

STAFF UP SAN JOSE

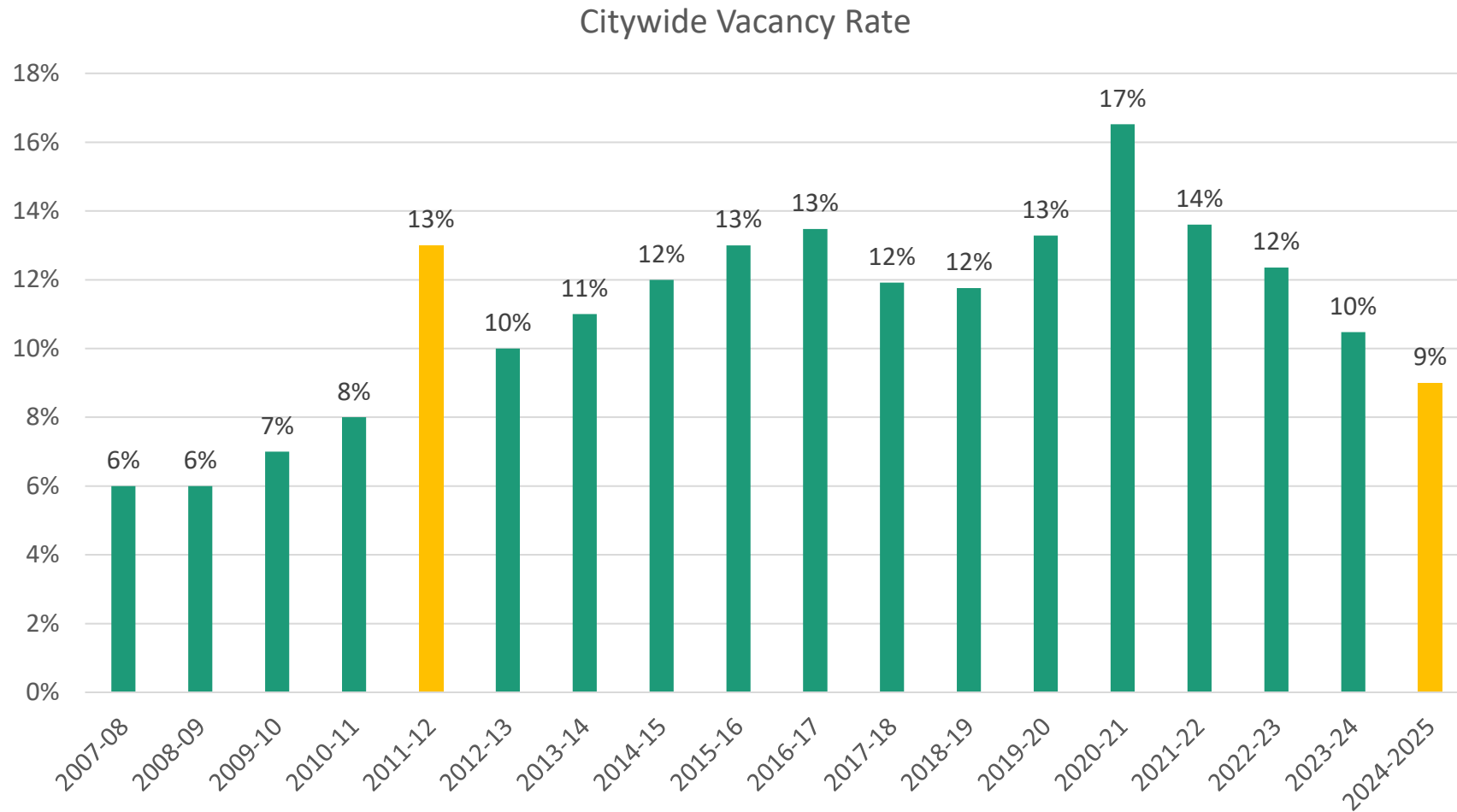


STAFF  UP
SAN JOSE

IS WORKING!

