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CLICK HERE FOR CEO's REPORT DATED JUNE 22, 2010

CLICK HERE FOR CEO's REPORT DATED AUGUST 23, 2010

CLICK HERE FOR CEO's REPORT DATED DECEMBER 3, 2010

CLICK HERE FOR CEO's REPORT DATED JULY 13, 2011

County of Los Angeles
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WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

June 22, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Lisa M. Garrett
Director of Personnel

STATUS REPORT ON THE HUMAN RESOURCES ARCHITECTURE (RESPONSE TO ITEM 63-D, AGENDA OF APRIL 20, 2010)

On April 20, 2010, on motion of Supervisors Antonovich and Ridley-Thomas, your Board directed the Chief Executive Officer and the Director of Personnel to: (1) examine HR architecture, Department of Human Resources structure and determine which HR functions should be centralized and which, if any, should remain decentralized; (2) determine whether human resource positions in the County should be consolidated in the Department of Human Resources; (3) determine the number of human resources positions necessary to support centralization of human resources Countywide and; (4) report back to the Board on their findings within 60 days. This memorandum provides you an update on the status of our progress and requests an extension of an additional 60 days to complete our report.

Department of Human Resources (DHR) and the Chief Executive Office (CEO) are working collaboratively to gather information and report our findings. To date, we have taken the necessary preliminary steps:

- DHR developed and distributed a survey tool to all County departments to solicit information regarding departmental human resources organizations. The survey requests information on Human Resources functional areas in departments including HR Administration, HR Operations, Performance Management, Recruitment and Exams, and Health and Safety. Also requested are the actual and budgeted classifications performing these functions. To date, we have received completed responses from 16 of the 37 departments. As information is received, DHR is clarifying any discrepancies when compared with DHR's independent review of data.

- In a separate assessment, DHR and CEO are working together to review the number of HR positions allocated to each department from Fiscal Year 2006-07 through 2010-11.

- On June 16, 2010, DHR hosted the first HR Transformation Summit. The Summit was attended by 97 participants representing 37 departments including the highest levels of management, four County commissions, Board offices and other stakeholders. A key element of the Summit was to begin the conversation of human resources architecture within the County. Consultants retained by the CEO to examine County human resources operations reported on their assessment of County HR and best practices on human resources architecture. Through break-out group discussions, we gained feedback to determine how the County can improve operations through the reconfiguring of human resources functions.

- As a follow up to the Summit, DHR has identified individuals to participate in an executive advisory group comprised of Department Heads, Chief Deputies and Board staff to continue discussing the merits of centralization vs. decentralization.

- DHR is canvassing other California Counties concerning their HR architecture and the issues of centralization and decentralization. We anticipate obtaining additional information regarding best practices.

In order to finalize our survey results and provide a comprehensive report, we are requesting an extension of 60 days.

If you have any questions, please contact me, or your staff may contact Ellen Sandt at (213) 974-1186 or Lisa Garrett at (213) 974-2406.

WTF:BC:EFS
LMG:MLH:AC:ef

c: All Department Heads

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August 23, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Lisa M. Garrett
Director of Personnel

STATUS REPORT ON THE HUMAN RESOURCES ARCHITECTURE (RESPONSE TO ITEM 63-D, AGENDA OF APRIL 20, 2010)

On April 20, 2010, on motion of Supervisors Antonovich and Ridley-Thomas your Board directed the Chief Executive Officer and the Director of Personnel to: (1) examine Human Resources (HR) architecture, Department of Human Resources (DHR) structure and determine which HR functions should be centralized and which, if any, should remain decentralized; (2) determine whether human resource positions in the County should be consolidated in the Department of Human Resources; (3) determine the number of human resources positions necessary to support centralization of human resources Countywide and; (4) report back to the Board on their findings within 60 days.

On June 22, 2010, your Board was provided with a status on the progress of the study. This memorandum provides you an update on the status of our progress and requests an additional 90 days to complete the study. Our progress is as follows:

- To date, DHR received nearly all survey responses identifying HR functional areas in each department and the actual and budgeted positions performing these functions. Preliminary information provided by departments reflects the variation of HR operations throughout the County, specifically the variety of job classes utilized to perform HR functions. DHR is continuing to work with departments to clarify the data provided in the survey and ensure complete and

accurate information. The data will provide a baseline to determine the appropriate HR structure in the County.

- In a separate assessment, DHR is reconciling HR allocation data provided by CEO Classification with that provided by departments. The findings have indicated inconsistencies which DHR is currently working with departments to clarify.

- The Director of Personnel established an HR Executive Advisory Committee to serve as an executive leadership group and strategic partner in providing policy guidance and delivering strategies for broad organizational change. This committee, comprised of department heads, chief deputies and Board staff, will address topics including HR architecture, succession planning, discipline and performance management, and shared services. A subcommittee is being formed to specifically address HR architecture. The outcome of this group will assist in determining the most effective and efficient model for HR structure in the County.

- DHR canvassed several states and counties regarding their HR architecture. The study found that Human Resources in most of these organizations were either centralized or a hybrid of centralization and decentralization.

If you have any questions, please contact me or have your staff contact Ellen Sandt, Deputy Chief Executive Officer at (213) 974-1186 or Lisa Garrett, Director of Personnel at (213) 974-2406.

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LMG:MLH:AC:ef

c: All Department Heads

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MICHAEL D. ANTONOVICH
Fifth District

December 3, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Lisa M. Garrett
Director of Personnel

STATUS REPORT ON REVIEW OF HUMAN RESOURCES ARCHITECTURE AND IMPLEMENTATION OF THE RECOMMENDATIONS FROM THE COUNTY OF LOS ANGELES HUMAN RESOURCES STUDY

On April 20, 2010, your Board directed the Chief Executive Officer (CEO) and the Director of Personnel (DOP) to: (1) examine Human Resources (HR) architecture, Department of Human Resources (DHR) structure, and determine which HR functions should be centralized and which, if any, should remain decentralized; (2) determine whether human resources positions in the County should be consolidated in DHR; (3) determine the number of human resources positions necessary to support centralization of human resources Countywide; and (4) report back to your Board on their findings within 60 days. Previous status reports have been provided on June 22, 2010 and August 23, 2010.

On July 27, 2010, your Board approved in concept the findings and recommendations in the County of Los Angeles Human Resources Study (the HR Study), which called for substantive restructuring, modernization, and improvement in the core human resources functions of recruitment, selection, classification, and compensation. The HR Study also advanced recommendations concerning opportunities for improvement in other areas of HR service delivery. In addition to the above, your Board directed the CEO and DOP to: (1) consult with the County's labor groups regarding the study; (2) report

back on August 31, 2010 and quarterly thereafter regarding the progress of implementation plans of the study recommendations and the next steps in areas such as competency-based testing, score and candidate banking, potential civil service rule revisions, class consolidation, centralized and decentralized human resources activities and human resources staffing allocations countywide; and (3) report back by November 30, 2010, regarding the results of the pilot project designed to test a streamlined classification, recruitment and examination process and the quality of the candidate pool resulting from the pilot project.

Several actions have been taken to address both Board orders, beginning with input from various stakeholders as to their viewpoints on how to build a new strategic direction and collaborative partnerships for the transformation of the County's human resources.

