



County of Orange Human Resource Services **2013 Business Plan**

Mission Statement

To attract, retain, and develop a highly skilled and competent workforce so that County agencies/departments can provide outstanding services to their customers.

Human Resource Services

2013 Business Plan

Introduction

The County of Orange seeks to provide outstanding, cost-effective regional public services to the citizens of Orange County. The Human Resource Services (HRS) department is a key component in attaining the County's mission by attracting, retaining, and developing a high-performing County workforce.

Over the past year, given the well documented shortcomings of the prior decentralized HR function, tremendous reforms have been and are currently being made within HRS. These reforms include a return to a centralized service delivery model, changes in leadership, enhancement of specific HR skill sets, enforcement of compliance standards and establishment of new performance standards.

The specific goals of the recentralization process, which began in December 2012, are:

- Ensure compliance, standardization, and uniform application of federal, state, and local HR regulations, policies, and procedures to reduce the County's risk exposure.
- Enable best-in-class agency\department HR programs and services to reach employees across the entire County (e.g., training programs, use of technology).
- Provide a strategic direction for countywide HR staff pursue the same mission, vision, and strategic goals.
- Increase oversight and control of HR operations to ensure accountability for violations of County HR policies/procedures and thereby restore confidence in countywide HR services.
- Allocate HR staff resources based on countywide priorities/needs, achieving the efficient and cost effective delivery of countywide HR services.
- Ensure that the County HR professionals are competent, ethical, and experienced, especially at the management and leadership levels.

Implement of recentralization is occurring over a three-phased, 18 month period:

Phase I – Planning and Position Transfer (November 2012 - January 2013)

During this phase, HRS leadership planned and implemented the transfer of countywide HR positions and budgetary appropriations from the various County agencies/departments into the HRS department. In addition, HRS leadership has identified individual staffing assignments in the new structure and the necessity of physically relocating HRS staff into HRS headquarters.

Phase II – Headquarters Restructuring and Staff Assignments (February 2013 – October 2013)

During this phase (currently in progress), HRS leadership is overseeing the implementation of office modifications to prepare for the physical relocation of staff into HRS headquarters in the Hall of Administration (HOA) and finalizing staffing assignments.

Phase III – Business Process and Workforce Optimization (November 2013 – April 2014)

In this phase, based on the observation of the efficiency/effectiveness of the recentralized organization, any final modifications to structure and staffing will be made. This includes the identification of economies of scale gained by recentralization and associated position reductions and resulting annual cost savings.

Progress Update/Report

Accomplishments:

There have been a number of significant qualitative and quantitative reforms that have taken place over the past fiscal year (2012/13). A summary of the more significant accomplishments includes:

- Establishment of a solid strategic foundation with an effective mission statement and goals
- Transfer of all agency/department HR positions and funding into the HRS department
- Hiring of seasoned and ethically competent HR leadership staff to assume leadership roles
- Development and implementation of space planning activities to consolidate HR activities with the anticipated economies of scale and resulting cost savings

- Negotiations with labor associations to manage pension and total compensation reforms to remain within estimated revenues
- Establishment of a Compliance Oversight Committee comprised of the HR Director, County Counsel, and Internal Audit Director, to serve as a clearing house for Equal Opportunity and Fraud hotline complaints. This committee ensures that all complaints are promptly investigated to ensure a workplace free of discrimination, harassment, and retaliation. This committee has also been a valuable vehicle to bring all the necessary players together to solve important employee related issues.
- Reinstitution of effective employee discipline tools such as Fitness for Duty evaluations and disciplinary reductions to effectively deal with employee performance issues
- The reintroduction of HR standards and mechanisms to ensure that proper justification is provided for position classification and compensation requests

Challenges:

Over the past year, HRS has experienced and is addressing a number of anticipated and unanticipated challenges in its reformation of the County's HR system, the more significant of which include:

- *Culture Change* – Over the past 18 years, the County's utilization of the previous decentralized HR model, where each agency/department had its own HR team, resulted in a number of inefficiencies, inconsistencies, and limited compliance with HR policies and procedures. In response, HRS is actively undoing and requiring staff to unlearn several deficient methods of operations, while simultaneously instituting proper practices. This effort is nothing short of an intensive culture change that is taking place while services must continue to be provided. In the short term, this may result in some delays in processing HR activities as HRS ensures compliance, standardization, and uniform application of federal, state and local HR regulations, policies, and procedures.
- *Space Planning* – An important factor in facilitating the consolidation of Countywide HR services, and thereby achieving cost savings from economies of scale, is the physical relocation of several HR functions/personnel (i.e., recruitment, classification, and return to work) to HOA. This process involves finding and remodeling space for both non-HR staff moving out of the HOA and

for those HR staff moving in behind them. The logistical efforts to accomplish this require several months of planning and implementation. In order to facilitate a quicker transition, HRS has decided to stand up the consolidated recruitment staff in a temporary location to achieve needed efficiencies and keep the change process moving forward, while tenant improvements are made to the HOA.

