CITY-WIDE HUMAN RESOURCES

STRATEGIC FRAMEWORK PLAN REPORT

NOTES: This document is approximately 20 pages long.

I.   Introduction

Service Description

The City's human resources operation includes, at a minimum, all of the necessary core components of a comprehensive human resources system. The system as a whole, through the City-wide activities of the Bureau of Human Resources (BHR) and the bureau-specific activities of bureau-based HR staff, provides the following core services to operating bureaus and employees:

- **Human Resources Policy** - Develops, interprets, and creates a central repository of HR policy information to ensure consistency and compliance.

- **Recruitment and Selection** - Provides the City with diverse, qualified applicant pools. This includes attending job and career fairs to recruit new employees, preparing and advertising open positions, scoring applications, conducting employment background and reference checks, hiring and training for hiring managers on proper techniques for filling positions.

- **Affirmative Action** - Establishes flexible and long-range strategies to correct identified under-utilization in employment classifications and equal employment opportunity categories. Maintains a work environment free from discrimination and harassment, and eliminates barriers to equal employment opportunities.

- **Labor Relations** – Oversees labor negotiations; assists bureaus in responding to and resolving grievances and other disciplinary matters; and oversees compliance with application of federal and state labor laws, City policies and collective bargaining agreements.

- **Employee Relations** – A framework for employee relations activities, including communication targeted at the City's workforce, needs to be developed.

- **Classification and Compensation** – Plans, designs, implements, monitors and maintains citywide classification and compensation plans, programs, polices, and systems. This includes technical expertise and services to City bureaus and offices to ensure compliance with collective bargaining agreements and state and federal laws; management of and participation in large occupational classification and compensation studies; and conducting

job audits and compensation reviews of individual positions and classifications.

- **Benefits** – Administers the City's health and welfare programs for eligible employees, retirees, and their dependents. This includes self-insured and insured medical, dental, vision, group life and supplemental life insurance, long-term disability, deferred compensation, flexible spending accounts, wellness, employee assistance, COBRA and FMLA. Benefits also facilitates and makes recommendations to the Labor-Management Benefits Committee and manages a multi-million dollar health fund reserve.

- **Training and Development** – Provides new employee orientation and a schedule and curriculum of policy-based training, leadership education, professional development, public involvement and apprenticeship courses aimed at developing the City's leadership/management potential and a highly skilled, diverse and effective workforce; internal organizational development consultation and coaching; outplacement services; customized training and cross-bureau professional development; workforce planning data and assistance; bureau-specific and out-sourced training opportunities; and career development planning and assistance.

- **Support Services** – Provides direct operational, program specific administrative support to the various HR program areas; administers and manages the City's central HR Information Systems; provides internal communication with City employees on HR –related issues and concerns; maintains central employee personnel records and employment history records; processes Unemployment Claims and employment verifications; provides administrative support to the Civil Service Board; and manages the City's College Workstudy Program.

Budget and Service Trends
In recent years, the City has made one-time investments that have allowed for some improvements in the HR system (specifically, classification and compensation studies, workforce planning activities, and enhancements to HR information systems). While these enhancements have been helpful, they represent an incremental, rather than strategic approach and have not helped address historical under-funding of the entire human resources infrastructure. Evidence of historic and current under-funding can be seen throughout the system in areas of strategic importance. For example:

- A recent study of human resources staffing conducted by the Bureau of National Affairs and the Society for Human Resources Management using 430 human resources departments shows that the City of Portland should have 57 professional FTEs to carry out human resources activities (this

excludes clerical and administrative support). Under the budget reductions approved by the City Council, the City's staffing will reduce to 48 FTE, nine FTE below the benchmark standard. To further illustrate, Multnomah County has 64 professional FTEs to carry out HR activities for a workforce of 5,300 employees.

