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Improving performance to better serve our County residents

Countywide operational performance review –
Human Resources Department

November 2019

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Scope and methodology

The County of Santa Barbara (the County) contracted with KPMG LLP (KPMG) in May 2019 to conduct an operational and performance review of all County departments. The Human Resources (HR) departmental review commenced in August 2019. The purpose of this HR department review is to provide a high-level assessment of the department, identify strengths and opportunities, and benchmark financial and operational areas with similar jurisdictions with the focus to improve the overall operational efficiency, effectiveness, and service delivery provided by the department.

Over a 12-week period, the KPMG team conducted the following activities:

— **15 interviews** with HR leadership and staff to understand the organizational structure, roles and responsibilities, operations, and processes of the department.

— **Analysis of data available, reports, and policy documents** to understand demands upon, and the operations of, the department.

— **A customer survey** was also distributed to the department directors, assistant department directors, managers, and supervisors to gather their opinions on the service provided by the HR department.

— **A benchmarking and leading practice review** was conducted of the recommended eight benchmark counties; Marin, Monterey, Placer, San Luis Obispo, Santa Cruz, Solano, Sonoma, and Tulare.

This report outlines the findings of the operations and performance review and details recommendations for enterprise-wide management of the department and for each of the five divisions: Administration and Operations, Employment and Workforce Planning, Benefits and Wellness, Organizational and Talent Development, and Employee Relations.

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Department orientation

Mission statement:

To promote a County culture where our Employees can do their best work, so our community can live its best life.

Responsibilities:

1 Ensure the effective utilization of appropriately skilled employees

2 Ensure employee programs have a positive impact on the County's vision and goals

3 Cultivate a workplace culture where employees can thrive, contribute, and make an impact in alignment with their personal values as well as the County's

Recommended budget (2019–2020):

$8.6M	$0	30.75
Operating Expenses	Capital Expenses	Full-Time Equivalents

County benchmarks:

All Budgets in $'000		Santa Barbara County	Average
2019	HR FTE	31	30
	Percent of Enterprise	0.7%	1.1%
	HR Budget	$ 8,609	$ 6,292
	Percent of Enterprise	0.8%	0.7%

