A Study to Describe the Centralization/Decentralization
of Human Resources Functions
at the City of Austin

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CHAPTER 1: INTRODUCTION AND STATEMENT OF RESEARCH PURPOSE

Purpose of Research

The purpose of this research is to describe human resources services currently delivered at the City of Austin and the level at which they are delivered. In other words, what services are delivered at the Human Resources Department city-wide level (centralized) and what services are delivered at the department level (decentralized). This is accomplished by determining the number of full time equivalents (FTEs) that are dedicated to human resources activities at both levels.

Like other municipalities, the City of Austin has a highly divisionalized organizational structure. With over 20 departments and major offices in hundreds of locations, the City must provide human resources services to a diverse employee population with different requirements in a way that is consistent, equitable, and supports city-wide mission, values and goals. The City currently has a Human Resources Department that is responsible for providing services across the organization. Most of the other departments and offices provide some level of human resources service within their own areas.

In January 1997, "Affordability Year 2: A New Year's Commitment" was introduced by City Manager, Jesus Garza. Affordability Year 2 focuses on the workforce. The intent is to build a competitive workforce that is skilled and motivated. Emphasis is on the pay system, employee relations and refocusing on workplace safety. All of these areas fall under the umbrella of the Human Resources Department.

Issues Related to Human Resources

The City Manager has expressed concern related to the human resources area. He believes there is poor role definition for some human resources activities. In other words, it is not clear whether central HR is responsible or line department HR is responsible. There is also concern that there is a lack of consistency in interpreting and implementing human resources policies and applying policy to personnel actions. Lack of accountability is another concern.

At the Council level, there is a perception that there is duplication of efforts between the central HR function and line departments. This perception of inefficiency has clear budgetary implications. Joe Canales, Director of Human Resources, is committed to re-evaluating human resources services and processes.

The Human Resources Department is currently in the process of realigning all human resources functions by:

- defining the activities that fall under each functional area,

- determining who is responsible for the activity (central HRD or departmental HRD staff),

- determining what skills, training or tools are required to perform each activity,

- ensuring that there is focus on activities that comply with law, policy, procedure or other mandate

- establishing performance measurements for each activity and

ensuring that the activity has a positive impact on organizational climate.

The final product after the process is complete is to adopt service agreements between central HRD and departments on the delineation of human resources activities in a way that is consistent, establishes accountability, and is measurable.

Working through this process involved several Human Resources Department staff members including two HR professionals assigned to this project (one of which is this researcher), the two assistant department directors, the financial manager, and division managers from six functional areas: benefits, compensation, employee relations, employment, occupational safety and health, and organization development. Over several months this group developed a document entitled: The Human Resources Model: An Alignment of Human Resources Functions. This document represents the Human Resources Department picture of how and at what level human resources services should be delivered.

The document will be used to negotiate service agreements between central HRD and departments on the delineation of human resources activities in a way that is consistent, establishes accountability, and is measurable. Since the Human Resources Model was developed at a corporate level, it lacks input from line departments. Before service agreements can be negotiated, it is necessary to have a clearer understanding of what is currently happening at the line department level. This study addresses this question by determining the number of FTEs that are dedicated to human resources activities in the line departments. Beyond this study, data that is gathered about current resource allocation in departments for human resources services, may be used for determining future staffing levels.

Chapter Summaries

The second chapter of this study consists of a literature review that discusses the concept of centralization and decentralization in organizations and how this relates to human resources management. Chapter 3 describes the City of Austin as an organization, including, it's vision, the customers it serves, the political environment it operates in, and key strategies that are in place. The chapter also covers specific human resources initiatives currently being implemented that directly relate to the issue of centralized versus decentralized service delivery.

Chapter 4 discusses the methodology used in this study and Chapter 5 reports and analyzes results of the data collection. Key findings are reported. Chapter 6 summarizes and concludes this research study.

CHAPTER 2: REVIEW OF LITERATURE

Introduction

The purpose of this chapter is to examine the issue of organizational centralization/decentralization, to describe the relationship of centralization versus decentralization to organizational design or structure.[1] In addition, this review of literature explores the reasons why organizations, both public and private, find it necessary to change organization structure. A discussion of how these issues have influenced the field of Human Resources Management (HRM) follows. Finally a conceptual framework for discussing and analyzing the functional areas of human resources services is developed. This chapter lays the groundwork for describing and understanding how human resources services are delivered at the City of Austin.

Centralization versus Decentralization

Management theory is flooded with research dealing with the debate over centralization versus decentralization. The issue of centralization/decentralization is often linked to ideas surrounding dispersion of power, the level at which decisions are made, control in terms of standardization of processes and procedures, the setting of performance control systems and organization design. In its purest form, Henry Mintzberg (1993, p. 95) describes a centralized structure as one where "all the power for

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[1] Throughout this paper the terms organization design and structure will be used interchangeably.

decision making rests at a single point in the organization-ultimately in the hands of one person. To the extent that the power is dispersed among many people, we shall call the structure decentralized." In early studies of organizations, writers such as Weber, Fayol and Taylor unanimously agreed that decision making should be at the top of the organization. These writers cited the classic reasons of legitimacy, efficiency, competence and commitment as the reasons for claiming that this level of decision making was clearly the best, if not the only solution, to where power should be concentrated. Later studies have revealed that there are many alternatives to centralized decision making restricted to the top of the organization. (Jelinek, 1986, p. 438) Centralization/decentralization is better conceptualized as a continuum where shifts occur in decision making authority (Baack and Cullen, 1994, p. 3). The shift may be vertical or it may be horizontal. It may be a combination of both. However, some organizations view this issue as an either/or choice, whether to provide control or support. This may account for the "pendulum swings of some organizational structures, from centralization to decentralization and then back again." (Gellerman, 1990, p. 8) There are obvious deficiencies in either extreme. There are infinite variations in the continuum depending on the organization.

Unfortunately as with most management theory, the concept of centralization/decentralization is not easily categorized or observed in the real world. It is indeed a complex phenomenon. Mintzberg (1993, pp. 97-98) cites the following examples and asks the question, are they centralized or decentralized?

- In the organization where decision-making power is dispersed to a large number of people, but, because their decisions are closely monitored by a central individual who can fire them at moment's notice, they make those decision with careful assessment of his wishes.

- In the U. S., divisionalized corporations that rely on performance control systems for coordination are called "decentralized." Whereas Americans are in the habit of calling the communist economies "centralized," even though they are organized like giant divisionalized corporations that rely on performance control systems for coordination.

- What about the Jesuit priest or CIA agent who has complete autonomy in the field, except that he has been carefully indoctrinated to decide in a given way before he ever leaves the central headquarters?

- What about the case where a line manager has the authority to make a decision, but his advisors, by virtue of their superior technical knowledge, lead him into his choices?

- Or the case where the manager decides, but, in executing the choices, his subordinates twist the outcome to their liking? Are these organizations centralized by virtue of the distribution of the formal power, or decentralized by virtue of the distribution of the informal?

There are many who claim that decentralization (or their variation of decentralization) works best in their organization. In 1960[2], Peter Drucker conducted a detailed study at General Motors (GM) during the Alfred P. Sloan management era. At the time GM was a very large divisionalized organization. Sloan introduced a form of decentralization that made GM highly successful. Centralized management at GM consisted of two functions:

1. It was the servant of the divisional managers, helping them to be more efficient and more successful in their autonomy.

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[2] Peter Drucker conducted this study in 1960. Study results were published in Concept of the corporation (Boston: Beacon Press, 1960) pp. 41-71. The Drucker article entitled "Decentralization" appears in the Jelinek Litterer and Miles edited book Organization by design: theory and practice. (1986).

2. It was the boss of the corporation. (Drucker, 1986, p. 474)

When Drucker (1986, p. 472-473) asked several GM executives what

decentralization seeks to achieve, they responded with these positive comments for this

design at GM:

- Decisions could be made rapidly. All shared the same policy
  knowledge base on which decisions were made. This
  eliminated confusion.

- No conflict existed between the interest of the divisions and
  that of corporate GM.

- There was a sense of fairness in how executives were treated.

- There was democracy of management and a comfortable sense
  of informality.

- No one group of division executives was more privileged than
  others.

- There was a constant surplus of highly qualified executives
  able to take top responsibility.

- Weak division executives could not depend on others to
  survive.

- There was no sense of edict management. Everyone knew
  corporate-wide underlying reasons for all decisions that were
  made.

Sloan was successful at instituting this level of decentralization at GM. Although

divisions operated fairly autonomously, Sloan's top management reserved the right to

retain authority while at the same time being supportive to the divisions.

Centralization/Decentralization and Organization Structure

The issue of centralization/decentralization is really an issue of organization design or structure. In designing an organization, decisions must be made about who decides what, who does what, what processes or procedures are standardized. In 1896, Louis Sullivan, an architect, coined the phrase "form follows function." (Gellerman, 1990, p. 1) This phrase is often repeated when theorists reflect on organization design. Functionality is a popular basis for designing how organizations will work.

Mintzberg (1981) suggests that there are five basic organizational forms each with unique characteristics. The **entrepreneurial form** is typical in new organizations. There isn't much control in this form and there is an emphasis on innovation and risk taking. The **machine form** is usually found in mature, well established organizations. It is the offspring of industrialization, characterized by standardized, low skilled, highly specialized jobs. In this structure there will be a well developed middle management and staff. Government is usually labeled a machine bureaucracy. **Professional forms** are typically found in organizations like hospitals and accounting firms. There is a very high percentage of professional staff that must meet professional requirements, like having licenses, outside their own organization. **Divisionalized forms** are represented by large auto companies, where divisions are autonomous but subject to small central headquarters. The **adhocracy form** is usually found in the arts or in think-tanks. This form emphasizes innovation.

According to Mintzberg (1981, p. 104), structure is determined by the following elements:

- specialization of tasks
- formalization of procedures
- formal training
- grouping of units
- span of control
- action planning and performance control systems
- liaison devices
- delegation of power down the chain of authority (vertical decentralization)
- delegation of power out from the chain of authority to managers (horizontal decentralization)

There are also situational factors that may determine structure. They are organization age, size, technical system of production, characteristics of environment and power system. (Mintzberg, 1981, p. 104)

Organization designers have the daunting challenge to find just the right balance among all these factors. Miles, Snow, Meyer, and Coleman (1978, p, 547) reflect that

> for most organizations, the dynamic process of adjusting to environmental change and uncertainty - of maintaining an effective alignment with the environment while managing internal interdependencies - is enormously complex, encompassing myriad decisions and behaviors at several organizational levels.

The larger the organization, the more difficult will be a restructuring process.

Reasons For Organizational Change

Restructuring, downsizing, greater workforce diversity, rapidly changing technology, an increasing gap between skills available and job requirements, corporate mergers and increasing international competition are all reasons why organizations just can not carry on with business as usual (Peery and Mahmoud, 1993, p. 83). These factors influence both private and public organizations. Both sectors are finding that in order to

achieve organizational mission, they must carefully and deliberately integrate the management of their human resources into their strategic planning process (NAPA, June, 1996, p. 2). Many domestic private sector firms, and a number of foreign governments have chosen to implement strategic human resources management when faced with downsizing, restructuring, reengineering and customer service issues. Their experiences have provided public sector organizations, especially the federal government, with a wealth of best practices to guide them through similar transitions even though environmental factors for private and public organizations are different. (NAPA, June, 1996, p. 2)

Factors that Influence Public Organizations to Change

While private organizations are most likely to change direction on strategy based on market, public organizations are deeply influenced by the political environment. During the industrial era a kind of government developed that was preoccupied with rules, regulations and hierarchical chains of command. At the end of the last century, Max Weber described bureaucratic organizations in terms no one would consider today. According to Weber, bureaucratic organizations had purely technical superiority over any other form of organization. He described the precision, speed, unambiguity of bureaucracies. Reduction of material and personal costs were raised to the optimum point in the strictly bureaucratic organization. Bureaucracies brought to government the same logic that assembly lines brought to the factory. They enabled the efficient undertaking

of large complex tasks with their hierarchical authority and functional specialization. (Osborne and Gaebler, 1992, p. 12)

Just before the turn of the century immigrants flooded the cities eager to work in the rapidly emerging factories thrown up in the industrial revolution. The stage was set for Boss Tweed and his contemporaries to run those cities like personal fiefdoms. Those who could deliver blocs of immigrant-votes were well rewarded with jobs, favors and other services. Politicians robbed the public blind for their own personal gain while critical public issues related to the industrial revolution were ignored. Numerous problems developed like sweatshops, slums and a lack of a basic infrastructure to support the growing population like sewers, water and public transit.

Beginning in the 1890's, and over the next thirty years, the young progressives transformed government in America. The civil service system was created to end the use of government jobs as patronage. Characterized by written exams, lockstep pay scales, and protection from arbitrary hiring or dismissal, the civil service system provided job security for government workers.

Independent public authorities were created to keep major construction projects like bridges and tunnels out of the reach of politicians. Also to limit the power of political bosses, appointment authority was taken away from mayors and governors. Separate elected offices were created for judges, city clerks and sheriffs. Also to limit the influence of politicians, professional positions were created like that of city manager, that was insulated from politics. The city manager was to run the city in an efficient, businesslike manner.

All of these efforts created a massive control system intended to keep politicians from doing anything that might endanger the public interest or purse. (Osborne and Gaebler, 1992, p. 14) While the reforms made it difficult to steel public money, they also made it difficult to manage public money. Government bureaucracy was obsessed with process, regulation, control of the inputs with little regard to outcome or results. Consequently government developed an image of moving slowly, of inflexibility, and of stability. The bureaucratic form of government worked well to solve problems that emerged during the industrial revolution, through the depression and through two world wars. It provided security from unemployment (through the civil service system), during old age (through the social security system), it provided a basic sense of fairness and equity (everyone was treated alike), it provided jobs, and it delivered basic, no frills, one-size-fits-all services all peopled needed like roads, schools, and sewers.