- The Council has historically provided one-time funding for human resources needs (e.g., class-comp studies, policy development) but an ongoing level of investment is required to effectively enhance and manage a human resources system for an organization the size of the City. There have been no dedicated resources to build meaningful and dedicated functions in employee relations, policy development, and classification and compensation. The benchmark cities identified in the 2000 Human Resources Assessment Study have dedicated classification/compensation systems that are continuously updated based upon market conditions and dedicated employee relations functions that offer effective alternatives for resolving employee issues outside of the bargaining process.

- There has been only one FTE to support the central workforce training, development, and planning effort for 5,500 full-time employees, and the tuition reimbursement program has been systematically reduced and eliminated. Benchmark cities provide a core curriculum of mandatory training that is delivered centrally, catalogue classes for employee development, tuition reimbursement of up to $600 per year, 20 hours of training per employee annually, and paid administrative leave to participate in certain types of educational activities.

- HR information systems that are needed to support effective workforce planning are fragmented and antiquated. Benchmark cities have recently implemented integrated systems for human resources management and payroll that include a common database for applicant tracking, employment and compensation, benefits administration, position control, position budgeting, time reporting, payroll, and payroll adjustments. While the Council has made some targeted investments that have allowed for improvements to existing HR information systems, the architecture of the system is still too outdated and fragmented to create an integrated system that meets the City's business needs.

- There have been no dedicated resources to conduct meaningful employee communications or effective external marketing in support of recruitment and selection efforts. This is still true today and pressure on existing limited resources continues, making it increasingly difficult to address the program service delivery deficiencies identified in the 2000 and 1993 studies. Once again, the benchmark cities have electronic application processes,

comprehensive marketing activities for promotion of the city as an employer, and multiple programs for employee input, including suggestion programs and employee opinion surveys.

In addition to historic underfunding, assessments of the HR system conducted in 2000 and in 1993 identified the following service delivery issues:

- There is no over-arching set of principles, philosophy or strategic plan that guides human resources decision-making and activities. Because there is no defined strategy, human resources does not function as a system, making it difficult for the City to staff appropriately and clearly define the appropriate roles of central and bureau-level functions and activities.

- Service delivery from the centralized operation is seen as reactive or responsive, rather than strategic, anticipatory and innovative. Bureaus seek to create their own solutions when they perceive that BHR is not responsive to their needs. This leads to inconsistent implementation of policies and procedures across the City and a bureau-specific approach to human resources issues rather that a strategic citywide approach.

- Effective working relationships between the City and its Labor representatives are strained. There is no defined process outside of formal bargaining to deal with labor or employee relations issues, which increases tension between the unions, management, and employees. There is also a lack of clarity about the separate and distinctive functions of labor relations and employee relations and adequate staffing resources to support both of these functions.

- Human resources rules, procedures and practices need to be reviewed and refined in order to effectively develop and promote existing employees and competitively recruit the most qualified and talented applicants.

- The current approach to classification and compensation is incremental and inconsistent, rather than strategic. This impacts the City's competitive position in the job market and may lead to problems related to recruitment.

- The information systems supporting human resources activities are fragmented and do not allow appropriate tracking or easy access to workforce data. Without integrated information systems, the City does not have the information it needs to conduct workforce planning and to track significant human resources activities and performance results.

Because of these significant deficiencies, the resulting City-wide human resources system lacks cohesion, produces inconsistent interpretation and

application of rules, creates duplication of effort and inefficiency, hampers quality; confuses employees, managers and the general public, and has perpetuated a "silo" approach to carrying out HR activities.

Results from Cost Reduction Phase

The Human Resources Administrative Services Review (ASR) process combined cost reductions with an in-depth service delivery assessment that recommended structural changes to the HR system. Key aspects of the reorganization plan are to centralize staff reporting and vest city-wide authority over HR issues under the HR Director; organize HR professionals into service teams to serve like bureaus (e.g. public safety); deploy staff in a flexible manner – on-site and centrally – to best meet the service needs of bureau operations; update HR policies, procedures and practices; strengthen the service delivery capacity of the BHR by creating a dedicated classification and compensation unit and through forming service teams.

