CITY OF TORRANCE

INTEROFFICE COMMUNICATION

DATE: January 17, 2023

TO: Hedieh Khajavi, Human Resources Manager
                    Brianne Cohen, Civil Service Manager

FROM: Jason Nishiyama, Deputy Finance Director

SUBJECT: Assessment of Job Requisition to Hire Process

This memo summarizes observations and recommendations of the Human Resources (HR) and Civil Service (CS) Job Requisition to Hire Process. The objective of this advisory engagement was to document the process, assess adequacy of controls and identify efficiencies for accelerating the hiring process. In order to achieve the engagement objective, the Internal Audit Services (IAS) team performed a limited walkthrough, documented a process flowchart and conducted a time lapse analysis using Six Sigma process improvement principals. This advisory engagement is limited in scope and does not constitute a performance audit of the process.

(1)   Streamline Opportunity - The hiring process can be accelerated by streamlining the exam approval step

Torrance Municipal Code (T.M.C.) require exam plans for civil service jobs to be reviewed and approved by the Civil Service Commission (Commission). The Commission meets with HR, Civil Service, Operations and City Attorney Staff who coordinates and presents materials for approval.

Based on a time lapse analysis we noted that it can take up to 36 days (process time) from when a requisition is approved by management to when the Commission approves the examination. This approval step makes up 20-30% of the entire hire process, a significant amount. According to Six Sigma principals, streamlining the step that takes up the most time can yield the greatest time and cost efficiencies. We noted the following factors which lead to longer process times:

- Exam approvals are sent to Commission when the need arises. This means only after a job opening occurs is typically when exam plans are submitted for approval (e.g., reactionary). An alternative would be to take a proactive approach by requesting approval before a need arises (e.g., succession planning)
- We also noted the approval process time increased because the Commission only meets twice per month adding to the delay in exam approval.

There is an opportunity to collapse these required steps while staying compliant with the T.M.C.

Recommendations:

We recommend the Civil Service Manager and Human Resources Manager to do the following:

(1a) Develop a list of job titles (bulk list of positions) of expected vacancies or frequently recruited positions (job list). The job list should be developed by analyzing ADP data, meeting with department heads on a regular basis, monthly or quarterly to discuss the upcoming vacancies, testing process for those positions and any changes the department would like to make on the exam components.

(1b) Obtain approval of the job list from the Civil Service Commission. The procedure should be clearly explained to the departments that they would have to stick with the Commission's pre-approved exam components. Any changes to the preapproved job exam plan will need to return to the Commission for approval.

Management Action Plan:

(1a) **HR and Civil Service concurs.** HR will analyze and create a list of classifications that must be kept open and required for on an open and continuous basis. Currently these include maintenance worker, police, custodial.HR will add additional job classification to be approved by the civil service commission. HR will work to have an active eligible list where City can hire from going forward. This process has been started.

(1b) **HR and Civil Service concurs.** Due to the current difficulty in recruiting, Human Resources staff is requesting the Civil Service Commission approve the examination process for vacant positions on a continuous basis. Requesting a position be open on a continuous basis alleviates the staff having to go back to the Commission to request another examination when it is not successful in providing an eligible list (list for hire) or the department is having difficulty hiring.

(2) **Streamline Opportunity – Reducing the number and length of protest periods can lead to reduced time spent on the exam step.**

We discovered through walkthroughs and document reviews; applicants have multiple opportunities to protest each step of the testing process and each protest can take up to 10 days to resolve. The result of each protest has the following impact:

- The hiring process is halted if a protest is filed at any time during the process. The time period can last for at least 10 days until it is resolved.
- If Civil Service finds the protest viable, it must be presented to the Civil Service Commission for their review and decision which delays the hire process even longer.
- If there are protests in each and every component of the test, the process can be halted and delayed for a month or more.

The protest periods were established by a Civil Service Commission policy.

Recommendations:

We recommend the Civil Service Manager to do the following:

(2a) Reduce the number of protest opportunities and shortening the period for each protest. This will require changes to the Commission's Examination and Eligibility List Protest Procedure Policy; however, it can minimize delays in the hiring process and meet the need for a quicker hiring process.

