



CITY OF
**PALO
ALTO**

City Council Staff Report

From: City Manager

Report Type: STUDY SESSION

Lead Department: Human Resources

Meeting Date: May 6, 2024

Report #:2404-2890

TITLE

Review Workforce Recruitment Strategic Plan and Recommendations for Improvements in the Recruitment Process

RECOMMENDATION

Staff recommends that the Council receive this report on the development and implementation of the City of Palo Alto's workforce recruitment strategic plan.

EXECUTIVE SUMMARY

The City of Palo Alto engaged with Municipal Resource Group to review the existing recruitment, marketing, onboarding, and candidate experience process for recommendation of additional areas for targeted growth, development, and enhancement (Assessment Report, Attachment A). This study session provides an overview of the work completed and outlines the current and ongoing implementation work.

BACKGROUND

As the region and state emerged from the worst of the global pandemic, there was a clear need to reinstate and expand service areas to our community. The widespread impacts of this unique moment in recent history led to a change in expectations around work flexibility, what is now known as the great resignation, and an unparalleled increase in "quiet quitting." It is against this backdrop the City was now competing for talent.

During the Council review of the FY2024 budget, the Council asked the HR department to examine potential improvements to its recruitment processes and develop an overall strategy for reducing the citywide vacancy rate, which, during this period, had hit a peak of 17% with significant position restoration approved in FY 2023 after the worst of the COVID-19 pandemic had passed.

Beginning in June of 2023, the City's HR department began the process of finding the appropriate subject matter expertise to conduct an assessment and return with an overall

assessment and strategic plan for elevating the City's current recruitment program. Municipal Resource Group ("MRG") was chosen due to its vast public sector experience and recent success in developing high-end, curated, and tailored strategic plans for municipal governments, most recently aiding Berkeley in developing its citywide workforce roadmap with improvement initiatives.

In August of 2023, the project held its official kick off with MRG recommending and conducting an assessment of the full cycle recruitment process, which included interviews with department stakeholders, hiring managers, recent candidates, current and former recruitment staff, and all current HR staff involved in any portion of the recruitment, marketing, or onboarding process. This assessment acted as the baseline for MRG to work with staff to identify key areas for development, resource allocation, and process improvement.

ANALYSIS

As outlined in the Assessment Report, the City of Palo Alto is not alone in facing recruitment and talent acquisition challenges. Municipalities across the state are reporting similar recruitment and retention issues as reported by the League of California Cities and government thought leaders. NEOGOV, the preeminent government jobs/career site, has reported a 55% decrease in the number of applications per job across all public sector clients since 2019. Paired against a 78% increase in the number of job openings over a similar time period creates a daunting recruitment landscape.

MRG's assessment focuses on several key areas where top performing organizations must prioritize to win top talent. These areas include;

- (1) Efficient and expedient recruitment processes
- (2) Providing an excellent candidate experience with regular active and engaging communication
- (3) Incorporating candidate feedback into process wherever feasible
- (4) Building a compelling brand and message
- (5) Marketing that communicates how future employees can help find purpose and create impact when working for a local government agency
- (6) Increase in capacity for active marketing and candidate sourcing
- (7) Building a pipeline of talents for the long-term through internships, apprenticeships, and reviewing job requirements to broaden the field for future candidates.

Through interviews and deep analysis of existing recruitment data, MRG is recommending a multi-year Recruitment Strategic Plan tailored and focused on areas of opportunity, expansion, and growth. The strategic plan has 31 separate initiatives and is broken into four categories with objectives and criteria outlined within each category. The four categories that will be reviewed during this study session are:

1. Boost Recruitment Capacity and Capabilities
2. Active Marketing, Advertising, and Sourcing
3. Streamline Process and Uplift Data/Metrics
4. Invest in Talent Pipeline

The assessment report and resulting Recruitment Strategic Plan is comprehensive and detailed. Under the City Manager's and HR's leadership, improvements are already actively underway. It is important to acknowledge that this is a multi-year strategic plan and requires long-term focus, strategy, commitment and resources to be fully implemented.

Some of the key areas identified that are already being implemented include:

- *Onboarding process improvement project:* This project has a goal of reducing the current average time a candidate spends between Conditional offer letter and first day of work. Currently this sits at 45 days, the target goal is a 10% reduction within the first 6 months.
- *Digital marketing pilot:* Positions were selected within Public Works and Utilities and pilots are underway utilizing enhanced digital advertising campaigns to drive candidate engagement and lead generation.
- *Enhanced expedited hiring process, specifically the City HRL program:* The Human Resources Liaison program (HRL) is the bedrock of the expedited hiring process, bringing departments into the recruitment process and empowering departments to actively support the filling of vacancies through direct recruitment support and providing more opportunities for candidate engagement. Through staffing resources from departments, the HR team continues to expand this program to additional departments, enacted a standard 3 session training course, and increased recruitment bandwidth city-wide.

The Human Resources Department next plans to expand implementation into the following areas outlined in the strategic plan:

- As a part of the FY2025 budget, a new Recruitment Division Manager position is recommended to focus on the execution of critical projects, expansion of the expedited hiring process, and professional development of our existing recruitment personnel. This new position will lead the implementation of the overall strategic plan for workforce recruitment building on areas already in progress. This position will also play a pivotal role in implementation of the City's diversity, equity, inclusion and belonging (DEIB) plan related to recruitment, screening, selection and marketing.
- Refresh recruitment team training guides focused on agile recruitment models, enhanced candidate experience, and increased department engagement.
- Upskill current personnel with tailored and targeted professional development plans, incorporating future areas of recruitment need.
- Lead/project manage software integration between the City's applicant tracking system (NEOGOV) and the City's enterprise resource planning system (SAP).

- Plan, manage, and implement master contract/RFP for digital marketing services creating a toolkit of vendors that can be easily accessible and utilized by HR recruiters and depart HRLs. *(Contingent on funding and results of the pilot program underway)*
- Develop and implement additional talent pipelines such as internship programs, apprenticeships, career ladders and direct hire programs
- Partner with the City Manager's Office and the City's Equity and Inclusion Program manager to review and implement DEIB strategic plan areas impacting recruitment processes and practices
- Plan, manage, and implement overhaul of the City's application and candidate portals focusing on mobile friendly experience from start to finish

The HR team appreciates the work conducted by MRG and is excited to continue working towards creating an elevated recruitment process maintaining Palo Alto's status as an employer of choice. Implementation of this strategic plan will continue to remain at the forefront of guiding investments in staffing and tools city-wide.

FISCAL/RESOURCE IMPACT

Through the FY2025 budget review, the Council will review the recommended additional staffing to support implementation of the strategic plan. In addition, once the RFP for digital marketing services is complete and better costing and effectiveness of the pilot is known, staff will return to Council to discuss funding needs for active recruitment.

STAKEHOLDER ENGAGEMENT

As outlined in the report submitted by MRG, there was substantial stakeholder engagement in the development of this assessment including engagement of candidates, hiring managers, department directors, current and former recruitment staff, other HR divisions, and administrative services divisions (Payroll).

ENVIRONMENTAL REVIEW

Council action on this item is not a project as defined by CEQA because assessing and improving recruitment strategies is a continuing administrative activity. CEQA Guidelines section 15378(b)(2).

ATTACHMENTS

Attachment A: Recruitment Strategic Plan

APPROVED BY:

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