Santa Clara Valley Water District
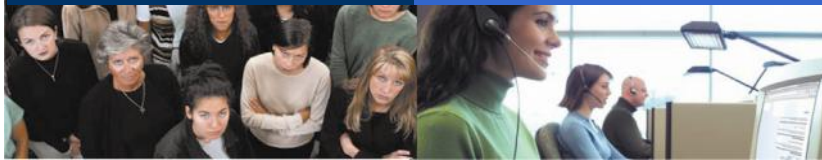## Audit of
Diversity & Inclusion Program,
& Supporting Programs of EEOP,
Recruitment, Promotion & CEPP

Santa Clara Valley Water District

THE LEADING EDGE

CA.GOV

Small Business Enterprise No. 42974
Disadvantaged Business Enterprise UCP No. 37450

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Introduction

The purpose of this study was to conduct a comprehensive diversity and inclusion audit at the District including an evaluation of the Diversity & Inclusion program itself as well as the degree to which supporting departments in Human Resources including the Ethics and Equal Opportunity Program (EEOP), the recruitment, hiring, and promotions policies and practices were fair and without obstacles and finally to assess the District's Classified Evaluation Performance Process. The goals of the project were to

> **Diversity is about who we are.
> Inclusion is how we work together.**

> (1) identify diversity and inclusion best practices which was concluded in the first report in this series;
> (2) analyze previous studies conducted for and by the District regarding Diversity and Inclusion issues and conduct original research to evaluate the **corporate culture**;
> (3) analyze the District's **hiring and promotion policies and processes** for evidence of obstacles or unfairness, and naturally, where there was a finding or variance, to make recommendations to align the District;
> (4) evaluate the **Classified Employee Evaluation program;**
> (5) evaluate the effectiveness of the **Diversity & Inclusion Program** and supporting policies and practices including the **Ethics and Equal Opportunity Program** policies and to make recommendations for alignment with Best Practice as well as structure and function.

CORPORATE CULTURE: STAFF PERCEPTIONS & UNDERSTANDINGS OF DIVERSITY & INCLUSION

The District has wrestled with work climate and diversity and inclusion issues for decades. Many staff say it is struggling with a corporate culture that has survived from its earlier history when the staff was smaller and more homogeneous. Over the years, as the numbers of staff have grown, sometimes in rapid spurts, the ability of the organization to absorb newcomers of all kinds has resulted in tension. The increased size of the staff plus the simultaneously increased heterogeneity has stressed previously existing understandings about how things are done at the District, what is or is not acceptable behavior, communication patterns, and most importantly, the informal power structure.

In this report, a description of the environment and analysis of possible root causes will be discussed using data from all known past studies which focused on staff perceptions. followed by a synthesis and recommendations.

RESULTS OF PAST STUDIES

The fact that the management has taken diversity and inclusion themes seriously can be seen in the numerous District wide studies which have been conducted over the years beginning with the 1996 study, Organizational Culture Survey and the 2009 Diversity and Inclusion Cultural Assessment. There have been special studies of specific areas in addition including one on women's issues. Staff satisfaction surveys have been regularly conducted with the latest one just completed in the fall of 2011.

In this report, a description of the environment and analysis of root causes will be discussed and synthesized using all known past studies analyzing the climate and staff perceptions will be summarized followed by a synthesis and recommendations. Description of the environment and analysis of root causes through a review and synthesis of previous work

1996 ORGANIZATIONAL CLIMATE SURVEY

The first formal analysis of diversity issues was undertaken from February to December of 1996. The analysis collected information from staff via a paper survey, staff interviews, and analysis of other District documents including policies, Board minutes, Affirmative Action plans and confidential EEO reports.

The survey asked questions in these general areas of organizational performance: communications, cultural diversity, job performance, supervisory leadership and organizational climate. Of these areas, cultural diversity was one of the most positively rated except for supervisor's abilities to handle racial or sexual harassment problems. Communications, job performance were lowest. Communications regarding job performance issues presented the most important of the problems by most employees. Selected survey results were as follows:

About two thirds of employees either disagreed or were unsure about job performance questions areas including receiving job performance standards information, feedback about how well they were meeting job expectations, and lack of recognition when they perform well.

A majority, 55%, of staff believed supervisors are able to deal with people from diverse backgrounds and treat people fair and equitably. However, this was in sharp contrast to being able to handle issues if problems arose when the confidence level in supervisors fell to 18%.

> "A study of employee's write-in comments provides poignant examples of the experiences, anger, disappointment and chagrin at some of the practices which are prevalent in the District. The high levels of feelings ... is readily apparent. The statements are generally well organized,

thoughtful, incisive and required extensive time to present in written form."
source: 1996 Employee Organization Climate Survey p 11. .

Analysis of write in comments and interviews resulted in the findings listed below:

- There is a perception that favoritism and power politics were the pathway for upward mobility.

- Membership in a minority group or low status job results in distinctly different experiences from white professional males. "*These out groups are not restricted nor defined by color but may be any subset of persons who are not in favor with the group in power. "*

- There are perceived issues of status and hierarchy inequities in terms of training, access to travel.

- There are integrity issues in terms of not reporting sick time, stealing, lack of confidentiality.

- Affirmative Action Office - was perceived not to be objective and to have total control for all job actions.

- There were overt acts of racial or sexual discrimination.

The report concludes with the admonishment that there were 'glaring issues which, unless addressed by the leadership may become the Achilles heel for a well situated and financially solvent organization. These issues are not likely to disappear over time or through attrition. .. The issues come with strong feelings. The report concludes with recommendations to develop an action plan with top management ownership, to analyze the data on staff in terms of composition, grievances, complaints, to develop accountability systems for managers in terms of employee productivity, communications.

1997 BOARD OF DIRECTORS EEO AUDIT RESPONSE

After Dr. Young's report, the Board of Directors held public, open meetings with all District staff invited which has now entered the District's often retold legends as 'the tent' meeting. Subsequently, there were also investigations of at least one overtly racist incident that was included in the report as occurring that was later investigated but could not be supported as valid upon closer examination.

2006-07 WOMEN'S INITIATIVE FOCUS GROUP

In 2006 the District hired an independent firm to conduct focus groups and develop a report and recommendations to understand and improve the situation of women at the

District. Both men and women participated together and separately in focus group discussions. The key findings are summarized below.

Staffing and Recruitment. There are increasing numbers of women at the District and the environment has improved. Men were feeling more comfortable due to support from District leadership, training and apprentice programs.

Personal Communication Styles. Men were viewed as exhibiting more condescending and demeaning behaviors including poor communication and listening skills, holding stereotypical views of women as support staff, and resentment of women in the field and technical areas. Some characterized communications and behaviors as rude.

