PROPOSAL FOR THE
MAJOR REORGANIZATION OF COUNTYWIDE
HUMAN RESOURCE SERVICES

October 30, 2012
I. Introduction

On June 26, 2012, the Board of Supervisors (Board) approved the commencement of planning efforts to recentralize countywide human resource (HR) services and directed the Office of the Performance Audit Director to assist the HR Director in developing a reorganization proposal. This document represents that proposal, which has been developed from three months of research and analysis, including interviews with HR staff from all impacted agencies/departments; coordination with the County Executive Office (CEO); compilation of key workload metrics; and external benchmarking.

In accordance with County Administrative Procedure 0112-04 regarding approval of Major Reorganizations, this document includes: (a) the primary reasons for the reorganization; (b) a cost benefit analysis of the reorganization; (c) current and proposed organization charts; (d) a summary of functions to be added and deleted as a result of the reorganization; and (e) a summary of personnel changes as a result of the proposed reorganization.

II. Background

The human resource function is an essential part of an organization’s infrastructure, supporting every aspect of its operation. Its role (hiring and developing employees, ensuring fair and equitable treatment of employees, and supporting the provision of adequate compensation) is critical to organizational success. The County’s ability to obtain the highest return on investment in its human capital is also of critical importance because salary and employee benefits costs represent a significant portion of the County’s financial resources: $1.8 billion, or 29%, of the County’s total FY 2011/12 $6.2 billion budget.

As noted in the May 2011 Performance Audit of the Human Resources Department (HRD) and in numerous other reports on County human resource activities (e.g., State, Grand Jury, consultants, Internal Audit Department), since the decentralization of HR activities following the 1994 bankruptcy, the provision of HR services throughout the County has been inconsistent and, at times, inefficient. To illustrate, some of the issues identified in the performance audit included:

- Inability of HRD to fulfill its countywide oversight responsibilities and leadership role
- Inconsistent application of County and State HR policies and standards across the County
- Lack of coordinated countywide succession planning efforts
- Varying skillsets of HR staff across the County

Additionally, over the past year, certain breakdowns in human resources administration at the County have reaffirmed the need to implement recentralization sooner rather than later. Centralization will afford greater consistency, improved coordination, and accountability countywide on all HR activities.
Specifically, the goals of recentralization are to:

a) Ensure compliance, standardization, and uniform application of federal, state, and local HR regulations, policies, and procedures to reduce the County’s risk exposure
b) Enable best-in-class agency/department HR programs and services to reach employees across the entire County (e.g., training programs, use of technology)
c) Allow HR staff countywide to work towards the same mission, vision, and strategic goals and ensure countywide collaboration and information sharing on important HR topics
d) Increase oversight and control of HR operations and ensure accountability for violations of County HR policies/procedures, restoring confidence in countywide HR services
e) Allocate HR staff resources based on countywide priorities/needs and achieve the efficient and effective delivery of countywide HR services, including opportunities for cost savings
f) Ensure that County HR professionals are competent, ethical, and experienced, especially at the management and leadership levels

Recent changes within HRD have laid the groundwork for further implementation of performance audit recommendations, including recentralization. These changes include:

- Selection of a new HR Director
- Board approval of the use of outside negotiators for the 2012 contract negotiations with bargaining units
- Enhancements to the handling of Equal Employment Opportunity (EEO) and Harassment complaints
- Hiring of a new Employee Benefits manager
- Enhanced communication to agency/department HR staff regarding policies, procedures, and expectations
- Development of an HR training curriculum for County HR staff

III. Proposed Organizational Structure

Under the current operating model, the County utilizes a hybrid HR system with certain activities centralized (i.e., Employee Benefits, Equal Employee Opportunity Access, and Labor Negotiations) and the remainder decentralized (i.e., Recruitment, Classification/Compensation, Employee Relations, Return to Work, Transaction Processing). Currently, of the County’s 26 agencies/departments, 15 have staff dedicated to HR activities\(^1\), with the remaining agencies/departments fulfilling their HR responsibilities with administrative or other staff whose primary duties (e.g., purchasing and budget) are not HR-related.