1. Reorganize HR Service System $172,576
    Implementation of reorganization of HR systems and staffing results in a net savings of $172,576 and the reduction of four positions.

2. Service Improvement Initiative (SII) $304,000
    Central support for SII activities eliminated. Two positions reduced, plus $156,111 in professional services.

3. Wellness Program $127,000
    Eliminates two vacant positions and associated materials and services appropriation.

4. Reduction in Printing & Distribution $ 19,913

Savings Total   **$ 623,489**

II.   Business Environment and Strategic Vision for Service Delivery

Trends and Critical Issues

As government organizations face changes in their funding sources, administrative and programmatic budget cuts, rapid changes in technology, new social and cultural forces, changing workforce demographics and increased competition for qualified employees, it is more important than ever to link human resources management with the strategy of the organization and to the everyday work of line managers and employees. Conventional human resources departments are thought of by most employees and managers as regulators and

enforcers, concerned with compliance to rules and regulations rather than partners working to meet the organization's business goals. This has been especially true of human resources functions within government, and the City of Portland is no exception.

While the key components of a citywide human resources system are in place, the City's human resources functions have migrated over time from a highly centralized to a more decentralized structure. This has largely occurred by default, rather than by design and careful planning. The result is that the City does not function as a single employer. Instead it is a fragmented HR system that lacks consistency in application of policies and accountability for citywide outcomes, which contributes to erosion of the relationship between labor unions, the public and the City.

Portland's job market will become increasingly more competitive and Affirmative Action and diversity will continue to be a strong emphasis because of demographics in the metropolitan area. Currently, the City is not viewed as an employer of choice in Portland, and its recruitment system is seen as cumbersome, and in some cases, perceived as unfair by both employees and the general public. Because the historic approach to classification and compensation has been incremental and inconsistent, rather than strategic, the City's competitive position within the job marketplace is weakened.

Currently, relations between the City and labor unions are tense. There is not a consistent citywide process outside of bargaining to deal with employee relations issues and there is widespread lack of clarity about the separate and distinctive functions of labor relations and employee relations.

Within five years the City expects to lose a significant portion of its present experienced workforce. This will require enhanced efforts to measure and develop the leadership potential within the organization and forecast future recruitment needs. A major barrier to this activity is that the information systems supporting human resources activities are fragmented and outdated, thereby preventing the appropriate tracking of workforce and demographic data that is needed for accurate workforce forecasting and succession planning.

Vision for Service Delivery
Human resources departments in government organizations must expand their scope of activities beyond the functional specialties of staffing, evaluation, training and compensation to a broader focus of building a competitive workforce. This requires HR staff to use a consultative approach, where they serve as proactive advisors to management and employees, assisting them with short-term and long-term workforce development needs.

The overarching Human Resources vision for the City of Portland is*: to have a highly trained, competent, and motivated workforce that reflects its community and provides services to citizens in the most efficient and responsive manner possible.* If the City wishes to achieve this vision, it must move from its current decentralized personnel model to a "corporate model" that emphasizes strategic human resources management and workforce planning/development. The City must function as a single employer, rather than 32 separate and distinct employers, and the human resources system should become a primary mechanism for orienting and developing the initial relationship with its employees. With these goals in mind, the organizational structure and goals of the human resources function should be designed to achieve the following outcomes.

- There is a clearly articulated and universally understood role for human resources, and the HR System is seen as consistent in administering policy and practices.

- The City Council includes the human resources system in its strategic and long-term decision making process and the Bureau of Human Resources' role as a key player in supporting the City's goals is communicated to and understood by the City's workforce.

- The City has clear and concise HR operating policies and procedures that have been designed with input from all affected parties. Employees know where to go to get information regarding their employment and benefits.

- Bureaus honor the lead role of the BHR in ensuring proper compliance with human resources policies in a "corporate environment." City managers are accountable for appropriate human resources decision–making and routinely consult with the human resources professionals to assist them in complying with all legal and regulatory requirements.