The bureaucratic model was developed in an era when information was available to only decision makers, when people worked primarily with their hands not their minds, when their were common needs and wants for basic services, and where neighborhoods were tightly knit.

Today information is available to anyone who wants it, the workforce is diverse in endless ways, customers of all services and goods demand quality and choice. According to Montgomery Van Wart (1996, p. 457),

> the interesting question is no longer: Can or will the public sector
> change? The interesting questions have become 1) How much will
> the public sector change? and 2) How can that change be best
> managed to provide a better end state?

According to Lan and Rosenbloom (1992) the country is in the middle of a half-century cycle of change that has occurred since the country's founding. Major administrative shifts have occurred beginning with the Jacksonians in the 1830's, the progressives in the 1880's, the New Dealers in the 1930's and now in the 1990s the reinvention and quality management movements.

·Public sector leaders have a unique challenge in the reinvention process in that they must separate from the past, "a particularly difficult task for public sector with its half-century emphasis on tradition and stability." Today's public sector leaders face a "hostile citizen base, increasing mandates and workloads, reduced funding, technological anachronisms, conflicting goals, and special interests to satisfy." (Van Wart, 1996, p. 460) Private industry has struggled through restructuring, downsizing and reinventing for the sake of profit. Public entities are forced to become more responsive to their customers, the public, who are also demanding more and better services for their tax dollars.

Decision Making Factor

Many organizational, environmental, and external factors will determine how change may proceed in public and private organizations. One factor relates to issues surrounding division of labor versus coordination. In highly centralized organizations, decision making is tightly coordinated, often made by one person then implemented through direct supervision. Mintzberg (1993, pp. 96-97) believes that organizations change "because not all decisions can be understood at one center, in one brain." It is difficult to imagine that one brain could comprehend and make effective, efficient and

practical decisions on all aspects and levels of an organizations operations. The risk of information overload, inefficient, ineffective and impractical decision making could undermine the accomplishment of organization mission. Decentralization of decision making encourages the organization to respond quickly to local conditions. It is also a factor in motivating the workforce. When professionals are given the power to make decisions, the chance of retaining these employees is much higher. (Mintzberg, 1981, p. 97)

Ideology Factor

An organization's ideology may inhibit the change process. Ideology represents the force for cooperation , collegiality and consensus in an organization. It is often brought about by a charismatic leader that has the ability to communicate a vision and direction that the entire organization is willing to internalize and try to achieve. Ideology pulls an organization together even when there is contradiction. "When the spirit of ideology infuses the structure, an organization takes on an integrated life of its own and contradictions get reconciled." (Mintzberg, 1991, p. 63) It draws individuals in an organization together to work for one goal, for the sake of the organization. It is imbedded in an organization's culture and established over time. Where there is a strong organizational culture, everyone works within the same set of beliefs.

According to Mintzberg (1991) one big difference between General Motors and Toyota is ideology. At General Motors, employees who work at assembly lines consider themselves "mere cogs in their bureaucratic machines." At Toyota, on the other hand, workers are made to feel "like an embodiment of the entire system-no matter what job

one does, it helps to make Toyota great." Workers may shut down the assembly line if they feel that it is for the good of Toyota.

So how does ideology inhibit change? Because ideology is established over time and is deeply imbedded in an organization's culture, and given that organization culture is hard to change, ideology is hard to challenge. "Receiving the 'word' enables people to ask every question but one: the word itself must never be questioned." (Mintzberg, 1991, p. 64)

All organizations, regardless of its ideology, will eventually experience change of a fundamental nature. It may be a change in leadership, a change in environment, technology or product. The ideology that made the organization so successful suddenly becomes its central problem. It becomes the status quo. The result is often the introduction of politics represented by internal competition, conflict, and confrontation. (Mintzberg, 1991, p. 64-65)   For many reasons most organizations will strive to preserve an existing structure even when faced with such a crisis. According to Gellerman, (1990) holding on to the status quo will only delay in recognizing obsolescence of an organization structure.

Growth Factor

Organizations also change when transitioning from one stage to another. Meshoulam and Baird (1987, p. 486) suggest that organizations develop in 5 stages. At start-up, an organization is experiencing the initiation stage where there is a need for systems development like general record keeping. Organizations then proceed to the functional growth stage where there may be technical specialization and growth in

functional areas. A degree of formality is introduced. The controlled growth stage follows, where there is professional management, scarce resources, new acquisitions, and diversified product lines. The functional integration stage is characterized by diversification, decentralization, product groups or divisions and project management. The strategic integration stage is when the company demonstrates flexibility, adaptability and cross functional integration. (Meshoulam and Baird, 1987, p. 486)

In larger organizations, management may have a more difficult time responding to a growth stage. "When top management's delegation of authority lags behind growth, the size of the organization will get to a point where the failure to delegate power sharply limits viability." (Baack and Cullen 1994, p. 5) The result could be reduced levels of performance associated with insufficient decentralization. As organizations travel through these stages, there is a definite need to pay attention to organization structure and to make the necessary adaptations along the way. Otherwise successful transitions may fail to occur.

In a survey[3] conducted by Albert King and Terrence Bishop (1994,

p. 177-178), respondents said that the

> single most pressing future issue confronting HR managers was how adaptations can be made when stable markets and environment become dynamic. Respondents also concluded that HR managers had two choices: to adapt continuously to change at the expense of internal consistency (steadily add functional specialization's) or maintain internal consistency (through cross functional integration) at the expense of a worsening fit with its environment.

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[3] Albert King and Terrence Bishop (1994) conducted this nationwide survey of members of the Society for Human Resource Management. Respondents, mostly HR managers shared their perspectives regarding involvement in HR activities, strategic planning, professional development and future issues.

External Factors

External factors such as increased competition can be a real driver for an organization to make a structural change. In a study conducted at Eastman Kodak and at Colgate-Palmolive, researchers concluded that **organization** capability as well as strategic, financial and technological capabilities influence an organization's competitive position. This suggests decisions surrounding organization design will have critical impact on its' ability to compete. (Smith, et al., 1992, p. 92)

At Pharmex, an international pharmaceutical company, competitors were operating successfully with a much reduced ratio of headquarters employees to field employees. The president of the company commissioned a study to analyze organizational structure. He wanted to determine 1) if significant savings could be realized by reducing the staffs of regional and/or divisional headquarters without seriously affecting efficiency and 2) would it be better to control subsidiary operations directly from divisional headquarters, or to replace the international division by upgrading each region to divisional status and assigning it its own staff? (Gellerman, 1990, p. 2-3) Staffing and administrative control were key issues that emerged as the determining factors to change.

Successful organizations who maintain a workable structure for years or even decades are able to respond to environmental shifts and to quickly initiate and carry out, wide-sweeping changes. (King, p. 165) From an organizational design point of view, Jelenek et al. (1986, p. 440), offers the challenge to reorganize by funneling the best

resources on the most pressing problems at the same time staying flexible enough to shift direction when needed. To prepare for change, management must realize that

> choice among organizational forms is contingent upon may factors.
> No single form-functional, product or geographic division,
> combination, or simultaneous-is 'best' for all circumstances. The
> best choice is the one that best balances the costs and benefits for
> maximum gain, in the context of clear thinking about present and
> future organizational needs. (Jelenek et al., p. 139)

Influence on Human Resources Management-History

In the 1960's and 1970's pressure on the personnel function came from outside the organizations. Especially influential were government agencies and interest groups. In a survey conducted by the Conference Board in 1977, responding executives regarded government's regulatory role in the areas of equal employment opportunity, occupational safety and health and pension reform as having the biggest impact on company personnel matters. (Freedman, 1990, p. 24) In response, personnel functions established affirmative action, equal opportunity and safety and social responsibility programs. Increased involvement with government, stimulated labor and other interest groups to exert even more pressure on personnel. This external orientation for the personnel function meant that internal influence and involvement with the business of the organization decreased. (Meshoulam and Baird, 1987, p. 484)

As external pressures increased so did the need to specialize in increasingly, highly technical, sub fields of personnel. The function became more professional, mastered by studying its subdisciplines. There was an absence of big picture focus. The overall needs of the organization like creating new markets, product development,

managing the diverse work force and general management of the business was just not within the scope of HRM business. (Meshoulam and Baird, 1987, p. 484) Human Resources (HR) concentrated on the specialty areas like employee benefits, training or compensation.

One strategy to bridge the gap between personnel professionals and line staff was to transfer line staff into HR positions. The intent here was to bring a line perspective into the human resources function. This early attempt at decentralizing human resource functions was a good idea, but line staff viewed this role as temporary and unrelated to their "real" jobs. The new role was viewed as a short stop along a career path rather than a long term commitment to improving human resource management. (Meshoulam and Baird, 1987, p. 485)

Organizations,[4] having moved in the direction of strategic human resources management, advocate the advantages of integrating human resources functions with overall business strategy. More often than not, a lack of integration exists within organizations. Thus there are many examples of companies struggling to better align human resource management with business strategy. National Semiconductor is a good case in point. The company was experiencing all the negative consequences of lack of integration. The company suffered financial loss, "corporate culture was obsessed with individual hard work and penny pinching to improve operating efficiency." (Fiorelli et al., 1996, p. 49) HR was highly reactive, providing just the basic HR services such as benefits administration, regulatory compliance and compensation and staffing up and down. Sensitivity to the work force was as low as it could go since the corporate focus

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[4] Some of these organizations include National Semiconductor, Colgate, Coca-Cola, First Chicago, Novell, GE.

was to cut budgets at all costs. The lack of internal integration of human resources strategies and overall business strategies is not unique to National Seminconductor.

In the 1980's external pressure took on a different form than that of government regulation in the 1960's and 1970's. Competitive pressures resulting from imports and deregulation created a need for personnel to become part of the business. According to Freedman (1990), well established and successful businesses were forced to cut costs, · improve productivity, be more flexible and responsive and to raise quality. Terminology for "personnel" took on a more economic context and was re-named, "human resources." Freedman suggests that a shift in thinking occurred when the dominating influence was to integrate the way employees were managed with business considerations like efficiency, cost containment, and conservation of resources. HR is at the heart of most reorganizations and the spotlight falls heavily on what HR can provide. This increased pressure on HR is testament to the belief that the cost of labor is the only real business cost that can be managed. (Freedman, 1990, p. 24) National Semiconductor and others were forced to initiate a major transformation of the HR function, to achieve some alignment with business needs.

Strategic Human Resources Management Begins

The issues that face most HR executives continue to be increasingly complex. There is now internal pressure coming from within the organization for HR to deal with issues like competition, technology, highly divisionalized organizational structures, globalization, cost containment, a diverse work force, and other more business focused concepts. In a *Personnel Journal* interview conducted with upper-level HR executives in

a cross-section of industries, executives agreed that dealing with "workforce issues is the only thing that will uphold a company's competitive advantage." (Caudron, August, 1994, p. 1) HR is purposefully moving away from the transactional, paper-pushing, hiring/firing support function it has been, rather it is becoming a bottom-line business decision maker-strategic partner. Thus, strategic human resources management has evolved.

At National Semiconductor (Fiorelli et al., 1996, pp. 54-58) the new HR strategic model consisted of the following elements.

1. The HR strategies role was to observe long term trends, identify future HR gaps across all business units and then focus the program development efforts of HR to address these issues on a proactive rather that reactive way.

2. The newly formed Human Resources Executive Council was to create a 5 year strategic business plan for world wide HR function and ensure this plan is integrated in the corporate strategic business plan.

3. The newly formed HR Strategic Council was designated to implement the strategic initiatives established by the Executive Council.

4. Human Resources Centers for Excellence were established to develop a global organization which shared knowledge across geographic and business unit boundaries, and balanced the economies of scale offered by centralization with the benefits of local ownership offered by decentralization.

5. Human Resources Service Centers were established to provide easy access to employees.

6. Newly formed HR Operations Teams coordinate delivery of HR products and services which address the needs of their business. These expand and contract based on business conditions and development needs.

These strategies are typical of what many organizations are initiating. What follows are examples of HR departments in organizations that have been faced with a need to restructure and to become a strategic business partner. Each organization was induced to make the transition because of one or several of the factors described above and internal pressures forced HR to change the way it operates.

Examples of New HR in Action

At Saturn Corporation, HR ties its activities to bottom-line objectives in the company's compensation structure. Ten percent of every Saturn employee's salary is considered "at risk" pending accomplishment of certain objectives. One of those objectives is completing 92 hours of training every year. If any one employee fails to complete the required hours, every employee risks losing a bit of their at-risk compensation. (Caudron, August 1994, p. 2)

At Wake County Personnel Department in Raleigh, NC, HR staffers were trapped in a time warp. Everything was done manually and was subject to lots of mistakes. Employees were paid for unearned leave, there was no position or application tracking device. Employees were hired for positions that were not available. The field of HR was evolving and Wake County Personnel was not keeping up. There was a radical need to institute a technological system that would allow personnel to customize payroll, benefits and recruitment programs without any outside assistance after the initial setup. The system had to provide real time updated information and it had to be linked to payroll records. An implementation team was formed to research the options. After many

months of analysis, a decision was made to move to a position driven system. At last Wake County Personnel was able to move away from a reaction only mode. The new system saved money, and precious time that HR could now devote to more strategic oriented business issues. (Flynn, 1994, p. 1-3)

Another example of technology as a force for HR restructuring occurred at the Navy Department. The Navy is recognized as having a culture of decentralization while allowing the Navy to maintain organization norms. Each naval unit acts as an independent, but wholly owned subsidiary of the parent organization, the Navy Department. One organization wide policy to provide equal opportunity for its members created a challenging task for the Navy in terms of monitoring compliance. Past efforts to monitor compliance resulted in perceptions at the commanding officer unit level that the program required excessive outside interference. Two conflicting values surfaced. The first was that the Navy had a desire to delegate responsibility and authority to commanding officers at the unit level. At the same time, the Navy had the responsibility to monitor compliance with rules and regulations at the headquarters level. (Rosenfeld and Edwards, 1994, p. 1-2)

The Navy resolved this issue by developing a survey that could be used by all commands. The survey was simple to use, available on disk for any standard computer and came with an easy to use report writer. Standardization of this particular system served to preserve the decentralized structure of the Navy.

