



**CONTRA COSTA COUNTY CIVIL GRAND JURY REPORT NO. 1613
"HUMAN RESOURCES MANAGEMENT"**

BOARD OF SUPERVISORS' RESPONSE

FINDINGS – *California Penal Code Section 933.5(a) requires a response to the designated findings of the Grand Jury.*

F1. HR has been without a permanent Director since mid-2014.

Response: Respondent agrees with this finding.

F2. A consultant has provided high-level advice to the County Administrator concerning human resources since March 2015. The consultant's principal focus has been on preparing the department for major computer system upgrades.

Response: Respondent agrees with this finding.

F3. Recruitment and classification of County workers is governed by a complex set of rules.

Response: Respondent agrees with this finding.

F4. Decentralization of personnel management in large departments has negatively impacted communication, transparency and adherence to personnel rules.

Response: Respondent agrees with this finding.

F5. The Delegated Authority granted to the Health Services Department to manage many of their own personnel operations has exacerbated difficulties the Health Services Department experiences related to personnel management rather than solved them. Lack of oversight from HR has led to problems such as position misclassification, incorrect use of overtime and inconsistent attention to personnel rules.

Response: Respondent agrees with this finding.

F6. The Personnel Management Regulations have not been updated since 1982, the Salary Regulations have not been updated since 1985, and the Personnel Services Procedures Manual has not been revised since 2007.

Response: Respondent agrees with this finding.

F7. HR was directed to streamline its operations and eliminate paperwork due to ongoing concerns about delays in the recruitment and selection process.

Response: Respondent agrees with this finding.

F8. The principal computer system used by HR, PeopleSoft, has not been upgraded for years.

Response: Respondent agrees with this finding. In June 2015, the County launched a project to upgrade its PeopleSoft HCM System which has not been updated since 2004. The PeopleSoft upgrade project consists of three key elements: 1) Install PeopleSoft Version 9.2 which will have new navigation and expanded functionality for each core application; 2) Benefits Administration which includes automated benefits eligibility and employee self-service for annual benefits enrollment as well as life changes that occur during the year such marriage, new child, address or beneficiary changes; and 3) Recruitment processing will be handled by a new program called Oracle Taleo and a new onboarding function will be added. These upgrades are scheduled to be launched in the 1st quarter of 2017.

F9. Most HR transactions are still largely manual.

Response: Respondent agrees with this finding.

F10. A major effort managed by HR and Cherry Road Consultants is underway to upgrade PeopleSoft and to install a new recruitment and "onboarding" system called Taleo.

Response: Respondent agrees with this finding.

F11. New computer systems will significantly streamline HR processing by eliminating most paper documents, facilitating tracking and process management and providing customized management information both to HR and departmental managers.

Response: Respondent agrees with this finding.

F12. The HR Personnel Services Unit is responsible for both recruitment and selection, and classification and compensation for departments.

Response: Respondent partially disagrees with this finding. Individual departments make their own final selections of employees to hire after Human Resources provides a list of eligible candidates. In the Health Department, their personnel unit does recruitments for positions only allocated to that department and central Human Resources conducts all other recruitments for positions that can be hired in multiple departments. Additionally, compensation reviews are subject to the meet and confer process with the unions which is handled by the Labor Division of the County Administrative Office.

F13. Recruitment represents the bulk of ongoing work in the HR Personnel Services Unit.

Response: Respondent agrees with this finding.

F14. In April, 2015, the PSU reorganized to separate the recruitment function from the classification function, which are now separately supervised.

Response: Respondent disagrees with this finding. While the two Personnel Services Supervisors have primary responsibility for either recruitment or classification activities, all human resources consultants perform both functions.

F15. The reorganization did not result in an effective separation of recruitment from reclassification work because work is assigned by County department rather than by the type of work, blurring the lines of communication and supervision within HR.

Response: Respondent disagrees with this finding. The intent of the supervisory reassignment was not to separate recruitment from classification activities. These functions are fully integrated within the division. A human resources consultant is in a better position to serve the departments needs when they perform the full range of services including recruitments, and classification and compensation reviews. Supervision was separated for the purpose of ensuring proficiency and tracking workload in these subject areas. The consultants know to work with the appropriate supervisor depending on the project.

F16. The complexity of the County personnel class structure creates many problems resulting in a need for a comprehensive classification review. Appropriate classification and compensation review is key to ensuring that Merit System rules are followed (equal pay for equal work) and that each job classification accurately reflects the required qualifications, experience and duties.

Response: Respondent agrees with this finding. Maintaining an updated classification and compensation plan for the County is an important goal. However, the County is required to meet and confer on the impacts of any changes with numerous bargaining units, and cannot make unilateral changes.

F17. The continuing demands of the current recruitment process leave inadequate time to concentrate on broader classification and compensation analysis required to begin revising and rationalizing the current classification structure, in addition to simply responding to department requests.

