Main Focus of This Report

Departments' suggestions chosen for discussion include items which were addressed by multiple departments and certain concerns which may be difficult to address and warrant explanation. Also, some processing issues that are smaller in scope, but could make a time-saving difference for the hiring departments are discussed.

Some departments have indicated that some issues they previously raised have been improved or resolved, while that is not the case for all of the departments who participated. One example is that some departments have been pleased with results of predictive recruiting efforts, while others have not seen positive impacts.

What is not explored in this report are the reasons for the lengthy timeframes on the part of the hiring departments. We would note some areas to continually monitor, such as workforce planning/staffing plans; making sure managers and supervisors are proactive in the hiring process; and advanced planning for interview panel participants to keep interview slots open in their schedules.

There are numerous complexities in the recruitment and hiring processes in general, and combined with merit system components that safeguard against a "spoils system," the potential for improvements in the process is great. Many of the difficulties surrounding the civil service hiring process are technical and need to be vetted with operational staff having the expertise in personnel administration and civil service requirements. Additionally, vetting issues with the hiring departments is important in getting a better picture of the hiring process experience.

FISCAL/POLICY DISCUSSION

General Background

Most positions in the City are classified positions – approximately 95%¹. The filling of classified positions is guided by Civil Service Commission rules and regulations and carried out by the Personnel Department and hiring departments.

¹ The remainder of City positions are unclassified. The filling of unclassified positions in the executive branch is overseen by the Human Resources Department.

In general, the hiring process for classified positions can be divided into three segments:

- Personnel Department recruitment and certification of eligible lists;
- Hiring department selection process (interview, reference check, job offer); and
- City background checks (fingerprinting and Department of Justice, FBI and local checks) and medical evaluations.

Principles of the City’s Civil Service System

It is a stated policy of the Civil Service Commission (CSC) that equal opportunity be afforded to all applicants in the course of interviewing and selecting employees. As prescribed by the City Charter, the CSC supervises the selection, promotion, and removal of all classified City employees. CSC’s primary purpose is “to safeguard against a ‘spoils’ system, in which influence rather than merit determined who gained City employment.”

The “Merit System” is the mechanism used to ensure the Civil Service process is free of political influence and includes the following components:

- Clearly defined requirements for being hired;
- Rules for employee movement within the system (transfers, promotions and terminations); and
- Clearly defined employee employment rights (layoffs, discipline, promotions etc).

The Personnel Department performs an independent review of applications and follows a specific hiring process as a means to protect against discrimination claims, grievances or lawsuits.

The Civil Service process is regulated by the City Charter, Civil Service Rules (which are approved by Council ordinance) and the Personnel Manual (which includes policy interpretations and procedural instructions that adhere to the Civil Service Rules, and is approved by the CSC).

Recent Steps to Enhance the Personnel Department’s Portion of the Hiring Process

The Personnel Department has made improvements to its processes over the past year.

- Reinstated “predictive recruiting” for high demand jobs (which is starting the recruitment process for a job classification four to six weeks before a current list expires)
- Implemented continuous recruitment for Police Recruits
- Utilizing the NEOGOV system to reject incomplete applications (with the exception of verification of licenses and other documentation that the system cannot verify)
- Providing for electronic notification to candidates for both promotional and transfer opportunities
- Providing for automated rejection of Police Recruit applications that do not meet all minimum qualifications
- Providing for automated rejection of all applications that do not meet certain types of minimum qualifications (age requirements and the legal right to work in the U.S.)
- Reassigning staff to the Certification Section in the Personnel Department, reducing time taken to certify lists
- Holding hiring department training sessions this past October

Personnel Department Issues

Over the past couple years, the Personnel Department's workload has increased due to a number of factors. First, in November 2011 the Personnel Department was forced to retire the Personnel Application Tracking System (PATS), which was utilized for recruitment, certification of eligible lists and vacancy notifications to candidates on promotional and transfer lists. PATS was a system customized to the City's needs, but it was not compatible with SAP. At the time that PATS was retired, the NEOGOV recruitment and job application processing system was implemented. NEOGOV distributes the City's job postings to GovernmentJobs.com, giving the City access to a wider pool of applicants.

With the posting of jobs on GovernmentJobs.com, there has been a large influx of applications, sometimes thousands, for one position. Additionally, with the implementation of SAP there has been an increased workload in information processing for the Personnel Department, and they have reallocated four existing positions to handle personnel administration and position control.

There have also been positions added to the City's budget with the recent economic recovery. Hiring increases can be seen in the data over the past three fiscal years: 521, 725 and 969 employees were hired in FY 2011, 2012 and 2013, respectively. Additionally, more hiring and recruitments are anticipated to occur with further economic recovery and as the aging workforce retires.

Other protracted efforts that the Personnel Department has undertaken include working on hiring process improvements with the Police Department over the past nine months, which is discussed in the Improvements in Police Recruiting Process section on page 6. Personnel has also worked with Fire-Rescue to streamline the assessment portion of the Fire Engineer recruitment process.