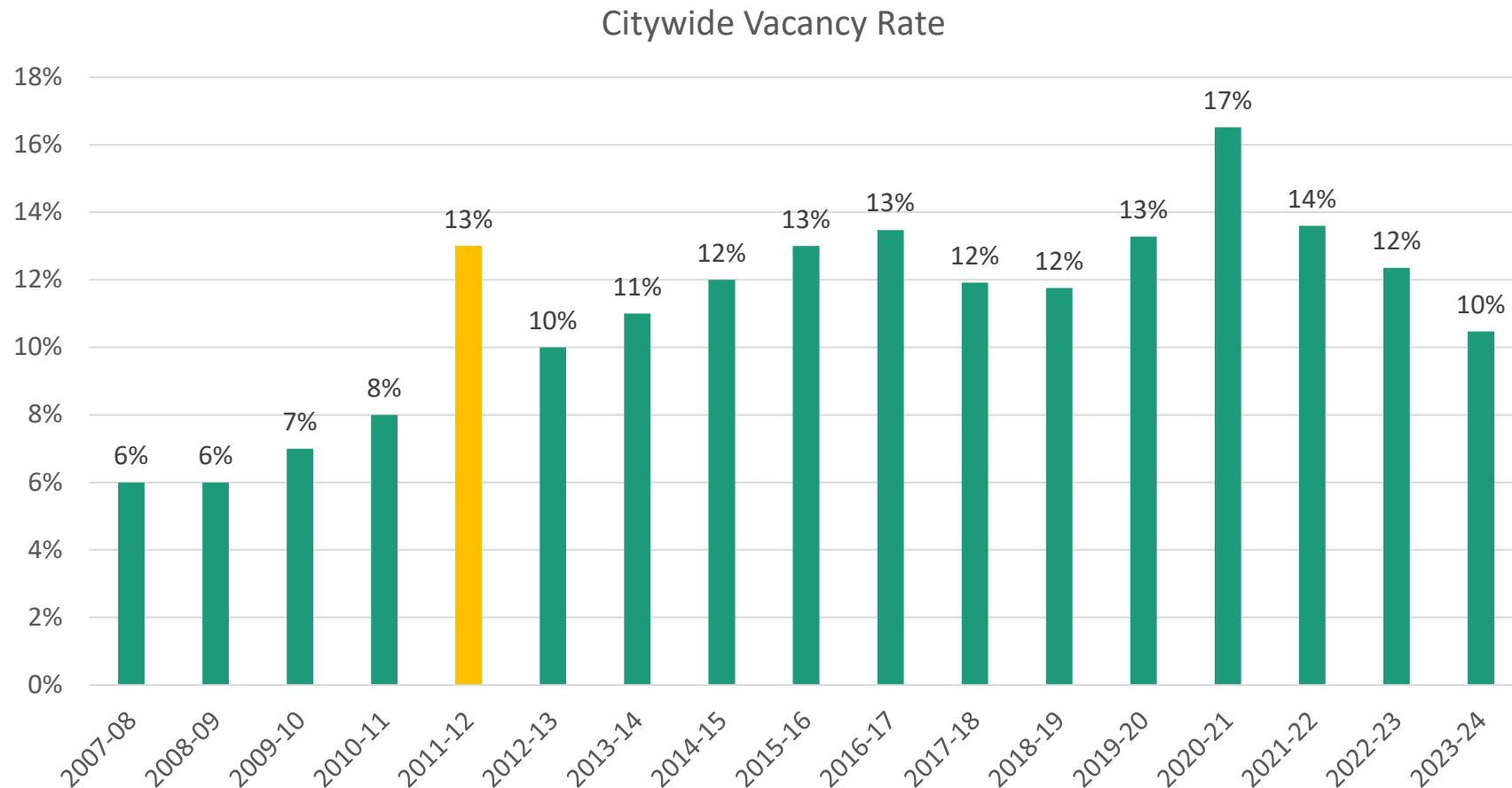
***We Must Keep Moving
Forward and UP!***

The vacancy rate has dropped below 10% for the first time since 2012.