Jim Perkins, senior vice president of personnel at Federal Express, believes that technology revolutionized how business is conducted in his organization. Within one month's time, Federal Express distributed and collected (with a 97% completion rate) an

on-line climate survey to its 88,000 employee workforce, and distributed the results to managers at their desktops. (Caudron, August, 1994, p. 3)

Purcell and Ahlstrand (1994) suggest that more research must be conducted to address HR in multi-divisional company structures. Most HR literature is based around functionally organized companies and does not recognize the existence of other organizational structures. Consequently some mainstream personnel and HR literature naively assert that what works for one organizational structure will work for all. (Purcell, p. 3) It is evident that organizations are making headway in addressing this issue.

Highly divisionalized organizations such as General Motors foster decentralized, autonomous units. At the same time General Motors administers strict controls and standards for these units. GM handles this contradiction

> through measuring the efficiency and achievement of both policy
> decision and administration against the objective criteria of cost
> and efficiency of return on the invested capital, and of competitive
> standing in the market. GM aims at the elimination of personal
> and subjective elements in the relationship between boss and
> subordinate, central management and divisional management.
> (Drucker, 1986, p. 485)

At GM, HR Departments have made adjustments in how products and services are delivered through a combination of control and support for its divisions.

The number of organizational interrelations was a major concern for HR executives at Colgate. There was a definite gap between people strategies and business strategies. HR proceeded to articulate a global HR vision based on 3 values: care, teamwork and continuous improvement. Through a process of interviews, the HR team identified two areas where business managers needed support. They were career planning and education and training. A process of partnership between HR and business leaders

followed where the team strategized to align services with business needs. (Anfuso, 1995, p. 2)

The City of Charlotte, North Carolina was recognized by the International Personnel Management Association (IPMA) with its Agency Award for Excellence in 1994. The HR department implemented initiatives that prepared the city to compete and respond to changes in the environment. HR succeeded by aligning its goals with those of the organizations. The department developed a vision, mission, set of values and a business plan that focused on City Council priority areas. Some of those priority areas include restructuring government; customer needs; policy review; organizational change; workforce preparedness; and continuing service assessment. The plan outlined specific objectives that would respond to and support those areas. It also identified the timeline in which they would be accomplished, qualitative and quantitative measures, and the staff responsible for implementation. For example, under the restructuring government priority, one objective was to develop new approaches to staffing positions by implementing the strategic staffing concept by June 30, 1995. The plan identified the Consulting Services group as responsible for this activity. (NAPA, Innovative.., 1996, 20-21)

At Coca-Cola, 80% of operating income comes from business outside the United States. It was a real challenge to have all the diverse and dispersed regions to "think globally and act locally." (Anfuso, 1994, p. 1) HR was charged with infusing into the organization the philosophy around human issues that would allow local businesses to apply those philosophies as they see fit for their region. Coke has no standard salary policy, it has a salary philosophy. In order for HR to be successful, they recognized that

there was a skill set of key experience or job knowledge areas that HR staff must have. They identified the 10 areas as 1) facilitation skills, 2) understanding global business and HR trends, 3) organization design, 4) HR functional knowledge, 5) employee relations, 6) industrial relations, 7) learning and development 8) performance development, 9) selection and staffing and 10) total compensation. (Anfuso, 1994, p. 4) Many of the skills identified involve traditional HR activities but most are clearly proactive, future and strategic business oriented.

Historically, the U. S. Department of Commerce has done little strategic planning for administrative functions at the department level. Under the current Administration, Commerce is in the process of developing strategic goals. HR is hoping to model a strategic business partner role. One area up for re-evaluation is Commerce centralized approach to HRM. While there are some areas where a department-wide policy is needed, there are many areas where more latitude to bureaus to develop policies and programs that are more suited to their needs is encouraged.

Like all other federal government units, Commerce is faced with issues of streamlining and downsizing. HR is developing a long term strategy to support organizational goals by implementing systems for various automation initiatives that will sustain a restructured organization. For example, the department is currently part of a pilot that is using an automated system that gives employees access to their personnel information and allows them to make changes to certain data fields. It is also working on an automated performance appraisal and performance award system to streamline the awards process. (NAPA, Innovative Approaches... 1996)

In the banking industry, First Chicago Corporation has introduced innovative programs that have made it a leader in strategic human resources. (Caudron, 1991, p. 1) Even Harvard Business School is using the company in case study curriculum in its MBA and doctoral programs. The bank recognized in 1985 that strategic questions had to be answered in human resource areas as well as the business areas of marketing, lending and acquisitions. First Chicago developed HR programs that contributed to the strategic positioning of the organization as the country's top great financial institution. One area that changed for First Chicago was how decisions relating to HR were made. Decisions were made by a team of representatives from each business entity. This allowed the organization to provide strategic and functional human resources leadership on a global basis. (Caudron, 1991, p. 3)

At organizations like GE and Novell, top level human resources executives agree that the area of global expansion activities must involve HR. In the early stages of an acquisition effort, HR must be able to evaluate local laws, local customs, appropriate benefits level, culture compatibility, salary structure etc. HR must be able to advise corporate management of the costs related to acquisition, the potential issues related to culture etc. HR must be able to talk and advise in terms of business implications. (Caudron, August, 1994, p. 3)[5]

Team based organizations pose some unique challenges for HR departments in terms of decision making and control of hiring, training and retaining team members. The

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[5] Shari Caudron, contributing editor at *Personnel Journal* conducted interviews with top-level human resources executives on the future of the HR profession. Executives came from many organizations including Novell, GE, People Systems for Saturn Corporation, Stride Rite Corporation , First Chicago Corporation, L. L. Bean Inc., Dallas-based Texas Instruments Inc. and Federal Express. The most fundamental theme resulting from these interviews, is that that HR must become a strategic business partner.

process involves many more people than just one hiring supervisor at an operating unit level. The question is how much authority should a team have concerning its membership? Should teams be allowed to hire and fire? How much of the hiring process will HR be responsible for and how much will the team be responsible for. Some companies like C&S Wholesale Grocers Inc. in Brattleboro, Vermont involve team members in all hiring decisions. Teams even have the authority to get rid of non-performers and to reassign job responsibilities. For team positions, HR handles the entire external recruitment process, advertising, screening, hiring and training. The next step is to place these newly hired individuals into a "rookie team" at base wage. Existing teams then select new members from the "rookie team." (Caudron, May, 1994, p.1) Handling this HR activity in this way in a team based organization like C&S has resulted in an increase in employee morale and company profit. It is another example of how HR is moving transactional activities to alternative levels in the organization, better serving the business needs of this team based organization.

What's Ahead for HR

Human Resource Executives have experienced much greater status since the introduction of strategic human resources management. With the increased importance come heightened expectations for HR to play a richer role in policy formulation as well as the more traditional clerical/auditing and advisory roles. (King and Bishop, 1994, p.168) In addition,

Throughout the 80's, HR staffs have increased in size as a result of four major factors: company-wide emphasis on HR (expectations for quality, policies, practices, information, responsiveness, and comprehensives), complexity of environment (number of organizational interrelations, regulation, rate of business change, product diversity/market segmentation, international competition, and union relations), employee growth rates and company profits/budgetary constraints. (Peters, 1984, p.8)

The move to strategic human resources management does not alter the fact that traditional human resource activities must always be accomplished. In strategic human resources systems traditional human resource activities may be accomplished at different levels of the organization. Stephen Benowitz (1994, p. 2), Director of the Division of Personnel Management at the National Institutes of Health believes that organizations must determine what functions need to be performed centrally versus at the operating unit. An evaluation must be conducted to determine if some functions should be performed at multiple units in the organization. In assessing the current structure of HR activities, some functions may emerge as candidates to streamline or eliminate like in the examples of Wake County and Federal Express. Who are the HR customers? Who's getting HR? Is it primarily to satisfy business needs or is it to serve the employees needs? How will both constituencies be served? It is likely that the requirements of corporate constituencies will be different than that of managers at the unit level. Multi-divisional organizations bring a unique challenge to strategic human resources management. In fact, Anne Tsui (1987, p. 77) concluded in her study of multiple constituencies that to conceive of the environment as comprised of only the line executives and their objectives (an assumption underlying the strategic HRM concept) assumes a world that is far more orderly and simple than in fact may exist in reality.

Tsui's multiple constituency approach emphasizes the high degree of complexities in the task environment of the HR department.

In any case, a transition to a role as strategic business partner requires strategic planning, an activity that some HR functions have not had the luxury of doing in the past. For some HR executives and managers, there will be a learning curve associated with this transition. According to a group of upper-level HR executives interviewed by *Personnel Journal*[6], for HR to communicate knowledgeably about business issues, it is important that staff understand the business and speak the language.

Examples above are evidence that HR executives face many complex issues like downsizing, restructuring, competition and technology. How they address these issues will determine their overall effectiveness in their organization. Criteria for evaluating the effectiveness of HR will be both subjective and objective in nature. Objective accomplishments may be measured in the areas of training, affirmative action and cost containment. Subjective perceptions in the areas of responsiveness and proactivity may be assessed. (Tsui, 1987, p. 64)

HR executives and managers may have to overcome the stereotyped image of the reactive, rule and regulation function. (Caudron, August 1994, p. 5). The National Semiconductor team came up with a set of guiding principles for HR's transition from a traditional to a strategic role. They summarize what company executives believe it takes to make this transition.

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[6] *Personnel Journal* interviewed a group of upper-level HR executives in a cross-section of industries to get their perspectives on the changing role of HR. Their remarks are captured in the article entitled "HR Leaders Brainstorm the Profession's Future" by Shari Caudron in the August 1994 issue of *Personnel Journal.*

1. Change the relationship between HR management and employees. Move from a control based culture to a commitment based culture. Change the role of HR from judge and jury to coach and counselor. ER solutions should be owned and defended by management not HR.

2. Create a global HR function. The new design should provide more value by focusing on local customers' needs.

3. HR should align with the business needs of the organization which will require different roles of all HR professionals, especially the HR generalists.

4. Provide world class HR services measured by the number of "best in class" inquiries, presentations and publications sparked by the new HR model and implementation.

5. Simplify and promote HR efficiency and empowerment. Focus on customer with value-added actions. Strive for an organization with fewer reporting levels.

6. Create an organization where global teamwork and shared learning is fostered. Balance the competing needs for centralization and decentralization. Create a hybrid model which can provide centralized services where economies of scale prevail but be flexible enough to allow the local HR organization to develop and deliver quality HR services. (Fiorelli et al., 1996, p. 52)

All of the organizations discussed so far have experienced some degree of restructuring, centralization/decentralization in order to accomplish their goals. There are advantages and disadvantages to a decentralization process. Advantages include reduced turnaround time, and enhanced satisfaction for managers, personnel officers, and personnel support staff. In addition planning of personnel actions is often better controlled and relate more directly to individual office needs. Hence, operating managers are more supportive of personnel actions. A disadvantages may be that there is more of a challenge to establish consistent procedures and deliver consistent services. HR may

constantly be in a position to reevaluate its role in being an internal consultant. (Okamoto, 1993, p.3)

Balance, flexibility and some degree of marketing may be the key. How does HR sell the internal consultant role? Fitzsimons (1993, pp. 2-4) suggests that HR departments must know the market and know HR capabilities. Central HR needs to look and act like a team of external consultants in terms of preparation and selection for a given project. It is important to cross sell your services across the organization and track services in terms of billing hours. In addition, be available to an extreme to your customers, be flexible, and concentrate on creating an internal marketing kit. Fitzsimons also warns HR to never turn on auto pilot. Keep up with advances in HR. HR will be regarded as the expert.

Chuck Nielson, vice president of HR, Texas Instruments sums up the changing role of HR quite practically. He says, "In the past, the HR function has been like a spare tire kept in the trunk: In an emergency, it's taken out, but as soon as the emergency's over, it's put away. Now I feel that we're a wheel running on the ground." (Caudron, August, 1994, p. 5)

Conceptual Framework

This research describes the number of staff dedicated to human resources activities delivered in line departments in six human resources functional areas. These areas are: benefits, compensation, employee relations, employment, occupational safety and health, and organization development. Five of the functional areas are considered

traditional human resource functions. The one possible exception is occupational safety and health which is not as typically found within a human resources management area. Since this study will focus on human resources management at the City of Austin, and since occupational health and safety is an integral function of human resources management at the City, this functional area will be included in this study. Within each of the functional areas are numerous activities. This research will describe the level (centralized or decentralized) selected activities are currently performed at the City of Austin by determining what percent of staff time is dedicated to activities in each of the functional areas.

The functional areas are described below as they occur at the City of Austin, the setting for this research.

Benefits

The benefits function consists of program design and administration activities related to health benefits in an organization. These activities include negotiating health benefit contracts with providers, maintaining and routinely evaluating the contracts with cost containment as a high priority. Other activities may include wellness program design. Another major component of the benefits function is in the area of customer service delivery. This functional area ensures that employees enroll in benefits programs during open enrollment periods or when changes occur. They answer employee questions and ensure that claims are correctly processed. They are also responsible for communicating to the workforce what options are available to them as benefit packages change year to year.