Organizational structure:

```
County Executive Office (CEO)
        |
Department Director (Maria Elena De Guevara)
        |
-------------------------------------------------------
|            |              |              |          |
Administration  Employee   Employment   Organizational  Benefits &
& Operations   Relations   & Workforce  & Talent       Wellness
                           Planning     Development
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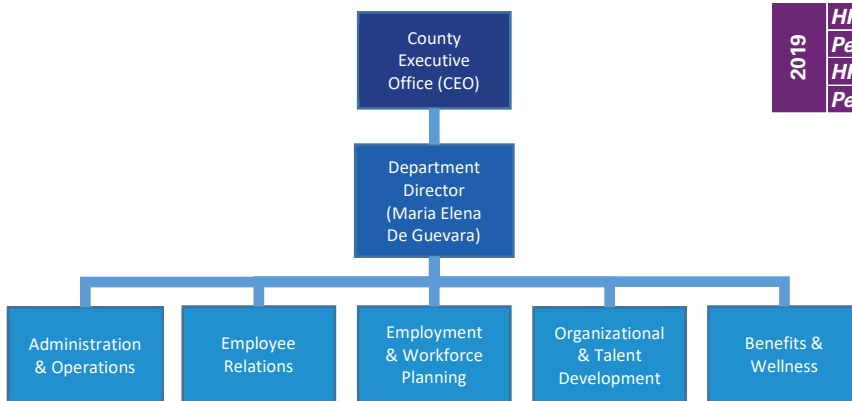
Executive summary

Commendations

Renew '22 Initiative

The HR Department's adoption of the County's Renew '22 initiative represents a shift from a reactive, historical view to a proactive, forward-thinking view of the County, as well an effort to bring the HR organization together by establishing a unified internal vision, mission, and values for operations.

Focus on Transformation

The HR department has been focused on continued improvement and transformation over the last year. The department has undergone an organization restructure, core processes have been standardized such as onboarding, and there has been a significant culture change and establishment of shared values to refocus the department. The department building has undergone improvements to enhance the work environment.

Health and Inclusivity Focused

The HR department should be commended for increasing focus on wellness and adding diversity and inclusion as a focus in the department. These focus areas and supporting resources will be critical to having a diverse, healthy workforce that is best positioned for success.

Proactive Departmental Outreach

The HR department has worked diligently to partner with high-demand departments in an effort to bring better recruits, services, coaching, and training. The engagement of employees and outside organizations is necessary to recraft the HR organization and successfully implement the necessary system and process changes.

Technology Enablement

Although HR needs an enterprise-wide HR software solution, the department has had discreet wins in procuring software that strategically positions them to take the next step towards an enterprise software solution.

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Renew '22 Mapping

The recommendations made within the HR department review have been aligned to the Renew '22 Transformation Behaviors to help ensure that the recommendations are driving towards the Renew '22 strategic vision, as seen in Figure 1 below.

			Transformation Behaviors				
			Alignment with Vision	Data-Driven Decision Making	Strategic Thinking	Risk Taking	Collaborative Problem Solving
Enterprise Enablement Recommendations	1	Define the delivery ownership of HR services between County HR and departments	X		X		X
	2	Establish the role of County HR as a business partner to the County	X		X	X	X
	3	Establish countywide governance over HR policies and procedures	X	X	X	X	
	4	Establish service level and performance reporting and cadences		X	X	X	X
	5	Review technology is fit-for-purpose to support service delivery and management of data	X	X	X		X

Figure 1

Source: KPMG Analysis of Renew '22 Transformational Behaviours

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Enterprise enablement recommendations

Enterprise enablement recommendations relate to the systems and processes needed for the HR department to drive operations and activities to achieve the department's goals. The recommendations outlined below focus on providing strategic alignment and direction across all HR divisions and the available or proposed systems the department can leverage to inform decision-making within the department and across the County organization.

Recommendations start with determining the HR service delivery model (Recommendation 1.0), then on improving how services are delivered in terms of people (Recommendation 2.0) process and governance (Recommendation 3.0), data and reporting (Recommendation 4.0), and technology (Recommendation 5.0).

#	Enterprise enablement recommendations
1.0	Define the delivery ownership of HR services between County HR and departments
2.0	Establish the role of County HR as a business partner to the County
3.0	Establish countywide governance over HR policies and procedures
4.0	Establish service level and performance reporting and cadences
5.0	Review technology needs and utilization to support service delivery and management of data

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Division recommendations

Division recommendations identify opporunities for the HR department and divsions to more effectively prioritize activities, operate more efficiently, provide strategic insights to other County departments, and deliver improved services to HR customers.

#	Division recommendations
Administration and Operations (A&OP)	
6.1	Establish a vision of how the division can serve in a support capacity for other HR divisions
6.2	Acquire skills needed to complement the new vision and right size the team to reflect that need
6.3	Review HR information systems for opportunities to increase utilization of existing technology, consolidate systems and maximize impact across HR divisions
Employment and Workforce Planning (E&WP)	
7.1	Invest in workforce data and analytics to meet workforce planning needs of the County
7.2	Improve E&WP capacity by implementing countywide policies and procedures
7.3	Establish service level and performance reporting with necessary technology and data requirements
Benefits and Wellness (B&W)	
8.1	Improve B&W capacity to focus on service delivery and process ownership responsibilities
8.2	Establish wellness program goals to meet the needs of the organization

#	Division recommendations
Organizational and Talent Development (O&TD)	
9.1	Develop a strategy and service delivery model for O&TD
9.2	Conduct an enterprise-wide training needs assessment
9.3	Redevelop curriculum to align with strategic workforce planning
9.4	Redesign the Employee Performance Review process to support employee development
Employee Relations (ER)	
10.1	Establish a baseline set of data points for tracking coaching and investigations to identify trends, needs, and risks
10.2	Develop performance metrics to assess and track overall health of the County
10.3	Establish a framework to engage departments to drive proactive and remedial outcomes

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Current and recommended operating model

Figure 2 below summarizes the HR department's current state operating model across six design layers, as well as the target state that is achieved by implementing the recommendations in the following sections. Each operating model layer describes a continuum of maturity that articulates how the HR function can be designed to deliver services optimally. These layers were also used to structure the observations, analysis, and recommendations of the review of the HR department. Detailed descriptions of the six design layers can be found in Appendix <F>.
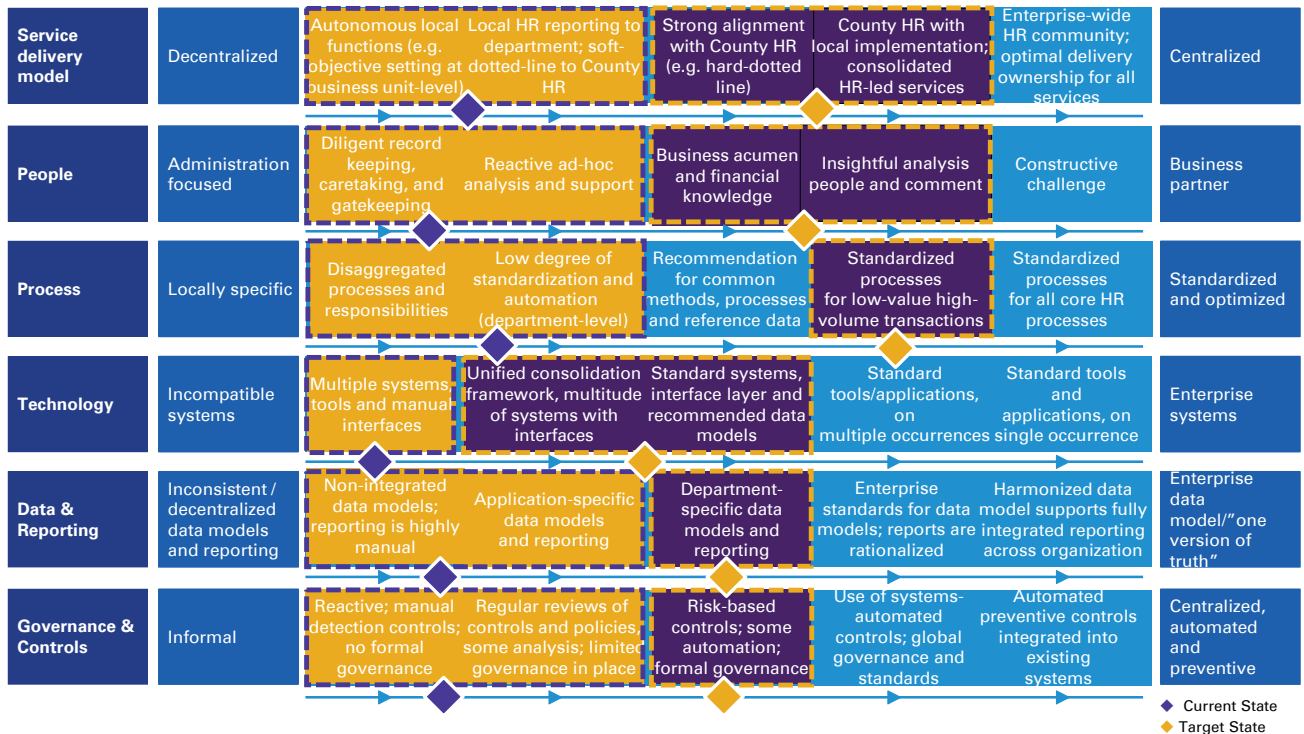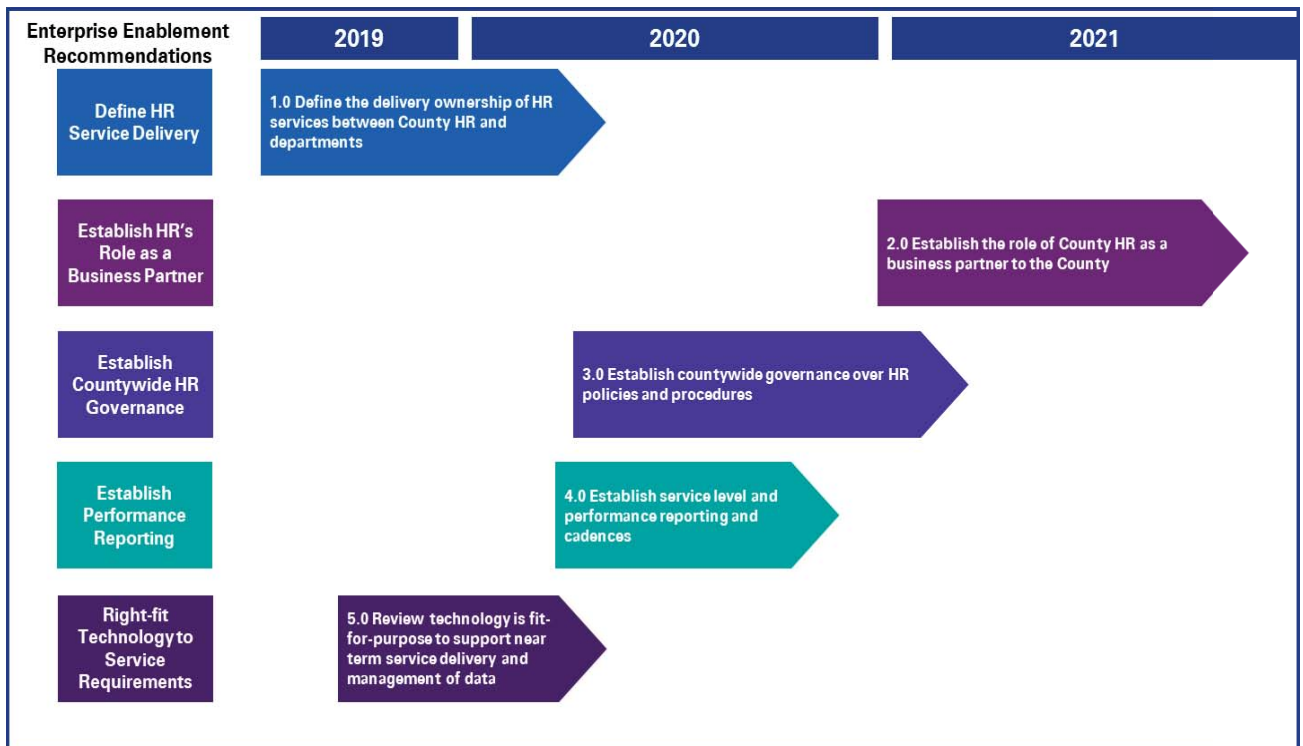
Layer	(Left / least mature)						(Right / most mature)
Service delivery model	Decentralized	Autonomous local functions (e.g. objective setting at business unit-level)	Local HR reporting to department; soft-dotted-line to County HR	Strong alignment with County HR (e.g. hard-dotted line)	County HR with local implementation; consolidated HR-led services	Enterprise-wide HR community; optimal delivery ownership for all services	Centralized
People	Administration focused	Diligent record keeping, caretaking, and gatekeeping	Reactive ad-hoc analysis and support	Business acumen and financial knowledge	Insightful analysis people and comment	Constructive challenge	Business partner
Process	Locally specific	Disaggregated processes and responsibilities	Low degree of standardization and automation (department-level)	Recommendation for common methods, processes and reference data	Standardized processes for low-value high-volume transactions	Standardized processes for all core HR processes	Standardized and optimized
Technology	Incompatible systems	Multiple systems, tools and manual interfaces	Unified consolidation framework, multitude of systems with interfaces	Standard systems, interface layer and recommended data models	Standard tools/applications, on multiple occurrences	Standard tools and applications, on single occurrence	Enterprise systems
Data & Reporting	Inconsistent / decentralized data models and reporting	Non-integrated data models; reporting is highly manual	Application-specific data models and reporting	Department-specific data models and reporting	Enterprise standards for data models; reports are rationalized	Harmonized data model supports fully integrated reporting across organization	Enterprise data model/"one version of truth"
Governance & Controls	Informal	Reactive; manual detection controls; no formal governance	Regular reviews of controls and policies; some analysis; limited governance in place	Risk-based controls; some automation; formal governance	Use of systems-automated controls; global governance and standards	Automated preventive controls integrated into existing systems	Centralized, automated and preventive

◆ Current State
◆ Target State

Figure 2: Source: KPMG LLP (2019)

Executive summary

Implementation Roadmap

Implementing the proposed recommendations requires thoughtful and precise planning, consultation with departments countywide and strong project oversight, particularly with regard to the number of interdependencies and stakeholders involved with such changes. The implementation plan below outlines the recommended sequencing and timeline for the enterprise enablement recommendations over the next two to three years.

Enterprise Enablement Recommendations	2019	2020	2021
Define HR Service Delivery	1.0 Define the delivery ownership of HR services between County HR and departments		
Establish HR's Role as a Business Partner			2.0 Establish the role of County HR as a business partner to the County
Establish Countywide HR Governance		3.0 Establish countywide governance over HR policies and procedures	
Establish Performance Reporting		4.0 Establish service level and performance reporting and cadences	
Right-fit Technology to Service Requirements	5.0 Review technology is fit-for-purpose to support near term service delivery and management of data		

Enterprise enablement recommendations

Enterprise enablement recommendations relate to the systems and processes needed for the HR department to drive operations and activities to achieve the department's goals. The recommendations outlined below focus on providing strategic alignment and direction across all HR divisions and the available or proposed systems the department can leverage to inform decision-making within the department and across the County organization.

#	Enterprise enablement recommendations
1.0	Define the delivery ownership of HR services between County HR and departments
2.0	Establish the role of County HR as a business partner to the County
3.0	Establish countywide governance over HR policies and procedures
4.0	Establish service level and performance reporting and cadences
5.0	Review technology needs and utilization to support service delivery and management of data

Enterprise enablement

1.0	Define the delivery ownership of HR services between County HR and departments
Observation and analysis	

Given countywide issues related to sourcing, developing, and retaining the workforce, there is a greater imperative for the HR department to "prepare the next generation of leaders"—as noted as a big picture goal under the Renew '22 initiative. This involves providing higher value-added services such as strategic workforce planning, succession planning, and leadership development. However, we also recognize that before HR can be accepted as a strategic partner to departments, they must clarify and improve their delivery and management of core HR services—since they are first and foremost a department meant to support their internal customers.

The HR function across the County currently operates in a mostly decentralized manner, with seven departments that have their own HR units, including: Behavioral Wellness, Fire, Probation, Public Health, Public Works, Sheriff, and Social Services. A 2018 Mercer study of the HR department found that a significant amount of HR services are delivered within departments where County HR involvement is limited. County HR's role is currently focused primarily on transactional and compliance activities and delivering a limited scope of "common" HR services (e.g., recruiting for specific roles used across all departments). This has led to a few challenges as identified in Figure 3, related to the decentralized delivery of HR services and unclear ownership between department HR and County HR.

	Decentralized	Hybrid	Centralized
Role of County HR	**Limited**		**Significant**
Responsibilities	All HR delivery is local, including transactional and specialist services (e.g. recruitment). High degree of decision-making abilities in departments. Local policies and procedures are highly differentiated.	Mix of local and corporate HR delivery with some corporate oversight. Transactional services are consolidated. Corporate ownership and governance of policies and procedures that are developed with and adapted to departments.	All core HR delivery is provided by Corporate HR. Transactional and specialist services are consolidated. Enterprise-wide enforcement of highly standardized policies and procedures.
Benefits	✓ Knowledge of local practices ✓ Closer relationships with line managers ✓ Greater flexibility and responsiveness to meet local requirements and address department-specific issues	✓ Some consistency processes and adaptation where appropriate for local needs ✓ Ability to drive change (e.g. process improvements) and leading practices ✓ Implement global policies while minimizing bureaucracy, and ensuring credibility and relevance ✓ Ability to deploy specialist resources where needed	✓ High consistency processes with exception handling ✓ Reduces transactional costs by providing economies of scale ✓ Minimize duplication and compliance risks ✓ Greater opportunity to outsource and therefore focus on specialization ✓ Less adjustment needed to deploy changes and leading practices ✓ Higher transparency of activities
Challenges	✘ Lack of control and transparency over processes ✘ High inconsistency of processes and service quality ✘ Higher effort to implement HR programs ✘ Lack of central reporting ✘ Higher costs from siloed operations and duplication of activities	✘ Require more specialists to support implementation of HR programs ✘ May lead to conflicts between Corporate HR and departments ✘ Corporate HR can be seen as additional overhead to departments ✘ May lead to some roles being duplicated between Corporate HR and departments ✘ Limited central reporting ✘ Additional costs from siloed operations	✘ May have a high cost of implementation and need for change management ✘ Requires investment if not already established ✘ Lack of understanding and responsiveness regarding local requirements and issues

Figure 3

Source: KPMG LLP (2019)

First, the County needs to determine the "what" and "who" in the delivery of HR services: To optimize the delivery of HR services across the County, County HR should adopt **a hybrid model**, which allows them to remain flexible in meeting local needs while providing greater standardization and consistency. The successful implementation of a hybrid service delivery model requires a determination of what services are delivered by department HR versus County HR in conjunction with departments. County HR should take the following steps to determine their optimal service delivery options:

— **Determine the nature of all HR activities** to understand the degree of commonality between departments and the type of value provided to the County between operational versus strategic. A low degree of commonality of activities between departments indicates unique

requirements of a specific department and requires localization and adaptation, whereas a high degree of commonality of activities between departments implies opportunities to standardize and scale through consolidation. Operational value to the County is provided through highly routinized and transactional HR activities that are focused on efficiency, whereas strategic value is provided through consultative HR activities that are focused on effectiveness.

— **Determine the delivery ownership of HR services** between department HR and County HR based on the assessed nature of HR activities to determine a model that provides the best service to departments. This will distinguish between "County HR-led" services versus "department-led" services that are delivered by department HR while still adhering to countywide HR policies. Figure 4 summarizes what is commonly observed in hybrid HR service delivery models for the delineation of services between local and central.

HR Operations (HR-Led):	HR Business Partner (HR-Governed):	HR Specialist (Shared Delivery):	Department-Led/Self-Service:
— Benefits Administration	— HR Program/Service Definition	— HR Policy/Program Development/Governance	— Documentation Production
— Data Management	— Strategic Workforce Planning	— Workforce Analytics	— Local Training/Onboarding
— Regulatory Compliance	— Leadership Identification /Development	— Training/Development Planning	— Employee Data Changes
— Offer Management	— Succession Planning	— Benefits Planning	— Employee Performance Reviews
— Employee Relations	— HR Strategic Initiatives (e.g. Renew '22)	— Recruitment/Applicant Tracking	— Time and Attendance
		— Entry/Exit/Leave of Absence Administration	
		— Training/Development Administration	

Figure 4

Source: KPMG LLP (2019)

To implement the new hybrid service delivery model, the County will need to ensure that it is operated with the right organizational structure across the *entire* HR function—meaning County HR, as well as HR units and personnel in other departments. Once scope of services is clearly defined between County-HR-led versus department-led, the County will need to ensure the right number of personnel (i.e., capacity) are in place with the right skills (i.e., capabilities), in the right functions (i.e., roles and responsibilities), and with clearly defined reporting relationships (i.e., accountabilities). This redesign of the organizational structure commonly involves conducting a business needs assessment based on the County's strategic priorities and operational objectives, estimating current and anticipated workloads by volume and type, and then identifying and

addressing gaps in capacity and capabilities to support the transition to the new service delivery model.

Next, the County needs to review "how" services are delivered: After the service delivery model is determined, the County should ensure that the HR function is able to deliver on these services in terms of people (Recommendation 2), process and governance (Recommendation 3), data and reporting (Recommendation 4), and technology enablement (Recommendation 5). It is important for County HR to provide consistency of service delivery and provide the expected level of service to their customer departments. These components are addressed in their respective recommendations in the following sections.

Finally, the County needs to understand workload based staffing levels for the shared services enumerated in the hybrid model. As the HR department establishes a more collaborative relationship with customer departments and begins the countywide standardization of processes and documentation, in conjunction with Enterprise Enablement Recommendation 4.0, the HR department should also understand the staffing levels required for the work that needs to be performed.

Anticipated impact

Defining the current and target state HR service delivery model will enable the HR department to become a more strategic business partner with County departments while identifying ways to improve current service performance. Implementation of this hybrid service delivery model will promote strategic and operational excellence across all County departments, not just HR.

Define HR Service Delivery
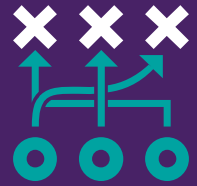
Key Activities

Adopting a hybrid service delivery model will allow the County's HR function to remain flexible in meeting local needs while providing greater standardization and consistency. This requires clearly defining the scope of services between County HR-led versus department HR-led. The below implementation plan describes the necessary steps and action items to take when fully implementing this recommendation. It also describes who the stakeholders are, what the deliverables should be, and roughly how long it should take to implement.

Key activities:

— **Conduct an assessment of all HR processes, people, and technology** across the County, irrespective of the department. Fully understanding the span of the HR function is imperative to developing standardized processes and procedures. The outcomes of this assessment should be organized in a way that is reflective of the commonality of work. This should be done as a collaborative effort between departments, with support from CEO leadership.