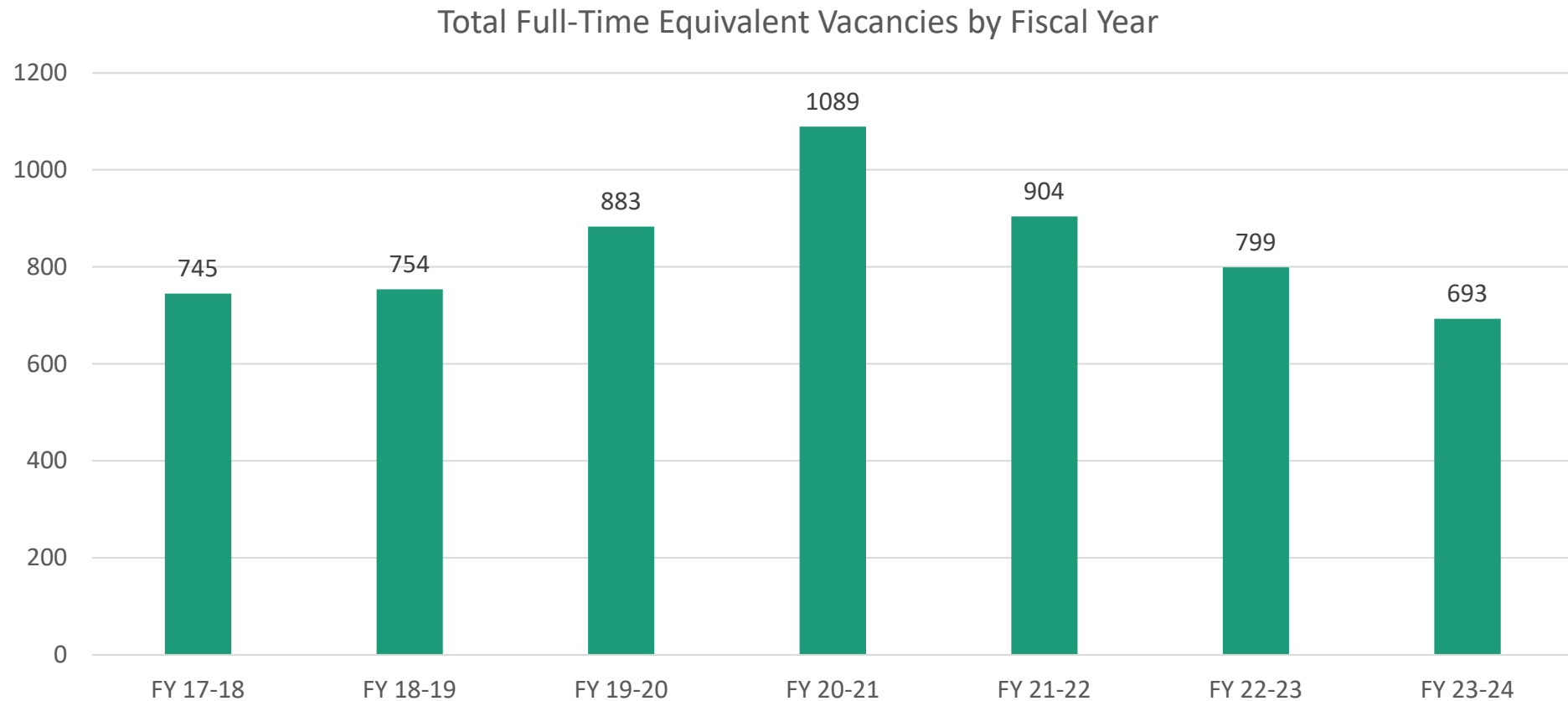


**2024-25 based on November 2024 data.*

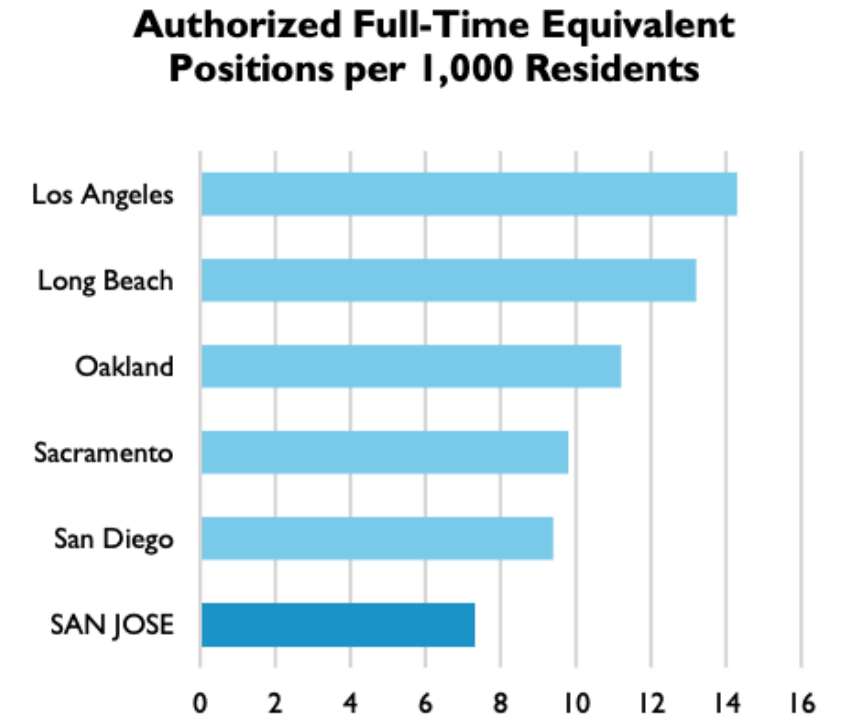
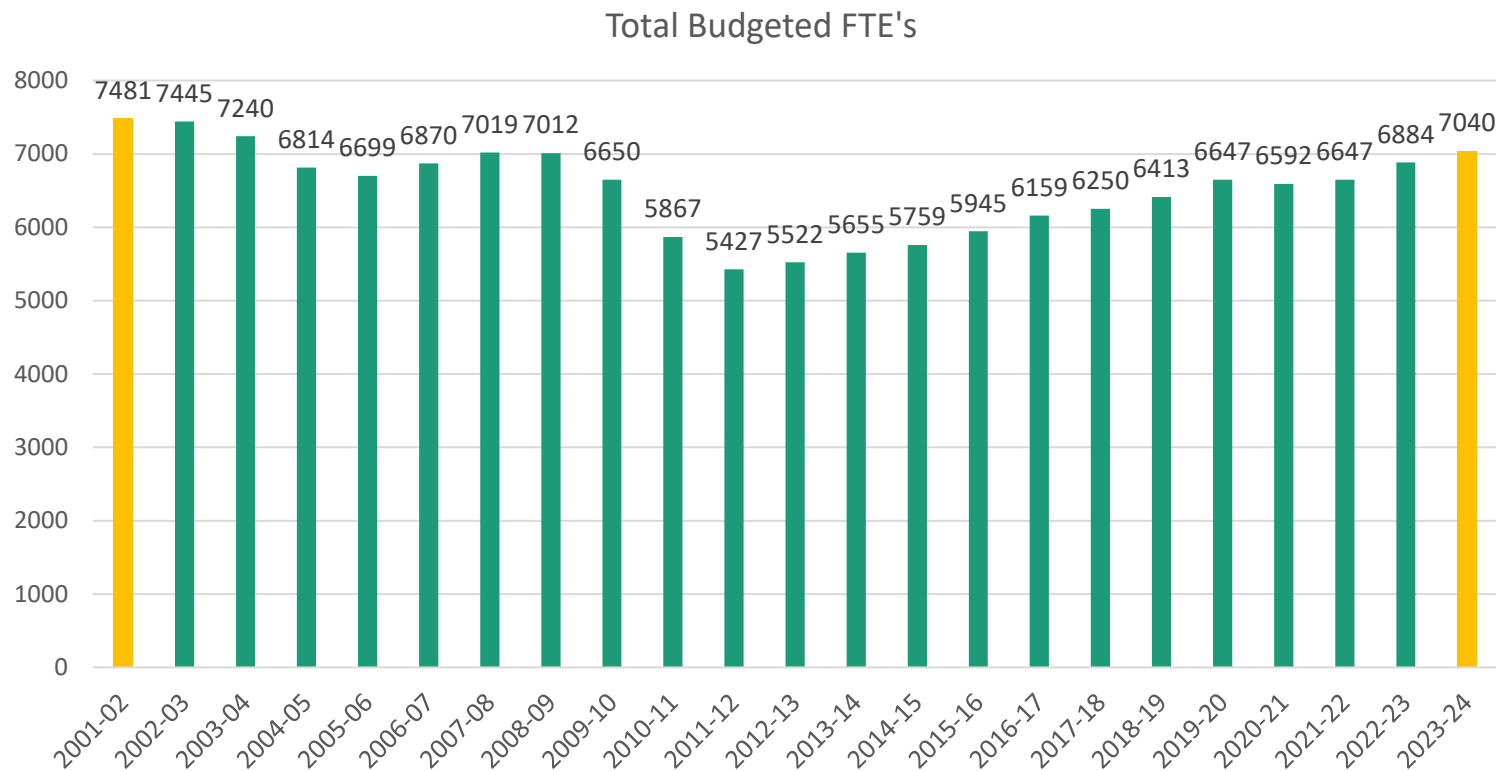
The Rate of Job Vacancies more than Doubled in 2012 and has Averaged 12% Since



Despite improvements in staffing, close to 700 positions are vacant.



San Jose Budgets 441 fewer full-time positions than 20 years ago, the lowest staffing of any large city in California.





Memorandum

TO: PUBLIC SAFETY, FINANCE, AND
STRATEGIC SUPPORT COMMITTEE

FROM: Jennifer Schembri

**SUBJECT: STRATEGIES FOR RECRUITMENT,
HIRING, AND RETENTION**

DATE: February 1, 2023

Approved



Date

2/8/2023

RECOMMENDATION

Approve this update on strategies for recruitment, hiring, and retention.

Sources:

Memorandum: [May 19, 2022, Subject: Recruitment, Hiring, and Retention Strategies –Jennifer Schembri](#)

Documents Referenced in above Memorandum presented to City Council

[NEOGOV: 2023 Report—Top 5 Public Sector HR Trends](#)

[SHRM: Reducing Employee Turnover with Creative Workplace Solutions, February 22, 2019](#)

“After five years of service, the City is retaining only 60% of its employees. Said another way, the City is losing about 40% of staff after five years of service”.

- Jennifer Schembri

The Cost of Getting Retention Wrong

According to the City's own sources NEOGOV & SHRM, each employee departure costs about one third of that person's annual pay, meaning higher retention requires less recruitment resources and saves money. Improving retention is addressing the root cause instead of the symptom.

67%

Soft Costs

Such as reduced productivity,
interview time and lost knowledge.



33%

Hard Costs

Such as recruiting, background checks,
drug screens and temp workers.