\(^{1}\) Not including OCERS
Countywide, there are 230 positions that perform HR-related responsibilities full- or part-time, representing approximately 162 full-time equivalents (FTEs). It is estimated that 146 HR positions (approximately 145 FTEs) countywide are in scope for recentralization, which represents a total estimated recentralized HR budget of $16.2 million. Attachment A identifies these 146 positions by agency/department and position classification.

It is recommended that the proposed recentralized HR organization be renamed “Human Resource Services” (HRS) to differentiate it from the current hybrid system. The proposed centralized structure was developed based on the goals stated previously but also with the recognition that HRS must retain close ties with and be responsive to agencies/departments. A key feature of HRS is the preservation of co-located HR staff, similar to the Auditor-Controller’s satellite model (i.e., use of out-stationed service teams for the provision of countywide accounting services), which would allow agencies/departments to continue to interact on-site with HRS staff.

The organizational component of this proposal also incorporates efficient and effective practices from two other counties with centralized HR organizations: San Bernardino County and Santa Clara County. These practices include fully centralized Classification, Recruitment, Training, and Employee Relations functions, as well as the use of small out-stationed teams.

Summary of the Proposed HRS Organization

The following summarizes the major elements of the proposed HRS organization (a more detailed description of each HRS function is included as Attachment B):

- **Satellite HR Teams:** Teams of three to eight HRS employees will be physically located at the 11 agencies/departments that currently have dedicated HR teams. Each of the Satellite HR Teams will be led by an HR Team Manager (Administrative Manager II) who will be the point person for agency/department leadership and who will supervise a team of HR professionals (Administrative Manager I, Staff Specialist, and Staff Assistant levels) responsible for employee relations issues (with support of headquarters staff for suspensions, discharges, and complex cases), recruitment requests, reclassification/reallocation requests, answering HR

---

2 Elected agencies/departments choosing not to participate in recentralization (Assessor, Clerk-Recorder, District Attorney, OC Sheriff’s Department, and Treasurer-Tax Collector) are not included. In-scope positions include agency/department HR positions that have some non-HR duties but exclude non-HR positions that have some HR duties.

3 Salary & Employee Benefits only; does not include Services & Supplies

4 San Bernardino County’s organization has a similar model, with small teams of HR staff (one to four per agency/department) out-stationed at the agencies/departments, serving as a one-stop HR shop.

questions, and directing employees to appropriate headquarters staff. These teams will serve as a one-stop center for agency/department HR issues. HRS will develop written Service Agreements with each agency/department, detailing specific services, costs, and terms. HRS will work closely with each agency/department to define and delineate the duties and responsibilities of the Satellite HR Teams and those of the agency/department. Additionally, members of the Shared Services HR Team and the HR Advisory Team, described below, will be available to assist Satellite HR Teams to mitigate the impact of workload surges and other unscheduled projects.

- **Shared Services HR Team:** The Shared Services HR Team will have the same duties as the Satellite HR Teams (described above) but will be located at HRS headquarters and resources will be shared across the 10 smaller sized agencies/departments that currently do not have dedicated HR staff. A shared services model enables HRS to operate more efficiently, as resources can be pooled and assigned to different tasks based on workload and agency/department needs. Similar to the Satellite HR Teams, HR staff assigned to the Shared Services HR Team will be seasoned HR professionals, capable of interacting with agency/department leadership, and HRS will develop Service Agreements with each of these 10 agencies/departments, detailing specific services, costs, and terms.

- **HR Advisory Team:** The HR Advisory Team will serve as liaisons to the elected departments that have decided not to participate in recentralization (i.e., Assessor, Clerk-Recorder, Treasurer-Tax Collector, Sheriff-Coroner, and District Attorney). These departments will coordinate with the HR Advisory Team regarding any questions and issues that require HRS involvement (e.g., required approvals for disciplinary actions, approval of classification/compensation requests, meet and confer with labor associations), similar to the current HRD Service Team model. The HR Advisory Team will also support Satellite HR Teams and the Shared Services HR Team on an as-needed basis.