— **Explore and determine optimal service delivery options for each HR process** (i.e., County HR, departments, and/or third-party service providers) by considering findings from current state assessment (e.g., nature of work, risk exposure and regulatory compliance, capacity and capabilities).

— **Develop a memorandum of understanding** (MOU) between County HR and departments to reflect the new hybrid service delivery model, outlining County HR's redefined responsibility in providing HR-led services to departments, as well as budget adjustments.

— **Prepare a robust communication plan and timeline** for completion of the collaborative effort that will articulate the key components of the MOU and the impact on departments delivered by the County Executive Office.

Resources	Deliverables
— Director of Human Resources and division managers — CEO leadership — Departmental stakeholders	— Definition of new hybrid service delivery model — Documentation of all HR processes, procedures, technology, and people — MOU that determines standardization and location of processes — Communications plan with timeline for completion of work

Level of Impact	Level of Effort	Duration
Medium	High	3–6 months

2.0	Establish the role of County HR as a business partner to the County

Observation and analysis

As mentioned in Recommendation 1.0, there is a greater imperative for HR to act as a strategic "business partner" to the County. This also resonates with findings from a 2019 KPMG Future of HR survey where 73 percent of government respondents perceive their HR function's role as becoming more strategic and less transactional. Taking on this role requires a common understanding of HR-related needs and priorities between County HR and departments. However, based on the 2018 Mercer Study, departments and County HR differed significantly when scoring HR processes for future importance and only agreed on "recruiting" as part of their top five ranked processes (see Appendix <C> for more details). This indicates a need to bridge the gap in understanding between County HR and departments, and requires County HR to act more as a "business partner" to better identify and address issues and priorities across departments. Below are a few key considerations for County HR as they transition to take on this strategic role:

Redefine roles, responsibilities, and relationships: To facilitate County HR's shift towards a more strategic role, there needs to be clarity on how the "business partner" is distinguished from other roles involved in the delivery and management of County-HR-led services. It is recommended for County HR to redefine its roles to include HR Business Partners (HRBP), HR Specialists, and HR Operations. The HR Operations role involves delivering County-HR-led services with a focus on operational efficiency and customer experience, while the HR Specialist role involves owning policies, procedures, and programs with a focus on continuous improvement. This allows HRBPs to focus on partnering with directorate leadership to identify and address HR needs across departments. These definitions of County HR roles and responsibilities align with the service delivery model identified in Recommendation 1.0.

The relationship between these three County HR roles as well as department HR is described in the following Figure 6, where inquiries and workloads are distributed by role and tier starting with self-service at Tier 0, department HR at Tier 1, HR Operations at Tier 2, and HR Specialists and HRBPs at Tier 3. This tiered-approach is designed to facilitate smooth hand-offs and clear points of escalation between employees, department HR, and County HR. By addressing the large majority of transactional activities at Tier 0, 1 and 2, HRBPs will have more capacity to provide strategic support to department leaders, define HR solutions, and engage with the appropriate HR Specialists to design and implement them.

Tier 3 HR Business Partner or HR Specialists	**Third line support to managers and directors** — Inquiries routed to the HR Business Partner for strategic support through knowledge of HR solutions, internal trends (i.e. workforce analytics) and external trends (e.g. legislative changes). — Inquiries routed to the HR Specialists for complex issues and guidance on interpretation or implementation of policies, processes and programs.
Tier 2 HR Operations	**Second line of HR support to employees, managers and department HR** — Inquiries and service requests routed from Tier 1 and routed based on service (e.g. benefits administration) — Escalates to Tier 3 if needed for strategic needs and/or complex issues — Includes inquiries and service requests routed to third-party provider(s) for resolution
Tier 1 Department HR	**First line of HR support to employees and managers** — Inquiries and service requests raised through phone, email, HR portal, mail, fax and/or walk-ins — Resolves basic inquiries and service requests or escalates to Tier 2 if needed for resolution — Management of all HR administration and transactions
Tier 0 Self-Service	**Self-service portal for transaction processing and HR intranet for knowledge articles (e.g. FAQ)** — Basic inquiries, access to HR policies and procedures (e.g., absence policy) and forms for employees to complete routine transactions (e.g., holiday request form) — Basic changes to personal data (e.g., address change) and query requests can be initiated

Employee or Manager

Figure 6

Source: KPMG LLP (2019). The relationship between these roles is described in Figure 6 above, where inquiries and workloads are distributed by role and tier starting with self-service at Tier 0, department HR at Tier 1, HR Operations at Tier 2, and HR Specialists and HRBPs at Tier 3. This tiered-approach is designed to facilitate smooth hand-offs and clear points of escalation, where transactional activities are addressed at Tier 0, 1, and 2 and specialty services are delivered by HR Specialists—which allows HRBPs to focus on addressing strategic needs at Tier 3.

Review the value contributed from County HR to departments: Given that the purpose of the HRBP role is to fulfil workforce-related needs of departments, there needs to be a clear understanding of what departments expect from County HR and how County HR can meet those expectations. Developing a value map similar to the example provided in Figure 6 will help clarify what HR levers are available to create value for the County across the employee lifecycle. This framework is designed to be used by HRBPs to articulate a comprehensive "menu or suite" of HR interventions across all HR divisions. With this framework, HRBPs can act as an "internal

consultant" to departments to understand workforce needs of departments and determine the appropriate HR solutions to prioritize and implement.

To start operationalizing the value map, County HR should also map existing and planned HR programs to each of these levers, assess the maturity level of each program, and identify opportunities for new programs against unmet needs and changing priorities with departments.

1 Build The Optimal Workforce	2 Get the Right People	3 Develop Our People	4 Retain Our People
Demand Planning	Sourcing/Procurement	Competency	Job Design/Reward
Workforce Shaping	Recruitment	Training/Learning	Leadership
	Brand		Employee Value Prop
Continuous management of the workforce requirements to meet strategic objectives that are built into your demand forecast and scenario modelling	Drive improvement in the supply chain, launch new supply routes and to radically change the attraction, selection, and on-boarding process. Establish personas and a framework for ongoing use across the business	Deliver a common role framework which is embedded into key PX processes and use as a basis for development and career paths. Stand up and run the Development Academy	Improve and run leadership development. Drive culture change and revise the EVP in light of changing requirements across the organization

Source: KPMG LLP (2019). Based on research from the KPMG HR Center of Excellence, a HRBP can typically support 5 to 10 department leaders depending on the breadth and complexity of operations. Given the wide variety of services across all County departments, HRBPs should be assigned to a smaller range of departments, and assigning HR Specialists to specific departments to provide tailored guidance and services based on an established knowledge of department needs. It was identified during interviews that this assignment model, both fixed and/or rotational, may work well for the recruiting function.

Anticipated impact

Instituting a tiered HR structure improves service delivery by properly aligning the HR workforce based on workload needs, skill sets, and required functional areas. Implementation of this system will enable the successful transition of the HR department's relationship with other departments from an administrator to a business partner as outlined in Recommendation 1.0.

Establish HR's Role as a Business Partner

Key Activities

The County will need to ensure that the new hybrid service delivery model is operated with the right organizational structure across the entire HR function. This involves redefining roles, responsibilities, and relationships between County HR and department HR to free up capacity for County HR to act in a strategic role. The below implementation plan describes the necessary steps and action items to take when fully implementing this recommendation. It also describes who the stakeholders are, what the deliverables should be, and roughly how long it should take to implement.

Key activities:

— **Identify key leaders and other influential stakeholders** who should be engaged throughout the organization structure redesign process. Assess stakeholder understanding and current level of buy-in in order to proactively mitigate resistance and leverage key advocates and executive sponsors.

— **Design the new organizational structure** required to implement and operate the new hybrid service delivery model with specific roles, responsibilities, and reporting relationships. Validate change implications on the new organizational structure based on business requirements, current and anticipated workloads by volume and type, and alignment with County's strategic priorities and operational objectives of departments.

— **Identify gaps in current and new organizational structure** that need to be addressed by considering all in-scope HR processes delivered through the new hybrid service delivery model and using information gathered through the assessment of HR personnel and business needs.

— **Develop a transition plan** that defines guiding principles for the transition to the new organizational structure, job classification approaches, position mapping processes, recruitment, employee training, transition, or notification processes and timelines.

Resources		Deliverables	
— Project manager — HR manager — External consulting support		— Standardization of current documentation, processes, and roles	

Level of Impact	Level of Effort	Duration
High	High	3–6 months

3.0	Establish countywide governance over HR policies and procedures

Observation and analysis

As mentioned in Recommendation 2.0, the decentralized nature of the HR function may create challenges related to the inconsistent delivery of HR services and duplicative efforts. We commend County HR for taking the initiative to mitigate some of these issues by developing a HR Policy Manual and establishing the HR Council. However, establishing policies is only one aspect of the broader governance role that County HR will take in the transition to the hybrid service delivery model.

Taking a partnership-approach to HR policies: County HR should take the leading role of developing, maintaining, and managing countywide policies and procedures in partnership with departments. This involves gathering, reviewing, and refining existing materials with department HR to understand policy requirements and gaps; assess similarities and differences in procedures; and develop common terminology, templates, forms, and data standards. The recently established HR Council could serve as an initial forum to validate findings and gain consensus from the departments. County HR should consider piloting policies before full implementation across all departments, especially for department-led services where greater flexibility and/or adaptation is needed. This will allow County HR to obtain feedback, refine, and build ownership and buy-in with departments.

Establish countywide governance of HR policies: Department personnel involved in delivering department-led services should have a dotted-line relationship with County HR (i.e., operate in a matrix structure) to help ensure compliance with associated HR policies and procedures. The HR Specialist role as defined in Recommendation 2.0 is responsible for performing governance of HR policies and procedures for their specific function (see Figure 7 for related responsibilities).

Design & Implement	Working with departments on policy development and process standardization
	Implementing policies and processes with departments (e.g. training/technology requirements)
	Managing an enterprise-wide knowledge base (e.g. policies, procedures, forms and templates)
Govern	Conducting process control reviews and monitoring/auditing for compliance
	Approving creation, changes and exceptions to policies and procedures to ensure fit-for-purpose
	Providing authority to direct other departments where cross-functional process are impacted
Improve	Managing service performance and reporting to department leaders
	Institutionalizing continuous improvement processes and leading related initiatives
	Facilitating the sharing of local innovations, leading practices and lessons learned

Figure 7

Source: KPMG LLP (2019)

Look for opportunities to improve process design: County HR should view the development of countywide policies and procedures as an opportunity to simplify, combine, or eliminate and standardize activities. This should be done by taking an end-to-end perspective across HR divisions (i.e., hire to retire), while considering information technology (IT) and workforce (i.e., full-time equivalent [FTE] and skill) requirements. County HR should also invest in the learning and development of their own personnel ("HR for HR") and consider enrolling HR Specialists and HR Operations in continuous improvement programs (e.g., Peak Academy for Lean Six Sigma).

County HR should explore opportunities for rule-based automation for activities that meet the criteria for "high opportunity" as seen in Figure 8 below. Processes can then be prioritized based on cost and complexity to implement, estimated time and effort, as well as overall expected benefit to the County (e.g., reduced cost and increased capacity as a result of the automation). KPMG HR Center of Excellence estimates that 20 percent to 30 percent of tasks from almost every job category can be automated.
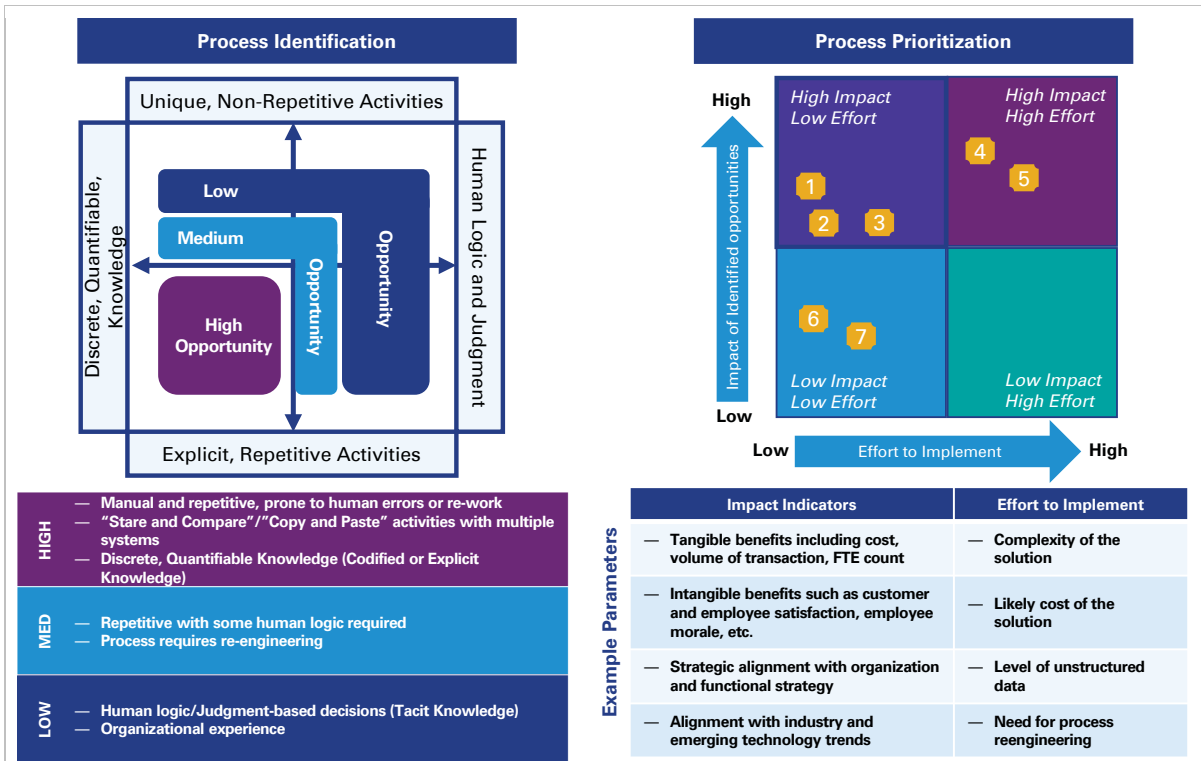
**Process Identification**

Unique, Non-Repetitive Activities

Discrete, Quantifiable, Knowledge

Human Logic and Judgment

Low

Medium

High Opportunity

Opportunity

Opportunity

Explicit, Repetitive Activities

HIGH	— Manual and repetitive, prone to human errors or re-work — "Stare and Compare"/"Copy and Paste" activities with multiple systems — Discrete, Quantifiable Knowledge (Codified or Explicit Knowledge)
MED	— Repetitive with some human logic required — Process requires re-engineering
LOW	— Human logic/Judgment-based decisions (Tacit Knowledge) — Organizational experience

Process Prioritization

High Impact Low Effort

High Impact High Effort

Low Impact Low Effort

Low Impact High Effort

Impact of Identified opportunities

High / Low

Effort to Implement

Low / High

	Impact Indicators	Effort to Implement
Example Parameters	— Tangible benefits including cost, volume of transaction, FTE count	— Complexity of the solution
	— Intangible benefits such as customer and employee satisfaction, employee morale, etc.	— Likely cost of the solution
	— Strategic alignment with organization and functional strategy	— Level of unstructured data
	— Alignment with industry and emerging technology trends	— Need for process reengineering

Figure 8

Source: KPMG LLP (2019)

County HR should consider maximizing investment in existing technology systems (e.g., NeoGov) by configuring for basic rule-based process automation. For example, Los Angeles County established a public-private partnership with NeoGov to develop a new module for list management and further automate routine HR activities, while ensuring standards of fairness were met (e.g., civil service rules, diversity, and inclusion).

Anticipated impact

Standardization of HR policies and procedures, including the creation of governance processes, will generate operational efficiencies across County departments leading to cost reductions, consistency, and a more holistic end-to-end HR approach. A more cohesive County HR department also will also enable HR to automate routine tasks to free up capacity for strategic initiatives.

Establish Countywide HR Governance
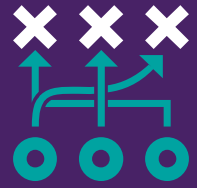
Key Activities

Establishing a collaborative, countywide governance of HR policies and procedures will improve consistent delivery and continuous improvement of HR services. The below implementation plan describes the necessary steps and action items to take when fully implementing this recommendation. It also describes who the stakeholders are, what the deliverables should be, and roughly how long it should take to implement.

Key Activities:

— **Redefine the scope of existing governance bodies or establish a new governance body in County HR** to provide oversight and guidance for the transition to the new service delivery model, as well as for "business-as-usual" governance.

— **Refresh the terms of reference to reflect these added responsibilities**, with clear escalation delegation of decision rights, escalation protocols, and membership that is representative across departments to address issues and priorities related to service delivery.

— **Develop governance processes for managing stakeholder relationships** (e.g., between service providers), demand (e.g., responding to new business requirements for new services), service performance and reporting, service risk and compliance (e.g., external regulatory requirements), financials and cost allocations (e.g., internal service fund rates), etc.

— **Address policy requirements and gaps to support all in-scope HR processes** delivered through the new service delivery model and the development of related common standards (e.g., terminology, reporting, templates, and forms), procedures, and training aids.

— **Shift focus towards continuous improvement and service change management** as part of responsibilities for "business-as-usual" governance, including managing service performance, continuous improvement and innovation (i.e., research and industry engagement) in areas of process automation, technology, and data.

Resources	Deliverables
— Project manager — HR manager — External consulting support	— Refreshed terms of reference for governance body — List of policy goals for near- and long-term planning

Level of Impact	Level of Effort	Duration
Medium	High	6–9 months

4.0	Establish service level and performance reporting and cadences

Observation and analysis

County HR currently does not have performance measures to monitor operational efficiency within their team and service-level indicators to monitor service effectiveness to departments. Although customer satisfaction surveys are conducted, performance needs to be assessed on a more frequent and detailed basis to enable continuous improvement of processes. As mentioned in the previous recommendation, County HR process owners will be accountable for measuring, monitoring, and upholding service performance, as well as reporting to senior leadership on an ongoing basis. To accomplish this, it is recommended for County HR to develop the following:

— Develop an **HR service catalogue** to help departments understand what services are provided by County HR (i.e., HR-led services). Common components found in a service catalogue include:

  — **Service Offerings:** Providing a full "menu" of services offered by County HR
  — **Service Management:** Explaining how the service will be managed, requested, and delivered in terms of processes, people, technology, and governance
  — **Service Scope:** Defining the division of responsibility between County HR and departments, and identifying department-dependent interactions.

— Develop **service-level agreements with service-level indicators** that define the service level and performance of HR-led services, including but not limited to cost, timeliness, accuracy, volume, and satisfaction. Where there are process dependencies with departments, general performance indicators can be established to reflect shared responsibility—which should be specified as part of the "service scope" component of the service catalogue. Examples of division-specific measures are below in Figure 9, with more specific examples provided in the following sections. The service level indicators should contribute to overall countywide measures of performance.

Division	Performance Metric 1	Performance Metric 2	Performance Metric 3
E&WP	Cycle Time in Days Between Requisition and Hire	Percentage of New Hire Retention After 12 Months	Percentage of Vacancies Filled by Internal Candidates
