



Human Resources Recruitment and Hiring

*Fiscal Years 2022 – 2024
Report Date: April 23, 2025*

OFFICE OF THE CITY AUDITOR

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REPORT NO. 23-08

Purpose



**TO DETERMINE THE EFFICIENCY AND
EFFECTIVENESS OF HUMAN RESOURCES
RECRUITMENT AND HIRING**

Scope



FY 2022-2024

HUMAN RESOURCES OVERVIEW

Responsible for the entirety of hiring function for City departments (including Regular and Temporary employees) but exclusive of Police, Fire-Rescue, Constitutional Offices (Responsible for Council Appointees as requested by City Council)

Talent Acquisition division (7 employees) performs hiring function in conjunction with city departments.

| | 2022 | 2023 | 2024 |
|--------------------------|-------|-------|-------|
| Employees at June 30 (a) | 3,183 | 3,327 | 3,366 |

(a) Human Resources hiring function responsibility

HUMAN RESOURCES

New Hires and Departures from Service (a)

| | FY 2022 | FY 2023 | FY 2024 | Total |
|------------------------------------|------------|------------|------------|--------------|
| New Hires | 589 | 629 | 581 | 1,799 |
| All Departures from Service | 485 | 544 | 512 | 1,541 |

(a) Human Resources hiring function responsibility

Employees Hired in FY 2022 - 2024 (a) Separations from Service within One Year

| | FY 2022 | FY 2023 | FY 2024 (b) | Total | % of Employees Hired FY 2022 - 2024 |
|------------------------------------|------------------|------------------|------------------|-------------------|---|
| Hires | 438 | 464 | 387 | 1,289 | |
| Separations within 6 months | 195 | 155 | 58 | 408 | 31.7% |
| Separations 6-12 months | <u>52</u> | <u>42</u> | <u>30</u> | <u>125</u> | <u>9.6%</u> |
| Separations within one year | 247 | 197 | 88 | 532 | 41.3% |

(a) Human Resources hiring function responsibility but excludes Temporary Employees –
Temporary employees excluded from this data as not applicable to early separations

(b) FY 2024 Separations 6 -12 months not fully known until June 30, 2025

Employees Hired in FY 2022 - 2024 (a) (b)
Separations from Service within One Year by Reason

| Reasons | FY 2022 | FY 2023 | FY 2024 (c) | Total | % |
|-------------------------------------|------------|------------|----------------|------------|--------------|
| Resignation | 176 | 128 | 69 | 373 | 70.1% |
| Violation of City Policy | 22 | 15 | 5 | 42 | 7.9% |
| Job abandonment | 5 | 12 | 2 | 19 | 3.6% |
| Unable to perform job duties | 5 | 10 | 4 | 19 | 3.6% |
| In Lieu of Termination | 5 | 2 | 1 | 8 | 1.5% |
| Resignation – Other position | 4 | 4 | | 8 | 1.5% |
| No Show | 1 | 5 | 2 | 8 | 1.5% |
| All other reasons | 29 | 21 | 5 | 55 | 10.3% |
| Total | 247 | 197 | 88 | 532 | |

(a) Hired FY 2022 – 2024

(b) Human Resources hiring responsibility but excludes Temporary Employees

(c) FY 2024 Separations 6 -12 months not fully known until June 30, 2025

Separations from Service

All hire dates (a)

| | FY 2022 | FY 2023 | FY 2024 | Total | % | Total Employees at 6/30/24 (a) | Separations over three years as Percent of Total Employees |
|-----------------------|------------|------------|------------|--------------|-------|--------------------------------|--|
| Retirement | 79 | 69 | 58 | 206 | 16.7% | | |
| All other Separations | 347 | 358 | 321 | <u>1,026</u> | 83.3% | | |
| Total | 426 | 427 | 379 | 1,232 | | 2,827 | 43.6% |

(a) Human Resources hiring function – Regular employees only – no Temporary employees – all hire dates

Hiring Challenges



External

- General job market environment
 - Finding qualified persons willing to do the work
 - Workplace format – Virtual v. In-person – many City jobs cannot be done virtually
- Competition
 - Private industry
 - Other governmental entities
- Government employment often not seen as positively as private employment

