

Memorandum

TO: PUBLIC SAFETY, FINANCE, AND
STRATEGIC SUPPORT COMMITTEE

FROM: Jennifer Schembri

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

DATE: May 3, 2023

Approved



Date

5/9/2023

RECOMMENDATION

Accept the status report on recruitment, hiring, and retention strategies.

BACKGROUND

In May 2022, staff submitted a Manager's Budget Addendum that reviewed challenges and presented strategies to alleviate staffing vacancies, including both investments in the Human Resources (HR) Department as well as strategies to enable departments to more effectively recruit, hire, and retain workers. This memorandum also included information on hiring process changes.

As a result of this Manager's Budget Addendum, the City Council directed staff to provide regular updates to the Public Safety, Finance and Strategic Support Committee. The first update occurred on [February 16, 2023¹](#). This second update builds on the first with additional updates, and identifies new opportunities related to hiring, creating a workforce pipeline, and supporting employee retention through our Powered by People Enterprise Priority.



¹ <https://sanjose.legistar.com/View.ashx?M=F&ID=11634938&GUID=E9315336-E358-4200-B96C-B58A03D8B1DA>

ANALYSIS**Vacancy Rate History and Context**

Overall, the HR Department has set a long-term goal to reduce the vacancy rate to less than 10%. This is a practical goal that will be used to benchmark collective progress over time. The vacancy rate is dependent both on hiring greater proportions of qualified external candidates and retaining current employees.

In April 2022, the City had approximately 820 vacancies and a 13.2% vacancy rate. By June 2022, that vacancy rate decreased to 11.7%. With the approved budget for Fiscal Year (FY) 2022-2023, an additional 204 positions were added, which automatically increased the vacancy rate to 14.5%. As of March 2023, the vacancy rate was reduced to 14.0%, with approximately 900 vacancies.

Below is a historical look at the City's vacancy rate since FY 2017-2018. It is important to note that from FY 2017-2018 to FY 2021-2022, an additional 387 benefited budgeted FTE positions were added. While very important for the City's service delivery system, it is challenging to reduce and maintain a lower vacancy rate when additional positions are added each year and this is something HR is working with the Budget Office and departments to manage more strategically in the upcoming fiscal year.

Vacancy Rate		
Fiscal Year	Benefited Budgeted FTE	Vacancy Rate
FY 2017-2018	5868	12.0%
FY 2018-2019	6034	12.3%
FY 2019-2020	6229	11.4%
FY 2020-2021	6178	13.0%
FY 2021-2022	6255	11.7%
FY 2022-2023*	6468	14.0%

**data as of March 2023*

In the last nine-months, with the setting of quarterly hiring goals and focused attention to opportunities for external hiring, the City has made significant progress in the volume of hiring and the proportion of external hires. The table below shows the month-by-month progress in hiring for budgeted positions and in March 2023, for example, there were 65 internal hires and 65 external hires. While the proportion of internal hires is still higher than our external hires (about 55% for the 9 months), that is down from 60% for the last five years. Additionally, in FY 2017-2018 the City's total budgeted hires was 1,140 and the City is on track to achieve that level of hiring by the end of this fiscal year. Lastly, and referenced in the final section on employee retention, HR is focusing with our department partners on key strategies for employee retention that also influence the vacancy rate.

	Vacancies	Vacancy Rate	External Hires	Internal Hires	Total Hiring
July 2022	937	14.5%	35	44	79
August 2022	956.70	14.8%	48	75	123
September 2022	940.95	14.5%	61	68	129
October 2022	916.95	14.2%	67	77	144
November 2022	889.20	13.7%	52	71	123
December 2022	925.20	14.3%	20	25	45
January 2023	941.45	14.6%	58	46	104
February 2023	925.95	14.30%	28	60	88
March 2023	905.70	14.0%	65	65	130
			434	531	965

*in addition to the 965 budgeted hires, the City also hired 598 employees into non-budgeted positions

It is important to note that HR and the departments actively work to mitigate the service impacts of vacancies by using short-term strategies such as higher-class opportunities, temporary unclassified employees/consultants, and rehired retirees. It is also important to note that the vacancy rate measure is based on and monitored against budgeted benefited positions. However, other critical hiring that is budgeted differently, such as part-time seasonal hiring in the Parks Recreation, and Neighborhood Services Department or temporary classified employees (overstrength positions), does not reduce the vacancy rate. In the first nine months of the current fiscal year, 598 people were hired into these types of positions, using significant staff capacity, yet this does not reduce the City's vacancy rate. These hires completed by HR and department recruiters are in addition to the 965 positions that were filled, which positively impact the vacancy rate.