- BHR is considered by operating bureau directors and managers as the option of choice for solutions to workforce issues.

- Bureaus have readily available to them the professional expertise and experience to meet their business needs.

- The operating needs of the bureaus are supported by the human resources system and business activities can be carried out without interruption.

- The human resources system effectively markets the City's unique assets as an employer so that job applicants and members of the public view the City of Portland as a valuable career choice.

- The City is internally equitable and competitive in the marketplace, regarding pay, benefits and in recruiting and retaining a highly competent and diverse workforce.

- The City has the necessary technology and information to accurately and effectively forecast its workforce needs, and there is a succession plan for replacing the talent, skills and knowledge of departing employees. The City and all of its bureaus have a properly trained and equipped workforce to meet their operating needs and demands at all times.

- Employees have access to training and development activities that will help them perform more effectively in their work and advance in their careers.

- Labor-management relationships regularly occur in an environment that is characterized by trust, cooperation, respect and a commitment to work collaboratively towards solutions

- The work environment and organizational culture support high performance and productivity and employees feel valued for their contributions.

This Human Resources Framework Plan, if supported by the critical investments outlined within the document, will position the City to begin achieving these outcomes and address the trends and service delivery deficiencies identified above. The goals, strategies and activities included the Framework Plan, if implemented will:

- Reallocate HR resources to create greater flexibility for meeting bureau demands, provide employees with better access to services, and clarify accountability for citywide HR outcomes.

- Improve consistency in how personnel policies and procedures are applied across the City.

- Organize existing HR staff into site-based teams which offer bureaus a greater mix of HR expertise, competence and skill sets and more flexibility in the deployment and use of resources to meet both planned and unanticipated bureau needs. This ensures that bureau directors and managers have on immediate access to HR professionals to support their business needs. It also will make it easier for bureaus to take advantage of best practices in recruitment, hiring, employee development and other activities that have often been carried out in isolation.

- Reallocate resources to provide stronger and more responsive citywide core functions in classification and compensation, training and workforce development. These changes will provide for regular review of the classification structure and compensation plan to help ensure the City is a competitive employer.

- Introduce proactive service/performance agreements, to be developed collaboratively by HR and the bureaus, as new way of delivering service which anticipates and plans for the HR needs of bureaus and articulates the level and type of service bureaus will receive.

- Overhaul the city's HR policies, procedures and practices to improve recruitment, application, and testing practices; remove barriers to recruitment; increase flexibility and responsiveness in meeting bureau needs for qualified employees.

While the organizational structure changes included in this Plan will improve certain functions such as classification and compensation and training and development, they may not immediately enhance or increase service delivery in other areas. At best, the new organizational structure will allow the City to maintain current service levels in core functional areas without disruption to bureau needs. However, because of the loss of staff positions, it is possible timeliness of service delivery will reduced and/or that continuing all of the core services will be difficult. Investments in key areas will be needed, if the City intends to achieve the HR vision described above.

III.   Human Resources Policies

Crucial to the success of the new structure are clearly stated policies and procedures that will drive HR operations. The HR assessment studies conducted in 2000 and 1993 identified the following weaknesses with existing HR policies and procedures:

- Personnel policies have not kept pace with the changing dynamics of Oregon's workforce and do not support activities that will help the City recruit and retain a quality workforce in a highly competitive job market. HR policy is often made in response to a crisis, rather than as a strategic action.

- There is no single entity responsible for policy development, implementation, dissemination or communication, which creates confusion about what policies are in existence or still in effect.

- The decentralized structure of the current human resources system makes it difficult to ensure consistent application of policies.

To address these concerns, two major efforts are already underway. The new organizational structure continues a central position in the Bureau of Human Resources whose focus is to review, rewrite, implement and monitor human resources policies and rules with the goal of creating less cumbersome processes and procedures. This effort will place specific focus on recruiting and selection practices that slow the process, are perceived to be unfair, and provide little value to the City. This overhaul of HR policies will include:

- An analysis of deficiencies or inconsistencies in existing personnel policies, procedures, and practices.
- An inventory of relevant provisions in existing labor contracts.
- Discussion and deliberation of possible changes with bureau management and labor.
- Creation of new policies and revisions to existing policies, rules and City Code.
- Development of a comprehensive policies and procedures manual to guide HR staff.
- Training of HR staff and bureau managers.
- Communicating the resulting changes to City employees.