Current State of HR Service Delivery within the County of Los Angeles

In an effective HR transformation process, it is essential to thoroughly understand the current state of HR architecture and service delivery. It is also important to understand the history and authority for human resources functions. The responsibilities of the Director of Personnel are included in the County Charter, County Code and the Civil Service Rules. The Director of Personnel has authority to administer the Civil Services System under the Civil Service Rules. The Director of Personnel also has authority over examination and selection methods, procedures, standards, and administration of the classification system. In 1986, the Board of Supervisors amended the Civil Service Rules by adding Rule 3.03, which authorized the Director of Personnel to delegate authority in such operational activities as classification, recruitment and selection, and employee development to line departments through written agreements. The primary purpose of the decentralized program was to enhance line management's ability to establish and meet departmental priority needs by placing increased discretion, responsibility and accountability with the departments for managing their own personnel activities. However, the final accountability remains with the Director of Personnel.

In analyzing the current state of HR service delivery, it is also necessary to look at the current funding and cost structure, which requires DHR to charge back to departments 72 percent of its $51.2 million appropriation for HR services rendered. The current cost structure needs to be changed. Currently, the efficiencies and expertise provided by the central agency are not rewarded in the County budgetary process. Departments that often need the most DHR assistance are also struggling with budgetary limitations and cannot afford that assistance. The DHR funding model should be revised similar to how

the Auditor-Controller Audit Division funding was changed to provide "up front" funding for this central service.

The HR Transformation

The recommendations of the HR Study have provided DHR the opportunity to further examine its structure and determine that a true transformation, and modernization, of human resources service delivery is necessary for the County. CEO and DHR have embraced the HR Study and can report significant progress in the implementation of its recommendations.

Advisory Committees

As previously reported, DHR hosted the first HR Transformation Summit on June 16, 2010, at which time feedback was obtained as to how the County could improve its operations through the reconfiguration of human resources functions. As a follow-up to the Summit, and as suggested in the HR Study, the Director of Personnel convened an HR Executive Advisory Committee (HRC) comprised of County department heads and chief deputies to provide the leadership required to bring about fundamental changes in the culture and performance of human resources in the County. The HRC will work with the Director of Personnel to define the "future state" of human resources service delivery in the County and assist with communicating, planning and implementing the actions required to make the "future state" a reality.

The HR Executive Advisory Committee (HRC) has established two subcommittees. One subcommittee focuses on the HR Architecture, and the second addresses Performance Management and Discipline issues. Subcommittee membership has been opened to other County manager groups, such as the Administrative Deputies Network and the Departmental HR Managers. These subgroups launched their efforts on November 17, 2010.

In order to gain feedback and address classification issues, the CEO formed a Classification Work Group, which commenced its work on August 18, 2010. The work group is comprised of managers and staff from CEO, DHR and other departments, as well as the two consultants who conducted the HR Study. This group meets bi-weekly.

HR Architecture Subcommittee

The chief objective of the HR Architecture Subcommittee is to assist in determining the most effective and efficient model for the County's human resources structure. Its task began with consideration of the results of the countywide assessments as detailed below to determine the current state of the delivery of HR services.

- *Countywide HR Architecture Assessment Survey* – DHR conducted a stakeholder survey, inviting feedback on satisfaction with the current HR Architecture, the areas not well served by the current structure, and input on designing an effective balance between central and departmental responsibilities. The survey was sent to County managers and Board offices. The results of this survey generally reflect satisfaction with the County's current hybrid centralized/decentralized model in which DHR is responsible for setting policy and standards, providing direction and guidance to line departments, and ensuring uniformity in the application of rules and practices. The survey responses indicate a preference that departments continue to perform the operational human resource activities, under oversight and expertise from the central agency. While it was acknowledged that more functions could be assigned to DHR, strengthening of staff skills and building a more responsive, customer-focused central organization would need to first take place. Additionally, administrative issues, such as the current funding and fee structure for DHR services would need to be addressed. (See Attachment I for a more detailed summary of the current HR Architecture Survey.)

- *Time Study* - DHR surveyed County departments to develop a baseline and determine the percentage of time devoted to the five human resources functional areas of HR administration, health and safety, HR operations, performance management, recruitment and classification. DHR is continuing to work with the line departments to further refine this data.

- *HR Staff Allocations* – DHR reconciled with CEO and line departments the current allocation of human resources staff. It has been determined that there are 1,909 budgeted positions for HR countywide. Of those, 277 positions are allocated centrally in DHR[1] and CEO's Classification Division to conduct countywide HR activities. We also determined that 136 different classifications perform human resource services. (See Attachment II)

[1] This number does not include DHR executive and administrative staff.

- *HR Architectural Models* – Attachment III reflects six different HR structures that are being considered by the Subcommittee. This includes a traditional fully centralized model, a fully decentralized model, and four hybrid models that reflect different reporting and assignment structures.

While discussion and analysis of best practices in HR service delivery and ways for resolving the structural and non-structural issues raised by stakeholders are the next order of business in this review process, it is likely that many stakeholders would agree that certain functions are best performed at a central level. These include:

- Establishing HR policies and standards;
- Auditing delegated HR responsibilities;
- Countywide job placement;
- Benefits administration;
- Certification of HR professionals in areas of expertise; and
- Special employment programs.

It is also likely that virtually all stakeholders would agree that certain functions which support the management of staff in departments can only be performed efficiently within each department.

Most stakeholders believe that the remaining responsibilities associated with recruitment, selection, classification, training and development, and performance evaluation systems can best be delivered through shared/joint processes. Exactly how such responsibilities should be structured to best accomplish the County's long-term strategic objectives will require considerable discussion and evaluation of alternatives and their pros/cons and cost/benefits.

We will continue to analyze best practices and the optimal way to address HR functions. The HR Architecture Subcommittee is scheduled to meet on December 9, 2010 to provide feedback on all the information that has been presented to date.

Performance Management and Discipline Subcommittee

This Subcommittee is charged with reviewing the performance management and discipline design in the County and recommending improvements to the existing Civil Service hearing process. The groundwork for the Performance Management and Discipline Subcommittee includes developing strategies that will help County

management successfully implement the discipline process and administrative appeal. The following reflects the order of review established by the subcommittee:

- Civil Service Hearings
  - Gaining an understanding of the work cycle(s) involved in administrative appeals;
  - Assessing current efforts, models, and related outcomes;
  - Understanding the commitment of time and resources needed to address an administrative appeal;
  - Developing strategies for process improvements and consideration of associated costs; and
  - Assessing current performance outcomes and establishing metrics to maximize countywide success.

- Discipline
  - Assessing departmental processes and identifying best practices for purposes of replication;
  - Identifying areas of concern or bottlenecks that impede the flow of work from the date of the incident to the final action letter;
  - Developing recommendations for standardized method of operation;
  - Evaluating process improvements that will improve HR functioning in countywide performance management; and
  - Establishing countywide metrics to develop and maintain consistency in the areas of process and outcomes.

Classification Work Group

A Classification Work Group was convened to design and pilot a streamlined method for the classification, recruitment and examination processes in order to enhance the quality of the candidate pool. Over these past four months, the scope and breadth of this project has been notably expanded to "pilot" even more of the key recommendations of the HR Study and, in effect, expedite the implementation of transformation. Below is the status report from the Work Group on the pilot project (Pilot) and a request to extend the project timeline through June 30, 2011.