Compensation

The compensation function is responsible for maintaining a job classification system that accurately reflects employee's jobs. It approves new job titles, and job descriptions as changes occur. Staff in this area may determine the FLSA (Fair Labor Standards Act) status of employees (exempt or non-exempt). This functional area of HR is responsible for conducting market studies, developing market placement models and applying the model to job classifications. City-wide pay strategies are developed in this functional area. Placement in pay grades is designed and determined by HR staff in this area. Reclassification requests are usually managed here. They are responsible for communicating policy and procedure on compensation issues.

Employee Relations

The employee relations area is responsible for drafting, interpreting and communicating city-wide policies and procedures and ensuring that they are consistently enforced. This functional area responds to complaints of harassment, sexual harassment, discrimination and other complaints of unfair treatment. Many of this areas activities focus around communication, investigations and hearings. Trend tracking and preventative strategies may be designed here. An example of a preventative strategy is implementing a City-wide workplace violence prevention program that includes awareness training, stress reducing workshops, policy and procedure development.

Employment

The employment function is responsible for recruitment and hiring. They coordinate and produce job vacancy bulletins and accept applications for vacancies. They ensure that job advertisements comply with federal law. Staff in the area implement

strategies to recruit employees to improve diversity initiatives in areas of underutilization and to recruit employees in hard to fill positions. This area is responsible for screening applications for minimum qualifications and conducting all applicable reference checks before a candidate is hired. Employment makes sure that all new employee paperwork is completed and that the employee is schedule for new employee orientation.

In addition, the employment area coordinates reduction in force (RIF) activities. It establishes procedures and manages the process. This functional area also has a communication component. It must ensure that changes to state, federal or city regulations that recruitment and hiring are communicated to appropriate staff.

Occupational Safety and Health

The occupational health and safety function is responsible for ensuring that employees have a safe and healthy work environment. There is a focus on accident prevention. Developing accident prevention plans, preventing hazardous conditions, workstation ergonomic assessments and training on all aspects of worksite safety is included in this area. This area also manages workers compensation claims and return to work programs for injured workers. Staff in this area is responsible for management and administration of federally mandated programs such as the alcohol and drug testing program.

Organization Development

The organization development function is responsible for designing and delivering city-wide and some department specific training. It is also responsible for designing and implementing major change city-wide initiatives like instituting a performance appraisal system, managing a workplace literacy program, designing a

quality or diversity initiative. In addition, this area is responsible for the design and delivery of new employee orientation, supervisory training and various other non-technical training that has organization impact. Staff in this area provide facilitation and consultation services to work groups at all levels. There is also a research component that is responsible for conducting city-wide external and internal customer surveys.

The six areas above provide the conceptual framework for describing what activities are delivered at the line department level at the City of Austin.

Conclusion

There is no shortage of discussion in the literature about the issue of centralization versus decentralization in organizations. Whether to centralize functions or decentralize functions is really a question of how an organization is designed or structured. Structure is connected to where decision making takes place. A purely centralized structure concentrates all decision making and power in one place. It is evident, based on examples in this literature review, that organizations that are purely centralized rarely exist. The opposite is also true based on the literature. Organizations that decentralize all functions rarely exist. Most organizations fall somewhere in between. There are infinite degrees of decentralization. There are as many ways to structure an organization.

Organizations both public and private have changed over the past fifteen years. They are dealing with downsizing, restructuring, competition and numerous other business issues. Human resources departments are having to manage these major organizational changes because they impact the workforce. The trend for HR is to move

away from paper pushing activities to strategic business planning activities. Successful organizations have discovered creative ways to balance the need to provide basic HR services and to be a strategic, business oriented partners that are ready to respond and be accountable to multi-level organization customers.

The next chapter describes the City of Austin which is a classic example of an organization with multi-level customers with diverse needs.

CHAPTER 3: RESEARCH SETTING - THE CITY OF AUSTIN

The purpose of this chapter is to provide organization background about the City of Austin. It also provides some context for how human resources operates at the City. The Human Resources Department is currently going through a process of defining how HR should be managed. This research will describe at what level human resources services are currently delivered.

Organization Structure

The City of Austin has a Council-Manager form of government. The City Manager provides leadership to over 10,000 employees. The mayor and six council members are elected by the citizens of Austin. They can be re-elected to serve more than one term. The organization serves 526,000 citizens through over twenty departments and offices. The City of Austin organization chart (Chart 1) illustrates the current corporate structure. There are 10,000 employees in City departments who provide a wide range of services to citizens including: fire, police, emergency medical services, community clinics, convention center, libraries, utilities, parks, sanitation, airport, and public works. Internal support departments include: human resources, information systems, and financial services. (1997, New Employee Orientation Manual)

The City's vision has remained the same over the past six years:

"We want Austin to be the most livable community in the country."

City of Austin

CHART 1

Citizens of Austin

Mayor & City Council

City Manager
Jesus Garza
499-2200

Municipal Court
Ronald L. Zimmerman, Clerk of the Court
433-4692

City Clerk
Elden Aldridge, City Clerk
499-2210

City Auditor
Helen Niesner, City Auditor
499-2805

Municipal Court Judges
433-4840

Assistant to the City Manager
Toby Futrell
499-2304

- Agenda Office
  Sylvia Arzola, 499-2306,
  Amanda Friedman, 499-3297
- Customer Service Office
  Kay Guedea, 499-2307
- ⇗ Human Resources Department
  Joe Canales, Director, 499-3215
- ⇗ Parks & Recreation Department
  Jesus Olivares, Director, 499-6717

Financial & Administrative Services
Betty Dunkerley, Director
499-2450

Financial Services Department
- Budget Office, Charles Curry, Budget Officer, 499-2610
- Controller's Office, John Stephens, Controller, 499-2600
- Purchasing Office, Sue Brubaker, Purchasing Officer, 499-2050
- UCSO Department, Dorinda Pulliam, Officer, 322-2100

Information Systems Department
Linda Beth Brady, Information Services Officer, 499-2547

Small and Minority Business Resources Department
Reynaldo Cantu, Director, 499-7600

Assistant City Manager
Joseph L. Lessard
499-2195

Aviation Department
Charles Gates, Director, 472-5439

Emergency Medical Services Dept.
Sue Edwards, Director, 469-2054

Fire Department
Robin Paulsgrove, Chief, 477-5784

New Airport Project Team
John Almond, Director, 369-6613

Police Department
Bruce Mills, Acting Chief, 480-5009

Assistant City Manager
Marcia Conner
499-2432

Austin Convention Center Dept.
Robert Hodge, Director, 476-5461

Health & Human Services Department
Marcia Conner, Acting Director, 499-2432

Library Department
Brenda Branch, Director, 499-7445

Neighborhood Housing & Conservation Office
Bill Cook, Community Development Officer, 499-3100

Solid Waste Services Office
Willie Rhodes, Director, 495-1925

Assistant City Manager
Jim Smith
499-2428

Brackenridge Hospital, Charles Barnett, CEO, Seton, 323-1000
Electric Department, John Moore, Director, 322-6501
Law Department, Andrew Martin, City Attorney, 499-2268
P I O, Michele Middledrook-Gonzalez, Public Information Officer, 499-2410

Development Review & Inspection Department *(Supported by ISS)*
Alice Glasco, Director, 499-2728
Drainage Utility Department *(Supported by ISS)*
Mike Heitz, Director, 499-3433
Government Relations Office
John Hrncir, Officer, 499-2285
Planning, Environmental & Conservation Services Dept. *(Supported by ISS)*
Roger Duncan, Director, 499-3575
Public Works & Transportation Department *(Supported by ISS)*
Peter Rieck, Director, 499-7037
Water & Wastewater Department
Randy Goss, Director, 322-2916

Cross-functional Responsibilities

☐ City Auditor

☐ City Clerk

☐ Municipal Court

☐ Austin Independent School District
☐ Community Action Network
☐ Work Force Development

☐ Austin Transportation Study

Development Process,
Tracy Watson, Manager, 499-2613

Austin Convention & Visitors Bureau
Richard (Rio)Luber, Executive Director, 404-4366

Sustainable Community,
Roger Duncan, Manager, 499-3575

Issues Management

☐ Affordability: Program Review
☐ Automation
☐ Cable Television
☐ CIP
☐ Fleet
☐ Franchises
☐ Human Resources Mgt. System
☐ Internet
☐ Telecommunications

☐ Balcones Canyonlands Plan
☐ Community Policing
☐ Homeless
☐ 9-1-1 Emergency System

☐ East Austin Redevelopment
☐ The Austin Project
☐ Housing Initiatives
☐ Indigent Health Care

☐ Annexation
☐ Downtown Development
☐ Legislative Initiatives
☐ Strategic Partnerships

☐ Automated Workflow Processes
☐ Affordability: Implementation
☐ Cultural Facilities
☐ Self-Reliant Neighborhoods
☐ Human Resources Mgt. System
☐ Pay System & Strategies
☐ Success Strategies

5/1/97

⇗ Denotes departments included in study.

Major Initiatives

The City of Austin, like many other public and private organizations was pressured to change the how business was conducted. Issues like competition, outsourcing, reduced funding and increased mandates surfaced and had to be addressed. At the same time citizens were demanding more and better services for their tax dollars. As a result several major initiatives evolved. BASICS, Building Austin's Standard in Customer Service, was introduced by former City Manager, Camille Barnett. This total quality initiative focused on four fundamental principles:

- Managing "Moments of Truth"
- Knowing and understanding customer needs and expectations
- Developing and revising systems and procedures to ensure that they are customer friendly and,
- Recognizing and treating employees as customers too

The BASICS initiative forced the organization to change the way it conducted business and it was successful in many ways. Employees recognized that the organization had to respond to customer requirements in order to be competitive. Outsourcing was considered for some services. It became reality for some. Management recognized that employees needed training and the proper tools to provide quality customer service. There was a major refocus on training and upgrading technology. The effort also provided some common tools and language that enhanced service improvement, problem solving and team meetings. (1997, New Employee Orientation Presentation) The BASICS initiative started to link employee performance and productivity to business strategy. Budget deficits, competition and outsourcing was reality and the BASICS initiative provided processes, training and other tools for

employees to be successful. Employees expected human resources to provide services in the areas of training, compensation, employee relations, benefits and safety in order for them to succeed. Central human resources and line department HR was challenged to provide all of these services. (CoA, 1991, Blueprint for the Way We Work)

A new initiative was introduced by the current City Manager, Jesus Garza, in 1995. The City Council approved the addition of a new priority: affordability. The new priority builds upon the BASICS initiative. Affordability is defined as a guiding principle for how the City conducts business and incorporates two principles 1) providing the best possible service to customers 2) at a reasonable price. Affordability consists of four components (hereafter referred to as the "Affordability Strategy"):

- Benchmarking basic services. This means institutionalizing a process of benchmarking (comparing the City to entities of like size and characteristics) as well as comparing the organization's performance over time.

- Converting to a program budget. This meant that the City would build a program budget that allows the organization to see the complete range and nature of services. A program budget should present a clear picture of how resources are allocated to individual activities.

- Evaluating every City program during the next five years. A comprehensive program review will be achieved by the year 2000 by evaluating five City departments each year.

- Evaluating and streamlining the organizational structure. Analyze and remove management layers with the intent to redeploy resources, push decision making downward, expand workers' responsibility and autonomy, improve vertical and horizontal communication flows, and improve service delivery. (City of Austin October 27, 1995)

The expected outcome of the Affordability Strategy is a revitalized service organization by redefining boundaries, reengineering key business processes, Outsourcing nonstrategic activities, partnering with the community and meeting citizen

demands for more effective government. There is a clear business focus to the Affordability Strategy. As the Affordability Strategy was rolled out across the organization, anxiety among the workforce grew. In an article published in the employee newsletter in April of 1996, the City Manager recognized the frustration level of employees dealing with downsizing, restructuring and no general wage increase for the year.

In January 1997, "Affordability Year 2: A New Year's Commitment" was introduced. Affordability Year 2 focuses on the workforce. The intent is to build a competitive workforce that is skilled and motivated. Emphasis is on the pay system, employee relations and refocusing on workplace safety. All of these areas fall under the umbrella of the Human Resources Department. This initiative has challenged HR to focus and clarify roles of HR professionals at all levels in the organization.

Overview of Departments in the Study

Central HRD has a total number of 71 employees dedicated to providing services in these functional areas: benefits, compensation, employee relations, employment, occupational safety and health and organization development. This department serves the total employee population of 10,000. This is accomplished, for the most part, by developing City-wide policies and procedures, designing and implementing programs, interpreting policy, and monitoring compliance for all the functional areas. Central HRD also approves all final personnel actions which include promotions, demotions, transfers, termination's, and pay adjustments. More communication from central HRD is directed to line department HR staff than to individual employees. Line departments take

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information and disseminate it throughout their departments. Activities at the central HR level are more strategic in nature rather than operational. They tend to deal with policy development, program oversight that have significant organization wide impact.

The Department of Aviation has 2 full time HR staff, the manager and an organization development specialist. There are 217 employees at the Mueller Airport site (the new airport site is a separate department at this time). Many of the employees are operations staff performing custodial and field jobs.

The Convention Center has one single HR professional responsible for delivering HR services. The Convention Center has 170 employees at three different sites, the Coliseum, Palmer Auditorium and the Convention Center. A large percentage of the staff in this department are operations personnel, responsible for custodial and maintenance of the facilities. The department contracts out several services that are housed on site, including catering and audio visual. This department works closely with the Austin Convention and Visitors Bureau to attract conventions to Austin. Their efforts contribute to the collection of the bed tax which generates revenue for the City.

