Personnel Services Department

**Performance Audit and Efficiency Study
Summary Report**

July 3, 2008

Prepared by:

PERFORMANCE AUDIT AND EFFICIENCY STUDY

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EXECUTIVE SUMMARY

Background and Context

This Performance Audit and Efficiency Study evaluates the efficiency and effectiveness of the Personnel Services Department (the Department or PSD) within the City of Alexandria. Findings are based on interviews with PSD employees and discussions with representatives from 22 other City Departments that work with PSD, review and analysis of the materials that PSD uses to operate, and associated research. Recommendations are based on analysis of the information collected as well as the application of best practices used in the personnel/human resource departments in other jurisdictions in the region. All staff work was completed during the first four months of 2008.

Most PSD operations involve executing employment-related transactions and processes. The PSD does not generally engage in forward-looking initiatives such as planning to align work force skills and competencies with the City's strategic goals and objectives. PSD does not maintain an enterprise-level human resource information system to support its processing and reporting activities.

The recommendations offered in this Study focus on readily achievable improvements to enhance current PSD capabilities and improve customer service. At the same time, the recommendations are designed to position the Department to take on strategic functions and advanced technology in the future. If the City elects to implement all 15 recommendations included in this Study, the aggregate cost (primarily internal PSD staff time) is approximately $399,000 and the benefit would be approximately $765,000, for a return on investment (ROI) of 92%.

PERFORMANCE AUDIT AND EFFICIENCY STUDY

We prioritized recommendations into three groups:

Class I   For immediate implementation; may be integral to the implementation of Class II and Class III recommendations

Class II   For implementation after Class I recommendations are implemented

Class III   For consideration after Class I and Class II recommendations are implemented

Summary Findings and Recommendations

1. *General Finding—Department Structure and Staffing*: The PSD consists of 22 full-time, 2 part-time, and 2 temporary employees (total of 25 full-time equivalents [FTEs]) organized into five Divisions. The scope of services covered by the PSD and the way in which it is organized are generally consistent with other comparator jurisdictions. The size of the Alexandria PSD is on the high side when considered as a percentage of the work force that it supports compared to other regional jurisdictions:

JURISDICTION	GOVERNMENT WORK FORCE	PERSONNEL/HR DEPARTMENT	RATIO OF DEPARTMENT TO TOTAL WORK FORCE
ALEXANDRIA, VA	2,637	25	.95%
ARLINGTON COUNTY, VA	3,755	49.5	1.32%
FAIRFAX COUNTY, VA	12,006	53	.44%
MONTGOMERY COUNTY, MD	13,889	86	.62%
PRINCE GEORGE'S COUNTY, MD	6,884	68	.99%
PRINCE WILLIAM COUNTY, VA	3,586	16.5	.46%
AVERAGE			.80%

Jurisdictions with smaller percentages of employees in their personnel/human resource departments benefit from one or more of the following: greater decentralization of functions, more effective use of technology, economies of scale. It is also noted that the Alexandria PSD work force includes 2 FTEs supporting the City's payroll system, a function that some jurisdictions place elsewhere organizationally. The Alexandria PSD should be able to bring its work force in line with regional comparators (net reduction of 2 to 3 FTEs) over time through the implementation of efficiency initiatives included in this Study.

a. ***Work Load:*** The number of staff within each PSD Division is sufficient and capable of accommodating the normal work load. There are pockets where the level of work does not match assigned resources. PSD lacks contingency plans in some areas to handle surge requirements or employee absences. For example, certain functions within the Benefits & Records Division are performed by one employee without an assigned back-up. The PSD is currently working on a plan to reorganize the Division to address this concern.

b. ***Documented Processes:*** The quality of documented policies and procedures varies from one Division to the next. Some Divisions, such as Classification & Compensation, have extensive documentation in place. Other Divisions have either out-of-date or incomplete documentation. While many PSD employees do not rely on written guidelines to perform their tasks, the lack of documentation may adversely affect efficiency, knowledge transfer and standardized practices within the Department.

c. ***Internal Controls:*** The PSD has a number of routines and safeguards in place to ensure the accuracy and completeness of their records. For example, there are many required fields that must be populated to initiate a new employee payroll record. Another example is an update of the life insurance roster in December to reflect current employee wage level and status. To supplement these routines and safeguards, the PSD would benefit by adding internal control procedures to ensure that its databases and the information maintained in them are accurate and complete. The Department does not maintain an internal compliance calendar to review

systematically and correct lists such as benefit rosters. Some actions are processed and approved by the same PSD staff member without a check and balance in place.

        d.   *Decision Support:* The City has a well-defined structure in place that defines the appropriate level at which various kinds of decisions are made within the organization. This structure is well understood throughout PSD.   As part of the decision-making process within PSD, it would be helpful to catalog lessons learned and quantitative data-driven processes to support key decisions. PSD does not have the systems or tools in place to collect and analyze all the information at its disposal. PSD has limited ability to generate ad hoc management reports as needed to analyze options and support decision-making.

Recommendation No. 1—Documentation: Document PSD policies, procedures, and practices. First, outline all items that need to be documented. Second, create a standardized format. Third, follow a schedule to complete key documentation. Fourth, develop a system to review and update procedures at least annually. *(Class I)*

Recommendation No. 2—Cross-Training: Promote cross-training within PSD so employees are able to assist co-workers within a Division and in other Divisions. This may be done as a part of internal PSD meetings to help familiarize all staff members with the full range of PSD functions. This will help alleviate surge needs, eliminate the reliance on any single individual to perform a PSD function, and enhance efficiency across the Department by preparing employees to function as generalists rather than as specialists. Use the documented policies, procedures, and practices identified in Recommendation No. 1 as the basis for training. *(Class II)*

Recommendation No. 3—Compliance Calendar: Implement an internal compliance calendar to ensure all key databases such as benefit plan participation rosters and employment eligibility folders are reviewed for accuracy and completeness at least annually. *(Class II)*

2. General Finding—Process Improvements: Each PSD business process has been customized over time to accommodate City needs. Many of the process changes have been incremental. Some of these processes have not been formally updated or reengineered to reflect lessons learned, customer feedback, or new ideas. Updating and streamlining some of the key processes would help raise the level of customer satisfaction and employee morale.

a.   *Timeliness:* Representatives from other City Departments repeatedly noted that personnel actions submitted to PSD within published timeframes are not always processed on time. They note that documentation such as new hire paperwork and Personnel Action Forms (PAFs) are sometimes lost or misplaced. There is no formal procedure in place to track the status of pending personnel actions.   PSD management states that the root causes for problems related to PAFs have been identified and are being addressed internally, the benefits of which should start to become apparent to customers. PSD management also noted that they need to communicate the importance of providing PSD adequate lead time for processing transaction-intensive personnel actions.

b.   *Bypassing PSD:* The role of the PSD is well understood both internally by PSD staff and externally by other City employees. It is unlikely that other City Departments would circumvent the PSD because they were unaware of the PSD's areas of responsibility. In most cases, customers using PSD services achieve an acceptable outcome. In some instances, City Departments may look beyond PSD to other sources for specialty services. For example, some Departments retain recruiting firms to assist in addressing hard-to-fill openings where PSD is unable to identify qualified candidates.

c.   *Process Gaps and Inefficiencies:* When a PSD business process does not proceed smoothly for any reason, customers tend to blame the PSD whether the source of the problem is with PSD or not. These perceived gaps and inefficiencies in some PSD processes adversely affect customer satisfaction. For example, hiring officials have noted that delays in processing and certifying applications make recruitment more difficult. As a result, some Departments have elected to certify their own employment applications.   In fact, this may be due to PSD delay in forwarding materials, or it may relate to the hiring manager's delay in reviewing recruiting materials.

d.   *New Applicant Tracking System:* PSD is implementing a new automated system to help collect, sort, and process employment applications. Departments are generally optimistic that this program (NEOGOV) will streamline the recruiting process, help decentralize certain recruiting functions, and improve PSD efficiency.

e.   *Shared Processes: When PSD* processes involve collaboration with other City Departments, these shared processes tend to not operate efficiently because the process no longer has a single "owner." Examples include employee disciplinary actions and grievances (PSD works with City Attorney's Office) and processing retirements (PSD works with Finance Department).

> *Recommendation No. 4 – Process Re-design:* Identify and re-design key PSD processes to improve efficiency and responsiveness to customer requests. For example, streamline workflow for processing new employees. *(Class II)*

> *Recommendation No. 5 – Limited Outsourcing:* Consider outsourcing the fact-finding process for disciplinary and grievance actions where there may be a perception that PSD is too close to a situation or its participants to be objective. Other comparator jurisdictions follow this practice. *(Class III)*

3.   *General Finding—Customer Service:* The PSD is not generally perceived by other City Departments as being customer-focused. The Department tends to operate as five autonomous Divisions, placing a greater burden on the customer in navigating through the Department. Many customers perceive that the Department applies a different set of standards for its customers than it does for itself. For example, some PSD Divisions strictly enforce deadlines for forms received from customers without enforcing internal processing deadlines to the same degree. PSD management noted that they have identified the root causes for a large part of this issue and have taken internal steps to address it.

a.   *Internal-Facing Priorities:* Many members of the PSD staff and PSD Divisions are perceived as being process-oriented, losing sight of customer support. As a consequence, many customers feel as if they are "intruding" on PSD when using PSD services. PSD as a Department rarely engages in outreach services to other

City Departments to understand their current and anticipated needs, to serve as a strategic partner in assisting them in achieving their goals, or to collaborate in problem-solving. PSD is reactive, rather than proactive or interactive.

b.   *Responsiveness:* Customer requests for assistance are routinely unanswered or not returned in a timely manner. Customers have difficulty scheduling appointments to meet with PSD staff. The PSD does not formally track incoming inquiries, responsiveness time, or customer satisfaction. It is noted that the perceived lack of responsiveness is staff-specific rather than Department-wide. Many of the members of the PSD are well respected for the high level of professionalism and responsiveness that they exemplify.

c.   *Personnel Liaisons:* Most Departments have designated a Personnel Liaison to serve as the primary interface with the PSD. Liaisons receive some training, such as annual training on the Americans with Disabilities Act. They would benefit from a more comprehensive, structured training program in PSD policies, procedures, and practices as well as updated information about changes to PSD policies and procedures. There is no forum for Personnel Liaisons to provide feedback related to their interactions with the PSD.   PSD management notes that historically it has been a challenge to schedule the Personnel Liaisons as a group to attend training.

Recommendation No. 6 – Liaison Training: Leverage the Personnel Liaisons more effectively by creating guidelines and training for them and scheduling quarterly plenary sessions to discuss changes, process improvements, and customer feedback and lessons learned*. (Class I)*

Recommendation No. 7 – Centralize Customer Service: Centralize the PSD customer service function to address customer inquiries, such as questions about procedures and the status of items being processed. If unable to answer a question, this "front desk" would route customers to the appropriate PSD staff member. Such customer service functions are currently being implemented with success in other local jurisdictions. This would improve service and enable other PSD staff to focus on more complex matters*. (Class III)*

4. *General Finding—Communications:* There is room for PSD to improve how it communicates internally among Divisions or externally with other elements of City Government. Most PSD Divisions meet individually to discuss issues and coordination. The Department Director disseminates information to Division Leads as appropriate and relies upon the chain of command within each Division to then distribute information accordingly. The Department does not meet regularly as a group. This has an adverse effect on morale, organizational cohesiveness, customer service, and the ability to adapt and grow as a forward-focused learning organization.

   a. *Internal Communications:* PSD operates as five independent Divisions rather than as a unified Department. The Department has not kept PSD staff informed of changes and updates through regularly scheduled meetings or other forms of communication, often resulting in dissemination of incomplete, inconsistent,

or outdated information to customers. There is limited cross-pollination within the Department, which adversely affects implementation of improvements and individual professional development. The lack of communication contributes to instances of poor employee morale within PSD.

b.   *External Communications:* All City Agencies have a clear idea of the role and responsibilities of the PSD within the City's Government. Their understanding of PSD is based on the transactions that PSD performs. PSD has an opportunity to articulate its vision, mission, goals, or priorities to other Departments. The two major channels of information that it uses are the Department Head meetings and the email Quick Distribution List (QDL). Although PSD regularly communicates information through these channels, a more collaborative and strategic approach to external communications is needed.

Recommendation No. 8 – Departmental Meetings: Institute regularly scheduled PSD internal staff meetings for leadership and for all PSD staff. All of the PSD counterparts in other local jurisdictions conduct leadership meetings either weekly or monthly and department-wide meetings either monthly or quarterly. These meetings should include a structured agenda that is communicated to participants prior to the meeting. Participants should be given the opportunity to propose agenda items*. (Class I)*

Recommendation No. 9 – Communications Plan: Create a communication plan to improve communications with the rest of City Government. This should include roles and responsibilities within the Department for communicating externally. The plan should also address strategies to leverage current technology such as web casts and podcasts, and a schedule to reach out to other Departments to identify how to work together more effectively. *(Class II)*

Recommendation No. 10 – Read-Only Access to HRMIS: Grant all Personnel Liaisons read-only access to applicable personnel records and Human Resource Management Information System (HRMIS). This was recently adopted for the Personnel Liaisons from the Alexandria Fire Department and then expanded to include the Police Department. Expanding this access will enable Personnel Liaisons to check the status of pending actions without contacting PSD for assistance. This provides another quality control review on the accuracy of PSD data entry*. (Class II)*

5.   *General Finding—Knowledge Management:* Several members of PSD possess extensive subject matter expertise. In some cases this knowledge is resident at the individual level rather than the institution level. Documentation (Recommendation No. 1) and cross-training (Recommendation No. 2) can help broaden the knowledge base. PSD lacks clear guidelines in records storage and management, posing undue risk to privacy and improper access to historical information.

        a.   *Employee Privacy:* PSD does not have explicit operating guidelines for employee records. Personnel records are left unsecured at times without the appropriate safeguards in place. Pursuant to this study, PSD management states that it secured funding to install file cabinets that offer secured storage for personnel records.

        b.   *Records Storage:* Storage space for employee records is inadequate to meet current needs. Records for current employee are stored in multiple locations around the office. Clear guidelines do not currently exist for what documentation should be retained in official personnel records for past employees. As a result, records retention is not standardized.

c.   *Electronic Employee Records:* PSD made a recent effort to scan employee personnel records into an electronic format. This attempt was halted in part due to lack of guidelines on what documentation should be retained.

Recommendation No. 11 – Records Handling: Institute guidelines for handling employee records. This should include annual training across the Department on safeguarding information privacy. *(Class I)*

Recommendation No. 12 – Records Retention: Institute guidelines for employee records retention. This should specify what information should be retained, where, in what format, and for how long. Each stored personnel file should be organized in the same way. Create specific internal guidelines to address how far back records should be covered by the guidelines and a risk management plan to address information that is missing*. (Class II)*

Recommendation No. 13 – Exit Interviews: When an employee terminates employment, the termination process now focuses on benefits transition, such as transfer of medical insurance and retirement account. Expand the employee exit interview process to capture the reasons for employment termination and other information that may lead to improvements in the work place and reducing attrition.   Other local jurisdictions capture and harvest this information to support decisions on where and how to improve*. (PSD management notes that it sometimes mails a questionnaire to the ex-employee's home at some point following termination of employment. This information is not collated and shared with other Departments.) *(Class I)*

6.   *General Finding—Professional Development:* The City has a training program to help provide education to its work force in areas where there is perceived to be a need. The City's training program has not kept pace with current and anticipated needs of City Government employees. It does not specifically address employee skill gaps or assist employees in achieving professional development goals. There is an unresolved question as to whether the PSD or the respective Departments should bear responsibility for tracking whether employees have completed mandatory courses.

a.   *Curriculum:* The training curriculum has not changed significantly over the past several years. It is not aligned with current information technology skill set needs or workplace trends.   Online-training (Mindleaders) implemented in recent years is well-received by customers, but most seem to prefer classroom instruction.

b.   *Input:* Employee input is not solicited on what courses should be offered through the training program. This tends to reinforce a general perception that training and PSD practices are not responsive to employee needs.

c.   *Tracking:* The City needs to define the respective roles of PSD and the other Departments with respect to tracking the status of mandatory training courses attended.

Recommendation No. 14 – Training Program: Review and update the City's training program using an inclusive process that takes into account the needs of City Departments. Include an employee survey or other mechanism to enable interested employees to participate*. (Class I)*

> *Recommendation No. 15 – Track Training:* Define the respective roles of PSD and other City Departments with respect to tracking successful completion of mandatory training courses. Develop a system that then implements this responsibility. Allow Personnel Liaisons access to this system to help them work with employees to meet their training requirements. *(Class II)*

Conclusion

The PSD has a nucleus of employees in place with the skills and experience to perform the full range of Personnel services. Most of the findings and recommendations in this Study focus on **how** the Department operates, not on **what** it does. Many PSD transactions and business processes appear to have evolved over time to eliminate as much interaction as possible with customers. The Department does not routinely work with other City Departments to obtain feedback on proposed actions, understand their needs, or collaborate to improve effectiveness. Many PSD employees have chosen to view their jobs as transaction-based rather than service-oriented, devaluing the importance of customer responsiveness. In most organizations, the Personnel Department promotes morale and cohesiveness throughout the enterprise. The PSD does not serve in this role for Alexandria City Government.

The PSD can make significant improvements without making significant investments in new technology or other resources. Most of the improvements can be achieved by improving communications, changing its introverted culture to one of dedicated customer service, and improving the efficiency of a few key business processes.

FINDINGS

This Performance Audit and Efficiency Study (the Study) evaluates the efficiency and effectiveness of the Personnel Services Department (the Department or PSD) within the City of Alexandria. Findings are based on interviews with PSD employees and discussions with representatives from 22 other City Departments that work with PSD, review and analysis of the materials that PSD uses to operate, and associated research. Please refer to Appendix 1 for an overview of the approach and methodology Corbin Company used in the preparation of this Study. Staff work was completed during the first four months of 2008.

1. *General Finding - Department Structure and Staffing*: The PSD consists of approximately 25 full-time equivalents (FTEs)—22 full-time employees, 2 part-time employees, and 2 temporary employees. The ratio of PSD employees to total City employees is .95% (approximately 1 staff member for every 100 City employees). This ratio is somewhat higher than the regional average (.80%).

JURISDICTION	GOVERNMENT WORK FORCE	PERSONNEL/HR DEPARTMENT	RATIO OF DEPARTMENT TO TOTAL WORK FORCE
ALEXANDRIA, VA	2,637	25	.95%
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PRINCE WILLIAM COUNTY, VA	3,586	16.5	.46%
AVERAGE			.80%

Table 1: Personnel Department work force as a percentage of total local government work force. Statistics based on publicly available information provided by local jurisdictions.

Comparator jurisdictions with smaller percentages of employees in their personnel/human resource departments benefit from one or more of the following: greater decentralization of certain functions, more effective use of technology, economies of scale. When comparing the size of the PSD with similarly sized local governments nationwide, Alexandria's ratio (.95%) is closer to the national average (.84%). Alexandria PSD should be able to bring its staffing level into line with other comparator jurisdictions (net reduction of 2 to 3 FTEs) over time through the implementation of efficiency recommendations included in this Study.

The Department is divided by function into 5 Divisions:

> National Benchmark Data
>
> Percentage of Personnel Employees
> To Total Work Force in
> Comparable Local Governments
>
> Alexandria   .95%
> National Average   .84%
>
> Source: Human Capital Benchmarking Report
> (2008) prepared by Society for Human Resource
> Management

- ❖ Administration
- ❖ Classification & Compensation
- ❖ Employment & Testing
- ❖ Employee Relations & Training
- ❖ Benefits & Records

The way that the PSD is organized is similar to other Personnel Departments. It is noted that PSD employees support the City's payroll system, a function that some jurisdictions place elsewhere organizationally. The PSD is not actively engaged in the areas of strategic and work force planning conducted within certain other "Human Capital" or "Human Resource" Departments in the public and private sector. For purposes of this Study, Corbin Company assessed the PSD as a Personnel Department. Recommendations provided are consistent with the evolution of the PSD into a Human Resource organization should the PSD seek to add these capabilities in the future.

  a. *Work Load:* Employees within each PSD Division possess the skills or the capability to carry out their responsibilities and support their customer base. Each Division has the requisite staff to meet its normal work

load. During times of increased operational tempo, many Divisions are unable to accommodate the increased work load in a timely manner. In most areas, the PSD does not deploy management tools to help balance the work load during peak activity periods and staff absences. Some knowledge critical to the smooth operation of the PSD is resident in specific employees rather than shared across the Division or Department. This becomes evident when the employee is absent and no one is able to complete that employee's duties effectively. This may adversely affect customer service.

The Benefits & Records Division appears to be a Division whose work load is not properly distributed. In an effort to better distribute the duties of the Division, PSD leadership is currently working on a plan to reorganize the workload to better suit customer needs. This reorganization involves assigning dedicated Analysts to assist specific customer Departments.

Throughout this Study, reference to "customers" refers to other City Departments that rely on Personnel Liaisons and/or employees.