Definition and Scope of Study

This Pilot utilizes the implementation of the Countywide Contract Analyst Occupational Study as a testing ground for the concepts and recommendations

of the HR Study, which center around using a "competency-based" human resources model. In short, this involves streamlining the County's Classification Plan by reducing (though consolidation) the large number of County classes and defining these classes more broadly, not only based on the assigned duties and responsibilities, but also by the shared competencies required for these positions. This leads naturally to a more streamlined examination and selection process, which utilizes validated, competency-based testing for the requisite cognitive and non-cognitive abilities needed for successful job performance. We are employing these concepts as we (1) implement organizational structures and individual positions across the County for the Contracting Study; (2) assess the competency-level of current employees and provide training where skill-deficits are identified; and (3) fill critical vacancies with qualified employees. There are approximately 270 positions, and 37 classifications in the Contracting Study in approximately 17 County departments. Once this study is implemented, we expect to demonstrate an increased competency in our contracting workforce.

Status - Classification

As a result of the HR Study, the classification findings for the Contracting Study had to be revisited. Rather than utilizing new, contract-specific classes, we will be recommending to your Board in early 2011 that these 270 positions be classified in the existing, more broadly-defined Administrative Services Manager series. We are revising these classifications based on the HR Study findings so that they might serve as a generic series for all non-represented administrative positions throughout the County. This will provide internal equity and consistency across the vast County in terms of job allocations and will greatly reduce the number of overall classes in the County's Classification Plan.

In October, 2010, your Board approved the establishment of the first classification designed under this new competency-based methodology: Management Assistant. This is a broad, generic, entry-level professional class that may serve as a "feeder" class for non-represented administrative positions throughout the County. The specification is written in a new format that includes the identification of essential functions; the listing of the required knowledge, skills, and abilities, i.e. competencies; and streamlined minimum requirements.

Status – Recruitment and Selection

The Pilot Work Group conducted a joint, multi-purpose "job-analysis (JA)" of

contracting positions and classifications, the results of which are being used by the various HR functions of classification, recruitment and selection, training, etc. Previously these functions tended to do their own form of JA, tailored to their specific purposes. This approach was duplicative and not efficient. Integral to this process was the participation of various County Contract Managers serving as subject matter experts. Their input was invaluable. The results of this JA are validated, technical- knowledge tests that will be used to assess the capability of current contracting staff and future candidates for these positions. These tests will be used in conjunction with established "general abilities" test to fully assess employees for job appointment or training opportunities.

A special selection process has been developed to provide those County departments who have critical entry-level contracting vacancies with highly-qualified candidates ready for immediate appointment. This involves using the existing eligible list for Administrative Intern (a competency-based exam process) and appointing qualified candidates to the new, above-referenced Management Assistant class. These appointments should begin to take place in December , 2010.

Finally, we are pleased to pilot an alternative to the long-established and somewhat controversial Appraisal of Promotability (AP) process. This time-consuming, cumbersome and highly subjective assessment process is being eliminated in the current promotional examination process for the *generic* ASM I and ASM II. In its place, applicants will be given a well-established, validated, written test of non-cognitive abilities which meets the criteria set forth in the Civil Service Rules for promotional exams. This will provide a much more objective assessment and will greatly reduce the time it takes to complete the exam process. Incidentally, employees who will be participating in these exams for ASM I and ASM II will be able to "bank" their scores for both the "cognitive" and "non-cognitive" parts of the written test. Should the employees choose to apply for the specialized ASM exams for contracting in 2011, they will not be required to take these tests again because their banked scores will be used for the new exam. They will only have to take the newly-created technical-knowledge tests developed specifically for the contract exams.

Timeline – Key dates

The following timeline is provided for the pilot project described above:

Action	Target Date
Departments to fill critical Contracting vacancies, using Administrative Intern eligible list and appointing to new Management Assistant class	December, 2010
Generic ASM I and ASM II exams – eliminating AP process	December, 2010
Implement Countywide Contracting Study (using ASM series)	January, 2011
Run **specialized** ASM exams for contracting to assess current employees for appointment to contract positions and/or training; NOTE: Use of banked-scores for some applicants	February, 2011
Provide contract technical training for applicants who did not pass the technical portion of the exam	March-May, 2011
Assess the quality of the candidates hired using the new testing method, including departmental feedback on quality of the candidates, and report results to the Board	June 30, 2011

The scope of this pilot project has grown to be quite comprehensive in terms of testing most of the core recommendations of the HR Study. We look forward to reporting back to your Board in June, 2011 with our findings.

HR Study Implementation Plan

DHR has incorporated recommendations from the HR Study into an implementation plan categorized into three timeframes: short-term (within six months), mid-range (six months to two years), and long-term (two years or more). The following list highlights recommendations that are currently being implemented:

- *Implement broad-based testing to efficiently screen candidates for a number of similar positions.* Broad-based testing will be launched in December, 2010 for the Intermediate Clerk, Intermediate Typist Clerk and Senior Clerk positions. Broad-based testing will allow one test score and job application to be used for multiple jobs.

- *Reduce time to hire.* DHR's Exams Division has reduced the time to promulgate eligible lists by 22 percent, from an average of 103 days to 80 days.

- *Increase focus on workforce planning and succession planning programs.* DHR has met with departments within each cluster and completed retirement projections. As part of the succession planning effort, DHR has developed an assessment tool and collected data about the leadership competencies of each potential MAPP successor for use in identifying any skill gaps and creating development plans.

- *Implement automation to reduce time to hire through the e-HR Automation Project.* To date, DHR has implemented the electronic posting and sharing of certification lists for all County departments and has provided applicants with online information regarding the status of their applications. In addition, we have implemented online job specific questionnaires for several entry-level jobs, which reduces time spent in the manual review of applications to determine eligibility and which allows for immediate scheduling of the candidates for testing.

- *Consolidate like functions to increase efficiency.* DHR reorganized to bring divisions with like functions and similar responsibilities together. This reorganization also resulted in the creation of a Departmental Chief Information Officer. This will allow the department to utilize information technology to its fullest, including the redesign of its website, which will offer a more customer- and user-friendly site for internal and external customers.

- *Develop performance metrics programs.* DHR launched "PeopleStats" on June 24, 2010 to develop performance metrics and a dashboard. Divisions have defined performance metrics and are engaged in an ongoing effort to improve and operationalize data collection in the department. The department meets monthly to present and discuss relevant results and targets. The introduction of the PeopleStats program has further enhanced DHR's emphasis on continuous quality improvement and the importance of documenting measurable success. DHR has also created a quality improvement training program that covers the tracking of key divisional or program performance measures and effective methods of process improvement.

- *Increase customer focus by obtaining feedback from primary customers and introducing a customer survey process for stakeholder groups.* DHR convened the Customer Service Advisory Group targeting departments from each cluster. DHR is taking steps to implement suggestions from the group. The group also serves as line departmental review of new policies.

- *Utilize the current communication forums to assume leadership role in providing HR service.* The Director of Personnel and her Assistant Directors have taken an active role in chief deputies, administrative deputies, and departmental human resources managers meetings and assumed leadership in communicating HR programs to those groups.

- *Finalize development and implementation of Exam Analyst Training.* The first cohort of Exam Analyst Training has been completed. Course pre- and post-test scores show a modest, but statistically significant gain in scores. Lessons learned from the first cohort experience are being incorporated into the curriculum for future use. The next cohort is scheduled for winter, 2011.

- *Implement recruitment pre-planning process to become more strategic and increase communication about exam completion dates.* Completed the first two phases of Target: Change, which involves the implementation of actions to make the countywide examination program more effective. This included the roll-out of a new recruitment and exam request procedure to facilitate exam requests. The new method works first to obtain the requesting departments' needs, then expedites pre-planning activities and provides an accurate assessment of timeframe based on service needs.