As noted previously, the City of San Jose is not unique in this situation. As of May 2023, the City of Santa Clara's vacancy rate is 16.96% and the County of Santa Clara's is 16.30%.

HR Staffing

The City Manager's Proposed Budget released in May 2023 contains various enhancements to the HR Department's Employment Division staffing and addition of staff to enhance pipeline efforts. This includes making permanent various one-time positions that have been added for recruiting, classification/compensation work and in the Workforce Learning and Development (WL&D) team, which was formerly known as Learning and Development. In addition, it is proposed to add a Deputy Director position to provide the executive leadership capacity necessary to lead cross-departmental improvements to drive down the City's vacancy rate through strategic direction, operational oversight, and execute on multiple on-going projects to modernize the City's hiring system. The HR Department is the only Strategic Support department lacking a Deputy Director position. While this was manageable under lower vacancy levels, the need to drive organization-wide improvements related to recruitment and retention requires a greater level of cross-departmental engagement that is best led by executive-level staff. The Deputy Director position will oversee the Employment Division, as well as the WL&D team,

which will more closely link these two functions that are essential to both attracting and retaining a talented workforce. It is also proposed to add two pipeline positions to develop strategies to reach potential applicants to join the City's workforce. These positions will expand the existing strategic efforts to engage local educational institutions (K-12 to Universities) in activities that will encourage the next generation to consider public service, local government, and the City of San José as an attractive career opportunity. These positions will also focus on partnership activities with K-12 career and technical entities to focus on hard-to-fill positions in the technical and trade areas and will support opportunities to develop partnerships with community colleges and trade organizations where programs align with hard-to-fill career paths.

Strategic Revision and Creation of Position Classifications

The City has more than 700 position classifications that require regular revision and updating. HR is positioned, with a fully staffed team, to make strategic progress in an area that significantly impacts our ability to recruit and hire. One strategy has been to focus on reviewing and updating the education and experience in minimum qualifications. The strategy is informed by research and evidence that communities of color continue to experience opportunity gaps in access to post-secondary outcomes and continue to experience disproportionately lower completion rates in high school and post-secondary education (a [Brookings Paper](#)² summarizes these issues at a national level). The [Lumina Foundation](#)³ and [Jobs for the Future](#)⁴ are examples of organizations with research and evidenced based programs that support reconsidering minimum qualifications and entry level requirements to provide people without 4-year degrees viable pathways to employment and a career. A recent publication from the [Georgetown University's Center for Education and the Workforce](#)⁵ affirms the positive long term economic value of a 4 year degree and that some pathways to long term 4-year degree attainment start with stable employment, career, and the opportunity to work while getting a degree. HR's strategy has been focused on situations where a credential or experience may be a barrier to a diverse applicant pool for the last two years.

1. **Updating Minimum Qualifications/Job Specifications.** In addition to the thirty (30) changes to classifications recorded in our last report in February 2023, modifications to six (6) more classifications have been filed with the Civil Service Commission. This includes the hard-to-fill position of Construction Manager. New classifications were also created for Senior and Principal Engineers specifically assigned to the San José/Santa Clara Regional Wastewater Facility (Wastewater Facility Senior Engineer and Wastewater Facility Principal Engineer, respectively). Updates include:

² <https://www.brookings.edu/blog/brown-center-chalkboard/2016/12/15/memo-improving-and-equalizing-high-school-and-college-graduation-rates-for-all-students/>