Differential Access to Career Opportunities & Development. Some of the women felt that men had better access to career development and training opportunities. Women felt excluded from after hours networking opportunities that are important at the District.

Lack of Mentors. Some women are viewed as personifying the good old boy network by creating a good old girl network replacement.

The study recommendations reflect the unique issues that women face, but are also consistent with the findings and perceptions in the all-staff studies. These include:

- ✓ Conduct a promotional process review to determine if promotions have been made on fair basis.
- ✓ Increase discrimination and communications training
- ✓ Development of affinity networks
- ✓ Strengthen succession planning and career path development
- ✓ Conduct a study of access to training opportunities
- ✓ The hiring and promotion process should have external, strategic oversight.
- ✓ Good faith efforts in recruitment and promotions should be developed and published.
- ✓ A confidential and independent inquiry process for EEO issues should be established.

2009 DIVERSITY & INCLUSION CULTURAL ASSESSMENT

The 2009-10 Cultural Assessment was the most comprehensive analysis and view of the issues surrounding diversity and inclusion in the District's history. It was conducted by an intensive data collection effort which included interviewing ERG leadership, the Diversity and Inclusion Council, plus intensive face to face interviews with a random stratified sample of 52 staff members and culminating with an online survey of all staff.

The Leadership strata consisted of all chiefs, deputies, and 7 unit managers so that all major units were included. The Employee Representation Leadership group consisted of all union leadership as well as the presidents or vice presidents of the Employee Resource Groups (ERGs). The Employee Occupational Group strata was viewed as the one which would provide the most representative view of employees across the District. The purpose of this group was to ensure that voices of all staff were heard regardless of their participation in D&I programs.

Summary of Interview Findings & Insights

The District is a great place to work. For many of those interviewed, they went so far as to volunteer it was the best place they have ever worked. Noticeably absent from interview discussions were references to issues regarding salary, benefits, workload, stress, and burnout.

The recent rapid changes in leadership have been unsettling. Staff regretfully, almost wistfully, acknowledged the abrupt, recent changes in times at the District including attention on budgets, community awareness of the District and media attention. Newcomers frequently mention this shift as serving as a reality check for the longer term employees who are still thinking about 'back-in-the-day'.

In terms of Diversity & Inclusion, employees feel the District has made significant progress in recent years. Due to the large influx of staff, new staff and to some degree, a new generation of staff has made its impact. Staff feels the District environment in terms of diversity is reflective of its community, and a microcosm of society issues – no better and no worse. The zero tolerance policy and communications from leadership have been supportive of promoting this progress. A District sponsored diversity workshop done in the past was also viewed as excellent in setting a new tone for appropriate behavior in the workplace.

> *A consistent and recurrent theme, and perhaps our most important finding, is how perceived difficulties in the management of employee/supervisor relationships and perceived weaknesses in HR policies, procedures, and practices have impacted and continue to confound the District's Diversity & Inclusion landscape. This has been exacerbated by multiple outside influences impacting supervisor/employee communications and relationships leading to mistrust and a perceived lack of accountability on both sides of the table.*

Employee Perceptions of
Diversity & Inclusion Climate at the District

As might be expected, the range of opinions regarding diversity and inclusion at the District ranges the full gamut from lip service to gone too far.

Succinctly, and not too surprising, perceptions about the climate fall into fairly distinct but often overlapping and ambivalent camps. These are presented in order of their incidence expressed during the interviews.

We're there. Let's Move on – The Transition to Inclusion. The majority of staff accept diversity as a fact of life. They view it as a natural part of the work environment and life in the Bay Area.

This group views diversity as a largely moot issue at the District. They understand the rules and accept them. They have little or no activity or involvement in D&I activities and feel there has been enough or too much talk about it. Their philosophy can be characterized by the feeling that D&I issues are resolved, or as resolved as they can be, since they are reflective of the society at large, so let's move on.

> *"We have come a long way since the tent meeting. Management practices have changed. …. {but} We need to examine whether the same {hiring} goals we had back then are still serving our needs in today's environment."*

> *"I have a big question about the diversity events, should we really be doing these things at work with all the attention we get now? And the other is, if we have people who have problems, they should fix that, but most people don't need all this."*

An observation made by interviewers and an undercurrent in employees' commentary, is that Diversity & Inclusion concepts held at the District have been galvanized in a 1980s EEO/legalistic and power based mentality. Raising the issue of D&I has brought up the old images of 'the tent meeting' when there seemed to have been an emotional outpouring of feelings that have not been forgotten by staff who experienced it, and is still referred to by newer staff as the touchstone reference.

Recently hired staff feel it is now time to move beyond the compliance mentality and to address the more abstract issues of embracing full inclusion, equal access to career opportunities based on accountability and merit for all people at the District. These people welcome inclusion but do not necessarily support the current perceived approach to Diversity & Inclusion at the District.

Diversity to these younger staff is a way of working and way of life, not a department at the District and they don't appreciate the obstacles that may exist.

Political Correctness Gone Too Far.   Another relatively common staff perspective questions whether the pendulum has reactively swung too far. They question if it is now the diverse groups who are in favor and advantaged in terms of hiring and promotion preferences, access to power, and access to decision makers.   There are expressions that reverse discrimination exists.

> *"In my twenty years here, there's not a lot of change in terms of the climate….. {But now} we go out of our way to hire diverse, qualified candidates, maybe over a white candidate that is more qualified. We're not selecting the best candidates anymore."*

> *"The diversity hiring is putting a strain on us… {we do it} to a fault. Our department is a poster child for diversity. But what we need now is to quantify what the District finds of value and put it in a context or benchmark rather than being out of control."*

The expressions of discomfort with tokenism were not limited to traditionally majority employees, but also extended to employees belonging to historically disadvantaged groups.

In addition, women and African Americans wondered out loud if they were 'EEO' hires or if they were indeed hired due to their accomplishments and merits. If the staff themselves have these questions, naturally their colleagues wonder along with them.

> *"We have all these celebrations for other cultures. And now we have become so culturally sensitive that we {Christians} can't have a Christmas tree?"*

> *"There is a perception that race plays a part in hiring and in protection {of your job}."*

Final Barriers – Not Gone Far Enough.   Based on content analysis of interviewee responses to open ended questions, remnants of bias against some diverse groups is still perceived to exist.

No strong themes were identified in these interviews. However, African-American staff still perceive race to be a factor at the District.

There was also some suggestion that women are still not fully integrated into some units.

> *"Gender is still an issue we need to get started {on}. Women in the maintenance field are an issue still facing us."*

> *"They still just don't get women's issues here."*

Assessment of LGBT staff was not possible given the sample, but it may be that the comfort level with discussing gay/lesbian issues at the District may be an issue, and may vary across units.