Note that the First Quarter Budget Monitoring Report for FY 2014 indicates that the attrition rate, hiring plans and vacancies have a significant effect on the year-end projections for the General Fund. It also relates that savings are being accrued in the salaried wages accounts due to higher vacancies than assumed in the budget. With respect to vacancies, some concerns have been expressed regarding the length of time for the hiring process, which includes both Personnel Department and hiring departments' activities. Although this is a concern that should be addressed, it should also be noted that causes for vacancies extend beyond the hiring process and include, but are not limited to, hiring freezes, reorganizations, grievances, reduction in force and lack of budget to fund the filling of a vacancy (some of which may require a meet and confer process). Over the past couple years these types of factors have affected the hiring process, and the Personnel Department has been unable to keep up with recruitment needs – especially in consideration of the additional workload brought about by the changes in the Department's workflow systems, the increase in number of applications reviewed and the increases in hiring and recruitments.

As stated previously, the Personnel Department has indicated that in order to continue improvements and keep up with the increased workload, it needs staffing increases. Personnel has recommended nine new positions in a memorandum sent on April 17, 2013 from the Personnel Director to Councilmember Lightner. One of these positions was approved in the FY 2014 budget. The other eight were requested as part of the Five-Year Outlook process and were included in Attachment 3 as discretionary operational needs. These positions have been included

in the IBA Critical Services and Operational Needs list included in our review of the Interim Mayor's Five-Year Outlook. The IBA recommends that the City Council consider whether any position increases should be included in the FY 2015 budget.

Average Timeframes for the Hiring Process

Despite the additional workload the Personnel Department has recently faced, the timeframes for various steps in the hiring process appears to be trending downward. Note that not all hiring process steps are related to Personnel Department activities – including the hiring department portion of the process, background checks by outside agencies and the time between clearance of background checks and the work start date.

Note that as of November 5, 2013, there were 168 more vacancies than were included in the FY 2014 General Fund Budget. Comparing this to a snapshot of General Fund vacancies on December 27, 2012, where there were 248 more vacancies than budgeted, there has been a 32% decline in the number of actual vacancies above budgeted vacancies. It should be noted though that the number of vacancies being compared at two points in time could be misleading because vacancies are constantly fluctuating.

It is hard to say with certainty at this point in time what trending will show, as the data can fluctuate due to factors out of the control of the Personnel Department, the hiring departments and the City as a whole. For example, in recent memory there have been hiring freezes, reorganizations, and economic conditions that have affected the ability to hire and to hire timely. These factors can interrupt recruitments that are in progress, which could skew average timeframes. Recently, with the implementation of managed competition, positions have been kept open to avoid layoffs, extending the period of time in which existing vacancies were not filled. Because of these issues, which confound the data, the Personnel Department and hiring departments should endeavor to continually improve controllable processes as well as set performance targets.

Below is a table of data from the Personnel Department showing average timeframes for the steps in the hiring process for all City positions except Police safety positions. With respect to hiring steps that are not related to Personnel Department activities, note that the average timeframe for the hiring department portion of the process (interviews, reference checks and conditional job offer) was 40 days in calendar year 2012 and 59 days for the first ten months of calendar year 2013. Identifying the reasons for the changes would be an area that could be investigated in the future. Additionally, the average time taken between the background check clearance date and the start work date for both years was in the range of 24-27 days – which includes time for the new employees to give notice to their current employers, relocation time etc.

Combining steps 2, 3 and 4 in the table below yields the total average timeframe from the hiring department Request for Certification to background clearance when recruitments are needed. The average timeframe for those steps for calendar year (CY) 2012 was 152, and was 130 for the first ten months of CY 2013. There were additional days to the start work date – 27 for CY 2012 and 24 for the first ten months of CY 2013.

All City Positions Except Police Safety

	Hiring Process Step (in Average Number of Days)	Timeframes based on hiring requests in first ten months of CY 2013	Timeframes based on CY 2012 hiring requests
1	Days between a position becoming vacant and hiring department requesting a certified list	160	133
2	When recruitment needed, days between hiring dept. request for certified list and provision of certified list by Personnel Department	63	100
3	Days from hiring department receipt of certified list to conditional job offer (includes candidate interviews)	59	40
4	Days from fingerprinting to background clearance received by hiring department	8	12
5	Days from background clearance date to start work date	24	27
-	When no recruitment necessary (certified list available), days between hiring dept. request for certified list and receipt of such list	6	17
-	When position filled via promotion, days from hiring dept. receipt of certified list and date of hire	75	67

Improvements in Police Recruiting Process

The Personnel Department has been working diligently with the Police Department over the past nine months on hiring process improvements. This collaboration appears to be working well, and the hiring process for Police Recruits has been streamlined. The revised processes for Police Recruit hiring began in March 2013.

The old recruitment process took an average of 339 days from application date to start date (based on recruits that applied from January 1, 2011 through December 31, 2012). The new recruitment process took an average of 224 days from application date to start date (based on recruits that applied after January 1, 2013). Note that this data is as of October 31, 2013. Additionally, there were a number of other process improvements the Police Department requested of the Personnel Department. These have been addressed to the Police Department's satisfaction.

It is important to realize that the Police Recruit hiring process is by nature larger in scope than that of other City recruitments. The thorough background reviews are very time-consuming. The Police Department process is designed to acquire the best candidates to protect the safety of the City and its citizens.