Estimated Cost of Employee Turnover to San Jose

Formula: Total Cost = # of Departures per Year × Cost per Departure



Assumptions:

- Total Employees = 6,605.26
- Annual Turnover Rate (FY 23-24)= 11%
- Average Total Compensation = \$150,000
- Cost per Departure = 1/3 of Compensation = \$50,000



Calculation:

- $6,605.26 \times 11\% = 726.5$ employees leave per year
- $726.5 \times \$50,000 = \36.3 mil annual cost

**\$36 Million Per Year
in Turnover Costs**

Retention Strategies

- ▶ General Wage Increases
- ▶ Special Salary Adjustments in areas where there are recruitment and retention issues (56 classifications in last year)
- ▶ Flexible Workplace Policy
- ▶ Mentoring Program
- ▶ New Employee Welcome (Onsite + Virtual + Engagement)
- ▶ Employee Experience Conversations (EECs)
- ▶ Human Centered Design Learning Lab + Innovation Academy
- ▶ Trauma Informed and Resilience Oriented Culture Building
- ▶ Wellness Programs and Offerings
- ▶ Employee Assistance Program (EAP) – new vendor and increase in benefit

Strategy 2: Special Salary Adjustments

If the City had a compensation philosophy that worked, it wouldn't find itself constantly playing "whack -a-mole" with market salary adjustments.

Hundreds of classifications either have recruitment issues and/or remain significantly behind the market concerning wages and benefits. It's no surprise that classifications that the City has increased in just the last year or two needed to be raised again because they had already fallen behind in recruitment and retention efforts and their wages compared with market comparators.

The Special Salary Adjustments methodology is flawed. The City only compares base wages, not total comp. It only looks at classifications with a 10% vacancy rate or higher and completely ignores retention data (e.g. a classification with a 50% turnover rate, but an 8% active vacancy rate would not be evaluated).

Half measures and band-aid approaches continue to leave the City playing catch up and hampering our efforts to retain staff.

Strategy 3: Flexible Workplace Policy

The City could go much further than only providing remote work opportunities to 18% of staff and, in doing so, would lend more credibility to it as a retention strategy.

This includes expanding Alternative Work Schedules – like, "9-80's" and "4-10's" – that the City has historically resisted.

Do not reduce "Remote Work Opportunities".

CMO's **2024-2025 Cost Control Measures** Memo (12-4-2024):

“ **Office and Space Renovations:** Office and space renovations, including furniture purchases, should not move forward unless approved by both the Public Works Director Matt Loesch and Assistant City Manager Lee Wilcox.

Strategy 4: Mentoring Program

The City claims that its staff mentoring program is a part of its retention strategy despite only 29 staff – or less than 1% of staff – participating in the program.

Strategy 5: New Employee Welcome (New staff orientation)

New Employee Orientation is not part of a *retention* strategy.

Strategy 6: Employee Experience Conversations (EECs)

The City claims it has hundreds of City leaders “trained in employee experience conversations.” These are similar to “stay interviews,” which have replaced exit interviews as Human Resource professionals with new strategies for employees to explore what is important to them as individuals, considering their satisfaction, engagement, and motivation at work.

These are laudable and vital efforts, which is why the Union is frustrated that the City doesn’t track their conversations and results, nor does the City require or set any goals for managers to perform these conversations.

What gets measured gets done. The City can’t be laissez-faire about these conversations and simultaneously claim they’re a legitimate retention strategy.

Strategy 7: Human Centered Design Learning Lab + Innovation Academy

The Learning Lab and the Innovation Academy are also laudable and important programs that develop City employees and seemingly could contribute to a sense of engagement and motivation at work.

Sadly, only 38 and 79 MEF-represented employees have participated in the Human Centered Design Learning Lab and Innovation Academy, respectively.

This represents just 3% of front-line staff. It's hard to imagine this being an effective strategy for retention, given the significant turnover the City suffers from.

Strategy 8: Trauma Informed and Resilience Oriented Culture Building

Public employers and organizations throughout the nation working amid structural and direct violence are exploring how to trauma-inform their efforts and create more trauma-informed workplaces.

Resilience-based programming is not a unique concept, and while hugely important for a City like San Jose, its effect on the workplace culture and, by extension, employee retention is being significantly overvalued here.

A very limited number of staff have participated in these trainings and the impact on retention must be close to zero.