Managing Change

The District has experienced rapid change over the last few years. Leadership changes, increased attention from the community and media, financial difficulties, silo operations within the District to mention a few. All the while, the District is trying to absorb a large and rapid influx of new, and diverse, staff into a well established, existing team. How this influx was managed is likely still influencing the current climate.

Transitioning ERGs -- from Social to Business Function

A consistent theme across all groups interviewed emerged with regard to questioning the current and future role of the ERGs. There was a perception that ERGs, while acknowledged as beneficial in the past, have lost some of their energy and direction.

> *"The ERGs now are negatively perceived and are very powerful in the District."*

Their former social function in organizing cultural events has declined as their business case and justification has been strengthen. During this transition, there has been questioning as to whether the ERGs have outlived their usefulness and are now a divisive rather than inclusive force.

> *"The ERGS were good, but they are past their useful life now. My question is, What about the rest of us? How do I share my cultural heritage and experiences if I don't belong to one of the ERGs? They sit at their tables at lunch and speak their own languages, I don't know how to approach them or if I'm welcome."*

Interviewees cite conflicts and competitiveness among the ERGs and what is viewed as unfair access to decision makers for exclusionary or personal agendas.

> *"We need to look at the effectiveness of the ERGs, are they are on the right track?*
>
> *"ERGs have gotten to be more 'them-versus-us' lately".*
>
> *"the ERG fire is dwindling, there are fewer resources and idea generation….They argue because they are not being heard."*
>
> *"…the groups are digging in…and {there are} uneven benefits of inclusion."*

The Evolution to Inclusion

The District can be proud that there was a general consensus that diversity goals have been accomplished. The judgment of just how successful depends on where one sits, but generally that the District reflects its communities, in composition and attitudes toward diversity.

While incidences of intolerance can not be, and should not be forgotten, there have been embarrassing, unforgivably racist events which have remained in workplace lore and legend for a long time and continue to be cited as examples of current day problems. *Some reflection should probably be given to why these images have lingered so long in the District's psyche, why there has been the tendency to look backward rather than forward.*

Key Issues
Impacting Diversity & Inclusion Perceptions

A number of recurrent themes arose from the interviews, but *please note these are summarized here as* <u>*perceptions*</u> *gleaned from the interviews.*

Circling the Wagons: Supervisor/Employee Relations. The possibility of multiple outside, powerful influences interfering with the supervisor/employee relationships in terms of career ladders and advancement is perceived to have had a detrimental impact on supervisors' willingness and ability to manage.

While line staff often complain that mid-managers are not up to the job, there was a perception that the line of authority does not seem to be well respected at the District. Mid-managers do not appear to feel supported as evidenced by limited communications, lack of feedback to employees, the reported indiscriminant performance review system, and juggling non-performing employees from one department to another.

There is a perception that the District is not addressing low performers. This includes the highest levels, to mid-managers as well as staff.

The challenge is how to facilitate development of supervisors and staff, communications and relations between them and not penalize anyone in the process.

External Candidates Bias & Candidate Debriefing. There is a feeling that hiring is biased toward external, historically under-represented candidates over internal staff. There is not a uniform practice of debriefing employees who are not promoted, leaving them to wonder if the reasons for their failures were inappropriately based on personal characteristics, rather than work related skills.

Career Ladders & Sponsoring Inside Talent. There was a strong felt need for development of career ladders, increased access to professional development opportunities, and increased opportunities among young staff, including engineering staff, to take on meaningful and progressively more responsible work assignments.

"Managers are not encouraged to develop a talent base internally."

"Internal candidates are not valued."

"People aren't told why they don't get a promotion. They need to hear that and then they can trust the system. Otherwise, people think his {race} must be the reason that explains it {not getting the promotion}."

Generational Shifts. Asked about the issues facing the District, naturally leadership shifts, finances and media image were at the top of the list. Closely following is a deep anxiety that the District is not facing its next big challenge: the transmission of knowledge to the next generation of District employees. Their anxieties include lack of career ladders, mechanisms to coach young staff, particularly engineering staff, lack of knowledge on how to develop talent, and absence of a mentoring philosophy at the District.

2011 Listening Sessions & Interviews

The 2011 audit consisted of intensive collection of statistical data and interviews with the process owners of those areas included in the assessment, group listening sessions and then targeted individual interviews.

Group listening sessions were held with the Diversity & Inclusion Council as a whole, without management staff present. As a result of what was heard at this meeting, the large group meeting was supplemented with two separate listening sessions with ERG leaders and then with the Council members who were not associated with an ERG but chosen based on their job classifications. *There was a breach of confidentiality in the discussion by members of the Council who were present and as a result, there will be a strong recommendation about Council member's role in preserving confidentiality.*

Individual interviews were also conducted and included union leadership to inform them of the goals of the study and to listen to any issues they may feel needed to be explored in the audit.

By design a limited number of targeted interviews were conducted with staff identified in previous work as an area of concern or a demographic of concern. The emotional tenor as well as the context of the conversations were unchanged from the 2009 interviews. Findings are summarized below.

Perceptions of District Climate and Processes

Managers do not have appropriate mechanisms at their disposal to get best performance from staff. The EEO and grievance process is used as a way to control managers, especially the anonymous process. The evaluation process is restrictive and not used to reward staff. There is zero reward for trying new things but lots of risk. They feel exhausted by meetings and directives, unappreciated, and unsupported.

Unclassified managers want to be the good guys and liked. They intervene in situations and interfere with goals of mid-managers, as a result, and without the facts.

The District uses a military command model of control. It is a strongly risk adverse culture, and as a result, very resistant to change. There is a lack of trust across chief sectors and as a result, change resistant silos exist that impede progress.

Retaliation is experienced at all levels of management and staff. Retaliation can come from areas where they are least expected because the social circles are stronger than the official lines of authority.

Many staff state there is an enormous sense of entitlement among their colleagues.

Hiring and promotions are unfair. People are promoted based on personal characteristics and relationships rather than work ethic or quality.

Access to training and professional development opportunities are uneven through the organization and where it is available, the opportunities are bestowed on favorites rather than in an equitable manner.

There is sparse praise or recognition for good work at the District. There is no meaningful evaluation system at the District. Few take it seriously. Comments, if present, are often vague and not helpful in terms of guiding future improvement in work habits or products. Dead wood and departments specializing in harboring dead wood are identified with regularity.

Supervisors expressed worries their staff would want raises if they received good reviews. The staff are well aware of this fear and expressed it in exactly that language:

> *"There is a fear that if you are praised you'll want a promotion... That is not a good way to treat employees."*

Hiring and promotion processes are characterized as flawed and often unfair and easily manipulated, even among those who have benefited from the system.

Diversity Council Summary of Findings

The Council is not viewed as effective and has not progressed the way they wished. They feel there are not enough opportunities for discussion of important issues.