Comparator Jurisdiction Note

The Fairfax County Human Resource Department assigned a Business Analyst to review all Human Resource processes. This assigned resource is responsible for documenting the processes and identifying areas that need to be reengineered.

b.   *Documented Processes:* The PSD Divisions have policy and procedure manuals and other reference materials to assist them in processing personnel transactions. In many cases this information is inaccurate, incomplete, or out of date. During the course of interviews with both PSD employees and PSD customers, many commented that the processes outlined in the resource material do not reflect how the process actually works. This has resulted in miscommunication, inconsistency, and instances of protracted processing time.

The quality of documented policies and procedures varies from one Division to the next. Some Divisions, such as Classification & Compensation, have extensive documentation in place that illustrates their processes and provides customers with an overview of the procedures. Other Divisions have either out-of-date or incomplete documentation.

The gap that exists between PSD documentation (Administrative Regulations, policy and procedure manuals) and actual practice generates a risk factor for the City because the optimal level of transparency is not always present. Different customers with identical needs may obtain different results, depending on the assisting PSD staff member. Some customers interviewed noted that they have placed multiple calls to PSD staff until receiving the desired response. "Fishing" (opinion shopping) for a favorable answer is not an uncommon occurrence in human resource departments, but most comparator jurisdictions have safeguards in place to ensure consistency of response.

     c.   ***Internal Controls:***   Some PSD processes have safeguards in place to ensure the accuracy of the information being reported and recorded. Examples include required fields that must be populated to initiate a new employee payroll record and an annual update of the life insurance roster in December to reflect current employee wage level and status. Still, many PSD processes lack a comprehensive audit or internal review function. Best practice in the industry suggests that all key databases should be audited by someone other than the individual maintaining that database at least annually to identify and correct any errors and to identify any skill or knowledge gaps of those maintaining the database. Best practice also suggests that a compliance calendar be used to maintain a schedule of audits required to ensure accuracy of process output.

In some instances, the same PSD staff member who researches and prepares a decision also participates when that decision is appealed. For example, when an employee appeals the results of a reclassification audit, the same Analyst who conducted the audit participates in the appeal. While that Analyst has a complete background on the

case, it is difficult for that Analyst to be objective in assessing his/her own work product. It is for this reason that other comparator jurisdictions, such as in Fairfax County, designate another Analyst to handle appeals of reclassification determinations.

   d.   *Decision Support:* The PSD does not routinely utilize lessons learned or quantitative data-driven processes to support key decisions. PSD does not have a comprehensive human resource information system (HRIS) in place to collect and manage data. Most of the information retained in the PSD, other than payroll-related data, is maintained in a series of spreadsheets and other decentralized databases. While a well-functioning HRIS would help generate management reports and key performance indicators, PSD has the resources and the access to data needed to improve its decision support capabilities. For example, the PSD should be able to use its experience in launching its new recruiting tool (NEOGOV) as a model for rolling out other technologies upgrades and innovations in the future. Lessons learned with respect to integrating the program into PSD operations and communicating effectively with other City Departments have many applications and contribute to the professional development of PSD staff.

2.   *General Finding—Process Improvements:* Many PSD processes have not been formally updated to reflect customer feedback, innovations or other regulatory changes. Customers consistently noted that many PSD processes appear to be designed to accommodate PSD rather than the customer. For example, processing a new employee involves multiple PSD staff members, placing a burden on the Personnel Liaison or the new employee to navigate the status of personnel actions rather than having a single point of contact to respond to questions. Some process changes and improvements within PSD happen slowly over time or in response to other factors. For example, the implementation of NEOGOV will impact processing new employees, since some of the information captured in NEOGOV will be used to initiate new employee files.

   a.   *Timeliness:* PSD processes specify timeframes when actions must be submitted and when they are effective. Many customers noted that even if they submitted documentation in accordance with PSD's schedule,

the action is not always processed in a timely manner. This reinforced the perception expressed by many that PSD is not a customer-friendly agency. PSD employees mentioned that customers often submit an abundance of actions just prior to the specified deadline, not giving PSD adequate time to process the actions. PSD management noted that they need to communicate more effectively with other Agencies the importance of providing PSD adequate lead time for processing transaction-intensive personnel actions. Alternatively, PSD may consider recalibrating the deadlines based on experience.

Personnel Action Form (PAF) processing was the source of repeated customer comments about timeliness. Completed PAFs are not always processed in time for the upcoming payroll. Departments observed that PSD staff often loses or misplaces PAFs. PSD does not have a procedure or mechanism in place to document receipt of the PAF and supporting documentation. The realization that information is missing often becomes evident only after a payroll deadline has passed. Inevitably, the customer is responsible for preparing and submitting a new form. This is an inefficient use of time and creates the potential for further confusion if the original

> "PAF's are commonly lost. When we call to check on the status, PSD staff says they never received the action."
>
> --A City Customer

PAF is later located, especially if the information on the original PAF is different than the information on the resubmitted PAF. PSD management states that the root causes for problems related to PAFs have now been identified and are being addressed internally, the benefits of which should start to become apparent to customers.

Customer interview results showed that a majority of Departments questioned the lengthy processing time for certain PSD procedures, notably classification reviews and recruitment. Many Departments see these processes as obstacles to smooth operations.

> **Comparator Jurisdiction Benchmark/ Best Practice**
>
> Human Resource managers in Arlington, Fairfax and Prince William Counties preview major decisions such as reclassifications with Department Directors prior to finalizing them. This reduces the need for appeals and fosters collaboration.

Contributing to processing times is the fact that the PSD often renders final decisions without giving the customer Departments a chance to offer input. Comparator jurisdictions usually invite customer Departments to review decisions before they are final and provide additional information if needed (see accompanying text box). For example, in other jurisdictions representatives from the Human Resource Department meet with Department Directors to discuss the proposed findings in a classification decision before the final decision.

b.   ***Bypassing PSD:*** The role of the PSD's is well understood both internally by PSD staff and externally by other City employees. It is unlikely that other City Departments would circumvent the PSD because they were unaware of the PSDs area of responsibility. In most cases, customers using PSD services achieve an acceptable outcome. In some instances, City Departments may look beyond PSD to other sources for specially services. For example, some Departments retain recruiting firms to assist in addressing hard-to-fill openings where PSD is unable to identify qualified candidates. In most cases where specialty services were used, PSD assisted in evaluating and selecting the vendor.

> Comparator Jurisdiction Benchmark/Best Practice
>
> To foster work force planning and to prevent duplication of effort, some comparator jurisdictions only accept requests for classification reviews twice a year. These jurisdictions include Arlington County, Fairfax County and Montgomery County.

Where outsourcing is not a viable option, the City has on occasion developed alternative methods to reduce the level of participation by PSD. For example, the City instituted the Position Certification Statement to expedite classification of new and or generic positions in lieu of PSD conducting a formal classification audit

of the position. This process, originally intended for exceptional circumstances, is becoming an increasingly popular alternative to the classification process. Other jurisdictions such as Fairfax, Arlington, and Montgomery Counties, place other rules and time limits around the reclassification process to balance the various needs of the PSD and the customer Department.

c.   *Process Gaps and Inefficiencies:* Some PSD processes include gaps and inefficiencies, increasing processing times and detracting from the desired level of customer support. When PSD processes do not proceed smoothly, customers tend to blame the PSD whether or not the source of the problem is with PSD. Since each business process is comprised of several steps, inefficiencies in any step will slow down the entire process. If each step is inefficient, the overall process suffers. For example, obtaining copies of employment applications is one small step in the recruiting process. Prior to the implementation of NEOGOV, obtaining employment applications included downloading documents onto CD ROM, transmitting the CD ROM from one Department to another, printing the applications, and then distributing them to assigned staff members. When individual steps in a business process are inefficient, these inefficiencies add up to make the overall business process even less efficient. Organizations committed to best practices dissect each business process into its discrete steps and then seek to maximize value at each step, working in collaboration with other stakeholders to fill gaps and drive inefficiency out of the process.

> **Comparator Jurisdiction Benchmark/ Best Practice**
>
> The NEOGOV applicant tracking tool is currently being used by Arlington and Prince George's County. Both counties report shorter processing times and increased satisfaction since the implementation.

d.   *New Applicant Tracking System:* PSD is currently installing a new applicant tracking system (NEOGOV) that should help streamline many processes within the Employment & Testing Division. This system, which is highly anticipated by customers, has the capability to automate many functions of the employment process. The NEOGOV applicant tracking system also offers tools for work force development and monitoring the overall work

force composition. For example, NEOGOV may be used to track employee tenure and project where and how the City should manage its work force planning efforts as older employees retire.

e. ***Shared Processes:*** Some PSD processes are performed in conjunction with other City Departments. In most instances, these shared processes do not work efficiently and do not serve as role models for interdepartmental collaboration because they lack a single source of ownership. For example, PSD obtains review and compliance services from the City Attorney's Office (CAO) for employee disciplinary actions and grievances. These shared processes tend to move slowly. In 2005, with assistance from the Human Rights Office, the PSD started a Mediation Services Program to attempt to resolve disputes at the lowest level possible. This program has not been widely used and most other Departments appeared to be unaware of this initiative.   PSD shares responsibility with the Finance Department for processing documentation related to employee retirements/pensions. This process tends to be inefficient. Because most of these shared processes start in the PSD and are transferred to another City Agency for final processing, some customers perceive that the PSD is responsible for the lack of process efficiency.

3. ***General Finding--Customer Service:*** The PSD is not generally perceived by other City Departments as being customer-focused. For purposes of this Study, we did not survey City employees, retirees, or applicants for their feedback. However, the consistent message delivered by City Department representatives was that PSD has technically qualified staff, but the organization as a whole is not focused on customer needs. Many PSD customers stated that they were often unable to receive timely assistance when they had questions. Customer perception is that the PSD is a process-oriented organization rather than a service-orientated organization.

> **Common Customer Comment:**
>
> "Some PSD staff members do not return my calls or reply to me emails in a timely manner. If they do pick up the phone, they often … make me feel like I am interrupting them."

Customer service is a matter of organizational culture and priority, beginning with Department leadership and reinforced with each PSD employee. Organizations that promote customer service ensure that each business process is defined to maximize the customer experience. Work flow and work load are balanced to eliminate potential bottlenecks and place customer needs before internal Departmental activities where possible. Professional training and advancement take customer service factors into consideration. There are many opportunities for the PSD to increase its customer service satisfaction levels and improve collaboration with customers.

a. *Internal-Facing Priorities:* Many customers perceive that the PSD staff and PSD Divisions are focused on their internal processes, losing sight of customer support. Customers noted a tendency of some PSD staff to adhere rigidly to internal guidelines rather than helping customers, introducing an adversarial undertone to many transactions. The interpersonal aspects of service delivery are often deemphasized in favor of impersonal completion of forms and internal procedures. As a consequence, many customers feel as if they are "intruding" on PSD when using PSD services. A sense of shared purpose between PSD and its customers is often missing from even the most basic interactions.

As a Department, PSD tends to be reactive rather than proactive or interactive. PSD engagement in outreach to other City Departments to understand their current and anticipated needs, to serve as a strategic partner in assisting them achieve their goals, or to collaborate in problem-solving is minimal. Most members of the PSD staff (other than PSD leadership) rarely meet in person with City customers at their facilities. Recruiters do not routinely meet with hiring officials to discuss current and anticipated openings or proactively develop continuing sources of applicants for anticipated openings.

b. *Responsiveness:* Most interviewed PSD customers commented that their requests for assistance often go unanswered. Particularly in the Benefits & Records Division, customers send emails and leave voice messages

for staff, but do not receive timely replies. Customers often need to elevate their requests to PSD leadership to answer questions that should be handled at a lower level. Hiring officials commented that applicants interested in employment with the City sometimes find it difficult to contact a PSD staff member to ask basic questions about employment benefits.

PSD's responsiveness to its customers is adversely affected by the way in which PSD allocates work. PSD employees have a limited understanding of activities in other PSD Divisions, and often are unaware of the scope of duties of other employees in their own Division.   There is no centralized contact point in PSD for employees.

Customer perception of the lack of service responsiveness tends to be staff-specific rather than Department-wide. Many PSD staff members are viewed as subject matter experts in their respective fields and are respected for the high level of professionalism and responsiveness that they exemplify.

   c.   *Personnel Liaisons:* Most Departments have designated Personnel Liaisons as the principal interface with the PSD. Personnel Liaisons have direct contact with members of their respective Departments and act as intermediaries between their home Department and the PSD.

> **Comparator Jurisdiction Benchmark**
> **Best Practice**
>
> Arlington County HR Department holds monthly meetings with Department Personnel Liaisons. These meetings have opened the lines of communication for constructive discussion on a broad range of topics.

When a Department designates an employee to serve as Personnel Liaison, PSD does not have a formal training program in place to help orient and prepare that individual for the role. PSD and Personnel Liaisons would benefit from a comprehensive, structured training program that communicates process and procedural changes. Currently, PSD does not provide a forum for Personnel Liaisons to provide feedback to the PSD regarding the efficiency and effectiveness of their processes.   As a consequence, there is a disparity in the level of proficiency among the Personnel

Liaisons and the potential for variations in processes that each follows.

PSD management notes that historically it has been a challenge to schedule the Personnel Liaisons as a group to attend training. Best practice identifies that partnering with customer Department leaders to communicate the importance of this training helps to improve attendance rates. Some comparator jurisdictions require every Personnel Liaison (or replacement if not available) to attend mandatory training sessions.

The lack of a structured outreach program to the Personnel Liaisons is consistent with the PSD's internal focus. Other comparator jurisdictions maintain their own respective versions of Personnel Liaisons. Each of these comparator jurisdictions has a forum in place for Personnel Liaisons to provide input on processes and upcoming changes, receive training and communicate with the Personnel Departments and with one another (see accompanying text box).

For example, Arlington County hosts monthly meetings with all Personnel Liaisons. An agenda is distributed prior to the meeting and participants may request that certain topics be covered. The Human Resource Director attends and opens each meeting.

4.   *General Finding—Communications:* The PSD has not often taken the opportunity to communicate internally within the Department or externally with other City Departments. Internally, PSD staff members expressed a need to improve the level of communication within the Department. In particular, PSD employees were interested in obtaining more information from PSD leadership about Departmental and City-wide matters, and in learning about the activities

> **Comparator Jurisdiction Benchmark**
> **Best Practice**
>
> Fairfax County and Arlington County have each recently implemented customer service centers that serve as the initial point of contact for customers. Both counties noted a significant improvement in the level of customer satisfaction.

within other PSD Divisions. PSD Divisions meet on a regular basis to discuss issues and coordination. The Department Director disseminates information to Division Chiefs as appropriate and relies upon the chain of command within each Division to then distribute information accordingly. PSD does not hold internal Departmental meetings. The most recent extended meeting in Departmental memory was a 2001 "retreat." Externally, PSD does communicate with all City Agencies, but does not have a formal communication plan in place to maintain a well-managed dialog with other City Departments. While PSD leadership (Administration Division) assumes general responsibility for external Departmental communications, it does not appear that there are defined goals and duties in connection with the external communication function.

a.   *Internal Communications:* More than half of the PSD staff interviewed expressed a strong preference for better internal Departmental communications. The lack of adequate internal communications has an adverse effect on employee morale. PSD staff members expressed a sense of disconnection from the Department and from other elements of City Government. Information dissemination is inadequate and adversely impacts their ability to perform effectively. PSD does not routinely communicate internal changes to processes or procedures to all the members of the Department, via a formal process. Lack of timely information may result in PSD providing erroneous or outdated information to customers.

Most comparator jurisdictions hold Department all-hands meetings quarterly or monthly. To supplement these meetings and foster continuity of operations and knowledge transfer, internal leadership meets monthly or weekly.

b.   *External Communications:*   Unlike its comparator jurisdictions, the PSD has not published a vision statement or mission statement. Customers are unaware of the PSD's missions, goals and priorities. Customers

> **Comparator Jurisdiction Benchmark**
> **Best Practice**
>
> Arlington, Fairfax, Montgomery, Prince George's and Prince William County all meet as a Department at least quarterly. Department leadership meetings are held at least monthly and essential information is disseminated to the lowest levels of the Department.

understand the PSD's role and responsibilities within the City Government, but perceive that the PSD does not communicate effectively. PSD external communications focus on transactional information, rather than on strategy or customer input.

Customers commented that the PSD does not communicate changes to customers in a timely manner and lacks an effective communication plan that ensures all pertinent information is relayed to City employees. Information received during Department Head meetings does not effectively get disseminated to the City employees. There is no method in place to capture and disseminate the information discussed during these meetings that is appropriate for other City employees.

5.   *General Finding—Knowledge Management:* Several PSD employees have many years of PSD experience. This experience includes institutional knowledge (how and why things are done) as well as institutional memory (how and what things were done in the past). This reservoir of knowledge is essential to smooth and effective PSD operations. Unfortunately, much of this knowledge is resident with individual employees and is not shared in a manner that benefits the Department as a whole. The Department relies on these individuals to keep operations moving forward when problem-solving depends on institutional knowledge or memory. If the employee is absent, the knowledge may be lost and operations disrupted.

The PSD maintains and stores employee records. Employee personnel files contain primary source documents including sensitive individual information. There are no specific written criteria in place that define what documents should be filed in an employee's personnel record. Those responsible for the employee files generally follow what has been done in the past. The default response appears to be to save most employee information. As a consequence, employee records have become bulky. This places a strain on storage capacity, retrieval of historical information, and effective implementation of an electronic storage solution.

a.   ***Employee Privacy:***   Employee records are stored throughout the PSD.   During the course of conducting this Study, no information came to light concerning any unauthorized disclosure of private employee information. However, the potential for violation of employee privacy is present. The file room and individual file cabinets that contain current/terminated/retiree personnel records are not secured.   Some PSD customers commented that they were concerned about what was perceived as a lax level of security precautions for handling employee files.

Pursuant to this study, PSD management has recently secured funding to install file cabinets that offer secured storage of personnel records. Once installed and properly used, this security measurement should help to mitigate the risk of a violation of employee privacy.

b.   ***Records Storage:***   Currently, there are no full written guidelines in place that define what documentation should be filed in an employee record and for how long. PSD staff members generally file any document that Personnel Liaisons, supervisor or employees submit to them. Some employee records contain extraneous or duplicate information, creating additional bulk in the records and contributing to storage challenges. Records with extraneous materials may also make it more difficult for those using the records to locate specific information in the file. PSD does not have a process in place to audit personnel files on a regular basis. It is possible that records may be missing required information.

Comparator Jurisdiction Benchmark
Lesson Learned

Prince William County is in the process of converting hard copy employee records to an electronic version utilizing an Electronic Data Management System (EDMS). They did not define what should be placed in a file prior to starting the transfer and realized mid-process that they were preserving unnecessary information.

c.   ***Electronic Employee Records:*** Many human resource departments have converted all or some of their employee records to electronic format to facilitate storage and retrieval of information.   Electronic employee records may take several forms. The two most commonly used alternatives are (1) to enter and save the

information electronically, and (2) to scan documents and save the scanned image. Both are effective means of storing documents. Information that is entered electronically is easier to search and retrieve than scanned documents.

PSD began scanning employee records into an electronic format. This effort was halted in part due to the absence of clear guidelines on what information needed to be scanned and retained (see above text box).

6. *General Finding—Professional Development:* The City of Alexandria has a training program in place that enables City employees to improve their skills and add new skills. The City also offers tuition reimbursement and other education benefits to encourage employees to pursue professional and individual development, and to help attract and retain the best possible talent.

Each comparator jurisdiction has training and development programs that focus on improving employee performance in their current position and preparing them for positions of increased responsibility. In interviews with representatives from other City Departments, some noted that there has not been a significant change in the training curriculum offered in the past several years. They observed that the training program may be more effective if it is more closely aligned with employee needs and preferences. Many Department representatives also noted that PSD does not systematically track the completion of mandatory courses.

> **Comparator Jurisdiction Benchmark**
> **Best Practice**
>
> All of the PSD's selected comparator jurisdictions have training programs in place that help employees perform better in their job and prepare them for positions of increased responsibility.

a. *Curriculum:* The PSD training curriculum has remained essentially unchanged in recent years. This has led to a general perception that the training program is growing stale and less responsive to the needs of the work place.

The PSD does not engage in work force planning to align employee skills and competencies with current and anticipated challenges. There are methods available to the PSD to align the training program more closely with the City's needs.   The PSD can work with Department Directors to understand their needs and preferences. The PSD can also track performance evaluations and other goal-setting initiatives between employees and their supervisors. PSD can also work with the Information Technology Services Department and software suppliers to identify training opportunities related to business software.

Online-training (Mindleaders) implemented in recent years is well-received by customers. Many like the flexibility of online training because it accommodates their daily work schedule and allows them to train when it's convenient. Although many customers felt Mindleaders was a good extension of the training program, most preferred an increase in the amount of traditional classroom-based learning.