- *External Influences* – During this transition period, HRS has also experienced some external influences that have presented their own unique challenges. Some of these challenges include effectively addressing the negative perceptions of the County's HR function created by *past* deficiencies. Not everyone has kept abreast of the many changes over the past year and consequently speak as though the same problems still exist. One example of that perception was the introduction of state Senate Bill 523 which seeks to require increased state involvement in Orange County HR activities if changes are not effectively implemented. Another example of additional scrutiny comes from the media and Grand Jury.

Performance Indicators

Given recentralization efforts and HRS' establishment of a new mission statement and strategic goals, and HRS' refocus on HR fundamentals, the previous performance indicators are no longer relevant. As a result, 'not applicable' (N/A) is noted for FY 2011/12 Results.

During the upcoming year, HRS is focusing on two key outcome indicators to assist in these measurement efforts and HRS will soon be setting up an Analytics unit to develop and track performance measures. This group will play an important role in developing the FY 2013-14 Plan, and ongoing measurement strategies. HRS performance measures include:

1. Ensure compliance, standardization, & uniform application of federal, state, & local HR regulations.

WHAT: The centralization of countywide HR functions will provide the mechanism to ensure the consistent application of HR policies and standards

WHY: To ensure the maintenance of a merit-based HR system and avoid penalties for non-compliance with state Local Agency Personnel Standards

FY 11/12 Results	FY 12/13 Plan	FY 12/13 Anticipated Results	FY 13/14 Plan	How are we doing?
N/A	Begin Implementation of centralized HR system	New organizational structure in place	N/A	Completed
	Conduct space planning, and move staff to centralized location	Begin planned move of HRS staff to Hall of Administration	Finish movement of staff into HOA	On schedule
	Identify Division Managers for HR areas of operation	Majority of Division Managers identified and in place	Hire Assistant HR Director of Employee and Labor Relations	6 of 7 division managers appointed
	Assess Agency/ Department operations	Assessments in process	Complete all assessments	On schedule
	Promulgate new HR policies and procedures manual	New HR policies and procedures manual in process	Complete manual	On schedule
	Form Compliance Oversight Committee	Compliance Oversight Committee in place	N/A	Completed

2. Achieve efficient and effective delivery of countywide HR services, including cost savings

WHAT: An effective HR function affords consistency, creates performance measures to track progress, enables best practices for County, and provides for needed cost savings

WHY: To ensure the efficient and effective operation of a critical County function and cost center

FY 11/12 Results	FY 12/13 Plan	FY 12/13 Anticipated Results	FY 13/14 Plan	How are we doing?
N/A	Improve HRS's use of IT solutions Identify economies of scale from consolidating recruitment, classification, and return to work functions Use Total Compensation approach in labor negotiations using outside attorney negotiators Review provision of Employee Benefits and implementation of new programs Creation of a Shared	Review of IT solutions for HR business needs. Begin consolidation process of staff into Hall of Administration Complete half of labor negotiations with significant cost savings Develop and release RFPs for benefit programs. Study benefit proposals during labor negotiations. Set up Shared	Implement solutions identified in assessment Complete consolidation and begin identification of cost savings Complete all negotiations Select new health plan vendors. Implement PPACA. N/A	Money budgeted for IT assessment and improvements. RFPs being developed. Standing up temporary locations for consolidated teams until HOA remodeling completed Completed negotiations with OCMA, OCAA. At impasse with several groups. VLFAA court ruling resulting in recalibration of County revenues. On schedule Completed

	Services team where small departments share HR services, bringing greater efficiency and HR expertise Defining budget and department/ agency charges in centralized environment Fill gaps in service during transition period through agreements with Superior Court, Extra Help retirees, etc.	Services team Determine appropriate department charges for HR services. Create job codes, etc. as needed. Acquire seasoned temporary staff to fill in service gaps	Revise practices based on actual usage; develop Overhead rate Once transition complete, make final staffing determinations	On schedule On schedule
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