Management Action Plan:

(2a) **Civil Service concurs.** Amendments to TMC is in progress, once this process is completed, civil service will reassess the changes required regarding protest periods and additional changes.   Civil Service staff has conducted a preliminary review of other municipalities' exam process and protest guidelines. Projected implementation of this action plan is 12/1/23.

(3) **Streamline Opportunity - Consider eliminating redundant steps in requisition approval process**

Based on a process walkthrough and discussion with HR and CS personnel, each hiring department must obtain City Manager email approval prior to creating a new personnel requisition to fill a vacancy. Once the email concurrence is obtained, the requisition is created in NeoGov to be routed again for approval to the City Manager. This means the City Manager is approving the same item twice for each requisition. Eliminating one of the approval steps can reduce requisition approval process time.

Recommendations:

We recommend the Civil Service Manager and Human Resources Manager to do the following:

(3a) Eliminate one of the redundant approval steps (email concurrence or NeoGov) to speed up the requisition approval process.

Management Action Plan:

(3a) **HR and Civil Service does not concur**. The process for requesting email approval was established to allow a department to provide justification for filling a vacancy and to provide information on the funding source for the position. This step allowed for additional oversight during budget constraints, as well as prevented frozen or unbudgeted positions from being submitted into NeoGov. Civil Service staff implemented this step from direction provided by the Office of the City Manager. The recommendation to eliminate this step was presented to the City Manager. The City Manager has elected to keep this step and will continue to require email approval prior to submitting a new personnel requisition to fill a vacancy.

(4) Control Gap – Setup a regular process to monitor Human Resources metrics

HR metrics are measures of the effectiveness, value and/or costs of a particular program or efficiency of a process. Based on our analysis it is estimated that the entire hiring process could take four (4) months or longer. Due to the length of the hiring process, the City could be losing qualified applicants to other employers with a shorter and faster hiring process.

Key metrics should be tracked to ensure Management is informed on the length of time each hire is taking. Some key metrics include but not limited to; time to hire, cost-per-hire, turnover rates/costs, training and human capital return on investment (ROI), labor/productivity rates and costs, benefits costs per employee, etc.

Recommendations:

We recommend the Civil Service Manager and Human Resources Manager to do the following:

(4a) Develop a standard reporting dashboard to monitor HR metrics. HR and Civil Service should run the metrics regularly to find areas where delays are occurring and identify solutions to improve the process.
(4b) Plan required HR resources based on anticipated recruitment workload. IE when workload warrants, hire outside search firms/contractors to supplement the existing staff.

Management Action Plan:

(4a) **HR concurs**. Human Resources is in the process of hiring an intern to assist with setting up the parameters and metrics for an HR dashboard regarding the hiring process. HR will analyze and review the data quarterly, which will assess the different timelines throughout the recruitment and selection process to deliver timely service to the City and Departments in the hiring process.

(4b) **HR Concurs**. Cycle time report and benchmark was developed thru NeoGov. The report will be run quarterly. A separate report will be generated for annually as well.

(5) Control Gap – Requiring completion of a Personnel Action Form for a separating employee will help ensure proper steps are completed during offboarding and begin the recruitment cycle.

It was discovered during our walkthrough that there is no control to require a personnel action form (PAF) for each employee separating from the City and verifying whether PAF was completed. The PAF process is a key control to ensure the following is done;

- Communicate the termination
- Provide information to the separating employee
- Develop a transition plan
- Conduct exit interview
- Collect company assets & terminate systems access
- Generate good faith
- Prevent over filling position
- Accounts to City systems be deactivated

Without an off-boarding process important details may be missed such as returning company-owned equipment, terminate work email and all systems/tools access, and marking the termination in relevant HR systems such as ADP and HR management systems.

Recommendation:
(5a) Human Resources Manager to institute an internal control requiring departments to complete a PAF when an employee separates from the City.

Management Action Plan:
(5a)   **HR Concurs**.   Human Resources is currently in the process of assessing and revamping the off-boarding process. The new process will be in effect no later than August 2022.

This concludes this advisory engagement. Please contact me if you have any questions.

Attachment: Human Resources Job Requisition Flowchart

cc: Aram Chaparyan, City Manager
     Danny Santana, Assistant City Manager
     Viet Hoang, Deputy City Manager
     Sheila Poisson, Finance Director