> **Customer Comment**
>
> "The City's training program has not changed in many years. The same courses are offered over and over. We'd like to see new classes that are up-to-date with current workplace trends."

b.   *Input:* The PSD does not currently solicit input on the training curriculum from the work force as a whole. Employees participating in the training program are invited to complete individual course evaluation forms at the conclusion of each course. Almost all interviewed persons expressed an interest in providing input on what courses are offered through the training program. Before the annual training program is established, employees would like the opportunity to comment on current training classes and recommend courses.

c.   *Tracking:* Currently, there is no difference of opinion as to who has responsibility for monitoring whether employees successfully complete mandatory training courses. Department Directors expressed concern that they do not have a means of monitoring whether employees successfully complete mandatory training

courses. PSD does not currently track the attendance of these courses and thinks the responsibility should be placed on Departments. Directors have requested that PSD, as the keepers of the training program, maintain records that keep all informed on the status of employee mandatory training. The City needs to define the respective roles of PSD and the other Departments with respect to tracking the status of mandatory training courses attended.

Conclusion

The PSD has a nucleus of employees in place with the skills and experience to perform the full range of Personnel services. Most of the findings and recommendations in this Study focus on **how** the Department operates, not on **what** it does. Many PSD transactions and business processes appear to have evolved over time to eliminate as much interaction as possible with customers. The Department does not routinely work with other City Departments to obtain feedback on proposed actions, understand their needs, or collaborate to improve effectiveness. Many PSD employees have chosen to view their jobs as transaction-based rather than service-oriented, devaluing the importance of customer responsiveness. In most organizations, the Personnel Department promotes morale and cohesiveness throughout the enterprise. The PSD does not serve in this for Alexandria City Government.

The PSD can make significant improvements without making significant investments in new technology or other resources. Most of the improvements can be achieved by improving communications, changing its introverted culture to one of dedicated customer service, and improving the efficiency of a few key business processes.

RECOMMENDATIONS

Following are 15 recommendations to improve the performance and efficiency of the Alexandria Personnel Services Department (the Department or PSD). Recommendations focus on realistically achievable improvements to enhance current PSD capabilities and improve customer service. Two recommendations are intended to reshape aspects of the PSD's service delivery model to bring the Department into line with proven best practice at work in neighboring jurisdictions. None of the recommendations entail a significant investment in technology or other resources.

If Alexandria elects to implement all of the recommendations, the total cost of implementation (primarily internal PSD staff time) is $398,991, and the total benefit is calculated to be $765,117. This represents a return on investment (ROI) of 92% for the City. Successful implementation of these recommendations will position PSD to operate more effectively as a strategic and tactical partner with other Departments.

Recommendations are grouped first by theme and then prioritized by proposed sequence for implementation.

❖ **Grouping by theme** shows how recommendations relate to one another in terms of subject matter. For example, all recommendations addressing Communications are placed together.

❖ **Grouping by priority** summarizes the costs, benefits, and rationale for each recommendation. This also provides a roadmap of how to control the overall cost of implementation by leveraging staff work associated with implementation. While the recommendations are not interdependent, completing staff work for some recommendations will support other recommendations as well. For example, documenting PSD business processes (Recommendation 1) serves as the basis of training materials for Personnel Liaisons (Recommendation 6). The cost of implementing the recommendations is calculated based on following the proposed sequence.

Please refer to Appendix 9 of this Study for detailed information concerning projected costs, savings, and ROI for each recommendation. Appendix 10 details proposed execution plans for each recommendation.

Recommendations by Theme

Department Structure and Staffing

The following recommendations help the Department operate more efficiently and with greater transparency.

1. *Documentation:* Document PSD policies, procedures, and practices. First, outline all items that need to be documented. Second, create a standardized format. Third, follow a schedule to complete key documentation. Fourth, develop a system to review and update procedures at least annually. Implementing this recommendation provides the foundation of many of the other recommendations that will require documented policies, procedures, and practices.

2. *Cross-Training:* Promote cross-training within PSD so employees are able to assist co-workers within a Division and in other Divisions. This may be done as part of internal PSD meetings to help familiarize all staff members with the full range of PSD functions. This will alleviate surge needs, eliminate the reliance on any single individual to perform a PSD function, and enhance efficiency across the Department by preparing employees to function as generalists rather than as specialists. Use the documented policies, procedures, and practices identified in Recommendation No. 1 as the basis for training.

3. *Compliance Calendar:* Implement an internal compliance calendar to ensure all key databases such as benefit plan participation rosters and employment eligibility folders are reviewed for accuracy and completeness at least annually.

Process Improvements

The following recommendations focus on re-thinking critical business functions to make them more efficient and to raise the level of customer satisfaction.

4. *Process Re-design:* Identify and re-design key PSD processes to improve efficiency and responsiveness to customer requests. For example, streamline workflow for processing new employees.

5. *Limited Outsourcing:* Consider outsourcing the fact-finding process for disciplinary and grievance actions where there may be a perception that PSD is too close to a situation or its participants to be objective. Other comparator jurisdictions follow this practice.

Customer Service

The following recommendations will help PSD improve its interface with customers.

6. *Liaison Training:* Leverage the Personnel Liaisons more effectively by creating guidelines and training for them and scheduling quarterly plenary sessions to discuss changes, process improvements, and customer feedback and lessons learned.

7. *Centralize Customer Service:* Centralize the PSD customer service function to address customer inquiries, such as questions about procedures and the status of items being processed. If unable to answer a question, this "front desk" would route customers to the appropriate PSD staff member. Such customer service functions are currently being implemented with success in other local jurisdictions. This would improve service and enable other PSD staff to focus on more complex matters.

Communications

The following recommendations will help PSD take a more effective proactive approach to communications.

8. *Departmental Meetings:* Institute regularly scheduled PSD internal meetings for leadership and for all PSD staff. All of the PSD counterparts in other local jurisdictions conduct leadership meetings either weekly or monthly and department-wide meetings either monthly or quarterly. These meetings should include a structured agenda that is communicated to participants prior to the meeting. Participants should be given the opportunity to propose agenda items.

9. *Communications Plan:* Create a communication plan to improve communications with the rest of City Government. This should include roles and responsibilities within the Department for communicating externally. The plan should also address strategies to leverage current technology such as web casts and podcasts, and a schedule to reach out to other Departments to identify how to work together more effectively.

10. *Read-Only Access to HRMIS:* Grant all Personnel Liaisons read-only access to applicable personnel records and Human Resource Management Information System (HRMIS). This was recently adopted for the Personnel Liaisons from the Alexandria Fire Department and then expanded to include the Police Department. Expanding this access will enable Personnel Liaisons to check the status of pending actions without contacting PSD for assistance. This provides another quality control review on the accuracy of PSD data entry.

Knowledge Management

The following recommendations will help PSD manage information.

11. *Records Handling:* Institute guidelines for handling employee records. This should include annual training across the Department on safeguarding information privacy.

12. *Records Retention*:   Institute guidelines for employee records retention. This should specify what information should be retained, where, in what format, and for how long. Each stored personnel file should be organized in the same way. Guidelines should address how far back records should be covered by the guidelines and a risk management plan to address information that is missing.

13. *Exit Interviews:* When an employee terminates employment, the termination process now focuses on benefits transition, such as transfer of medical insurance and retirement account. Expand the employee exit interview process to capture the reasons for employment termination and other information that may lead to improvements in the workplace and reducing attrition.   Other local jurisdictions capture and harvest this information to support decisions on where and how to improve.

Professional Development

The following recommendations will help strengthen the training program as a professional development tool.

14. *Training Program:* Review and update the City's training program using a more inclusive process that takes into account the needs of City Departments. Include an employee survey or other mechanism to enable interested employees to participate.

15. *Track Training:* Define the respective roles of PSD and other City Departments with respect to tracking successful completion of mandatory training courses. Develop a system that then implements the responsibility. Allow Personnel Liaisons access to this system to help them work with employees to meet their training requirements.

Recommendations by Priority

Following are recommendations placed in the following priority order.

Class I For immediate implementation, preferably over the next 3 months. Class I recommendations may be integral to the implementation of Class II and Class III recommendations.

Class II For implementation after Class I recommendations are implemented, preferably in 4 to 9 months.

Class III For consideration after Class I and Class II recommendations are implemented, preferably completed within the next 2 years.

Please refer to Appendix 9 for a detailed analysis of the costs, benefits, and return on investment (ROI) for each recommendation. Appendix 10 includes detailed implementation plans for each recommendation.

No.	RECOMMENDATION	COST	BENEFIT	RETURN ON INVESTMENT	RATIONALE FOR RATING
Class I					
1	*STRUCTURE AND STAFFING* Document PSD policies and procedures	$11,887	$51,747	335%	❖ Standardize practices and address potential inconsistencies ❖ Consistent with best practices ❖ Improve customer service ❖ Building block for implementing Recommendation Nos. 2 (cross-training), 4 (re-engineering key processes), 6 (training Personnel Liaisons), and 7 (developing customer service center)

No.	Recommendation	Cost	Benefit	Return on Investment	Rationale for Rating
8	*COMMUNICATIONS* Implement internal PSD meeting schedule for leadership and all staff	$33,063	$39,098	18%	❖ Improve internal morale ❖ Improve customer service ❖ Foster open communication ❖ Promote employee engagement ❖ Promote Departmental teambuilding
11	*KNOWLEDGE MANAGEMENT* Develop and implement guidelines for handling employee records	$8,784	$11,076	26%	❖ Ensure PSD in regulatory compliance ❖ Mitigate a risk of disclosure, identity theft, and loss of files ❖ Foster customer confidence
13	*KNOWLEDGE MANAGEMENT* Develop and implement more complete exit interview process	$10,345	$84,428	716%	❖ Identify reasons for attrition ❖ Identify areas for internal improvement to reduce future attrition **Note: This is the second most effective return on investment and, if properly implemented, a proven tool to help reduce attrition.**
Class II					
6	*CUSTOMER SERVICE* Complete Personnel Liaison training materials and initial training	$2,979	$31,033	942%	❖ Leverage Personnel Liaison resources more effectively ❖ Promote efficiency ❖ Foster customer "buy-in" **Note: This is the most effective return on investment**
2	*CUSTOMER SERVICE* Cross-train PSD staff to perform multiple functions	$28,172	$31,033	10%	❖ Promote efficiency ❖ Promote professional development ❖ Alleviate dependence on key personnel ❖ Personnel generalists better positioned as PSD evolves into strategic role

No.	Recommendation	Cost	Benefit	Return on Investment	Rationale for Rating
3	*Structure and Staffing* Implement compliance calendar to audit all internal databases	$17,607	$21,577	23%	❖ Promote accuracy ❖ Prevent errors before they occur ❖ Prudent financial control
10	*Communications* Grant Personnel Liaisons "read-only" access to HRMIS	$9,097	$18,635	105%	❖ Provides extra level of audit ❖ Reduces requests for assistance to PSD ❖ Expands the pilot program in place for the Personnel Liaison from the Fire Department
9	*Communications* Develop and implement PSD communication plan	$8,902	$12,413	39%	❖ Enhances PSD ability to work effectively with other City Departments ❖ Enhances PSD image as a customer-focused organization ❖ Positions PSD to evolve into strategic role
4	*Process Improvement* Re-engineer key processes	$19,842	$63,241	219%	❖ Improves customer service ❖ Improves efficiency ❖ Incorporate internal controls ❖ Positions PSD to automate in the future
12	*Knowledge Management* Develop and implement records retention guidelines	$15,825	$23,281	47%	❖ Organize large amount of information and make it more accessible ❖ Positions PSD to make informed decisions about how and what to automate in the future ❖ Alleviates records storage issues
15	*Professional Development* Defines roles and develop	$8,511	$16,000	88%	❖ Ensures regulatory compliance ❖ Provides PSD and Departments with audit trail of attended courses

No.	Recommendation	Cost	Benefit	Return on Investment	Rationale for Rating
	and implement tracking system for mandatory training courses				This may be a Class I recommendation since employees lacking mandatory training represent a potential risk
Class III					
7	*Customer Service* Develop a centralized customer service function to serve as the initial interface with customers	$103,075	$136,547	32%	❖ Improves customer service ❖ Enables rest of staff to focus on more complex and strategic matters **Note: This may be the most difficult recommendation to implement, but it holds the greatest potential for improvement of PSD customer service. This model is successfully working in other regional jurisdictions.**
5	*Process Improvement* Explore outsourcing of fact-finding for disciplinary and grievance matters	$91,120	$87,610	-4%	❖ Reduces the perception that those involved in the process may be biased ❖ Provides PSD with objective input ❖ More scaleable solution ❖ Successfully implemented in other regional jurisdictions **Note: The value in this recommendation is in strengthening customer perception that the fact-finding process is objective**
14	*Professional Development* Update training program curriculum	$29,782	$137,398	361%	❖ Align training budget with City's anticipate needs ❖ Alight training budget and offerings with employee professional development needs
	Total	$398,991	$765,117	92%	

APPENDIX 1 - APPROACH AND METHODOLOGY

Project Planning	Data Collection and Analysis	Findings and Recommendations	Reporting
• Define and clarify scope • Develop project timeline • Review deliverables	• Desk-side audits • Customer interviews • PSD staff interviews • Benchmark data • Analyze data for themes	• Create thematic findings • Develop recommendations consistent with critical business need • Determine cost savings and efficiencies	• Develop summary report • Client presentation • Implementation review

Corbin Company conducted the Performance Audit and Efficiency Study (the Study) of the City of Alexandria's Personnel Services Department (the Department or PSD) in accordance with its proposal and the resulting contract. The general approach was to collect and then analyze information from multiple sources, synthesize the results of this research and data collection, and then form findings and recommendations firmly grounded in research and business common sense. Recommendations are based on practical solutions that are achievable with the current staff and with minimal technological upgrade.

PERFORMANCE AUDIT AND EFFICIENCY STUDY

Project Planning

Corbin Company created a detailed project plan to identify the activities, resources, and project milestones in connection with this Study. We met at the beginning of the project and periodically throughout the project to report progress, obstacles, and proposed solutions. Project meetings also provided a source of additional current information from the client that was incorporated into the findings and recommendations.

Data Collection and Analysis

Corbin Company used multiple sources of information and material in the preparation of this Study, including the following:

❖ Material review of policies and procedures and related Administrative Regulations

❖ Structured interviews with members of the Department to gather data on roles and responsibilities, job functions, and the effectiveness of personnel processes (See Appendix 12 for a list of PSD employees interviewed as part of this Study)

❖ Desk side audits of PSD Divisions to observe PSD functions

❖ Extensive discussions with 22 of the City of Alexandria's other Departments to assess the level and quality of service provided by the PSD and to identify opportunities for improvement in customer service delivery (See Appendix 2 for summary of comments from other City Departments)

❖ Extensive discussions with neighboring comparator jurisdictions to identify best practices and other innovations that were successfully in place and adaptable to the Alexandria PSD. Comparator jurisdictions considered in the preparation of this Study were Fairfax County, Prince William County, Prince George's County, Montgomery County, Arlington County and Loudoun County.

❖ Review of literature and other internal proprietary research to identify best practices and to develop reliable models to measure the estimated costs, benefits and return on investment of each proposed recommendation (See Appendix 13 for a bibliography of sources used for external research and recommended references)

PERFORMANCE AUDIT AND EFFICIENCY STUDY

To analyze the information collected, Corbin Company used the following methodology:

- ❖ We replicated how the PSD is currently structured, organized, and operated to understand the "current state" of the PSD on an overall level
- ❖ We identified which business processes within PSD were most commonly used and therefore created the greatest opportunity for improved efficiency
- ❖ We identified which recurrent themes and patterns from customer feedback could be translated into concrete findings and actionable recommendations
- ❖ We formed preliminary working models, which we used as the basis for our discussions with comparator jurisdictions.
  - ► Note: The comparator jurisdictions with which we met have more extensive resources and, in some cases, significantly greater economies of scale. We took the relative characteristics of these comparator jurisdictions into consideration in proposing recommendations that would be readily applicable to the Alexandria PSD.
- ❖ We created detailed implementation plans for each of the recommendations based on research and institutional experience in implementing similar projects. Where the implementation of one recommendation was leveraged upon the implementation of other recommendations, we sequenced the recommendations accordingly. This was designed to help the PSD use its resources as effectively as possible.
- ❖ We estimated the cost and associated benefits for each recommendation.
  - ► Costs were computed based on a series of assumptions, such as the average cost of internal PSD labor per hour, inclusive of associated overhead. We also estimated conservatively the number of transactions (business processes) per year conducted by the PSD.
  - ► Benefits in most cases measured the benefits to the PSD only. In many cases there are also significant benefits that accrue to the other City Departments. Explicit notation is provided where City-wide benefits were quantified and included in our analysis.

❖ We calculated the Return on Investment (ROI) associated with each recommendation. For purposes of this Study, we calculated ROI as follows:

$$ROI = [(Benefit - Cost)/Cost)]*100$$

For example, if a recommendation cost $5,000 to implement and yielded a benefit of $12,000, the ROI for that recommendation is as follows:

$$ROI = [(\$12,000 - \$5,000)/\$5,000)]*100 = 140\%$$

Findings and Recommendations

Corbin Company organized the findings according to thematic consistency because many of the findings were attributable to certain root causes or themes. For example, the PSD is often unable to communicate effectively internally (within the Department) or externally (with other City Agencies or employees who come into contact with the PSD. This continuing theme (lack of effective communication) leads to multiple findings.

We confined our findings to initiatives that were practical, immediate, and achievable without a significant additional investment in technology. For purposes of this Study, we did not focus on the transformation of the PSD into a full-service "Human Capital" organization that is able to promote the City's strategic plan and goals. This may be a desired long-term aim, but it was outside a performance and efficiency study, which is designed to maximize the current organization. However, each of the recommendations proposed in this Study is consistent with the process of moving toward becoming a strategic human capital partner.

We organized recommendations in two ways:

❖ First, we related the recommendations to the finding where appropriate.
❖ Second, we classified recommendations as immediate, intermediate, or longer term. We sequenced the proposed implementation of recommendations based on several factors, such as urgency, resource availability, and dependence of one recommendation upon another.

The recommendations may be implemented a la carte in most cases. The dependencies identified were designed to leverage the efforts involved in one recommendation to yield downstream benefits for another recommendation.

Reporting

We prepared the Final Report in accordance with the guidance provided in the contract (*Standard Format for the Efficiency and Best Practices Reports; City Manager Advisory Group*). The final report also addresses each of the specific areas identified in Section V.A of the contract (*Scope of Services Requirements for Performance Audit and Efficiency Study).* This Final Report follows the same order as identified in that scope area.

Corbin Company will provide briefings and discussions as directed by the City of Alexandria to communicate the findings and recommendations.

APPENDIX 2 - DEPARTMENT FEEDBACK RESULTS

Corbin Company met with representatives from 22 other City Departments to obtain feedback for this Study. Participation by other City Departments in this Study was voluntary. Each Department that elected to provide feedback concerning their specific experience working with PSD also selected who would represent the Department in providing feedback. Corbin Company assured all other City employees offering input for this Study that their comments would be used on a non-attributed basis.

The purpose of our outreach to other City Departments was to obtain a composite view of how well the PSD was performing from a customer service perspective and how effective the tools and procedures that PSD uses are in addressing issues. This provides a baseline that should be re-evaluated to measure progress after recommendations are implemented. Our focus was on identifying recurrent patterns of practice. We asked representatives from each Department what issues or roadblocks they repeatedly faced when dealing with the PSD.

Following is a summary of the feedback from other City Departments, grouped by their input concerning each of the PSD Divisions:

Employee Relations and Training Division

❖ Staff is generally knowledgeable, receptive, and quick to respond to requests for assistance.
❖ Administrative Regulations are not helpful when researching how to proceed with a disciplinary action.
❖ Administrative Regulations appear to be out of date and inconsistent with current practice.
❖ Personnel actions involving the City Attorney's Office tend to take longer to resolve.
❖ There is a general perception that the disciplinary system as a whole tends to favor employees and discourage the application of prompt, meaningful employee disciplinary action.

❖ The PSD staff usually provides helpful guidance to supervisors and employees. Some noted that the PSD staff appears to be sometimes too close to the supervisor, the employee, or both, to render an impartial decision.

❖ The training curriculum has not significantly changed in many years, thus becoming less effective over time.

❖ City employees have limited input into which courses they would like to see in the training program.

❖ It does not appear that the PSD systematically tracks mandatory training for employees.

Employment and Testing Division

❖ Respondents noted a marked improvement in the performance of this Division over the past year.

❖ Interest and optimism are high concerning the implementation of the new automated recruiting application (NEOGOV).

❖ The overall recruitment process is lengthy and cumbersome. It needs to be streamlined.

❖ On many occasions the Employment and Testing Division does not accurately "certify" (screen for qualification) applications. Many believed that employees in this Division would be more effective if they worked more closely with hiring Departments to understand and clarify hiring needs.

❖ The recruitment process is too slow. Delayed processing of applications has resulted in the loss of promising candidates who accepted employment elsewhere.