In early 2000, BHR also began a project to clarify the policy implementation process and to design a hard copy and electronic database for City-wide and bureau-specific HR policies. It is expected that all of these efforts will be completed by August 2001.

IV.   Organizational Structure

The new structure reorganizes the current human resources system into site-based service teams which will serve all bureaus and strengthens the current centralized or "corporate" services in core functional areas. Elements of the new structure include:

- Organization of Citywide human resources staff into four service teams to allow more flexibility in deploying resources when and where they are most needed. The teams will provide on-site support for large bureaus and new support to previously under-served bureaus. Under this structure, positions are realigned and rebuilt to establish four service teams, which will each be managed by a Service Team HR Manager, who will report directly to the BHR Director and indirectly, through a matrix relationship, to the assigned Bureau Directors. The teams will be organized as follows:

- **Public Safety** – Police, Fire, Emergency Communications
- **Public Utilities** – Transportation, Water, Environmental Services
- **Community Development and Livability** – Planning, Planning and Development Review, Parks, Neighborhood Involvement, Housing and Community Development, Cable, Sustainable Development
- **Administrative** – Mayor/Council, City Auditor, Management and Finance, Licenses, City Attorney, Government Relations

- Centralization of HR staff reporting to vest citywide authority over HR issues, resources, and outcomes under the Human Resources Director.

- Creation of a dedicated classification and compensation function within the Bureau of Human Resources (BHR) to address significant deficiencies identified in the 2000 Human Resources Assessment study.

- Addition of a position in Training and Development to address deficiencies noted earlier.

This structure corrects some of the service deficiencies identified in the 2000 Human Resources Assessment study and positions the human resources system for greater success in achieving desired human resources outcomes as long as the City makes strategic investments to continue building the needed infrastructure. While the reallocation of resources will shore up support to some program areas, it may not allow for increased service delivery in other areas. As was stated earlier, cutting staff positions in HR places the City significantly under the national benchmark for adequate human resources staffing. Because of the loss of staff position it is possible that timeliness of service delivery will be reduced and/or that continuation of all of the core services will be difficult. It is not possible to know all of the impacts on service delivery until the new organizational structure is fully operational.

V.   Roles and Responsibilities

The Human Resources Director, in conjunction with Human Resource professionals in the City, has begun work on the specific roles and responsibilities that will be assigned to the corporate and site-based operations. This work will be completed by an transition Task Force.

VI. Service Provision Options

During the ASR process, there was broad agreement that the current HR service areas are core functions the City cannot eliminate without creating significant liability. It was also agreed that service deficiencies in these areas are already too great to sustain reductions without negatively impacting the ability to meet bureau needs for recruiting, developing and retaining a qualified workforce. However, the 2000 Human Resources Assessment Study identified a number of "best practices" for re-engineering to improve service delivery that the City should explore. These include:

- Developing a comprehensive, historical knowledge base of each bureau's hiring patterns.
- Continual evaluation of the effectiveness of recruitment efforts in producing desired candidates.
- Use of the Internet and Interactive Voice Response technology for recruiting.
- Development of computerized applicant databases .
- Service team testing and selective certification practices.
- Specialized, streamlined recruiting processes for hard-to-fill positions.
- Regular evaluations of workplace barriers to diversity, including exit interviews and clear performance objectives for Affirmative Action hiring.
- Continuous recruitment for high-volume job classes.
- Alternatives to written exams such as skill inventories and resume screening.
- Use of individual employee development plans and mentoring to achieve more effective use of available training resources.

The City should evaluate the applicability of these best practices to the newly structured HR function as it continues to pursue longer-term service delivery improvements.