³ <https://www.luminafoundation.org/>

⁴ <https://www.jff.org/>

⁵ https://cew.georgetown.edu/wp-content/uploads/cew-ten_pathway_changes-es.pdf

Project	Type	Unit	Department
Construction Manager	MQ Review	CAMP	PW
Construction Inspector I	New Classification	MEF	DOT/PW
Construction Inspector II	New Classification	MEF	DOT/PW
Wastewater Facility Principal Engineer	New Classification	Unit 99	ESD
Wastewater Facility Senior Engineer	New Classification	AEA	ESD
Hazardous Materials Inspector II	MQ Review	MEF	Fire

2. **Opportunities to consider 4-year degree requirements.** The HR Department's classification and compensation team is analyzing position classifications to assess the number and type of positions with 4-year degree requirements. At present, 259 classifications have a 4-year degree requirement. However, 104 of those classifications already have substitution language that creates flexibility for those applicants who do not have a 4-year degree. A recent example of this is our [Assistant/Associate/Environmental Services Specialist](#)⁶ flexibly staffed classifications. These three classifications previously required a bachelor's degree and years of experience. Previously, the classes had a substitution that allowed a master's degree to substitute for one year of the required experience. The revision of the class specification in November 2022 allows additional experience to substitute for the bachelor's degree requirement. The change to this classification impacted a total of 45 positions City-wide. The remaining 155 classifications requiring a degree (less than 25%) will require additional analysis and consideration for modifying the degree requirements.

Quarterly Goal Setting

The process to establish City-wide hiring priorities and set quarterly hiring goals began late in Quarter 3 of FY 2021-2022. This has been successful in moving the City toward FY 2017-2018 levels of hiring (1,140 budgeted hires and a 12% vacancy rate) and has resulted in attaining our quarterly hiring goals since Q4 of FY 2021-2022. The process of setting priorities and goals is then managed with an Agile strategy that allows the Employment Division to track recruitment progress (that the current hiring application system does not), focus on the top five priorities for each Department/Office, develop a deeper understanding of the data and limitations of the data, and problem-solve an array of process, procedure, and policy issues that impact efficiency as well as quality hiring. The entire Employment Division and HR Department leadership convene once a week to review progress, resolve issues in the moment, learn new approaches, and celebrate successes. The chart below shows the hiring goals by quarter:

⁶ <https://www.sanjoseca.gov/Home/ShowDocument?id=35520>

Agile Hiring Goals			
Hiring Quarter	Minimum Goal	Maximum Goal	Job Offers Accepted
FY 2021-2022, Q3	217	278	174
FY 2021-2022, Q4	194	268	224
FY 2022-2023, Q1	198	292	290
FY 2022-2023, Q2	208	295	258
FY 2022-2023, Q3	178	262	199

Continuing to Modernize the Hiring Process

1. **Centralize Hiring Pilot Project.** In partnership with Parks Recreation, and Neighborhood Services, the Planning, Building and Code Enforcement Department's Code Enforcement Division, and the Housing Department, HR recently initiated a pilot project to centralize hiring. This pilot will go through June 30, 2024 and will centralize recruitment and hiring with these departments, which have the highest vacancy rates in the City. The goal is to analyze how the HR Department can streamline, add support, and with direct reporting to HR's Employment Division, reduce vacancies in these three areas. The staff currently handling recruitment in these departments now report to the new pilot team in the HR Department's Employment Division. This newly staffed team, hired in April 2023, is led by a Program Manager, three Analysts, and one Staff Specialist in overstrength positions. The role of this team is to lead recruitments and to work in a consultant/advisor capacity with the departments to provide direct support and increased guidance and direction for recruitment strategies, changes to processes and prioritization.
2. **Modernizing the Application System.** A cross-departmental NeoGov Implementation Team was established in February 2023 to implement a new, high-quality software application system, NeoGov. HR led a project kick-off meeting in March 2023 to communicate objectives and key results with department partners. HR is targeting July or August for the system "go live" date.

The objectives for NeoGov implementation reflect a focus on people, process, and technology to modernize our hiring system. The objectives for the applicant tracking system include: improving and streamlining processes to increase efficiency and accuracy; establishing a high performing implementation team that includes multiple stakeholder input, and ultimately results in a reliable technology platform to improve the applicant and recruiter experience, and provide meaningful data to support decision making.