❖ The Division does not employ an aggressive, proactive effort to find good candidates for hard-to-fill positions. The recruitment process is largely reactive rather than proactive.

❖ The current requirement of internal advertisement of openings prior to external advertisement tends to be cumbersome and time-consuming without a compensating benefit.

❖ Interview panels are difficult to staff.

❖ This Division does not leverage historical recruitment data and experience to inform and facilitate similar new recruitment efforts.

Classification and Compensation Division
- ❖ Analysts are knowledgeable about their subject matter.
- ❖ The employees are admired and respected, but some of their processes appear to be out-of-date and out-of-touch with the realities of the workplace.
- ❖ The Quantitative Evaluation System (QES) is generally not perceived as a useful compensation tool.
- ❖ The classification request process is overly time-consuming.
- ❖ Appeals of classification decisions should be reviewed by a different Analyst than the one rendering the initial decision.
- ❖ There appears to be a lack of consistency in how each Division staff member interprets Administrative Regulations and procedure manuals, resulting in differing outcomes.
- ❖ Position descriptions and classification specifications are not accurate and are not updated on a regular basis.

Benefits and Records Division
- ❖ Many noted that the quality of customer service in this Division tends to fall below accepted standards.
- ❖ Documentation sent to Division for processing is often lost or misplaced.
- ❖ Information given to employees is often inaccurate.
- ❖ At times, Division employees seem to take an inordinate amount of time to process personnel action forms (PAF's). Many actions are not completed timely within the appropriate payroll period.

Administration Division
- ❖ Respondents did not comment on the policies and procedures applicable to the Administration Division. Many noted that there are occasions in which the PSD would benefit from a more decisive, engaged leadership style than currently being implemented.

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PERFORMANCE AUDIT AND EFFICIENCY STUDY

APPENDIX 3 - ANALYSIS OF SERVICE LEVELS, WORKLOAD, OUTPUT, AND STAFFING

The following chart presents an analysis of service levels, workload, output and staffing per PSD Division. This chart depicts the current state of the PSD and serves as a basis for many of the other appendices that follow.

- **SERVICE LEVELS:** Event-oriented performance criteria used to measure the probability that customer requirements are properly completed within the appropriate time interval.
- **WORKLOAD:** How Divisional responsibilities are allocated and balanced among staff members.
- **OUTPUT:** The end result of Division responsibilities being processed.
- **STAFFING:** Number of full-time equivalents (FTEs) per Division, including titles, employment status (full-time, part- time or temporary) and vacancies.

DIVISION	SERVICE LEVELS	WORKLOAD	OUTPUT	STAFFING
Classification & Compensation	▪ Classification audit request processed within 60 days after assigned to a Personnel Analyst ▪ Benchmark studies completed within given timeline ▪ Percent of customers satisfied with Fair Labor Standards Act (FLSA) determination	▪ Division Chief allocates work to staff ▪ Personnel Analysts conduct benchmark studies and classification audits ▪ Personnel Technician performs data entry, record keeping and clerical support duties	▪ Benchmark studies ▪ Final classification audit decisions ▪ FLSA determinations	1-Division Chief 2-Personnel Analyst III 1-Personnel Analyst I 1-Personnel Technician (PT) No vacancies currently exist

PERFORMANCE AUDIT AND EFFICIENCY STUDY

DIVISION	SERVICE LEVELS	WORKLOAD	OUTPUT	STAFFING
Employment & Testing	▪ Percent of candidates reporting a positive recruitment experience ▪ Percent of hiring officials satisfied or highly satisfied with the quality of temporary staff	▪ Division Chief provides oversight of all employment and testing responsibilities ▪ Personnel Analysts recruit for assigned Departments ▪ Personnel Assistant arranges pre-employment testing, maintains I-9's and performs clerical support duties ▪ Temporary employees provide clerical support	▪ Screened applications ▪ Certified applications ▪ Positions filled ▪ Temporary staff placed ▪ Pre-employment tests completed	1-Division Chief 3-Personnel Analyst II 1-Personnel Assistant 2-Temporary Employees (clerical) No vacancies currently exist
Employee Relations & Training	▪ Percent of grievances resolved before passing from management control ▪ Percent of employees using tuition assistance that complete the course and receive a passing grade ▪ Percent of employee class evaluation scores 4.0 or above on a scale of 1-5 (5 is most satisfied)	▪ Division Chief provides oversight of all employee relations actions and the training program ▪ Personnel Analyst is responsible for employee relations ▪ Personnel Analyst is responsible for training program ▪ Personnel Assistant provides clerical support duties to Division and Department leadership	▪ Disciplinary actions processed ▪ Grievances processed ▪ Training program ▪ Employee tuition assistance requests processed	1-Division Chief 2-Personnel Analyst III 1-Personnel Assistant (PT) No vacancies currently exist

DIVISION	SERVICE LEVELS	WORKLOAD	OUTPUT	STAFFING
Benefits & Records	▪ Average survey score of employees satisfied with the timelines of handling request for information or assistance with benefits ▪ Percent of claims paid accurately ▪ Percent of payments collected timely ▪ Number of personnel actions processed accurately and on time ▪ Average survey score of employees satisfied with the City's efforts to promote health and wellness	▪ Personnel Analyst administers benefit program for current and terminated employees ▪ Personnel Clerk I is responsible for employee records administration and leave balance maintenance ▪ Personnel Technician is responsible for processing personnel actions and arranging new hire orientation ▪ Personnel Technician is responsible for retiree benefits administration	▪ New employee information entered into HRMS ▪ New employee benefits established and activated ▪ Employee claims paid ▪ Retiree/terminated employee premium payments collected ▪ Personnel actions processed ▪ Wellness participants served	1-Personnel Analyst II 1-Personnel Clerk I 2-Personnel Technician Current vacancies 1-Division Chief 1-Personnel Analyst I
Administration	▪ Administrative Support Services cost as a % of total Department expenditures ▪ Percent of payroll liaisons satisfied with KRONOS operations	▪ Director provides overall leadership to Department ▪ Deputy Director acts as second in command and currently heads the Benefits and Records Division ▪ Special Projects Coordinator is primarily responsible for KRONOS operations ▪ Administrative Officer II provides support as needed ▪ Computer Systems Analyst IV supports KRONOS operations ▪ Computer Programmer Analyst I provides overall IT support to Department	▪ Leadership guidance to Division Chiefs and others ▪ Administrative and operational support to entire Department ▪ Timekeeping systems maintenance ▪ Basic IT support to entire Department	1-Department Director 1-Deputy Director 1-Coordinator of Special Projects 1-Administrative Officer II 1-Computer Systems Analyst IV 1-Computer Programmer Analyst I No vacancies currently exist

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APPENDIX 4 - NECESSITY, EFFICIENCY, STAFFING, FUNDING, AND RESPONSIVENESS

The following chart focuses on the programs and services offered through the Alexandria PSD.   The chart includes the following columns:

- **DIVISION:** Name of the Division within PSD responsible for implementation of the program or service.
- **PROGRAM OR SERVICE:**   Program title or other descriptor used to identify the program or service.
- **NECESSITY:** The primary reason for existence of the program or service.
- **EFFICIENCY:** Objective or subjective evaluation of how well the program or service is working.
- **STAFFING:** The level of staffing per program or service.
- **BUDGET:** Annual budget per Division from the approved City Budget for Fiscal Year 2008.
- **RESPONSIVENESS:** Objective or subjective evaluation of the extent to which the program/service and those operating it are responsive to City needs.

DIVISION/ ANNUAL BUDGET	PROGRAM OR SERVICE/ STAFFING	NECESSITY	EFFICIENCY	RESPONSIVENESS (SEE APPENDIX 2 FOR CUSTOMER FEEDBACK)
Classification & Compensation

$521,853 | 1. Benchmark Studies
5 staff
-Chief
-2 Personnel Analyst III
-1 Personnel. Analyst I
-1 Personnel. Tech I | 1. Compensation Philosophy requires a market study every 5 years. City Manager may determine that a classification needs to be reviewed more frequently. | 1. The process for conducting benchmark studies is efficient. Extensive meetings and communications with City employee advisory groups required. | 1. Benchmark studies are responsive to customer needs. Meetings with City employee advisory groups keep them informed and allow them voice their concerns. |
| | 2. Classification Audits
4 staff | 2. Audits conducted based on business need or when classification no longer | 2. The classification audit process is currently not being used often. Departments tend to view the QES as | 2. Classification audit decisions are made per the QES. Customers perceive the process to be overly protracted and the Job Analysis |

DIVISION/ ANNUAL BUDGET	PROGRAM OR SERVICE/ STAFFING	NECESSITY	EFFICIENCY	RESPONSIVENESS (SEE appendix 2 for customer feedback)
	-Chief -2 Personnel Analyst III -1 Personnel Analyst I	appears to fit the position.	outdated and inaccurate. They often opt instead to use the Position Certification Statement to request and process classification actions.	Questionnaire (JAQ) to be difficult to complete and intimidating.
	3. FLSA Determinations *1 staff* -Chief	3. Legal requirement.	3. FLSA determinations are quick and efficient. They require minimal processing time.	3. No comments on FLSA determination process.
Employment & Testing $574,965	1. Recruitment activities *4 staff* -Chief -3 Personnel Analyst II	1. Recruitment conducted in accordance with business needs.	1. Applications are not consistently being certified accurately by staff. This may be a result of the lack of communication between Division staff and Departments. Some Departments complain that Analysts are slow to return certified applications.	1. Many customers observe that PSD staff does not understand their hiring needs. As a result, applications are not being certified based on customer needs. Many view the process as taking too long.
	2. Employment testing coordination *5 staff* -Chief -3 Personnel Analyst II -1 Personnel Assistant	2. Employment testing is coordinated in accordance with position requirements.	2. Employment testing is coordinated in an efficient manner.	2. Employment tests are scheduled quickly and accurately.
Employee Relations &	1. Disciplinary actions	1. Mandated and guided by Administrative Regulations	1. Division reviews and returns paperwork to Departments in a timely manner.	1. Division is responsive to requests for assistance with disciplinary actions. PSD has no control

Division/ Annual Budget	Program or Service/ Staffing	Necessity	Efficiency	Responsiveness *(See appendix 2 for customer feedback)*
Training $640,291	*2 staff* -Chief -1 Personnel Analyst III	and legal requirements.	When process includes City Attorney's Office, process timeline is extended substantially.	over review and processing time in the City Attorney's Office.
	2. Grievances *2 staff* -Chief -1 Personnel Analyst III	2. Mandated and guided by Administrative Regulations and legal requirements.	2. Grievance process slows down when City Attorney's Office is involved.	2. Same comments as for Disciplinary Actions, above.
	3. Training Program *2 staff* -Chief -1 Personnel Analyst III	3. In accordance with annual training plan.	3. City's training program is run efficiently.	3. Training program is not related to performance management or increasing the knowledge of an employee in their current or future position. Training certificates are often times not received.
	4. Tuition Assistance *2 staff* -1 Personnel Analyst III -1 Personnel Assistant	4. Mandated and guided by Administrative Regulations.	4. Requests for tuition assistance are processed in a timely manner.	4. Customers were satisfied with the process for receiving tuition assistance.
Benefits & Records $783,647	1. Personnel action processing *1 staff* -Personnel Tech	1. Required to update and effect employee salary, employment status and personal information.	1. Personnel actions are currently submitted via PAF, which is sent to the PSD in paper form. PAF document handling is not consistently reliable.	1. PAF's are often lost or misplaced. Customers report lack of responsiveness in this area.
	2. New hire orientation	2. Required to orient an employee to the City, to	2. The benefits overview portion of the new hire orientation does not provide	2. New employees return from orientation with many unanswered questions and have trouble

DIVISION/ ANNUAL BUDGET	PROGRAM OR SERVICE/ STAFFING	NECESSITY	EFFICIENCY	RESPONSIVENESS (SEE APPENDIX 2 FOR CUSTOMER FEEDBACK)
	2 staff -1 Personnel Analyst II -1 Personnel Tech	include benefits information and general overview.	detailed information to new employees. Many leave with substantial questions.	obtaining answers.
	3. Record keeping *1 staff* -Personnel Clerk	3. Legal requirement.	3. The PSD lacks guidelines for what documents should be maintained in the personnel file and for how long.	3. Employees are concerned their files are not being kept confidential. They are spread throughout the office and are never secured, even over night.
	4. Benefit processing and maintenance *2 staff* -1 Personnel Analyst II -1 Personnel Tech	4. Required to maintain employee benefits.	4. Benefit processing, updates and initial entry are fairly efficient. Currently, a senior staff member is responsible for this duty.	4. Requests for benefit adjustments are usually processed in a timely manner. Requests for assistance are often unanswered, forcing the employee to contact PSD leadership.
	5. Retirement processing *2 staff* -1 Personnel Analyst II -1 Personnel Tech	5. Required to transition an active employee to retiree status.	5. Retirees sometimes receive inaccurate information when they call with questions. Staff lacks knowledge of retiree benefits in some cases.	5. Retirees or employees scheduled to retire in the near future are receiving conflicting information from different staff members.
	6. Leave balances *1 staff* -1 Personnel Clerk	6. Required to maintain the leave balance for every City employee.	6. Leave and balance processing is an efficient process. The Deputy Director reviews all actions before submitting to payroll.	6. Requests for leave are processed in a timely manner.

Division/ Annual Budget	Program or Service/ Staffing	Necessity	Efficiency	Responsiveness (See appendix 2 for customer feedback)
Administration

$856,994 | General Management of PSD | General management principles. | | |

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APPENDIX 5 - PERSONNEL, EQUIPMENT, AND ASSESS WORKLOAD

This Appendix shows the personnel, workload, and equipment needs for each Division within the PSD. The shaded columns represent information imported from another Appendix. This chart is divided into the following columns:

- **DIVISION:** The Division within the Alexandria PSD.
- **WORKLOAD**: How Divisional responsibilities are allocated and balanced among staff members.
- **WORKLOAD ASSESSMENT**: The effectiveness of workload balancing and allocation.
- **PERSONNEL**: Number of full-time equivalents (FTEs) per Division, including titles, employment status (full-time, part- time or temporary) and vacancies.
- **STAFF LEVEL ASSESSMENT**: The effectiveness of staffing levels.
- **EQUIPMENT**: Identification of whether the Division has adequate equipment to perform.

DIVISION	WORKLOAD (IMPORTED FROM APPENDIX 3)	WORKLOAD ASSESSMENT	PERSONNEL	STAFF LEVEL ASSESSMENT	EQUIPMENT
Classification & Compensation	1. Division Chief allocates all work to staff 2. Personnel Analysts conduct benchmark studies and classification audits 3. Personnel Technician performs data entry, record	▪ Overall allocation of Divisional responsibilities is appropriate. Full-time personnel are cross-trained and able to function in one another's place. ▪ Workload within this Division is allocated correctly. No changes are recommended. ▪ Use of the Position Certification Statement to request classification actions have resulted in decrease in	1-Division Chief 2-Personnel Analyst III 1-Personnel Analyst I 1-Personnel Technician (PT) No vacancies Budgeted: 4.7 FTE Actual: 4.7 FTE	▪ Staff is appropriate for the workload. ▪ The skills possessed by the staff are sufficient. Each member is cross-trained and knowledgeable on classification and compensation issues.	Division has adequate equipment.

Division	Workload (Imported from Appendix 3)	Workload Assessment	Personnel	Staff Level Assessment	Equipment
	keeping and clerical support duties	workload. Workload level is manageable.			
Employment & Testing	1. Division Chief provides oversight 2. Personnel Analysts recruit for assigned Departments 3. Personnel Assistant supports recruitment and related duties 4. Temporary employee's provide clerical support	▪ The Division structure is similar to its comparator jurisdictions. Analysts are responsible for recruitment for assigned Departments. The Personnel Assistant and temporary staff provide clerical and administrative support. ▪ Workload within this Division is comparable to other jurisdictions. Dedicating Analysts to specific Departments is a best practice in the recruiting industry. ▪ NEOGOV should decrease workload in the future. This should enable recruiters to work more closely with hiring managers and Personnel Liaisons to streamline and accelerate recruitment.	1-Division Chief 3-Personnel Analyst II 1-Personnel Assistant 2-Temporary Employee's (clerical) No vacancies Budgeted: 5.2 Actual: 7	▪ Staff is appropriate for current workload. In time, implementation of NEOGOV should provide the opportunity to reduce temporary staff. ▪ Turnover in this Division has disrupted customer relations as customers have to re-explain their needs to new Analysts. ▪ Cross-training on all Divisional responsibilities is recommended.	With the recent purchase of NEOGOV, Division has adequate equipment to perform functions. To foster effective customer service, place computer kiosks for applicant use in the employment lobby.
Employee Relations & Training	1. Division Chief provides oversight 2. One Personnel Analyst-- employee relations.	▪ The Personnel Analyst III who performs employee relations is responsible for a large workload. Part-time assistance in this function would be beneficial. ▪ Employee relation functions are	1-Division Chief 2-Personnel Analyst III 1-Personnel Assistant (PT) No vacancies	▪ Part-time assistance for employee relations functions is recommended. ▪ Staff performance in this Division is well regarded.	Division has adequate equipment. Long term goal would be to have online tool for training enrollment and tracking.

Division	Workload (Imported from Appendix 3)	Workload Assessment	Personnel	Staff Level Assessment	Equipment
	3. One Personnel Analyst --training 4. Personnel Assistant--clerical support Division and Department	processed by one Personnel Analyst III. Training functions are processed by one Personnel Analyst III. There is little cross-over of duties between these functions. If either Analyst is absent, the Division Chief covers assigned responsibilities.	Budgeted: 3.1 Actual: 3.5	Personnel Analyst III's are knowledgeable and responsive to customer needs. ▪ Staff members understand Division-wide responsibilities, but lack specific cross-training.	
Benefits & Records	1. Personnel Analyst II—employee benefits administration 2. Personnel Clerk I-- employee records, leave balances 3. Personnel Technician-- personnel actions, new hire orientation 4. Personnel Technician--retiree benefits administration	▪ This Division is undergoing reorganization. The Deputy Director, (Acting Division Chief) is in the process of breaking down the silos in this Division. ▪ Each staff member have limited cross-training for other Division duties. The Acting Division Chief plans to allocate work by customer rather than by function.	1-Personnel Analyst II 1-Personnel Clerk I 2-Personnel Technician Current vacancies 1-Division Chief 1-Personnel Analyst I Budgeted: 6.4 Actual: 4	▪ When fully staffed, the amount of manpower in this Division should be appropriate. ▪ Currently, this Division is staffed by "specialists" rather than by "generalists."	Division lacks internal electronic tracking systems.

DIVISION	WORKLOAD (IMPORTED FROM APPENDIX 3)	WORKLOAD ASSESSMENT	PERSONNEL	STAFF LEVEL ASSESSMENT	EQUIPMENT
Administration	1. Director -- overall leadership 2. Deputy Director-- second in command, acting head of Benefits and Records Division 3. Administrative Officer II 4. Special Projects Director 5. Computer Systems Analyst IV 6. Computer Programmer Analyst I provides overall IT support to Department	• All transactional work currently being completed • Limited involvement in strategic planning, collaboration with other Departments, and communications	1-Department Director 1-Deputy Director 1-Administrative Officer II 1-Special Projects Director 1-Computer Programmer Analyst I 1-Computer Systems Analyst IV Budgeted: 5.2 Actual: 6	▪ Adequately staffed	Division has adequate equipment

APPENDIX 6 – SERVICE STANDARDS AND PERFORMANCE MEASURES

This Appendix focuses on PSD service levels and performance measures by which effectiveness and efficiency are measured. The chart includes the following columns:

- **SERVICE LEVELS/STANDARDS:** Event-oriented performance criteria used to measure the probability that customer requirements are properly completed within the appropriate time interval.
- **SERVICE LEVEL ASSESSMENT:** PSD experience in meeting service levels/standards.
- **PERFORMANCE MEASUREMENTS:** Criteria used to measure PSD performance, principally from Alexandria 2008 budget.
- **BEST PRACTICE PERFORMANCE MEASURES:** Criteria used in best practice environments.

