

Proposed Orange County Sanitation District Resilient Staffing Policy

Has OCSD properly prepared for the future challenges of employee attrition and loss of institutional knowledge through employee development and leadership programs?

Summary Policy Statement

The Sanitation District will attract and retain high-quality talent to support its mission and continue to be an industry leader. It will safeguard leadership continuity and support effective performance of the organization by proactively monitoring the changing work environment and requirements to ensure development programs are relevant and build a skilled bench of readily available successors for key leadership and mission-critical positions.

Background

At the Sanitation District, employees are the organization's most valuable resource. With over 600 dedicated employees whose collective efforts make OCSD an industry leader, the Sanitation District continues to receive national awards and recognition. That is why, OCSD has committed to invest in its employees, resulting in a highly skilled and educated workforce carrying out the mission of protecting public health and the environment.

The Sanitation District has a diverse workforce and a wide range of expertise with approximately 70 percent of positions requiring a degree, certification, and/or license. Occupations on-site include scientists, engineers, environmental and regulatory specialists, operators, mechanics, construction inspectors, as well as professionals in public affairs, finance, IT, safety and human resources.

To cultivate a committed and engaged workforce in a competitive economy, OCSD must promote initiatives to attract and retain talent and prepare staff for successful careers. Strategic succession management initiatives have been developed and adopted that support the design and implementation of comprehensive workforce planning and development tools accompanied by activities that facilitate the improvement of workforce capability, adaptability, efficiency, and accountability. Strategic workforce planning empowers management to project the loss of knowledge and experience caused by retirement and attrition and utilizes a variety of methods to ensure that the Sanitation District has adequate access to talent internally and externally through the recruitment and selection process.

The Sanitation District has a competitive recruitment process that ensures we hire the best person for the job based on qualifications and merit. Human Resources utilizes an objective multi-hurdle approach to hiring which includes Human Resources review and recommendation, subject matter expert application screening, assessment centers, panel interviews (both for technical skills and fit), skills testing, background checks, and reference checks.

Programs that have proven effective in attracting, retaining and developing highly skilled staff for key positions, include:

- Vocational/Professional Student Internship Programs

Students from the Water Utility Science Program at Santiago Canyon College, and Los Angeles Trade Technical College work 28 hours a week and rotate through five technical trades for 53 weeks in our Operations and Maintenance Department. We started the program in 2010 with four positions and have grown to offer ten positions for each fiscal year. Furthermore, 14 of the program participants have been hired full-time since the program inception. The Sanitation District is piloting the program with other technical colleges in Southern California, to include Cypress College. OCSD offers student and vocational internships, as well as job shadowing and externships.

The Sanitation District's Professional Student Internship Program offers students an opportunity to work at the professional ranks while attending college full-time for a two-year maximum duration. OCSD partners with Cal State Fullerton, Long Beach, Cal Poly Pomona and UC Irvine, among others.

- Employee Development Program

In addition to legally mandated training, the Sanitation District provides training and development opportunities for the purpose of increasing job knowledge and to maximize skill sets in employees' current positions and to prepare them for future mission-critical positions. Comprehensive training programs include technical training through industry-specific associations or groups, local schools, and professionals as well as informal on the job training. Employees are encouraged to obtain job-related training necessary to keep OCSD current with recent industry best practices and developments in their respective fields of expertise and can receive Development Pay in select categories that the Sanitation District deems mission-critical. As 70 percent of OCSD's positions require a degree, certificate and/or license, the Sanitation District also promotes professional development through its tuition and certification reimbursement programs for courses completed toward obtaining an associate's, bachelor's or master's degree at accredited colleges, universities, or other institutions or industry specific certifications that are applicable to the industry.

- Workforce Vulnerability Assessments

Each year, the Sanitation District management conducts an evaluation of their respective departments and identifies key and vulnerable positions based on three criteria: criticality, retention, and difficulty to fill. Vulnerability assessments provide a broader view into the areas of the agency that could potentially be facing a high risk in turnover and are essential to operations. Management is tasked with identifying positions based on the criteria above, then making recommendations on the level of action that is required, complete with proposed action plans. Human Resources staff works closely with management to facilitate workforce vulnerability assessments to develop current and future

staffing plans. It is essential that the Sanitation District continues to focus its efforts on prioritizing staffing needs.

- **Talent Readiness Assessments**

The process includes departmental leadership evaluating staff and identifying key employee talent, as well as possible development efforts. Feeder positions are identified, and talent pools are developed between employees and management that align with agency goals and builds the talent pipeline.

- **Building Leaders and Skills for Tomorrow (BLAST) Program**

In 2011, the Sanitation District began a comprehensive leadership development program to supplement the technical training courses, and includes job shadowing, mentoring, web-based and instructor-led training on soft skills and leadership development. The goal of this development program is to ensure OCSD is building leaders at all levels. Development opportunities are offered to address the potential loss of talent and feed into the Succession Management and Employee Development programs, primarily focusing on soft skills training. The leadership development components include a public sector leadership academy with Cal State Fullerton, and a supervisory training program through Brandman University.