After the initial application is received, candidates' minimum qualifications are reviewed by the Personnel Department. The candidates then self-schedule the written exam, the first hurdle in a lengthy evaluation process. If the written exam is passed, the physical abilities test is scheduled and completed. Upon successful completion of the physical abilities test, a number of reviews and other evaluations are performed. The candidate must pass each successive Police Department review step:

- candidate background information is gathered and reviewed in the Pre-Investigative Questionnaire and then the more comprehensive Personal History Statement;
- the Department performs reviews of college transcripts, military, financial and DMV records, among other required documentation;
- a polygraph examination is conducted;
- an appointing authority interview is conducted;
- the psychological and medical background check process is initiated (after the conditional job offer is made); and
- a review is made of any outstanding background checks and other information to make sure the conditions of the job offer are satisfied.

Note that a conditional job offer is only given when funding is available. This can lead to delays in hiring. Police Department hiring is at times constrained by the vacancy savings that must be achieved in order to balance to the Department's bottom line budget.

Additionally, along the way in the candidate evaluation process there are numerous scheduling instances for the various tests and interviews, which requires coordination between the candidate and the Police Department or outside agencies (for medical and psychological exams). This contributes to the length of time spent in the process. There can be many delays in the hiring process, including having to reschedule one (or more) of the tests or interviews.

The Police Department is continuing to work with the Personnel Department to refine the process and to achieve further efficiencies and time savings.

Utilizing NEOGOV Technology

In general, the transition to NEOGOV has involved a learning curve; and there are still functions not being utilized, such as the hiring manager portal. As discussed in IBA report 13-30, the Personnel Department is interested in providing NEOGOV's online hiring manager portal to the hiring departments. Through this portal, certified lists could be made available to the hiring manager, who could screen candidates' applications for highly desirable qualifications. Currently, hiring managers make appointments with Personnel Department staff to review candidate applications. (Sometimes Personnel staff can create CD's of high-volume lists for the hiring department; however, Personnel has indicated that this is difficult due to limited staff time.)

The ability to utilize the online portal at the hiring manager's desk would reduce time spent on back-and-forth communications between Personnel and the hiring department, as well as time spent in the course of setting mutually convenient appointments.

Additionally, the hiring manager portal could be used to create/route requisitions to the Personnel Department online and to generate email/hard copy notices to candidates, including those related to scheduling job interviews and job offer letters.

The Personnel Department is concerned about the additional workload that would occur with implementation of this NEOGOV feature, including the subsequent support of hiring departments in using the hiring portal features. Clearly, this endeavor needs to be appropriately studied and planned before implementation. However, our office would encourage efforts to investigate utilization of these features. Ultimately, allowing online access and workflow processing for hiring departments has the potential to be time-saving and more efficient than the current paper processing methods and the transferring of files and information externally from the NEOGOV database. A pilot program would likely be considered as part of any endeavor.

Another area we have discussed with the Personnel Department is in respect to the potential for making software changes for more efficient tracking of hiring timeframes. Personnel has indicated the cost for such programming changes would be a few thousand dollars.

The Rules Committee also requested that the Personnel Director determine what it would take to acquire a consultant to help optimize the use of NEOGOV. Personnel has indicated that for review and evaluation the cost is anticipated to be around \$5,000. The cost for any additional programming or consulting work will be determined after recommendations are made.

One hiring department was not aware that there was a promotional job posting, only to find out subsequent to the list of candidates being promulgated. In such a case the department would be unable to contribute to the development of the posting, or to inform/remind staff who may be eligible to apply.

There is an opportunity to be notified of new job postings automatically from the NEOGOV program. At the Personnel Department's "Job Interest Cards" webpage, individuals can sign up to receive notification of job postings for 12 months. An individual will receive email notifications of postings related to all categories selected – such as Accounting and Finance, Clerical and Data Entry, Engineering, Maintenance or Parks and Recreation. The system will send out a reminder in 11 months indicating that the participant can extend his or her notification period by one year.

Paper-Based Process Issues

General Issues

Some departments have indicated that scanned and emailed forms are often not accepted by the Personnel Department; and original signatures are frequently required. Hard copies are sent though the interoffice mail system. We suggest that the Personnel Department create a quick reference document that lists all the forms requiring original signatures/hard copies, and under which conditions original signatures are required.

We also recommend engaging in clarifying discussions with the City's external auditors regarding which forms would be recommended to include original signatures. We have had different opinions cited to us regarding how many transaction types the external auditors say need to have original signatures. These issues should be clarified among the Personnel

Department, Office of the Comptroller, Human Resources and the City Auditor and City Attorney's offices.

Additionally, we would note that a more efficient electronic signature process could potentially be embedded within an automated workflow and approval process. In the Proposal for Working Group to Study Potential SAP Workflow Changes section on page 10 of this report we discuss a recommendation that a working group be created to examine the feasibility and cost/benefit of an automated workflow and approval process for forms related to hiring and other types of personnel transactions. If this is determined to be cost effective, it would alleviate much of the paper-based processing that is currently required. Note that as a result of discussions with the external auditors, there may still be instances where original signatures on hard copies would continue to be required.

Companion Certification Requests

Hiring departments would like the capability of making "companion certification requests" using only one form. When requesting certified lists of eligible candidates for a vacant position, hiring departments sometimes request certified lists for more than one job classification. Hiring department staff have indicated that they must complete separate fillable PDF forms for each job classification for which they want to obtain a certified list. An example would be when Accountant Trainee, Accountant I and Accountant II can all fill an Accountant II position. It would save time for the hiring departments if only one Request for Certification form was required instead of three forms. The Personnel Department has indicated it will look into accepting a singular form for such requests and could redesign the form, as appropriate.

