



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jennifer Schembri  
Margaret McCahan

**SUBJECT:** HUMAN RESOURCES DEPARTMENT/  
OFFICE OF EMPLOYEE RELATIONS  
SINGLE LEADERSHIP MODEL  
IMPLEMENTATION

**DATE:** December 12, 2018

Approved

Date

12/12/18

## REASON FOR ADDENDUM

On December 11, 2018, the City Council confirmed the appointment of the Director of Human Resources under a single leadership model for the City Manager's Office of Employee Relations and the Human Resources Department. This memorandum recommends staffing changes to effectively implement this single leadership model.

## RECOMMENDATION

- (a) Approve the following position changes to the City Manager's Office (Office of Employee Relations):
  - (1) Delete 0.5 Director, Employee Relations position;
  - (2) Delete 1.0 Senior Executive Analyst position; and
  - (3) Add 1.0 Deputy Director position.
  
- (b) Approve the following position changes to the Human Resources Department:
  - (4) Delete 0.5 Director, Human Resources position;
  - (5) Add 1.0 Senior Analyst position; and
  - (6) Add 1.0 Analyst position.

## OUTCOME

The recommended staffing changes in the Office of Employee Relations and the Human Resources Department will support the effective implementation of the single leadership model for the Human Resources Department and the Office of Employee Relations approved by the City Council on December 11, 2018, with no net General Fund cost.

## **BACKGROUND**

On or about December 11, 2018, the City Council confirmed the appointment of the Director of Human Resources under a single leadership model for the City Manager's Office of Employee Relations and the Human Resources Department. This results in salary savings due to the 0.50 elimination of the Director position in each office. It is recommended that these savings, along with other proposed position changes, be used to fund an additional management position in the Office of Employee Relations and additional positions in the Human Resources Department. This will enhance Human Resources Department services and provide capacity for the Director to manage and lead both functions.

## **ANALYSIS**

### *Office of Employee Relations*

The City Manager's Office of Employee Relations (OER) management structure currently includes one Director, one Deputy Director, two Assistant to the City Manager, and three Senior Executive Analyst positions. At this time, the Deputy Director and one Senior Executive Analyst positions are vacant, and the two Assistant to the City Manager positions function as the Labor Relations Manager and the Employee Relations Manager.

To ensure the current Director has additional capacity to manage the Human Resources functions, it is recommended that the Office of Employee Relations implement a two Deputy Director management structure to take on higher level responsibilities for employee relations (overseeing all investigations, disciplines, and other employee relations issues) and labor relations (such as leading labor negotiations, handling meet and confer items, and handling grievances). This recommended structure requires adding one Deputy Director position as well as eliminating one vacant Senior Executive Analyst position and one-half of the Director position.

In addition, one of the current Assistant to the City Manager positions will be designated as the City's Retirement Services Liaison to the Office of Retirement Services, pursuant to the recommendations of the City Auditor in the "Audit of Retirement Services: Greater Transparency Needed in the Budgeting Process, Interactions Among Stakeholders, Investment Policies, and Plan Administration."<sup>1</sup>

### *Human Resources Department*

The Human Resources (HR) Department management structure currently has one Director, one Assistant Director, one Administrative Officer, and three Division Managers that oversee the Employment, Benefits, and Workers' Compensation/Health and Safety functions. The Assistant Director position was added in 2016-2017, and filled on December 1, 2017, in a temporary

<sup>1</sup> The "Audit of Retirement Services: Greater Transparency Needed in the Budgeting Process, Interactions Among Stakeholders, Investment Policies, and Plan Administration" can be found here: <http://www.sanjoseca.gov/DocumentCenter/View/72510>

acting capacity. The current management structure in HR under the single leadership model is sufficient at this time. However, in evaluating this new model, there were a number of direct service needs identified in HR. To address the highest priority needs and ensure the successful implementation of the new single leadership model, the additions of one Senior Analyst position and one Analyst position are recommended along with the elimination of one-half of the Director position.

The Senior Analyst and Analyst positions will support the City's ability to attract, retain, and grow our workforce. With these positions, HR will be able to: accelerate revisions to outdated classifications and engage in a regular cycle for updating; continuously improve the HR web, social media, and communication strategy to attract the next generation to City employment; increase the department's capacity and capabilities for data analytics to make important business process improvements; provide support for various activities associated with re-launching the Citywide training and development function; and coordinate strategic activities related to growing our talent pipeline.

#### **EVALUATION AND FOLLOW-UP**

This memorandum will not require further follow-up.

#### **PUBLIC OUTREACH**

This memorandum will be posted on the City's website for the December 18, 2018, City Council Agenda.

#### **COORDINATION**

This item did not require any further coordination with other departments.

#### **COMMISSION RECOMMENDATION/INPUT**

This item does not have input from any board or commission.

#### **COST SUMMARY/IMPLICATIONS**

The recommended actions would implement a single leadership model under which one Director would oversee both the Human Resources Department and the Office of Employee Relations. To implement this change, one-half of the Director positions in both the Human Resources Department and the Office of Employee Relations would be eliminated, leaving the remaining half of each position to manage these organizations. Other changes include the addition of 1.0 Senior Analyst and 1.0 Analyst positions in the Human Resources Department, and the addition

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of 1.0 Deputy Director position and elimination of 1.0 Senior Executive Analyst position in the Office of Employee Relations.

The recommended position changes result in a net cost to the Human Resources Department that is entirely offset by net savings in the Office of Employee Relations, resulting in overall General Fund annual savings of less than \$30,000. While it is anticipated that vacancy savings in the Human Resources Department will be used to offset the net additional cost in 2018-2019, any necessary budget actions will be brought forward at the end of the fiscal year. The recommended position changes will also be factored into the 2019-2020 Base Budget.

**CEQA**

Not a project, File No. PP10-068(b), Municipal Code, Title 3.



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