Infrastructure Support Services (ISS) currently does not show up on the City's organization chart. It was established about a year ago under Assistant City Manager, Jim Smith. The intent was to pool support services, including HR and finance to support four departments reporting to this Assistant City Manager. It is a mini-centralized support services department. There are approximately 1000 employees that ISS serves. The departments served include Development Review and Inspection, responsible for issuing building permits and inspecting construction; Drainage Utility, that works closely with the Water Utility; Planning, Environmental and Conservation Services, responsible

for many of the energy conservation and environmental services the City offers; and Public Works and Transportation that is responsible for roads and traffic lights. ISS has eleven HR staff that serve employees in several office sites and many field sites.

The Library has 3.5 HR employees that serve 434 employees at 19 branches. Most of the professional staff are librarians. The department employs many part time and temporary staff as library pages. The department has a high turnover rate for these positions. The Library is often under public scrutiny to provide more services in terms of expanded hours or additional branches. Since this department does not generate revenue (late fines don't begin to cover the expense of library materials) they rely on public pressure to influence annual budget allocations. The Library is constantly in the position of trying to do more with less.

Parks and Recreation has an HR staff of three. They serve 1200 employees spread over the City at parks, recreation centers, and pools. In order to staff City sponsored camps and pools, the department hires an additional 800-1000 temporary employees for the summer. Public demand for parks is high in the Austin area.

The Police Department has 14 full time HR staff that serves 1557 employees. Most of the employees, about 1100, are sworn officers operating under civil service code. The department is currently lead by Acting Police Chief Bruce Mills, who was assigned to that position after the resignation of former Chief Watson. The department is trying to increase the number of police officers up to current staffing levels by running three cadet classes this year. The department has been operating under approved staffing levels for the past few years.

The Solid Waste Services Department has 7 full time HR staff serving 385 employees. Most employees in this department are in operations, driving garbage and recycling trucks. This department's turnover rate is very high at 30%. The HR manager attributes this to low pay compared to private competitors and the high risk of injury. This department has been the center of public attention recently with the introduction of the Pay-as-You-Throw program where citizens must pay for garbage collection if it exceeds the standard container.

The Water Wastewater Utility is a large department of 1000 with 17 full time HR staff. This is a revenue generating department that is spread in many locations in the Austin area. They are responsible for managing the water utility for the Austin area. At this time they have no competitors for the service they provide.

The line departments outlined above serve 6,763 employees at the City of Austin, over half the employee population. These departments are representative of the diverse range of services that the City of Austin provides. The employees in these departments also represent the diversity of the workforce.

CHAPTER 4: METHODOLOGY

Purpose

The purpose of this chapter is to explain the methodology used for this research. The research purpose is to describe human resources services currently delivered at the City of Austin at the line department and central HRD levels. In other words, to what extent are human resources services centralized or decentralized. The percent of centralization and decentralization of six human resources functions is measured. The human resources services are categorized into six functional areas which are described later in this chapter. Two sources of data are used for this research.

Sources of Data

The first source is extracted from a City of Austin document entitled: The HR Model: Alignment of Human Resources Functions (1997) (See Appendix A for sample). The HR Model was developed by Human Resources Department staff including two human resources professionals assigned to this project (one of which is this researcher), the HRD division managers, the financial manager, the director and the two assistant directors. The purpose of this document is to determine what HR services are delivered at the City of Austin, to define roles of those responsible for delivery, to form a basis for developing a well trained staff prepared to deliver HR services, to strive for consistency in delivery, to delineate lines of accountability between central and line HR and to

establish performance measures for evaluating HR programs. The document outlines by functional area (conceptual framework categories), what services are centralized activities (performed by HRD) and what services are decentralized activities (performed by line departments). Table 4-1 lists the major activities by function (conceptual framework categories) that HRD provides centrally. These activities were taken directly from the HR Model document. Also listed is the number of FTEs assigned to each function. This number was taken from personnel/payroll records.

The functional areas in the HR Model and in the table are: benefits, compensation, employee relations, employment, occupational health and safety and organization development. The information provided in the HR Model was used in formulating the conceptual framework and the survey that was constructed for interviewing line departments.

The second source of data was the structured interview. The HR Model was used once again as a basis. Activities were extracted from the model developed by the Human Resources Department to construct the interview questions. Three specific questions and one general question was asked about each of the functional areas. In addition, general questions were asked about the name, size of the department and number of HR staff. Appendix B is a sample of the survey with complete questions.

The structured interview was used with eight line HR managers. Each question asked, "How much staff time is dedicated to "x human resources activity?" The manager responded by estimating, on average, how much time one full time staff person spends on the activity. The response could be in average number of hours per week or average number of days per week or average number of days per month or per year. For example,

Number	Function/Activity	Number FTEs
	Table 4-1 **Human Resources Department** **Activities/Services and Number of FTEs by Function**	
	Benefits	
HRD 1	Process the completed Benefits Enrollment Form.	
HRD 2	Design, manage and implement City-wide benefits programs.	
HRD 3	Administer the AustinHealth Network.	
HRD 4	Other Benefits-Communication, customer service	
	HRD Benefits FTEs	16
HRD 5	**Compensation**	
HRD 6	Maintain city-wide classification system and pay structures	
HRD 7	Develop and conduct market studies and set market points regarding pay.	
HRD 8	Develop City-wide compensation strategy and pay procedures.	
HRD 9	Other Compensation-conduct market studies, monitor placements on market models, approve alternate pay proposals, approve personnel action changes, communicate compensation policies and procedures	
	HRD Compensation FTEs	12
	Employee Relations	
HRD 10	Recommend, oversee and interpret revisions of corporate policies, procedures and administrative bulletins	
HRD 11	Conduct City-wide trend analysis and develop an action plan to address issues identified.	
HRD 12	Develop and manage the conflict resolution system for the organization	
HRD 13	Other Employee Relations-review department procedures for consistency, monitor and track employee complaints, conduct grievance hearings, review terminations before finalized, communicate policy, procedure.	
	HRD Employee Relations FTEs	9
	Employment	
HRD 14	Produce and maintain City-wide vacancy information for applicants on: bulletin, Employment Information Line and Web site.	
HRD 15	Design market strategies to promote the City to applicants.	

Number	Function/Activity	Number FTEs
	Table 4-1 (p 2) **Human Resources Department** **Activities/Services and Number of FTEs by Function**	
HRD 16	Oversee City-wide recruitment processes: establish processes, write procedures, communicate information and train departments.	
HRD 17	Other Employment-coordinate executive and charter-exempt recruitment, review and approve top candidates, maintain contract for temporary pools, collect and distribute employment applications, manage RIF process, communicate changes in law, place ads for vacant positions.	
	HRD Employment FTEs	10
	Occupational Health and Safety	
HRD 18	Develop and administer the Corporate Safety Initiative Program.	
HRD 19	Manage and administer City-wide Return-to-Work Program and Wage Continuation Program.	
HRD 20	Monitor and evaluate city-wide compliance with the COA and Department of Transportation Alcohol and Drug Testing requirements.	
HRD 21	Other Health and Safety-identify unsafe conditions and practices, respond to TWCC on Extra-Hazardous designations, design and deliver training on City-wide safety and health programs, provide case management.	
	HRD Occupational Health and Safety FTEs	10
	Organization Development	
HRD 22	Design, administer, manage and implement corporate initiatives. (New Employee Orientation, Success Strategy Performance Review, and Tuition Reimbursement)	
HRD 23	Design, communicate and deliver training offered city-wide. (Supervisory Training, Violence Prevention, Train-the Trainer, Ethics, etc.)	
HRD 24	Design, administer and analyze city-wide surveys. Provide technical support for design and implementation on department specific surveys, when feasible.	
HRD 25	Other Organization Development- provide consultation and facilitation services , design and administer workplace literacy program.	
	HRD Organization Development FTEs	14
	Total HRD FTEs	73

in response to survey question number one, "How much staff time is dedicated to providing customer service for benefits related questions?", the manager might say that one full time staff person spends approximately four hours per week delivering this service. Four hours per forty hour week was translated into 10% of one person's time or .1 FTE. If the response was in number of hours per week, a standard forty hour week was used. A response of two days per month was translated to mean 16 hours out of a total of 173.3 hours or 9% of one person's time or .09 FTE. These standards were used to calculate all responses.

1 week	=	40 hours
1 day	=	8 hours
1 month	=	173.33 hours (40 hours per week multiplied by 52 weeks per year divided by 12 months)
1 year	=	2080 hours (40 hours per week multiplied by 52 weeks per year)

All responses were first translated into number of hours. The number of hours was then divided by the number of hours in the day, week, month or year depending on the unit of measure (day, week, month or year) of the manager's response. This process was used to calculate the total number of FTE's dedicated to each functional area.

The following table (Table 4-2) links the survey questions and the HRD Model activities to the conceptual framework categories or functional areas. This table shell is completed in Chapter 5 - Analysis.

Table 4-2							
Percent Human Resources Activities Centralized/Decentralized by Function							
Function	Line Departments		Human Resources Department				
	Survey Questions	Number FTEs	HRD Model Activity	Number FTEs	Total FTEs	% Decentral- ized	% Central- ized
Benefits	Q1-Q4		HRD 1-4				
Compensation	Q5-Q-8		HRD 5-8				
Employee Relations	Q9-Q12		HRD 9-12				
Employment	Q13-Q16		HRD 13-16				
Occupational Safety & Health	Q17-Q20		HRD 17-20				
Organization Development	Q-21-Q24		HRD 21-24				

Advantages/Disadvantages of Survey/Structured Interview

The survey method was used for this research because surveys provide

information that can be used to solve problems. They can establish baselines for future

comparison. This is particularly useful for this research since the purpose is to get a

picture of what is currently happening with regard to human resources service delivery.

Once this is established, decisions about adjustments can be made. Surveys can describe

the number or amount that something exists. (Issac an Michael, 1990, p.228) In this case

the researcher will later describe the number of FTEs allocated to each functional area.

The structured interview, a type of survey method, was chosen because this

technique often yields higher completion rates than a written survey. Structured

interviews are more personal and permit in-depth, free responses. Interviews lend themselves a greater degree of flexibility and adaptability. (Issac and Michael, 1990, p.132) Respondents for this structured interview predictably were open and free with responses and did not hesitate to elaborate on questions.

Disadvantages of this method were experienced during the course of this research. Structured interviews take a great deal more time that a self-administered survey. (Issac and Michael, 1990, p.132) Each interview took from 90 minutes to two hours. The researcher scheduled 60 minutes for each interview. Because the respondents were so willing to share information, the interviews went over the scheduled time. In every case, it was the choice of the respondent to extend the time.

Another disadvantage of structured interviews is the risk of working with poorly constructed questions. (Yin, 1994, p. 80) The experience of this researcher with this survey suggests that the questions were written in such a way that it was difficult to answer the questions quickly. Each question took time and a lot of thought.

In addition interview respondents may be prone to bias or may be inaccurate due to poor recall. (Yin, 1994, p. 80) For this research, this may be true. It was difficult for respondents to accurately determine how much of their staff's time was dedicated to any particular activity. Only when they were talking about their own time, did respondents seem completely confident in their responses. The numbers appear to be somewhat inconsistent in departments. The total number of FTEs managers said they had on staff didn't match up with the calculations from the survey.

Sample

Respondents for the structure interviews included eight line department human resources managers representing departments with 170-2000 employees with distinct HR professional staff[7]. These departments have multiple work sites, provide diverse services, have employees at all education levels, performing professional, technical, clerical and operations jobs. The departments include Aviation, Convention Center, Infrastructure Support Services (which is a centralized administrative support unit that supports four departments including Public Works, Drainage Utility, Planning, Environmental and Conservation Services, and Development Review and Inspection), Library, Parks and Recreation, Police, Solid Waste Services, and Water Wastewater. The response rate was 100%.

Simple percentages are used to describe the results of the research. The next chapter reports the findings of the study.

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[7] Some departments at the City of Austin have employees performing HR activities as a subset of their main jobs. They are not HR professionals. Human resources activity can be a low priority.

CHAPTER 5: ANALYSIS

The purpose of this chapter is to discuss the findings of this study. It will describe the human resources services delivered at the central HRD level and those delivered at the department level.

Benefits

The benefits area appears to be the most centralized HR function. Table 5-1 below indicates a total of 20.55 FTEs dedicated to providing benefits services across the City. Twenty-two percent of this service delivery is done at the line department level while the remaining 78% is done at central HRD. Since so much of the activity in this area consists of program design, and contracting with benefits providers, it makes sense that the majority of activities take place at the centralized level. The annual open enrollment process which is initiated in line departments is labor intensive but only for about three weeks of the year. Direct customer service at other times of the year is done at central HRD. Line departments do not have ready access to the information or the expertise necessary to assist employees with changes to benefits plans. Other services that line departments provide like wellness programs do not take significant amounts of time. Infrastructure Services does appear to spend a greater amount of time than other departments on application processing, like Short Term Disability, Long Term Disability and Family Medical Leave Act (FMLA). This may be attributable to high injury rates in the operations areas of the departments ISS supports.

Table 5-1
Benefits FTEs by Department
Percent Centralized/Decentralized

Benefits Function	Q1 Customer Service	Q2 Proc. enroll. forms	Q3 App. processing	Q4 Other	FTEs
Aviation	.2	.4	.01	0	.6
Convention Center	0	.3	.3	.1	.7
Infrastructure Services	.2	.06	.75	.02	1.03
Library	.1	.08	.37	0	.55
Parks and Recreation	.15	.04	.08	0	.27
Police	.025	.12	.05	.16	.35
Solid Waste Services	.19	.23	.05	.2	.67
Water Wastewater	.01	.06	.25	.06	.38
Total FTEs Line Departments					4.55
Total FTEs HRD					16
Total FTEs Benefits					20.55
% Benefits Decentralized *					22%
% Benefits Centralized**					78%

* Line FTEs ÷Total FTEs

**HRD FTEs÷Total FTEs

Compensation

The Compensation Function is responsible for maintaining the City-wide job classification system. City-wide pay strategies are developed here. Design of pay strategies, monitoring and approval activities are provided centrally while line departments focus on initiating individual pay adjustments, reclassifications and determining salary ranges for new employees. Table 5-2 indicates that 62% of

compensation services are provided centrally while only 38% percent is done at the line department level.

