California State Human Resources Modernization

The Right People in the Right Jobs

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MISSION: Modernize and streamline the State’s HR system to recruit, develop and maintain a well-qualified, high-performance workforce.

Anyone who is familiar with State civil service or who has tried to get a job with the State knows how frustrating, confusing, and long the hiring process can be. We rely on a mostly manual system that has been in-place for more than 70 years. In that time, more and more regulations and legal requirements have been added, yet the system has not changed much. Currently, there are some ten steps an applicant must go through to get a State job, and each step has built-in time delays. If the right examination is not already in progress (or at least scheduled), it can take three years or more to land a job. Such an aggravating process is not good for recruiting qualified people.

Another reason people don’t join State service is a compensation plan that does not reward employees for the value they bring to the organization. Over the last 25 years, State compensation has fallen significantly behind the compensation provided by other public and private sector employers in the competitive labor market. Our current compensation plan is too strictly structured to recognize individual employee contributions or an employee’s self-development on the job.

Each of our State departments needs to do workforce and succession planning. We employ approximately 235,000 people. With over 35% of our workforce eligible to retire in the next five years, we could be looking at a loss of over 80,000 people. These are our most seasoned employees, those with institutional knowledge and high quality skills and abilities. Losing a large number of seasoned employees could devastate a department without the proper preparation and planning. We need to do more to support departments with their workforce planning efforts.

The strategic plan for HR Modernization lays out six specific goals – one goal for each of the five major components of the state’s HR system (workforce planning, classification, compensation, recruitment/selection, and performance management) and a sixth goal to integrate the HR components so they work in concert. Each goal includes objectives with action steps and timelines for achieving the goal. Performance measures by which success or failure is to be evaluated are also included.

The plan proposes we convert State’s current “duties-based” HR system into a "competencies-based" system, where all of the processes focus on the knowledge, skills, and abilities needed to get the work done.

CLASSIFICATION

Goal: Simplify the classification system.
The State currently has over 4,200 separate classifications (of which about 1000 are vacant). The class titles are not necessarily descriptive of the work to be performed. Because of this, it is often difficult for people trying to get jobs with the State to figure out what classes might be of interest to them and for which classes they meet the minimum qualifications.
Objective #1: Consolidate classifications into broader, usable occupational families. A large number of State classes are narrowly defined, have duties that overlap with similar classifications, share similar characteristics with other classes (e.g., minimum qualifications or duties), and are limited to single positions or are for a specific department. For example, there are twelve department specific Attorney classification series, all doing pretty much the same type of work. We also have 32 different Research Scientist classifications that are differentiated only by level and field of research. Other public sector employers have successfully collapsed their classifications into consolidated job families where prospective employees can identify the occupational area in which they wish to work. Group 1 (initial occupational group) consolidation is scheduled for completion by July 1, 2009. Remaining groups will be phased in over the next several years.

Objective #2: Establish occupational competencies for multipurpose uses including compensation. This is the key to the HR Modernization project. Competencies are measurable knowledge, skills, abilities and personal characteristics that are needed to perform in a job effectively. They are derived from the totality of tasks that may be performed by anyone in the job family. All other components of the HR system will be tied directly to the competencies that are identified for the consolidated job families. Specifically, defined competencies will provide the basis for compensation, recruitment/selection, performance management, and workforce planning. Competency benchmarks (proficiency standards) for the first classes in Group 1 are to be developed by July 1, 2009.

COMPENSATION

Goal: Compensate based on market conditions, individual self-development, and business needs.
Prospective employees in today’s labor market are not necessarily looking for a lifetime career with a single employer. Many expect to be hired and compensated for the knowledge, skills and abilities they personally bring to the job. The State’s classification and compensation programs are too structured and inflexible to allow this. Additionally, in 2005, we conducted a total compensation survey and found that our compensation was generally well behind compensation paid in other public jurisdictions in California. Both of these factors contribute to our limited ability to successfully recruit the talent we need to provide high-quality public service.