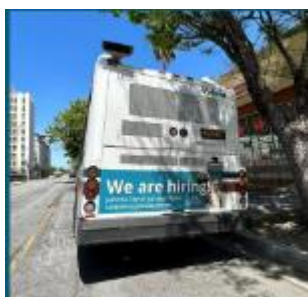
A key example of how this system is supporting modernization is in creating the opportunity to digitize more than 700 classification specifications (job descriptions) that were previously maintained as PDF files. To date, 50% (350) of classification specifications have been migrated to NeoGov. HR is also soliciting input from

department partners on recruitment process-related documents with the goal of determining what can be automated for streamlining efforts. These improvements will reduce variation of processes and offer a consistent, reliable, and modern source of training.

3. **Brainstorming Session with Union Stakeholders.** HR hosted a meeting on February 22, 2023 with representatives from various City unions to collectively discuss the stages of a recruitment. Attendees participated in a walkthrough of the stages of a recruitment to identify current challenges in addition to ideas for improvement. These areas of discussion included Job Posting/Marketing; Support for Hiring Managers; Practicum/Assessments; Interview Process; and Closing the Process/Job Offers. Some of the challenges and ideas for improvement identified were ways to increase hiring manager capacity, marketing (e.g., the need for shorter job announcements), more targeted relationships with organizations to advertise positions, and ways to prevent the declination of offers due to salary. This exercise of defining the challenges to hiring and retention followed by brainstorming resulted in a clearer understanding of vacancy rates and a collaborative list of considerations to improve the process.
4. **Strategic Marketing and Communications Campaign.** The City Manager's Office of Communications, in partnership with the HR Employment Division, created "We are Hiring" banners to display across the City's social media pages including Facebook and LinkedIn. Uniform messaging, branding and marketing were used on each post to establish a common brand for the City that would be easily identifiable. Open recruitments were then shared on platforms such as Instagram, Facebook, Twitter, and LinkedIn, both as individual posts and as posts featuring a carousel of images.



The City is also using similar branding for various physical advertisements, including 20 City Bus backs, a banner in front of City Hall, and a billboard over the 101 freeway that will be up through June 4, 2023.



In total, 76% of impressions during the general campaign thus far (February 10, 2023 – April 26, 2023) came from users that were in the San Francisco Bay Area. 18.9% of impressions came from users located in the Sacramento area, and 4.7% came from users located in the Los Angeles area. In addition to the general social media campaign, HR's Employment Division strategically identified hard-to-fill positions that were then prioritized to be advertised on social media, as well as some job boards, and promoted organically (non-paid) or through paid advertising. Some of these hard-to-fill positions were the Planner series, Building Code Inspector, IT Enterprise Tech Engineer and Code Enforcement Inspector.

Creating a Hiring Pipeline Strategy

The HR Department's WL&D team has been responsible for developing hiring pipeline activities in anticipation of creating a more formalized strategy in the upcoming fiscal year. Activities include building relationships with trades organizations, colleges, and universities to increase recognition of the City as an employer and ultimately expand the City's external applicant pool. This pipeline work is important to educate the next generation about public sector opportunities, application and hiring process expectations, and to create interest in working for the City of San José. The following are some of the efforts this team has completed recently:

1. San José State University Signature Engagements.

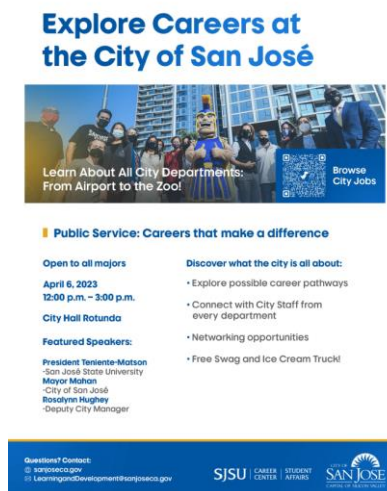
Explore Careers at the City of San José Information Session (March 2023). In partnership with San José State University (SJSU), the City of San José hosted an employer-sponsored information session at SJSU to teach students about the role of local government, discuss career pathways, and promote career opportunities in the City. The program featured a panel discussion with City employees who are also SJSU alumni. Panelists discussed their educational and career journey and provided students with guidance on navigating the City's hiring process. An interactive engagement exercise led by City staff from various departments provided an opportunity for students to learn about the seven City Service Areas.