B&W	Total Earned Wellness Days Off Across County Departments	Wellness Program Enrollment as a Percent of Workforce	Percent of Outstanding Premiums from Employees on LOA
O&TD	Percent of County Employees in Full Compliance With Required Class Mandates	Percent of Employees Who Have Taken a Non-Mandated Class in the Last Year	Number of Classes Developed in Direct Collaboration with Department
ER	Cycle Time in Days Between Investigation Open to Completion	Percentage of Employees Who Are On A Performance Management Program	Turnover Percentage of Low-Performing Managers and Employee Within One Year of Receiving the Low Rating

Figure 9

Source: KPMG LLP, 2019

— Develop HR **department-level performance measures** that reflect the "value" provided to the County in terms of the effectiveness, efficiency, and quality of specific internal processes by measuring inputs in relation to outputs. These measures should speak to how County HR-led services contribute to and impact strategic priorities of the County. The value map described in Recommendation 2.0 can be used here to ensure measures focus on core HR processes that add value to the County, rather than transactional activities. Examples of division-specific measures are provided in the following sections.

— **Establish a cadence for reviewing performance measures and service-level indicators with senior leadership and department representatives.** In line with Enterprise Enablement Recommendation 1.2 from the Departmental Review of the CEO, HR should participate in monthly performance reviews with the CEO where measures are used to facilitate discussions regarding "what has happened" (i.e., over- and under-performing areas), "why it happened" (i.e., identifying issues and their root causes), "what will happen" (i.e., understanding impact on outcomes and/or consequences of inaction), and "what we should do" (i.e., preventative and/or corrective actions).

Similarly for service-level indicators, it is recommended to establish monthly or quarterly reviews with department representatives to have discussions on service performance, gather customer feedback, discuss new services and changes in demand, raise issues and risks, and also track transition and outcomes associated with the transition to a hybrid service delivery model. Frequency of these meetings will depend on the service volume and performance for specific departments. County HR should hold more frequent reviews with departments that have a high service volume and/or under-performing areas for County HR to address more closely.

Anticipated impact

Establishing a matrix of programs at the service, department, operational, and monitoring level, as described above, will create clarity for other departments that engage HR, drive accountability within the department through the performance measures and to the County vision, and provide a structured methodology for continuous performance improvement.

Establish Performance Reporting

Key Activities

Establishing service-level indicators and performance measures will allow County HR to monitor for operational efficiency within their team whileservice-level indicators will allow County HR to monitor service effectiveness to departments. The below implementation plan describes the necessary steps and action items to take when fully implementing this recommendation. It also describes who the stakeholders are, what the deliverables should be, and roughly how long it should take to implement.

Key Activities:

— **Develop service catalogue based on agreed-upon scope of HR services**, validate with governance committee and process owners, and establish mechanism for collecting feedback and assign responsibility for maintaining the document on an ongoing basis.

— **Define a standard and consistent set of measures,** including service-level indicators, general performance indicators, and department and division/program-level performance measures.

— **Prioritize measures based on level of effort** to prepare based on data and technology requirements, and value of the information prepared.

— **Develop service-level agreements and supporting mechanisms,** including ongoing reporting, remediation when service levels are not met, and reviewing service levels and pricing over course of agreement.

— **Establish a communication and reporting process** that identifies how measures will be distributed or accessed, the frequency of reporting and the audience for reporting.

Resources	Deliverables

— HR division managers and departmental equivalents — HR A&OP team	— List of service-level agreements, performance indicators, and KPIs — Cadenced reporting process

Level of Impact	Level of Effort	Duration
Medium	Medium	2–3 months

| **5.0** | Review technology needs and utilization to support service delivery and management of data |

Observation and analysis

One of the most common pain points identified during the interview process was the high fragmentation of systems used to support HR processes. Findings from the 2019 WTC IT inventory assessment noted that the HR department has four systems—however, this does not include HR information systems (HRIS) that other departments, such as Social Services and Behavioral Wellness, have bought and/or built on their own. This number also does not include related non-HRIS systems owned by other departments, such as the Financial Information Network (FIN), Departmental Employee Network (DEN), and PayPlus by the Auditor-Controller department.

Although interface layers are being developed between some of these systems, interviews with line staff indicated that these workarounds are not working as seamlessly as intended. This places limitations on County HR's abilities to implement prior recommendations that require an integrated and comprehensive workforce data, such as standardizing and automating processes, and providing insights and supporting data-driven decision-making. Ultimately, this hinders County HR's ability to manage service performance, and focus on and deliver higher value-added activities related to workforce planning.
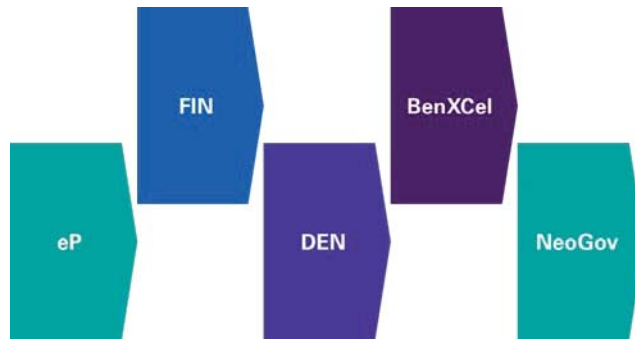
Figure 10

Source: KPMG LLP, 2019

Technology Integration: Based on findings from the 2019 WTC IT inventory assessment, County HR should identify business and IT needs in collaboration with their divisions and evaluate whether current HRIS systems and functionalities meet them and to what degree (i.e., fit-gap assessment). This will rely heavily on the implementation of the envisioned role of A&OP as detailed in Recommendation 6.3.

County HR should then maximize use of current HR systems in the short term, with minor investments made to expand reporting, self-service, and automation capabilities within existing systems. An example of an existing system that has the potential to cover additional functionalities includes NeoGov, whose suite includes "eForms" for automated document workflows and employee self-service. Research from the KPMG HR Center of Excellence recommends setting a target of 65 percent to 75 percent of service requests and/or inquiries to be addressed by self-service.

In the mid-term, County HR can invest further in current HRIS systems by procuring additional modules and building integration layers with other HRIS systems for automated data transfer. In the longer term, County HR should collaborate with ICT to reassess the need for an enterprise-wide HRIS, while considering the impact of an Enterprise Resource Planning solution and cloud-based options (as appropriate given the County's appetite and case for change, as well as constraints regarding long-term cost and affordability).

Data Management: The County should aim to have one version of the truth for all HR data, which requires consistent capture and maintenance of data at each stage of the employment lifecycle. Given the fragmented nature of HR-related systems across departments, the County will likely continue to encounter data quality issues until integration layers are successfully implemented and/or an enterprise-wide HRIS system is selected. County HR should focus on maintaining common data models and reference data (e.g., code and lookup tables) to minimize miscommunication across systems or errors in data integrations and resulting reports.

Self-Service: The County should increase the use of employee and manager self-service through minor enhancements to existing systems, training, and communications. Self-service capabilities can be more efficient and effective than the higher-touch, manual processes it replaces, often providing faster turnaround times and better customer satisfaction. This could also reduce the number of inquiries that are escalated departmental HR and County HR and allow County HR to focus on resolving complex inquiries that cannot be addressed through self-service. It is also recommended to enhance the existing HR intranet as a "knowledge base" so that all employees

can use the same source of information to guide their decisions. Examples of artifacts typically available on knowledge bases include HR policies and procedures, contact information (including to third-party administrators), employee forms and templates, frequently asked questions, tools, and examples of resolved inquiries.

As HR processes are further streamlined with the transition to a hybrid service delivery model, County HR can consider using the County's service management platform (i.e., ServiceNow) for intake, triage, routing, and tracking of HR inquiries, as well as knowledge management. ServiceNow can also be used for case management to enter and track details related to employee relations incidents and counseling—which is a common functionality gap found even in leading HRIS systems.

Anticipated impact

Taking an inventory of current HR IT capabilities and needs across County departments will enable the HR department to maximize current systems, leverage current reporting abilities for performance management, and identify IT gaps. Establishing this baseline gives the HR department the ability to successfully integrate current systems, formulate possible enterprise-wide solutions, and facilitate implementation of the preceding HR enterprise enablement recommendations.

Right-fit Tech. to Service Requirements

Key Activities

Exploring options to maximize, invest, and/or rationalize HR-related systems will help fulfill the need for comprehensive workforce data and additional functionalities related to reporting, self-service and process automation. The below implementation plan describes the necessary steps and action items to take when fully implementing this recommendation. It also describes who the stakeholders are, what the deliverables should be, and roughly how long it should take to implement.

Key Activities:

— **Perform fit-gap assessment of existing functionalities** in HRIS and related systems by leveraging A&OP and findings from the WTC inventory.

— **Identify and prioritize opportunities to maximize existing functionalities** and invest in further functionalities related to reporting, self-service, automation, data integration, service management, and knowledge management.

— **Develop a data dictionary** (i.e., key reference data objects and their high-level relationships) to document, communicate, and maintain standards for data.

— **Define data management processes** and mapping of data object responsibilities across all HRIS and related systems.

— **Define approach to improving data quality** through initial and ongoing cleaning and harmonization processes.

Resources	Deliverables
— HR director — A&OP team — Departmental stakeholders	— Inventory of data systems with determination of utility

— CEO leadership — ICT	— Data dictionary with understanding of ownership of data	
Level of Impact	**Level of Effort**	**Duration**
Medium	Medium	2–3 months

Division recommendations

Division recommendations identify opporunities for the HR department and divisions to more effectively prioritize activities, generate more efficient operations, provide strategic insights to other County departments, and deliver improved service to HR customers.

#	Division recommendations
Administration and Operations (A&OP)	
6.1	Establish a vision of how the division can serve in a support capacity for other HR divisions
6.2	Acquire skills needed to complement the new vision and right size the team to reflect that need
6.3	Review HR information systems for opportunities to increase utilization of existing technology, consolidate systems and maximize impact across HR divisions
Employment and Workforce Planning (E&WP)	
7.1	Invest in workforce data and analytics to meet workforce planning needs of the County
7.2	Improve E&WP capacity by implementing countywide policies and procedures
7.3	Establish service level and performance reporting with necessary technology and data requirements
Benefits and Wellness (B&W)	
8.1	Improve B&W capacity to focus on service delivery and process ownership responsibilities
8.2	Establish wellness program goals to meet the needs of the organization

#	Division recommendations
Organizational and Talent Development (O&TD)	
9.1	Develop a strategy and service delivery model for O&TD
9.2	Conduct an enterprise-wide training needs assessment
9.3	Redevelop curriculum to align with strategic workforce planning
9.4	Redesign the Employee Performance Review process to support employee development
Employee Relations (ER)	
10.1	Establish a baseline set of data points for tracking coaching and investigations to identify trends, needs, and risks
10.2	Develop performance metrics to assess and track overall health of the County
10.3	Establish a framework to engage departments to drive proactive and remedial outcomes

Administration and Operations

6.1	Establish a vision of how the division can serve in a support capacity for other HR divisions

Observation and analysis

During the interview process with A&OP leadership, line staff, and other employees in the HR department, there was a common theme of lack of direction for this division. Although this division states itself to be in a "support" role, and has defined its core functions as policy management, systems administration, analytics, fiscal administration and budgetary oversight, and website development, there are opportunities to realign the division to match the vision of HR under the hybrid service delivery model.

Some of the needs identified in other divisions that could be supported by this division are illustrated in Figure 11 below.

Process and Policy Standardization

Assisting each HR division, embracing the hybrid service delivery model, in understanding which of their processes and policies could be standardized. E.g., on-boarding documentation, benefits FAQs.

Data Reporting and Performance Tracking

Assist the Director and each division manager in understanding the metrics of their divisions, and assist in generating cadenced and ad hoc reports.

Addressing AR/AP Risk

Change the payment process by separating the invoicing and check collection processes in order to improve financial controls. Consider moving the check collection process into the HR Administration and Operations division.

HR Systems Consolidation

Lead the systems cataloguing and consolidation process. Being the process, business, and project owner of all HR systems.

Figure 11

Source: KPMG LLP (2019)

Establish a mission, vision, objectives, and performance metrics that drive the function of this division more towards a support role, and establishes accountability to the division and department director. A&OP should meet with the HR director and division managers to understand where the needs lie within the divisions. Based on this feedback, A&OP should begin to develop a mission and vision that compliments the core functions of the other divisions, assisting in making the divisions and department more data driven, establish a cadence to data reporting, and facilitate and enable better coordination between the divisions. Most importantly, through this new role A&OP should help the director and division managers identify actions, structures, or systems that present the most risk to the department, and County, as a whole.

Anticipated impact

The A&OP division will more effectively execute on its established vision by aligning staff into function areas that tackle the general needs as described above. This realignment will support the overall HR department in helping effectively implement and maintain the recommendations outlined throughout this report.

6.2	Acquire skills needed to complement the new vision and right size the team to reflect that need

During the course of the staff interviews, it was clear that each staff member provides institutional and functional knowledge of the HR department. However, not all of those identified skill sets lined up with the requirements of their job, nor the skill sets needed to fulfil the vision of the division.

While following the guidelines set forth in Recommendation 6.1, the division should work to understand the skills gap in current staff members and work towards filling those gaps in order to be able to deliver on the new vision for A&OP. Specific consideration needs to be taken when understanding what skills buckets are needed, as outlined below, as the support provided to the other divisions grows.

Source: KPMG LLP (2019)

Concurrent to understanding the skills gaps of the current team, the division must focus on basing the size of their team on the workload, not on the number of employees historically in the division. The workload will be directly determined by the establishment of more robust support

roles, as described in Recommendation 6.1. As A&OP partners with the other divisions of the HR department, it will be incumbent upon the division manager to establish performance measures on A&OP staff to ensure equitable workoads for each staff member. Determining workload and tracking performance is further enumerated in Enterprise Enablement Recommendation 4.

Anticipated impact

Creating an accurate skillset inventory of the A&OP workforce and assessing it against anticipated departmental need will enable the division to successfully transition into an enabler and support role for other HR divisions. Additionally, this recommendation would ensure HR departments are appropriately staffed to provide services across County departments.

6.3	Review HR information systems for opportunities to increase utilization of existing technology, consolidate systems and maximize impact across HR divisions

Observation and analysis

One of the most prevalent complaints made during the interview process was the number of software systems used by HR and the lack of interconnectedness, and duplication of function, of those systems. There is also a wide range of functionality and support, or lack thereof, for those software systems that will directly impact decisions during this process.

Utilizing the WTC report, the A&OP division should lead the collaboration with the various divisions to understand their technology needs, while taking an inventory of current software capabilities. The success of this recommendation will rely heavily on the completion of a needs assessment of the various divisions in HR:

— The needs assessment should be a formalized process in which A&OP acts as a convener of stakeholders (other HR divisions), and formally documents needs. An example of a procured system that has a potential expansion to cover other needs would be NeoGov or ServiceNow.

— There should be special note taken on software systems in which the developing company no longer exists, and the "support" provided to the County are former employees of the company on contract.

A&OP is the natural lead, in conjunction with ICT, on HR Enterprise Enablement Recommendation 5, which focuses on technology integration. Embracing this recommendation, A&OP should then investigate what added functionality could be procured from the current software vendors with the goal of decreasing the number of systems used and increasing the level of cross-divisional/departmental/county cooperation and coordination. This exercise should also include the goal of fully understanding what HR systems are currently being used by other departments, not just HR.The Auditor-Controller is currently undertaking a BANA (Business Application Needs Assessment) in conjunction with the HR department in order to review all applications and develop an implementation plan for enterprise resource planning which will impact HR service delivery in the future. However, this process may take two to three years to complete and therefore steps should be taken in the interim to rationalize systems and improve performance.

Anticipated impact

Successful integration and consolidation of HR systems will create more robust datasets to be used by all HR divisions for performance tracking purposes and promote collaboration across

different levels of the County organization. Leveraging current system functionality and reducing the total IT systems will improve service while maintaining or reducing expenditure.

Employment and Workforce Planning

7.1	Invest in workforce data and analytics to meet workforce planning needs of the County

Observation and analysis