As a result of the Affordability Strategy 2 initiative, central HRD is currently in the process of rewriting all job descriptions, implementing a pay for performance system, conducting market studies, developing market placement models for all job categories, working with departments on various alternate pay strategies and other related processes that have major impact on all city-departments. Compensation issues in general are very personal for employees. All this activity at the central level has forced line departments to respond to employee questions and concerns about what is happening with regard to compensation. Some departments like Solid Waste and Infrastructure Services are spending significant amounts of time addressing compensation issues. According to the HR manager at Solid Waste, the City does not pay garbage and recycling personnel competitively. Consequently the turnover rate for this department is high at 30 percent. The HR manager spends most of her time and almost two additional staff's time on compensation related activities.

At Water Wastewater, the HR manager also invests much of her time in trying to resolve compensation issues. According to this manager there are many unanswered questions about the City's overall pay strategy. Aviation, Convention Center, Library and Parks who have small HR staffs (1-3 FTEs) are spending on average .5 FTEs on compensation activities. Most departments expressed some level of anxiety about compensation issues in terms of central HR direction.

Although the survey indicates that most compensation services are delivered centrally, comments from line department HR managers indicate that this distribution

may not be the most ideal. While control over pay design etc. is currently centralized, this doesn't mean that there is clear direction or support from central HR.

Table 5-2 Compensation FTEs by Department Percent Centralized/Decentralized					
Compensation Function	Q5 Pay system comm.	Q6 Develop market model	Q7 Market studies	Q8 Other	FTEs
Aviation	.25	.2	0	.1	.55
Convention Center	.16	.15	.01	.09	.41
Infrastructure Services	.12	.75	0	0	.87
Library	.06	.25	.02	.1	.43
Parks and Recreation	.38	0	0	.45	.83
Police	.005	0	0	.02	.025
Solid Waste Services	.2	.05	2	.45	2.7
Water Wastewater	.4	.35	.25	.5	1.5
Total FTEs Line Departments					7.3
Total FTEs HRD					12
Total FTEs Compensation					19.31
% Compensation Decentralized*					38%
% Compensation Centralized**					62%

* Line FTEs ÷Total FTEs
**HRD FTEs÷Total FTEs

Employee Relations

The employee relations area is responsible for drafting, interpreting and communicating City-wide policies and procedures and ensuring that they are consistently enforced. The employee relations area is a focus area of Affordability 2. Consequently

central HR staff has grown over the past year from 5 to 9 FTEs. The central HR staff is focusing on establishing City-wide processes that address complaint prevention. They are also clarifying processes that address intervention on complaints. According to the data in Table 5-3, employee relations services are fairly evenly distributed with 46 percent delivered at the department level and 54 percent delivered centrally.

Of the time that line departments spend on employee relations activities, much of the time is spent in direct contact with individual employees. Managers at Aviation, Convention Center, Library, Parks and Solid Waste specifically commented that they spend a lot of time just listening to employee complaints and concerns. Police and Parks and Recreation spend significant amounts of time on disciplinary actions. According to the manager at Police, officers are held to a high standard, and therefore disciplinary action is initiated for even minor infractions. This manager spends most of her time on discipline related activities. The Parks and Recreation manager also spends a significant amount of time. Almost one FTE of the three HR staff in this department is dedicated to this activity. One full time person at Solid Waste spends time on employee relations activities, specifically responding to employee complaints. This may be related to frustration with compensation issues or the high risk of injury among the operations staff. At Water Wastewater, the HR Manager invests one FTE in mediation activities in the department.

Table 5-3
FTEs by Department
Percent Function Centralized/Decentralized

Employee Relations Function	Q9 Invest-igations	Q10 First responder	Q11 Comm. policy procedure	Q12 Other	FTEs
Aviation	.03	.1	0	.23	.36
Convention Center	.02	.22	0	0	.24
Infrastructure Services	.23	.75	.58	.17	1.7
Library	.16	.16	.05	.25	.62
Parks and Recreation	.05	.5	.01	.38	.94
Police	.05	1	.07	.48	1.6
Solid Waste Services	0	1	.02	.08	1.1
Water Wastewater	.02	.15	.09	1	1.26
Total FTEs Line Departments					7.82
Total FTEs HRD					9
Total FTEs Employee Relations					16.82
% Employee Relations Decentralized *					46%
% Employee Relations Centralized**					54%

* Line FTEs ÷Total FTEs
**HRD FTEs÷TotalFTEs

Employment

The employment function is responsible for recruitment and hiring. This area produces the job vacancy bulletin, accepts applications, designs market strategies to promote the City to applicants and performs all the tasks associated with hiring an individual for a position. Most of the activities in this area are task oriented. According

to the data in Table 5-4, only 34% of employment services are centralized while 66 percent are done at the department level. This data may be somewhat distorted. The HR Manager at Police indicated that 12.3 FTEs spend their time on employment activities. These include activities like payroll, records management, processing off-duty contracts, and processing personnel action forms (P4s). According to this manager thousands of P4s are processed in this department every quarter because of the high rate of promotions, demotions, disciplinary actions, transfers and other changes. There are 14 HR staff at Police. The HR manager commented in the interview that HR staff put in a considerable amount of overtime. Even so the 12.3 FTEs dedicated to employment activities may be somewhat inflated. It is important to note that payroll (collecting timesheets, distributing payroll) activities are not typical employment activities.

One of the three HR staff at Parks is dedicated to employment activities. Given the fact that this department hires so many temporary employees (close to 1000) every year, it is easy to see why they would spend so much time processing new employee paperwork for seasonal employees. This manager also indicated that a significant amount of time on payroll activities.

Other departments indicated that time in the employment area mainly consisted of screening employment applications and reviewing top candidates for minimum qualifications, before sending the recommendation to HRD.

Table 5-4
FTEs by Department
Percent Function Centralized/Decentralized

Employment Function	Q13 Job fairs	Q14 App. screening	Q15 NEO	Q16 Other	FTEs
Aviation	0	.02	.01	.05	.08
Convention Center	0	.05	.04	0	.09
Infrastructure Services	0	1.5	.5	.25	2.25
Library	.05	.16	.06	0	.27
Parks and Recreation	0	.23	.05	1.01	1.29
Police	.02	.05	.28	12.3	14.23
Solid Waste Services	0	.4	.4	.2	1
Water Wastewater	.05	.15	.125	.07	.395
Total FTEs Line Departments					19.6
Total FTEs HRD					10
Total FTEs Employment					29.6
% Employment Decentralized*					66%
% Employment Centralized**					34%

* Line FTEs ÷Total FTEs
**HRD FTEs÷Total FTEs

Occupational Health and Safety

The occupational health and safety function is responsible for ensuring that employees have a safe and healthy work environment. This area is also a focus of Affordability 2. Accident prevention is a priority. Developing accident prevention plans, preventing hazardous conditions, workstation ergonomic assessments and training on all aspects of worksite safety is included in this area. This area also manages workers compensation claims and return to work programs for injured workers. Staff in this area

is responsible for management and administration of federally mandated programs such as the alcohol and drug testing program.

Data collected (Table 5-5) for this area indicates that activities are fairly evenly divided between line departments (47%) and central HR (53%). These numbers are suspect. Of the eight line departments represented, six of them have significant numbers of field or operations staff. These employees may operate machinery, vehicles or perform duties that could be hazardous. To avoid costly workers compensation claims, it makes sense that a considerable amount of staff time is dedicated to safety and health activities. Of the eight departments, only one, Infrastructure Support Services, had safety staff reporting to HR. Four departments, Aviation, Convention Center, Solid Waste and Water had a safety function that reported elsewhere not to HR. Three departments, Library, Parks and Police, had no safety function at all. Since the safety function, for the most part, does not report to the HR manager, staff time dedicated to this area is probably underestimated with the exception of processing on the job injury/claims. The line departments spend a significant amount of time processing on the job injury/illness claim. Of all the time that the line departments reported dedicated to safety activities, most was processing claims. In addition Solid Waste Services dedicates one FTE to placing injured workers in light duty assignments. It is unclear from this research what occupational health and safety activities are being performed in line departments. Most HR managers interviewed simply could not give information about these activities.

Table 5-5
FTEs by Department
Percent Function Centralized/Decentralized

Occupational Health and Safety Function	Q17 App. processing	Q18 Safety audits	Q19 CDL testing	Q20 Other	FTEs
Aviation	.02	.01	.02	.02	.07
Convention Center	.02	0	0	.02	.04
Infrastructure Services	.5	.12	.23	2.25	3.1
Library	.12	.01	0	.04	.17
Parks and Recreation	.5	0	.01	.01	.52
Police	2	0	0	0	2
Solid Waste Services	1	0	.05	1	2.05
Water Wastewater	.88	0	0	.05	.93
Total FTEs Line Departments					8.88
Total FTEs HRD					10
Total FTEs OHS					18.88
% OHS Decentralized*					47%
% OHS Centralized**					53%

* Line FTEs ÷Total FTEs

**HRD FTEs÷Total FTEs

Organization Development

The organization development function is responsible for designing and delivering city-wide and some department specific training. It is also responsible for designing and implementing major change city-wide initiatives like instituting a performance appraisal system, managing a workplace literacy program, designing a quality or diversity initiative. In addition, this area is responsible for the design and delivery of new employee orientation, supervisory training and various other non-technical training that has organization impact. Staff in this area provide facilitation and

consultation services to work groups at all levels. There is also a research component that is responsible for conducting city-wide external and internal customer surveys.

Data in Table 5-6 indicates that two-thirds or 66 percent of the organization development activities provides are done centrally while only one third is done at the department level. Just like the occupational health and safety numbers, the percentages for organization are suspect.

Two departments, Parks and Police, had no organization development (OD) function. Four departments, Convention Center, Infrastructure Services, Library and Solid Waste Services, have OD staff but they do not report to the HR manager. Only two departments, Aviation and Water Wastewater, have OD staff reporting to the HR manager. Responses indicated that of the OD activities that are provided in the departments, most of it was training.

Several HR managers commented that they rely on central HR to provide OD services in their departments so even though the percentages may be somewhat distorted, it is probably true that next to benefits, this function is the most centralized.

Table 5-6
FTEs by Department
Percent Function Centralized/Decentralized

Organization Development Function	Q21 Surveys	Q22 City-wide training	Q23 Consultation	Q24 Other	FTEs
Aviation	.05	.4	.2	.35	1
Convention Center	0	0	0	0	0
Infrastructure Services	0	1.25	.5	.5	2.25
Library	.09	.5	.5	0	1.09
Parks and Recreation	0	0	0	0	0
Police	0	.1	0	0	.1
Solid Waste Services	.1	.25	.15	.5	1.05
Water Wastewater	.01	.16	1.25	.33	1.75
Total FTEs Line Departments					7.24
Total FTEs HRD					14
Total FTEs for OD					21.24
% OD Decentralized *					34%
% OD Centralized**					66%

* Line FTEs ÷Total FTEs
**HRD FTEs÷Total FTEs

Summary

Table 5-7 below summarizes the percent of human resources activities that are centralized or decentralized by function. This indicates that the benefits, compensation and organization development functions are the most centralized areas while employment appears to be the most decentralized. Employee relations and occupational health and safety appear to be fairly evenly distributed. The numbers are suspect in the employment, occupational health and safety, and organization development areas. In employment, responses from the Police department may have inflated the decentralized number. In occupational health and safety and organization development, the decentralized numbers

may be underestimated since department staff in those areas sometimes do not report to the HR manager.

Table 5-7 Percent Human Resources Activities Centralized/Decentralized by Function							
Function	Line Departments		Human Resources Department				
	Survey Questions	Number FTEs	HRD Model Activity	Number FTEs	Total FTEs	% Decentral-ized	% Central-ized
Benefits	Q1-Q4	4.55	HRD 1-4	16	20.55	22	78
Compensation	Q5-Q-8	7.3	HRD 5-8	12	19.31	38	62
Employee Relations	Q9-Q12	7.82	HRD 9-12	9	16.82	46	54
Employment	Q13-Q16	19.6	HRD 13-16	10	29.6	66	34
Occupational Safety & Health	Q17-Q20	8.88	HRD 17-20	10	18.88	47	53
Organization Development	Q-21-Q24	7.24	HRD 21-24	14	21.24	34	66
Total all HR		55.39		71	126.39	44	56

Table 5-8 below compares the FTEs that were calculated from responses to interview questions 1-24 on specific functional areas with the response on the top of the interview that asks for the "Total Number of HR FTEs" in the department. Although the total number for the departments is only 3.3 FTEs off, two departments have big inconsistencies. It appears that police overestimated time dedicated to activities in the interview responses while Water underestimated.

Table 5-8 Calculated FTEs Compared to Reported FTEs		
Department	FTEs Calculated from Survey Responses Q1-Q24	FTEs Reported in response to: "Total Number of HR FTEs" at top of Survey.
Aviation	2.66	2
Convention Center	1.48	1.2
Infrastructure Support Services	11.2	11
Library	3.13	3.5
Parks and Recreation	3.85	3
Police	18.3	14
Solid Waste Services	8.57	7
Water Wastewater	6.2	17
Total FTEs	55.4	58.7

Key Observations

(1) This study revealed that line departments are not necessarily structured like central HR. As observed, safety and organization development often do not report to the HR manager. One possible implication of this could be that communication about initiatives coming from central HR and going through line HR departments may not get to the staff that is really performing this function. At best communication may be delayed. Another observation is that line HR is processing on the job injury claims and another functional area is working on accident prevention. It's obvious that these two activities are related and impact each other. Do the functional areas work together since they report to different managers? Although this study provides no evidence one way or another, this might be an area where more research is indicated.