Providing Certified Lists of Eligible Candidates to Hiring Departments

A certified list of eligible candidates is sent to a hiring department via PDF document. The final outcome for each candidate on this list (selected candidate, interviewed and not selected, candidate failed to reply,) must be communicated to the Personnel Department by the hiring department. The hiring department must handwrite the outcome for each candidate (for sometimes hundreds of candidates) on a hard copy of the certified list and send it back to the Personnel Department, so that Personnel can enter this information into NEOGOV – an instance of duplicative data entry. This is an example where implementation of the NEOGOV hiring manager portal could potentially add efficiency to the process. If the hiring department had direct access to the information in NEOGOV and could enter the candidates' outcomes directly, it would avoid the data entry duplication, the use of paper copies and the sending of files back and forth between the hiring departments and the Personnel Department.

Furthermore, some hiring departments have expressed frustration that they have not been able to obtain the certified list of eligible candidates in an Excel file. These departments have stated that in order to track their internal portion of the hiring process, they must manually enter the certified list information into Excel. Additionally, email addresses have not been provided with the certified list, and one hiring department indicated it was contacting as many as 400 individuals by telephone to determine interest and to request resumes. With the email addresses included in an Excel file, a blanket email could be sent to applicants by the hiring department, and interested applicants could easily respond.

An Excel list would be helpful for a hiring department when multiple certified lists have been requested for a particular vacancy, and the hiring department would like to remove any duplicate candidates quickly using Excel capabilities. An example would be where eligible lists for Accountant Trainee, Accountant I and Accountant II can all fill an Accountant II position. An applicant could be an eligible candidate on all three lists. Removing duplicates when these lists are combined into one Excel file would streamline the hiring department's administration of the hiring process.

Personnel has recently indicated it can provide certified lists in Excel format to the hiring departments, which will now include email addresses. However, the Personnel Department has indicated it will still require the certified list to be submitted via paper copy because there would be no manageable way for Personnel analysts to compare a modified Excel document (containing the eligible candidates' information) to the Personnel Department's original information from NEOGOV. By allowing submission of candidates' outcomes in Excel files, candidates' information could be inadvertently changed or removed; and the Personnel Department has indicated it does not have the capacity to electronically compare files to ensure integrity of the lists and follow-up on discrepancies. We would note again that if the outcome for each candidate could be directly entered into NEOGOV, this issue would be resolved.

Proposal for Working Group to Study Potential SAP Workflow Changes

This following suggestion is based on preliminary high level discussions with staff in the Office of the Comptroller, Enterprise Resource Planning (ERP), Financial Management and the Personnel Department. Our recommendation is that a working group of these same City organizations, as well as representatives from some larger departments, be created to study the potential to automate a number of processes that are currently paper-based. These processes include workflow surrounding entry of various transactions into the Organizational Management (OM) and Personnel Administration (PA) sections of SAP, both of which the Personnel Department oversees.

Background

The City's information processing system (SAP) does not accommodate different approval levels for various types of transactions including the following: moving positions among budgetary organization units, creating an organization unit, moving employees from one position to another, creating a (limited) position, entering a promotion, and applying a merit increase. Since the transactions cannot be processed using approval levels, when they are entered into the system by Personnel employees, they become immediately effective.

Despite the fact that there are no approval levels for these transactions in SAP, the City needs an approval process that sometimes spans across multiple departments. For example, it may be the case that one type of transaction can be approved within the department (for example, budgetary position changes), while others must be approved by the department and Financial Management (certain other transactions involving budget impacts), while others require departmental, Financial Management and Personnel Department approval (for example, job reclassifications or promotions).

Because various approval levels are required as part of the City workflow but are not programmed in SAP, a manual paper process has been created to acquire the necessary

approvals. City departments must data enter fillable PDF forms, acquire the necessary departmental and Financial Management approvals, and submit the approved forms to the Personnel Department. Since the Personnel Department is responsible for maintenance of the employee database in the SAP-OM and PA modules, Personnel data enters all of the transactions that have been sufficiently approved. Some of these transactions are accounting or budgetary changes which are not of particular concern to Personnel.

The following is one example where multiple manual forms have been required to be prepared for a new supervisory employee and new supervisory unit:

- One form to place the new supervisor employee in the new position number
- A second form for the creation of a new organization unit
- A third form to move the new supervisor's position to the new organization unit
- A fourth form to move the supervisor's direct reports to the new organization unit (one form would be submitted for each direct report if applicable)

The fillable PDF form has been described as difficult to fill in – for example when paragraphs must be input over multiple lines. Additionally, hiring departments have indicated that completed fillable forms cannot be saved or copied by many City employees, as they are not licensed with the full “writer” version of Adobe – which has a per license cost of \$94 for the first year and \$16 for the subsequent year. These forms have been represented as a time-consuming paper-based process, where data entry takes place on both the fillable form by the hiring department and then again into the SAP-OM module by the Personnel Department.

Note that the inability to save and copy files appears to be no longer an issue, as just this past week the Personnel Department took advantage of a feature in Adobe Reader where hiring departments will be able to save completed fillable PDF forms. Now all of all of the Personnel Department forms can be saved and then subsequently copied as necessary. These forms are available on the Personnel Department website. However, there is still the issue of whether it would be feasible to create an electronic workflow and approval process that would save time and avoid duplicate data entry.

