



Edwin M. Lee
Mayor

Ron Weigelt,
Director of Human Resources

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TO: President Ed Chow and Honorable Members of the Health Commission

THROUGH: Barbara Garcia, Director, Department of Public Health

FROM: Ron Weigelt, Director of Human Resources

RE: Human Resources Hiring Update

At SFGH Joint Conference Committee meetings and a recent Health Commission meeting, the Health Commission asked about hiring and the points in the hiring process that cause delays.

Background

Fiscal Year 2012 - 2013

In May of 2013, we were facing a \$40 million deficit wrapping up our work with Health Management Associates in preparation for the implementation of the Affordable Care Act. As the Director of Health and Chief Financial Officer resolved the deficit, the need for hiring in preparation for the Affordable Care Act surged. The human resources group was not prepared for the increased demand. The City and County of San Francisco (CCSF) had changed to a new system in the summer of 2012, ending previous human resources practices without staff having worked out the barriers the new system would create. Shortly after that, the Department of Public Health (DPH) Human Resources Director resigned.

Fiscal Year 2013 – 2014

There were three primary focuses during this period. Early in the fiscal year we realized that using our current practices we could not staff up by January 1, 2014 for the Affordable Care Act. Staffing up included adding management position's for our new Ambulatory Care Network structure and healthcare positions which would manage our anticipated surge in clients. There were four things done early in the fiscal year to rapidly respond to this situation. First, staff was instructed to work with the unions in order for us to use a list of ten ranks when publishing eligible lists. The CCSF Charter requires the use of three ranks unless the union agrees to a larger list. Under the merit system, only applicants that go through a testing process and are placed in rank order on a list can be selected for a position. The larger the eligible list the more applicants we have to select from. Second, we temporarily increased our use civil service exempt category positions in order to quickly hire without all of the steps required of a civil service hire. Third, we began to restructure human resources to make it more responsive, accountable, and efficient. Fourth, we started process improvement work, partnering with the CCSF Human Resources staff, to revise the way we hire 2320 RNs.

Fiscal Year 2014 – 2015

At the start of the fiscal year, three new managers were hired into DPH human resources to increase customer service and human resources accountability. One manager covers operations for San Francisco General Hospital, another for the remainder of Ambulatory Care and Population Health Division, and the third manages the examination process. Exams are a critical component within our civil service merit system because without an exam, and without a list of eligible candidates no interviews or hires can occur. We now have seven staff working on exams and are adding seven more (compared to one Merit person at the start of fiscal year 2013-2014 and an Operations manager assisting with exams).

At the beginning of the fiscal year (August 2014) we simultaneously initiated two strategies to improve hiring. First, we implemented a new method for hiring 2320 RNs, our largest classification. Under the old system, managers would get one large list of RNs and they could select from anywhere on the list. The CCSF Human Resources and Civil Service Commission stopped this practice in 2012 stating that it was not properly merit-based. At the same time, with the implementation of PeopleSoft, managers could no longer hire more than one person onto a position, a technique that previously helped managers keep ahead of the vacancy rate. Under our revised methodology, we created specialty areas for nursing (23 specialty areas), designed to target specialties such as the Emergency Department, and hire into those areas. Done properly, this will create a better list for managers to hire from. The second strategy for improving hiring was to launch a Lean quality and process improvement initiative. In August 2014, we held our first Lean workshop (one of five scheduled) using the plan, do, check, act (PDCA) method of continuous improvement. In order to specifically assist San Francisco General Hospital (SFGH), we also hired six already trained Human Resources staff for the SFGH Human Resources Operations group in cooperation with the CCSF Department of Human Resources. This initial Lean event was the first time all of the stakeholders in the current hiring process were brought together (e.g. the Mayor's office, Controller's Office, Hiring Managers, Human Resources, Finance, Employee Health, and CCSF Human Resources).

Current and Future State

Our primary focus for the remainder of the current fiscal year and into the first half of the coming fiscal year will be SFGH hiring. Secondly, we will continue our continuous process improvement work in all aspects of hiring.

Metrics and Data

DPH Human Resources is making system improvements to enhance the ability to use data to identify trends and highlight areas of need. Some of our current work indicates that in Fiscal Year 2011 – 2012, we hired 1,446 staff in all categories and classifications. In Fiscal Year 2012 – 2013 that dropped to 1,055 (primarily due to the implementation of PeopleSoft and changes in CCSF wide practices). In Fiscal Year 2013 – 2014 we hired 1,238, a slight increase from the prior year. In the first six months of Fiscal Year 2014 – 2015, we have hired 743 staff. As we continue to make process improvements our hiring is speeding up – for example, managers have shared their satisfaction in making a hire in less than 40 days. Here is one such comment from a Nurse Manager at City Clinic, “The time from interview to hire for the LVN for City Clinic/STD Control was 12/16 to 1/26- about 5.5 weeks. This is phenomenal!!!”.

Retirement Eligibility and Retention

There are multiple perspectives from which to view our challenges. One is that we have an aging workforce, although this is not unique to us or to CCSF. The average age of our employees is 47.5 years, and the citywide average is 46.9. At DPH, by generation 12.2% are millennials, 51.8% are generation X, 35.5% are baby boomers, and less than 1% are traditionalists.