Explore Careers at the City of San José Open House Event (April 2023). As a strategy to expand the City's outreach and pipeline efforts to the next generation of employees from higher educational institutions, the City of San José partnered with SJSU to offer an inaugural "Explore Careers at the City of San José" open house. The event targeted SJSU students, faculty, and administration and included a variety of engagement opportunities to facilitate connection between the City and SJSU. The event's primary objective was to inform the SJSU community about the various functions across each City department and the impact those services have on our community. The event also allowed for the discussion of career pathways, the promotion of high-priority career opportunities, and providing prospective candidates with guidance on the City's hiring process.

City participation included representation from each department, totaling more than 160 staff who assisted as booth representatives for their departments. HR and the City Manager's Office of Employee Relations provided more than a dozen staff to offer

logistical support for the event and the Police Department's Crime Prevention and Education Unit supported the event by offering free ice cream to the SJSU community upon the completion of a passport card activity that encouraged participants to visit department booths.

Participation from the SJSU community included nearly 350 registered participants, of which approximately half were seniors expected to graduate in 2023. Most of the students were Business, Engineering, or Social Science majors.



2. Focusing on Interns and Internships.

INTERNMingling Event (April 2023). The WL&D team hosted the semi-annual INTERNMingling event, which provided an opportunity for City interns to explore career pathways, network, and learn about other City departments. Through small-group activities, City interns were able to connect and learn about different roles and projects in other departments. The event included a panel of City staff comprised of former interns who transitioned to full-time City employees. This question-and-answer engagement provided inspiration for the interns to continue their careers with the City.

Internship Program Enhancement. The HR Department recently updated the [Student Intern policy](#)⁷ to streamline recruitment and incentivize interns to pursue a career in public service with the City.

City-wide For-Credit Internship Agreement with SJSU. SJSU and the WL&D team is collaborating to establish a City-wide agreement that would provide a pathway for college students to engage as interns with relevant City departments, while also receiving academic credit.

SJ Works Summer High School Internships. WL&D provided support through targeted promotion of the SJ Works summer internship program to Senior and Executive leadership and encouraged departments to connect with SJ Works to host students. The

⁷ <https://www.sanjoseca.gov/home/showpublisheddocument/17997/638185442194742810>

SJ Works mentorship opportunity was also shared with the City's own mentorship program participants, who were encouraged to mentor a student during a six-week long summer program. The internship program is for grade-school students seeking summer internships through the completion of 100 hours of work with a host organization.

High School Work Study Program (March 2023). To continue the City's Work Study Program, the City released a RFP seeking qualified high schools, technical and vocational programs for the purpose of providing students with internship opportunities across City departments. The intent of the program is to prepare students for higher education and professional job opportunities by placing them within various City departments to gain entry-level professional skills and learn more about their local government.

3. City Fellows.

The City's Fellowship program has provided an opportunity to help grow and diversify the City's talent pipeline. The HR Department has been established as the Fellowship Hub and helps manage the Fellowship program and facilitate meetings and activities. Since February 2023, the City has continued its partnership with CoGenerate and FUSE to bring three additional fellows to the City. HR is also collaborating with the Stanford Hass Center to onboard a Business Intelligence Fellow.

4. Establishing Relationships.

Silicon Valley Career Technical Education. WL&D and Silicon Valley Career Technical Education will be collaborating to secure a long-term relationship and to identify strategic engagement activities to implement over the next year.

City Planner Outreach. WL&D, in coordination with Planning, Building and Code Enforcement, is meeting with the head of the Urban Planning Department at SJSU to build connections and develop pipeline opportunities for the City's current Planner career opportunities.

San José City College Apprenticeship Programs. WL&D is currently in conversation with San José City College to explore internship and apprenticeship programs for students interested in careers in information technology, public works, and other specialized trades.

College & Career Pathways. The San José Public Library is currently establishing a framework for a college and career pathways program within the department and has requested the HR Department to serve as an advisory partner for the program.