VII. Service and Performance Standards

Because the City lacks an integrated HR information system, it is unable to track key performance indicators in a number of areas, particularly those related to workforce projection and planning. Despite this weakness, the Bureau of Human Resources is currently able to track the City's performance in the following areas:

- Length of time from recruitment request to production of an eligibility list
- Length of time to complete the examination processes
- Number of exams conducted
- Number of disciplinary actions and outcomes

- Affirmative action data
- Number of reclassifications and job audits performed
- Number and type of contract interpretation issues
- Number of employees participating in training courses

Standards under the new organizational structure will be further defined through service/performance agreements developed collaboratively between corporate HR, the site-based HR teams and the bureaus. Customer service, quality, and responsiveness will be continually measured and reviewed using the new service agreements, and HR staff will be evaluated based upon success in executing these agreements. Service agreements will include:

- Standards and measures for timeliness and responsiveness of service.
- Deployment of HR expertise for specific/unique needs in bureaus.
- Understanding by BHR and the Human Resources Service Teams of the bureaus' business, work culture and operations which results in recruitment of competent applicants.
- Description of how bureaus will access HR services and how specific service needs will be met.
- Clear expectations for HR professional staff regarding performance standards.
- Identification of core HR services to be provided by BHR.
- Identification of HR services to be provided by the HR Service Teams and site-based staff.
- Timelines for the delivery of services and completion of HR projects.
- Clearly defined reporting relationships and accountability for results.
- Forecasted priorities and service needs for fiscal year.
- Assurance that all HR staff will be trained to be proficient in all aspects of human resources services and that their performance will be regularly reviewed.
- Assurance that BHR and the site-based Human Resources Teams will work together to provide bureau management with appropriate and necessary training in all aspects of human resources management (i.e. affirmative action/EEO, recruitment and hiring, discipline, performance evaluation and employee development, etc.)
- Quarterly review of the agreement during the first year by the BHR Director, bureau management and the site-based HR Service Team.

These agreements will be defined, negotiated and finalized as part of the implementation of the new HR structure. A process to resolve service agreement issues will be developed.

VIII. Technology

While the City has made some targeted investments that have allowed for improvements to existing HR information systems, the architecture of the systems is still too outdated and fragmented to create integrated management information. The result is that the City is unable to accurately track some of the most basic measurements, such as number of vacancies and planned retirements, and a variety of other workforce demographics. Without integrated information systems, the City does not have the data it needs to conduct workforce planning and to track significant human resources activities and performance results. The ability to upgrade existing systems is severely limited because most of the programs are proprietary and cannot integrate with other key systems such as payroll, financial, and benefits. The implementation of a new HR system that is fully integrated with the City's financial system will require a multi-million dollar investment. This would be offset by the current inefficiency and associated costs of individual bureaus purchasing and maintaining their own systems because the central systems are inadequate.

The Internet provides great potential for conducting recruitment activities and internal communications in more efficient cost effective ways. However, up-front investment is needed to create the websites and electronic examination and application processes that will result in savings over time.

IX. Financial Issues

Throughout the ASR process, evidence of historic and current under-funding throughout the system in areas of strategic importance was noted by the ASR Team. The Team identified and strongly endorsed a number of investments, which will need to be made to ensure a successful Citywide HR system. The team also concluded that significant progress and improvement in the human resources system beyond the benefits of the initial restructuring will be limited without these strategic investments. (See Section X, Investment Strategy for further detail.)

The ASR Team evaluated the potential for partnerships with other public entities as a way to maximize resources. Recruitment & selection and training & development offer good potential for partnership opportunities with other government organizations. For example, the City may be able to pool resources with other local and county governments to offer both core and technical training programs or conduct salary studies and recruitment for similar job classifications at a reduced cost. This idea holds the greatest potential for leveraging existing resources to enhance the City's training programs; however, it will take time to build these partnership opportunities, and they will not produce immediate savings.