Next Steps

CEO and DHR consulted with SEIU Local 721 regarding the HR Study. The Coalition of County Unions was provided a copy of the study; but to date has not requested a meeting. We will continue to provide updates and consult with the labor unions on key changes on the HR transformation. In addition, during the next six months, DHR expects to complete the following:

- Identify the ideal HR architectural model for Los Angeles County;
- Train all DHR staff in technical HR competencies;
- Review the e-HR Automation Project initiatives to evaluate whether new or enhanced initiatives are required to support competency-based testing, score

and candidate banking, class consolidation efforts, workforce planning, employee development, succession planning, and HR metrics; and

- Contract for an absence management system to better track employees on leaves of absence.

Conclusion

Significant progress has been made in the implementation of the HR Study recommendations. However, these are only milestones in the greater effort to fully transform HR in the County. Once the ideal HR architecture has been identified, a gap analysis will be required to implement the new structure. It will take intensive input, communication, planning, and action to create integrated HR services designed to address the diverse needs of all of our stakeholders. We recognize that "HR Transformation is not about doing HR; it is about building business success."[2]

If you have any questions, please contact me or have your staff contact Ellen Sandt, Deputy Chief Executive Officer at (213) 974-1186 or Lisa Garrett, Director of Personnel at (213) 974-2406.

WTF:EFS
LMG:MLH:smh

c: All Department Heads

Attachments

12.03.10 hr architecture status report.docx

[2] *HR Transformation*, Dave Ulrich, Justin Allen, Wayne Brockbank, Jon Younger, Mark Nyman, McGraw Hill (New York) 2009.

Los Angeles County
HR Architecture Assessment Project

Summary of Narrative Survey Comments

Q. 1 *Overall, how satisfied are you with the current way in which responsibilities for HR functions are organized between central agencies and departments?*

- Some functions work well, as structured (See also Q.5 below). DHR is improving its service levels.

- While the current structure generally works:
  - It is sometimes not clear where to go for assistance.
  - Having assigned liaison analysts would be helpful and more efficient.
  - Coordination of services and programs should be improved.
  - Certain functions need to be improved (See Q.6 below).
  - Costs charged do not match services the delivered.
  - DHR needs to free itself from the tactical day-to-day HR business of departments in order to become more strategic.
  - Additional decentralization would improve efficiency, responsiveness and cost effectiveness. Too much centralization can result in bottlenecks, unnecessary delays and bureaucracy.

- Work and approval processes take too long and should be streamlined. This should be done before making decisions on centralization/decentralization so that determinations can be made based on which approach will be more efficient and effective.

- Central agency organization issues:
  - HR needs to operate as an integrated structure – inefficiencies, miscommunications and redundancies can result from DHR, Class/Comp and Employee Relations reporting through different structures.
  - Decision-makers in DHR and Class/Comp need to be better informed about overall HR operations so they speak with the same voice.
  - Staff needs to be more skilled, responsive and customer focused.
  - Central agency staff needs to have <u>departmental</u> experience.

Q.2 *To what extent are the respective roles and responsibilities of the central agencies and of the departments clear and well defined?*

- Comments mirror the range of rating responses.

- While roles and responsibilities are defined:
  - DHR and CEO don't always seem to be on the same page and give conflicting direction.
  - Clear guidance is sometimes lacking.
  - CEO needs to allow departments more flexibility and require less paperwork.

- More information regarding the recent reorganization involving compensation and employee relations would be helpful.

Q.3 *How important are the following in designing an effective balance between central and departmental responsibilities?*

- The primary focus should be on enhancing public service delivery to better meet the business needs of line departments.

- An appropriate balance cannot be determined until work processes are improved, desired outcomes are decided and current organizations become more efficient and effective.

- In addition to the outcomes listed, the following are critical:
  - Improving uniformity of disciplinary actions and outcomes.
  - Attracting and retaining highly talented staff.
  - Support for departmental business strategies in addition to countywide strategies.

- Service level agreements are very important for functions that remain centralized.

- Some services require knowledge of the business and credibility with stakeholders in order to achieve effective delivery.

- It is very important for larger departments:
  - To be enabled to administer specialty exams that fit their business needs.
  - To have in-house expertise as well as access to centers of expertise in central agencies.
  - To have the resources to develop a highly trained department staff and pool of well prepared future supervisors and managers.

Q.4 *Where should the following functions reside in the County-wide HR structure?*

- Where specific functions should reside is less important than can they be done well. Successful results are when departments receive the services they need in a timely, innovative and low cost manner.

- Work processes for many of the functions listed are known to be inefficient. Until work processes are improved, structural changes will not fix the problems.

- Central agencies should be responsible for setting policy and standards and providing guidance and direction to ensure uniform application of rules and practices. Departments should be responsible for most of their HR activities, with oversight and expertise from central agencies.

- Ideally, more functions could be assigned to central HR agencies. However:
    - The right staff needs to be in place in order to effect change.
    - Departments would need to be assured that systems (exams and background checks) are efficient and will not delay hiring.
    - Departments would need to be assured they will have adequate input to decisions that impact them.

- Answers would depend on whether classes are unique to a department or are Countywide.

Q.5 *What countywide and departmental organizational and/or operations issues are well served by the current HR structure?*

- Functions well-served include:
    - Advocacy.
    - Benefits administration.
    - Training and development/organization development.
    - Exam bulletin development and exam administration assistance.
    - Impact Team (but should shorten review period to every 3 years).
    - Executive recruitment.
    - Setting salaries for new classes.
    - Administrative Intern program.
    - Return-to-work management.
    - FMLA administration.
    - Departmental support (other than lengthy review time).
    - Central exams for countywide classes such as clerical.
    - Discrimination complaint process.

- Countywide policy development:
    - DHR has made progress in developing "corporate" policies and providing more consistent, timely advice.

- Appeals processes are successful when DHR analysts and departments work together.

- Other observations:
    - The County's highly diverse lines of business, e.g., health, public safety, social services, etc., creates a very complex HR management environment. Consequently, some HR services, especially consultative services, need to remain in the line departments.
    - Well-run departments should be allowed to run their own HR functions.
    - Delegated recruitment, selection and personnel operations functions allow departments to:
        - Address issues on a timelier basis.
        - Shift resources to address priority demands.
        - Apply subject matter expertise to meet department-specific needs.

Q.6 *What countywide and departmental organizational and/or operations issues are <u>not</u> well served by the current HR structure?*

- Centralization of so many functions is inefficient and counter-productive.

- Response time, quality and cost are general problems:
    - Ineffective work processes need to be streamlined.
    - Services are more expensive than smaller departments can afford.
    - Fees are too high, especially for exam appeals.

- Central Class/Comp
    - Should be integrated with DHR so they have a sense of responsibility for ensuring the County has a competent workforce.
    - Decisions are made by staff who do not understand department operational needs and problems.
    - Problems with allocation levels for new positions in the budget.
    - Processes for countywide and departmental classification studies need to be streamlined; work performed in departments and centrally seems duplicative.
    - Need to listen to departmental input.
    - Emphasis on department size and number of employees penalizes smaller departments and more efficient departmental operations.
    - Response time is too slow – should establish guaranteed turnaround times.
    - Reinstate use of reporting out letter as the certification list for reclassifications involving only a few positions. The cost of exams and the time delays waste resources.

- Bonus requests and some classification studies could be handled more efficiently by line departments.