Potential Solution

A potential solution would be to use the SAP Portal with Workflow to generate an electronic form, incorporating built-in security features, for the workflow and approval process. As part of this process, once the appropriate level of approval for a particular transaction is made, the information from the form would automatically feed into the system. Note that the Personnel Department would like to ensure that proper oversight continues, such that when positions are moved, employees continue to perform appropriate duties (for example supervision).

Project specifications for this solution would need to be defined and vetted by the proposed working group participants. This type of project would be a complex undertaking, which would include design of an electronic workflow process with built-in security features for the approval process. Further, there would be multiple types of transactions, with unique approval level configurations that would need to be maintained as changes in the workforce occur. As part of the working group's vetting of this solution, the cost/benefit of the electronic generation, approval and feeding of information into the system must be weighed. However, staff and our

office believe that options should be explored by the working group in order to eliminate the need for duplicative data entry and the paper-based process.

Any solution that the working group recommends has to be approved by the Office of the Comptroller, Personnel Department, Financial Management and ERP, and subsequently the Information Technology Business Leadership Group (which includes director level representatives from across City departments) before implementation. The resulting solution could be different than described here, after the working group has vetted the issues and specifications.

Additional Considerations

An enhanced batch process could also be vetted by the working group regarding how to deal with instances where there are mass amounts of transfers at one time, such as Police Department shift changes. Mass shift changes occur three times per year and incorporate more than 500 transfers of officers among organization units and positions. Other departments may also benefit from batch processing, particularly at fiscal year-end for department reorganizations.

Currently, an Excel file for a shift change is completed by the Police Department, detailing the appropriate transfers. Subsequently, the Personnel Department staff carefully analyzes each transaction before utilizing the current batch process to enter the transfers. An enhanced batch process that reduces the Personnel Department staff's requirements for data analysis could be a time-saving approach. Again, the feasibility and cost/benefit of such a solution would need to be weighed as part of the working group's vetting of the specifications and work required.

Lastly, we recommend that the working group investigate whether it would be feasible to create an electronic workflow and approval process for forms that are not conducive to electronic transmission into SAP, such as the Position Classification Request form. Again the costs and benefits of such a potential solution must be weighed by the working group.

Reducing Workload Related to Applications

During the training given to hiring departments this past October, it was communicated to the audience that each time an applicant applies for a job classification, his or her application is reviewed in its entirety to determine if minimum qualifications are met – even if his or her previous application for that job classification had met the minimum qualifications. The Personnel Department is working to ensure that any such redundancies in the review process are removed. For example, if an applicant's previous application met the minimum qualifications, only changes to the minimum qualifications should be examined.

Note that after a candidate list for a job classification has expired, an applicant on the expiring list may reapply for a new posting for that job. The Personnel Department is investigating a NEOGOV capability that would allow an applicant to update his or her prior application for any changes – rather than requiring the applicant to resubmit everything all over again.

Comprehensive Documented Procedures

Some hiring departments have expressed a desire for access to comprehensive documented procedures concerning the hiring process. The Personnel Department website has been recently updated to include reorganized links to all forms which the hiring departments would use. The

website also includes the Personnel Regulations, Civil Service Rules and related City Charter sections (in the Personnel Manual). Other available resources include job classification specifications and salary tables.

Additionally, Personnel has provided a link to its hiring process training that was given this past October. Feedback received from hiring departments was generally positive. Some hiring departments' staff have mentioned that the training provided them with an understanding of some of the difficulties facing the Personnel Department. The Personnel Department plans to provide training again next spring to coincide with the budget process. They may also provide a training session solely on requests for certification.

The PowerPoint training document available on Personnel's website outlines the hiring process and references forms and sources of information. The simple bullets and bite-sized slides of the document are a helpful form of communication. We would note that a number of helpful caveats that were discussed in the training are not included in the PowerPoint document. It may be beneficial to expand the information in the PowerPoint document, and provide it on the website as a guide to the hiring process. Such a document could even provide direct links to the forms being described. This would give the hiring departments' staff more of the step-by-step information they had been seeking, as some of the information is either not included or is harder to locate in the Personnel Regulations.

Additional information suggested by hiring departments that may be helpful to provide on Personnel's website could include the following, among other items:

- Sample letters, such as notice of interview letter, offer letter etc.: so that hiring department staff that do not hire often have a reference and do not have to recreate a new document.
- A link to information on hiring of provisional employees (returning retirees) – which are approved by the Human Resources Department (HR) for the executive branch.
- A link to information on the Citywide Volunteer Program, which is also overseen by HR.
- Steps for bringing a new hire onboard: see the next section for additional information.
- A checklist of forms and policy documents etc. that need to be distributed to the new-hire on his/her first day.

Lastly, we would note that for additional expert help, hiring departments are assigned a Liaison Analyst from the Personnel Department that helps figure out steps to take in filling particular vacancies. The Liaison is there to help staff understand the process and rules with which hiring departments may not be intimately familiar.

Bringing a New Hire Onboard

A number of forms and steps need to be completed in order for a new hire to come on board and have access to the City's information systems. These include fingerprinting/background check, verification of eligibility to work in the US (federal form I-9, with appropriate ID presented), medical form as appropriate, new hire Personnel Change Request form, and oath of office, among others. There is a checklist available for forms and steps that must be completed.