X.   Implementation Overview

The changes to the HR system represent a significant cultural shift for both BHR and the bureaus. Successful implementation of the new structure will require strong involvement from and representation of the groups/stakeholders that will be most impacted by the changes – bureaus, human resources staff throughout the City, labor, and City employees. A team-based approach to planning and executing the transition will build greater ownership and confidence in the new HR system and ensure that both Citywide needs and the concerns of individual bureaus are addressed.   Toward this goal, the BHR Director will form a Transition Team to plan and assist in carrying out all aspects of the transition.

The transition will be carried out in three phases. The first two phases include planning and preparing for the transition to the new structure. Phase III is the point at which the new structure is in place. It is expected that the Team will produce for the BHR Director the following deliverables in support of the transition:

Phase I

- Council-directed City-wide HR staff reporting relationship change implemented (March 1)
- Develop and implement short-term service/performance agreements with bureaus to ensure bureau business needs are met.
- Develop a communication strategy to assist the BHR Director in communicating the new structure and service delivery to all customers and stakeholders.
- Develop position descriptions for the site-based HR Service Teams.
- Develop streamlined recruitment and selection procedures/practices.
- Identify the mix of HR corporate and site-based HR services.
- Identify services which will not be provided as core human resource services and problem solve how the work gets done with the bureaus.
- Identify needed changes to HR policies and procedures.
- Develop a training needs assessment for all HR staff
- Development of a training and orientation plan for citywide HR staff.
- Depending on level of interest on the part of impacted staff, develop a program to assist human resources personnel in dealing with and processing the change to the new structure.

Phase II

- Inventory current City-wide human resources workload and projects

- Forecast long-term workload, develop work plan and performance measures for each of the HR service teams and corporate human resources.
- Develop/negotiate longer-term service/performance agreements with bureau directors.
- Identify services that cannot be delivered within resources allocated to City-wide human resources.
- Identify needed investments to improve and streamline human resources systems and processes.
- Develop a "menu" of HR service and assign responsibility (corporate or service teams).
- Design and distribute a City-wide Human Resources brochure describing HR services to bureaus and employees.
- Training and orientation of citywide HR staff.
- Draft and gain approval for new and/or refined HR policies and procedures.
- Realignment of corporate and bureau human resources staff to achieve the Council-approved structure.

Longer-Term Changes

The immediate changes are designed to achieve the required budget reductions, improve management and accountability of basic human resources functions, and address the most significant deficiencies in service delivery, with minimal disruption to bureau operations. The 2000 Human Resource Assessment Study identified a number of other changes that should be pursued over the next three to five years following implementation of the restructuring.

Strategic Focus Area #1: Recruitment and Selection

1. Develop and implement a comprehensive marketing strategy which communicates the unique aspects of public service and the work environment offered by the City of Portland.

2. Explore the possibility of linking data from the recruiting process with the performance appraisal process to allow evaluation of actual recruitment outcomes and assessment of the skill needs that should drive workforce development and planning.

Strategic Focus Area #2: Classification and Compensation

1. Improve the outcomes of classification/compensation studies through the creation of an overarching compensation philosophy, consistent project management, and guiding principles on how compensation is carried out.

Strategic Focus Area #3: Workforce Planning and Development

1. Develop a comprehensive training strategy, which invests in upgrading the skills of the City's current workforce and evaluates the application and results of training programs.

2. Begin building the tools to measure employee skills, interests, and aptitudes and implement these assessment tools as part of the performance appraisal process.

3. Begin organizational development efforts within BHR so that it can become the effective driver for integrated efforts throughout the City.

4. Engage bureau managers in short-term workforce planning to identify projected vacancies over the next two to three years.

Strategic Focus Area #4:   Employee and Labor Relations
1. Renew and recommit to a labor-management relationship characterized by trust, cooperation, respect and a commitment to work collaboratively, including development of a common vision and achievable goals for improving the outcomes of labor-management relations.