As mentioned under Recommendation 2.0 for "establishing the role of County HR as a business partner to the County," there is a growing imperative for the County to provide higher value-added services related to workforce planning. This is consistent with findings from the 2019 KPMG Future of HR survey, where workforce planners are receiving the largest investment for HR roles among government respondents (see Appendix <D>). We commend County HR for identifying workforce planning as a top priority during budget workshops. However, before E&WP can take on a strategic role as a "business partner," further clarification is needed on what E&WP can uniquely contribute to the County, and address capability and resource gaps in providing those services.

E&WP currently works closely with departments to reclassify positions, but is not involved in the budget process when departments conduct forecasting and/or request for additional headcount. County HR previously had a seat in these quarterly budget meetings to provide support to departments by identifying workforce trends; addressing issues related to sourcing, developing, and retaining people; assessing drivers for requested workforce changes (e.g., service-level impact); and preparing justification to the budget office and CEO. Although County HR involvement in this process was minimized after several changes in leadership, they are currently seeking to be reinvolved in these budget meetings.

To contribute effectively to these budget meetings, E&WP should invest in their capabilities for providing the workforce analysis—which will allow them to provide the following capabilities to departments and the County (also illustrated in Figure 12 below):

— **Assessing Demand:** Understanding the demand for FTE and skills based on current and future business needs, and analyzing underlying root causes of workforce issues related to internal and external workforce factors, such as attrition, engagement, performance management, labor unions, legislative changes, and demographics.

— **Simulating Supply:** Forecasting changes to workforce supply based on historical patterns, future expectations, and predicted movements, such as inflows (e.g., recruitment, contingent labor, annual intake of graduates and interns), outflows (e.g., retirements, resignations, redundancies, dismissals) and internal movements (e.g., promotions, transfers, redeployment or retraining).

— **Closing the Gap:** Addressing workforce issues and gaps by deploying HR solutions or interventions described in Recommendation 2.0 for "establishing the role of County HR as a business partner to the County." Workforce planning is often the opening conversation to introduce HR interventions that can reduce gaps in FTE and skills and other needs (e.g., develop and promote talent internally through O&TD, increase levels of direct entry or experienced recruiting, transfer between departments).
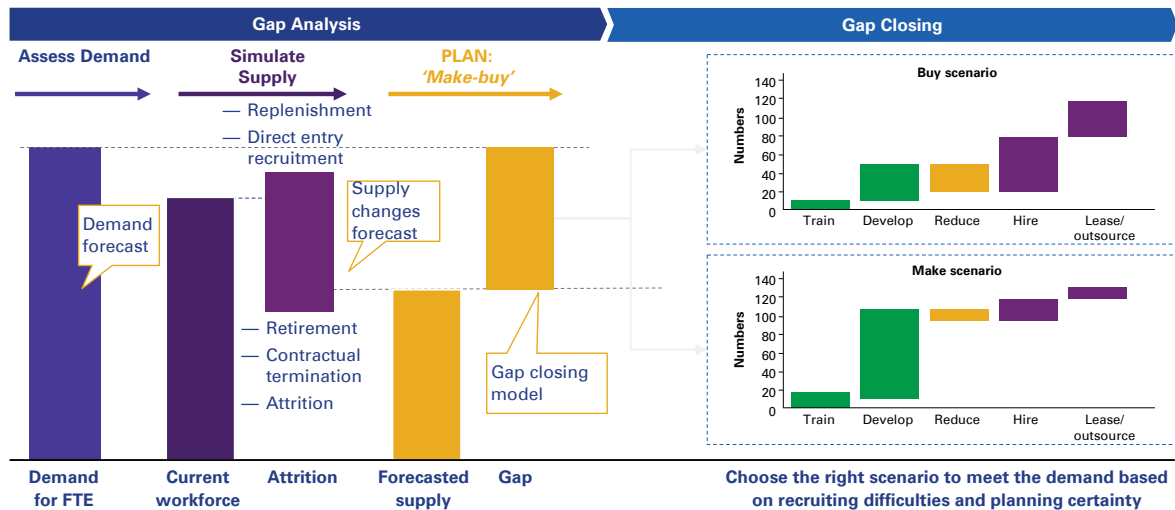

Figure 12

Source: KPMG LLP (2019)

Lacking resources to create or use workforce data and analytics, limitations in technology platforms, and difficulty integrating different data sources are noted as the main challenges that government respondents face when using workforce data and analytics from a 2019 KPMG Future of HR Survey (see Appendix <D>). Interviews with E&WP have indicated similar challenges (e.g.,

lack of baseline data) that must be addressed by improving technology integration and data management as recommended in Recommendation 5.0 to "review technology needs and utilization to support service delivery and management of data".

It is also recommended for E&WP to consider key processes where data is not currently captured across the employee lifecycle. For example, interviews indicated that exit interviews are currently not conducted—which inhibits the County's ability to identify root causes of attrition, spot burn-out, disconnection and disengagement, and/or understand the effectiveness of HR programs. Common uses of workforce data and analytics among government respondents from the 2019 KPMG Future of HR survey can be seen in Appendix <D>.

Anticipated impact

Improving and leveraging workforce data and IT systems will enable the E&WP division to become an effective strategic partner to County departments by improving workforce supply and demand forecasting practices. This will help departments reduce variances against budget forecasts and anticipate changes in workforce requirements.

7.2	Improve E&WP capacity by implementing countywide policies and procedures

Observation and analysis

A significant portion of E&WP services are delivered locally with limited County HR participation in common activities. This has positioned E&WP function to focus on transactional and compliance activities to maintain controls for classification, compensation, and position allocations. Meanwhile, the recruitment function is inconsistently engaged by departments for candidate assessment sourcing and evaluation and offer management—except when mandatory for positions used across all departments (e.g., administrative and financial office professionals).

The lack of countywide HR policies and procedures leads to inconsistent and/or inappropriate delivery of E&WP services, which further exposes the County to risks related to standards such as civil service rules and diversity and inclusion. Although the County HR has developed control-based workarounds, such as developing an offer letter template that is double checked by County HR for compliance with compensation ranges to prevent overspending and/or unauthorized hires, this also creates additional workloads and delays between County HR and departments. In line with Recommendation 3.0 for "establishing countywide governance over HR policies and procedures," E&WP should develop and maintain countywide HR policies and procedures in partnership with departments. Examples of common policies related to E&WP activities are listed in Figure 13 below:

Process	Policy Name	Policy Description
Requisition Management	Job Requisition Preparation and Approval Process Policy	Explain the recruitment approvals process
Candidate Evaluation	Applicant Travel Reimbursement Policy	Define the reimbursement related to the travel of an applicant
	Equal Employment Opportunity Policy	Provides equal employment opportunities to all employees and applicants for employment and prohibits discrimination and harassment of any kind
	Employee Referral Program	Define the terms and conditions to refer a candidate
	Hiring Policy and Procedures	Define the hiring policy and procedures
	Job Posting Policy	Define the posting to follow (Internal, External, agencies, etc.)
Offer Management	Employment Offer Policy	Provide guidance in extending an offer of employment
Pre-Hire Onboarding	Background Checks	Background checks will be conducted on all final candidates and on all employees who are promoted, as deemed necessary (can include Social Security verification, employment verification, personal and professional references, nationality checks, criminal history)

| | Pre-Employment Drug Testing Policy | Applicants being considered for hire must pass a drug test before beginning work or receiving an offer of employment |
| | Medical Examination Policy | Successful applicants for employment may be required, as a condition of employment, to take a medical examination |

Figure 13

Source: KPMG LLP (2019)

Although the need to standardize and automate processes is recognized by County HR, interviews indicated a lack of capacity to implement these process improvements—creating a reinforcing cycle or "Catch-22" situation. As seen in Appendix A, the County's FTE budget for E&WP as a percentage of total enterprise budget and FTE is lower than benchmark counties. Although this suggests understaffing, capacity for E&WP to focus on policy setting and other higher value-added activities mentioned in Recommendation 7.1 can be improved in a number of ways:

— **"Training up" Department HR:** E&WP needs to be able to rely on departmental HR to conduct department-led HR activities in a consistent manner, such as entry and exit administration, support for basic inquiries (i.e., Tier 0 and 1), and documentation production (e.g., offers, contracts, and other informative letters). Ongoing training and communication on policy changes should be provided to department HR to ensure consistent interpretation and implementation of policies and procedures. This investment in "training up" department HR will reduce redundant interactions, process variability, and inconsistent data capture compared to working directly with line managers for transactional activities.

— **Standardizing and automating processes:** During the process of developing policies and procedures, E&WP can look for opportunities to simplify, combine or eliminate, standardize, and automate processes for highly repetitive and rule-based activities. E&WP should make use of their ongoing investment in NeoGov and consider additional functionalities for automation. For example, NeoGov supports automatic scoring to prescreen applicants by setting up response options and allocating preference points. As mentioned in Recommendation 6.3, A&OP can assist B&W with investigating existing and/or additional functionality that could be procured from existing software vendors.

Anticipated impact

Standardizing the E&WP processes and procedures across County departments will reduce risk, ensure consistent recruitment practices, and reduce redundant efforts. Additionally, through the

implementation process outlined above, the E&WP division will be able to identify opportunities to automate or consolidate activities.

7.3	Establish service and performance reporting with necessary technology and data requirements

Observation and analysis

E&WP currently uses various methods for data management and reporting. Position transactions data are recorded manually in a spreadsheet on a weekly basis to reconcile compensation and classification. Recruiting data and reporting is generated through the NeoGov system, but are not reviewed by E&WP personnel due to data quality concerns related to completeness and accuracy. Instead, recruiting personnel provide updates every one to two weeks on candidate progress by stages. Performance management is especially crucial for this HR division, given that recruiting was seen as the first and second most important processes in the future by department and County HR respectively, while workforce planning and succession planning were rated as significantly less effective based on the 2018 Mercer study.

In line with Recommendation 4.0 for "establishing service level and performance reporting and cadences," E&WP should develop and review performance measures to monitor operational efficiency within their team and service-level indicators to monitor service effectiveness to departments. These measures can then be used to support the monthly or quarterly reviews with the CEO and department representatives to identify and address under-performing areas, such as long cycle times between approving a requisition to filling a position. For example, based on the customer survey conducted by KPMG, 20 percent of respondents felt that they seldom received services in a timely manner from E&WP's recruiting function. By establishing days between each requisition stage as a performance measure (as seen in Figure 13), E&WP monitor this measure to understand what specific stages to focus process improvement efforts on. Examples of common measures for E&WP are listed in Appendix E.

Requisition Time by Stage (2017 to 2019), #

	Average of Days Advertised	Average of Days from Close of Advertisement to Last Exam
■	Average of Days from Eligibility List Creation to Referral	■ Average of Days from Referral to Interview
■	Average of Days from Interview to Offer	

2017: 63, 32, 47, 28, 31
2018: 82, 34, 81, 18, 40
2019: 59, 22, 62, 30, 30

Figure 14

Source: KPMG LLP, 2019 analysis of County Fiscal Year recruitment data from NeoGov. Excludes unfilled and continuously open requisitions.

As mentioned in Recommendation 4.0 for "establishing service level and performance reporting and cadences," the frequency of meetings to review service-level indicators with department representatives will depend on the service volume and performance of specific departments. For example, based on Figure 15 below, E&WP should consider holding more frequent reviews with high service volume (i.e., requisition count) departments such as Public Health and Behavioral Wellness, and departments experiencing longer cycle times (i.e., average days from creating requisition to filling position) such as Community Services and Fire.

Requisition Time and Volume by Department (2017 to 2019), #

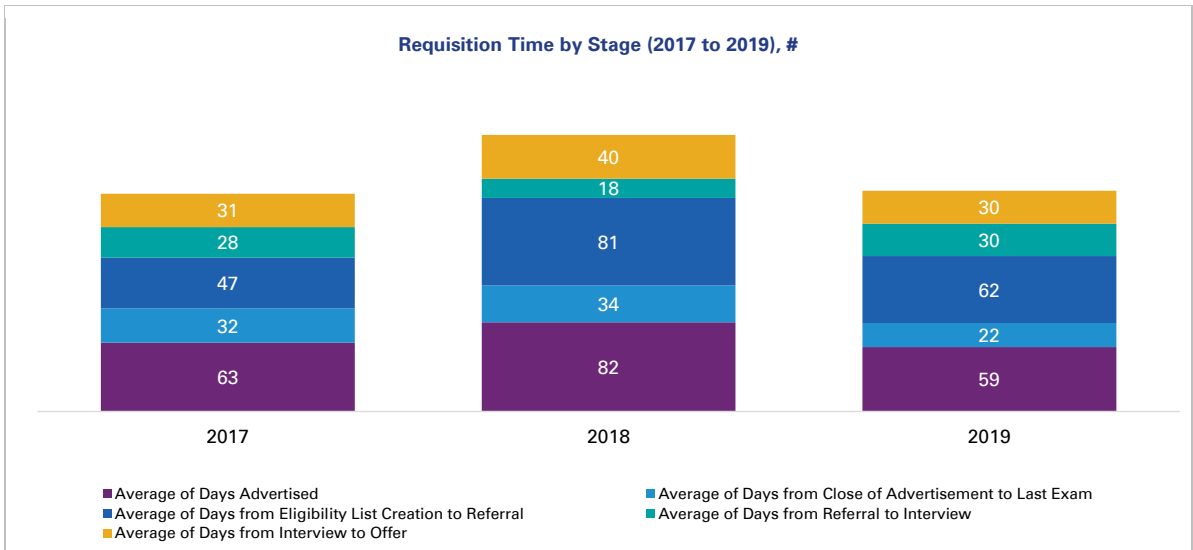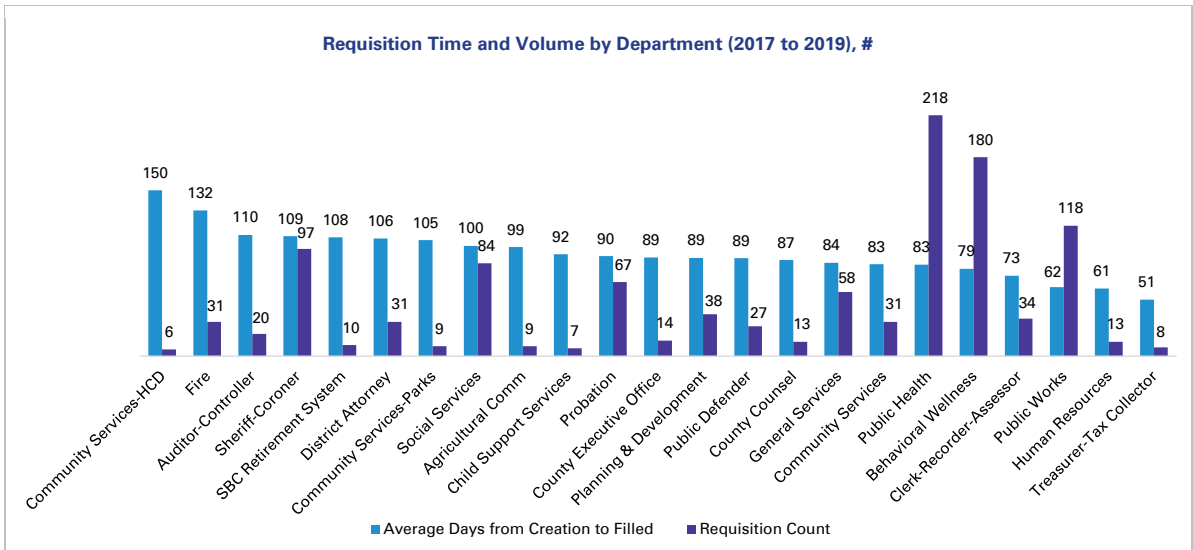| Department	Average Days from Creation to Filled	Requisition Count
Community Services-HCD	150	6
Fire	132	31
Auditor-Controller	110	20
Sheriff-Coroner	109	97
SBC Retirement System	108	10
District Attorney	106	31
Community Services-Parks	105	9
Social Services	100	84
Agricultural Comm	99	9
Child Support Services	92	7
Probation	90	67
County Executive Office	89	14
Planning & Development	89	38
Public Defender	89	27
County Counsel	87	13
General Services	84	58
Community Services	83	31
Public Health	83	218
Behavioral Wellness	79	180
Clerk-Recorder-Assessor	73	34
Public Works	62	118
Human Resources	61	13
Treasurer-Tax Collector	51	8

Figure 15

Source: KPMG LLP (2019) analysis of County Fiscal Year recruitment data from NeoGov. Excludes unfilled and continuously open requisitions.

Performance management must be supported with technology systems that have sufficient functionalities against business requirements, data management practices that uphold data quality (i.e., completeness, accuracy, consistency, and timeliness), and capabilities for reporting. In line with the Recommendation 5.0 for "review technology needs and utilization to support service delivery and management of data" E&WP should identify the minimum dataset for required reports and work with departments and A&OP to build interfaces and/or data exports. Examples of common reports for E&WP are listed in Appendix <E>.

Anticipated impact

Utilizing available datasets and improving insufficient IT functions will enable the E&WP division to establish robust performance management practices. This will allow the division to address deficiencies identified in the 2018 Mercer report and meet expected future state HR priorities.

Benefits and Wellness

8.1	Improve B&W capacity to focus on service delivery and process ownership responsibilities

Observation and analysis

The County's B&W division currently focuses on transactional and compliance activities, including benefits accounting, benefits billing, regulatory compliance and reporting (e.g., Affordable Care Act), and acting as a help desk to respond to benefits inquiries. In line with Recommendation 1.0 for "defining the delivery ownership of HR services between County HR and departments," the transition to the hybrid delivery model will shift B&W's role to focus less on transactional activities and more on service delivery and process ownership responsibilities, including setting countywide policies and procedures, being accountable for service performance, providing subject matter expertise on complex inquiries, and designing and implementing new B&W programs to meet County needs related to health and wellness (addressed further in Recommendation 8.2).

As seen in Appendix A, the County's budget for Employee Relations/Benefits as a percentage of total budget is on par with benchmark counties. For B&W to take on this role with *existing* staffing (i.e., 2.75 FTE excluding the Wellness Partner), B&W capacity to focus on higher value-added activities would need to be improved—which can be accomplished in a few ways:

Standardizing policies and procedures: HR activities that have interdependencies with the B&W function (e.g., leave administration) are conducted in a fragmented and inconsistent manner across departments. This creates additional work for B&W, such as following up with outstanding premiums when B&W is not notified of leaves of absences in a timely manner by departments. Timely billing and receiving of payments, in addition to early notification of leave, would also prevent accumulation of outstanding premiums. In line with Recommendation 3.0 for "establishing countywide governance over HR policies and procedures," countywide policies and procedures need to be developed for B&W services to be developed, delivered, and accessed consistently. For example, B&W would benefit from a leaves and return-to-work policy for departments to notify HR in advance to prevent accumulation of outstanding premiums due to leaves of absence. As seen in Figure 16, 39.8 percent of outstanding premiums are owed by employees who have taken a leave

of absence (LOA). Outstanding premiums have resulted in 1,179 paper invoices that are generated manually by B&W since 2012.
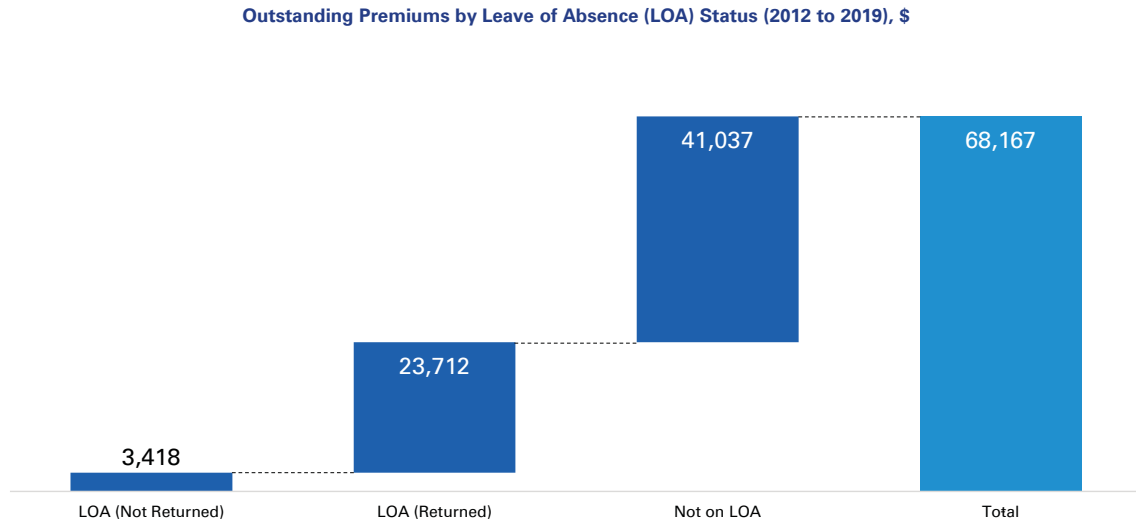
Outstanding Premiums by Leave of Absence (LOA) Status (2012 to 2019), $

Figure 16

Source: KPMG LLP (2019) analysis of County outstanding premiums and leave of absence time data.

Refocusing B&W function: B&W functions should be assessed for what can be better managed by other divisions within HR, other departments, and/or through self-service capabilities and process automation. Although B&W makes use of self-service portals and publishes knowledge articles, basic inquiries are still frequently directed to B&W. It was estimated by B&W personnel that only approximately 20 percent of inquiries are complex enough to require their subject matter expertise. This suggests that employees and/or department HR lack a consistent understanding for resolving B&W inquiries and/or way of accessing B&W services:

— **Enhancing self-service capabilities:** In line with Recommendation 5.0 to "review technology needs and utilization to support service delivery and management of data" B&W should increase the use of self-service portals (e.g., BenXcel) and the County HR intranet as a knowledge base, and promote their use to employees through training and communications. This will allow B&W to focus on complex inquiries and services that cannot be addressed through self-service. We commend B&W for producing web tutorials for benefits enrollment,

and recommend implementing an annual review cycle of all knowledge articles to ensure accuracy, relevance, and applicability.

— **Conducting fundamental training:** B&W needs to be able to rely more heavily on departmental HR to resolve basic inquiries and support transactional activities (e.g., benefits enrollment). Ongoing training and communication on policy changes should also be provided to department HR personnel to minimize basic inquiries being directed to B&W and ensure consistent advice is given to employees regarding B&W services. B&W should work with the O&TD division to train employees on B&W practices during the on-boarding process, as well as through Employee University.

— **Reassigning noncore functions:** County HR should consider moving the accounts receivable portion of the benefit billing function to Auditor-Controller or to a Financial Office Professional (FOP) in the A&OP division. Interviews revealed potential risks of managing both accounts receivable and payable processes with the appropriate internal controls—especially for the collections of outstanding premiums.

— **Streamlining and automating reporting**: B&W faces challenges generating necessary reports given the high number of touchpoints with disparate systems. B&W should identify the minimum dataset for required reporting and work with system owners, such as the Auditor-Controller, and A&OP to build and potentially schedule the export of required reporting. As mentioned in Recommendation 6.3, A&OP can assist B&W with investigating existing and/or additional reporting functionality that could be procured from existing software vendors such as Benefits Coordinators Corporation (BCC).

In line with Recommendation 5.0 to "review technology needs and utilization to support service delivery and management of data" County HR should also assess the various benefits management-related systems used across the County, and explore the option for a single system to support a consistent user experience and a single source of truth for data.

Given that BCC's Customer Service Call Center is relied upon for inquiries related to BenXcel, B&W also should request for service level reporting to manage vendor performance (e.g., availability of call center agents and speed of resolution).

Anticipated impact

The B&W division should operate as a strategic adviser by implementing the standardized or automated processes and collaborative operating model described above. When combined with a

robust reporting system, these initiatives will reduce time spent on remedial or administrative tasks and allow the limited division staff to pursue the design and implementation of higher value-added programs like countywide health and wellness initiatives to reduce healthcare costs.

8.2	Establish wellness program goals to meet the needs of the organization

Observation and analysis

As mentioned in Recommendation 8.1, designing and implementing new programs to meet County needs related to health and wellness will be a core responsibility of the envisioned role for B&W. County HR recently established a workplace wellness program, supported by a newly hired Wellness Partner. It is recommended for B&W to clarify the following aspects of the wellness program to align to the needs of the organization and vision for the County:

Program Goals: County HR should define the goals of the wellness program by relating them directly to improved health outcomes, and ensuring that existing and planned wellness activities (e.g., health coaching, preventative care programs) tie directly to them. While the vision wellness program is to also support mental health and holistic support, the Government Financial Officers Association (GFOA) has provided example outcomes-based goals for physical wellness based on five primary causal factors in 75 percent of all chronic diseases—which have accepted national benchmarks and are permitted by federal law to design incentives around as seen in Figure 17 below.

Exhibit I: Outcome-Focused Goals for Wellness				
Category	National Institutes of Health Goals	Employer's Goals	Alternative Goals	Reward
Body Mass Index	≤ 24.9 kg/m2	≤ 27.5 kg/m2	10 Percent Weight Loos OR Move to Improved Category	$30/month
Blood Pressure	≤ 120/80 mmHg	≤ 125/82 mmHg	Move to Improved Category	$10/month
LDL Cholesterol	≤ 100 mg/dL	≤ 139 mg/dL	Move to Improved Category	$10/month
Tobacco/Nicotine	Negative	Negative	Complete Cessation Program	$50/month
Blood Glucose	≤ 100 mg/dL	≤ 115 mg/dL	Move to Improved Category	$10/month

Figure 17

Source: GFOA (2014)

Program Measures: The Wellness Partner role should then be held accountable to these goals, using program measures that reflect outcomes and the processes that support them. Monitoring

these measures will also help identify priorities for the Wellness Partner based on target areas for improvement (e.g., departments with low participation rates and segments of employees with higher health risks). For example, the City of Irving in Texas implemented an "I Win" wellness program that has received several accolades by the GFOA for reducing health insurance liability from a high of $52.33 million in 2007 to $19.04 million in 2013 (see Figure 18 for their performance measures).

Key Program Metrics	2009	2010	2011	2012	2013	2014
Completed biometric screening annually	263	274	285	1,142	1,380	1,291
Earned I Win physical fitness or biometric testing rewards	506	540	553	611	698	737
Wellness points earned annually	11,321	37,574	61,776	109,895	157,666	177,121
Earned wellness day off	54	154	215	331	466	515
I Win, along with other cost containment initiative implemented by Irving, helped reduce City's retiree health insurance liability from a high of $52.33 million in 2007	$52.33M At the end of 2007	$25.38M At the end of 2009	26.51M	n/a	$10.04M	n/a
Average Risk Factors measured by the biometrics test per employee tested	3.87	3.28	n/a	n/a	1.96	1.819

Figure 18

Source: GFOA (2014)

Further clarification is also needed on how the Wellness Partner role is envisioned to work with other B&W functions, especially in the design and implementation of the wellness program's incentive structure. For example, Mendocino County's wellness program offers a $500 health premium reduction to all employees who participate in their wellness program by using a points-system weighed against specific wellness activities, which was recognized for an innovation award by the National Association of Counties (NACo). Implementing a similar incentive structure will require the Wellness Partner to work with the B&W function on tracking program participants to appropriately reduce their premiums, and potentially shift a higher percentage of health plan costs to employees who do not participate in the program.

Anticipated impact
Establishing outcome based performance metrics at the program level and outlining the responsibilities of the Wellness Partner will help connect HR divisions and efforts leading to sharing of leading practices within the department, cost reductions, retention, and more appropriate utilization of the Wellness Partner.

Organizational and Talent Development

9.1	Develop a strategy and service delivery model for O&TD

Observation and analysis

O&TD, formerly Employees University, has recently attempted to rebrand themselves, redesign curriculum, and provide a better service to their customers, the departments of the County. Most of these changes have occurred since the appointment of the new HR director, and are a positive reflection of efforts to realign to Renew '22 and a want to become a strategic business partner to customer departments.

However, there is a lack of direction, consistency, participation, and data tracking by the division overall as highlighted below:

— Although O&TD strives to be a best-in-class employee learning center, we found no cohesive strategy that is tied into the demonstrated needs of the customer departments.

— Consistency is also a concern of the division in things such as the naming of courses (see figure below) and the content of the curriculum. Although O&TD has strived to align course names for 2019, the below figure is an example of the number of name variants among the courses. There were 16 variations of naming for Excel courses, 9 different names for leadership courses, and 6 different names for civil treatment.

Learning Areas with Large Class Counts
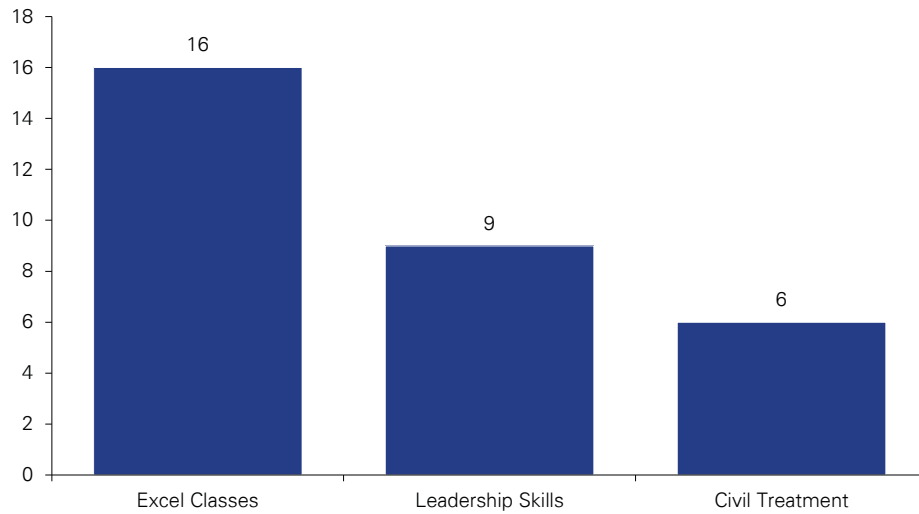
Source: KPMG LLP (2019) analysis of County OTD Calendar Year 2018/2019 class attendance data.

— Every time an employee attends a class at O&TD, the department that employee is a part of is charged. At the end of every year, the total cost to run O&TD is evenly distributed among the attendees, meaning the fewer people go year over year the more expensive sending an employee becomes. This seems to be a contributing factor to the declining utilization.

— Currently, O&TD is projected to have attendance at 78 percent of what it was in 2018.

Attendence by Month
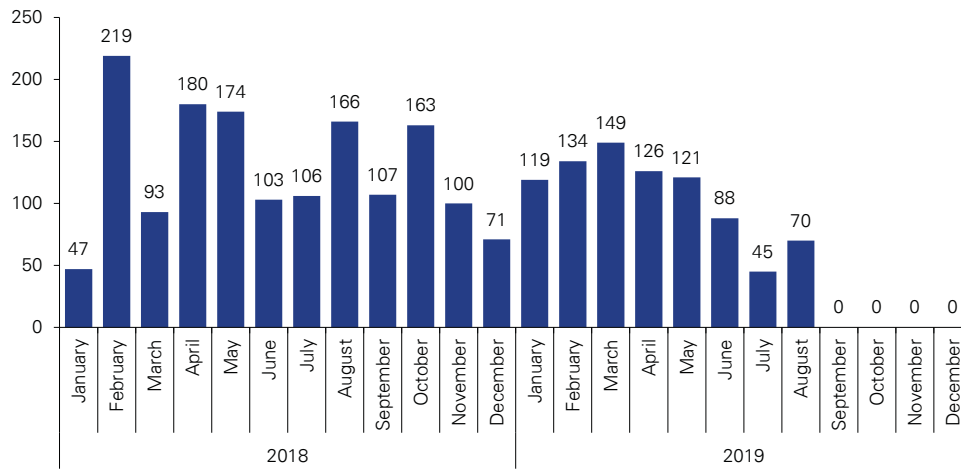
Source: KPMG LLP (2019) analysis of County O&TD Calendar Year 2018/2019 class attendance data..

— Although there is an attempt at data tracking, the data does not seem to be produced in an automated way, indicating a need for a learning management system or, at the very least, a data repository or database.

There appears to be a decision point for the County to determine the future vision for O&TD given the declining participation and feedback from the HR customer survey in which only 11 percent of respondents feel the division always meets their expectations. With a new director in place, and Renew '22 looking to improve the resiliency of the County and best position it for the future, this is a natural time to make fundamental changes to how the division is structured. Below are areas to focus on when determining the future of the organization:

Learning Strategy and Value:

— Understanding the needs of the workforce and their leadership

— What measures and metrics will be used to evaluate and guide success?

Learning Delivery:

— How best to use learner preference to improve delivery?

— What learning techniques compliment the style of the workforce and meet people at their point of need?

Learning Technology:

— What opportunities are currently present for establishing a learning management system, and improve learning accessibility?

— How can employees be enable to develop and share content?

Learning Service Offerings:

— Are the learning offerings adequately engaging employees across multiple levels and geographies?

— How can the service offering be diversified to include talent development, technical, functional, and regulatory offerings?

— How can service and learning offerings be developed in time to meet the need of the business?

Operating Model Determination: Based on the answers to the questions outlined above, the appropriate service delivery model should be determined:

— The future of the operating model of O&TD, the strengths and challenges of those choices, and the steps needing to be taken to support that decision. The selected model will also have an impact on the staffing levels required for O&TD, and must be addressed strategically as well.

— There are a number of options that can be considered when defining the optimal service delivery model; however, the most important aspect of the O&TD recommendations is to view, and execute, them iteratively. Critical to the success of this organization and, ultimately, County employees, is to recognize that the long-term success of this organization is a strong foundation. Making a choice on the organizational structure should be the main focus of the HR leadership when implementing these recommendations, and once that choice is made, each

recommendation below should be taken iteratively as well. There is a desire by department leadership to focus on identifying and developing the next cohort of leaders in the County, but it is recommended as the last step in the transformation of O&TD.

Designing the OTD Operating Model

Effective transformation in OTD rests on identifying the optimal level of centralization of learning activities across the enterprise, based on unique business needs

OUTSOURCED
Engaging with external orgs. To offer learning services based on needs of the County

External Partner A

External Partner A

External Partner A

STRENGTHS

- Leverage available technology without the capital investments and maintenance
- Mitigates risk and reduces staff costs

CHALLENGES

- Fully outsourced will make customizing learning to detailed County needs difficult

FEDERATED
Learning solutions shared between central OTD team and local learning teams

Central Learning Team

Shared Services / IT

External Partner   External Partner

STRENGTHS

- Allows for outsourcing of standard courses, but keep customized courses within the County
- Potential to utilize outsourced company's technology with minimal capex

CHALLENGES

- High level of coordination required between central learning resources and external partner
- Bureaucratic process to determine what learning is performed by central team vs. external partner

CENTRALIZED
Central OTD team that manages, develops, and/or procures all learning solutions

Central Learning Team   CEO/Department Leadership

Technology

Administration   OTD Business Partners

Design and Development

STRENGTHS

- Manage OTD budget and end-to-end learning processes through a central organization
- Quickly adapt enterprise programming, curricula and budget in the face of changing business or talent objectives

CHALLENGES

- Potential to revert into the current situation
- Tendency for ad hoc programs to be developed and/or procured by the business

Source: KPMG LLP (2019)

— In the Outsourced model, all learning functions are moved to an external partner, who will be in charge of all aspects of employee courses. Although this method would be the most cost effective, as well as the quickest to stand up, it is also the most rigid when it comes to catering courses to specific County needs.

— The Federated model embraces external partnerships for the most common courses (e.g., Excel, Word, sexual harassment, etc.), while ensuring the courses that are County created or customized to be taught by O&TD (e.g., civil training for leaders, classes on employee benefits, etc.). An exercise that would need to be taken on in this model would be the process to determine which courses are taught internally versus externally, as well as the level of coordination between O&TD and the external partners.

— The Centralized model is one that relies exclusively on O&TD to craft and deliver all curriculum expectations of County employees. This model will be a continuation, albeit under an improved model, of the current structure O&TD is operating under. The natural strength to this model is the full customization of courses to the needs of the County; however, this model has the highest potential to suffer from low attendance and high expense.
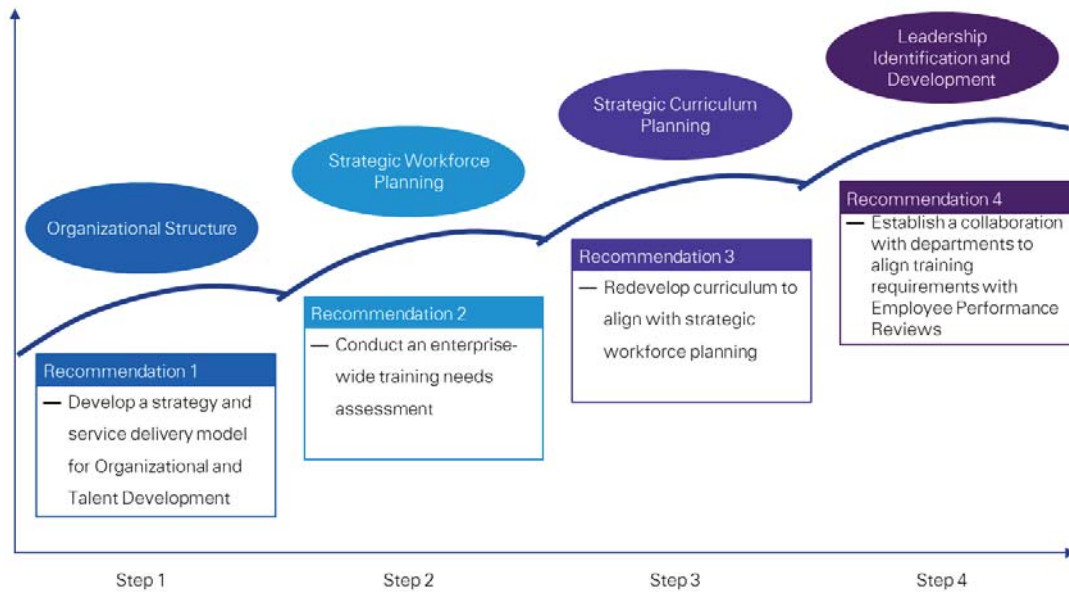
Source: KPMG LLP (2019)

Anticipated impact

Developing a cohesive O&TD division strategy and operating model that effectively considers departmental development needs while leveraging industry leading practices will ensure that O&TD acts as a valuable strategic asset for all County departments. Creating a successful O&TD division will drive value within departments and ultimately improve service to residents by creating a workforce with skillsets that match service delivery requirements.

Observation and analysis

There is currently no structure or process in place to understand the training needs of the County and the departments. Although there is a conversation between departments and O&TD about curriculum, it takes place without having knowledge of the skills of the current workforce or future workforce needs. Without understanding the possessed and needed skills of the employees in the County, the curriculum cannot be created and scheduled in a way that maximizes the impact of classes. Separately, by not tracking the skills of employees, when a unique or complicated need arises, the County would not be able to call upon the employees who possess those skill sets.

Collaborate with departments to understand skills needs and gaps. The first step to facilitating this process is to establish a list of needed and lacking skills among the workforce, as perceived by the departments. This could be done through a survey, in collaboration with E&WP, in which the departments are asked what they need for the future, and what they are currently lacking.

Source: KPMG LLP (2019)

Coordinate with E&WP to identify retirement-eligible employees and the skills that would be lost if they left and the positions that are difficult to fill, and develop a recruitment and training plan that compliments the goals of the departments, the current and future skills needs, and where the most critical gaps are.

These skills should be tracked, at the least, in Excel format, but ideally in a learning management system. Imperative to this process is to update the skills list of each employee as they complete trainings and receive certifications.

Anticipated impact

Understanding the current skills gap throughout County departments, in collaboration with other programs as described above, will provide a foundation for the O&TD division to develop relevant and targeted curriculum.

9.3	Redevelop curriculum to align with strategic workforce planning

Observation and analysis

During interviews, HR staff indicated the currently offered trainings did not meet the current or future needs of the organization. With the curriculum being developed and set once a year (December), there is little to no resiliency in the curriculum with the changing needs of the workforce. Half (50 percent) of survey respondents listed that O&TD will only sometimes or seldom support the development of their line staff.

However, O&TD should be commended for establishing a plan to training roughly 25 County employees on the PEAK academy model with the goal of starting a training program for all County employees, in addition the division has established a Leadership Development framework to provide focused trainings and support the development of employees at all levels of the County.

Establish a cadenced, strategic, quarterly meeting between O&TD and its customers to gain feedback, insights, and understand the changing needs of the departments. This meeting should be cohosted with other divisions of HR to ensure that observed challenges in departments can be considered, e.g., Employee Relations discussing insights from their investigations; E&WP discussing observations on the skills, or lack thereof, of new hires.

After each of these meetings, O&TD must reassess which courses taught, internally and externally, are still relevant, irrelevant, or become a priority. With that reassessment, it is incumbent on O&TD to make changes to the curriculum to best serve their departmental customers and the employees.

Anticipated impact

Establishing a cadenced curriculum review meeting, in addition to implementing the points outlined in O&TD Recommendation 9.2, will allow the division to maintain a relevant course curriculum by incorporating input from other HR programs and County departments.

| **9.4** | Redesign the Employee Performance Review process to support employee development |

Observation and analysis

During the interview process feedback was received that the current County process for conducting Employee Performance Reviews (EPR) does not assist the County in managing employees and in some instances viewed as a 'check box' exercise.

Given current issues the County is facing regarding recruitment of talent and succession planning the EPR process could provide a valuable resource of information and a mechanism to support all aspects of Human Resources, including: training, recruitment, and workforce planning.

The EPR process should not occur once a year but should be a quarterly process, with clearly defined criteria for performance measurement that is communicated and transparent for employees. Employees should meet with their line managers to discuss their quarterly performance, set clear goals and expectations for future performance, and understand their development pathway within the County. This information should be recorded and reported to Department leadership so they can monitor overall Department performance and discuss it with their ACEO as necessary.

The EPR documentation should also be shared with HR to assist with the identification of high performing individuals, those the County may wish to invest in further with leadership trainings and coaching, those who may be at risk of leaving so that succession planning can occur, and those that may require further development opportunities. This process should be approached from the lens of HR being a strategic partner with departments by helping the departments take proactive steps in further developing their workforce in a meaningful way, and tying that development to EPRs. The successful implementation of this recommendation will rely heavily on the steps taken to establish a cohesive data tracking system for Human Resources.

Anticipated impact

Redesigning the Employee Performance Review process will help the County by identifying high performers, making leadership paths more transparent and equitable for employees, and providing development opportunities for employees based on performance recommendations.

Employee Relations

10.1	Establish a baseline set of data points for tracking coaching and investigations to identify trends, needs, and risks

Observation and analysis

Although formal employee investigations are tracked in an Excel spreadsheet, there are gaps and inconsistencies in the investigations data that can be improved. The current data recording process does not allow for trend identification or an understanding of emerging areas of risk, it is recommended that additional criteria is included in the current tracking system to include department division, detailed description, investigation type, action taken and resolution. In addition, there is a concern that the informal employee coaching provided is not tracked in any form.

Employee coaching was described as the Employee Relations division acting as an intermediary between two employees in which there is not an official violation of policy. The example given was if a manager feels that an employee is being insubordinate, the Employee Relations group would help to facilitate a conversation that might help resolve the issue.

Providing coaching is a leading practice when addressing complaints and concerns before they turn into a formal investigation with the potential of official action. However, performing that coaching without tracking any data creates a risk that can be mitigated easily.

In collaboration with the A&OP division pursuant to Enterprise Enablement Recommendation 5, and A&OP Recommendation 6.3, Employee Relations should identify a software system, or a standardized way to track data, that could be used to safely, and centrally, store the coaching data. While not all forms of coaching may need to be tracked, a threshold based on the nature of the discussion or severity of action should be established to determine when the coaching should be formally recorded for risk mitigation purposes.

The following fields should be used to help track that data:

— Employee ID

— Employee name

— Date of complaint

— Nature of complaint

— Person who made the complaint

— Coaching activity performed

— Outcome of coaching.

In a scenario in which a software system is completely unavailable for use by Employee Relations, there should be at a minimum an Excel spreadsheet, not dissimilar from the set up for formal investigations, used to track this data in the interim until a formal system is established.

Anticipated impact

Creating a process and IT system for informal coaching processes will mitigate employee relation risk and provide a comprehensive dataset for monitoring subsequent corrective efforts.

10.2	Develop performance metrics to assess and track overall health of the County

Observation and analysis

The nature of the work Employee Relations performs makes them a strategic partner in many of the workforce planning activities HR is tasked with. Whether it is recognizing patterns of disciplinary action and making recommendations to the O&TD team, or working with the compensation team to document grievances filed around pay or promotion, Employee Relations generates data that can help drive policy and decision making.