Additionally, until the appropriate information is sent from the hiring department to the Personnel Department, an employee ID number will not be created; and therefore, the IT security

group will not set up the employee's access to the City's information systems. If the ID number has not been created prior to the new hire coming onboard, the new employee will be without access to the City's systems for a number of days or longer. To expedite the process, all of the required documentation could be completed sufficiently in advance of the new hire's start date, in order to enable prompt access to the City's information systems.

One department indicated it would like to see all of the required information obtained from a prospective employee (as well as the oath of office and photo taken for subsequent employee ID) in conjunction with the fingerprinting appointment. At the fingerprinting stage, the prospective employee has a job offer that is conditioned upon a successful background check process.

If all of the required information is obtained in conjunction with the fingerprinting appointment, once the employee background check is cleared, the department could immediately submit the required Personnel Change Request form to the Personnel Department, which would allow the IT security group to set up the employee's access to the systems. Additionally, the employee, if scheduled to work in a location other than downtown, would not need to make an additional trip to take a photograph for the employee ID. The Personnel Department's concern regarding this proposed process is that a number of prospective employees do not pass the background or medical check process, and the forms and documents that the unsuccessful candidate completed and provided would need to be properly maintained according to the appropriate records retention schedule. This proposed process would need legal review.

Employee Benefit Information and the Hiring Process

Another hiring department suggestion is that an employee benefit information sheet be available so that hiring departments could provide it to candidates. There have been cases where the compensation package has not been outlined to the candidate until after he or she had been selected for the job and started the background check process; and the candidate declined employment after discussing the compensation package. In such cases, the departments would then have to incur additional time by moving onto the next candidate to fill the position.

An employee benefit reference document would generally include current information on retirement benefits, administrative leave, health benefits and savings plans etc. However, this is a complex area, that changes often. For example, there are different flexible benefits associated with different employee organizations. Also, employees initially hired since the effective date of Proposition B are not eligible for the City's defined benefit plan. Current job postings give general reference to this information. There is also the issue of the remaining portion of the 6% compensation reductions initiated in fiscal year 2010, which are anticipated to be substantially reduced for employees in the next couple years.

The hiring departments should consult with Risk Management before giving out employee benefits information in order to ensure that the correct information is distributed. The department may want to ensure the candidate is given the employee the benefits summary that is attached to the job posting, and refer the candidate to Risk Management for additional questions.

Approving Limited or Supplemental Positions

A repeated area of concern involves when a department knows of a pending retirement, but for budgetary reasons Financial Management (FM) will not allow the Personnel Department to

create a limited position (limited in duration) for the hiring of a replacement employee unless it is known with certainty that the outgoing employee is really leaving – for example, if an employee has an official retirement date².

Operationally, the hiring departments may want to mitigate gaps in employment or even create opportunities for overlap of incoming and outgoing employees in positions when it is known in advance that someone is leaving the City. This allows the outgoing employee to train the new employee and more effectively transition duties. As a result of the restrictions and potential for a recruitment process, sometimes long gaps in employment can result.

For budgetary purposes it would not be prudent to have a large number of duplicate overlapping positions filled (the retiring employee and the new employee). Again, the current practice is that a position cannot be created unless it is known with certainty that the outgoing employee is leaving. Creating a limited position that would overlap with the incumbent position would require notifying the potential limited employee that he/she could potentially be terminated at the end of the position term. However, that may not be the most palatable circumstance for the potential new employee. Also, a smaller department may have more trouble balancing its budget while incurring double the expenditures for the same job.

Furthermore, once a limited position is created, it can be difficult to eliminate it. So without position control to protect the budget, ultimately these types of limited positions can lead to budget creep, impacting other service areas.

One solution suggested to reduce gaps in employment would be to have the Personnel Department create a certified list without creating a position number. In the case where a recruitment is not needed, the hiring department would run the risk of interviewing for the position only to have the retiree change his or her mind, which would have been a wasted effort. When a recruitment is needed, Personnel runs the risk of recruiting for a position and then having the potential retiree change his or her mind and stay onboard. In that case, Personnel would have lost the opportunity to direct its resources toward another department's needs.

Job Posting Issues

Some hiring departments have communicated issues with the job posting process, specifically that a job posting is not tailored toward more specific experience requirements. The Personnel Department recruits in a broader-based manner, rather than creating job postings that are geared specifically to each individual vacancy. With this broader approach, Personnel utilizes the results for multiple vacancies and across departments when appropriate. This is a more efficient use of time for Personnel, as compared to recruiting every time a job opening occurs. It also creates time efficiencies for departments, as a list from a prior recruitment may be available when subsequent positions become vacant. By recruiting more broadly, Personnel can ensure that candidates meet minimum qualifications for a job classification and ensure that City hiring is in accordance with merit principles.

However, while Personnel is ensuring available candidates meet minimum qualifications, a department may have more specific highly desirable qualifications for a particular vacancy. In these instances the Personnel Department can often accommodate the department by

² Note that requests for these types of positions are made to HR and are reviewed internally with FM.

incorporating the highly desirable qualifications and even list the department soliciting such requirements on the recruiting bulletin. There are instance, however, when such department requests cannot be accommodated because the desired qualifications are not consistent with or exceed the intent of the job classification in question.