Internal

- The hiring process has numerous required steps and parties involved
- Varying levels of understanding of the hiring process by management of some City departments
- Hiring status updates are not always consistently shared with the hiring department
- The hiring process can be time-consuming
- Perception that not having steps in the salary structure to recognize experience in position and support salary growth impacts hiring
- Turnover rate impacts recruitment and hiring workload

National statistics emphasize importance of an effective hiring/pre-boarding program



1 out of 5 new hires exits within the first 45 days of employment

(Gallup / BambooHR)

Around 9% of newly hired employees leave due to a poor onboarding experience

(HRD America, Paychex)

About 7 in 10 employees are more likely to stay 3+ years after a positive onboarding experience

(SHRM - Society of Human Resources Managers)

Employees with a better onboarding experience are 2.6 times more likely to feel satisfied at work

(Gallup)

Effective onboarding can improve employee retention and productivity by 52% and 60% respectively

(SHRM)

A good onboarding experience results in 18x more dedication to the employer

(BambooHR)

Hiring pre-boarding phase has 23 steps performed by:

Human Resources Talent Acquisition Analysts

Other entities – references, education verification, medical clearance

Hiring department

Human Resources Onboarding Team

Virginia State Police

Employee candidate

Norfolk Preboarding Process (a)

| Six Tasks leading to Candidate Selection | Approx time per HR (Workdays) | |
|---|--------------------------------------|----------------|
| | Minimum | Maximum |
| Hiring department prepares and submits requisition | 1 | 5 |
| HR creates and enters posting | 1 | 1 |
| Applicant submits application (required posting period for external classified positions) | 10 | 10 |
| HR reviews applications and creates shortlist | 1 | 1 |
| Department schedules and conducts interviews | 2 | 5 |
| Department makes selection and conducts reference checks | 3 | 5 |
| | 18 | 27 |

(a) Hiring process prior to new employee start date

Norfolk Preboarding Process (Cont.)(a)

A sample of 44 hires for the period FY 2022 – 2024 was examined for timeline between Job Offered Date and Employment Start Date

| Five Milestones after Candidate Selection | Approx time per HR (Workdays) | | Average for Test Sample (Workdays) | Average for Test Sample (Calendar days) |
|--|----------------------------------|---------|--|--|
| | Minimum | Maximum | | |
| Days from Offered to Sent Orientation Paperwork | 4 | 14 | 6 | 8 |
| Days from Sent Orientation paperwork to Fingerprints taken | 3 | 10 | 7 | 9 |
| Days from Fingerprints Taken to Cleared background (b) | 1 | 11 | 9 | 12 |
| Days from Cleared background to Start Date | 4 | 15 | 15 | 21 |
| Days from Offered Date to Start Date | 12 | 50 | 38 | 50 |

- (a) Hiring process prior to new employee start date
- (b) Note that the start date for external new hires is the starting date of a pay period (bi-weekly)

Improvements Implemented and Underway

Communications / understanding of process

- HR Onboarding Guide (issued January 2023)
- HR Recruitment and Interviewing Guide
- Monthly Talent Acquisition updates - reporting key performance statistics (Fall 2024)
- Recruitment and Interviewing for Supervisors
- Monthly Jobs Report to City Manager

Operational processes

- Adoption of e-reference and e-offer functionality – Conversion from manual to electronic process
- Interface between NeoGov and PeopleSoft - to automate new employee data upload - Being implemented
- Review and assessment of exit surveys
- Proposed staff and process enhancements for background checks

Assessment of current wage structure

- Merit Increases
- Bonuses
- Automatic reclassification
- Compensation and Salary Study recommendations proposed to City Council

Employee benefits – incentives to encourage employment with the City

- Educational / tuition assistance
- Ongoing training opportunities
 - Managerial – Agile
 - Supervisor Training
 - Interviewer Training
- Competitive Health and Wellness Benefits



Improvements Implemented and Underway

Recruitment Programs and Events

- Sign on and Referral Bonus Program
- Retention Bonuses
- Job Fairs
 - City – Sponsored Events
 - Colleges and Other educational venues
 - Military Events

Promotional activities

- Advertising Media
- Social Media



Audit Conclusion

Our examination of established policies, procedures, and practices related to recruitment and hiring disclosed that they were generally adequate. We found that Human Resources faces challenges as they perform their recruiting and hiring duties. We found several improvements to their processes and procedures implemented before and during our audit.