There is a feeling that the group is ERG dominated. The people who are not ERG associated do not understand their role or why they are on the Council.

The ERG leadership do not uniformly or inclusively support the idea of the non-ERG members in the Council.

ERGs

From the ERG leadership, it was noted that their members have dwindled. They struggle to generate involvement and support for the program. Some described their organizations as 'on life support'. A round the table check in on the status of each of the ERGs gave these verbal responses:

ABE "almost dead";
Asian - declining numbers;
Boomers, very small, only 4-5 come to a meeting;
Vets - on life support
OLA - struggling to keep the enthusiasm up

In summary, leaders were burning out and want to be compensated for their time. They see the Diversity and Inclusion program as lacking focus and missing that, unable to demonstrate results.

There is a sentiment that membership in ERGs is stigmatizing.   This perception could be linked to the fact that ERGs are not liked or respected and that they have gone too far and are now a divisive force.   It is felt that they are a thinly veiled way to get the ear of leadership, to act as advocates in law suits, as a way to compete with other groups, and to push individual, not group, agendas.

There are no individual goals and roles for the ERGs and they are not guided appropriately.

Perceptions of the Diversity & Inclusion Program

Leadership express concern that there are no metrics for the D/I program and no evidence of the program's goals or progress made. Staff perceptions are that the program's goals and activities are unknown and ineffective. There are feelings that the program should be closed down.

Another reaction is puzzlement over its existence or suspicion that it is being used for personal gain or to placate certain segments of the staff.

> "I have never worked at a place that is as focused and obsessed with diversity and inclusion as the District. "

"It baffles me to this day, why do we need this when it's what we do everyday."

"The program should be empowered to do what it needs to or killed."

"{As it is now}... the program is set up to fail."

There was a feeling from a variety of sources that the name of the program needs to change, that it cannot overcome the current associations of the past.

Race at the District

While some interviewed thought the program was irrelevant, for others, it is a topic of engendering emotion among whites, Latinos, and blacks. According to African-Americans, there is a substantial racial subtext at the District. Others believe the race card is relied on too often and heavily and that there is favoritism among the blacks and high ranking blacks at the District.

2009 & 2011 Cultural Assessment & Workforce Satisfaction Surveys

The 2009 cultural assessment conducted by The Leading Edge included building and administering a survey of all District staff to evaluate the equity, diversity and inclusion climate. At the conclusion of the project, benchmark metrics were derived from the survey based on several factors: (1) fairness issues of concern to staff based on the in-person interviews, and (2) statistical analysis which identified predictive items using factor analysis of the overall results as well as sub-group analysis which showed differentiation among various District groups and (3) issues which linked to Board policies and (4) the goals of the Diversity & Inclusion program. These items were proposed to the District program staff, the Diversity Council and the Workforce Survey Implementation Committee and were adopted.

Unfortunately, of the 17 benchmarks chosen, only four were included in the 2011 survey. Of the four which were worded identically or nearly so, an additional complication is that the response categories were also altered.

The response rate of 65% dropped significantly, by 17%, from the last administration to 48%. There were about 224 questions, with many opportunities for narrative responses.

The ethnic representativeness of the survey can not be evaluated clearly since these categories were also modified and do not align to the way the District classifies staff for reporting purposes. Nevertheless, the numbers suggest African-Americans were over-represented and whites had a substantially lower participation rate than expected.

Therefore, due to these many changes, comparison of 2009 to 2011 should be made with reservation.

Findings

Comparison of the 2009 and 2011 results suggests a general decline in morale. Perceptions of teamwork ,for example, dropped by 13%. This finding is consistent with the 2011 interviews where staff volunteered there are silos and leadership issues which can make teamwork and projects more challenging than it should be. This trend could have an impact on the results regarding diversity and inclusion.

The comfort level of staff with the diversity and inclusion climate dropped from 57% to 47% and the value of the Diversity and Inclusion Program likewise dropped about 10% -- from 56% to 47%.

In 2011, only 51% of staff indicate their co-workers and supervisors model and practice inclusive behavior on the job. This is a alarming 21% drop from the 2009 levels (if the questions can be considered comparable) when 72% indicated they felt their colleagues modeled inclusive behavior.

Unfortunately, the fairness in hiring question was not included in the 2011 survey.

One of the issues that raised concern in the 2009 survey was that 11% of staff indicated humor was used to make fun of staff due to gender, race, religion or sexual orientation. The 2011 rate declined to 9%. Unfortunately, this may not be a significant difference since the confidence intervals for the survey are unknown, but surely greater than 2% difference we see here.

The issue regarding use of humor was higher among blacks and Latinos in 2009. In 2009, 33% of African-American staff reported issues and in 2011, the number was zero. The issue was unchanged among Latinos, however, with a 25% report rate in 2009 and 2011.

People at the district feel safe to express a difference of opinion without fear of retaliation (406 Responses)
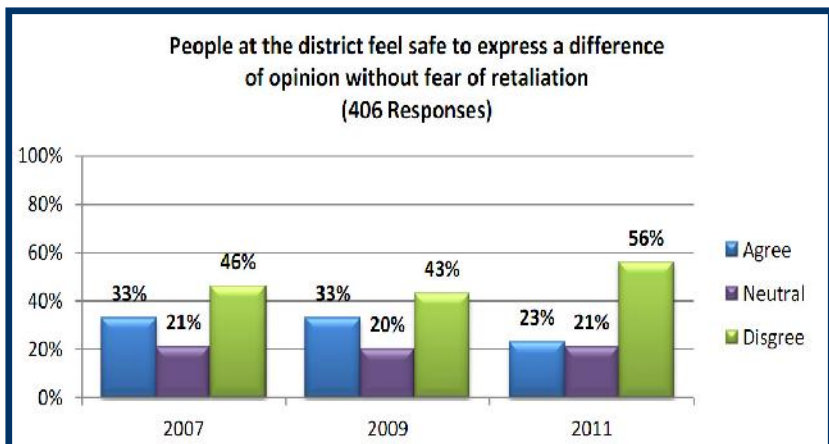
Fear of retaliation remains high at the District. From discussions with managers, these fears are not only for subordinates, but may also include fears of retaliation for poor performance appraisals by managers.