- Other functions not well served:
  - Approval of exam bulletins – takes too long.
  - APs are too time intensive.
  - Certification lists.
  - Exam appeals to DOP.
  - Countywide exams are not timely.
  - Training – absence of supervisory training beyond the basic level.
  - Performance management.
  - Return-to-work should be centralized to improve uniformity and consistency.
  - eHR is a big disappointment – burdens and inefficiencies are being created as a result.
  - Recruitment and examinations:
    - Internet recruitment is not effective in locating good candidates.
    - Processes are archaic.
    - Interview panels are difficult to recruit.
    - Department are less and less able to appoint qualified employees to key positions.
    - These should include centralized elements and lists should be shared with all departments.
  - Inconsistent interpretation of policies is detrimental and costly. Hard to identify the right people to ask who have overall knowledge of programs, policies or procedures.

- Most services should be decentralized because of DHR's lack of support. DHR is trying but is hindered by a lack of knowledgeable staff.

- Uses of technology to improve processes are too slow in coming.

Q.7 *What impediments/obstacles are most likely to be encountered? How can these be overcome most effectively?*

- Impediments/obstacles:
  - Natural resistance to change – change is difficult.
  - DHR's credibility is not yet developed with stakeholders.
    - Not perceived as customer focused.
    - Interactions communicate a lack of trust.
    - Service levels do not meet department needs.
  - Fear of loss of control.
  - History of adversarial relationships.

- Diverse departmental needs and operational requirements can lead to competing stakeholder interests.
- Poor communication between central departments and line departments.
- Lack of good planning for implementing change.
- Budget constraints -- CEO and BOS may object if higher costs are involved.
- Difficulty of building support in an environment where all departments are distrusted because of the actions of a few.
- Belief that problems are purely structural rather than also resulting from ineffective processes, insufficiently trained staff and poor management.
- Unions may object.
- Political considerations.

- Ways to overcome:
  - Build agreement and support:
    - Departments will have to be assured they will receive better service for the same or lower cost.
    - Departments have to be a part of discussions about how things will work and understand how they will benefit from changes proposed. Changes have to improve processes, not just realign or reallocate resources.
    - Unions will need to be convinced that change will make things more fair and consistent for the employees they represent.
    - The cost effectiveness of changes has to be demonstrated to all parties, including the CEO and BOS.
    - Keep all the key stakeholders involved in the process even if they resist.
    - Use both group and individual meetings so that both broad needs and requirements and individual department perspectives can be discussed and understood.

  - Manage expectations regarding the pace of change.
    - Define completion dates for steady change processes.
    - Communicate regularly about both the *what* and the *why*.
    - Deliver on what is committed.

  - Be strategic:
    - Make incremental changes that clearly improve operations instead of attempting wholesale change.
    - Re realistic – the most likely structure will include both centralized and decentralized functions. That needs to be communicated.
    - Changes need to be well thought out, planned and communicated.
    - DHRMs can be helpful in supporting and driving needed changes.

- DHR must do a lot of small difficult things that will gradually bring improvements.
  - Choose a good direction and stick with it. Make changes *win – win.*
  - Don't be defensive – ask questions to understand stakeholders' viewpoints.
  - Ask for input on where processes are burdensome.
  - Improve response times.
  - Raise the bar on what it takes to be an HR professional in the County.
  - Educate (or remove) staff to meet the new requirements.
  - Hold staff accountable for improved customer service delivery in their personal performance.
  - Learn to genuinely partner with departments to build trust and credibility.
  - Market its staff experts and make them available for consultation.
  - Simplify the rules and expand/clarify interpretations.

- Communicate the results of this process openly and honestly.

- All parties in the County's HR architecture need to understand their mutual interdependence and be willing to reach out and work together to build solutions that will work.

Attachment II

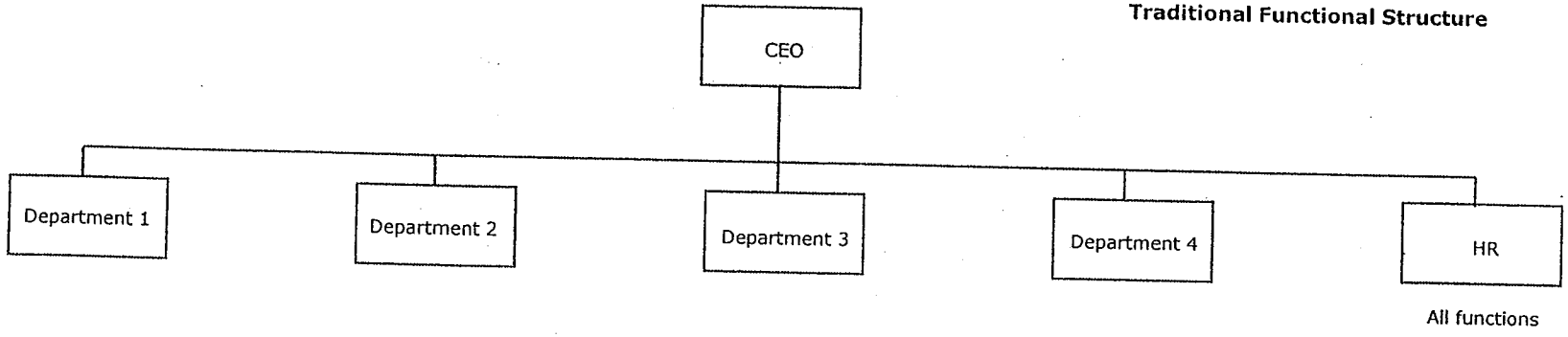
Estimated Resources Committed to Human Resources Management Functions
Allocated Positions by HR Functions As Identified by Departments

	HR Admin (1)	HR Operations (2)	Recr, Exam, & Class (3)	Perf Mgmt (4)	Health & Safety (5)	Total Est HR FTEs (6)	Total Budgeted FTEs	Ratio per 100
Central Agencies								
DHR	120.0 (7)		114.0 (8)	18.0 (9)		252.0 (10)		
Classification			25.0			25.0		
Subtotal	120.0	0.0	139.0	18.0	0.0	277.0	101,241.0	0.2736
Departments	292.1	582.6	286.9	252.1	217.9	1,631.5 (11)	101,241.0	1.6115
TOTAL	**412.1**	**582.6**	**425.9**	**270.1**	**217.9**	**1,908.5**	**101,241.0**	**1.8851**

Notes:

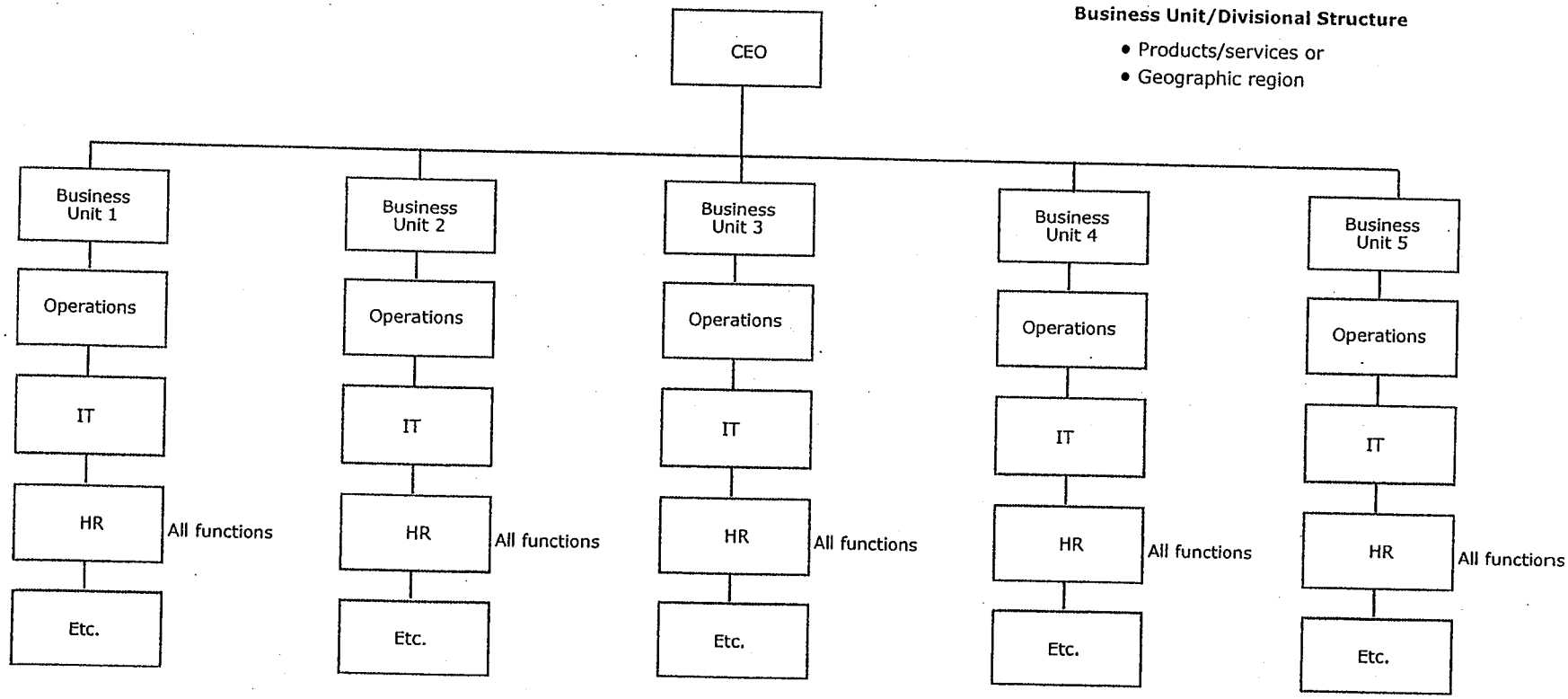
(1) HR Administration includes general human resources duties that ensure the activities of the department are compliant with legal requirements, County regulations and good personnel practices. Includes policy development, as well as management and staff development activities.
(2) HR Operations includes pre-employment hiring process and the orientation of new employees, both County and contract personnel. Also includes all other personnel transactions, such as promotions, bonuses, and administrative reassignments; annual activities, including performance evaluations, outside employment, conflict of interest, re-certifications, and other special programs.
(3) Recruitment/Exams and Classifications includes duties involving recruitment efforts and the examining of potential new employees. Classification activities, such as re-class studies, development of duty statements and organization charts to be used in the budget process, and verification of experience letters should also be included in this section.
(4) Performance Management includes employee performance duties including the investigation, review, and handling of employee complaints, grievances, and appeals as well as the handling of disciplinary actions and advocacy duties. Any matters involving consultation with labor unions in cooperation and direction of the CEO Employee Relations Division.
(5) Health and Safety includes duties that ensure a safe working environment and that all legal and County requirements for the well-being of employees are being met. Also includes all departmental transactions involving requests for leaves, industrial accidents/injuries claims and ADA accommodations.
(6) Estimated FTEs based on positions identified by the departments as their existing allocation.
(7) Includes OED, HRIT, EB, & eHR
(8) Includes CEAD, TM, HRDS, & Exec Services
(9) Includes Civil Service Advocacy
(10) DHR Central FTE count of 252 excludes 11 Executive staff, 19 Administrative Staff and 8 Info Tech Staff.
(11) Department total of 1,631.5 FTEs excludes 12 FTEs identified by DMH for Payroll functions.

