Date: September 2, 2022

To: Thomas B. Modica, City Manager

From: Joe Ambrosini, Director of Human Resources

For: Mayor and Members of the City Council

Subject: **City Hiring Process Update**

Nationwide, many industries, and sectors are facing difficulties attracting and retaining quality candidates. The City is not immune to these challenges and as a result, a strong focus has been placed on addressing the City's current recruitment climate and enhancing the organization's ability to help attract and retain top talent. Human Resources has worked diligently to assess the efficiency of current hiring practices to make much-needed improvements to the City's overall processes both from a market and candidate perspective to ensure that the very best talent is identified, engaged, and onboarded to the City in an effective and efficient manner. To continue these efforts, Human Resources is committed to developing a truly defensible process and standardizing hiring practices across the organization to improve efficiencies. Human Resources is requesting direction from the City Council to move forward with creating a Talent Acquisition (TA) Division to be implemented in Fiscal Year 2023 (FY 23) that will focus on hiring processes surrounding the "unclassified service" recruitments. This memorandum will provide a breakdown of why a new Division is needed, how it will operate, the anticipated results, the financial impacts, and the next steps.
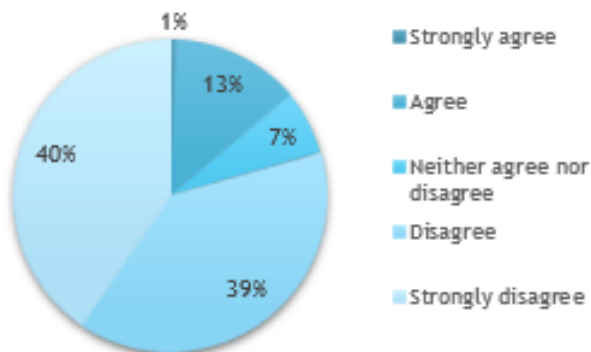
Background

In 2018 the City Manager's office engaged a FUSE Executive Advisor to review the organization's human capital management efforts that impact how the organization attracts and retains talent. The City operates under a dual recruitment system that includes a process for classified service employment administered by Civil Service and governed by the Civil Service Personnel Rules and Regulations, and an At-Will or unclassified service administered by the Human Resources Department but primarily decentralized to each of the City's 23 operating departments. The primary focus of the study was on conducting a thorough examination of the City's current talent management strategies and evaluating the recruitment, hiring, retention practices, processes, and policies. The goal was to ensure that Human Resources, Civil Service, and departments were appropriately aligned to achieve the City's human capital and talent management goals. The FUSE key findings identified several problem areas within the following four categories: Talent Acquisition, Talent Management, Policies and Procedures, and Classification and Compensation. Five City department hiring processes were sampled and the data reflected a lengthy process to hiring and onboarding unclassified positions. The FUSE key findings included a need to "transform the Human Resources Department."

In the years following the study, Human Resources has concentrated on improving processes, policies, and procedures across the organization. Improvements include, but are not limited to:
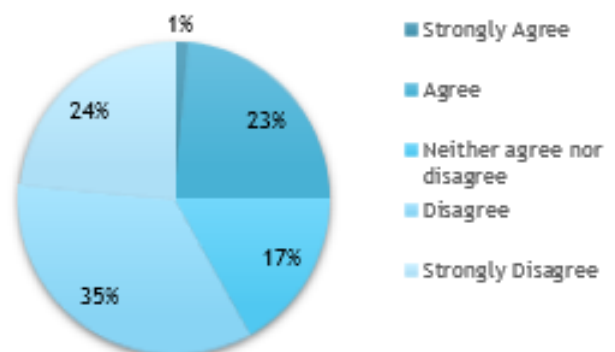
- Development of the One Stop Shop at Occupational Health (OH) where new hires can have their physical, Live Scan, oath of office, and photo ID completed in one appointment.

- Implementation of three different incentive programs: recruitment incentive programs for hard to fill positions and performance incentive programs for existing management and non-management employees.

- Development of the Hybrid Work Program Policy to allow greater flexibility for employees.