Table 1. Benchmark Indicators 2009 & 2011

Benchmark/Strategic Indicator	Overall* Results 2009	Overall* Results 2011	Sub-Group* Results 2009
DIVERSITY & INCLUSION			
I am treated with respect by....			
Coworkers	82%	N/A	
Unit Managers	74%	N/A	
Senior Leadership	53%	N/A	
Coworkers & Supervisors model inclusive behavior on the job.	72%	N/A	63% Skilled Crafts; 64% Latinos
I am comfortable with the District's current status in terms of Diversity and Inclusion.	57%	47%	42% Black; 47% Admin Unit
I am able to contribute to the maximum of my abilities	47%	n/a	40% of 0-6 Years Service; 38% Technical staff & 37% Males
I am encouraged to develop my job skills so I can advance my career.	47%	n/a	33% Skilled Crafts; 35% Males; 39% Staff of Color
I can reach my full potential at the District.	42%	N/A	32% of 18-35 Year Olds; 24% Asians
Humor is used to make fun of staff due to their gender, race, religion or sexual orientation.	11%	9%	33% Blacks; 26% Latinos
ERG ACTIVITIES			
I belong to at least one ERG	29%	N/A	
Quality of ERG Activities Overall	41%	N/A	
Quality of Trainings & Workshops	34%	N/A	
Belief in Value of the Office Diversity & Inclusion Program	56%	47%	
PERCEPTIONS OF FAIRNESS & RECOGNITION			
I would recommend the District as a good place to work for someone of my background.	74%	N/A	63% Admin Unit
Teams work together despite differences of opinion.	73%	60%	
Promotions reflect giving everyone a fair chance	24%	N/A	62% Unclassified; Managers 39%; Engineers 30%; 14% Watershed; Blacks 8%
The District recognizes all employees who excel at their jobs.	17%	N/A	9% Admin & 4.5% of Skilled Crafts; 0% Black; 14% Employees Union

SUMMARY

The studies that have been had performed over the last 15 years have been solid. They have identified many common findings and made many common recommendations. The 2009 and 2010 findings have showed that there has been improvement in the overt behavior at the District with regard to ethnic groups and women. In other areas, there has been little or no perceived change in the culture and methods of operating, always the most stubborn to change.

A dominant part of the culture of the District is the very influential, informal power structure that was born, matured and gained its power likely during the days of a smaller, more homogenous group of male and white dominated engineers in 1950s and 1960s. The culture of this sub-rosa power structure has continued to operate under the same informal rules and assumptions.

While every organization has its informal routes to expedite getting things done, this power structure seems to be especially tenacious due to the very low turnover rate which has resulted in an inordinate number of people who have literally grown up and grown old together.

This culture has blurred the formal lines of authority as well as communications. There may be remnants of ignoring what are viewed as the official, irrelevant administrative rules to the informal seemingly more expedient ways of getting things done. It has blurred the line between professional and personal relationships on the job.

So in these other areas, remarkably little has changed to impact the role of this influential, informal power structure at the District as evidenced by these continued perceptions of District staff:

- ✔ Perception of unfair hiring and promotions
- ✔ Abuse of influence and power
- ✔ Lack of respect for the hierarchy resulting in unfair access to powerful figures, including the Chiefs and the Board
- ✔ Lack of confidentiality and gossip as a form of control and power
- ✔ Difficulties with supervisor/subordinate communications
- ✔ Lack of professional development and mentoring for staff and mid-managers
- ✔ Problems working across Chief areas and management silos
- ✔ Public and symbolic alignments along racial lines

Organizations such as the District are notoriously resistant to change, often likened to a frozen iceberg and, like the iceberg, the official culture is clearly visible from the top, yet most of the action is below the surface. An important event is typically required to unfreeze these existing cultures. During these unfreezing times, the power vacuum is

quickly filled, often with different people, but with differing alliances. The new power structures, however, often use the same cultural models as templates for their own operations.

The now famous 'tent meeting' of 1997 seems to have been such a culture unfreezing shift. It has all the hallmarks: strong emotions, re-telling of the events so stories are now relayed by 2nd and 3rd generation staff, using it as a reference point to when things were recognized and changed. This unfreezing time typically means a time when existing structures relinquish power. Often a new guard with new alliances and a new set of in-the-know players form. The new power structure forms using existing role models only with a new in-group membership, their own informal sub-rosa way of getting things done, of personal interactions, of exclusion, of communication, and of patronage.

Hiring & Promotion Processes

While progress has been made in some areas of the diversity and inclusion landscape at the District, there is one problem that has remained consistent. Each of the previous studies of staff perceptions and attitudes have concluded that there is a long standing and deep mistrust of the fairness and integrity of the hiring and promotion processes at the District**.** For example, 71% of District staff felt the hiring procedures were unfair in the 2009 cultural assessment survey.

In addition to the surveys, comments in the surveys and analyses of interviews are replete with examples about unjust treatment of colleagues and less often, examples from personal experiences. These examples come from people who have been successful as well as those who have been disappointed. What has been badly needed is to examine to what degree these perceptions can be validated by the numbers, both in terms of the process and the outcomes.

The scope of this section of the audit report is to review the hiring and promotion policies and to statistically evaluate the impact of those policies on the composition of the District in terms of gender and ethnic diversity overall and then for the people who have been hired, promoted, dismissed or resigned. The standard or benchmark against which our analysis will be based is the workforce availability in the County as identified in **Board's Policy No. EL-10 EEO, Discrimination/Harassment, Prevention and Diversity** adopted in 1999 and revised in December 2009. Specifically item 10.4 indicates:

> "A BOA shall not.....Consistent with legal requirements, fail to assure that the District's work force fairly represents the composition of individuals in the available labor market who possess the requisite job skills."

The charge of this analysis is not a complete audit of HR hiring or promotion policies and procedures, nor of the department and its staff, or a review of individual case files, but rather a sensitivity review of the extent to which there are or are not institutionalized obstacles which would prevent all staff and potential applicants to have a fair and equitable opportunity for a job or a promotion.

Each analysis is organized by presenting first a summary of the sensitivity review followed by descriptive information and then analysis by gender and ethnic identification. Wherever data was available, appropriate statistical analyses are used if the numbers justify their use.

It should be noted that the District does not maintain information on a number of protected class characteristics and therefore, analysis is not possible. These include disability status, medical status, veteran status, sexual orientation, gender identity or religious preferences.

Male
62.06%

Female
37.94%

The first section of this analysis will begin with a demographic profile of the District, followed by analysis of internal job actions including promotions, upgrades, and terminations. Next, perceptions of the 2011 interviews are presented. The policy analysis and gap analysis and recommendations conclude the report.

DEMOGRAPHICS
DEMOGRAPHIC PROFILE OF DISTRICT STAFF - 2007-2011

While the written policies of the District appear to be sensitive to issues of fair representation and thus Best Practice, the real test of the effectiveness of these policies is how well they work and what is their impact on fairness. The questions that have long been at issue appear simple: Are the policies being implemented in a fair manner? Do they result in a representative workforce at the District? First, let's look at the current status, the demographic profile of the District. More detailed information can be found in Appendix 1 which contains detailed statistical tables of District staff by gender and ethnic identification.