Employee Relations should develop a series of key performance indicators (KPIs) for their division that not only track their work, but also give an assessment of the health of the organization as a whole. Reporting can be broken out by department, division, and specific employee, but ultimately should be developed in a way that assists County and department leadership in understanding employee relations in the County, track trends and identify emerging areas of risk. Some suggested metrics are:

— Turnover percentage of low-performing managers and employees within one year of receiving the low rating, to include voluntary and involuntary turnover

— Percentage of low-performing employees who are on a performance management program or have had some sort of corrective action

— Percentage of employees who are in any performance management programs who have measurably improved within one year

— Manager satisfaction with the impact of HR's employee relations efforts on their team's productivity (annual survey, or specifically designed to the manager of a person who has gone through coaching or an investigation)

— Percentage of employees who report that they rate their manager as unsatisfactory (could be through investigations, coaching sessions, or added on to the annual survey). This is a qualitative data point that should be used to understand patterns around employee morale.

Critical to the success of this recommendation is the quality and structure of the data that feeds these KPIs, as addressed in Recommendation 10.1.

Anticipated impact

Establishing and monitoring KPIs for Employee Relations performance across the county will help them act as a strategic adviser to other HR divisions and County departments to drive nuanced decision making.

10.3	Establish a framework to engage departments to drive proactive and remedial outcomes

Observation and analysis

Taking the metrics established in the previous recommendations, Employee Relations should help drive positive outcomes with departments based on their strategic positioning and knowledge regarding employees who have come to their attention.

Employee Relations should establish a series of cadenced internal and external meetings that are intended to inform departmental and divisional clients on their findings of employees, trends, and what actions were taken.

Internal meetings would be a collaboration with all divisions of HR in which Employee Relations would share their insights from the previous quarter to help drive a conversation about improvements or changes that might need to be made within the department or to departmental processes:

— O&TD using coaching and investigations data to drive the creation and prioritization of curriculum

— The newly established Wellness Partner developing programming that is connected to improving mental and physical outcomes of employees

— The new diversity and inclusion role partnering with E&WP to ensure standards of fairness are met during candidate screening and selection, and O&TD to develop employee curriculum around the importance of embracing diversity and being inclusive.

External meetings would be a monthly meeting with departmental stakeholders and Risk Management to discuss the individual departments' employees that have been engaged with Employee Relations. These meetings would be used not only to help inform the departments of any insights Employee Relations might have observed while engaging, but also to inform of any risks to allow for proactive mitigation.

Equally important is to focus on ensuring that all departmental stakeholders are consulted and brought to the table during labor negotiations. During the interview phases of other department engagements, KPMG was made aware that department leadership was neither engaged, nor

made aware, that labor negotiations were being hosted by Employee Relations, which has a direct impact on the budget and employees of the departments.

Anticipated impact

Establishing a set of cadenced internal and external meetings will ensure that insights generated by the Employee Relations division, as outlined in Recommendations 6.1 and 6.2, are effectively leveraged and disseminated throughout the County.

Division Implementation Tear Sheets

The implementation roadmap is accompanied by a detailed "tear sheet" for each enterprise enablement recommendation (starting on pg. 10), and for one recommendation in each division (below) outlined in the roadmap. Each tear sheet provides an explanation of the activities, resources required, impact, level of effort, and other considerations. With careful assessment of these factors and the organization's current capabilities, the sequence of recommendations reflects the appropriate course action that the County should take in implementing the recommendations.

Administration and Operations

Key Activities

A&OP has an unique opportunity to re-establish their role in the HR department as a support division by focusing on data analysis, report generation, and assisting the divisions in a way that allows them to be the experts in their functions.

Key Activities:

— **Establish a mission, vision, and objectives** that drive the function of this division and establish accountability. This mission and vision establishment should not be exclusively done internally, but as a collaborative exercise with the other divisions of HR. The collaboration should focus on how A&OP can support the mission, vision, and goals of each division within the purview of A&OP's mission and vision. The outcome of those meetings should be a set of action items in which the priorities are set by the HR director.

— **Collaborate to develop data set, performance indicators, and performance reports.** Although the relationship will need to be collaborative, the A&OP team will also need to be the group that helps the director hold the divisions accountable to performance standards. A&OP will need to work with the divisions to understand the data systems they use in their day-to-day functions, the data sets that are produced, and develop of set of performance, and key performance, indicators that fairly represent the work load of each division.

— **Establish cadenced reporting to division managers and the director.** Once performance measures have been established, it will be incumbent on A&OP, and the division manager, to determine the appropriate cadence for reporting that will best describe the workflow and outputs.

Resources	Deliverables
— HR director, A&OP division manager, HR divisions	— Mission and vision documentation — Performance reports and metrics

Level of Impact	Level of Effort	Duration
High	High	6–9 months

Employment & Workforce Planning

Key Activities

Investing in workforce and performance data and analytics will help E&WP contribute as a business partner to the County, and improve their own service and division-level performance.

Key Activities:

— **Establish a series of data analyses** conducted by E&WP planning that provide insights into current departmental demand for FTEs and skills needed, and juxtapose that data against current budgetary allocation to determine a gap in need and resources. It will be important to note during this analysis if there is a temporal nature to the skill requirements, e.g., parks needing grass mowed more often during hotter months versus cooler, causing a spike in temporary hiring.

— **Develop reports and dashboards** to provide insights into workforce that move beyond KPIs and simple reporting. These reports should show quantitative and qualitative data. It should be responsible for delivering insightful management information, key workforce indicators, and analysis that support management teams to make strategic and informed decisions. Qualitative data points could be perceived departmental skills needs, exit interview information, employee sentiment, and leadership sentiment. Providing coaching is a leading practice when addressing complaints and concerns before they turn into a formal investigation with the potential of official action. However, performing that coaching without tracking any data creates a risk that needs to be mitigated.

Resources	Deliverables
— E&WP managers — Director of HR — External consulting support	— Current state analysis of skills needs, FTE allocations, and budget — Reporting structures and dashboards

Level of Impact	Level of Effort	Duration
High	High	9–12 months

Benefits & Wellness

Key Activities

By having County HR lead the role of developing, maintaining, and managing countywide B&W policies and procedures, the rest of the County will benefit from consistent delivery of B&W services.

Key activities:

— **Conduct an assessment of all policies and procedures** under the purview of the division, and analyze the variation in guidelines and outcomes of those policies and procedures. This assessment should also include an analysis as to whether or not these policies and procedures are codified in law, are adopted policies by the Board of Supervisors, or just a practice historically performed in this manner.

— **Develop a prioritization matrix of which unstandardized policies provide the highest risk.** That risk can be monetary, legal, or policy, and should be determined in collaboration with the HR director and CEO leadership.

— **Create a cadenced action list with department stakeholders** that will address which policies and procedures need to be standardized first. Host meetings between these departmental stakeholders to answer any questions and receive any feedback.

— **Clearly demonstrate the new standardized procedures** by creating documentation of the procedures and policies that are available online and given to the departments during the stakeholder meetings.

Resources	Deliverables
— HR Director, B&W division manager — CEO leadership — Departmental stakeholders	— List of processes and procedures with prioritization and risk associated — Cadenced plan for addressing the variation among policies and procedures

Level of Impact	Level of Effort	Duration
High	High	6–12 months

Organizational & Talent Development
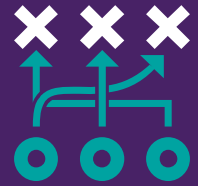
Key Activities

O&TD will need to make a determination, with County leadership, as to how they should structure their operating model to best serve the employees of the County.

Key Activities:

— **O&TD will need to collaborate with department and County leadership to determine the best model for the future of O&TD.** KPMG recommends adopting the Federated model, which will allow for customization and delivery of County-unique courses by the division, and the outsourcing of more common curricula to strategic education partners.

— **The rollout of this new model should be designed with a minimally viable product (MVP) in mind.** There should be a finite amount of courses set ahead of time for launch, and then it should be built on iteratively. Embracing the subsequent O&TD recommendations will include understanding skills gaps and future needs of the current workforce, but those identified needs should not get in the way of launching the first iteration of this new operating model. A key component of the MVP launch must be focused on service delivery through online learning. Irrespective of what model is chosen by the County, there must be a push to provide online learning opportunities for employees.

Resources	Deliverables
— HR director, O&TD division manager, CEO leadership	— New operating model — Redeveloped curriculum — Strategic partnerships with external educators

Level of Impact	Level of Effort	Duration
High	Medium	12–18 months

Employee Relations

Key Activities

Establishing a standardized process of tracking data related to coaching and investigations will facilitate monitoring of subsequent corrective efforts.

Key Activities:

— **Establish a consistent structure to track coaching.** It is important to recognize that employee coaching is not a formal investigation into the employee, but it is still worthy of tracking a basic set of information for the purposes of understanding historical engagements with the employee and to glean insights into the employee pool as a whole. Suggested metrics are employee ID, employee name, date of complaint, nature of complaint, person who made the complaint, coaching activity performed, and outcome of coaching.

— **Develop a documentation process that will provide consistency and security of data.** In collaboration with the A&OP division pursuant to Enterprise Enablement Recommendation 5.0, and A&OP Recommendation 3.1, Employee Relations should identify a software system, or a standardized way to track data, that could be used to safely, and centrally, store the coaching data. In the absence of an HR software available for use, this data should be tracked in an Excel spreadsheet.

Resources	Deliverables
— HR director — Employee Relations manager	— Data points set for coaching tracking — Method for tracking coaching

Level of Impact	Level of Effort	Duration
High	Low	1–3 months

Appendix A: Benchmark comparisons

Benchmark comparisons were conducted with the recommended eight benchmark counties. It should be noted that not all counties have the same organizational structure and therefore cannot be compared on a like-for-like basis. The matrix below outlines the organizational alignment of the HR department within the benchmark Counties.

	Santa Barbara County	Sonoma County	Tulare County	Solano County	Monterey County	Placer County	San Luis Obispo County	Santa Cruz County	Marin County
Administration and Operations	■	■		■			■		■
Employment and Workforce Planning	■	■	■	■	■	■	■	■	■
Benefits and Wellness	■	■	■	■	■	■	■	■	■
Organization and Talent Development	■	■	■	■	■	■	■	■	■
Employee Relations/EEO	■	■	■	■	■	■	■	■	■
Disability Advocacy/ADA Compliance		■							
Risk Management							■	■	

The County HR department has an analogous organizational structure to all recommended counties, in some instances the data can be difficult to compare as the organizational structure may not denote a division while the budget breakdown does, this is particularly true with A&OP. Additionally, the organizational structures compared above do not necessarily translate to budget disclosures and thus the following benchmark tables are based on available financial budget and FTE data.

Budgets in $'000	Santa Barbara County	Average	SLO County	Solano County	Sonoma County
Actual 2017					
Administration & Operations Budget	$1,688	$2,452	$2,113	$1,208	$4,035
Percent of Enterprise	0.2%	0.31%	0.3%	0.3%	0.4%
Administration & Operations FTE	6	17	15	19	-
Percent of Enterprise	0.1%	0.7%	0.5%	0.9%	0.0%
Actual 2018					
Administration & Operations Budget	$1,921	$2,671	$2,086	$1,359	$4,568
Percent of Enterprise	0.2%	0.3%	0.2%	0.3%	0.4%
Administration & Operations FTE	6	20	15	20	24
Percent of Enterprise	0.1%	0.7%	0.5%	1.0%	0.8%
Adopted 2019					
Administration & Operations Budget	$1,614	$2,306	$1,997	$1,316	$3,604
Percent of Enterprise	0.1%	0.3%	0.2%	0.2%	0.4%
Administration & Operations FTE	7	19	14	20	24
Percent of Enterprise	0.2%	0.7%	0.5%	0.9%	0.8%

The A&OP division operates with the second smallest budget and smallest FTE count across comparable counties. As a percent of enterprise, the budget is within 0.2 percent of average. However, both the FTE count and percent of enterprise are significantly below the average of comparable counties in all fiscal years. Comparison Counties represented above are determined based on publicly available division level budget and staffing data. Marin County, while noted as having a similar organizational structure, does not disclose A&OP budget and FTE data in their County budget.

Budgets in $'000		Santa Barbara County	Average	Monterey County	Placer County	SLO County	Sonoma County
Actual 2017	Employee Relations Budget	$1,176	$635	$467	$548	$889	-
	Percent of Enterprise	0.1%	0.1%	0.0%	0.1%	0.2%	-
	Employee Relations FTE	5	3.3	3.0	-	3.6	-
	Percent of Enterprise	0.1%	0.1%	0.1%	-	0.1%	-
Actual 2018	Employee Relations Budget	$797	$984	$694	$643	$995	$1,604
	Percent of Enterprise	0.1%	0.1%	0.0%	0.1%	0.2%	0.1%
	Employee Relations FTE	5	6.4	3.0	-	4.1	12.0
	Percent of Enterprise	0.1%	0.2%	0.1%	-	0.1%	0.3%
Adopted 2019	Employee Relations Budget	$982	$935	$688	$529	$924	$1,599
	Percent of Enterprise	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%
	Employee Relations FTE	5	5.8	2.0	-	3.3	12.0
	Percent of Enterprise	0.1%	0.2%	0.0%	-	0.1%	0.3%

The Employee Relations division operates with the second-highest number of FTE and budget across comparable counties only behind Sonoma County. The County's Employee Relations division operates within 0.1 percent of average to comparable County percent of enterprise for both FTE and budget. Comparison Counties represented above are determined based on publicly available division level budget and staffing data.

Union Representation

Santa Barbara	Average	Marin County	Monterey County	Placer County	San Luis Obispo County	Santa Cruz County	Solano County	Sonoma County	Tulare County
10	10	14	10	2	9	10	14	12	8

The above table outlines the count of unions represented by HR functions on behalf of County employees across the comparison County cohort. Santa Barbara County represents 10 unique unions which is on par with average representation.

	Budgets in $'000	Santa Barbara County	Average	Monterey County	Placer County	SLO County	Sonoma County
Actual 2017	**Benefits & Wellness Budget**	$407	$3,127	$673	$8,362	$346	-
	Percent of Enterprise	0.0%	0.4%	0.1%	1.0%	0.1%	-
	Benefits & Wellness FTE	2	10	7	23	1	-
	Percent of Enterprise	0.0%	0.3%	0.1%	0.8%	0.0%	-
Actual 2018	**Benefits & Wellness Budget**	$497	$7,322	$745	$7,949	$326	$20,266
	Percent of Enterprise	0.0%	0.6%	0.0%	0.9%	0.1%	1.3%
	Benefits & Wellness FTE	3	10	6	23	1	8
	Percent of Enterprise	0.1%	0.3%	0.1%	0.8%	0.0%	0.2%
Adopted 2019	**Benefits & Wellness Budget**	$630	$6,430	$781	$7,032	$350	$17,558
	Percent of Enterprise	0.1%	0.5%	0.1%	0.7%	0.1%	1.1%
	Benefits & Wellness FTE	3	9	5	21	1	8
	Percent of Enterprise	0.1%	0.3%	0.1%	0.7%	0.0%	0.2%

The County B&W division operates with the second-lowest amount of employees and budget with only SLO County having less resources and budgetary funding among comparable Counties. Comparison Counties represented above are determined based on publicily available division level budget and staffing data. Placer and Sonoma County Benefits and Wellness programs include costs associated with insurance administration. Insurance administration is not overseen by the Santa Barbara county B&W division and the difference drives the variance in budget and FTE count between these Counties.

	Budgets in $'000	Santa Barbara County	Average	Monterey County	Placer County	Santa Cruz County	Solano County	Sonoma County
Actual 2017	*Employement & Workforce Planning Budget*	$967	$1,278	$1,438	$1,200	-	$1,575	-
	Percent of Enterprise	0.1%	0.2%	0.3%	0.1%	-	0.3%	-
	Employement & Workforce Planning FTE	6	20	12	28	-	-	-
	Percent of Enterprise	0.1%	0.5%	0.5%	0.5%	-	-	-
Actual 2018	*Employement & Workforce Planning Budget*	$958	$1,931	$1,763	-	$2,854	$1,771	$2,032
	Percent of Enterprise	0.1%	0.3%	0.3%	-	0.5%	0.4%	0.2%
	Employement & Workforce Planning FTE	5	14	12	28	5	-	12
	Percent of Enterprise	0.1%	0.4%	0.5%	0.5%	0.2%	-	0.4%
Adopted 2019	*Employement & Workforce Planning Budget*	$1,672	$2,235	$1,769	$2,292	$3,395	$1,715	$2,004
	Percent of Enterprise	0.1%	0.3%	0.3%	0.2%	0.5%	0.3%	0.2%
	Employement & Workforce Planning FTE	10	11	12	14	5	-	12
	Percent of Enterprise	0.2%	0.3%	0.3%	0.3%	0.2%	-	0.4%

The County E&WP division budget is lower than any comparable county budget. The 10 FTEs in the division constitute the smallest team among comparable counties ahead of only Santa Cruz. Comparison Counties represented above are determined based on publicly available division level budget and staffing data.

Budgets in $'000		Santa Barbara County	Average	Monterey County	Placer County	SLO County	Solano County	Sonoma County
Actual 2017	**Organizational Development Budget**	$736	$688	$663	-	$239	$572	$1,277
	Percent of Enterprise	0.1%	0.1%	0.1%	-	0.0%	0.1%	0.1%
	Organizational Development FTE	3	3	5	-	2	2	-
	Percent of Enterprise	0.1%	0.1%	0.2%	-	0.1%	0.1%	-
Actual 2018	**Organizational Development Budget**	$519	$474	$60	$732	$362	$643	$573
	Percent of Enterprise	0.0%	0.1%	-	-	-	0.1%	0.1%
	Organizational Development FTE	2	6	6	14	3	3	3
	Percent of Enterprise	0.0%	0.2%	0.3%	0.3%	0.1%	0.1%	0.1%
Adopted 2019	**Organizational Development Budget**	$723	$474	$60	$732	$362	$643	$573
	Percent of Enterprise	0.1%	0.1%	-	-	-	0.1%	0.1%
	Organizational Development FTE	4	6	6	14	3	3	3
	Percent of Enterprise	0.1%	0.2%	0.3%	0.3%	0.1%	0.1%	0.1%

The County Organizational Development program budget as a percent of enterprise is within 0.1 percent of the average of comparable counties while the division FTE count is lower than the average of comparable counties. Comparison Counties represented above are determined based on publicily available division level budget and staffing data. Monterey County suspended their OTD division in FY 2018-2019 due to budget constraints.

Appendix B: Customer survey analysis

The below graphics present a summary of findings from the HR Customer Survey. The purpose of the survey was to solicit feedback from all HR customers regarding the level of service and guidance they receive from the HR department.

Employee Benefits

What are the top three services/offerings you need from Employee Benefits to help your department be successful?

Out of 74 people surveyed, 24 responded to this question