Traditional Functional Structure

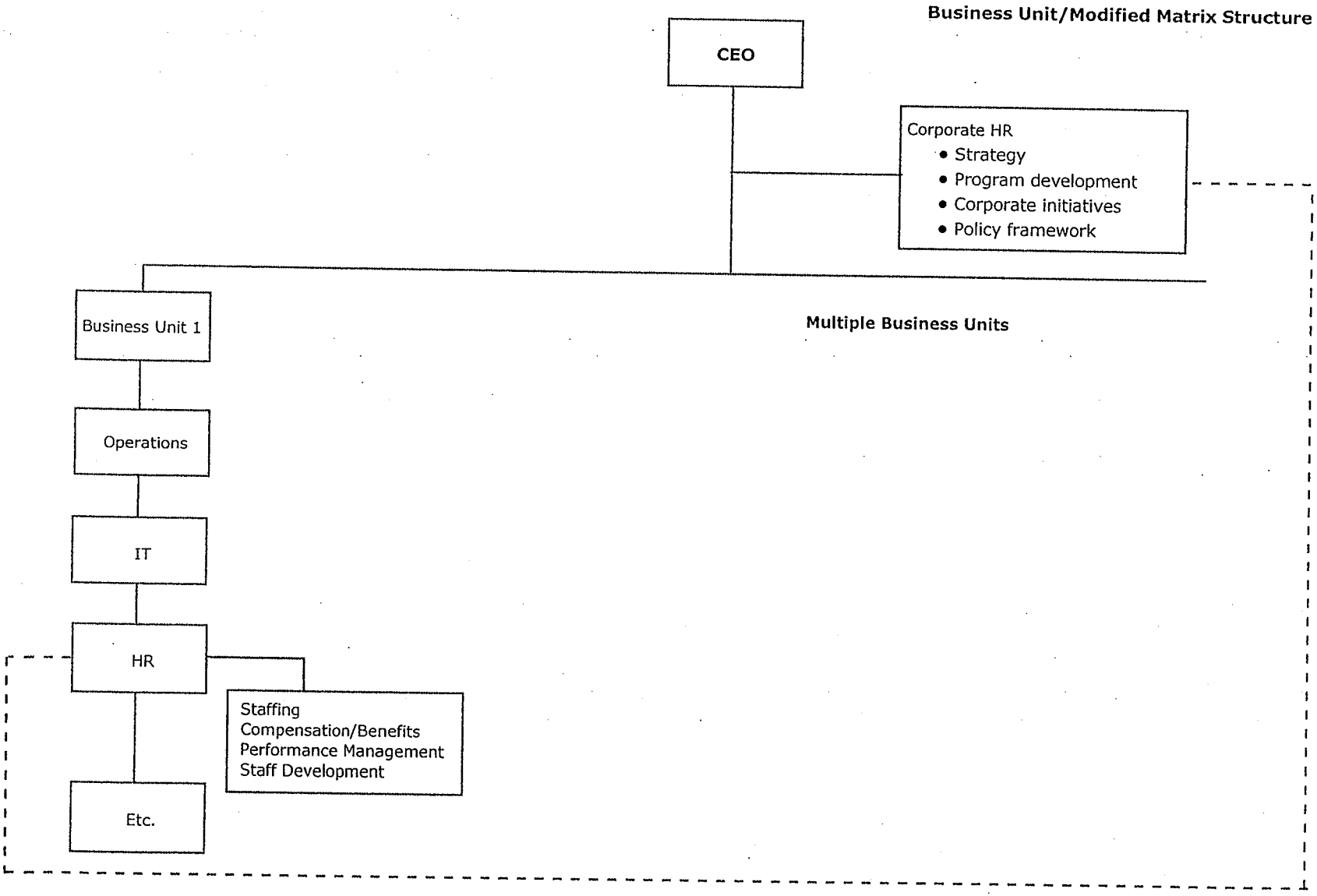


Business Unit/Divisional Structure

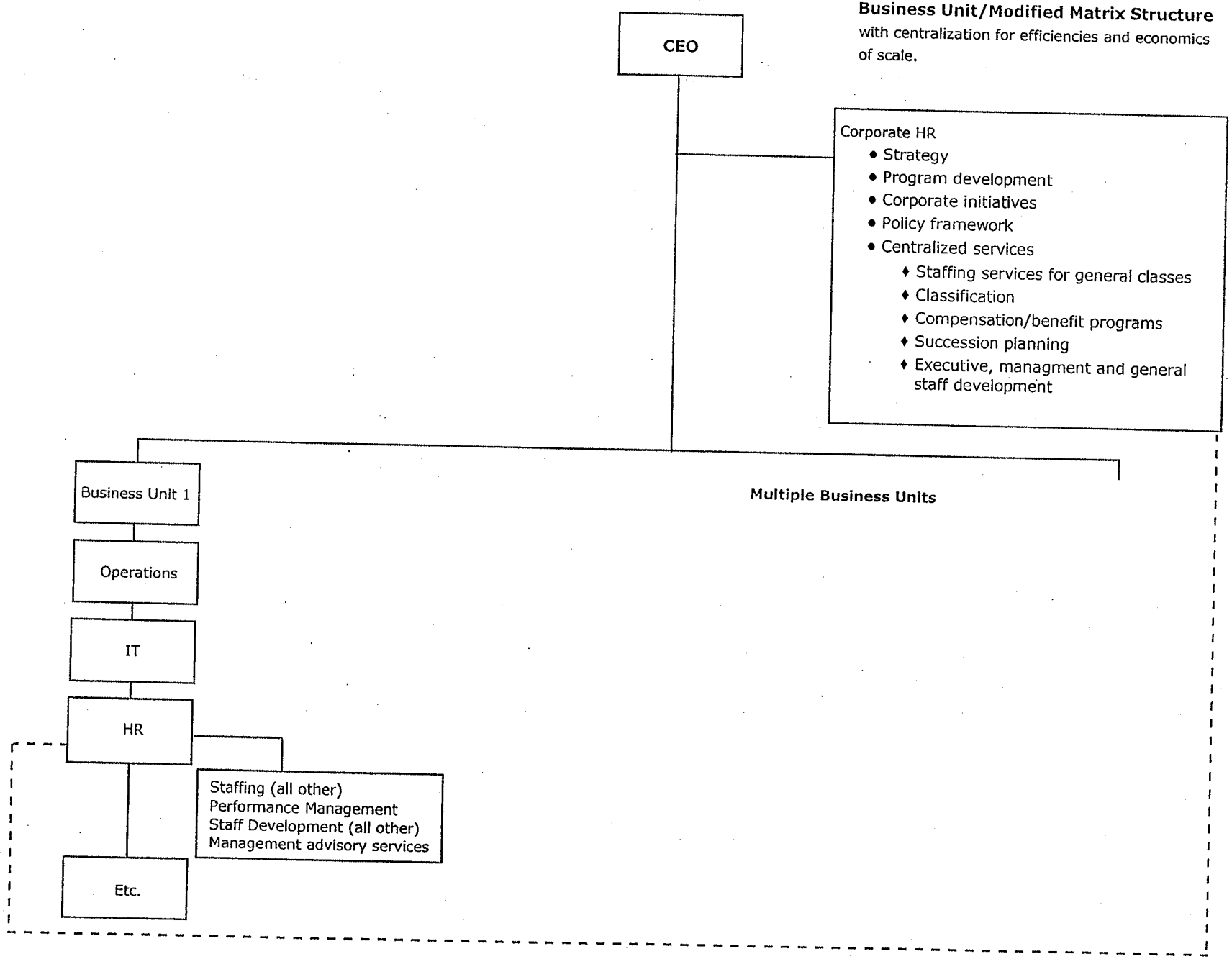
- Products/services or
- Geographic region