DIVISION	SERVICE LEVELS/STANDARDS (IMPORTED FROM APPENDIX 3)	SERVICE LEVEL ASSESSMENT	PERFORMANCE MEASURES	BEST PRACTICE MEASURES
Classification & Compensation	1. Classification audit request processed within 60 days of assignment to PSD staff	1. Classification audit requests are on average not done within 60 days. When classification decisions are appealed, total process takes 3 to 6 months and may extend up to a year.	▪ Number (#) of appeals processed ▪ Cost per appeal processed ▪ # of total position audits or classification specifications reviewed and completed ▪ Cost per position audit or classification specification reviewed and completed ▪ Percent (%) of requests for single position job audits completed within 60 days ▪ # of external telephone surveys completed ▪ Cost per external telephone survey completed	▪ # of job classes benchmarked ▪ % of benchmarked jobs that adhere to compensation philosophy standards ▪ Average pay gap between City's pay range mid-point and comparator jurisdiction pay range mid-point
	2. Benchmark studies completed within given timeline	2. Benchmark studies appear to be completed within the given timeline.		
	3. Percent of customers	3. FLSA requests are processed timely. Most	▪ # of comprehensive compensation studies	

Division	Service Levels/Standards (Imported from Appendix 3)	Service Level Assessment	Performance Measures	Best Practice Measures
	satisfied with FLSA determination	determinations involve a new classification request.	completed ▪ Cost per benchmark compensation study completed ▪ % of surveys completed within the established timeframes ▪ # of FLSA requests processed ▪ Cost per request processed ▪ Average survey score of employees satisfied with the timeliness or responses to FLSA inquiries on a scale of 1-5	
Employment & Testing	1. % of external candidates reporting a positive experience 2. % of hiring officials satisfied or highly satisfied with the quality of temporary staff	1. Lack of smooth collaboration between PSD and customers leads to longer processing times. Excessive time periods often go by before applicants are contacted. This may lead to applicants having the perception of a negative experience. 2. Hiring officials are satisfied with the quality of temporary staff being placed.	▪ # of position requisitions received and processed ▪ # of total applications received ▪ Average # of total applications reviewed per Personnel Analyst ▪ # of positions filled ▪ Cost per requisition received and processed ▪ % of external applicants having positive experience ▪ # of temporary placements ▪ Cost per temporary placement ▪ % of hiring officials satisfied or highly satisfied with the quality of temporary staff	▪ % of customers satisfied with applicants on certification list ▪ Work days between job closing date and certified applications being sent to Departments ▪ # of certified applications sent to Department ▪ % of hiring officials rating employment process satisfactory or better
Employee	1. % of grievances	1. Division is effective at resolving grievances at	▪ # of disciplinary actions	▪ # of new courses added to

Division	Service Levels/Standards (Imported from Appendix 3)	Service Level Assessment	Performance Measures	Best Practice Measures
Relations & Training	resolved through process	the lowest levels. By providing users with accurate ARs and improving the lines of communication with the City Attorney's Office, resolution could improve.	▪ # of grievance processed ▪ Cost per disciplinary action ▪ Cost per grievance processed ▪ % of grievances resolved before passing from management control ▪ # of employees receiving tuition assistance	training program ▪ % of employees indicating City training assisted them in performing their jobs ▪ # of grievances pending
	2. % of employees using tuition assistance that successfully complete coursework	2. Although specific data was not received, this program is well received by COA employees.	▪ % of employee using tuition assistance that complete the course and receive a passing grade ▪ # of employee attending City classes ▪ Cost per employee, per class ▪ % of employee class evaluation scores 4.0 or better on 5-point scale	
	3. % of employee class evaluation scores 4.0 or better on 5-point scale	3. Departments' level of satisfaction with City training is low. Employees are unable to relate to trainers. New courses have not been added to the program in many years.		
Benefits & Records	1. Average survey score of employees satisfied with the timelines of handling request for information or assistance with benefits	1. Not consistently responsive to employee requests for information or assistance.	▪ # of employee served ▪ Cost per employee served ▪ Average survey score of employees satisfied with the timeliness of handling request for information or assistance w/ benefits ▪ # of retiree reimbursement applications processed ▪ # of employees receiving exit interviews	▪ Employee satisfaction with the benefit programs offered ▪ Average time to process personnel action once received ▪ # of employees and retirees enrolled in benefit programs ▪ # of employees attending orientation ▪ % of questions responded to
	2. % of claims paid	2. Knowledgeable staff member processing	▪ % of claims paid accurately	within 24 hours

DIVISION	SERVICE LEVELS/STANDARDS (IMPORTED FROM APPENDIX 3)	SERVICE LEVEL ASSESSMENT	PERFORMANCE MEASURES	BEST PRACTICE MEASURES
	accurately 3. % of payments collected timely 4. Number of personnel actions processed accurately and on time 5. Average survey score of employees satisfied with the City's efforts to promote health and wellness	claims. 3. Division has assigned Analyst to collect payments from former employees. 4. Personnel action processing is often delayed due to lost or misplaced forms. Data entry errors reported. 5. City's Wellness program is more comprehensive than its comparator jurisdiction programs.	▪ % of payments collected timely ▪ # of personnel actions processed ▪ # of personnel actions processed per FTE ▪ % of actions processed accurately on time ▪ # of wellness participants served ▪ Cost per participant ▪ Average survey score of employees satisfied with the City's efforts to promote health and wellness on a scale of 1-5	
Administration	1. Administrative Support Services cost as a % of total Department cost 2. % satisfied with KRONOS operations	1. Comparable to comparator jurisdictions. 2. Department's level of satisfaction with KRONOS operations is high.	▪ # of departmental FTEs managed ▪ $ amount of department budget managed ▪ Administration support services cost as a % of total departmental expenditures ▪ # of employees processed per pay period in KRONOS ▪ Cost per employee processed per pay period in KRONOS ▪ % of payroll liaisons satisfied with KRONOS operations	No substantial best practices

APPENDIX 7 – COMPARISON WITH OTHER LOCAL GOVERNMENTS

- **PERSONNEL PROGRAM/SERVICE:** Program title or other descriptor used to identify the program or service.
- **COMPARATOR JURISDICTION VARIATION:** Alternative practice in comparator jurisdictions.

| DIVISION | PERSONNEL PROGRAM/SERVICE (FROM APPENDIX 4) | FUNCTION PERFORMED BY COMPARATOR JURISDICTION | | | | | COMPARATOR JURISDICTION VARIATIONS |
		FAIRFAX	MONTGOMERY	PRINCE WILLIAM	PRINCE GEORGE	ARLINGTON	
CLASSIFICATION & COMPENSATION	1. Benchmark Studies 2. Classification Audits 3. FLSA Determinations	X X X	X X X	X X X	X X X	X X X	• Arlington, Fairfax and Montgomery County limit classification audit requests to twice a year • Appeals to classification decisions are handled by different Analyst than who performed staff work • Department Director communicates proposed decisions to customer before final decision is made • Independent panel reviews all classification decisions
EMPLOYMENT & TESTING	1. Recruitment activities 2. Employment testing coordination	X X	X X	X X	X X	X X	• Analysts collaborate more closely with Departments to understand needs • Sourcing is conducted for hard-to-fill positions • Applicant tracking systems are used to manage workforce planning

DIVISION	PERSONNEL PROGRAM/SERVICE (FROM APPENDIX 4)	FUNCTION PERFORMED BY COMPARATOR JURISDICTION					COMPARATOR JURISDICTION VARIATIONS
		FAIRFAX	MONTGOMERY	PRINCE WILLIAM	PRINCE GEORGE	ARLINGTON	
EMPLOYEE RELATIONS & TRAINING	1. Disciplinary actions 2. Grievance actions 3. Training program 4. Tuition assistance program	X X X X	 X X	X X X X	X X X X	X X X X	• Grievance process may be outsourced to independent party • Employees are surveyed as to what courses they would like to see offered
BENEFITS & RECORDS	1. Personnel action processing 2. New hire orientation 3. Record keeping 4. Benefit processing and maintenance 5. Retirement processing 6. Leave balance processing and maintenance	X X X X X X	X X X X X X	X X X X X X	X X X X X X	X X X X X X	• Personnel actions are submitted via email or through an integrated HRIS • Records are maintained electronically • Open enrollment changes are processed through an Employee Self Service (ESS) portal
ADMINISTRATION	General administration	X	X	X	X	X	• Central location for all incoming HR questions • Some jurisdictions participate in strategic and work force planning

APPENDIX 8 - OPTIMAL ORGANIZATIONAL STRUCTURE

PSD organizational structure evolves over time to meet the changing needs of its customer base. Factors that affect the organizational structure of the PSD include the work the staff does, the size of the PSD in terms of number of employees, the size of their customer-base in terms of number of employees and the geographic location of its facilities.

Size: PSD has 25 full-time equivalents (FTEs), which translates to .95 PSD staff per 100 City Government employees. In terms of size, PSD has a higher ratio of employees to total Government work force (.95%) than other regional jurisdictions (average .80%) and jurisdictions nationwide (.84%). This excess (2 FTEs) is in part attributable to disadvantages in terms of economies of scale and technology tools. Greater efficiency and decentralization of administrative functions would likely reduce the FTE levels of the PSD over time.

Spans of Control: PSD managers, with the exception of the Director, are supervising no more than 5 employees. The span of control is appropriate at the present time. With greater efficiencies implemented within the Department, there is the potential to combine or reorganize Divisions to reduce the Division Lead by 1 FTE.

Lines of Authority: The PSD's current organization chart provides a clear definition of its lines of authority; the Deputy Director and all Division Chiefs report to the Director and all Division staff report to the Division Chief. These lines of authority clearly define the roles and responsibilities of each party in the PSD. The chain of command within the PSD represents the lines of communication that extend throughout the entire organization and act as a route for the decision-making process.

Fiscal Accountability: PSD needs to institute additional internal controls to ensure that accountability at the fiscal and management levels are more transparent. This would help compensate for the limited management reporting capabilities within the Department.

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APPENDIX 9 - SAVINGS IN OPERATING COSTS AND ROI DUE TO IMPLEMENTATION OF RECOMMENDATIONS

This Study includes 15 recommendations designed to improve PSD operations in terms of efficiency and/or customer responsiveness. Each recommendation carries financial implications, as detailed in this section.

Assumptions

In determining the cost for PSD labor per hour we averaged the weighted median hourly range for each PSD class grade based on the number of employees filling each grade, which resulted in an average hourly labor rate of $33.73. We added 45% to the raw labor number to cover estimated overhead and general administrative expenses incurred. This produced an average burdened labor rate of $48.91 per hour for determining cost implications, assuming an average mix of all PSD labor categories. The following table below illustrates our calculations:

POSITION	SALARY RANGE (HOURLY)	NUMBER OF PSD STAFF	MEDIAN SALARY
Director	$40.21 - $66.54	1	$53.38
Deputy Director	$33.17 - $54.89	1	$44.03
Coordinator/Special Projects	$31.59 - $52.28	1	$41.94
Division Chief	$31.59 - $52.28	4	$41.94
Personnel Analyst III	$27.30 - $48.91	4	$36.23
Computer Systems Analyst IV	$27.30 - $48.91	1	$36.23
Administrative Officer II	$24.76 - $40.97	1	$32.87
Personnel Analyst II	**$23.58 - $39.02**	**4**	**$31.30**
Computer Programmer Analyst I	$23.58 - $39.02	1	$31.30
Personnel Analyst I	$20.37 - $33.17	2	$27.04
Personnel Technician	$17.59 - $29.11	2.6	$23.35
Personnel Assistant	$16.04 - $26.54	1	$21.29
Personnel Clerk I	$12.76 - $21.11	1	$16.94

Weighted Average	$33.73
Estimated Overhead/G&A	+ 45%
Burdened Labor Rate used for Costing Purposes	$48.91

The following table summarizes costs, savings, and ROI for each recommendation. Information about how costs and benefits are quantified is on the following pages.

RECOMMENDATION	COST	BENEFIT	NET BENEFIT	RETURN ON INVESTMENT
1. Document policies and procedures	$11,887	$51,747	$39,860	335%
2. Cross-train PSD employees	$28,172	$31,033	$2,861	10%
3. Implement compliance calendar	$17,607	$21,577	$3,970	23%
4. Redesign selected business processes	$19,842	$63,241	$43,399	219%
5. Explore selective outsourcing	$91,120	$87,610	($3,510)	(4%)
6. Support Personnel Liaisons	$2,979	$31,033	$28,054	942%
7. Centralize customer service	$103,075	$136,547	$33,472	32%
8. Conduct PSD staff meetings	$33,063	$39,098	$6,035	18%
9. Implement communications plan	$8,902	$12,413	$3,511	39%
10. Grant Personnel Liaisons read-only access	$9,097	$18,635	$9,538	105%
11. Improve records handling	$8,784	$11,076	$2,292	26%
12. Formalize records retention policy	$15,825	$23,281	$7,456	47%
13. Expand exit interview	$10,345	$84,428	$74,083	716%
14. Update training program curriculum	$29,782	$137,398	$107,616	361%
15. Track mandatory training	$8,511	$16,000	$7,489	88%
TOTAL	**$398,991**	**$765,117**	**$366,126**	**92%**

Most of the costs and benefits focused on the PSD rather than the City at large, unless context indicates otherwise.

Recommendation No. 1
Documentation

Document all policies, procedures, and practices in a standardized format.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost			
Approximately 20 PSD processes required immediate documentation. As this priority is considered critical to PSD operations, it should be completed within 3 months. This will save costs in implementing other recommendations.			
1. Develop documentation			
Assumptions:			
20 process documents X 10 staff hours per* *(* 8 hours to initiate + 2 hours to review)*	200	$48.91	**$9,782**
2. Combine and produce documentation			
Assumptions:			
30 binders @ $10 each	-	-	**$300**
6,000 pages @ $.04 each	-	-	**$240**
Package and produce documentation	32	$48.91	**$1,565**
Cost to implement recommendation			$11,887
Benefit			
Greater efficiency; reduction of the time needed to correct errors (we calculate an estimated 12% error rate would improve by half); facilitates many of the other recommendations, such as training Personnel Liaisons, cross-training employees, and redesigning key processes.			
1. Number of transactions that don't need to be re-done per year			
Assumptions: Approximately 18 PSD staff members are responsible for the work required to complete a majority of the processes. On average, each employee processes 4 major transactions per day. Out of an 8-hour work day, approximately 75% of that time is actually spent			

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
on transactions. Taking holidays, paid-time off and weekends into consideration, each employee works around 235 days per year.			
18 employees processing an average of 4 transactions per day* (18 X 4 = 72 actions per day) (* Non-management employee, 75% of work day spent on processing)	-	-	-
18 employees working average of 235 days per year (18 X 235 = 4,230 work days per year)	-	-	-
72 actions per day X 4,230 work days per year (72 X 4,230 = 16,920 transactions per year)	-	-	-
2. Mistakes averted due to documentation creation			
Assumptions:			
1,410 mistakes per year (12% error rate = 6 errors per day)	-	-	-
Documentation averts ½ of all mistakes	-	-	-
1,410 mistakes per year X ½ mistakes averted (1,410 X .5 = 705 mistakes averted per year)	-	-	-
1.5 hours of staff time to correct each mistake (1.5 hours X 705 mistakes = 1,058 hours)	1,058	$48.91	$51,747
Benefit from implementing recommendation			$51,747
Net benefit (annual)			$39,860
Return on Investment [($51,747-$11,887)/$11,887)]*100 =			335%

Recommendation No. 2

Cross-Training

Cross-train PSD employees to enable them to assist co-workers within a division and in other divisions.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost			
Costs consist of internal staff time needed to train employees to perform other Departmental functions.			
1. Cross-train PSD Staff			
Assumptions: Corbin estimated that it would take approximately 32 hours (16 hours for a trainer and 16 hours for the employee being trained) to train each PSD employee on PSD processes. Cost assumes that documentation from Recommendation 1 has been completed and is suitable with minimal customization.			
* Hours required to train each employee (* *16 hours to train, 16 hours to be trained*)	-	-	-
18 staff members to be trained (18 staff members X 32 hours each = 576 hours)	576	$48.91	$28,172
Cost to implement recommendation			$28,172
Benefit			
Greater efficiency, fewer processing errors (we calculate an estimated 12% error rate would improve by 30%).			
1. Improved efficiency as a result of smooth operations during employee absence			
Assumptions: Cross-training PSD employees should decrease problems associated with surges and lack of familiarity with PSD processes by approximately 30%. Corbin estimated that PSD transactions experience an estimated 12% error rate (estimated 6 errors per day). We estimated correction time averages 1.5 hours per mistake.			
Estimate that error rate decreases by 30% due to problems associated with lack of cross-training (surge; lack of familiarity with subject; lack of continuity on unfinished items)	-	-	-

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
2. Cost of estimated errors (See recommendation 1)			
Assumptions:			
1,410 mistakes per year (12% error rate = 6 errors per day)	-	-	-
1.5 hours of staff time to correct each mistake (1.5 hours X 1,410 mistakes = 2,115 hours; 2,115 hours X $48.91 per hours = $104,445)	-	-	-
30% error avoidance; $103,445 X 30% =	-	-	$31,033
Benefit from implementing recommendation			$31,033
Net benefit (annual)			$2,861
Return on investment [($31,033-$28,172)/$28,172]*100 =			10%

Recommendation No. 3

Compliance Calendar

Implement an internal compliance calendar that ensures that all key databases such as benefit plan participation rosters and employment eligibility folders are reviewed and corrected for accuracy and completeness at least annually.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost			
Corbin estimated that approximately 8 major audits should be conducted per year. These audits may be performed by internal PSD staff or outsourced.			
1. Prepare annual compliance calendar			
Assumptions: Audit of all benefit plan participation and payments, employment records, and other key databases timed to occur during relatively quiet times within the year.	40	$48.91	$1,956
2. Perform annual audits			
Assumptions:			
8 major audits per year X 32 staff hours per audit* (* 28 hours to conduct audit, 4 hours to review)	256	$48.91	$12,521
3. Perform action needed to correct errors found in audit			
Assumptions:			
8 major audits X 8 hours per audit	64	$48.91	$3,130
Cost to implement recommendation			$17,607
Benefit			
A compliance calendar that is accessible by all PSD staff and city management ensures that PSD functions are regularly reviewed and updated, as necessary. The audits scheduled on the compliance calendar help to reduce errors or even find them before they can affect the PSD or the employee.			

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Projected that implementation of a compliance calendar will prevent at least 1 major claim form occurring every three years. An example of an audit would be to ensure all new employees have been contacted before the eligibility period to verify whether or not they want to elect the City's health insurance.			
1. Estimated value of problems averted			
Assumptions:			
Estimate that implementing compliance calendar will prevent 1 major claim from occurring every three years			
2. Cost of defending major claim (annually)			
Assumptions:			
Legal support needed	133	$100	$13,300
Administrative support needed	67	$48.91	$3,277
Incremental cost of added liability			$5,000
Benefit from implementing recommendation			$21,577
Net benefit (annual)			$3,970
Return on Investment [($21,577-$17,607)/$17,607]*100 =			23%

Recommendation No. 4

Selective Business Process Redesign or Re-Engineering

Identify and re-design or re-engineer key PSD processes based on customer responsiveness rather than how PSD is currently organized and operated. Areas suggested for consideration include processing incoming and outgoing employees, employment reclassifications, and recruitment.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost 3 processes needing immediate attention are processing incoming and outgoing employees; employment reclassifications, and recruitment. Due to the PSD's limited resources, outside assistance may be appropriate to expedite the process.			
1. Re-design major business processes using PSD staff			
Assumptions:			
Staff time to re-engineer each process (120 hours per process X 3 major processes)	360	$48.91	**$17,608**
a. Train staff on new processes using PSD staff			
Assumptions:			
Staff time to train on new processes (24 hours X 3 major processes)	72	$48.91	**$3,522**
Cost to implement recommendation (Using PSD Staff)			**$21,130**
2. Re-design major business processes (Outsource)			
Assumptions:			
Time to re-engineer each process ($5,440 per process X 3 major processes)			**$16,320**
a. Train staff on new processes (Outsourced)			
Assumptions:			
Staff time to train on new processes (24 hours X 3 major processes)	72	$48.91	**$3,522**

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost to implement recommendation (Outsourced)			$19,842
Benefit By implementing this recommendation, PSD improves efficiency and customer satisfaction. Reengineering should reduce processing errors by 50% and reduce processing time by approximately 20%.			
1. Estimated value of reducing error rates in half			
Assumptions:			
1,420 mistakes per year, 1/2 associated with these 3 business processes (1,420 X .5 = 710 mistakes per year avoided)			
1.5 hours of staff time to correct each mistake (1.5 hours X 710 mistakes = 1,065 hours)			
1065 hours X 50% reduction in errors =	532	$48.91	**$26,020**
2. Estimated value of reducing processing time by 20%			
Assumptions:			
16,920 transaction per year X .75 hour per transaction = 12,690 hours			
30% of all errors stemming from these 3 business processes (12,690 hours X 30% = 3,807 hours to correct errors)			
3,807 hours X 20% reduction in errors = 761 hours	761	$48.91	**$37,221**
Benefit from implementing recommendation			$63,241
Net benefit using PSD staff (annual)			$42,111
Return on Investment [($63,241-$21,130)/$21,130)]*100 =			199%
Net benefit using outsourced solution (annual)			$43,399

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Return on Investment [($63,241-$19,842)/$19,842)]*100 =			219%

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Recommendation No. 5

Explore Selective Outsourcing

Consider targeted outsourcing of fact-finding for disciplinary and grievance actions.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost			
Designing an outsourcing model requires extensive PSD resources to set up, as well as assistance from other City Departments.			
1. Target outsourcing of fact-finding for disciplinary and grievance actions			
Assumptions:			
Identify specific items for outsourcing potential	48	$48.91	$2,348
Identify potential vendors	16	$48.91	$783
Assist in drafting SOW	30	$48.91	$1,467
Communications w/ vendors, Q&A	16	$48.91	$783
Develop communication plan	6	$48.91	$293
Develop cost estimate for outsourcing	45	$48.91	$2,201
Prepare risk management plan	32	$48.91	$1,565
Conduct/support outsourcing procurement	240	$48.91	$11,738
Selection support	180	$48.91	$8,804
Implementation	1,250	$48.91	$61,138
Cost to implement recommendation			**$91,120**
Benefit			
Outsourcing some of the fact-finding for disciplinary and grievance helps make the process appear more objective. Outsourcing frees up time for the PSD and allows them to focus on implementing other recommendations.			
1. Put outsourcing in place			
Assumptions:			

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Savings from staff cost reduction by outsourcing			
Imported value of focusing PSD resources on strategic objectives			
3.5% of PSD workforce available to focus strategically	-	-	-
PSD annual personnel expenditures = $2,503,163	-	-	-
3.5% of PSD workforce X $2,503,163 =	-	-	**$87,610**
Benefit from implementing recommendation			$87,610
Net benefit (annual)			($3,510)
Return on Investment [($87,610-$91,120)/$91,120]*100 =			(4%)

Recommendation No. 6

Support for Personnel Liaisons

Leverage the Personnel Liaisons more effectively by creating guidelines and training for them and scheduling quarterly meetings to discuss changes, process improvements, and customer feedback and lessons learned.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost			
Time required to train Personnel Liaisons is minimal once the documentation of PSD processes is completed per Recommendation No. 1.			
1. Train Personnel Liaisons			
Assumptions:			
Each training session will last for 4 hours and will be conducted 6 times per year	-	-	-
Preparation of training materials	32	$48.91	**$1,565**
Delivery of training material	24	$48.91	**$1,174**
Supplies	-	-	
20 notebooks @ $10	-	-	**$200**
1000 pages @ $.04 each	-	-	**$40**
Cost to implement recommendation			**$2,979**
Benefit			
Opening the lines of communication between the PSD and the Personnel Liaisons will help to standardize practices and enable Personnel Liaisons to share observations about lessons learned. It also helps to improve efficiency in PSD processes and improve customer service by educating end users.			
1. Benefit of training Personnel Liaisons			
Assumptions:			
16,920 transaction per year X .75 hour per transaction = 12,690 hours (12,690 X $48.91 per hour = $620,668)	-	-	-
Cost of processing each transaction decreases by 5% ($620,668 X 5%)	-	-	$31,033

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Benefit from implementing recommendation			$31,033
Net benefit (annual)			$28,054
Return on Investment [($31,033-$2,979)/$2,979)]*100 =			942%

Recommendation No. 7

Centralized Customer Service Function

Centralize customer service function to field and respond to customer inquiries, such as questions about procedures and, if supportable, to respond to questions concerning the status of items being processed. The "front desk" would be staffed by experienced staff members and under the direction of a supervisor. If unable to answer a specific question, customers would be routed to the appropriate PSD staff member.