- **Consolidated HRS services:** A key byproduct of centralization will be the consolidated delivery of certain HR activities and the realization of economies of scale in such areas as:

  o **Training & Organizational Development:** Currently, general management/supervisor and leadership training is dispersed throughout the County,

---

6 The larger Satellite HR Teams will also be staffed with an Office Specialist or Clerk as support staff.
7 Satellite HR Team and Shared Services HR Team costs will be directly billed to assigned agencies/departments.
8 Like the Auditor-Controller satellite accounting model, agencies/departments will have input into the selection of Satellite HR Team Managers, as well as input into manager performance evaluations.
9 Non-HR staff for these 10 smaller sized agencies/departments perform HR duties that equate to approximately 4 FTEs.
10 The costs associated with the HR Advisory Team will be Net County Costs, just as the current HRD Service Teams are Net County Costs.
with several agencies each developing their own leadership training programs. Such training will be consolidated into one group in the proposed HRS organizational structure, providing County employees with greater access to best-in-class training programs that are currently only available to employees in certain agencies. Note: program-specific training (e.g., eligibility worker training for the Social Services Agency) will remain the responsibility of agencies/departments.

- **Classification/Compensation:** In the proposed HRS organization, reclassification/reallocation studies will be conducted by one team centrally located at HRS headquarters. The advantages of consolidating this function include: 1) greater adherence to standards, 2) a countywide view of position classifications and related trends, issues, and challenges, 3) development of classification/compensation subject matter expertise, and 4) greater impartiality in conducting reclassification studies. In addition, pooling resources centrally will enable HRS to conduct overdue countywide classification maintenance studies.

- **Recruitment:** Similar to the consolidation of Classification/Compensation, consolidating recruitment staff within HRS will enable the County to better adhere to State standards and rules, develop a countywide view of recruiting trends and issues, develop greater recruiting expertise, increase the efficiency of conducting large countywide recruitments, and improve coordination of recruitments among agencies/departments. Furthermore, consolidation of this function will allow the County to achieve cost savings, as there will be efficiencies gained by pooling resources that can quickly and flexibly be assigned to recruitments based on workload (e.g., be responsive to high priority recruitments).

- **Employee Leave & Return to Work:** Currently, a number of agencies/departments have their own Return to Work programs—formal or informal—within their HR teams. This proposal consolidates these programs into one countywide Return to Work program within HRS, enhancing coordination and enabling HRS to reach employees needing Return to Work assistance in all agencies/departments.\(^\text{11}\) Consolidating this function in HRS also places the Return to Work program closer to the County’s EEO Access office, which handles permanent disabilities and accommodations. Coordination of Employee Leaves, such as Workers’ Compensation-related leaves, will also be consolidated within this group.\(^\text{12}\)

\(^\text{11}\) Returning employees to work can involve a host of HR-related issues such as employee benefits (e.g., use of annual leave, short-term and long-term disability insurance), disability retirement, employee discipline, training, and classification/compensation.

\(^\text{12}\) HRS will need to coordinate with CEO/Risk Management to define each party’s role and responsibilities and procedures for the Return to Work program in the new environment.
- **Employment Records & Transaction Processing:** Proper and timely data entry of HR actions into the County’s CAPS+ information system is critical, as it impacts many areas such as accounting, payroll, and employee benefits. The processing of personnel transactions was identified as a major opportunity for developing more efficient and standardized processes (e.g., countywide usage of technology to transmit data and paperwork), as well as cost savings through the pooling of resources into one centralized team.