We did find some areas that need to be enhanced to address:

- Opportunities to streamline the hiring process
- Departments having ongoing access to candidates hiring status
- Surveys conducted of new hires on the hiring process
- Surveys reviewed of resigning employees
- Monitor the timeliness of the preboarding process

Recommendations

Review and assess current hiring process for opportunities to streamline procedures

Ensure that departments have ongoing access to candidate hiring status information

Management Response

HR consistently drives improvements in this area. Some examples include those listed on slides #13 and 14; in 2022, requesting and receiving City Council approval to amend Chapter 2.1 of the Norfolk City Code 1979 to add one new article concerning limited competitive hiring procedures for certain non-sworn positions within the classified service when there is a severe and on-going emergency in filling vacant positions; utilizing temporary talent acquisition professionals to focus on departments with high vacancy rates; and most recently, requesting the City Manager's consideration on changes to the background check process.

Management Response

All departments reporting up to the City Manager are aware of and access their respective recruitment statuses via their user accounts in NeoGov, the City's applicant tracking system. Hiring managers and their assigned recruiters also communicate regularly about candidate status. Please note that hiring departments reporting to the City Manager manage their own scheduling and candidate interviews and notify HR when interviews are complete, and they have identified a top candidate. In addition, HR holds formal monthly meetings with departments to review the status of all recruitments.

Auditor's Comment – While City departments interviewed for this audit indicated general satisfaction with their relationship with their HR Talent Acquisition Analyst, several stated a lack of clarity in understanding the hiring process and the ability to monitor candidate progress.

Recommendations

Conduct surveys of new employees concerning their impression of hiring process

Assess the results of electronic exit surveys of resigning employees

Management Response

This improvement is in its final review stage and will soon be implemented. Please note that general feedback is currently solicited from new employees at the conclusion of New Employee Orientation (NEO).

Auditor's Comment – We note that a New Employee Resources portal was recently opened on the City website after the completion of this audit which provides valuable information to new members of the City of Norfolk workforce.

Management Response

Several years ago, HR implemented an electronic voluntary exit survey. Results are reviewed and action is taken on meaningful data. The voluntary nature of this data limits its completeness and usefulness, however, related information is also available from other sources.