RECOMMENDATION	STAFF HOURS	LABOR RATE	AMOUNT
Cost			
Creating a centralized customer service function is much like setting up a new Division. It requires a budget, new job descriptions, a detailed implementation plan, training and a trial run.			
1. Create a centralized customer service function			
Assumptions:			
Create initial budget	60	$48.91	$2,935
Outreach to other jurisdictions	84	$48.91	$4,108
Develop working model	200	$48.91	$9,782
Draft job descriptions	15	$48.91	$734
Coordinate with City Manager's Office	20	$48.91	$978
Review/modify process documentation	140	$48.91	$6,847
Create detailed implementation plan	96	$48.91	$4,695
IT support	140	$48.91	$6,847
Privacy guidelines	36	$48.91	$1,761
Telecommunications support	-	-	$10,000
Communications plan	32	$48.91	$1,565
Training	360	$48.91	$17,608
Trial run	480	$48.91	$23,477

RECOMMENDATION	STAFF HOURS	LABOR RATE	AMOUNT
Implementation	240	$48.91	$11,738
Cost to implement recommendation			$103,075
Benefit The quality of customer service will improve by providing customers a single Departmental face. It enables other PSD staff members to focus on complex issues that require detailed analysis, rather than spending time on routine questions. Centralized customer service helps to break down the silos that exist among PSD Divisions. By implementing this recommendation, Corbin estimated that overall efficiency will improve by 18% and the error rate will decrease by 4%.			
1. Benefit of creating centralized customer service function			
Assumptions:			
Efficiency will improve by 18% by separating internal-facing and external-facing functions	-	-	-
16,920 transaction per year X .75 hour per transaction = 12,690 hours (12,690 X $48.91 per hour = $620,668)	-	-	-
18% increase in efficiency ($620,668 X 18%) *18% based on estimated 18% of day (86.4 minutes) spend responding to routine inquiries.*	-	-	$111,720
Error rate will decrease by 4%, by enabling staff to focus on more complex transactions ($620,668 X 4%)	-	-	$24,827
Benefit from implementing recommendation			$136,547
Net benefit (annual)			$33,472
Return on Investment [($136,547-$103,075)/$103,075]*100=			32%

Recommendation No. 8

PSD Staff Meetings

Implement and conduct regularly scheduled PSD internal staff meetings for leadership and for all PSD staff. These meetings should include an agenda that is communicated to participants prior to the meeting. Participants should also be given the opportunity to suggest items to be added to the agenda.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost			
Costs consist principally of internal costs for PSD staff to participate in the meetings.			
1. Implement internal PSD staff meetings			
Assumptions:			
.5 hours per week X 26 employees X 52 weeks =	676	$48.91	**$33,063**
Cost to implement recommendation (1 year)			**$33,063**
Benefit			
By improving morale, implementing this recommendation should reduce PSD attrition by an estimated 10% per year and improve overall efficiency by an estimated 1.5%. Internal PSD staff meetings help to engage employees build departmental unity and efficiency. The quality of customer service should improve because employees will be well informed of changes occurring throughout the Department.			
1. Reduce attrition by estimated 10%			
Assumptions:			
Cost to replace a PSD employee			
Recruitment (27.8 hours X $48.91/hour = $1,360)			
Training (trainer and trainee – 176 hours each) (352 hours X $48.91/hour = $17,216)			
$18,576 replacement cost X 10% (if one employee leaves PSD per year)			$1,858
2. Improve efficiency by 1.5%			

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Assumptions:			
16,920 transaction per year X .75 hour per transaction = 12,690 hours (12,690 X $48.91 per hour = $620,668)	-	-	-
Improves efficiency by 6% ($620,668 X 6%)	-	-	$37,240
Benefit from implementing recommendation			$39,098
Net benefit (annual)			$6,035
Return on Investment [($39,098-$33,063)/$33,063]*100=			18%

Recommendation No. 9

Communication Plan

Create a communication plan to improve communications with the rest of City Government. This should include roles and responsibilities within the Department for communicating externally including a list of PSD staff members and what actions they are responsible for, consideration of how to leverage current technology such as web casts and pod casts, and a schedule to collaborate with other Departments.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost Developing and implementing a PSD communication plan requires the assistance of the IT Department and possibly the Communications Department. Development of the plan should be completed by senior PSD leaders, with approval coming from the City Manager's Office.			
1. Develop better communication plan			
Assumptions:			
Staff support required	24	$48.91	**$1,174**
2. Cost of plan implementation			
Assumptions:			
Administrative support (1.5 hours per week)	78	$48.91	**$3,815**
IT support	80	$48.91	**$3,913**
Cost to implement recommendation			**$8,902**
Benefit Development and Implementation of a communication plan should improve efficiency by an estimated 2%. The communication plan should improve communications internally and externally and allow the PSD to evolve into a more strategic role by anticipating routine employee questions and answering them more efficiently.			
1. Improve efficiency by 2%			

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Assumptions:			
16,920 transaction per year X .75 hour per transaction = 12,690 hours (12,690 X $48.91 per hour = $620,668)	-	-	-
Improves efficiency by 2% ($620,668 X 2%)	-	-	$12,413
Benefit from implementing recommendation			$12,413
Net benefit (annual)			$3,511
Return on Investment [($12,413-$8,902)/$8,902)]*100=			39%

Recommendation No. 10

Information Sharing

Grant Personnel Liaisons read-only access to PSD HRMIS.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost			
The cost to implement this recommendation is relatively small. It requires minimal time to establish access and train users. A majority of the costs comes from answering questions and providing technical support to users.			
1. Grant Personnel Liaisons access to HRMIS			
Assumptions:			
Establishing access	10	$48.91	**$489**
Training users	20	$48.91	**$978**
Processing Q&A's (3 hrs per week)	156	$48.91	$7,630
Cost to implement recommendation			$9,097
Benefit			
Implementation of this recommendation improves the information flow from the PSD to the Personnel Liaisons. Once implemented, it will significantly reduce the amount of questions or status calls received from Personnel Liaisons. It serves as an audit to PSD data entry. In the future, the PSD may want to think about discontinuing the use of "turn-around" PAF's since the Personnel Liaison can check the status of the action electronically. Implementing this recommendation will reduce the time required to complete transactions by an estimated 3%.			
1. Improve time required to complete transactions by 3%			
Assumptions:			
16,920 transaction per year X .75 hour per transaction = 12,690 hours (12,690 X $48.91 per hour = $620,668)	-	-	-
Improves transaction processing time by 3% (12690 hours X 2% = 381 hours)	381	$48.91	**$18,635**

PERFORMANCE AUDIT AND EFFICIENCY STUDY

Recommendation	Staff Hours	Labor Rate	Cost
Benefit from implementing recommendation			$18,635
Net benefit (annual)			$9,538
Return on Investment [($18,635-$9,097)/$9,097)]*100=			105%

Recommendation No. 11

Safeguarding Employee Records

Develop and implement guidelines for records handling. This should include annual training on the importance of safeguarding information privacy.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost			
Costs include drafting the records policy and training the full Department on employee privacy issues annually.			
1. Draft records policy			
Assumptions:			
40 hours to draft policy	40	$48.91	$1,956
2. Train on policy with documentation			
Assumptions:			
3 hours per employee X 6 employees	18	$48.91	$880
3. Implement/enforce policy			
Assumptions:			
1.5 hours per week X 47 weeks per year (5 weeks per year for paid time off)	70.5	$48.91	$3,448
4. New locks and other materials			
Assumptions:	-	-	$2,500
Cost to implement recommendation			$8,784

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Benefit			
Implementation of this recommendation will help to prevent future claims. For benefit calculation purposes, we estimated this policy will help present 1 major claim from occurring every four years.			
1. Value of privacy claims averted			
Assumptions:			
Estimate that implementing policy will prevent 1 major claim from occurring every four years	-	-	-
2. Cost of defending major claim (annually)			
Assumptions:			
Legal support needed	70	$100	**$7,000**
Administrative support needed	45	$48.91	**$2,201**
Incremental cost of added liability	-	-	**$1,875**
Benefit from implementing recommendation			**$11,076**
Net benefit (annual)			**$2,292**
Return on Investment [($11,076-$8,784)/$8,784)]*100=			**26%**

Recommendation No. 12

Records Retention

Develop and implement guidelines and associated training.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost The cost associated with developing guidelines for records retention include drafting the policy, preparing and delivering training to the PSD, and implementing the new policy. All costs are internal PSD staff time expense.			
1. Draft policy			
Assumptions:			
40 hours to draft policy	40	$48.91	**$1,956**
2. Train on policy with documentation			
Assumptions:			
4 hours per employee X 6 employees	24	$48.91	**$1,174**
3. Implement/enforce policy			
Assumptions:			
4 hours per week X 47 weeks per year (5 weeks per year for paid time off)	188	$48.91	**$9,195**
4. Retention hard costs			
Assumptions:			
Storage, scanning, etc.	-	-	**$3,500**
Cost to implement recommendation			$15,825
Benefit			

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Implementing this recommendation should reduce the time requires to search for old records. This will also facilitate the process of scanning employee records, if the Department elects to revisit this option.			
1. Search for old records reduced by estimated 50%			
Assumptions:			
One search every two weeks (26 searches)	-	-	-
6 hours per search (26 X 6)	156	$48.91	**$7,630**
2. Preparing historical management reports per year			
Assumptions:			
4 historical management reports per year	-	-	-
80 hours per report (80 X 4)	320	$48.91	$15,651
Benefit from implementing recommendation			$23,281
Net benefit (annual)			$7,456
Return on Investment [($23,281-$15,825)/$15,825)]*100=			47%

Recommendation No. 13

Exit Interviews

Expand the employee exit interview process to capture the reasons for employment termination and other information that may lead to improvements in employment.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost			
PSD exit interviews currently focus on benefits transition information and not on other employment-related factors. Costs associated with this recommendation include development and implementation of an expanded exit interview process, and collating the results of the exit interviews into management reports.			
1. Develop new exit interview process and tool, including outreach			
Assumptions:			
Time to develop and review exit interview tool	48	$48.91	**$2,348**
2. Administer new process			
Assumptions:			
.5 hours per exit interview	-	-	-
Approximately 303 employees separate per year (.5 hours X 303 employees = 151.5 hours per year)	151.5	$48.91	**$7,410**
3. Collation and distribution of information			
Assumptions:			
Staff time	12	$48.91	**$587**
Cost to implement recommendation			$10,345
Benefit			

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Implementation of this recommendation should help to understand the reasons for attrition and help reduce the level of attrition. It provides input for the PSD to identify and implement improvements to benefit the current work force.			
1. Reduce city-wide turnover by 1.5%			
Assumptions: Estimate 27.8 PSD hours to fill a position; 176 hours to train a new employee; annual attrition of about 303 employees; new policy will reduce attrition by 1.5%.			
Recruitment (27.8 hours X $48.91/hour = $1,360)	-	-	-
Training (trainer and trainee – 176 hours each) (352 hours X $48.91/hour = $17,216)	-	-	-
303 new employees per year (303 X $18,576 = $5,628,528)	-	-	-
$5,628,528 X 1.5% =	-	-	$84,428
Benefit from implementing recommendation			$84,428
Net benefit (annual)			$74,083
Return on Investment [($84,428-$10,345)/$10,345X100)]=			716%

Recommendation No. 14

Training Program

Review and update the curriculum for the City's training program to align it with the future plans for each Department and employee needs.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost Although the staff responsible for overseeing the training program is experienced and provides efficient services to the customers, the program does not consistently provide up-to-date training that fosters professional development. To implement this recommendation, the PSD should review the curriculum and work with Department managers and employees to identify an optimal curriculum.			
1. Review of training program			
Assumptions: Time spent to review the current curriculum and complete outreach to Department Directors	80	$48.91	**$3,913**
2. Prepare/collate employee survey			
Assumptions: Time spent to prepare, deliver and collate the results of an employee survey	120	$48.91	**$5,869**
3. Cost of preparing new courses			
Assumptions: Estimated cost associated with adding new courses			
5 courses @ $4,000 each	-	-	**$20,000**
Cost to implement recommendation			$29,782
Benefit Reduce attrition, improve efficiency and professional development, and establish PSD as a strategic partner to the customer Departments by aligning training with anticipated and emerging City needs. Implementation also engages employees and provides them with training they deem important and interesting.			
1. Reduce city-wide attrition by 2%			

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Assumptions: Corbin estimated that implementation of this recommendation should reduce City-wide attrition by 2% and improve PSD efficiency by 4%.			
Cost per attrition			
Recruitment (27.8 hours X $48.91/hour = $1,360)	-	-	-
Training (trainer and trainee – 176 hours each) (352 hours X $48.91/hour = $17,216)	-	-	-
303 new employees per year (303 X $18,576 = $5,628,528)	-	-	-
$5,628,528 X 2% =	-	-	$112,571
2. Improve PSD efficiency by 4%			
Assumptions:			
16,920 transactions per year X .75 hour per transaction = 12,690 hours (12,690 X $48.91 per hour = $620,668)	-	-	-
Improves efficiency by 4% ($620,668 X 4% =)	-	-	$24,827
Benefit from implementing recommendation			$137,398
Net benefit (annual)			$107,616
Return on Investment [($137,398-$29,782)/$29,782X100)]=			361%

Recommendation No. 15

Tracking Training Records

Develop a tracking system to monitor the status of mandatory training courses attended by City employees.

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
Cost			
Developing and implementing the system, including update of employee master training files and management reporting.			
1. Design system to track attendance			
Assumptions: Estimated time to design the system	36	$48.91	**$1,761**
2. Update employee master file			
Assumptions: Estimated time to update employee master files	120	$48.91	**$5,870**
3. Prepare management reporting			
Assumptions: Estimated time to prepare reports for Personnel Liaisons to follow up with employees and for other reporting purposes	18	$48.91	**$880**
Total cost to implement recommendation			**$8,511**
Benefit: Reduce potential liabilities associated with under-trained employees in the work place.			
1. Avert potential liability for untrained employee in workforce			
Assumptions: Estimate reducing the liability for an untrained employee and prevent 1 grievance every 3 years.			
1 grievance every 3 years @ $12,000 per grievance	-	-	**$4,000**
2. Avert potential liability for permitting different enforcement of mandatory training			
Assumptions: Estimate reducing the liability for permitting uneven enforcement of			

RECOMMENDATION	STAFF HOURS	LABOR RATE	COST
mandatory training and prevent 1 grievance every year			
1 grievance per year @ $12,000	-	-	$12,000
Total benefit from implementing recommendation			$16,000
Net benefit (annual)			$7,489
Return on Investment [($16,000-$8,511)/$8,511X100)]=			88%

APPENDIX 10 – EXECUTION PLANS

Following are recommendations to improve the efficiency, effectiveness and/or customer service component for the Personnel Services Department. Each of the 15 recommendations is accompanied by the following information:

Rationale: Why the recommendation has been proposed.

Benefits of Implementation: The benefits derived by the PSD employees, other City agencies, and other stakeholders by virtue of implementing the recommendation.

Priority: Rationale for establishing the sequencing of each recommendation. We prioritized recommendations into three groups:

> *Class I*   For immediate implementation; may be integral to the implementation of Class II and Class III recommendations

> *Class II*   For implementation after Class I recommendations are implemented

> *Class III*   For consideration after Class I and Class II recommendations are implemented

Implementation Plan: Specific steps involved in the implementation of the recommendation, the estimated time (generally in weeks) to complete each step, and identification of key issues and decision points associated with the implementation steps.

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Recommendation No. 1

Documentation

Document policies, procedures, and practices in a standardized format.

Rationale:
PSD does not maintain updated documentation of all its policies, procedures, and practices. This impedes its ability to deliver services in a uniform, repeatable manner and increases the possibility of errors and incomplete processing. Up-to-date documentation is the basis for other critical activities within the Department such as training.

Benefits of Implementation:
1. Enables standardization of operations and increased efficiency
2. Provides for greater transparency and accountability of how things are done and why
3. Enables leadership to diagnose the root causes of errors and mistakes, leading to better practices in the future
4. Provides the basis for cross-training others within PSD
5. Provides the basis for training Personnel Liaisons
6. Provides the foundation for capturing user requirements when processes are automated

Priority Level: Class I

Implementation Plan

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Conduct PSD internal kick-off meeting to explain the overall project and its importance to all employees	Week 1	
Create an outline of all key processes, policies, and procedures in PSD	Week 1	1. How should the material be organized? 2. What are the roles and responsibilities within PSD to complete this task?
Internal review and approval of overall outline	Week 2	
Complete outline in greater detail to capture all materials that need to be included	Week 2	
Identify key processes that need to be documented first	Week 3	1. What is a reasonable number of processes to capture initially? 2. How to handle interrelationships between processes?
Document one process as a prototype for the others	Week 4	1. Are there any other City Departments that have already completed this documentation that may be used as a guide? 2. What documentation does PSD already have in house that may be adapted to this documentation project?
Review and approve the prototype for form and substance	Week 5	1. Where will documents be stored? 2. If electronically stored on shared site such as intranet, is IT able to accommodate? 3. What is the protocol for numbering and updating the documents? 4. Are there any special tools needed to complete documentation, such as flowchart capabilities?
Obtain external or higher approval of format, if required	Week 6	1. Is review and approval by City Manager's Office necessary or appropriate?
Complete documentation of other key processes	Week 7	1. Who is the "owner" responsible for updating each procedure?
Edit and quality control of all documented processes	Week 11	1. Is the master outline of PSD documents still accurate, or should it be modified based on initial documentation experience?
Conduct PSD meeting to evaluate the process of creating initial	Week 12	1. Are there any lessons learned that will benefit the process of

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
documentation		completing the rest of the documentation?
Complete remaining key business processes	Week 13 – 16	
Designate an "owner" and put an updating mechanism in place	Week 13	1. What is the process for identifying when changes are necessary and how to communicate those updates?

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Recommendation No. 2

Cross-Training

Cross-train PSD employees to enable them to assist co-workers within a division and in other divisions.

Rationale
Each PSD employee is assigned a specific set of duties within a division of PSD. Most PSD employees have only a limited understanding and appreciation of what other functions are performed within PSD. When a process involves multiple Divisions (such as processing new hire paperwork), the quality of customer service is adversely affected and (more responsibility) is placed on the employee or Personnel Liaison to monitor the status of processing.