2. Develop an employee relations strategy, which supports a positive workplace, a way to resolve employee issues, and commits to regular and consistent communication with employee on issues regarding their, pay, benefits, work environment, career development, etc.

Strategic Focus Area #5: HR Information Systems
1. Create citywide software and hardware standards for human resources information systems and ensure BHR access to all systems and records maintained in the bureaus.

2. Conduct a needs assessment of bureau management information needs to identify if and how existing systems can be further modified for improvement and what additional training is needed.

3. Purchase and implement a new integrated HR information system that meets the needs of both the corporate and site-based functions.

Investment Strategy
Sustaining budget cuts in human resources is especially problematic given identified service deficiencies in the existing system and the amount of investment required to support a citywide approach to human resource service delivery. Throughout the ASR process, underfunding of the City's HR programs was consistently raised by both the external advisors and internal staff as a critical need that must be addressed.

While reorganization of citywide human resources activities will address some of the Citywide system issues identified in the 1993 and 2000 studies, the ASR Team

concluded that significant additional investments are crucial, if the City expects to remain competitive in recruiting, developing and retaining a high quality workforce and in achieving strategic HR outcomes. The Team identified and strongly endorsed the following investments to address both the historical underfunding and the future needs of a successful Citywide HR system. The team also concluded that significant progress and improvement in the human resources system beyond the benefits of the initial restructuring will be limited without these strategic investments.

- **Training and development to support the change to a site-based service team organizational structure** – If the proposed organizational structure for human resources is to be successful, the impacted employees will need training in transition management, team development, and leadership.

- **Integrated and comprehensive human resources information system (HRIS)** – (See Section VIII. Technology).

- **Internet and eCommerce strategies** – (See Section VIII. Technology).

- **Employee relations function** – The 2000 Human Resources Assessment Study identified the lack of a dedicated employee relations function as a serious weakness in the City's human resources system. The current central function has been limited to labor relations, which includes contract negotiations and grievance and disciplinary issues. Employee relations encompasses all other employment concerns and conditions which impact represented and non-represented activities and connects strongly to organizational development, as described above. Most employee relations activities are now carried out at the bureau level, which means that the success of the system is predicated on the skills of managers in the bureaus, not organizational intent. A Citywide function is required to give appropriate guidance and support to service team human resources staff, to provide a direct line of assistance to employees who are unable to resolve their issues at the bureau level, and to carry out organizational development activities which enhance the effectiveness, health, well-being and satisfaction of City employees. Creating this function is not possible without additional resources.

- **Core curriculum** – Within five years, the City will lose a large portion of its present, experienced workforce. Previous reductions in training allocations and tuition reimbursements have poorly positioned the City to provide the type of skill and professional development necessary to prepare the next wave of leaders. Currently, the City has only one FTE to coordinate and carry out Citywide workforce training, development and planning activities. Even with the addition of one FTE to strengthen this

program area, the ASR Team concluded this will be an inadequate commitment to the needs of the City's workforce of 5,500 employees. The City must develop a structured curriculum of mandatory training programs, which are essential to effective and efficient service delivery. This core training should include, at a minimum, new employee orientation, ethics, customer service, performance management, supervisory core curriculum and a management academy.

- **Corporate marketing strategy** – Currently, the City is not broadly viewed as an employer of choice in the metropolitan area. The human resources system will need a comprehensive strategy and appropriate supporting materials to market the City's unique assets as an employer to attract qualified job applicants. A comprehensive effort will require adequate resources and funding for advertising, participation in career fairs, networking with professional organizations, high schools, college programs, and placement offices, and the building of mentorship and apprenticeship opportunities in the community.

- **Employee communications strategy** – As an employer, the City must routinely and effectively communicate in an open, positive and proactive way with its employees and stakeholders. Providing employees with information about the direction of the City, training and development activities, budget reductions, etc. and giving them the opportunity to provide feedback through internal culture/climate surveys and other mechanisms are essential to building strong allegiance and loyalty within the City's workforce. Resources to fund an effective internal communications program should be added to the HR budget.