The organization development function may be less of an issue. City-wide OD initiatives are usually communicated through department heads first and then are filtered

down to appropriate staff in line departments. Department directors appoint whoever they feel can best manage the initiative in the department. Sometimes this is someone reporting directly to the director. When there is a line department OD function, they are usually relied on to implement City-wide initiatives and provide department specific training and consultation. Other departments clearly rely on central HRD to provide this service.

(2) Central Human Resources and line department operate on two different levels. All perform some degree of activities in each of the functional areas. However the activities performed at the central level tend to be more policy development driven and impact the organization as a whole. Further study at the City of Austin might be to analyze whether planning at the central level is strategic and business oriented. At the line department level, activities seem to be operational, centered around direct employee services. Because line departments are located in the departments, they spend a lot of time interacting with employees and listening to their concerns.

Line departments are unclear about direction they are getting from HR especially in the compensation area. Line managers are frustrated by the control and lack of support. Role definition and accountability in this are needs to be defined. Clearly this supports the City Manager's concern about poor role definition, lack of consistency and accountability for HR.

Council concerns about duplication of effort appears to be unfounded since the central HR and line department HR do perform at two different levels. Since council is elected and since it is their job to find ways to save money, the issue of duplication of effort is always raised in the human resources management area. What is interesting in

looking at line departments is how one department, Parks and Recreation, can serve 2000 employees with three HR staff, when another department , Water Wastewater, has 17 staff to serve 1000. It is true that they are providing different levels of service. How HR staff is distributed among departments might be an area of future research.

(3) Line departments agree for the most part that compensation issues are demanding. Compensation is a sensitive area in any organization. The Affordability Strategy 2 initiative has forced a flurry of activity at the central HR level that is having enormous impact on the whole organization. Many issues are unresolved regarding many of the related compensation initiatives like pay for performance, market model placement, job reclassifications etc. Since the department workforce is so diverse and so many job categories exist, the task of planning a compensation strategy for the organization is enormous. Further study in this one area of HR is indicated judging from the elevated concern among HR line departments.

CHAPTER 6: SUMMARY AND CONCLUSIONS

The City of Austin, like many other organizations, is going through a process of reengineering key business process, outsourcing nonstrategic activities, dealing with competition, and a demanding citizen base that wants a more effective government. This effort began with the BASICS initiative when the City recognized that citizens were customers and that in order to serve those customers, the City needed to conduct business differently.

The Affordability Strategy had a clear business focus including benchmarking basic services, converting to a program budget, conducting program reviews of all departments and streamlining the organizational structure. The business focus of this strategy clearly impacted the workforce. Thus Affordability Strategy 2 was rolled out which has a human resources focus.

This study presents a picture of how human resources activities are delivered at the City of Austin. Central HR performs benefits, compensation, employee relations, employment, occupational health and safety, and organization development activities at the planning, development and program oversight level. The same functional areas are present in HR line departments to some degree. However it is important to note that line HR functions are not always structured like central HR. Activities and services performed at the line department tend to be more operations oriented. They provide direct services to employees. Line department are spending most of their time on employment but unresolved issues in the compensation area are also demanding. This appears to be a

result of the flurry of activity that is being done at the central HR level. Employment activities also take a significant amount of line departments time.

Issues raised by the City Manager about role definition, consistency and accountability appear to be real concerns for central HR and line departments as well. HR line managers were eager to be interviewed and share their thoughts. Further study at the City of Austin is indicated in three areas. The first area has to do with structure at the central level versus structure at the line level. Is it important for the line level HR functions to mirror the way the central HR level is structured? Another area is human resources strategic planning. Is the planning at the central HR level strategic and business oriented? The third area for additional study is on compensation. An analysis of the impact of the many compensation initiatives on the organization seems reasonable given the current concern among line departments.

This study provides a picture of what is happening at the department level versus what is going on in central HR. This provides a good basis for the current HR effort to realign all human resources functions. It provides a benchmark for future research and resource allocation. The service agreements resulting from the realignment will begin to clarify roles and establish accountability for all HR activities whether they are centralized or decentralized

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Appendices

HR MODEL: EMPLOYMENT

Centralized HR Function - Human Resources Department (Non-Negotiable)

HR Function: Employment
Department: _____

ROLE DEFINITION	CONSISTENCY		ACCOUNTABILITY
Services	Service Requirements	Reference/Mandate	Performance Measurements
	Skills/Training/Tools	Reference to Policy/Procedure	Program Measurements
Recruitment and Hiring			
Design market strategies to promote the City to applicants.	Skill(s): Knowledge of recruitment strategies.	COA Personnel Policies (8/1/96): Section II.A. 1.	75% or more of vacant positions filled on first posting.
Coordinate recruitment, selection, separation and all salary changes for executives and charter-exempt employees.	Skill(s): Knowledge of job market for executives.	COA Personnel Policies (8/1/96): Section I.A. and III.	Appointment made within four months of posting.
Coordinate department's presentation to Council on diversity initiatives. Provide statistics on staffing demographics, market availability, and staffing level summaries.	Skill(s): Computer. Presentation. Knowledge of market availability data.	Law: Civil Rights Act of 1991, Title VII of Civil Rights Act, Americans with Disabilities Act. COA Personnel Policies (8/1/96): Section I.A.	Presentation materials completed by deadline.
Maintain contracts and pools for temporary staffing services.	Skill(s): Contract negotiation and management. Writing RFPs. Tool(s): Purchasing procedures (TBD), TIBH Procedures.	Law: Americans with Disabilities Act COA Personnel Policies (8/1/96): Section I.A. and II.	95% placement by contractor when services for clerical positions are requested.
Produce and maintain City-wide vacancy information for applicants on: Job Vacancy Bulletin, Employment Information Line and Web site, and Austin City Connection.	Skill(s): Knowledge of computers and VAX system for Job Vacancy Bulletin, writing; coordination, knowledge of components of a job posting. Tool(s): Advertisement shell on VAX.	Recommendation: Human Resources Department.	Job Vacancy Bulletin produced on time.

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Appendix B
Structured Interview Guide

This interview is conducted as part of an applied research project to satisfy partial requirements for the Masters of Public Administration (MPA) degree. It is also done in conjunction with the City of Austin, Human Resources Department effort to address the issue of centralized versus decentralized service delivery of human resources functions. The purpose of this interview is to determine the percent of staff time that is dedicated to human resources services at the department level.

Department Name:_____
Total Number of HR FTEs:_____
Total Number of Employees:_____

Benefits

1. How much staff time is dedicated to providing customer service for benefits related questions (calls and walk-ins)?

    _____hours   _____per week   _____per year
    _____days   _____per month

2. How much staff time is dedicated to assisting employees with completing benefits enrollment forms?

    _____hours   _____per week   _____per year
    _____days   _____per month

3. How much staff time is dedicated to assisting with application processing and case management for Short Term Disability, Long Term Disability, and Family and Medical Leave Act (FMLA) leave?

    _____hours   _____per week   _____per year
    _____days   _____per month

4. How many additional hours of staff time is dedicated to delivering other benefits related services?

    _____hours   _____per week   _____per year
    _____days   _____per month

Compensation Planning

5. How much staff time is dedicated to educating employees on the city pay system?

    _____hours   _____per week   _____per year
    _____days   _____per month

6. How much staff time is dedicated to developing market point placement models for positions specific to your department?

_____hours   _____per week   _____per year
_____days   _____per month

7. How much staff time is dedicated to information gathering for market studies?

_____hours   _____per week   _____per year
_____days   _____per month

8. How many additional hours of staff time is dedicated to delivering other compensation related services?

_____hours   _____per week   _____per year
_____days   _____per month

Employee Relations

9. How much staff time is dedicated to conducting initial investigations on issues related to harassment, discrimination and sexual harassment?

_____hours   _____per week   _____per year
_____days   _____per month

10. How much staff time is dedicated to acting as first responder to other employee complaints/concerns?

_____hours   _____per week   _____per year
_____days   _____per month

11. How much staff time is dedicated to distributing, communicating, and implementing city-wide policies, procedures and administrative bulletins?

_____hours   _____per week   _____per year
_____days   _____per month

12. How many additional hours of staff time is dedicated to delivering other employee relations related services?

_____hours   _____per week   _____per year
_____days   _____per month

Employment

13. How much staff time is dedicated to representing your department at job fairs?

_____hours   _____per week   _____per year
_____days   _____per month

14. How much staff time is dedicated to conducting application screening?

_____hours   _____per week   _____per year
_____days   _____per month

15. How much staff time is dedicated to coordinating and completing new employee
sign-up paperwork and scheduling new employees for NEO?

_____hours   _____per week   _____per year
_____days   _____per month

16. How many additional hours of staff time is dedicated to delivering other
employment related services?

_____hours   _____per week   _____per year
_____days   _____per month

Occupational Health and Safety

17. How much staff time is dedicated to processing on-the-job injury/illness claims?

_____hours   _____per week   _____per year
_____days   _____per month

18. How much staff time is dedicated to conducting occupational safety and health
audits?

_____hours   _____per week   _____per year
_____days   _____per month

19. How much staff time is dedicated to ensuring appropriate commercial vehicle drivers
attend required alcohol and drug testing?

_____hours   _____per week   _____per year
_____days   _____per month

20. How many additional hours of staff time is dedicated to delivering other occupational health and safety related services?

_____hours   _____per week   _____per year
_____days   _____per month

Organization Development

21. How much staff time is dedicated to designing, delivering and assessing surveys targeted at department specific customers?

_____hours   _____per week   _____per year
_____days   _____per month

22. How much staff time is dedicated to city-wide initiative based training/communication to department staff?

_____hours   _____per week   _____per year
_____days   _____per month

23. How much staff time is dedicated to providing consultation services to department work groups and delivering appropriate interventions?

_____hours   _____per week   _____per year
_____days   _____per month

24. How many additional hours of staff time is dedicated to delivering other organization development related services?

_____hours   _____per week   _____per year
_____days   _____per month

Other human resources services delivered by your department:

Appendix C Aviation Survey Tabulations		
# HR Staff	2	
# Employees	217	
		Total FTEs
Benefits	FTEs	
Provides customer service for benefits related questions.	.2	
Assists employees w/ completing benefits enrollment forms	.4	
Assists w/app processing and case mngt for STD,LTD,FMLA	.01	
Other	0	.6
Compensation		
Educating employees on city pay system	.25	
Develop market point placement model for department jobs	.2	
Gathering information for market studies	0	
Other compensation-pay adjustments, reclassifications	.1	.55
Employee Relations		
Conducting investigations on harassment, discrimination, etc.	.03	
Act as first responder to other employee complaints	.1	
Distributing, etc city-wide policies etc.	0	
Other employee relations-mostly listening to employee concerns both work related and personal	.23	.36
Employment		
Representing at job fairs	0	
Conducting application screening	.02	
Coordinating new employee sign-up paperwork	.01	
Other employment-notification letters, completing open req, essential functions, writing ads, salary verification, etc.	.05	.08
Occupational Health and Safety		
Processing injury/illness claims	.02	
Conducting safety and health audits	.01	
Ensuring CDL drives attend required testing	.02	
Other safety and health	.02	.07
Organization Development		
Designing, delivering and assessing surveys	.05	
Training/communicating city -wide initiatives	.4	
Providing consultation services	.2	
Other organization development-designing, delivering dept. specific training	.35	1
Total FTEs dedicated to HR Activities		2.66

Appendix D Convention Center Survey Tabulations		
# HR Staff	1.2	
# Employees	170	
		Total
Benefits		
Provides customer service for benefits related questions	0	
Assists employees w/ completing benefits enrollment forms	.3	
Assists w/app processing and case mngt for STD,LTD,FMLA	.3	
Others-Wellness, Commuter	.1	.7
Compensation		
Educating employees on city pay system	.16	
Develop market point placement model for department jobs	.15	
Gathering information for market studies	.01	
Other compensation-determining salary ranges for new positions	.09	.41
Employee Relations		
Conducting investigations on harassment, discrimination, etc.	.02	
Act as first responder to other employee complaints	.22	
Distributing, etc. city-wide policies etc.	0	
Other employee relations-listening	0	.24
Employment		
Representing at job fairs	0	
Conducting application screening	.05	
Coordinating new employee sign-up paperwork	.04	
Other employment-	0	.09
Occupational Health and Safety		
Processing injury/illness claims	.02	
Conducting safety and health audits	0	
Ensuring CDL drives attend required testing	0	
Other safety and health	.02	.04
Organization Development		
Designing, delivering and assessing surveys	0	
Training/communicating city -wide initiatives	0	
Providing consultation services	0	
Other organization development	0	0
Total FTEs dedicated to HR Activities		1.48

Appendix E		
Infrastructure Support Services Survey Tabulations		
# HR Staff	11	
# Employees	1000	
	FTEs	Total FTEs
Benefits		
Provides customer service for benefits related questions	.2	
Assists employees w/ completing benefits enrollment forms	.06	
Assists w/app processing and case mngt for STD,LTD,FMLA	.75	
Others-Wellness, Commuter	.02	1.03
Compensation		
Educating employees on city pay system	.12	
Develop market point placement model for department jobs	.75	
Gathering information for market studies	0	
Other compensation	0	.87
Employee Relations		
Conducting investigations on harassment, discrimination, etc.	.23	
Act as first responder to other employee complaints	.75	
Distributing, etc. city-wide policies etc.	.58	
Other employee relations-ADA related, accommodations	.17	1.7
Employment		
Representing at job fairs	0	
Conducting application screening	1.5	
Coordinating new employee sign-up paperwork	.5	
Other employment-determining salary placement, coordinating job ads, determining essential functions, training supervisors on hiring procedures	.25	2.25
Occupational Health and Safety		
Processing injury/illness claims	.5	
Conducting safety and health audits	.12	
Ensuring CDL drives attend required testing	.23	
Other safety and health-training on CDL, DDC, First Aid, CPR, trench safety, HAZMAT and many others	2.25	3.1
Organization Development		
Designing, delivering and assessing surveys	0	
Training/communicating city -wide initiatives	1.25	
Providing consultation services	.5	
Other organization development	.5	2.25
Total FTEs dedicated to HR Activities		11.2