Strategy 9: Wellness Programs and Offerings

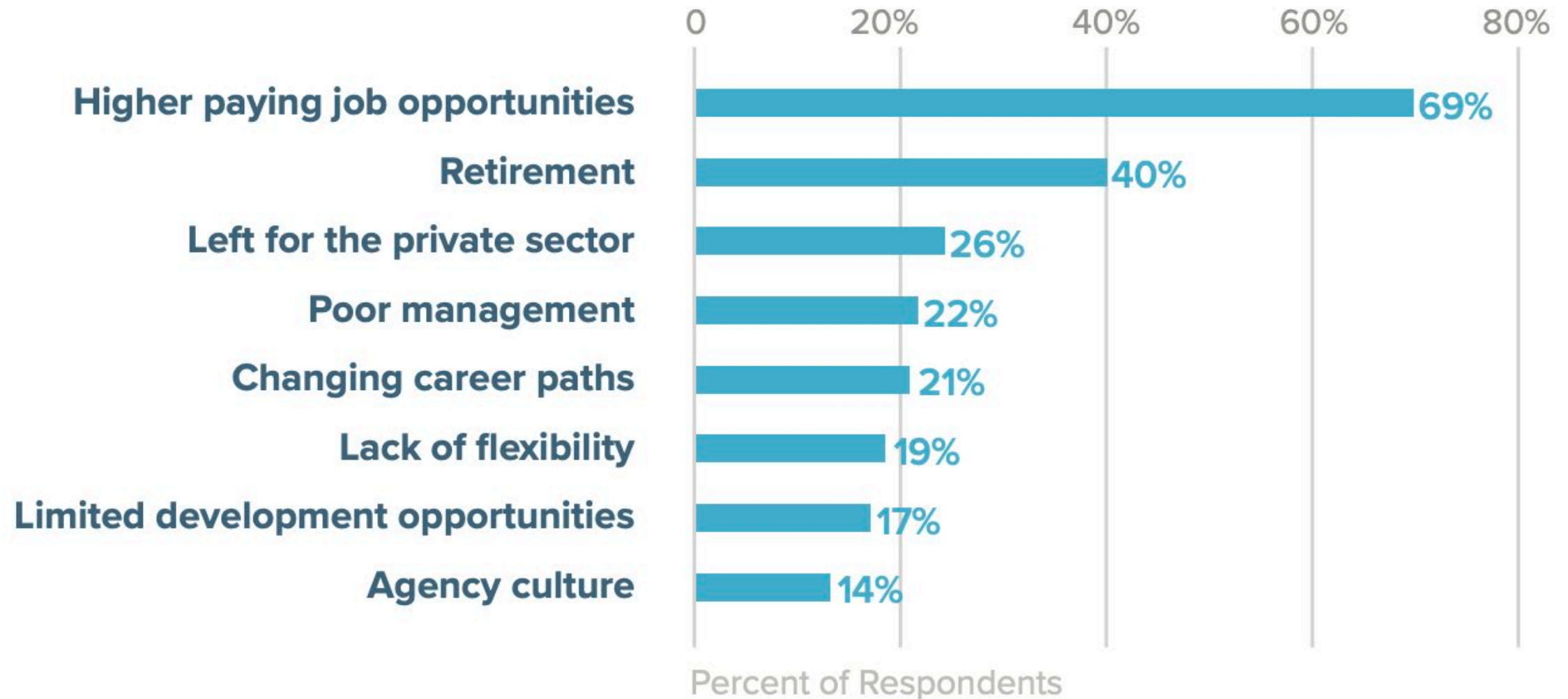
Employees understand that no matter where they choose to work in the professional world, they will be offered a wellness program. The Affordable Care Act practically requires it.

City HR is reaching here by claiming that hosting a few fitness and nutrition classes or helping with financial planning for retirement is moving the needle in any meaningful way concerning retention.

Figure 2

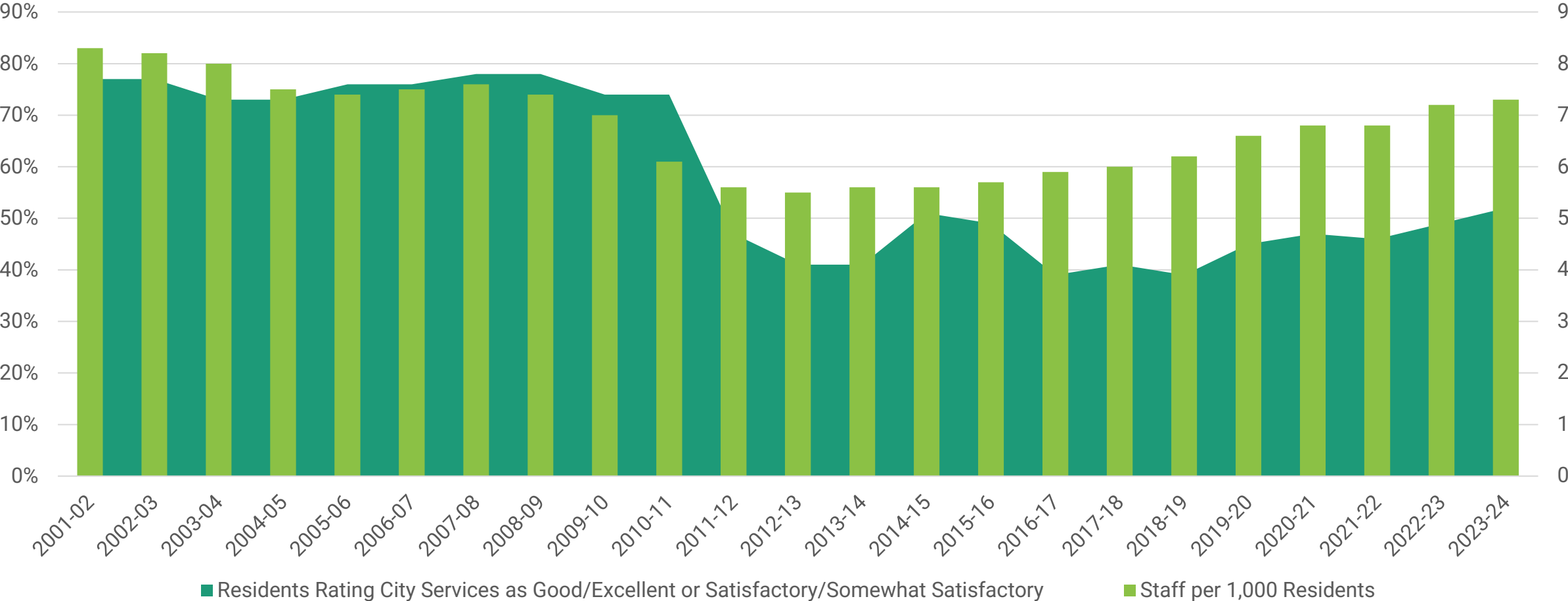
Top 3 Reasons for Employee Turnover in 2022 and 2023