Thus, hiring departments should request that each interested candidate on the certified list submit a resume or other documentation which speak to the candidate's experience with regard to the specific highly desirable requirements. Hiring department we have spoken with have indicated they take this step. By doing this, hiring departments can narrow down the applicant pool in a couple ways. First, only the interested candidates will respond, removing from the group those candidates who may have taken other jobs and/or are no longer interested. Second, the requested information will often provide more extensive information that is more easily reviewable to the hiring department.

Expanding Recruiting Tools

To improve the quality of candidates, one hiring department suggested the recruitment process should include posting on college job boards and attending college recruiting events. Additionally, it was suggested that Personnel implement more extensive recruiting through trade-specific publications and websites, or government job publications other than GovernmentJobs.com. Professional conferences could also be considered.

The Personnel Department has so far attended 20 job fairs this calendar year and has provided information to 442 job seekers.

It may be beneficial if there could be coordination with the Personnel Department to initiate a competitive recruitment at the same time a conference or job fair of interest to a hiring department is occurring. After attending the job fair, the candidates would submit their required information, have their minimum qualifications verified by the Personnel Department and be placed on a list of eligible candidates.

Promotional vs. Open Competitions

There are times when hiring departments have determined it would be advantageous to widen the competitive process from a promotional only examination process to an open competitive process. Some departments have indicated that the Personnel Department can be reticent about opening up a competition to external candidates. An open competitive examination process does not preclude application by City employees if they meet the minimum qualifications of the position.

While we believe the City should be developing its workforce and allowing for promotional opportunities, we do not believe there should be an approach that consistently excludes external candidates. Hiring departments should continue to confer with the Personnel Department regarding open versus promotional processes.

Promulgating Lists

One hiring department suggestion was to promulgate an initial certified list as soon as a minimum number of applicants has been approved by the Personnel Department (for example an initial list with 15 candidates), instead of waiting until the job application period closes. One of

the issues with this approach for the Personnel Department is that they believe taking such action would be contrary to one of its primary tenets as stated in the Personnel Regulations: “It is the policy of the Civil Service Commission to ensure that all interviews and selections are conducted in a fair, practical, and professional manner that allows equal opportunity to all applicants.” Personnel has also indicated that promulgating groups of applicants on separate lists creates problems with lists expiring on multiple dates. Any potential change in this area would need to be legally reviewed as well as be reviewed by the Civil Service Commission.

Communication

Since there is so much interaction among the Personnel Department and all of the hiring departments, communication is of vital importance. From delving into the Personnel Department and hiring departments’ difficulties, it appears that greater communication about departmental needs would be beneficial.

Open communication should be a continuing goal. For example, one hiring department was not aware that there was a promotional job posting, only to find out subsequent to the list of candidates being promulgated. In such a case the department would be unable to contribute to the development of the posting, or to inform/remind staff who may be eligible to apply. Additionally, one department noted that it is not familiar with all of the job classifications that can be used to underfill a position they are attempting to fill. The Personnel Department is there to help the hiring department with such issues. If the department wants to obtain every available list that could be used for filling a position, there is the ability for the department to work with the Personnel Department liaison. Furthermore, issues like these lend support to the Personnel Department’s suggestion for funding for an Outstation Program to provide greater assistance to hiring departments.

Additionally, understanding of operational needs on the part of Personnel Department analysts is important for effective performance of their jobs. Continually identifying ways to learn about client departments while trying to keep up with the workload is a challenge for analysts.

Follow-up From the July Rules and Economic Development Committee Meeting

At the July 24, 2013 Rules and Economic Development Committee meeting, the Committee expressed interest in interviewing recent hires with regard to their experience of the City’s hiring process as compared to other organizations. After discussions with the Committee Consultant, we recommend that this initiative be more broad-based and that new hires be surveyed as a matter of practice. The survey should include numerical scores as well as written comments, both of which should be compiled and shared with the Committee on Budget and Government Efficiency.

Additionally, we believe that hiring departments, as the Personnel Department’s clients, should submit feedback for vetting as well. However, because the goals and responsibilities of the Personnel Department to protect against the spoils system are inherently divergent and sometimes conflicting with operational needs of hiring departments, it may be better to collect written comments as opposed to numerical scores. This information could be vetted by the working group discussed under the Conclusion/Next Steps section of this report (which includes the Personnel Department and other key departments). Similarly, to improve the hiring

department portion of the process, the Personnel Department should submit evaluations of each hiring department to be vetted by the same working group.

Also at the July 24, 2013 meeting, it was requested that the IBA review civilian hiring practices in the Navy. When researching for this report, we located information on federal government hiring reform, and the Department of the Navy participated in this reform. The Navy distributed numerous memos in conformance with the reform effort. A recent visit to its website indicates that the Navy has reduced time to fill vacancies and states they are filled within 80 to 110 days. We reached out to the U.S. Office of Personnel Management (OPM) and the Navy, but have been unable to confirm the average timeframes we found, whether federal Excepted Service hiring is generally faster than Competitive Service hiring, and whether any difference would have a measurable impact on average hiring timeframes.

Because the scope of vetting hiring department suggestions for hiring process improvements (the major focus of this report) is so large, our report keeps the focus on the City's processes. We provide here a brief discussion on federal reform. The federal competitive examining process has a number of similarities to the City's process, in that it follows merit system principles and has steps for minimum qualification review and certification of eligible candidates before the interview/selection process. OPM delegates examining authority to federal agencies, which includes screening for minimum qualifications; and this authority can be suspended or revoked. The City's Personnel Department provides independent review in this capacity.