5. Career Fairs.

STEM Undergraduate and Graduate Students Job/Internship Fair at SJSU (February 2023). This job/internship fair targeted undergraduate and graduate candidates in STEM (science, technology, engineering, and mathematics) majors. This event was held at the SJSU Student Union and led by the HR Employment Division.

Education, Health and Public Service Job/Internship Fair at SJSU (March 2023). This job/internship fair focused on candidates seeking entry-level career and internship opportunities in education and health-related majors and students interested in public service.

Nonprofit, Environment and Public Service Career and Internship Fair (March 2023). This virtual career and internship fair was sponsored by UC Berkeley for students specifically interested in a career in the public sector. The HR Employment Division hosted one-on-one meetings and groups sessions to respond to questions regarding working for local government.

SJSU Spring Job/Internship Fair (April 2023). SJSU's Spring Job/Internship Fair continued the efforts of attracting the brightest talent for critical positions available throughout the City. This event was hosted in-person at the SJSU Student Union.

Employee Retention

While there has been a great deal of attention placed on hiring and creating a talent pipeline, HR will also continue to invest in employee retention strategies to ensure that the City is a place where employees can thrive. The City Manager is focused on increasing employee engagement, providing opportunities for professional development and growth, modernizing the workforce, and building a bench of talented public servants.

On June 21, 2023, the WL&D team will meet with Senior and Executive staff to continue their discussions from January 2023 on employee retention strategies. These strategies include promoting and sustaining work flexibility, increasing a sense of belonging, creating a trauma informed and resilience focused workplace, empowering employees to bring their creativity, and providing opportunities to grow and learn.

In the spring of 2022, HR conducted a pilot *Employee Experience Conversations* program to support leaders to engage in strategies that encourage our diverse and talented employees to stay with the City. The program was well received by Senior and Executive staff and was subsequently rolled out to mid-level supervisors throughout the City during FY 2022-2023. To date, almost 200 mid-level supervisors have participated in the program and the feedback has been positive. One supervisor said, "*Speaking with other managers and working through my management concerns is what I liked best about these sessions.*" Another said, "*I wish this was available to supervisors years ago.*" HR will use what has been learned from the Employee Experience Conversations sessions with mid-level supervisors to create a program to support and train the City's mid-level supervisors in leadership and supervision approaches designed to support employee retention.

The following are other strategies that have been designed to provide opportunities for City employees to build deeper connections with their colleagues, engage with their work in a new way, and provide learning and growth opportunities for City employees.

- *Executive Leadership Forum* – This five-part leadership forum, led by The Billions Institute, started in January 2023 and incorporates trauma informed leadership principles as well as provides opportunities for leaders to engage with one another. Approximately 20 Senior and Executive staff members participated in the forum this spring.
- *Human Centered Design Learning Lab* – In this program, City employees learn the basics of human-centered design and innovation in process improvement. The City is finishing its seventh Learning Lab in May, which is focused on improving City processes around trauma informed care and racial equity.
- *Innovation Academy* – The Innovation Academy fosters an innovation mindset and a problem-solving approach to work. Employees are encouraged to make small changes to their work that will have a big impact on the processes and procedures that they manage. Employees who have made innovative changes in their workplace as a result of their learning in the Innovation Academy will be invited to participate in an Advanced Innovation Academy in Fall 2023.
- *Mentorship Program* – The 2022-2023 Mentorship Program focused on re-connecting City employees to their purpose in public service, helping employees to identify and refine their career goals, and creating a plan to achieve those goals. The Mentorship Program also focused on helping employees connect their work to the larger picture of how their work impacts the residents of San Jose. The program provided an opportunity for City employees to connect with someone outside of their department. Approximately 300 City employees across every department participated in their year's Mentorship Program.

CONCLUSION AND FOLLOW-UP

In summary, the HR Department will continue to evaluate new ways to continue to improve in the City's recruitment, hiring, and retention efforts.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office.


Jennifer Schembri

Director of Employee Relations/
Director of Human Resources

For questions, please contact Jennifer Schembri, Director of the City Manager's Office of Employee Relations/Director of Human Resources, at (408) 535-8154.