Appendix F Library Survey Tabulations		
# HR Staff	3.5	
# Employees	434	
		Total
Benefits	FTEs	Total FTEs
Provides customer service for benefits related questions	.1	
Assists employees w/ completing benefits enrollment forms	.08	
Assists w/app processing and case mngt for STD,LTD,FMLA	.37	
Others-	0	.55
Compensation		
Educating employees on city pay system	.06	
Develop market point placement model for department jobs	.25	
Gathering information for market studies	.02	
Other compensation-rewriting, SSPR, pay policies for Library	.1	.43
Employee Relations		
Conducting investigations on harassment, discrimination, etc.	.16	
Act as first responder to other employee complaints	.16	
Distributing, etc. city-wide policies etc.	.05	
Other employee relations-listening, visiting branches	.25	.62
Employment		
Representing at job fairs	.05	
Conducting application screening	.16	
Coordinating new employee sign-up paperwork	.06	
Other employment-	0	.27
Occupational Health and Safety		
Processing injury/illness claims	.12	
Conducting safety and health audits	.01	
Ensuring CDL drives attend required testing	0	
Other safety and health-lifting/pushing techniques	.04	.17
Organization Development		
Designing, delivering and assessing surveys	.09	
Training/communicating city -wide initiatives	.5	
Providing consultation services	.5	
Other organization development	0	1.09
Total FTEs dedicated to HR Activities		3.13

Appendix G Parks and Recreation Survey Tabulations		
# HR Staff	3	
# Employees-1200 regular, 800 seasonal	2000	
	FTEs	Total FTEs
Benefits		
Provides customer service for benefits related questions	.15	
Assists employees w/ completing benefits enrollment forms	.04	
Assists w/app processing and case mngt for STD,LTD,FMLA	.08	
Others-	0	.27
Compensation		
Educating employees on city pay system	.38	
Develop market point placement model for department jobs	0	
Gathering information for market studies	0	
Other compensation-processing personnel action forms, salary adjustments, review of temporary pay scales and placement	.45	.83
Employee Relations		
Conducting investigations on harassment, discrimination, etc.	.05	
Act as first responder to other employee complaints	.5	
Distributing, etc. city-wide policies etc.	.01	
Other employee relations-disciplinary actions processing	.38	.94
Employment		
Representing at job fairs	0	
Conducting application screening	.23	
Coordinating new employee sign-up paperwork	.05	
Other employment-seasonal employee sign ups, personnel actions, payroll	1.01	1.29
Occupational Health and Safety		
Processing injury/illness claims	.5	
Conducting safety and health audits	0	
Ensuring CDL drives attend required testing	.01	
Other safety and health	.01	.52
Organization Development		
Designing, delivering and assessing surveys	0	
Training/communicating city -wide initiatives	0	
Providing consultation services	0	
Other organization development	0	0
Total FTEs dedicated to HR Activities		3.85

Appendix H Police Survey Tabulations		
# HR Staff	14	
# Employees-1073 Sworn, 483 civilians, 15 temporaries	1557	
		Total
Benefits		
Provides customer service for benefits related questions	.025	
Assists employees w/ completing benefits enrollment forms	.2	
Assists w/app processing and case mngt for STD,LTD,FMLA	.0	
Others-coordinating promotion/retirement ceremonies	.16	.35
Compensation		
Educating employees on city pay system	.005	
Develop market point placement model for department jobs	0	
Gathering information for market studies	0	
Other compensation-determining salary ranges for new positions	.02	.025
Employee Relations		
Conducting investigations on harassment, discrimination, etc.	.05	
Act as first responder to other employee complaints	1	
Distributing, etc. city-wide policies etc.	.07	
Other employee relations-grievances, disciplinary actions	.48	1.6
Employment		
Representing at job fairs	.02	
Conducting application screening	.05	
Coordinating new employee sign-up paperwork	.28	
Other employment-payroll, records management, processing off-duty contracts, processing personnel action forms	12.3	14.23
Occupational Health and Safety		
Processing injury/illness claims	2	
Conducting safety and health audits	0	
Ensuring CDL drives attend required testing	0	
Other safety and health	0	2
Organization Development		
Designing, delivering and assessing surveys	0	
Training/communicating city -wide initiatives	.1	
Providing consultation services	0	
Other organization development	0	.1
Total FTEs dedicated to HR Activities		18.3

Appendix I Solid Waste Survey Tabulations		
# HR Staff-6 additional safety staff and 1 OD does not	7	
# Employees	385	
	FTEs	Total FTEs
Benefits		
Provides customer service for benefits related questions	.19	
Assists employees w/ completing benefits enrollment forms	.23	
Assists w/app processing and case mngt for STD,LTD,FMLA	.05	
Others-deferred compensation, W-4 questions, leave balance questions, etc.	.2	.67
Compensation		
Educating employees on city pay system	.2	
Develop market point placement model for department jobs	.05	
Gathering information for market studies	2	
Other compensation-working w/central HRD to rework blue collar positions	.45	2.7
Employee Relations		
Conducting investigations on harassment, discrimination, etc.	0	
Act as first responder to other employee complaints	1	
Distributing, etc. city-wide policies etc.	.02	
Other ER-dealing w/union issues, CDL positive test process	.08	1.1
Employment		
Representing at job fairs	0	
Conducting application screening	.4	
Coordinating new employee sign-up paperwork	.4	
Other employment-pre-employment drug tests, assis applicants to fill out apps, process temporary to regular employee paperwork	.2	1
Occupational Health and Safety		
Processing injury/illness claims	1	
Conducting safety and health audits	0	
Ensuring CDL drives attend required testing	.05	
Other safety and health-return to work/light duty assignments	1	2.05
Organization Development		
Designing, delivering and assessing surveys	.1	
Training/communicating city -wide initiatives	.5	
Providing consultation services	.5	
Other OD-dept specific training design and delivery	.5	1.5
Total FTEs dedicated to HR Activities		8.57

Appendix J Water Wastewater Survey Tabulations		
# HR Staff- 5 Safety staff report to Operations	17	
# Employees	1000	
		Total
Benefits		
Provides customer service for benefits related questions	.0	
Assists employees w/ completing benefits enrollment forms	.06	
Assists w/app processing and case mngt for STD,LTD,FMLA	.5	
Others-processing retirement paperwork	.06	.38
Compensation		
Educating employees on city pay system	.4	
Develop market point placement model for department jobs	.35	
Gathering information for market studies	.25	
Other compensation-follow-up after implementation of salary initiatives	.5	1.5
Employee Relations		
Conducting investigations on harassment, discrimination, etc.	.02	
Act as first responder to other employee complaints	.15	
Distributing, etc. city-wide policies etc.	.09	
Other employee relations-conflict resolution, mediation, training on FMLA, discipline customizing policy procedure documents for Water, etc.	1	1.26
Employment		
Representing at job fairs	.05	
Conducting application screening	.15	
Coordinating new employee sign-up paperwork	.125	
Other employment-training related, educating supervisors on proper procedures	.07	.395
Occupational Health and Safety		
Processing injury/illness claims	.88	
Conducting safety and health audits	0	
Ensuring CDL drives attend required testing	0	
Other safety and health-dealing with positive drug tests	.05	.93
Organization Development		
Designing, delivering and assessing surveys	.01	
Training/communicating city -wide initiatives	.16	
Providing consultation services	1.25	
Other organization development-reward and recognition, development of training strategy, diversity training	.33	1.75
Total FTEs dedicated to HR Activities		6.2

Appendix K
Additional Comments from Interview
with Human Resources Manager
at Department of Aviation

- This department HR consists of one HR manager and a full time organization development person. The safety function is managed by operations staff.
- This department spends a significant amount of time on compensation issues
- The OD person has developed a full range of training and a tracking system for the department.
- The HR manager spends about 33 of his time listening to employees concerns, both work and personal. He believes that this approach is useful in reducing formal employee complaints and grievances.
- This HR manager has little confidence in central compensation initiatives, policies, procedures and staff.
- He has a strong compensation background.

Appendix L
Additional Comments from Interview
with Human Resources Manager
at Convention Center

- HR in this department consists of one full time HR manager that has no staff. There is one organization development person that reports to operations and does some safety. One administrator spends about 20 of her time on HR related issues.
- A significant amount of the HR managers time is spent on compensation issues.
- A significant amount of time of the HR mangers 's time is spent just listening to employee.
- This department has little confidence in the centralized employee relations function because she perceives HRD ER staff has little employee relations background. This manager has extensive ER background..
- This department serves 3 work sites

Appendix M
Additional Comments from Interview
with Human Resources Manager
at Infrastructure Support Services

- The organization development staff does not report to HR.
- A significant amount of the HR managers time is spent on compensation issues.
- There are many unresolved issues on compensation related to central HR.
- This department is a recently restructured unit designed by combining support staff from 4 separate departments in the areas of HR, finance and information systems, into one unit that serves those 4 departments. The four departments have widely diverse needs. It is a mini-centralized function.
- This department has formed service agreements for the delivery of all the support services with each of its customer departments.
- There are multiple work sites that this department serves.
- .

Appendix N
Additional Comments from Interview
with Human Resources Manager
at Library

- HR full time regular staff consists of 1 manager and 1 administrative support person.
- There is a full time organization development staff person but this person does not report to the HR manager.
- There is a 90 day temporary person that has been hired to work completely on market placement.
- An administrator dedicates about 20 of her time to HR related activities
- The HR manager spends a significant amount time on reviewing applications and ensuring that top candidate meets qualifications and assigning pay rate etc.
- This department has a lot of temporary employees and a lot of turnover.
- HR hires about 12 new employees every month.
- HR feels employment process is burdensome and would like to handle process independently of central HRD
- This department also spends a significant amount of time rewriting central procedures to fit culture of Library.
- This department is not confident in HRD central especially when it comes to compensation issues.
- Feels that some information that comes from HRD especially attachments to paychecks is ineffective. Employees throw away. So department spend a lot of time on internal communication.
- HR manager spends a lot of time on preventative employee relations by visiting branches in the evenings. Spends lots of time listening, about 25 of time.
- This department feels that it needs a full time employee relations/safety person.
- The HR managers spends a lot of time creating and updating a supervisor manual.
- This department has multiple work sites that it serves.

Appendix O
Additional Comments from Interview
with Human Resources Manager
at Parks and Recreation

- This department's workforce fluctuates according to the season. They hire close to a thousand summer employees to work at summer camps, pools, parks, nature centers etc.
- Consequently employment activities, especially processing new employee paperwork takes up an incredible amount of time.
- There are no safety or OD activities in this department.
- A significant amount of time is spent on discipline and performance procedures.
- Payroll activities take up a major portion of time.
- This department has many of work sites.

- This department has 1073 sworn officers operating under civil service policy and procedure.
- There are 483 civilians.
- Compensation issues in this department are minimal because the pay process is so well defined under civil service.
- An incredible amount of time is spent in this department on records management because personnel records are so often subject to court proceedings.
- It is routine for the HR manager to be subpoenaed weekly and to be required to produce officers complete career histories.
- Coordination of formal retirement and promotion ceremonies takes up a significant amount of time in this department. There are approximately 28 of these ceremonies a year.
- Thousands of personnel action forms are processed each quarter in this department because of the high rate of promotions, demotions, disciplinary actions, transfers, etc.
- There is an extremely high rate of disciplinary actions and grievances that take significant amounts of time in investigation, and processing through each chain of command.
- Four people are dedicated to payroll in this department.
- This department serves multiple work sites.
- Processing off-duty contracts takes an enormous amount of time for this department. Off duty officers who work as security must have one of these approved before s/he can work off duty. Every one of the 1000+ officers have at least 3 or four of these the must be processed and tracked.

Appendix Q
Additional Comments from Interview
with Human Resources Manager
at Solid Waste

- This department has a high turnover rate, 30,
- A lot of time is spent trying to fill operations positions, garbage truck and recycling truck drivers.
- Compensation issues unresolved. Market pays operations positions an average of $5 more per hour.
- Market also pays professional environmental positions significantly more therefore they are always losing these positions.
- Difficult working with central HRD to resolve pay inequities. Department sees central HRD as bogging down pay adjustment process which causes high turnover.
- Centralization of the compensation adjustment process does not give department the opportunity to be competitive for skilled workers.
- This HR manager feels that centralization of HR functions loses sight of the needs of line departments by being unresponsive to business needs and slow to respond.
- Structurally in this department, safety reports to operations and organization development reports to the department director.
- This department serves multiple work sites.

Appendix R
Additional Comments from Interview
with Human Resources Manager
at Water Wastewater

- This departments spends a significant amount of time training managers, supervisors and employees in all areas all areas, policy, procedure, conflict management, workplace violence, laws, etc.
- Water has spent a significant amount of work on alternate pay strategies like broad banding and skill based pay efforts.
- An administrative support market placement model has been recently developed and is in the process of implementation pending clearer direction from central HRD.
- This department is not getting the clear direction and sometimes gets mixed messages or no answer from HRD.
- Lots of compensation issues with central HRD are unresolved.
- It is unclear how pay for performance will be implemented, no answers from central HRD
- This department has a very sophisticated tracking data base of all HR activities and is able to produce reports easily.
- This department has multiple work sites.