Objective #1: Simplify the compensation structure and compensate employees based on individual contributions, self development, and the competitive market. As it currently exists, the State’s compensation plan covers more than 4,200 classifications and includes over 300 separate pay differentials and 400 alternate salary ranges. With this number of variables, it is virtually impossible for anyone who is not thoroughly familiar with our pay manual to determine proper compensation for any given job.

With the support of the employee unions, we can design compensation plans that allow employees to be paid for their knowledge, skills and abilities, self improvement, and personal contributions to their employing agencies. Consolidation of classes into job families with wide salary ranges where salary advancement is based upon demonstrated proficiencies on the job is the key to this objective. Such a compensation plan can be set-up as a user-friendly program on the web where just about anyone is able to
determine their proper compensation by entering the specific requirements of the job (e.g., bilingual skills, drivers license, geographic location) and their own personal qualifications such as education level and job experience.

RECRUITMENT AND SELECTION

Goal: Create an attractive recruitment and expeditious hiring process.
Over one third of the State’s workforce will be eligible to retire in the next five years. We must ensure that we can attract new employees with the required skills and knowledge to replace those who retire. We do not presently have a centralized recruitment program to meet these needs and our hiring process is primarily a manual, multi-step process with built-in delays at virtually every step. This drives away prospective candidates and sends them to employers who are able to hire quickly.

Objective #1: Develop an aggressive recruitment strategy to market California as an “employer of choice”. This objective calls for us to develop a marketing strategy to sell the State as a desirable employer and to develop a centralized recruitment plan with continuous open (and automated) recruitment capabilities by July 1, 2009.

Objective #2: Shorten the selection and hiring processes. This objective will be completed simultaneously with Objective #1. The selection and hiring processes will be expedited greatly through the development of continuous on-line application and testing processes and by automating the certification process.

WORKFORCE PLANNING

Goal: Tie HR systems to business needs through strategic and workforce plans.
The purpose of this goal is simply to underscore the need to plan for the future. With few exceptions, such as construction projects, State planning is generally limited to the coming budget year or responding to the “crisis of the day”. This goal emphasizes that we should be looking five years or more into the future – what services will State government and each agency be providing five years down the road; what specific knowledge, skills and abilities will be required to provide those services, and how will we acquire the people with those abilities.

Objective #1: All departments need to have current strategic and workforce plans. We will accomplish this objective by assisting agencies and departments to complete their strategic and workforce/succession plans. This step includes ensuring that BCPs are tied to these plans. The Project Management Office (PMO) will then be able to analyze skills gaps statewide to determine where the State, as an employer, is missing the skills needed to meet our goals and objectives now and in the future.

Objective #2: Identify and prioritize occupational groups for modernization. At a minimum, it takes several months to convert a single occupational group from “duties-based” to “competencies-based”. So, we need to implement the proposed competency-based HR system on a staggered schedule with the highest priority groups being converted first. Skills gap analyses will provide the primary basis for prioritizing occupational groups. Highest priority for conversion will be given to groups where the greatest lack of skills exists in comparison to the Administration’s program priorities. Initial occupational priorities have been tentatively identified as information technology,
scientists, and supervisors and managers. This schedule is to be developed by the PMO by the September 30, 2008.

PERFORMANCE MANAGEMENT

Goal: Improve and foster a high performance culture.
The primary purpose for employee performance management, which includes training and performance appraisal, is to improve both employee and organizational performance. However, within State service staff development is too often considered an expense rather than an investment that enhances employee value and increases organizational effectiveness. This goal will establish quality performance as a basic management objective for improving service to the public.

Objective #1: Require managers and supervisors to conduct performance appraisals. Currently, employee appraisals are done irregularly, despite the requirements for annual appraisals and individual development plans. As we convert to a competencies-based HR system where performance will affect employee compensation, it will be essential that regular, objective performance assessments be prepared. This objective is to be accomplished by Executive Order, to be issued by October 13, 2008, that will require supervisors and managers to evaluate their staff regularly and identify training and development needs. Managers and supervisors will be held accountable in their personal performance appraisals for assessing their staff.