The summary of federal reform below was derived from the May 11, 2010 Presidential Memorandum entitled "Improving the Federal Recruitment and Hiring Process." OPM was charged with establishing a government-wide performance review and improvement process related to hiring reform. The process was to include a timeline, benchmarks and indicators of progress, as well as use of a goal-focused data-driven system for accountability. Additionally, the improvement process was to be in accordance with merit system principles and veterans' preference requirements. Goals for improvements included the following:

- Eliminating requirement of essay-style questions upon candidate submission of the initial application.
- Allowing applicants to submit resumes and cover letters or complete simple, plain language applications.
- Providing agencies with the ability to select from a larger number of qualified applicants using a "category rating" approach (candidate groups could include best qualified, highly qualified or qualified), rather than using the "rule of 3" approach (managers may only select from among the candidates with the three highest scores). Note that by doing this the federal government is providing more flexibility to hiring managers. The City moved in this direction a couple decades ago. For the City most lists have all candidates in a singular group, or category – except safety positions utilize multiple categories and rankings.
- Requiring that managers and supervisors be more involved in and accountable for elements of the hiring process: including workforce planning, identifying required job skills, actively engaging in the recruitment and interview process, and supporting the employees' successful transition into the job.
- Providing OPM and OMB with timelines and targets for the recruitment process activities:

- Taking steps to improve the quality and speed of hiring by first measuring the quality/speed and analyzing causes of hiring problems and related solutions;
- Completing hiring manager training on effective recruiting and hiring.
- Notifying applicants of application status at key stages of the application process.
- Identifying a senior official in each agency for implementation of these goals.

CONCLUSION/NEXT STEPS

Many of the difficulties surrounding the civil service hiring process are technical and need to be vetted with operational staff having the expertise in personnel administration and civil service requirements. Additionally, vetting issues with the hiring departments is important in getting a better picture of the hiring process experience.

With the complexities involved in recruitment and hiring in general, combined with merit system components that safeguard against a “spoils system,” the potential for additional process improvements is great.

In some cases it can be the “little things” that make a big difference. For example, sending hiring departments Excel spreadsheets with the certified candidates’ information, including email addresses, will make the process more efficient and less time-consuming. In other cases, process change will be harder, as in trying to determine the feasibility and cost/benefit of automating certain processes.

Movement from a paper-based process with the hiring departments to the NEOGOV hiring manager portal could potentially be of great long-term benefit. The Personnel Department is concerned about the additional workload that would occur with implementation of this NEOGOV feature, as well as the subsequent support of hiring departments in using the hiring manager portal features. Clearly, this endeavor needs to be appropriately studied and a pilot program would likely be considered. However, we cannot ignore the potential long-term benefits of having a process that is integrated via a fuller utilization of the technology. We encourage efforts to investigate utilization of these features.

Another action we recommend, which was also suggested by one of the hiring departments, is that the City should create a Solutions Working Group of key departments, along with the Personnel Department, for constructive dialogue and collective solutions to city-wide hiring challenges. In addition to some of the issues we have vetted in this report, other issues could include, but are not limited to, the following:

- Having open discussions on questions regarding the process and issues that have recently arisen
- Communicating about times when hiring departments do not feel that applicants are meeting the minimum qualifications; also discussing differences between minimum qualifications and hiring department screening criteria
- Prioritizing city-wide recruitments, considering the limited capacity of the Personnel Department
- Expanding predictive recruiting (starting the recruitment process for a job classification four to six weeks before a current list expires) for highly used positions and high turnover positions

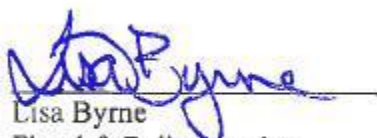
- Considering the appropriate job application length and ways to avoid any repetition on applications
- Considering ways to make hiring and processing forms more user-friendly

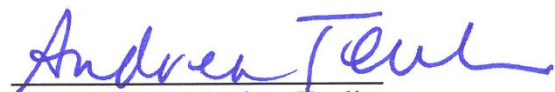
Other recommendations include:

- A working group should examine the feasibility and cost/benefit of an automated workflow and approval process for forms related to hiring and other types of personnel transactions (including studying potential SAP workflow changes).
- New hires should be surveyed as a matter of practice and results should be compiled and shared with the Committee on Budget and Government Efficiency.
- The hiring departments should provide evaluation of the Personnel Department and the Personnel Department should submit evaluations of each hiring department to the Solutions Working Group for vetting.
- The Personnel Department should create a quick reference document that lists all the forms requiring original signatures/hard copies, and under which conditions original signatures are required.
- City departments should collectively engage in clarifying discussions with the City's external auditors regarding which form instances would be recommended to include original signatures.

Lastly, we recommend that the City Council consider whether any of the eight new positions the Personnel Department requested as part of the Interim Mayor's Five-Year Outlook should be part of the Mid-Year Budget Adjustments or as part of the FY 2014 budget.

Currently, there is so much in play for the Personnel Department and hiring departments that the work needs to be prioritized, as it will take time to modify processes and enhance the current systems. This report identifies numerous areas where opportunities for change may exist. We suggest that we touch base with the Committee on Budget and Government Efficiency in March 2014 or thereabout to review any goals that have been set and any progress that has been made.


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