- **Disciplinary Appeals & Negotiations:** The proposed HRS organization includes a small specialized team of Disciplinary Appeals & Negotiations staff to support labor negotiations, coordinate with the County’s many bargaining units, and serve as experts on complex and/or major disciplinary cases and appeals. One driver for creating a specialized Disciplinary Appeals & Negotiations team is the high number of discipline-related issues that have been brought to light since the 2011 performance audit. This group will serve as a resource for the Satellite HR Teams and the Shared Services Team, which will handle routine Employee Relations issues for agencies/departments.

- **Administrative Services:** A fully centralized HRS department will require a more robust Administrative Services function. This function will include sections such as Administrative Support Services (Budget, Contracts/Purchasing, Payroll, Reception), Information Technology, Employment Records & Transaction Processing, and an HR Analytics team, which will collect appropriate data and develop reports that provide HRS and agency/department leadership with important HR metrics and analyses. The HR Analytics team will also focus on performance measurement (the lack of which was a 2011 performance audit finding), conduct audits of HR transactions to ensure HR staff are adhering to policies and procedures, and complete special assignments for the HR Director, as needed.

Exhibit 1 below provides illustrations of high-level current (HRD) and proposed (HRS) organizational structures. More detailed organizational structures for HRD and the proposed HRS organization are included as Attachment C.

---

13 HRS will work with agencies/departments to expand countywide any relevant metrics and tools currently being used to monitor and improve HR functions, including recruiting and other time sensitive activities.
Exhibit 1

Current Human Resources Department (HRD) Organizational Structure

Proposed Human Resource Services (HRS) Organizational Structure
Functions Added/Deleted

The County’s Major Reorganization policy requires the identification of any functions added or deleted. There are no functions deleted as part of the reorganization proposal; however, the following activities will be transferred from the County Executive Office and added to HRS:

- **Volunteer Services**: While some HR teams in the agencies/departments currently have volunteer services functions that will be included in the proposed HRS organizational structure, the County Executive Office has its own Volunteer Services function outside of its HR team. Because there is significant overlap between Volunteer Services and Recruiting, the County Executive Office’s Volunteer Services should be consolidated within the HRS Recruitment function.

- **Executive Recruitments**: Executive Recruitments are currently being administered by the County Executive Office’s HR Manager. Recentralization will result in all Executive Recruitment activities being conducted within HRS.

IV. Implementation

The recentralization of countywide HR is a significant undertaking that will impact all agency/department operations and the majority of agency/department budgets. Due to the size and complexity of recentralization efforts, this proposal recommends that implementation occur in phases to allow for coordinated and efficient movement of staff, to ensure continued service delivery during the transition, and to evaluate the success of changes before final position counts are determined. The proposed implementation takes place in three phases over an 18-month period. Exhibit 2 below is a summary of each implementation phase. A more detailed implementation plan is included as Attachment D.

---

14 There may be certain instances where Volunteer Services will remain the responsibility of the agency/department (e.g., sworn volunteers in the Probation Department).
During implementation it is critical that the County ensure consistency in position classifications countywide. Because HR in the County has been operating in a decentralized model for many years, the types of position classifications that have equivalent HR responsibilities differ among agencies/departments. For example, countywide, positions that are responsible for transaction processing include Information Processing Technician, Office Specialist, Staff Assistant, and Staff Specialist. An important task during implementation is to evaluate the job duties of HR positions, determine the appropriate job classification, and reclassify positions, as needed.

Moreover, because roles and responsibilities will change with recentralization, there will be changes to position and classification counts. Exhibit 3 below illustrates the estimated changes in position classification counts\(^{15}\) and the net reduction in the total number of positions when the proposed recentralized HR organization is fully implemented. As shown below, it is estimated that there will be a net reduction of 18 positions due to the pooling of resources and streamlining of business processes, with reductions primarily in the areas of Recruitment and Employment Records & Transaction Processing.

\[^{15}\text{Recommended classification and position counts may change during implementation, based on an evaluation of job duties and the adequacy of staffing composition to ensure work is being completed in a timely manner.}\]
Although estimates are provided, there is flexibility built into the three-phase implementation plan to allow sufficient time to evaluate operational realities and to revise the number of positions needed in each functional area of the recentralized system.