Recommendations

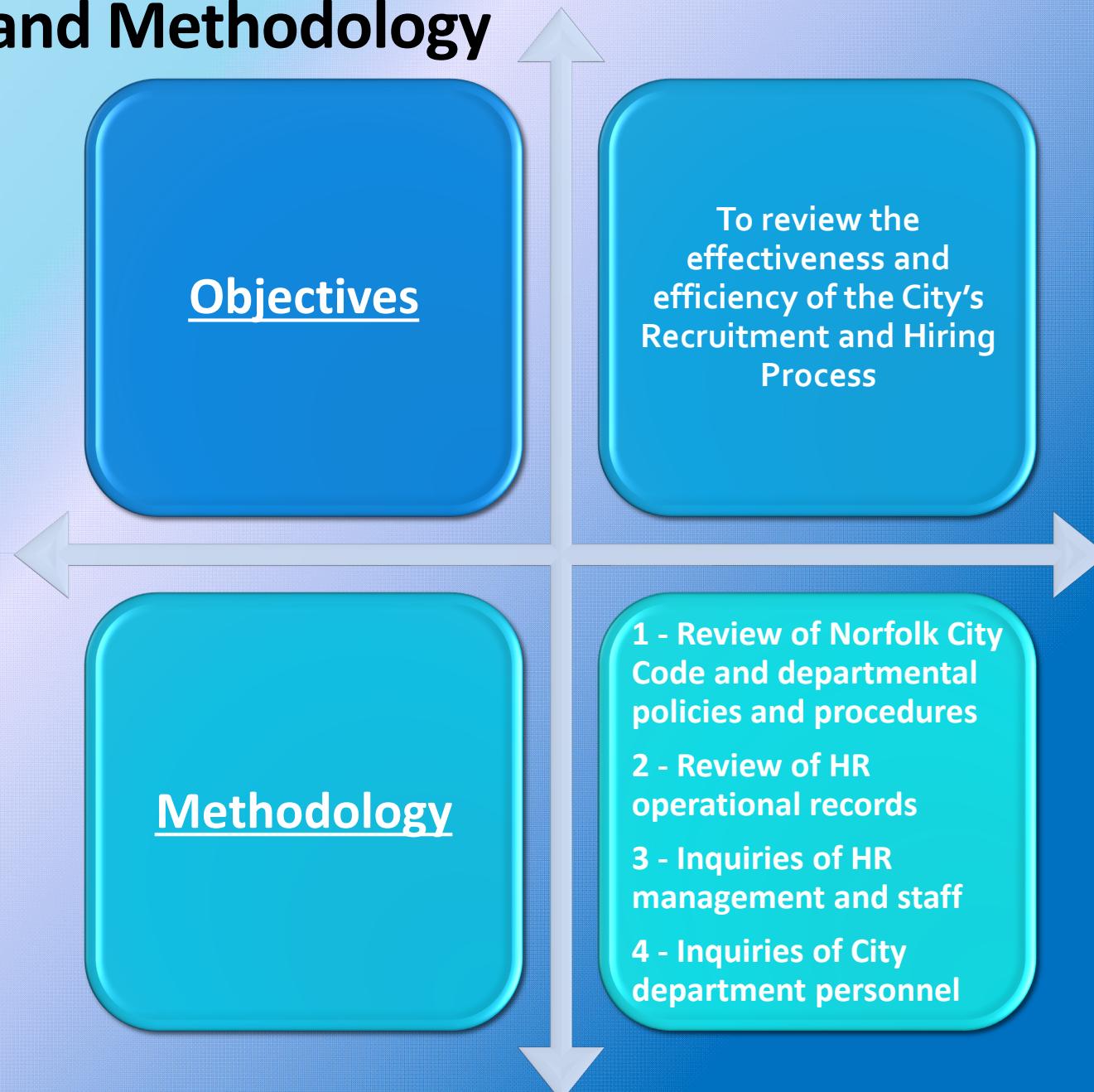
Develop and implement performance measures to monitor timeliness of preboarding process

Management Response

In 2023 HR timelines were established for employee hiring and onboarding. These continue to be monitored.

Auditor's Comment – The auditor is suggesting that the existing performance measures included in the City's Annual Budget document be reviewed to assess their value and that other performance measures be considered for implementation that may better gauge the effectiveness of the hiring / preboarding process.

Audit Objectives and Methodology





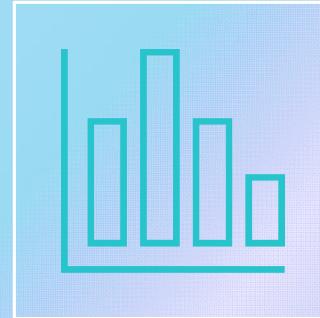
GAGAS Standards

- We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Statement of Independence

- Norfolk City Code Chapter 11 states that the City Auditor is appointed by City Council and that employees under the City Auditor serve exclusively at-the-will of the City Auditor. Accordingly, the members of the Office of the City Auditor are independent of City Management and thus independent per the GAGAS requirements.

Data Reliability



We relied on the data generated from the PeopleSoft personnel management system and the NeoGov applicant management system for this audit. These systems are in widespread use with highly accepted reliability, and we consider the risk from using this information to be low.

Internal Control



We assessed internal controls as required by GAGAS and determined the significance of internal controls to the audit objectives. We did not find significant internal control deficiencies.



thank
you

*We thank the Department of
Human Resources for its
cooperation and
responsiveness to our requests
during this audit.*

CITY OF NORFOLK
OFFICE OF THE CITY AUDITOR

If you have any questions, I can be reached at 757-985-5388 or via email at
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