Objective #2: Design a performance planning and evaluation model for supervisors. This objective provides the evaluation tool and process needed to implement Objective #1 for supervisor and managerial evaluations. It’s proposed that supervisor and manager evaluations be tied to the annual budget cycle. The performance planning and evaluation model is to be completed by February 1, 2009.

Objective #3: Design performance evaluation and staff development models for represented employees. This objective provides the evaluation tool and process needed to implement Objective #1 for rank and file employee evaluations. The development of any performance standards for rank and file employees will require the cooperation of management and the employee unions. This is due by May 1, 2009, for Group 1 employees.

Objective #4: Develop a leadership academy for State supervisors and managers. Properly trained, informed and accountable management is the key to establishing a high performance culture in State service. This objective is intended to provide basic training for all managers and supervisors in creating a performance environment. The program component and necessary resources are to be fully developed and identified by September 1, 2009.

Objective #5: Develop an academy for the State’s human resources professionals. Modernizing the HR system will result in new roles and responsibilities for our HR staff. Proper training of HR staff in performance management will be critical to the successful creation of a high performance culture. Essentially, this objective will do the same for HR professionals as Objective #4 does for supervisors and managers. It is on the same time schedule as Objective #4.
PROJECT MANAGEMENT: SYSTEM AUTOMATION, INTEGRATION & IMPLEMENTATION

Goal: Create an Integrated Enterprise HR Solution
The HR Modernization plan is a system-wide effort that must be fully compatible with existing State systems, including the State Controllers Office 21st Century Project and the SPB Exam and Certification System. System-wide efforts must address automated systems development, culture change, training, statutory and regulatory changes, and audit capabilities. The establishment of a Project Management Office (PMO) to direct and oversee implementation of the strategic plan is vital to the success of the HR Modernization project.

Objective #1: Procure the resources needed to implement the Strategic Plan in the initial and subsequent fiscal years. The BCP needed to accomplish this objective has already been approved. The BCP provides funding needed to establish five positions in the PMO. It also funds a Feasibility Study Report (FSR) on automating the HR system and consultant resources for competency-model design and training on occupational analysis.

Objective #2: Develop an automated system architecture that is integrated and tied to core competencies. The project proposes to automate and integrate all of the individual HR system components so that they work in concert rather than in opposition to each other. There are a dozen or more specific processes that must be automated. Much of the required automation can be done through the modification of existing “off the shelf” software. We plan to complete an FSR for automation by January 1, 2008, and begin the Request for Proposal immediately thereafter. The plan is to complete automation by the middle of 2010.

Objective #3: Effect “change management”. The HR Modernization project requires an enterprise-wide culture change. This change must come from the top and flow through our entire State system. This culture change will move us from the current system to an automated system where employees are hired, advanced, compensated, and evaluated based on achieved proficiency in defined job competencies. Everyone involved in the new HR system (applicants, employees, and management) must be educated on how the new system operates and the benefits of the change.

Objective #4: Develop training modules. State leadership and HR staff must be fully knowledgeable and skilled in the technical and conceptual aspects of the new HR system. This objective provides for the development of that training course and curriculum by July 1, 2009.

Objective #5: Develop audit requirements and tools. In order to ensure that the merit principle is maintained under the new system, specific areas of audit need to be identified. These areas include, but are not limited to, position allocation, screening of applicants, testing, and hiring interviews. The plan proposes that these audits be conducted by trained HR professionals and by control agencies (e.g., DPA, SPB, DOF). Development of these audit tools is scheduled for completion by the beginning of 2010.

Objective #6: Develop statutory and regulatory changes. The changes proposed for the HR system will require numerous statutory and/or regulatory changes. The PMO will need to identify all necessary statute and rule changes and will be responsible for drafting and processing those changes.