*Exhibit 3*

**Estimated Position Changes**

<table>
<thead>
<tr>
<th>Position Classification</th>
<th>Current</th>
<th>Recommended</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Admin Manager III</td>
<td>4</td>
<td>3</td>
<td>(1)</td>
</tr>
<tr>
<td>Admin Manager II</td>
<td>26</td>
<td>27</td>
<td>1</td>
</tr>
<tr>
<td>Admin Manager I</td>
<td>41</td>
<td>38</td>
<td>(3)</td>
</tr>
<tr>
<td>Staff Specialist</td>
<td>39</td>
<td>29</td>
<td>(10)</td>
</tr>
<tr>
<td>Staff Assistant</td>
<td>11</td>
<td>4</td>
<td>(7)</td>
</tr>
<tr>
<td>Account/Auditor II</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Sr. Information Technologist</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Information Technologist II</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Information Technologist I</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Office Specialist</td>
<td>9</td>
<td>16</td>
<td>7</td>
</tr>
<tr>
<td>Office Technician</td>
<td>2</td>
<td>1</td>
<td>(1)</td>
</tr>
<tr>
<td>Executive Secretary</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Secretary II</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Secretary</td>
<td>2</td>
<td>0</td>
<td>(2)</td>
</tr>
<tr>
<td>Info. Processing Tech</td>
<td>2</td>
<td>0</td>
<td>(2)</td>
</tr>
<tr>
<td>Vlntr Svcs Coord. II</td>
<td>1</td>
<td>0</td>
<td>(1)</td>
</tr>
<tr>
<td>Store Clerk</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>146</td>
<td>128</td>
<td>(18)</td>
</tr>
<tr>
<td><strong>TOTAL AS % OF CURRENT</strong></td>
<td>100%</td>
<td>88%</td>
<td>-12%</td>
</tr>
</tbody>
</table>

**Critical Actions**

In order to successfully implement the proposed reorganization, the following critical actions must be taken:

1. Smaller agencies/departments that will be utilizing the Shared Services HR Team will need to determine how to reallocate workload among non-HR staff currently performing HR duties (e.g., an administrative professional that is currently performing 0.3 FTE of HR duties will need 0.3 FTE of non-HR duties) and possibly consolidate workload in order to avoid budget impacts. These individuals were not included in the staffing comparison shown in the previous table.
2. Job codes will need to be established for the direct billing of agencies/departments for Satellite HR teams and the Shared Services HR Team, and for HR services such as Recruitment, Classification/Compensation, Training, Return to Work, and Transaction Processing.\textsuperscript{16}

3. Adequate working space will need to be arranged for recentralized HR staff. The approximate number of staff that will need to be relocated to the Hall of Administration is 40; Satellite HR Team members will remain out-stationed in the agencies/departments. This will require a redistribution of office space on the first and second floor of the Hall of Administration.

4. Meet and Confer discussions will need to be held with impacted bargaining units to discuss potential impacts to employees.

V. Cost Benefit Analysis of the Reorganization Proposal

It is expected that after full implementation of the reorganization, the County’s HR organization will achieve standardized application of and compliance with HR policies, streamlined processes, increased efficiencies, and improved operations. Moreover, over time, as the recentralized organization develops and implements HR strategies, County employees should benefit from new or expanded HR programs that were previously nonexistent or not accessible.

An additional benefit from recentralization is the opportunity to realize significant cost savings due to streamlined processes, use of technology, and workforce optimization, particularly in the areas of Recruitment and Employment Records & Transaction Processing.\textsuperscript{17}

Recentralization Costs

One cost of recentralization will be the configuration of office space for staff that will be transferred from agencies/departments into HRS headquarters and relocating any displaced agency/department personnel or storage needs. Following preliminary site inspections and a review of information from OC Public Works, it was determined that certain underutilized space in Building 10 (the Hall of Administration) could be retrofitted for use by HRS at a reasonable cost and converted into a comprehensive resource center for countywide recruiting, new employee services, and transaction processing. Given that the majority of these spaces are already outfitted with cubicles and telecommunications, the cost is estimated to be approximately $244,000 (see Attachment E for a

\textsuperscript{16}Other costs (e.g., the costs of Employee Benefits, EEO Access) will not be directly billed to agencies/departments, as in the current organizational structure.