The data in this section was provided by the District's IT department which included information on each full time staff member (without identifying names) for each of the last five years, 2007 to 2011. In addition, a job actions file for the same time period was requested and received which was used to analyze the promotions, transfers, resignations, dismissals.

The first and most basic analysis is first to establish basic demographics of the District in terms of job categories as well as personal characteristics of gender and ethnic identification. In 2011, the District employed 709 full time, permanent staff, 38% female and 62% male. The tables below show the ethnic breakdown overall and by Federal EEO job categories.

The District has experienced a 7% decline in full time permanent staff from 764 in 2007 to 709 in 2011. Table 2 also shows there was substantial growth in Latino, black and Asian staff between 2000 and 2007 and women increased about 3% during this time. However, from 2007 to 2011, the ethnic and gender proportions have remained steady.

Table 2. Trends in District Staff by Ethnicity & Gender 2007-2011

EEO Classification	2000 SCVWD	2007 SCVWD	2008 SCVWD	2009 SCVWD	2010 SCVWD	2011 SCVWD
Total Employees at the District	575	764	746	746	735	709
Race						
White	71.1%	52.5%	52.8%	52.8%	52.2%	51.8%
Hispanic or Latino	11.9%	17.9%	17.8%	17.8%	17.7%	17.8%
Black or African American	4.0%	7.1%	6.8%	6.8%	6.9%	7.2%
Am Indian or Alaska Native	1.8%	1.2%	1.3%	1.3%	1.2%	1.4%
Asian	11.2%	21.3%	21.2%	21.2%	21.9%	21.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gender						
Female	35.33%	37.83%	37.80%	37.80%	38.50%	37.94%
Male	64.70%	62.17%	62.20%	62.20%	61.50%	62.06%

Table 3 shows the District staff categorized along EEO occupational lines. The percent in each of these groups has shown no substantial shifts over the time period.

Table 3. Trends in District Staff by Job Classification 2007-2011

EEO Classification	2007 SCVWD	2008 SCVWD	2009 SCVWD	2010 SCVWD	2011 SCVWD
Total Employees at the District	764	746	746	735	709
Administration Professionals	21.6%	21.9%	21.9%	21.9%	21.2%
Sr Clerical	8.6%	8.6%	8.6%	8.6%	8.5%
Clerical	2.0%	1.7%	1.7%	1.5%	1.6%
Officials & Managers	11.1%	10.7%	10.7%	10.3%	10.4%
Supervisors	8.6%	8.9%	8.9%	9.1%	9.2%
Eng & Technical Professionals	17.3%	17.0%	17.0%	17.0%	16.5%
Scientific Professionals	4.5%	4.6%	4.6%	4.9%	4.9%
Senior Technicians	4.2%	4.8%	4.8%	4.6%	4.9%
Technicians	7.7%	7.5%	7.5%	7.4%	7.2%
Service & Maintenance	6.2%	5.6%	5.6%	6.3%	6.4%
Skilled Craftworkers	8.2%	8.7%	8.7%	8.4%	9.3%
	100.0%	100.0%	100.0%	100.0%	100.0%

District Demographic Profile Compared to the Santa Clara Work Force

Organizations who report to the Federal government on their EEO plan use a standard methodology of comparing the available workforce in each ethnic/gender group to the demographics of the workforce who work at an agency of interest. The concepts of interest which are used as a way of gauging if there is discrimination are called over-utilization and under-utilization.

The difference between available work force and the District work force is called the utilization. A group would be called over-utilized (a positive number) if the District has a higher percentage employed than are available in the local labor force. Under-utilization (a negative number) conversely means that the group is not being employed at a rate that than one would expect given their availability in the local population.

In this section of the analysis, Santa Clara County workforce availability is compared to the proportions at the District by ethnicity and gender and then by job classifications, often called EEO classifications. Table 4 below provides the proportion of the Santa Clara County Labor Force, the composition of the District staff, and the difference between the two proportions overall.

**Table 4. Gender and Ethnic Composition
Compared to Labor Force Availability 2011 -- All Occupations**

Gender/Ethnic Identification	SCC Available Labor Force	2011 SCVWD Employees	2011 SCVWD Laborforce Utilization
Male			
White	27.20%	33.15%	5.94%
Hispanic	11.77%	11.14%	-0.63%
Black	1.50%	4.51%	3.01%
Asian	14.24%	12.69%	-1.55%
Am Indian	0.17%	0.56%	0.40%
Other	1.79%		
Female			
White	21.23%	18.62%	-2.61%
Hispanic	8.50%	6.63%	-1.87%
Black	1.20%	2.68%	1.48%
Asian	10.80%	9.17%	-1.63%
Am Indian	0.16%	0.85%	0.69%
Other	1.42%		
	100.00%	100.00%	

The figures in Table 4 are gross numbers because they include all occupational classes. However, an overall look indicates that the District is over-represented by white and black males, and black females. Under-utilization shows up in Asian males and females and Latino females. Because of the highly technical nature of many jobs at the District, a more refined analyses is required and is provided in Table 5. Appendix 1 shows the detail for each of the categories presented in this table along with trend information.

Table 5. Gender and Ethnic Composition
Compared to Labor Force Availability 2011 -- By Job Classification

	Male					Female				
	White	Latino	Black	Native Amer	Asian	White	Latino	Black	Native Amer	Asian
Overall - All Employees										
2007 SCVWD	33.77%	11.91%	4.32%	0.52%	12.30%	17.93%	6.81%	2.75%	0.65%	9.03%
2011 SCVWD	33.15%	11.14%	4.51%	0.56%	12.69%	18.62%	6.63%	2.68%	0.85%	9.17%
SCC Available Labor Force	27.20%	11.77%	1.50%	0.17%	14.24%	21.23%	8.50%	1.20%	0.16%	10.80%
Overall District Utilization	5.94%	-0.63%	3.01%	0.40%	-1.55%	-2.61%	-1.87%	1.48%	0.69%	-1.63%
By Job Classification										
1. Administration Professionals	-6.67%	4.00%	1.67%	0.67%	-14.33%	2.33%	6.00%	3.67%	1.33%	2.33%
2. Sr Clerical & 9. Clerical	-13.77%	-6.59%	-2.00%	0.00%	-6.59%	12.07%	7.54%	6.45%	1.41%	3.49%
3. Engineering & Tech Professionals	-1.23%	3.69%	3.27%	0.00%	10.62%	-15.31%	-2.29%	0.71%	0.00%	1.53%
4. Officials & Managers	-7.22%	-0.59%	8.46%	0.00%	3.22%	-7.78%	4.46%	3.05%	1.35%	-2.95%
5. Scientific Professionals	8.00%	1.71%	-1.00%	0.00%	-12.43%	11.29%	-4.00%	-1.00%	0.00%	-1.57%
6. Senior Technicians & 11. Technicians	17.37%	3.47%	2.65%	1.16%	-9.88%	-7.21%	2.14%	0.16%	1.16%	-9.02%
7. Service and Maintenance	11.67%	18.67%	9.11%	2.22%	-5.33%	-7.56%	-16.00%	-1.00%	2.22%	-11.00%
8. Skilled Craftsworkers	27.64%	-10.82%	5.58%	0.00%	-10.45%	3.06%	-4.00%	0.00%	0.00%	-9.00%
10. Supervisors	8.23%	7.85%	2.08%	1.54%	-0.69%	-5.54%	-5.00%	-1.00%	0.00%	-5.46%

Officials and Managers. The leadership of the District are found in this category and therefore are key to setting the tone of the diversity and inclusion landscape.