The Sanitation District partnered with UC Irvine, Cal State University at Long Beach and California Polytechnic University at Pomona, which provided students an opportunity to job shadow Human Resources and Engineering staff to gain insight into the profession, employment in the public sector and the wastewater industry. The Sanitation District employees also serve on Advisory Councils that weigh in on course curriculum at various schools, both at the high school and college level, across Southern California.

Throughout the agency, we have several employees who are active members of various professional associations, serve on a Board, or volunteer in various capacities within the industry. The Sanitation District staff is regularly asked to present and teach others about resource recovery. Recruiters attend job fairs, and work closely with universities, professional organizations, and serve on advisory committees.

Education and workforce investment programs represent the most important preparation we can accomplish today to safeguard the agency's future for tomorrow. Finding an adequate pool of applicants and retaining qualified workers is increasingly difficult, which we anticipate will continue on into the future. Retirements are disrupting employment within our industry and changes in technology have made work more complex.

Current Situation

Academics studying the labor force attribute labor shortages to workforce demographics. Depending on the source data, the timelines defining the start/end time of these groups may vary but generally - Baby Boomers are those born between 46-64, followed by Gen Xers 65-81, and lastly Millennials from 82-00. Close to half of staff or

49 percent fall into the “Gen Xers” category, followed by 32 percent made up of “Baby Boomers” and “Millennials” make up 19 percent of our employee population. The Sanitation District is currently facing a potential loss of close to half of its workforce – about 45 percent of employees, primarily from the Baby Boomers group, and some Gen Xers. This represents a potential loss of about 271 people to retirement alone and does not account for other forms of turnover. Hence the need to be proactive and strategic in OCSD’s approach to maintain its staffing levels and ensure continuity of operations. Currently, the majority of OCSD’s executives are eligible for retirement. Managers, our next level of leadership, closely follow with 45 percent of them eligible to retire now, and that number increases to 90 percent in five years. The Sanitation District has a little more stability in the trades and professional occupations with retirement eligibility at 53 percent in the next five years. OCSD has a lot of long-term employees with vast knowledge in their respective areas of expertise. Some employees have been a part of the OCSD family for over 35 years; and at last count, ten years was the average years of service. Looking at OCSD’s total attrition over the last five years, we have lost 3,025 years of knowledge and experience by 132 individuals leaving the agency since 2014.

In 2010, the Sanitation District proactively implemented a second retirement benefit formula (“classic open plan”) ahead of the Public Employee Pension Reform Act, which offered candidates moving from other public sector agencies to OCSD with a retirement benefit of 2.43 percent at 65, with zero employer paid member contribution. Based on the Sanitation District’s classic open retirement plan, OCSD is unable to compete for experienced talent from surrounding municipalities, who offer a retirement benefit of 2.5 percent or 2.7 percent at 55 and pay a portion of the employees’ contribution. Since implementation of the classic open plan in 2010, only 22 percent of new hires come from other public sector agencies. The Sanitation District has had experience with public sector candidates withdrawing from the process or declining job offers once they learn of the impact to the retirement benefit formula. The vast majority of new hires are coming from private sector and have no public sector experience requiring additional training. Given the legal restrictions which bind the Sanitation District to the classic open formula, it is critical OCSD focus its efforts on retaining current staff, attracting qualified candidates, and investing heavily into developing and growing employees’ knowledge, skills and abilities for the future, to address any potential talent shortages.

Future Policy Statement

Human Resources has and will continue to implement strategic initiatives that will ensure that workforce capabilities match the work required to meet the mission and levels of service. Staff is dedicated to proactively monitoring the changing work environment and requirements to implement programs now that address future vulnerabilities. Assessments of changes in business needs, demographics, workforce composition, and legal requirements are necessary to ensure resilient staffing.

Initiatives to Support Progress Toward the Policy Goal

Initiative: Maintain and enhance current effective development programs that are in place to provide the direction to identify, develop and select the next generation of prepared, capable and engaged leaders, which include:

- Vocational/Professional Student Internship Programs
- Employee Development Program
- Workforce Vulnerability Assessments
- Talent Readiness Assessments
- Building Leaders and Skills for Tomorrow (BLAST) Program

Initiative: Continue cyclical Classification & Compensation studies to ensure job classifications accurately depict the work being performed, to set compensation levels accordingly, and stay abreast of market benefit and salary data.

Prior to the next scheduled Classification & Compensation study, Human Resources will work with the Board of Directors and meet and confer with the unions to review selected survey agencies based on recognized classification and compensation standards and the job market in which we compete.