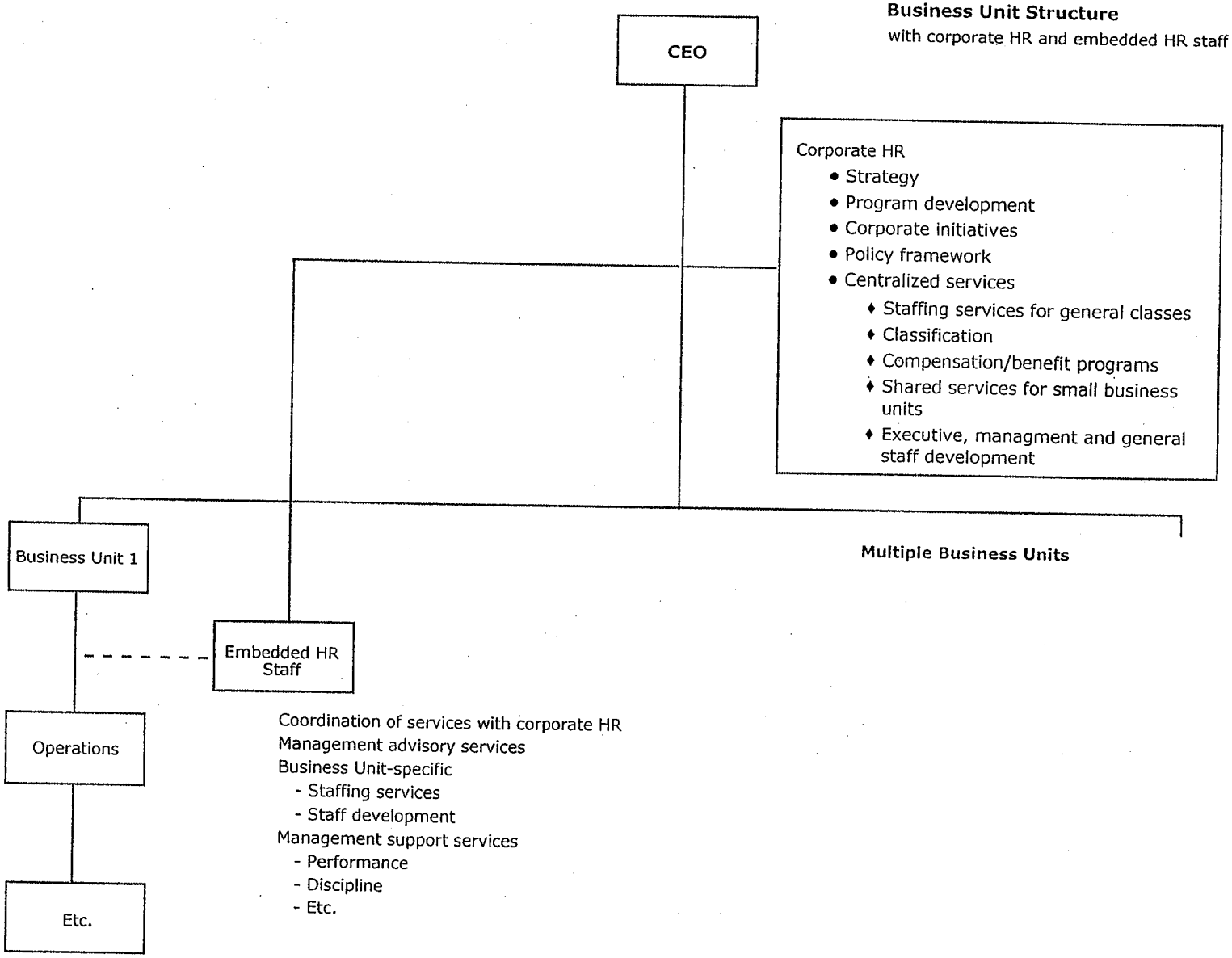
Attachment III

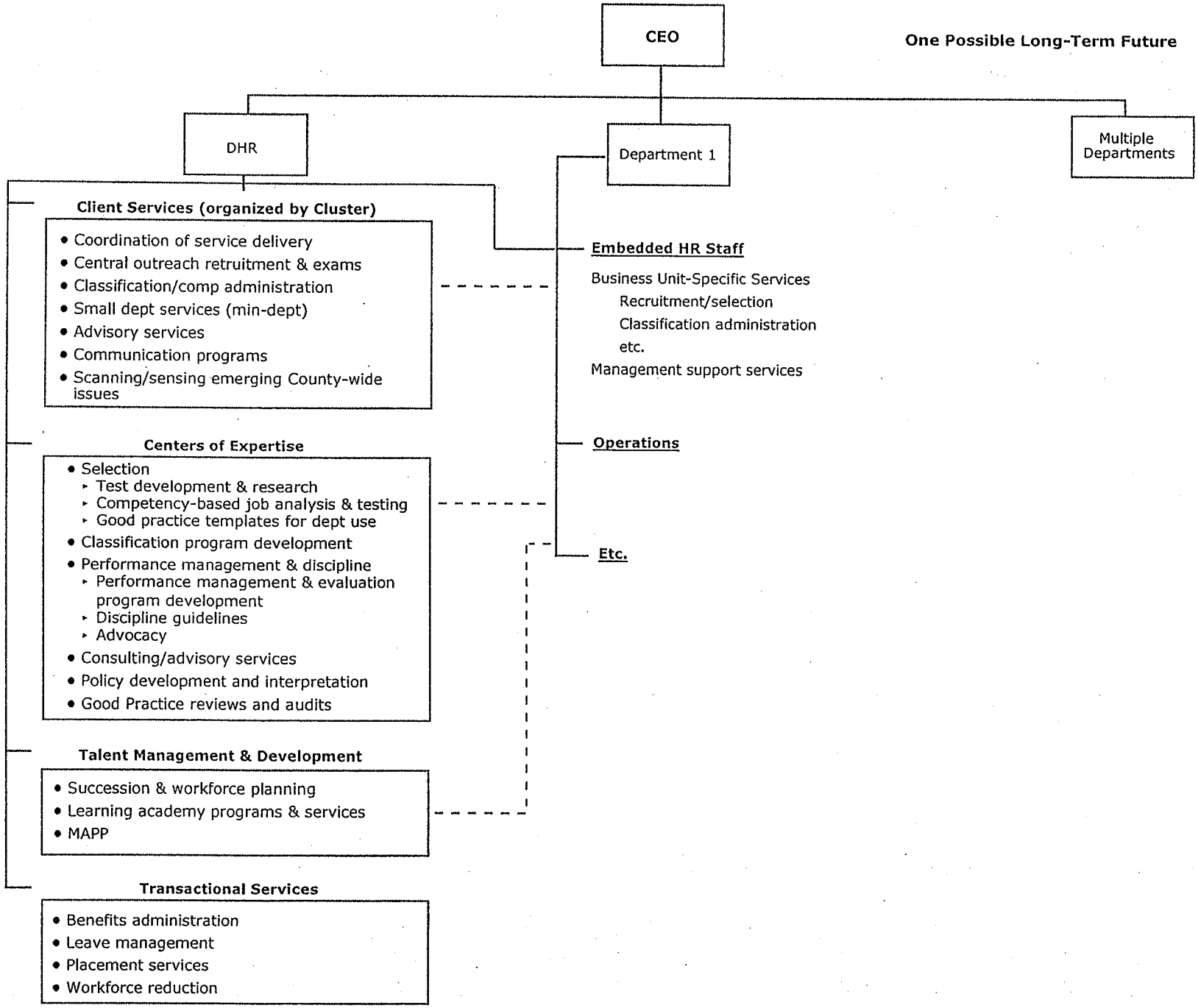

Business Unit/Modified Matrix Structure
CEO
Corporate HR
• Strategy
• Program development
• Corporate initiatives
• Policy framework
Multiple Business Units
Business Unit 1
Operations
IT
HR
Staffing
Compensation/Benefits
Performance Management
Staff Development
Etc.

Business Unit/Modified Matrix Structure
with centralization for efficiencies and economics of scale.



Business Unit Structure
with corporate HR and embedded HR staff




One Possible Long-Term Future
CEO
DHR
Department 1
Multiple Departments
Client Services (organized by Cluster)
• Coordination of service delivery
• Central outreach retruitment & exams
• Classification/comp administration
• Small dept services (min-dept)
• Advisory services
• Communication programs
• Scanning/sensing emerging County-wide issues
Centers of Expertise
• Selection
‣ Test development & research
‣ Competency-based job analysis & testing
‣ Good practice templates for dept use
• Classification program development
• Performance management & discipline
‣ Performance management & evaluation program development
‣ Discipline guidelines
‣ Advocacy
• Consulting/advisory services
• Policy development and interpretation
• Good Practice reviews and audits
Talent Management & Development
• Succession & workforce planning
• Learning academy programs & services
• MAPP
Transactional Services
• Benefits administration
• Leave management
• Placement services
• Workforce reduction
Embedded HR Staff
Business Unit-Specific Services
Recruitment/selection
Classification administration
etc.
Management support services
Operations
Etc.

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WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

July 13, 2011

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

Lisa M. Garrett
Director of Personnel

STATUS REPORT ON REVIEW OF HUMAN RESOURCES (HR) ARCHITECTURE AND IMPLEMENTATION OF THE RECOMMENDATIONS FROM THE COUNTY OF LOS ANGELES HUMAN RESOURCES STUDY

On April 20, 2010 and on July 27, 2010, your Board directed the Chief Executive Officer and the Director of Personnel to report on the HR architecture for the County and to provide a progress report on the recommendations from the Human Resources Study that you approved in concept. Quarterly status reports have been provided on June 22, 2010, August 23, 2010, December 3, 2010 and March 11, 2011.

Since the last quarterly report and as reported during the June 20, 2011 budget deliberations, a proposed change in the HR architecture has been presented to the HR Executive Advisory Committee. Progress also continues in the pilot project designed to test a streamlined classification, recruitment and examination process and the quality of the candidate pool resulting from the pilot program.

We are requesting a 60 day extension of the quarterly report now due in order to obtain feedback from departments on the proposed HR model and to finalize our recommendation to you.

If you have any questions, please have your staff contact Deputy Chief Executive Officer Ellen Sandt at (213) 974-1186 or esandt@ceo.lacounty.gov, or Lisa M. Garrett at (213) 974-2406 or lgarrett@hr.lacounty.gov .

WTF:EFS
LMG:SKT:cg

c: All Department Heads

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