White males and females were underutilized by 7% and 8% respectively. Black males and females showed over utilization rates of 8.5% and 3%. While Latino males were about on target, Latino females were over-utilized by 4.5%. Asian females under by 3%.

Clerical, Maintenance Crafts workers. These traditional female and male occupations are reflected in the District workforce with females dominating the clerical areas and males in the maintenance areas. Latino and Asian males were substantially under-represented in the crafts worker occupation, while black and white males were over-represented.

Supervisors. This class was over-weighted with white, Latino and black males. Females were underutilized whether they were white, Latino or Asian at a rate of 5-6%.

Scientific and Senior Technicians. Staff in these areas showed a pattern for over-representation of white males and under-utilization among Asian males and females in the technician areas.

Administration Professionals. White and Asian males were underutilized in this group.

Engineering & Technical. In the engineering and technical professional areas, white females at the District were substantially under-represented with a 15% lower inclusion rate than availability in the County. White male engineers were on target with county rates. Latino, Black male engineers were overrepresented, Asians were over-represented with a District utilization rate 11% higher than reside in the County.

One of the issues facing staffing in the technical and engineering areas is simply pipeline issues -- the availability of qualified people. With the US universities increasingly struggling to enroll a representative proportion of students in its technical and engineering, the issue is not only a local issue, but also a growing national policy interest. In 2010-11 academic year, San Jose State University produced a total of 1,164 undergraduates in all types of engineering degrees. Of these, 70 were undergraduate civil engineers. The gender and ethnicities of these graduates are found in Table 6.

Table 6. Santa Clara State University
Undergraduate Engineering Degrees 2011

Ethnic Identification	No.	%
African American	0	0
Asian	21	30.0
Latino	13	18.6
White	9	12.9
International	4	5.7
Other & Unknown	23	32.9
Total	**70**	**100.0**
Gender	**No.**	**%**
Male	58	82.9
Female	12	17.1

Disparate Impact Analysis Reports: 2007-2010

With an understanding of the District's demographic profile to put the reports into perspective, a summary of the findings of the existing disparate impact analysis reports is summarized below. These analyses were performed by the same independent consultant over the years so that the methodology is likely to have remained constant.

Documents that this audit was charged to consider in its analysis were the disparate analysis reports. The District contracts out its disparate impact analysis to determine if its handling of new hires, promotions and dismissals has an **illegal** disparate impact. Employee compensation by gender and by EEO class is also performed.

The reports for the disparate impact analysis for the fiscal years of 2007, 2008, 2009, and 2010 were explored along with the methodology used for generating the District data and the reports provided back to the District. No validation of the results or findings could be performed since the raw data was not available, the reports do not describe their methodology in sufficient detail, and their findings are reduced to a few sentences or tables in the transmittal letter. The report claims to use Federal OFCCP standards and the protocol of the U.S. Department of Labor. The service also seems to use the Peopleclick service to generate some of the numbers.

Each report includes voluminous statistical tables of new hires, promotions, and terminations as well as a salary equity analysis for the fiscal year just concluded. The summary results provided varies over the years and all results are not sufficiently explained.

In some cases, statistical tests are inappropriately used. For example, excessive numbers of T-tests are performed nearly ensuring false positives. The analysis by ethnicity was performed using T-tests lumping whites versus all other groups. The tests are performed on such small numbers they render the results meaningless.

In several cases, statistical terms are misused in the summary cover letter. For example, the October 2010 letter states, "standard deviations in excess of 1.96 should be considered red flags". Of course, 1.96 is not a standard deviation, it is a standardized score which indicates areas under the normal curve or a Z score. The table on page 2 of this same narrative has one column labeled 'number of standard deviations' for salaries with numbers in those tables ranging from 2.04 to 9.00. Standard deviations would be in terms of hundreds or thousands of dollars if this were a salary analysis. Z scores range from 0 to about 3. Regardless of the terminology issues, different methodologies need to be put in place for this analysis due to the salary compression issues at the District including the salary caps and regulated salary steps.

The t-Test (sic) is referred to as a cohort analysis and it is not. It is a general use parametric test with many accompanying assumptions that must be met if the results are to be stable and meaningful, not the least of which is that size is important to achieve

statistical significance. If the number of cases tested is small, almost no amount of difference will be found significant. Statistical significance does not equate to a difference which is meaningful or important in the real world.

Some of the 'standard deviations' which were reported to be of concern in the report were calculated on job titles with as few as 2 people. These unstable estimates are a result of violation of the statistical test assumptions.

In sum, it is a confusing presentation that is not a useful tool for decision making in HR and would not likely stand up to close scrutiny if challenged.

There are also a few issues that deserves mention regarding the data provided by the District that do not allow the best use of the extensive amount of printouts that are returned. For example, applicant pools for hiring provided for the disparate impact analysis is grouped by EEO classification and is not provided by position. The entire period has not always been covered, but this glitch has been identified and remedied.

The salary data does not include information on a person's tenure with the District. Therefore, when a salary inequity was flagged by the disparate analysis, as it was in 2010, additional work was contracted to conduct a more in-depth analysis only to discover that the differentials were the result of tenure on the job.

As a result of these and other issues, no findings will be summarized here except to indicate that for each of the last four years, the conclusion of the disparate impact analysis reports was that the hiring, promotion and termination processes were not legally biased.

Analysis of Salaries By Ethnic Identification & Gender

In addition to establishing if the face of SCVWD staff are reflective of the county, a brief overview analysis of equity in salaries was conducted. Table 7 first gives the mean salaries by EEO classification.

Table 7. Mean Salary by Job Classification

EEO Job Category	No.	Mean	Low	High
Officials & Managers	74	$157,601	$109,949	$231,545
Supervisors	65	129,911	99,652	174,928
Engineering & Technical	117	124,846	92,352	159,016
Administrative Professionals	150	110,468	81,785	132,017
Scientific Professionals	35	112,479	90,292	149,385
Senior Technicians	35	100,095	81,785	118,061
Technicians	51	86,435	70,554	99,652
Service & Maintenance	45	86,071	102,138	47,028
Skilled Crafts workers	66	91,915	62,337	119,891
Senior Clerical	60	75,283	62,337	99,652
Clerical	11	64,783	62,338	65,220
Total	709	$110,524	$55,099	$231.545

Next, a statistical analysis of the data (Table 8) reveals no statistical evidence of salary differential within the Federal EEO categories by gender or by ethnic identification. The basis for these conclusions are provided in the tables below.