- Creation of an Onboarding Policy and Survey to help assist departments with recruitment.

- Implementation of a voluntary employee exit policy and survey to assess the overall employee experience and to identify opportunities to improve employee retention and engagement.

- Evaluation of the new hire physical examination and drug screening process to ensure only the necessary classifications go through this process.

Although these changes have resulted in efficiencies and reductions to the hiring timeline, they have not yielded significant improvements to the overall timeframe to hire and onboard individuals. In January 2022, an emphasis was placed on measuring the efficiency of the City's current hiring and onboarding processes and procedures surrounding the organization's ability to attract, hire, and retain qualified talent. As part of this examination, a hiring process survey was sent to all Management personnel across the organization to better measure and identify current problem areas within the City's hiring practices. The survey was administered via Microsoft Forms, and the feedback was collected anonymously. Responses were accepted for a total of three weeks, with 136 total responses for a response rate of 38 percent. While most of the survey results point to generally effective human resources processes and functions, two major problems stood out. The pie chart below will show that hiring is identified as a significant challenge by the City's management team with over 50 percent of responders stating hiring and/or onboarding processes and procedures are not efficient and not meeting candidate expectations.

The City has efficient hiring processes and procedures in place to help attract, hire and retain qualified people.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

1% / 13% / 7% / 40% / 39%

I am satisfied with the City's current onboarding process.

- Strongly Agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly Disagree

1% / 24% / 23% / 35% / 17%

Second, Human Resources analyzed and reviewed the City's current hiring process to identify the organization's strengths, weaknesses, opportunities for improvement, and external threats. The chart below shows that, although the City has many strengths, there are still several areas that can be addressed to aid in competing against outside threats like the great resignation, external market and economic climate, COVID-19 pandemic, etc. Some of the strengths as identified, include the implementation of the One Stop Shop for new hires at Occupational Health, increased participation in virtual and in-person job fairs, increased collaboration with Civil Service's Recruitment and Outreach team, and both the Hybrid Work Program policy and Exit Survey implementation. However, the organization's lack of alignment, decentralized processes, time to hire and onboard, internal burnout due to vacancies, and dual hiring processes/systems among other things are all recognized as weaknesses that present the City with opportunities to address the gaps and bottlenecks in the process. These opportunities include automation of HR functions, expanding recruitment and advertisement efforts for unclassified recruitments, the centralization of HR functions, placing a focus on talent acquisition and employee retention, the creation of a new HR division, etc.

Current Review of the City's Hiring Process

STRENGTHS	WEAKNESSES
- Implementation of One Stop Shop at Occupational Health - Increase in marketing and outreach for Unclassified vacancies - Increased collaboration with Civil Service Recruitment and Outreach Team - Increased participation in virtual and in-person career fairs - Hybrid work schedules - Exit Survey	- Lack of alignment; decentralized processes - Timelines: time it takes to hire and onboard - Lack of Management compensation structure - Data retrieval from NEOGOV; Lack of HR admin access - Lack of succession planning - Lack of comprehensive training (i.e., NEOGOV, hiring and recruitment academy) - Lack of communication and transparency - Inconsistent performance evaluation process - Internal burnout due to vacancies - Dual Hiring Processes/Systems
OPPORTUNITIES	THREATS
- Automation of HR functions - Review of process to maximize efficiencies (drug screening, physical, etc.) - Increased NEOGOV usage - Increased collaboration with Civil Service - Focus on talent acquisition and employee retention, creation of new HR division - Increase in comprehensive training programs - Centralization of HR functions - Develop more robust internship program - Expand recruitment and advertisement efforts with a strong DEI focus	- Great Resignation - External market; competitive salaries - Increase in remote work - COVID-19 Pandemic - National/Regional/Local Economic Climate

Lastly, Administrative Analysts in Human Resources pulled data for unclassified recruitments through the City's applicant tracking system, NEOGOV, to examine the FY 21 recruitment timeframes. The data in the chart below demonstrates that an average unclassified recruitment takes approximately seven months to recruit, hire, and onboard a candidate with the City. For unclassified management specific positions, on average it takes approximately four months to hire and onboard an individual. The timeframes are measured from the moment an operating department initiates the recruitment process through a position requisition up to the employee's official start date.