Generation Name¹	Years Born
Traditionalists/Maturers	1925-1942
Baby Boomers	1943-1960
Generation Xers	1961-1980
Millennial/Generation Y/Nexters	1981-1999

We have 5 RNs (2320) in the traditionalist bracket and 187 are millennial. Employees hired prior to 2012 are eligible for minimum retirement when they are at least 50 years old and have at least 20 years of service, or 60 years old with at least 10 years of service, or 65 regardless of years of service. The average age for retirement in Fiscal Year 2013 – 2014 was 62.3 years of age with 23.7 years of service. The average length of service for DPH employees is 12.3 years. The minimum retirement threshold has already been reached by 25.2% of our department.

We can assume that with any major change, such as the move to the new hospital, retirements will increase as the move date gets closer. This happened when Laguna Honda moved to their new hospital and we can anticipate the same will happen with SFGH. Hospital management will work to increase retention by continuing positive change management actions and communications. DPH Human Resources will continue to educate managers to submit requisitions for anticipated vacancies as much as 90 days in advance of the departure date. This is an area where we can easily improve and subtract 37 days from the time to hire, since that is the average time it has taken for an RN requisition to be submitted after a vacancy occurs. We will also work as a team to encourage staff to indicate early if they intend to retire so we can get ahead of the event.

The Merit System and Exams

Civil service rules require a unique requisition for every position filled. After a merit-based process, DPH is provided with a list of “certified eligible,” wherein those in the top ranks (top 3 ranks per Charter, top 10 ranks with union approval) are placed on a referral list from which the manager may select. There are five points at which an applicant or candidate can appeal a process decision, potentially adding delays to the hiring process. As an example of volume, DPH received 36,800 applications in 2012, but hired only 4%, meaning that 96% of applicants don’t get a job. While DPH uses about 230 classifications, CCSF is responsible for about half of those and DPH is responsible for the other half. Over 50% of our workforce is in the following 11 job categories.

Code	Job Title	Count	Percent
2320	Registered Nurse	1132	19.1%
2303	Patient Care Assistant	496	8.4%
2736	Porter	275	4.6%
2312	Licensed Vocational Nurse	173	2.9%
2430	Medical Evaluations Assistant	169	2.8%
1406	Senior Clerk	155	2.6%
2586	Health Worker 2	134	2.3%
2604	Food Service Worker	132	2.2%
2328	Nurse Practitioner	129	2.2%
2587	Health Worker 3	125	2.1%
2302	Nursing Assistant	114	1.9%

As a result, we need to focus on these classifications as a top priority. Other priorities include positions with high vacancy rates, positions needed for the new hospital, and positions having regulatory enforcement or funds generating responsibilities. We have 98 examinations in process and 39 current lists (eligible lists typically expire at six month increments and can be extended up to two years). Each analyst can complete about 12 exams per year. DPH Human Resources is building up Merit staff, enhancing their skills, better anticipating testing needs, demanding greater flexibility in the exam process, negotiating broader certification rules to provide more applicants for managers, and hiring a recruiter.

Maximizing our Resources

A recent study by ExecuSearch found that the U.S. economy's continued improvement has produced a dynamic shift in the job market. That is especially true in the San Francisco area where unemployment has dropped to 5.0 percent, according to the U.S. Bureau of Labor Statistics. That same ExecuSearch study found that two-thirds of employers surveyed said that finding qualified job candidates will be their biggest challenge in 2015 and that they are turning increasingly to a contingent workforce to fill skill gaps. The report additionally found that 41 percent of employers rely on consultants and contractors, and many intend to do more of this in 2015. ExecuSearch has seen clients "losing candidates left and right because employers are waiting two to three weeks to make an offer."

Today's hiring landscape is very different than it was two to three years ago. If we are fortunate enough to have a several people to choose from then we need to make our decision quickly. The longer we wait, the less likely it is that we will end up with the full-time or contingent worker we want. As a result, it is in our best interest to act as quickly as possible. Skills are in high demand and applicants are willing to go elsewhere if they don't think their needs are being met. This will require closer coordination and communication between management and Human Resources than before and will also require us to focus on retention strategies such as professional training/development. We now have active working groups focused on improvements in training and workforce development, including our Ambulatory Care Workforce Development group and the Black African American Health Initiative Workforce Development group. Tools such as employee engagement surveys, mentoring and coaching programs, and succession planning will be outcomes of that work.

The attached table lists the steps in the hiring process. Estimates of the time for each step were developed as part of the Lean workshop in August 2014. Significant waste has already been eliminated from many of these steps, including the elimination of Mayor Office review of all but a few classifications. This is one of the changes that contribute to eliminating days from the original 190 day value stream map, a change which would not have happened without our Lean events.

To provide you with some additional detail, a grid of improvements underway now is also attached. The list is not all inclusive as we are doing many improvements and we continue to do so as opportunities are created for improvement. Along with continuous improvement work, we take advantage of rapid improvement opportunities and continue to use the PDCA process for improvement. Any action that adds time, effort, or cost but no value has to be eliminated.

Conclusion

Regardless of our system limitations we were able to staff up for the Affordable Care Act by our January 2014 deadline. We did that by focusing on the problem, hard work, innovation, cooperation, and pushing forward. We will do the same in order to prepare for moving into the new hospital and to staff to the needs of management. This will take management and Human Resources cooperation and focus on a common goal, our joint commitment to service excellence. Our top priority remains staffing for SFGH and the new hospital.