\textsuperscript{17}For example, based on preliminary data collected from participating agency/departments, the County has conducted an average of 243 recruitments annually between FY 09 and FY 12, which is approximately 17 recruitments per recruiter per year. A centralized Recruitment group should facilitate better distribution of workload and increase efficiency of the County’s recruiters, potentially increasing the workload to 25-30 recruitments per recruiter per year.
detailed cost estimate). Contingent upon Board approval of this proposal, HRS will work closely with CEO and OC Public Works to develop and implement a detailed relocation plan.

**Estimated Savings**

Cost savings are anticipated to be achieved through the recentralization of HR activities, particularly in the areas of Recruitment and Employment Records & Transaction Processing. A net reduction in the number of positions is estimated at 18, as shown in Exhibit 4 below. Based on available FY 12/13 Salary & Employee Benefits (S&EB) data for each related classification, the estimated annual cost savings achieved through these reductions is between $1.2 million and $1.7 million. These savings figures exclude corresponding Services & Supplies (S&S) costs and other related expenses (e.g., email, parking).

For the first year, these annual savings will be slightly offset by one-time costs of relocating staff (approximately $244,000), for a net annual savings (minus one-time costs) of $939K to $1.4 million.

**Exhibit 4**

**Estimated Savings from Position Changes**

<table>
<thead>
<tr>
<th>Position Classification</th>
<th>Staffing</th>
<th>S&amp;EB per FTE ($)</th>
<th>Estimated Savings ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td>MIN</td>
<td>MID</td>
</tr>
<tr>
<td>Executive Manager</td>
<td>1</td>
<td>189,586</td>
<td>322,306</td>
</tr>
<tr>
<td>Admin Manager III</td>
<td>4</td>
<td>138,014</td>
<td>231,768</td>
</tr>
<tr>
<td>Admin Manager II</td>
<td>26</td>
<td>113,220</td>
<td>190,296</td>
</tr>
<tr>
<td>Admin Manager I</td>
<td>41</td>
<td>85,298</td>
<td>155,784</td>
</tr>
<tr>
<td>Staff Specialist</td>
<td>39</td>
<td>64,860</td>
<td>84,390</td>
</tr>
<tr>
<td>Staff Assistant</td>
<td>11</td>
<td>56,188</td>
<td>72,898</td>
</tr>
<tr>
<td>Account/Auditor II</td>
<td>2</td>
<td>73,154</td>
<td>96,176</td>
</tr>
<tr>
<td>Information Technologist</td>
<td>1</td>
<td>101,034</td>
<td>133,614</td>
</tr>
<tr>
<td>Information Technologist II</td>
<td>1</td>
<td>87,092</td>
<td>114,592</td>
</tr>
<tr>
<td>Information Technologist I</td>
<td>1</td>
<td>78,684</td>
<td>103,536</td>
</tr>
<tr>
<td>Office Technician</td>
<td>2</td>
<td>43,182</td>
<td>53,926</td>
</tr>
<tr>
<td>Executive Secretary</td>
<td>1</td>
<td>62,210</td>
<td>80,974</td>
</tr>
<tr>
<td>Secretary II</td>
<td>1</td>
<td>51,166</td>
<td>65,916</td>
</tr>
<tr>
<td>Secretary</td>
<td>2</td>
<td>48,094</td>
<td>61,428</td>
</tr>
<tr>
<td>Info. Processing Tech</td>
<td>2</td>
<td>46,874</td>
<td>59,456</td>
</tr>
<tr>
<td>Volntr Svs Coord. II</td>
<td>1</td>
<td>56,188</td>
<td>72,898</td>
</tr>
<tr>
<td>Store Clerk</td>
<td>1</td>
<td>45,594</td>
<td>58,010</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>146</strong></td>
<td><strong>189,586</strong></td>
<td><strong>322,306</strong></td>
</tr>
<tr>
<td><strong>TOTAL AS % OF CURRENT</strong></td>
<td><strong>100%</strong></td>
<td><strong>88%</strong></td>
<td><strong>-12%</strong></td>
</tr>
</tbody>
</table>