Source: NEOGOV 2023 survey results



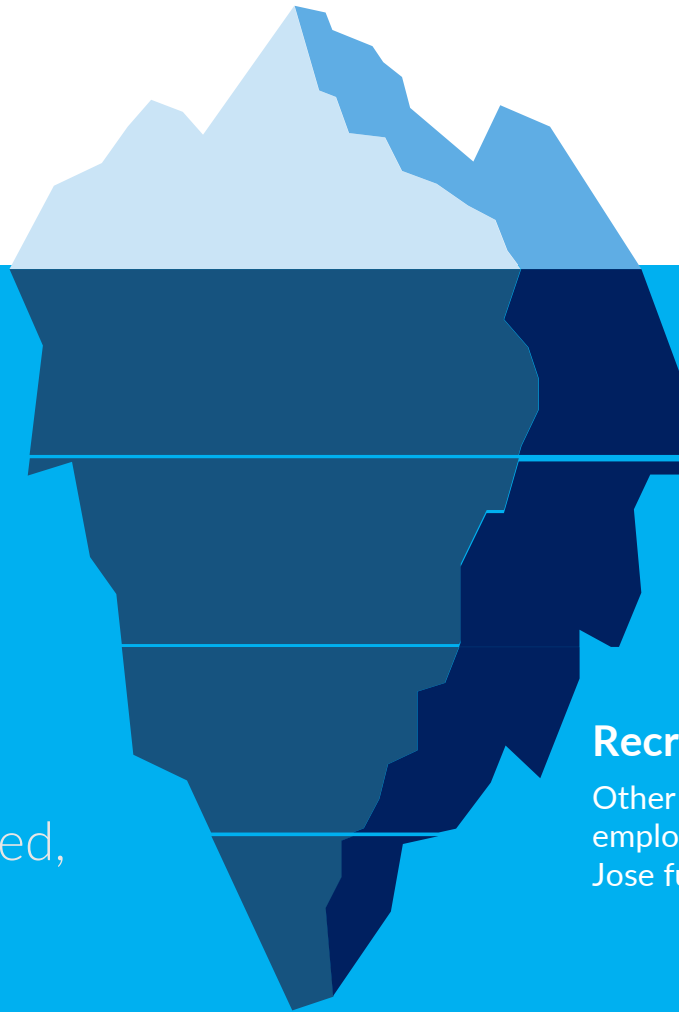
As Budgeted Staffing Levels Dropped and Vacancies Grew, Residents Reported Less Satisfaction with City Services

Full Time City Staff per 1,000 Residents and Reported Satisfaction with City Services
2002 - 2022



The Unseen Looming Crisis

The City has MAJOR problems on the immediate horizon that, left unaddressed, will balloon into insurmountable negative effects for resident services.