Use the documented policies, procedures, and practices identified in Recommendation No. 1 as the basis for training.

Benefit of Implementation
1. Promotes teamwork by encouraging PSD employees to identify with the Department as a whole rather than with the specific division to which assigned
2. Promotes flexibility by taking employees outside of their individual tasks and helps them view their role from a broader perspective
3. Alleviates surge needs by building a pool of talent to assist as needed
4. Eliminates the reliance on any single individual to perform a PSD function
5. Enhance efficiency across the Department by training employees to function as generalists rather than specialists

Priority Level: Class II

Implementation Plan

Note that implementation is not scheduled to begin until after 3 months, when process documentation is complete.

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
List duties per position within PSD	Week 1	1. Work with Division Managers to get their buy-in and assistance in preparation and implementation of cross-training
List skills, experience and competencies required to perform each of these functions	Week 1	
Identify which PSD employees are best qualified to cross-train into other positions	Week 2	
Develop PSD cross-training plan that accomplishes the following: ❖ PSD leadership is responsible for implementation of overall cross-training within the Department ❖ Every function may be performed by more than one employee ❖ Every employee is trained to perform more than one function (within and outside his/her respective Division) ❖ Every employee actually performs that cross-function at least once per year to maintain proficiency ❖ Employee position descriptions are updated to reflect required cross-training	Week 2 – 3	1. Who will be responsible for cross-training initiative implementation? 2. How to measure success? By ability to perform other roles successfully? By ensuring that all PSD functions have more than one person able to perform. 3. What if an employee is unable to cross-train into any other position? 4. Are there any functions that are non-delegable and therefore inappropriate for cross-training?
Ensure that training materials (documentation from Recommendation No. 1) are complete and suitable for cross-training purposes	Week 4	Note: Adapt documentation as needed for cross-training purposes (this will add one week to implementation timeline)
Conduct PSD meeting to introduce the cross-training program and explain its value to employees and to the City	Week 5	
Establish a cross-training implementation calendar	Week 5	

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Commence cross-training	Week 7	
Conduct quarterly update meetings on the status and success of cross-training	Quarterly	
Develop training plans for each PSD employee to enhance their professional development nd versatility within the Department	During annual cycle	

Recommendation No. 3

Compliance Calendar

Implement an internal compliance calendar that ensures that all key rosters such as benefit plan participation rosters and employment eligibility folders are reviewed and corrected for accuracy and completeness at least annually.

Rationale

A compliance calendar provides visibility and accountability to many internal control functions that occur infrequently, if at all, such as annual audit of benefit plan rosters or COBRA compliance. Once these functions are entered into a compliance calendar that is visible to all PSD employees, employees accept these functions as a part of operations and tend to be more diligent knowing that work will be checked periodically.

Benefits of Implementation
1. Ensures that all PSD functions are systematically audited and updated at least annually
2. Helps prevent errors before they do harm, such as ensuring that all employees are accurately enrolled in benefit plans rather than waiting for an employee to experience a non-covered claim
3. Consistent with best practice in management
4. Provides opportunities to apply lessons learned from one audit to others

Priority Level: Class II

Implementation Plan

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Identify all internal functions to be included on annual compliance calendar	Week 1	
Identify best tool to use for compliance calendar	Week 1	1. What tools are currently available? 2. If electronic function not available, use hard copy and circulate status at monthly PSD meeting.
Create audit checklist or instructions for each area subject to internal audit	Week 2 – 5	1. Who is responsible for each audit? 2. What safeguards will be in place to ensure that no one is auditing his/her own work? 3. Is annual audit appropriate for each compliance area, or is a different interval appropriate for any?
Assign employees to perform each audit	Week 6	
Output of each audit should include the following: ❖ Overall status ❖ Identification of specific errors needing correction or that were corrected as a result of the audit ❖ Recommendations to improve the area being audited ❖ Recommendations to improve the audit approach ❖ Process to ensure that all follow-up items successfully completed	Per compliance calendar	

Implementation Note

If annual internal audit are already conducted or if there are areas where the need for an internal audit is suspected, PSD should continue forward with these individual audits without waiting for the development of an overall compliance calendar. The benefits of an immediate audit to address a specific need far outweigh the potential risk of not addressing a suspected issue on a timely basis.

Recommendation No. 4

Redesign Key Business Processes

Identify and redesign or re-engineer key PSD processes based on customer responsiveness rather than how PSD is currently organized and operated. Areas suggested for consideration include processing incoming and outgoing employees, employment reclassifications, and recruitment.

Rationale

Redesigning a few of the key business processes will help make them more efficient and more in line with customer needs. Focus on the most frequently used business processes to make the biggest positive impact. Cut out unneeded steps and make sure that one individual is the "owner" of each process.

Benefits of Implementation
1. Improves efficiency
2. Improves customer service
3. May be accomplished without extensive upgrades in technology
4. Provides opportunities to reach out to Personnel Liaisons and other stakeholders as part of the redesign process
5. Helps PSD develop professional skills related to designing and implementing change

Priority Level: Class II

Implementation Plan

Activity	Estimated Timeline	Key Decisions
Identify the processes recommended for redesign and the reasons for redesign	Week 1 - 2	Note: In this Implementation Plan, reference to "redesign" also includes "re-engineering."
Prioritize which processes should be redesigned	Week 2 – 3	1. Should Personnel Liaisons or other non-PSD personnel be included in the decision of prioritizing? 2. Does PSD have the resources to accommodate more than one ongoing process redesign at a time?
For each of the top 5 business processes selected, create a high level project plan to identify the internal and any external resources required, the estimated schedule and cost, and the goals to be accomplished through redesign	Week 4 – 6	
Appoint a team to conduct the first business process redesign. Each team should include the applicable division manager	Week 7	Note: Each business process redesign should include its own implementation plan.
Complete business process redesign for PSD leadership review and approval	Week 8 – 12	1. Is higher level approval needed in all or some cases?
Implement new business process	Week 13	1. Does PSD have the resources to accommodate more than one ongoing process redesign at a time?
Implement new business process	Week 13	1. Does the new business process include a communication plan to make sure that other interested parties such as Personnel Liaisons are trained on the new process?

Recommendation No. 5

Explore Selective Outsourcing

Consider targeted outsourcing of fact-finding for disciplinary and grievance actions.

Rationale

There may be selected areas where there is a clear benefit to outsourcing specific narrow PSD functions. As noted in Appendix No. 11, we do not generally recommend outsourcing PSD functions. Exception may be considered when PSD is able to generate a compelling business case for outsourcing in which a combination of the following factors applies:

- ❖ The area under consideration is a discrete business process that does not interface with other business processes
- ❖ The business process does not involve exercise of strategic planning or other non-delegable exercise of judgment or discretion
- ❖ PSD lacks either the subject matter expertise or the appearance of objectivity to perform the function internally
- ❖ There would be a demonstrable cost savings by outsourcing the process

The two areas suggested for consideration are fact-finding for disciplinary and grievance actions. Other comparator jurisdictions outsource these functions on occasion.

We note that in each of these areas, representatives from many other City agencies noted that PSD seemed overly cautious to administer disciplinary action. Outsourcing the fact-finding process would not necessarily result in

changes to the outcome, which would still be within City control and is usually determined in conjunction with the City Attorney's Office.

Benefits of Implementation
1. Greater customer satisfaction in having disinterested parties completing the fact-finding process for disciplinary actions and grievances
2. Potential cost savings
3. May enable PSD to concentrate its resources in other core areas
4. Ability to accommodate surge levels

Priority Level: Class III

Implementation Plan
Note that in implementing an outsourcing arrangement, several other City agencies are involved, including the Purchasing Department and City Manager's Office. We also note that the City may be able to leverage the Use of Contracts by Regional Jurisdictions provision to use outsource vendors already selected and operating successfully in other local jurisdictions.

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Identify whether any specific areas would might be appropriate for outsourcing	Week 1 – 3	1. Has the PSD developed an adequate business case to proceed with outsourcing? 2. What is the internal decision authority for the outsourcing process?
Identify what specific areas within the business process might be recommended for outsourcing	Week 4 – 6	1. Identify databases, systems, and management reports associated with each potentially outsourced area 2. If other jurisdictions have outsourced, meet with them to obtain lessons learned, potential vendors, etc

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Work with Purchasing Department to identify potential vendors	Week 7 – 9	1. Can the City piggyback on Use of Contracts by Regional Jurisdictions to use a vendor already selected by another jurisdiction?
Support Purchasing Department in drafting statement of work for procurement package	Week 10 – 13	1. What evaluation criteria will be used to select? 2. What terms should be included in the service level agreement? 3. What performance criteria should be used to evaluate performance and perhaps determine award fee?
Optional: City solicits vendor input on draft procurement material	Week 14	1. Should City host a pre-bid conference or industry day to discuss draft procurement materials with potential vendors? 2. Is there any reason to make this a limited procurement?
Develop communications plan to keep other stakeholders informed on status of the procurement	Week 15	1. Who should be included in the distribution? 2. Should any of these other stakeholders/end users be considered for the evaluation panel?
Develop a cost estimate for the outsourcing arrangement	Week 15 – 17	1. What are the assumptions made in the cost estimate? 2. Are the assumptions valid and reasonable?
Prepare a risk management plan covering the outsourcing arrangement	Week 15 – 18	1. Who should prepare this? 2. How does the risk management plan communicate when the risks are too great to proceed? 3. What is an acceptable level of risk? 4. Does the risk management plan include a contingency plan in case the transition is unsuccessful?
Conduct outsourcing procurement	Week 19 – 31	1. Is there adequate competition? 2. Does the competition include oral presentations? 3. Has the RFP process resulted in responsive bids?
Select vendor	Week 32 – 35	1. Will the final contract include a formula to share cost savings?

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
		2. Are there any other special provisions that need to be added or considered?
Develop timeline for implementation	Week 36 – 37	1. Does the transition plan address personnel issues related to the transition? 2. How will work in-process be accommodated? 3. How will records maintenance and management reports be handled?
Implement outsourcing and monitor performance	Week 38	

Recommendation No. 6

Support for Personnel Liaisons

Leverage the Personnel Liaisons more effectively by creating guidelines and training for them and scheduling quarterly meetings to discuss changes, process improvements, and customer feedback and lessons learned.

Rationale

The Personnel Liaisons serve as a key interface between the PSD and other City agencies. The level of experience and training varies from one Personnel Liaison to the next. By leveraging documentation of policies and procedures, PSD should be able to improve the efficiency with which the parties work together.

Benefits of Implementation
1. Standardizes practices and enables Personnel Liaisons to share observations on what procedures work well and which need improvement
2. Greater efficiency
3. Improved customer service by educating end users on how to work effectively with PSD

Priority Level: Class II

Implementation Plan:

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Designate a member of PSD to serve as principal interface with Personnel Liaisons for purposes of working with them collectively	Week 1	
Select PSD process documentation from Recommendation No. 1 to create training manuals for Personnel Liaisons	Week 2 – 3	Note: Documentation should be completed before this can take place. There needs to be a linkage in place that changes in the

Activity	Estimated Timeline	Key Decisions
		documentation in one place will trigger changes in documentation in the other.
Create a training program for Personnel Liaisons based on the material	Week 4	1. Should all Personnel Liaisons be initially "trained?" 2. What is the best method to obtain Personnel Liaison feedback on what they would like to see in the training program and materials?
Develop a communication list of all Personnel Liaisons	Week 4	1. Are there any Departments that have no Personnel Liaisons or more than 1? 2. What is the process of continuing to keep this list current?
Develop a meeting schedule to include initial training/orientation and periodic updates	Week 5	1. What meeting goals can be developed and monitored over the course of the meetings?
Develop a repository to maintain minutes of meetings (to document the meetings for those unable to attend and to furnish continuity of information to newly designated Personnel Liaisons)	Week 5	
Commence meetings, beginning with initial orientation for all Personnel Liaisons	Week 6	

Recommendation No. 7

Centralized Customer Service Function

Develop a centralized customer service function to field and respond to customer inquiries, such as questions about procedures and, if supportable, to respond to questions concerning the status of items being processed. This section would be the customer's central repository for all PSD requests. The "front desk" would be staffed by experienced staff members and under the direction of a supervisor. If unable to answer a specific question, customers would be routed to the appropriate PSD staff member.

Rationale

Many customers expressed dissatisfaction with the quality and level of customer service provided by the PSD. The principal areas of complaint include lack of responsiveness to customer inquiries and the need to be transferred from one staff member to the next to try to obtain answers to questions. PSD employees are not specifically trained in customer service. Many view their primary function as completing personnel transactions rather than interfacing with customers and providing information or assistance.

The most significant positive impact that the PSD can make to address this concern is to develop a centralized contact point to respond to customer inquiries. This would provide customers with a single point of contact for routine questions.

To the extent that the employees staffing the customer service function have access to various databases within PSD, they may also be able to answer limited questions concerning the status of items being processed. Once a more robust human resource information system is in place, the customer service desk would be able to answer a broader range of questions about the status of items in process.

Other jurisdictions, including Fairfax County and Arlington County, have successfully implemented centralized service desks for their human resource needs.

Benefits of Implementation
1. Improves the quality of customer service by providing a single Departmental face to customers
2. Places a premium on servicing the customer in providing information and answering routine questions
3. Enables other PSD staff members to focus on more complex issues without the interruption of answering routine questions
4. Helps break down the silos that exist among PSD divisions

Priority Level: Class III

Implementation Plan:

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Designate PSD staff to develop and implement a Service Center	Week 1	
Create an overall initial budget for development and implementation of Service Center	Week 1 – 2	Note: The budget will probably need to be updated as implementation progresses
Outreach to other jurisdictions that have one in place to discuss their process	Week 2 – 4	
Develop a high level internal working model for PSD	Week 5 – 7	1. What is the scope of services to be covered? 2. How will calls and answers be logged? 3. What is the protocol for answering questions vs. referral? 4. Will Service Center include both calls and walk-in? If walk-in, are appointments necessary?
Draft job descriptions for Service Center positions and how it fits within PSD organizational structure	Week 8	

PERFORMANCE AUDIT AND EFFICIENCY STUDY

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Develop meeting schedule with City Managers Office to discuss progress and decisions made concerning Service Center	Week 8	
Review process documentation per Recommendation No. 1 to determine the extent to which it is appropriate for Service Center use. Modify as appropriate	Week 9 – 10	
Complete detailed implementation plan	Week 11 – 12	
Work with IT to determine to what extent Service Center employees have access to PSD electronic files	Week 12 - 14	
Develop privacy guidelines concerning the sharing of information with callers	Week 12	1. When and under what circumstances can Service Center release employee-specific information to Personnel Liaisons? 2. Is there any information that is not releasable? 3. What identification should Service Center request from callers requesting personal information about themselves? Note: Follow the guidelines established in comparator jurisdictions as a starting point in developing guidelines for Alexandria.
Work with telecommunications vendors to establish appropriate phone lines and capabilities for Service Center	Week 13 – 16	
Develop communications plan for the Service Center	Week 14 – 17	
Run on a trial basis	Week 18 - 24	Get final approval from City Manager's Office before proceeding
Retool based on results of trial basis	Week 25 – 26	
PSD meeting to discuss how Service Center will impact other divisions within PSD	Week 26	
Implement communications plan to inaugurate Service Center	Week 27	
Commence operations	Week 28	
Place periodic calls to test the system and report the results	Per calendar	

Recommendation No. 8

PSD Staff Meetings

Implement and conduct regularly scheduled PSD internal staff meetings for leadership and for all PSD staff.

Rationale

PSD operates primarily as a series of five divisions that work with one another to complete shared business processes. Employees in PSD lack insight into the overall direction and goals of the PSD. Most do not understand their co-workers' roles, responsibilities, or the way in which changes in one area of the Department may affect others.

All of the PSD counterparts in other local jurisdictions conduct leadership meetings either weekly or monthly and department-wide meetings either monthly or quarterly.

Benefits of Implementation
1. Builds Departmental unity and efficiency
2. Improves employee morale by providing a forum for employees to communicate and disseminate information
3. Improves the quality of customer service by helping PSD understand the roles and responsibilities of other PSD divisions
4. Creates the potential of improving employee professional career development by providing the groundwork for employees to thoroughly understand PSD services and aspire to advance within the Department.

Priority Level: Class I

Implementation Plan

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Create a meeting schedule for Departmental leadership and all employees	Week 1	
Develop a standing agenda for each meeting type.	Week 1	Note: The budget will probably need to be updated as implementation progresses
Publish meeting schedule	Week 2	
Implement meeting schedule. Take and publish meeting minutes and action items. (Leadership meeting minutes may be subject to limited distribution, depending on the nature of information covered.)	Week 3 on	Note: Set a one-hour time limit on meetings. Find ways to involve all staff members, by varying responsibility for minutes and by making employees presenters of areas they are covering.

Recommendation No. 9

Communication Plan

Create a communication plan to improve communications with the rest of City Government.

Rationale
The Department has the opportunity to improve its communications with other stakeholders.

For incoming communication, the Department should prepare and keep current a list of who to call for what types of questions. This can be most effectively accomplished by publishing a list of Frequently Asked Questions, which the staff should be able to identify. If the PSD develops a Customer Service Center to field incoming calls (Recommendation No. 7), then the communication plan for incoming communications may be simplified.

For outgoing communication, PSD can improve its communications materials, including employee benefit materials and information about policies and procedures relevant to employees. Explore the possibility of using current City technology to enhance communications, such as explaining to employees how to enroll in or change participation in benefit programs.

Benefits of Implementation
  1. Improves communications internally and externally
  2. Positions PSD to evolve into a more strategic role by anticipating routine employee questions and answering them more efficiently

Priority Level: Class II

Implementation Plan

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Designate PSD lead for communications	Week 1	
Define the roles and responsibilities of the communications lead, and the metrics to determine if the individual is meeting these needs	Week 1	
Develop an initial list of communications needs and related protocols	Week 2	
Develop initial tool kit of communications aids, such as distribution lists and sample formats	Week 3 – 4	
At PSD internal meeting, discuss proposed communication plan and obtain employee input	Week 4	1. What are the protocols PSD will use internally to determine if a matter needs to be directed to the communications lead? 2. How will the Department capture lessons learned in communications to apply to future?
Implement and refine communication plan	Week 5 on	

Recommendation No. 10

Information Sharing

Grant Personnel Liaisons read-only access to PSD HRMIS.

Rationale
PSD recently began providing read-only access of applicable employee records to the Personnel Liaison for the Fire Department and then the Police Department. This trial seems to be proving successful. Therefore, the opportunity should be extended to the other Personnel Liaisons as well. This should be implemented in conjunction with training for the Personnel Liaisons (Recommendation No. 6).

Benefits of Implementation
1. Allows Personnel Liaisons to check on the status of submitted actions, thereby decreasing the number of calls for assistance submitted to the PSD
2. Serves as an audit and quality check to PSD data entry to catch mistakes early
3. Provides a move toward decentralization of administrative PSD functions (In the future, work toward Personnel Liaisons completing data entry for PSD review and approval)

Priority Level: Class II

Implementation Plan

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Work with Personnel Liaison from Fire and Police Department to ascertain whether read-only access to files has been successful. Modify access as appropriate.	Week 1	

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Provide specifications to IT to tailor read-only access for other Personnel Liaisons.	Week 1 –2	
Provide notice of timing for extending read-only access to Personnel Liaisons.	Week 3	
Optional—Host a training program for Personnel Liaisons to help them understand the screen shots that they will see via read-only.	Week 4	
Extend read-only access	Per schedule	1. Are there any adjustments needed based on experience?

Recommendation No. 11:

Safeguarding Employee Records

Develop and implement guidelines for records handling. This should include annual training on the importance of safeguarding information privacy.

Rationale

Some handling and storage of employee records created the risk and the perception that private employee information could be misappropriated by others.

Benefits of Implementation
1. Mitigates the risk of unauthorized disclosure of personal information
2. Reassures other City employees that their sensitive information is well protected

Priority Level: Class I

Implementation Plan

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Establish or update guidelines for protecting the privacy of individual employee information	Week 1	Note: This includes when PSD staff is processing employee folders, providing information to third parties, and safeguarding file cabinets when not in use.
Prepare a training seminar on safeguarding employee records	Week 2	
Deliver training to all affected PSD staff	Week 3	May be part of PSD staff meetings (Recommendation No. 8).
Schedule periodic update training	Per schedule	

Recommendation No. 12

Records Retention

Develop and implement guidelines for records retention. This should include specific instructions on what information should be retained, where, and for how long.

Rationale

PSD does not currently maintain comprehensive guidelines for records retention or long-term storage. Consequently, historical files may be difficult to locate.

There is a diminishing benefit in organizing historical files where the possibility of using them again is remote. Therefore, PSD should establish common sense guidelines in how much effort should be devoted to older files.