**Risk Assessment and Mitigation**

Given the scope and complexity of recentralization, it will be critical to evaluate and mitigate potential risks that could undermine successful implementation. Known risk factors should be assessed and prioritized in the context of the potential impact on personnel, budget, and operations. Some of these potential risks, which will be expanded and evaluated further as recentralization progresses, include:
- Adverse changes to customer service (e.g., delays in recruitments, decreased responsiveness)
- Declining communication and working relationships from the relocation of certain staff from agencies/departments to HRS headquarters
- Misconceptions by employees of the goals and objectives of recentralization
- Confusion regarding reporting relationships between Satellite HR Teams and agency/department staff

To mitigate these risks, there are several critical success factors that will facilitate a successful transition to a recentralized HR organization:

- **Formation of Transition Team:** An administrative transition team composed of CEO/Budget, HRD, County Counsel and Auditor-Controller staff will ensure that all aspects of the reorganization (e.g., legal, budget, human resources) are identified and coordinated.

- **Communication:** Proactive communication with County stakeholders is critical. Following Board approval of the proposal, HRS leadership will conduct in-person meetings with impacted agency/department HR staff and will distribute a memo to all County employees, providing an overview of the recentralization effort and answers to frequently asked questions.

- **Flexibility:** Sufficient flexibility needs to be provided in budgets and other essential activities to cover near-term overages or shortages during the transition period, recognizing that by the medium-term significant savings will be realized.

- **Staffing of Key HRS Management Positions:** Over the last few years, the importance of selecting qualified and ethical individuals to fill leadership/management positions in the County has become readily apparent. It is critical that HRS is staffed with strong HR managers who exhibit professionalism, set high standards, “walk the talk”, serve as mentors, and professionalize the discipline of HR to rebuild confidence in HR at the County.

- **Selection of Staff for Satellite HR Teams:** Because Satellite HR Teams will be smaller in size than agency/department HR Teams under the current hybrid HR model, it is critical that the individuals on the Satellite HR Teams be capable and experienced in the many different facets of HR—in essence, multi-disciplined HR generalists. The profile of a strong Satellite Team member includes a solid background in Employee Relations, as the majority of the teams’ duties will involve handling employee relations issues, and adequate experience and exposure to recruitment and classification/compensation.

- **HR Skills Training:** As previously identified, the skillset of HR staff countywide varies considerably. It will be critical that HRS develops a robust training curriculum for HR professionals. In addition, appropriate HR staff should seek appropriate certifications in HR as part of the County’s education reimbursement program, and future non-entry level HR
employees should be required to have backgrounds specifically in HR as a minimum qualification.

VI. Immediate Board Actions Required

To begin the implementation of the reorganization, as part of Phase I, CEO and HRD request that your Honorable Board approve the following actions, effective immediately:

1. Approve this major reorganization as presented.

2. Rename the Human Resources Department to “Human Resource Services”.

3. Direct that all County HR personnel, as outlined in this proposal, become employees of and report to the Director of Human Resource Services on December 3, 2012, with the exception of HR staff employed by the Assessor, Clerk-Recorder, Treasurer-Tax Collector, Sheriff-Coroner, and District Attorney.

4. Direct Human Resource Services to return to the Board, as necessary, for implementation of all recentralization activities that require formal approval (e.g., budget transfers, position transfers, position additions/deletions, and reclassifications resulting from recentralization).