Response: Respondent agrees with this finding. Classification and compensation reviews are performed for operating departments upon request. While a comprehensive review of all classifications and compensation may be useful, such an analysis could not be conducted within existing staff resources. Additionally, the County is required to meet and confer on any changes with multiple bargaining units, and cannot make unilateral changes. Position classification families may extend over several bargaining units (entry level, mid-level/experienced, supervisory and/or management) which may further complicate negotiating any changes.

F18. Lack of consistent HR training for staff handling personnel matters in the departments that HR serves has sometimes resulted in confusion, communication problems, delays and errors.

Response: Respondent agrees with this finding. However, in 2015, the Human Resources Department hosted a six (6) course HR Academy training program for 40 human resources and department personnel staff to increase the participants' knowledge, skills and professionalism

through practical, hands-on exercises and activities that simulate real public sector human resources situations. At the conclusion of the Academy, participants were familiar with the core basics in multiple HR disciplines. The HR Department is considering repeating this training for those who handle personnel matters and have been hired since 2015. Future Contra Costa County specific training will be scheduled in the following areas: transactions and certification, recruitment preparation, and deep class resolutions. In addition, human resources process training will be delivered during the implementation of PeopleSoft 9.2 and the Taleo Recruitment and onboarding system.

F19. The goals of the PeopleSoft upgrade and the Taleo implementation are to streamline recruitment and hiring and improve management accountability and control. This can create opportunities for addressing needed organizational and procedural change.

Response: Respondent agrees with this finding.

F20. The Cherry Road Consulting group has assigned a Change Manager to assist HR and other county departments with both the technical and organizational issues associated with system implementation.

Response: Respondent agrees with this finding.

RECOMMENDATIONS - California Penal Code Section 933.05(b) requires a response to the designated recommendations of the Grand Jury.

R1. The Board of Supervisors should consider hiring a permanent HR Director as soon as is reasonably possible.

Response: The recommendation has not yet been implemented but a recruitment for this position was recently concluded with a panel interview conducted on August 19, 2016. It is anticipated that a new Director will begin employment in mid-October.

R2. The Board of Supervisors should consider directing HR to develop a strategic plan that: (1) defines HR's role and authority in personnel management vis a vis the departments it services; (2) provides the degree to which centralizing specific personnel management processes is feasible and advisable, and (3) provides what processes can or should be decentralized to the departments.

Response: This recommendation has not yet been implemented but will be part of the work plan of the new Human Resources Director.

R3. The Board of Supervisors should consider directing HR to assess the skills and abilities of current staff as a basis for rationalizing the separation of Recruitment from Classification, and develop a staffing plan to maximize the benefit of the new configuration.

Response: This recommendation will not be implemented because it is not warranted. An organizational assessment was performed prior to implementing the existing structure. It is expected that the new Human Resources Director will re-assess the entire department's activities and staffing and make appropriate recommendations for change.

R4. The Board of Supervisors should consider directing the County Administrator to end the delegated authority to the Health Services Department for personnel actions.

Response: This recommendation requires further review which will occur when the new Human Resources Director is appointed.

R5. HR should assess the potential impact on HR staffing resulting from withdrawal of the delegated authority.

Response: This recommendation requires further review which will occur when the new Human Resources Director is appointed.

R6. The Board of Supervisors should consider directing HR, in coordination with County Counsel, the County Administrator and County department heads, to review and update the Personnel Management Regulations and the Salary Regulations as needed.

Response: This recommendation has not yet been implemented but will be part of the work plan of the new Human Resources Director who will also work with the County Administrator, County Counsel, and other County departments to accomplish these updates.

R7. The Board of Supervisors should direct HR to review and update the Personnel Services Manual as needed.

Response: This recommendation has not yet been implemented but will be part of the work plan of the new Human Resources Director.

R8. The Board of Supervisors should consider directing HR to begin a comprehensive review of the current County job classification system and develop recommendations for change as appropriate.

Response: This recommendation requires further review which will occur when the new Human Resources Director is appointed. As mentioned above, existing staff resources limit the ability to initiate a system-wide review and any changes would require a meet and confer process with numerous bargaining units.

R9. The Board of Supervisors should direct HR to implement an organized departmental outreach and training effort to ensure that all County departments fully understand HR's policies and procedures.

Response: This recommendation has not yet been implemented but will be part of the work plan of the new Human Resources Director.

R10. The Board of Supervisors should consider directing HR to play a key role in the Change Management effort.

Response: This recommendation has been implemented in as much as Human Resources is already viewed by the Board of Supervisors and County Administrator as an important contributor in many strategic initiatives such as succession planning and recruitment efforts, various computer and process systems improvements which directly impact departments and employees, and assisting with labor negotiations.