Benefits of Implementation

1. Increases efficiency and ability to respond to data queries involving historical files
2. Decreases storage space and cost by eliminating content from terminated employee files that is no longer needed

Priority Level: Class II

Implementation Plan

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Designate responsibility for developing a comprehensive policy on records retention	Week 1	
Develop draft records retention policy	Week 2 – 5	1. What information should be retained? For how long?

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
		2. In what format? Hard copy? Scanned? Other? 3. How far back should the retention solution extend?
Complete internal review of record retention policy (legal, regulatory)	Week 6 – 8	1. Conduct training on the new policy
Begin implementing new records retention policy for new files of terminated employees immediately	Week 9	
If solution includes scanning or other service involving vendors, develop procurement materials or other preparations as needed to implement	Week 10 – 15	
Develop and implement a schedule and protocol for processing historical files	Per schedule	1. What is the mechanism for amending the policy based on the experience in processing historical files?

Recommendation No. 13

Exit Interviews

Expand the employee exit interview process to capture the reasons for employment termination and other information that may lead to improvements in employment.

Rationale

Attracting and retaining a new generation of City Government employees is a key challenge for the City for ensuring its future. One of the best sources of information in how to attract and retain employees is to understand why employees leave and what actions the City might take in the future to improve employee retention.

At present the employee termination and exit process is largely focused on administrative matters such as transition of benefits and retirement accounts. This process should be expanded to include a structured interview to obtain insight into why employees leave. This information should then be aggregated to identify trends and then to develop proactive plans to alter identified trends where appropriate.

Each of the other local jurisdictions capture and harvest this information as a primary source of information on where and how to improve.

Benefits of Implementation
1. Opportunity to help reduce attrition in the future
2. Opportunity to help identify and implement improvements that will benefit current work force

Priority Level: Class I

Implementation Plan

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Designate person responsible for developing an exit interview instrument and process	Week 1	
Reach out to other jurisdictions to understand and possibly adapt their practices	Week 2 – 3	
Develop an exit interview instrument and process	Week 4 – 6	1. What is the feedback loop to provide information from the exit interviews to where it would provide benefit to others? 2. Should the interview questionnaire be automated to encourage terminating employees to speak more freely?
Provide training for those conducting the exit interview	Week 7	
Process the communication as appropriate to deliver the results of the exit interviews	Week 8	

Recommendation No. 14

Training Program

Review and update the curriculum for the City's training program to make sure that it is aligned with the future plans for each Department and stated employee needs to the extent practical.

Rationale

The City's training curriculum has not changed for the past several years. Over this time it has grown less relevant to the needs of employees and the City. By reviewing, updating, and refreshing the courses offered, the training program may resume its position as a valuable tool for employees and as an attractive benefit to applicants. Solicit input from employees via employee survey to find what kinds of courses would be most worthwhile.

Benefits of Implementation
1. Helps establish PSD as a strategic partner by aligning training to anticipated and emerging City needs
2. Provides a more meaningful benefit to employees by providing training in areas that are of interest and importance to employees

Priority Level: Class II

Implementation Plan

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Develop a proposed list of training courses based on input from managers and from other sources	Week 1 – 2	1. What is most effective method for receiving input?
Create an employee preference survey based on the initial input from managers	Week 3 – 4	

PERFORMANCE AUDIT AND EFFICIENCY STUDY

Activity	Estimated Timeline	Key Decisions
Collate and analyze the results to propose an updated training program for management review and approval	Week 5	
Amend the training curriculum accordingly	Week 6	
Track attendance and employee feedback and report results	Per schedule	

Recommendation No. 15

Tracking Training Records

Define roles and responsibilities and develop a tracking system to monitor the status of mandatory training courses attended by City employees.

Rationale
Where training is mandatory, the City should have a policy and procedure in place to track the requirement and make sure it is met. To require training and not to track it consistently sends a mixed message to the work force.

Certain other Departments may track required training on their own. This should be part of the official employee file.

Benefits of Implementation
1. Provides a record that employees are meeting requirements
2. Provides a management tool to track and monitor employees who are not satisfying requirements on a timely basis

Priority Level: Class II

Implementation Plan

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Define roles and responsibilities	Week 1 – 2	1. Should the PSD be responsible for tracking or should Departments track?
Identify required training	Week 1 - 3	1. Should recommended or other training be captured as well?

ACTIVITY	ESTIMATED TIMELINE	KEY DECISIONS
Determine to what extent required training is currently being tracked	Week 4 - 5	
Develop an overall program to track training requirements per employee	Week 6	1. To what extent can current tracking efforts be combined into a City-wide initiative?
Work with IT to automate the tracking process and follow up with employees and their supervisors not meeting their training requirements	Week 7 on	1. How is required training factored into promotion and evaluation processes?

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APPENDIX 11 – OUTSOURCING

Executive Summary
This Appendix identifies the factors for the City of Alexandria to consider in determining whether to pursue outsourcing functions performed by the Personnel Services Department (PSD). This includes an explanation of why organizations choose to outsource human resource (HR) functions and which functions are best suited to outsourcing. This Appendix provides an overview of how to structure an outsourcing relationship, and the challenges and risks associated with outsourcing. We conclude that PSD should complete the process of improving the documentation and efficiency of its functions before it considers outsourcing them.

1.   Why Outsource?
Organizations have many different reasons for outsourcing HR and personnel functions. A survey completed for the Society of Human Resource Management (SHRM) demonstrates the range of reasons given for outsourcing human resource functions:

WHY ORGANIZATIONS OUTSOURCE THEIR HR FUNCTIONS	
% of Respondents	**Reason Given**
26%	Save money
23%	Focus on strategy
22%	Improve compliance
18%	Improve accuracy
18%	Lack experience in house
18%	Take advantage of technological advances
17%	Offer services we otherwise could not
15%	Focus on core business
5%	Other

Source: Reasons for Outsourcing survey conducted in 2003 based on the responses of 393 human resource professionals. The margin of error is +/- 4.9 percent.

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2. What to Outsource?

Where organizations elect to outsource, the box to the right shows which HR functions are most commonly selected:

Public sector and private sector organizations share some critical factors in deciding which HR functions to outsource:

❖ Organizations do not outsource HR strategy and top level management. These are considered inherently internal, non-delegated functions.

❖ Single-process transactional services such as retirement plan administration are more conducive to outsourcing than multi-processes such as performance management.

❖ Functions that may be reduced to a set of rules and procedures with limited need for discretionary intervention are more conducive to outsourcing.

WHICH HR FUNCTIONS THEY OUTSOURCE

% of Respondents Outsourced Function

%	Function
84%	401(k) plan administration
84%	Employee assistance/counseling
74%	Retirement planning
73%	Pension administration
72%	Temporary staffing
68%	Background checks
57%	Training and management development programs
54%	Executive development and coaching
53%	Health care benefits administration
49%	Employee benefit administration
49%	Payroll
46%	Risk management
44%	Executive staffing
41%	Employee relocation
40%	HRIS selection, training, and implementation
32%	Recruitment
17%	Executive compensation and incentive plans
15%	Policy writing
14%	Administration of compensation/incentive plans
11%	Wage and salary administration

Source: Functions Outsourced survey conducted in 2003 based on the responses of 360 human resource professionals. The margin of error is +/- 5.15%.)

3.   Outsourcing Process

Outsourcing may assume several forms depending on the needs of the client and the specific functions covered. A key factor in structuring outsourcing arrangements is the degree of control that the client maintains over the outsourcing vendor. The client may maintain active control of all or most outsourced functions, or the client may delegate those decisions and responsibility to the vendor.

Regardless of the degree of control the client chooses to exercise over the outsource vendor, most outsourcing arrangements include the following elements:

- ❖ The City defines which HR functions it chooses to make available for outsourcing
- ❖ Each function to be outsourced is clearly defined, including the series of interfaces with other databases and systems and the management reports the City requires associated with each function
- ❖ The City identifies potential vendors
- ❖ The City prepares draft procurement materials, including proposed statement of work, evaluation criteria, and service level agreement or other performance metrics
- ❖ The City solicits vendor input on the draft procurement materials (optional)
- ❖ The City develops a communications plan to keep stakeholders current on the status of the procurement
- ❖ The City develops a cost estimate for the outsourced arrangement, which normally separates one-time start-up costs from ongoing service delivery costs
- ❖ The City prepares a risk management plan covering all aspects of the potential outsourcing arrangement
- ❖ The City conducts the outsourcing procurement. Oral presentations are recommended to meet key staff from each team
- ❖ The City selects the successful vendor
- ❖ The City and vendor jointly develop a timeline for the transition. This transition plan should also address personnel issues related to the transition, such as reassignment and retraining.

❖ The City and vendor may elect to structure a gain-sharing formula to share the benefit of any cost savings recognized as a result of the outsourcing

❖ The City develops contingency planning in case the transition is unsuccessful

❖ The City and the vendor develop procedures and protocol for accessing historical data needed to perform

❖ The vendor delivers sample reports that address the service level agreement factors, current status, and other project-related items

❖ Transition plan is implemented

4. Challenges to Outsourcing

There are many challenges to developing a successful outsourcing process for functions within the PSD, from procurement through long-term contract monitoring. Challenges are grouped by category as follow:

❖ **Management Challenges.** Outsourcing increases the need for experienced project managers and decreases the need for transaction-oriented employees. Instead of Personnel Analysts and Assistants, the City needs individuals with skill sets comparable to contract administrators and purchasing agents who are able to provide information to outsource vendors, monitor and measure performance, and ensure compliance with the terms of the service level agreement. This includes the following:

▪ Hiring and/or training those managing outsource contracts
▪ Retraining mid-level managers
▪ Retaining core governmental functions that are inappropriate to outsourcing
▪ Recognize that outsourcing arrangements may raise new issues for governance

If the City decides to consider outsourcing any PSD functions, it will likely encounter morale issues that need to be effectively managed. Employees within PSD will be concerned about employment

security and the challenges of retraining for new, unfamiliar duties. Short-term productivity within the Department will likely be adversely affected. Other City employees will be concerned about how this change affects them, and whether outsourcing within PSD may lead to additional outsourcing. As noted in the 2004 GAO Report cited earlier, one federal agency concluded that "trust between agency leaders and employers can be shaken by the consideration of nontraditional staffing." Outsourcing for some is viewed as a threat to employment rather than a benefit in terms of cost savings, improved quality, or otherwise.

❖ **Strategic Challenges:** The City may need to review and revise its legislative mandates to convert a public sector function into a private sector one. In Alexandria's Strategic Plan for 2004 – 2015, Goal 6 among the Alexandria Goals for 2004 through 2009 is that "The City Government is Financially Sustainable, Efficient and Community Oriented." One of the objectives within this goal is to ensure that City services are delivered in the most cost-effective manner. This suggests that any outsourcing decision would need to be supported by a compelling business case that outsourcing would result in cost savings, or, at a minimum, be cost neutral and result in significantly better service.

❖ **Procurement Challenges.** There are normally a series of decisions and issues related to an outsourcing procurement. The procurement must be structured to attract the best qualified potential vendors while continuing to complete ongoing PSD operations and managing expectations of PSD employees as well as other City Departments affected by the transition to an outsource solution. Representative procurement issues are as follow:

  ▪ Keeping the current work force in place and productive during the procurement
  ▪ Determining how to price and evaluate bids (fixed price; level of effort; per transaction; other)

- Determining whether to provide for gain-sharing provisions allowing the City and the private contractor to split cost savings
- Safeguarding employee privacy of information
- Ensuring that there is an adequate pool of qualified bidders
- Determining the scope of services should be included in the procurement
- Defining selection criteria
- Promoting local employment

❖ **Transition Challenges.** Once a vendor is selected, there are transition issues in moving PSD functions to an outside vendor. These issues include items such as:

- Setting a mutually agreed implementation calendar
- Developing strategies to ensure no interruption of service
- Providing for thorough knowledge transfer
- Providing retraining or outplacement or reassignment for current PSD employees
- Determining the disposition of files and records and other historical information related to PSD functions
- Developing an effective communications plan to let others know about the change and what it means to them

❖ **Technology Challenges.** The outsourcing solution needs to be accommodated within the City's information technology architecture. There may be technical interfaces between the City and the vendor to transmit information needed for the vendor to complete the outsourced functions and transmit information back to the City as needed to perform other functions. The outsource solution will also need to be coordinated with the specifications that will be used once the City procures a new

Human Resource Information System (HRIS) to ensure that the HRIS supports the outsource relationship.

❖ **Monitoring Challenges.** The City needs to design and implement an effective system to monitor contractor performance and identify and address contract compliance issues. Monitoring issues include tracking performance metrics as established in the service level agreement, ensuring key personnel are dedicated to the project, measuring customer satisfaction, and establishing a means of auditing contractor performance and representations.

5.   Risks to Outsourcing

Whereas challenges may be answered, risks affecting cost, quality, or schedule may be mitigated but never fully eliminated. The mere presence of risk should not prevent an outsourcing initiative from going forward in most cases, since all innovation is accompanied by risk. For this reason, effective risk management should play a key role in developing and implementing outsourcing solutions.

The importance of risk management is to identify the risk, understand the conditions under which the risk may occur and create effective mitigation strategies to address each risk factor. Before proceeding with the decision to outsource HR functions, the City should perform a risk analysis to understand and quantify the associated risks. This involves identifying risk factors, quantifying their impact on the cost/benefit estimates within a risk matrix, and then generating risk-adjusted costs and benefits.

Key risk factors include the following:

❖ **Availability**: Are there sufficient providers in the marketplace to ensure competition and continuity? Does the nature of the marketplace or the constraints in the procurement limit

competition to an unacceptably restricted pool? Can/Should the City include incentives to promote local businesses and workforce?

❖ **Quality:** Do providers have the necessary technical skills to provide a high(er) quality service than PSD currently delivers? Does the scope of services address customer needs? How is quality measured?

❖ **Cost**: Can costs be accurately estimated and controlled when using an outside provider? Are there other opportunities for City cost savings, such as re-leasing portions of PSD office space if appropriate? Can the contract be structured in such a way as to promote quality, efficiency and the other desired results of the outsourcing process? Can PSD employees performing outsourced functions be retrained or out-placed?

❖ **End User Buy-In**: Will other Departments accept the outsourcing solution and learn to work with it effectively? Has the outsourced solution continued to meet all stated needs and maintained the levels of community accessibility expected? Has the outsourcing solution created any unanticipated problems or challenges that need to be addressed? Are there any critical functions that have not been identified until after the outsourcing arrangement has commenced, such as special reporting requirements?

❖ **Project Management**: Are there sufficient numbers of procurement and program staff with required knowledge and skills to implement and administer the contract? Will there be effective monitoring systems developed and in place to measure compliance?

❖ **Contractor Default**: How fast can the PSD function be put back on track in the event of a contractor's failure to perform? Has the City developed a contingency plan to provide for back-up in the event that the contractor defaults?

❖ **Timeliness and Responsiveness**: How does the decision to outsource certain PSD functions affect critical deadlines, such as preparation for City Council meetings and annual budget hearings? Does the City need to revise its expectations based on the contractor selected? Should the City hold the contractor to a higher or different standard of service than the current PSD operations?

Conclusion

The PSD already engages in a limited use of outsourcing ("outsourcing lite") for narrow areas such as temporary staffing. Some local jurisdictions, such as Fairfax County, also use outsourcing for prescribed areas such as fact-finding in the employee grievance process and certain benefit administration processes.

Based on our research and analysis, we conclude that it is premature for the PSD to pursue additional outsourcing of its functions until it addresses some of the current challenges in work flow and service delivery. In most cases, outsourcing should not be regarded as a means of fixing an inefficient process. It is shown to work best when it covers a well-defined business process or set of processes. As noted in the 2004 GAO Report on lessons learned from Government HR outsourcing, "Throwing a problem over the transom to a provider and waiting for a solution to be thrown back is not a viable model."

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APPENDIX 12 – INTERVIEWED PERSONNEL

During Corbin's performance audit of the PSD, three key stakeholder groups were interviewed, including:
- Customer Departments
- PSD Staff Members
- Comparator Jurisdiction Staff Members

Following is a list of individuals interviewed, by name, including their agency affiliation and the date the interview(s) were conducted.

DEPARTMENT - PSD DIVISION - COMPARATOR JURISDICTION	NAME	DATE	DEPARTMENT - PSD DIVISION - COMPARATOR JURISDICTION	NAME	DATE
COA Customer Department Interviewees					
COA Housing	Robin Deshields	4/14	COA Commonwealth Attorney	Randolph Sengel	3/27
COA Citizens Assistance	Elaine Scott Linda Evans	3/6 & 4/18 3/6	COA General Services	Donald Dodson Alfred Coleman Sherry Bennett	3/7 3/7 3/7
COA Planning & Zoning	Farroll Hamer Cicely Woodrow Richard Josephson	3/18 3/18 & 4/18 3/18	COA Historic Alexandria	Lance Mallamo Liz Williams	3/18 3/18
COA Police	Chief David Baker Susan Story Valerie Correa	3/13 3/21 & 4/18 3/21	COA Human Rights	Jean Niebauer David Miller Patricia Rudle	3/11 3/11 3/11
COA Real Estate	Cindy Smith-Page Ann Radford	3/7 3/7 & 3/18	COA MH/MR/SA	Mike Gilmore Will Thompson	3/11 & 3/13 3/11

DEPARTMENT - PSD DIVISION - COMPARATOR JURISDICTION	NAME	DATE	DEPARTMENT - PSD DIVISION - COMPARATOR JURISDICTION	NAME	DATE
	Bryan Page	3/7		Maggie Ross Carol Layer Liz Wixson Deborah Warren	3/11 3/11 3/11 3/11
COA Attorney's Office	Robin Wilson	4/18	COA Human Services	Debra Collins	3/13
COA Recreation	Kirk Kincannon John Buckner	3/13 4/18	COA Juvenile Courts	Lillian Brooks	3/13
COA Fire	Noelle Whitehead Bobbi Soto	3/17 & 4/18 3/17	COA Health	Charles Konigsberg	3/13
COA Finance	Laura Triggs Cassandra Menefee Cassandra Lewis Michelle Hackerson	3/27 3/27 & 4/18 3/27 3/27	COA Library	Rose Dawson Linda Wesson Ed Heiss Karen Russell	3/13 3/13 3/13 3/13
COA Manager's Office	Mark Jinks	3/28	COA OMB	Bruce Johnson Valerie Salernos Dawn Webster	3/14 3/14 3/14
COA Fire & Code Enforcement	John Catlett Janine Panell Andrea Buchanan	3/18 3/18 3/18	COA T&ES	Rich Baier Antonio Baxter Perline Walden William Skrabak	3/17 3/17 3/17 3/17
COA Office on Women	Lisa Baker Claire Dunn	3/5 3/5 & 3/13	COA Sheriff	Wendy Webb Bernard Baldwin	3/17 3/17
COA Personnel Services Division Staff Interviewees					
COA PSD Administration	Henry Howard Kathleen Schramm	6/5 & 6/18 6/5 & 6/18	COA PSD Employment & Testing	Nancy Stephens Robin Moscati	1/23 1/24

DEPARTMENT - PSD DIVISION - COMPARATOR JURISDICTION	NAME	DATE	DEPARTMENT - PSD DIVISION - COMPARATOR JURISDICTION	NAME	DATE
	David Del Rosario Jeffrey Power Walt Pasqualini	4/23 4/28 4/30		Anna Gregory Irrsula Mpouma	1/25 1/25
COA PSD Classification & Compensation	Terry Robinson Donna Warren Sheila Marr Tiffany Scott Tracy Staton Wallis	1/16 & 1/23 1/17 & 1/22 1/17 1/17 1/17 & 1/22	COA PSD Employee Relations & Training	Joseph Reyna Barbara DiRenzo Gregg Lumpkin	2/12 2/13 2/13
COA Benefits & Records	Kathleen Schramm (Acting Chief) Tori Butler Jina Edwards Shaveta McKinney Miranda Boson	3/20 3/21 3/21 3/24 3/25 3/25			
COA Comparator Jurisdiction Interviewees					
Arlington County	Jeanne Wardlaw Wanda Fells Sherri Williams Amy Rozier	2/8 2/25 2/27 4/18	Montgomery County	Kaye Beckley Mary Remein Julie Mack	2/4 2/11 2/13
Fairfax County	Susan Holsneck Sherry Rowe Bob Ridley Theresa Kellogg Bobbie Deegan	2/6 2/11 2/28 4/8 4/21	Prince William County	Kathryn Freeman Pat Freeman Linda Satlin Andrea Brenner Sandra Ellis	2/11 2/28 4/23 4/23 4/2
Prince Georges County	Emerson Taylor Kathy Cooke	2/5 2/28	Loudoun County	Thomas Horvath	2/5

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International Personnel Management Association, www.ipma-hr.org
HR-Guide.com, www.hr-guide.com
HR-Survey.com, www.hr-survey.com

PERFORMANCE AUDIT AND EFFICIENCY STUDY

Society of Human Resources Management (SHRM), www.shrm.org
U.S. Department of Labor, www.dol.gov
U.S. Office of Personnel Management, www.opm.gov