Department	FY21 UC - All other staff		FY21 UC - Managers and Officials		FY21 Classified	
	Total Number of Positions	Average Total Working Days	Total Number of Positions	Average Total Working Days	Total Number of Positions	Average Total Working Days
AP	1	167	0	0	10	177
CM	13	50	15	45	0	0
CS	0	0	0	0	4	142
DV	12	138	1	100	18	176
ED	10	142	4	87	2	172
DPEC	0	0	1	38	1	161
ER	10	102	6	73	37	166
FM	11	81	11	118	24	118
FD	29	255	5	42	17	86
HHS	336	87	14	143	27	158
HDE	0	0	0	0	34	169
HR	10	90	12	33	5	59
LS	32	120	0	0	15	133
PRM	202	246	2	128	25	205
PD	6	48	10	99	54	135
PW	41	177	10	83	46	131
TID	12	110	3	17	23	147
WA	0	0	0	0	25	118
Grand Total	725	146 (7.3 months)	94	81 (4.05 months)	367	146 (7.3 months)

Proposed Model

Data from the hiring process survey, SWOT analysis, and thorough review of analytics demonstrate a need for revising the current processes to meet the needs of the City's recruitment and retention efforts. As a result, Human Resources recommends the creation of a Talent Acquisition Division within Human Resources which will significantly and positively impact the efficiency of the City's hiring process. This new division will allow Human Resources to develop and administer a centralized structure and create a standardized timeline that will cut the average recruitment timeframe from seven months to a projected 90 days for the At-Will/unclassified positions citywide. Furthermore, centralizing these functions will allow Human Resources to devote significant time and attention on enhancing job outreach efforts, with an even stronger focus on diversity, equity, and inclusion initiatives. The proposed model will take the place of the heavily decentralized manner where each operating department conducts nearly all steps in the recruitment process. A centralized model will allow for gathering of accurate and consistent data to measure efficiencies moving forward and guarantee that the

process is equitable across the organization. The centralized functions of the Talent Acquisition process will include:

- Implementing a strategic approach to recruiting consisting of collaboration and partnership with Departments to develop staffing plans that will address hard to fill positions prior to posting the job.

- Advertising and outreach to further address ongoing citywide diversity, equity, and inclusion efforts.

- Standardizing all processes.

- Developing job bulletins and interview questions.

- Locally recruiting within the Long Beach community through job fairs and other outreach events.

- Maintaining the NEOGOV applicant tracking system to ensure regular review of performance analytics.

The proposed model will consist of approximately five to seven Human Resources employees and follow the structure of existing divisions in the department. Proposed classifications could include: Human Resources Officer, Personnel Analyst, and Clerk Typist.

The Talent Acquisition Division will bring value to and benefit the City in many ways. Positive outcomes of this change will result in:

- Better customer service to the City's departments, employees, and applicants to create a greater sense of the City's commitment to meaningful and sustainable change.

- City departments being able to retain and obtain the talent and resources required to provide our community the services needed.

- Regular and consistent assessment of analytics and processes to ensure and promote timely improvement that will continue to push the City forward.

Fiscal Impact

Depending on the final make-up of the Talent Acquisition division, the projected annual cost could range from approximately $694,9498 to $965,468. Costs in FY 23 can be funded out of the City's Employee Benefits Fund, which will recoup its cost in future years with increased department charges, citywide. Increases in cost to the Employee Benefits Fund have an approximate 50 percent impact to the General Fund and will be incorporated as part of the ongoing costs in the FY 24 Base Budget. If City Council provides direction to move forward with this division, staff will evaluate and finalize the best approach and return to City Council in the first FY 23 Budget Adjustment Letter with request for increased appropriation.

If you have any questions, please contact Joe Ambrosini at 562-570-6140.

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