Better onboarding of staff and clear orientation for new staff to explain the benefits

Better communication and collaboration with Departments on what benefit/wellness they offer

Better website and systems to access benefits and more education on rules and policies

HR customers surveyed identified better onboarding, communication, and technology as the three core improvements necessary for the Employee Benefits division to support their department.

Employment & Workforce Planning

To what extent do you think Workforce Planning provides timeliness of services?

Sometimes — 39%
Seldom — 20%
Often — 15%
N/A — 15%
Always — 7%
Never — 4%
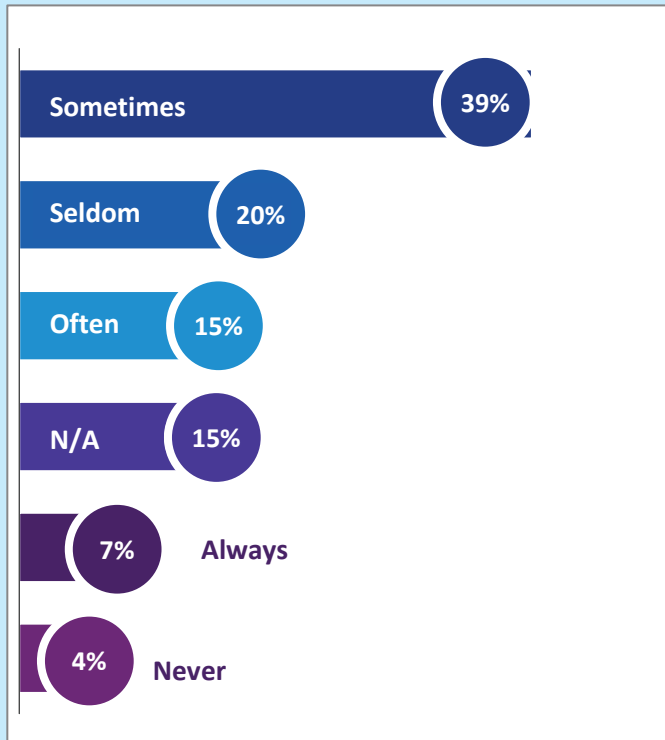
63 percent of survey respondents responded that the EW&P division only sometimes, seldom, or never provides timely service to their departments. This finding supports the need to implement a performance management system as outlined in reccomendation 7.3.

Organizational & Talent Development

What are the top four services/offerings you need from O&TD to help your department be successful?

Training that focuses on Supervision, Leadership Management, and Personal Development

01

Diverse courses that are less generic and more practical

02

Countywide learning management system (LMS)

03

"Just in time" training, when needed and a continuous learning plan for all employees

04
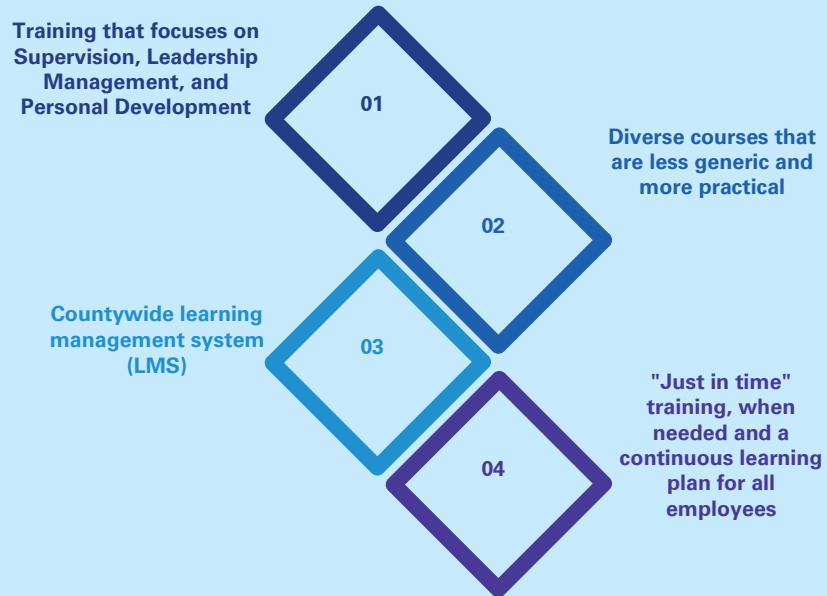
HR customers surveyed identified focused managerial training, practical course development, countywide learning management systems, and a continuous learning plan as the four main points of improvement that would enable the customer's department.

Employee Relations

What are the top four services/offerings you need from Employee Relations to help your department be successful?

01 — More **transparency** on civil services process and **training** to help employees grow in their personal career development

02 — Regular updates from HR and clearer guidelines on employee discipline

Only **30%** of employees responded

03 — **Negotiating** with labor groups and providing guidance on what is meet and confer and what falls into management rights

04 — A more clear and consistent process for **investigations** into employee conduct

HR customers surveyed identified transparency in civil service processes and training, clear policies and procedures, negotiation support, and employee conduct investigation support as the four core ways that Employee Relations can better support their department.

Appendix C: Mercer study

This section provides excerpts from the 2018 Mercer study.

CUSTOMER PROCESSES – TOP 5

- Both County HR and Departments ranked highly transactional processes among their top 5 most effective processes, with each scoring Payroll Administration, Benefits Administration, and Retirement Administration relatively high

- In comparison to the Departments, County HR gave processes slightly higher effectiveness scores

- The two groups differed greatly when scoring processes in terms of future importance, with only Recruiting appearing in both of their top 5 rankings

	Top 5 Most Effective Processes		Top 5 Future Most Important Processes	
	Customer Processes	**Effectiveness**	**Customer Processes**	**Future Importance**
DEPARTMENT	Payroll Administration	3.01	Recruiting	4.08
	Time & Attendance	3.00	Leadership Development	3.86
	Benefits Administration	2.82	Succession Planning	3.79
	Employee HR Information	2.79	Employee Relations	3.66
	Retirement Administration	2.73	Onboarding	3.62
	Overall Average	**2.43**	**Overall Average**	**3.28**
COUNTY HR	**Customer Processes**	**Effectiveness**	**Customer Processes**	**Future Importance**
	Payroll Administration	3.13	Employee Communication	4.16
	Employee Relations	3.07	Recruiting	3.97
	Benefits Counseling	3.05	HR Technology, Self-Service & Reporting	3.83
	Retirement Administration	3.00	Career Development	3.79
	Benefits Administration	2.90	Employee Engagement	3.51
	Overall Average	**2.64**	**Overall Average**	**3.14**

Appendix D: KPMG Future of HR survey

This section provides highlights of the 2019 KPMG Future of HR survey with comparisons between responses from government participants (n = 43) versus global participants (n = 1,362).

For the HR function, what are the roles you need to invest in the most over the next two to three years?

Business Solutions Architect — Government & Public Sector: 23%, Global: 27%
Data Modeler/Scientist — Government & Public Sector: 44%, Global: 26%
Total Workforce Planner/Workforce Shaper — Government & Public Sector: 58%, Global: 40%
HR Business Partner — Government & Public Sector: 42%, Global: 38%
Technical Requirements Director — Government & Public Sector: 7%, Global: 15%
Delivery Operations Leader — Government & Public Sector: 19%, Global: 21%
Employee Experience Consultant — Government & Public Sector: 44%, Global: 34%
Other — Government & Public Sector: 5%, Global: 2%

■ Government & Public Sector   ■ Global

How proficient is HR's ability to use data and analytics to carry out the following for your organization?

	Very proficient	Proficient	Somewhat proficient	Not at all proficient
Identify root causes of attrition in specific populations (Global)	5%	44%	42%	8%
Identify root causes of attrition in specific populations*	5%	23%	53%	19%
Differentiate the actions and behaviors of high versus average/low-performing employees (Global)	4%	45%	41%	10%
Differentiate the actions and behaviors of high versus average/low-performing employees*	7%	23%	44%	26%
Spot burn-out, disconnection and disengagement (Global)	3%	39%	45%	13%
Spot burn-out, disconnection and disengagement*	0%	23%	49%	28%
Identify the impact of external labor market trends (Global)	4%	50%	35%	11%
Identify the impact of external labor market trends*	12%	30%	37%	21%
Address diversity and inclusion challenges (Global)	6%	48%	36%	10%
Address diversity and inclusion challenges*	12%	51%	23%	14%
Better understand and address team dynamics (Global)	5%	51%	36%	9%
Better understand and address team dynamics*	0%	51%	33%	16%
Understand the effectiveness of HR programs and benefits (Global)	7%	47%	39%	6%
Understand the effectiveness of HR programs and benefits*	9%	35%	37%	19%
Target and recruit the future workforce (Global)	7%	46%	40%	7%
Target and recruit the future workforce*	7%	35%	44%	14%
Detect subtle anomalies in employee behavior to better predict turnover, identify high performers, etc. (Global)	4%	40%	42%	15%
Detect subtle anomalies in employee behavior to better predict turnover, identify high performers, etc.*	0%	30%	42%	28%
Track data about our workforce beyond traditional ways (HR system), for instance through analyzing email, calendar, chat and social media (Global)	3%	38%	33%	26%
Track data about our workforce beyond traditional ways (HR system), for instance through analyzing email, calendar, chat and social media*	2%	28%	23%	47%

Appendix E: E&WP measures and reports

This section provides two tables for common measures and reports related to E&WP.

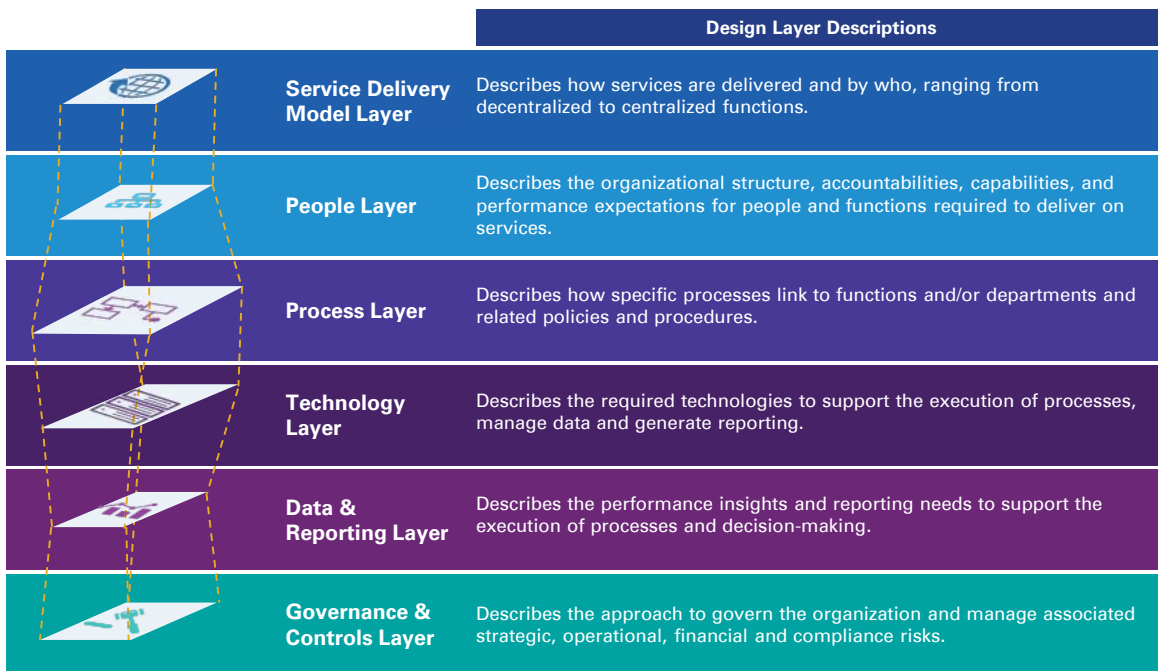| Type	Measure	Calculation	Purpose
Performance Measures	Percentage of senior management/ executive positions filled by internal promotion for the past three years	Percentage of management positions filled by internal promotion versus external recruitment for senior management/executive employees for the past three years	Assess the turnover of senior management/ executive functions
	Percentage of total vacancies filled by internal candidates	Percentage of vacancies at your business entity that are filled by internal candidates	Assess the efficiency of the internal mobility cycle
	Percentage of vacancies filled by internal candidates for senior management/ executives	(Number of senior management/executive employee vacancies filled by internal candidates/Number of vacancies filled by internal candidates)*100	Assess the turnover of senior management/ executive functions
	Percentage of new hire retention after 12 months	(Percentage of middle management/specialist employees who joined in the past 12 months that are still within your business entity + Percentage of operational worker/office staff employees who joined in the past 12 months who are still within your business entity + Percentage of senior management/executive employees who joined in the past 12 months that are still within your business entity)/3	Evaluate the accuracy/ relevance of the hiring as well as the assimilation of the new hire
	Job offer acceptance rate for middle management/ specialists	Job offer acceptance rate for middle management/specialist employees	Job offer acceptance rate per level to refine potential areas of improvement
	Job offer acceptance rate for operational workers/office staff	Job offer acceptance rate for operational worker/office staff employees	Job offer acceptance rate per level to refine potential areas of improvement
	Job offer acceptance rate for senior management/ executives	Job offer acceptance rate for senior management/executive employees	Job offer acceptance rate per level to refine potential areas of improvement

Type	Measure	Calculation	Purpose
	Time to Start	Measures the time required to fill a position in days, with a start date of when a requisition is approved by a business through the target or actual start date of the candidate.	Capture the time between the offer acceptance and the actual day 1—useful to capture the latency
	New versus Replacement Requisition Type	Percent of requisitions or job orders created during a fiscal year for net new growth positions versus the percentage of requisitions created to back-fill an opening.	Productivity metric for recruiters, but also reflects overall business performance
	Source of Application	Source of application and source of hire are becoming more important as recruiting leaders start taking a closer look at their return on investments (ROI)	Measure the percentage of the total number of applications broken down by their original source (career site, job board, referral, etc.)
	Source of Hire	Similar to the previous metric, this information can be used to show source performance as well as an ROI on efforts made in specific sources	Measure the percentage of the total number of hires broken down by their original source (career site, job board, referral, etc.)
	Recruiter Effectiveness	Possible constituent measures: Sourcing to Hire Ratios (depends on complexity or level of job), number of fills per year, and hiring manager/candidate satisfaction rating	Provide with an overall effectiveness score
Service-Level Indicator	New hire satisfaction rate for the recruiting process	Latest captured satisfaction rate of new hires with the recruiting experience	Capture the degree of satisfaction of the new hires
	Cycle time in days from approval of job requisition to acceptance of job offer	Cycle time in days from approval of job requisition to acceptance of job offer	Give the efficiency of approval requisition process
	Cycle time in days from identifying the need to hire a new employee to approval of the job requisition	Cycle time in days from identifying the need to hire a new employee to approval of job requisition	Overall duration of new hire
	Requisition Cancellation Rate	Measures the total number of positions filled in a fiscal year plus any job orders canceled, divided by the total number of canceled requisitions	A high number of cancellations equates to wasted time and inefficiencies
	Submittals to Business	This is the percentage of candidates submitted for consideration versus those accepted by the	SBA information can be used to show the general quality of candidates, the

Type	Measure	Calculation	Purpose
	Acceptance (SBA) Percentage	business or hiring manager to proceed to the next step in the workflow process	quality delivered by individual recruiters/whole recruiting teams, and can also highlight overly particular hiring managers or businesses
	Submittals to Hire Ratio	Shows how well talent acquisition teams are delivering good candidates to hiring managers. It is measured by taking the ratio of candidates submitted to the business or hiring manager for consideration against the number of hires	
	Hiring Manager Satisfaction	Often impacted by the preceding recruiting quality metrics on this list, hiring manager satisfaction is a high-level KPI	Show how well talent acquisition is doing toward business representatives
	Application Drop off Rate	Measured by looking at the number of candidates who start an online job application minus the number who complete it, divided by the number who start. It is also suggested to do this calculation broken down by device: desktop versus mobile versus tablet, and so on	Assess the readiness of the application process
	Time in Workflow Step	Time in workflow step is a measure of recruiting efficiency as well as the strength of your overall hiring process	Measure the time a candidate is in a particular workflow step
	Time from initiation to posting/hire/fill	Average number of days from initiation of recruiting activity to hire/fill date	Capture duration between key talent acquisition milestones

Report	Description
Labor Market versus Forecasted Workforce Demand Gap Summary	Capture eventual gaps between current labor market and forecast future workforce availability
Hiring Process Experience Survey Results Summary	Hiring manager/Candidate feedback
Candidate Assessment Results Summary	Success rate on online assessment questions
Headcount Summary	Track number of contingent workers staffed
Candidate Source Summary	Dashboard reporting for Campus Recruiting statistics
Job Requisitions Pending Approval Details	List of job requisitions pending approval
Job Requisition Aging Summary	Count of job requisitions by aging band with ability to include/exclude "hold" time and slice-and-dice by criticality/difficulty to fill, compensation bands, average time to fill (for same job profile), etc.
Average Cost of Job Posting by Channel Summary	Summarizes the average cost of a job posting based on the channel (job board, etc.)
Closed Requisition Details	Help identify issues in requisition creation process, data entry, etc.
Requisitions Summary	Representation of all requisitions in pipeline (initiated, sourcing, interviewing, offer, closed, etc.)
Application Rates Summary	Capture internal and external agency application rate
Application Rates versus Targets Summary	Monitor defined Recruiting KPIs
Candidate Average Time by Recruiting Stage	Average duration a candidate spent on a requisition in total; can be used to discover bottlenecks or need for follow-ups or requisition clean-up
Job Applications Started but not Completed Summary	Rate of completion of the applications
Interview Results Summary	Report compiling interview results
Candidate Count Summary	Report disposition categories, why was the candidate rejected
Candidate Average Time by Recruiting Stage	Average duration that a candidate spends in each stage of the recruiting process; helps identify bottlenecks or potential areas of concern in the pipeline

Appendix F: Operating model framework

This section describes the operating model framework that was developed to articulate how a function should be designed, structured, and operated to improve operational efficiency, effectiveness, and service delivery. It consists of six interacting layers that need to be considered in conjunction with each other to determine how to optimally deliver services to the County (as depicted in Figure 1 below).

		Design Layer Descriptions
	Service Delivery Model Layer	Describes how services are delivered and by who, ranging from decentralized to centralized functions.
	People Layer	Describes the organizational structure, accountabilities, capabilities, and performance expectations for people and functions required to deliver on services.
	Process Layer	Describes how specific processes link to functions and/or departments and related policies and procedures.
	Technology Layer	Describes the required technologies to support the execution of processes, manage data and generate reporting.
	Data & Reporting Layer	Describes the performance insights and reporting needs to support the execution of processes and decision-making.
	Governance & Controls Layer	Describes the approach to govern the organization and manage associated strategic, operational, financial and compliance risks.

Source: KPMG LLP (2019)

Figure 1

Appendix G: Data tracker

Original name	Area	Area
2019–2025 HR Performance Metrics July22	Budget	Operational/ Organizational
FY2016–2017 HR Acual Exp and Rev	Budget	Financial
FY2016–2017 HR D-Pages	Budget	All
FY2017–2018 HR Actual Exp and Rev	Budget	Financial
FY2017–2018 HR D-Pages	Budget	All
FY2018–2019 HR Actual Exp and Rev	Budget	Financial
FY2018–2019 HR D-Pages	Budget	All
FY2019–2020 HR D-Pages	Budget	All
REVIEW OF HR COVER SHEET	Budget	KPMG Request
2016 HR Compensation Data	Staffing	Organizational/Financial
2017 HR Compensation Data	Staffing	Organizational/Financial
2018 HR Compensation Data	Staffing	Organizational/Financial
HR 5-Year Compensation Data	Staffing	Organizational/Financial
PP201601 Through PP201826 GS HIRES	Staffing	Organizational
PP201601 Through PP201826 LOST TIME REPORT	Staffing	Operational
PP201626 BIWEEKLY STAFFING	Staffing	Operational
PP201726 BIWEEKLY STAFFING	Staffing	Operational
PP201826 BIWEEKLY STAFFING	Staffing	Operational
PP201601 Through PP201826 HR SEPARATIONS	Staffing	Organizational
PP201601 Through PP201826 LOST TIME REPORT	Staffing	Organizational
019 COSB EU Course Schedule 07.24.2019	Staffing	Training
mployee_application_throughput_data	Staffing	Organizational
R_ORGCHART_final	Staffing	Organizational
HRinvolvedStaffRevisedPercentages_SD	Staffing	Organizational
KPMG Cover Letter – Class and Comp	Staffing	KPMG Request

Original name	Area	Area
A Report CY 2016 through 2018	Staffing	
A Report CY 2019 through Current	Staffing	
Position Summary	Staffing	Organizational
Santa Barbara HR Org Chart	Staffing	Organizational
Staffing Reports	Staffing	Organizational
2010–2019 ER Data KPMG	Staffing	Operational
2016–2017 EEO Data KPMG	Staffing	Operational
2018–2019 ER Data KPMG	Staffing	Operational
Leave of Absence Time	Staffing	Operational
Outstanding Premiums	Staffing	Operational/Financial
rptJobClassRatesAndEquivalents_D	Staffing	Operational/Financial
Human Resources – IT – Profile	Systems	Operational
Civil_Attorneys_Association_MOU 2017–2019 Bkmk	Union Items	Organizational
Deputy_District_Attorneys_Association_MOU2016	Union Items	Organizational
Deputy_Sheriffs_Association_MOU 2018–2022 Final	Union Items	Organizational
Engineers_Technicians_Association_MOU 18–21 Clean Copy Final 5-24-18(1)	Union Items	Organizational
FIRE_FIGHTERS_LOCAL 2046 MOU	Union Items	Organizational
Management_classification_salary_plan_RESOLUTION – APPENDIX A	Union Items	Organizational
Management_Resolution Confidential EE	Union Items	Organizational
Probation_Peace_Officers_Association_2018–2022 MOU – Clean Copy	Union Items	Organizational
SEIU_Local 620_MOU 19–21 2018	Union Items	Organizational
SEIU_Local 721_MOU 16–19 Clean Copy	Union Items	Organizational
Sheriffs_Managers_Association_MOU 2018–2022	Union Items	Organizational
Union_American_Physicians_Dentists_2018–2022 MOU Clean Copy	Union Items	Organizational
Attachment A (1)	Union Items	Operational
Civil Service Report 2017–2018	Union Items	Operational
Civil Service Report 2018–2019	Union Items	Operational
Marin County_HR Org Chart	External Reports	Org. Benchmarking

Original name	Area	Area
Monterey County_HR Org Chart	External Reports	Org. Benchmarking
Placer County_HR Org Chart	External Reports	Org. Benchmarking
Santa Cruz County_HR Org Chart	External Reports	Org. Benchmarking
SLO County_HR Org Chart	External Reports	Org. Benchmarking
Solano County_HR Org Chart	External Reports	Org. Benchmarking
Sonoma County_HR Org Chart	External Reports	Org. Benchmarking
20190304 CoSB Operations Scanner Insights Report – Final	External Reports	External Report
List of Department Locations	Other	Organizational
SB County_2019_Enterprise_Benefits	Other	Organizational
HR_Benchmark_v1_SD	Other	Organizational

Appendix H: Meeting tracker

This section provides detail on interviews conducted throughout the HR Departmental Review.

Meeting (Topic)	County Attendee(s)	KPMG Attendee(s)	Date
HR - Director Meeting	Maria Elena de Guevara	Bill Zizic, Caoimhe Thornton, Steven David	7/16/2019
HR Office Tour	Maria Elena de Guevara	Bill Zizic, Steven David	7/17/2019
HR - Admin & Ops	John, Don	Caoimhe Thornton, Steven David	7/18/2019
HR - Special Projects	Carrie Topliffe	Caoimhe Thornton, Steven David	7/23/2019
HR - Budget Analyst	A.J. Quinoveva	Caoimhe Thornton, Steven David	7/23/2019
HR - Employee Relations	Joe Pisano	Stella Cheng, Steven David	7/24/2019
HR - Benefits	Maya Barrazo	Caoimhe Thornton, Steven David	7/24/2019
HR - Employement & Workforce Planning	Torres, Yvonne	Steven David	7/25/2019
HR - Organizational & Talent Development	Mattison, Leonie	Caoimhe Thornton, Steven David	7/25/2019
HR - Admin & Ops Line Staff	Deb Beach, Amanda Blake	Stella Cheng, Steven David	8/13/2019
HR - Employment & Workforce Planning Line Staff	Carolyn Marceda, Erin Jeffery	Stella Cheng, Steven David	8/13/2019
HR - Organizational & Talent Development Line Staff	Lilla Smith, June Liggins	Stella Cheng, Steven David	8/13/2019
HR - Benefits Line Staff	Tina Meier, Michelle Boccali	Stella Cheng, Steven David	8/14/2019
HR - Employee Relations	Robert Clark, Stephanie Langsdorf	Stella Cheng, Steven David	8/14/2019

KPMG

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