The Great Resignation

Significant numbers of employees are eligible to retire in the next 5 years

Retention Emergency

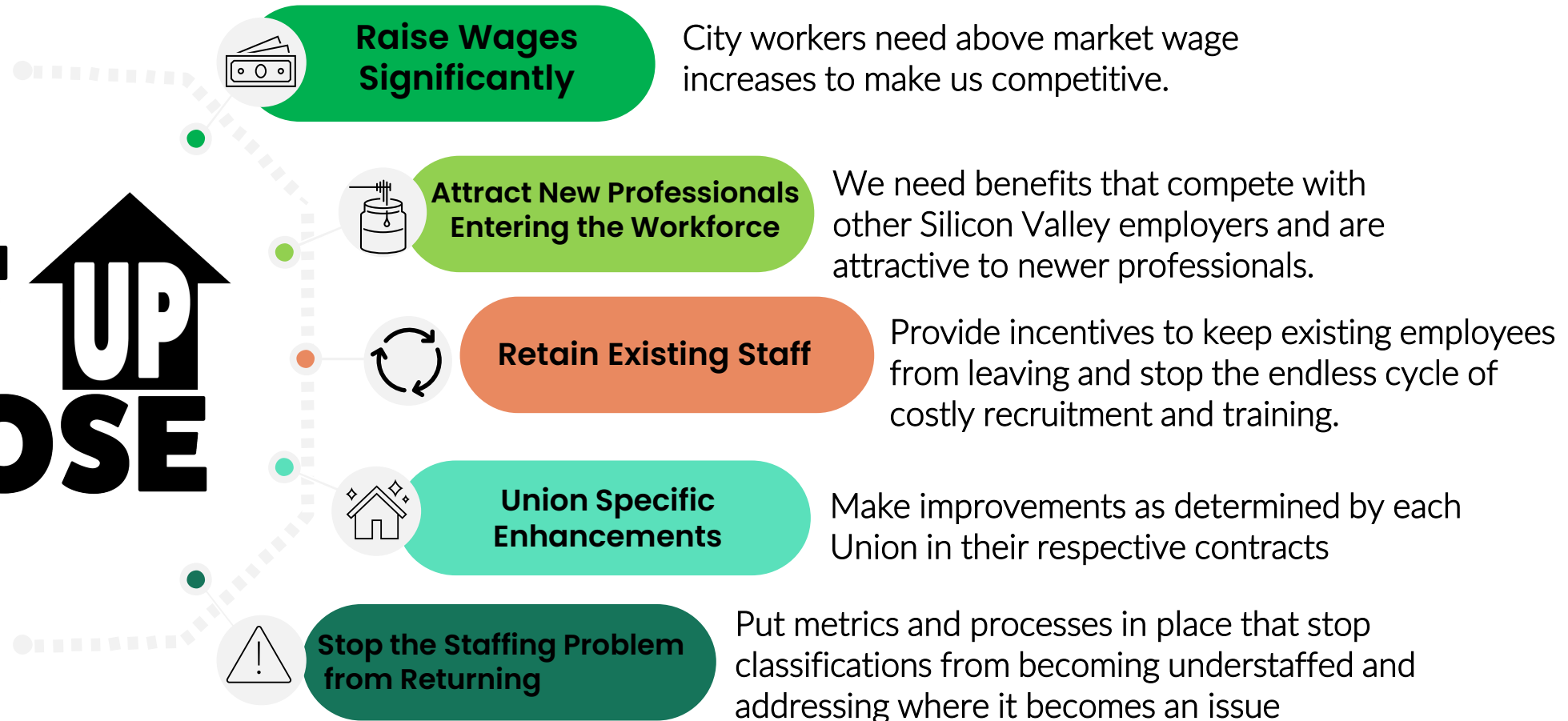
The City is spending untold millions on rehiring and retraining 55% of its workforce every 5 years

Recruitment Efforts from Other Agencies

Other Agencies are already implementing tactics to stand out as employers to ensure their service delivery levels, leaving San Jose further in jeopardy.

Union Coalition Plan

**STAFF UP
SAN JOSE**



SF.gov Vacancy Dashboard

DATA STORY

Vacancy rate

Monthly Vacancy Rate

Department

Job Title

Labor Union

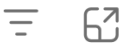
Snapshot Date

All

All

All

2025-Feb



VACANCY RATES FOR PERMANENT FTEs

	Vacancy Rate	Budgeted FTEs	Vacant FTEs
All positions	6.6%	35,147	2,311
On-budget	4.2%	32,327	1,368

All Positions

Job Code and Title	Budgeted FTEs	Vacant FTEs	Vacancy Rate
9163-Transit Operator	2,588.29	111.29	4.3%
Q004-Police Officer 3	1,677.27	347.27	20.7%
2320-Registered Nurse	1,483.30	16.37	1.1%
H002-Firefighter	897.21	-6.79	-0.8%
2708-Custodian	755.60	-28.40	-3.8%
Q052-Sergeant 3	512.77	107.77	21.0%
2905-HSA Sr Eligibility Worker	511.76	-14.24	-2.8%
2303-Certified Nursing Assistant	494.47	-36.82	-7.4%

Source: [SF.gov Vacancy Dashboard](#)

SF.gov Vacancy Dashboard

DATA STORY

Vacancy rate

Monthly Vacancy Rate

Vacancy Rate Trend

All Positions