Analysis of covariance was conducted for each of the job categories and then an analysis of all possible permutations of comparisons (t-tests) by ethnic groups were calculated and tested at the .05 level of significance. These results are shown in Table 8 below:

**Table 8.
Analysis of Salary by Ethnic Identification
Analysis of Covariance**

Job Category	No.	Model F Values	Probability*	Significant Difference Found Between Ethnic Groups?
Officials and Managers	74	1.13	.3495	NS**
Administrative Professionals	150	.78	.5387	NS
Engineering & Tech. Professionals	117	3.2	.0261	White & Latino White & Black Asian & Black
Supervisors	65	2.50	.0520	Asian with White, Black, Latino
Technicians	51	.85	.5039	NS
Scientific Professionals	35	.31	.8155	NS
Senior Technicians	35	.90	.4160	NS
Skilled Crafts workers	66	.59	.6261	NS
Senior Clericals	60	1.04	.3940	NS
Service & Maintenance	45	.46	.7645	NS

*=Probability can be interpreted as follows: the closer the number is to 0, the less likely the results are from chance; the higher the number, or closer to 1, the more likely there is no relationship.
**NS= not statistically significant

Given the finding that there were differences higher than would be expected among the engineering technical professionals as well as the supervisor categories, further analysis was undertaken to examine the nature and reasons for this result.

Because these categories are made up of different jobs and by people with varying years of experience at the District, an analysis which controlled for job title and by hire year was conducted. The numbers were naturally quite small, however, this analysis showed that the differences in pay was a result of years in the job, not ethnicity.

Table 9. Analysis of Salary Differentials by Job Classification and Gender

Job Category	No.	T Values	Probability	Significant Difference By Gender?
Officials and Managers	74	1.03	.3069	NS
Administrative Professionals	150	2.31	.0223	NS
Engineering & Tech. Professionals	117	1.01	.3137	NS
Supervisors (F=13)	65	-3.81	.0003	***
Technicians	51	1.76	.0850	NS
Scientific Professionals	35	1.90	.0669	NS
Senior Technicians	35	.28	.7809	NS
Skilled Crafts workers (F=4)**	66	.53	.5951	NS
Clericals (M=5)**	71	-1.23	.2200	NS
Service & Maintenance (F=3)**	45	.55	.5840	NS

*=Probability can be interpreted as follows: the closer the number is to 0, the less likely the results are from chance; the higher the number, or closer to 1, the more likely there is no relationship.
**NS= not statistically significant
**= the number of females or males are disproportionate and thus results are suspect. .

In summary, the results of these various analyses do not mean because there are no statistically significant differences, there is equity. The data is difficult to analyze statistically due to the many job titles, the varying length of times a person is in the job, the salary step progressions, the compression issues at the District, the salary caps along with other statistical issues such as the uneven distribution by ethnicity and gender in some categories. One would not expect these analyses to show differences for these reasons. A more sensitive review on an individual case level would be required to be able to come a valid conclusion.

With an understanding of the demographic profile of the District, and salary pay levels by demographics, attention now turns to staff perceptions of the hiring and promotions policy and process followed by analysis of the data on staff hiring and promotions over the last five years.

Staff Perceptions of Hiring & Promotions

The 2009 cultural climate survey revealed that staff have a strong distrust of the hiring and promotion procedures at the District. Below is a summary of the findings from that survey which shows staff attitudes. The numbers represent those who agree or strongly agree overall, and then where there are differences by gender or ethnicity those breakdowns appear below.

30% of District staff overall believe hiring procedures are fair
⇨but only 22% of women and 33% of men agree

24% of staff overall believe promotions reflect giving all a fair chance
⇩18% of those with no promotions agreed
⇧ 33% of those with 3 or more promotions
⇧62% of unclassified staff agree
⇩8% of other ethnicities (black and native American)

Other findings from the analysis of survey comments and from personal interviews explains some of the reasons for their attitudes as outlined below:

External Candidates Bias. There is a feeling that hiring is biased toward external, historically under-represented candidates over internal staff. There does not appear to be uniform, post-interview coaching of employees who are not promoted, leaving them to wonder if the reasons for their failures were inappropriately based on personal characteristics, rather than work related skills.

Another source of bias District staff felt was unfair is that external candidates, unlike staff at the District, had the advantage of more opportunities to obtain professional development and on the job experiences that increased marketability.

Career Ladders & Sponsoring Inside Talent. There was a strong felt need for development of career ladders, increased access to professional development opportunities, and increased opportunities among young staff, including engineering staff, to take on meaningful and progressively more responsible work assignments.

> *"Managers are not encouraged to develop a talent base internally."*

> *"Internal candidates are not valued."*

> *"People aren't told why they don't get a promotion. They need to hear that and then they can trust the system. Otherwise, people think their {race} must be the reason that explains it {not getting the promotion}."*

Generational Shifts. Asked about the issues facing the District, leadership shifts, finances and media image were at the top of the list. However, closely following is a deep anxiety that the District is not facing its next big challenge -- the transmission of knowledge to the next generation of District employees. Their anxieties include lack of career ladders, mechanisms to coach young staff, particularly engineering staff, lack of knowledge on how to develop talent, and absence of a District mentoring philosophy.

Temporary assignments into jobs are viewed as another inequity in the system. Because of the glitch in the current policy that only one MQ has to be met for a temporary assignment, people feel that managers' discretion is used and not always objective but favors their friends. The experience obtained through these assignments can later be leveraged to a promotion. As a result, these non-competitive temporary assignments are viewed as a giving an unfair leg up for future promotions.

Staff & Manager interviews were also performed as part of the 2009 and 2011 audits. Summary points and quotes from interviews regarding HR and the promotion practices range from negative to harsh. The quotes show that staff frustration is palpable:

- "HR staff are not trusted as people or as employees"
- "HR staff are paper pushers" and yield to the whims of management and un-classifieds
- "HR is a dumping ground" made up of people who have no technical/professional background for the jobs
- Interview panels are manipulated to ensure the 'right' people receive high scores.
- The screening process, including the choice of Subject Matter Experts is biased.
- "Questions and criteria for judging the responses are geared toward a manager's 'pet'"
- "Having internal people do the interviews is inherently biased. There are too many people who know each other and give advantages to one person over another for characteristics that are not relevant."

HR staff and other process owners show they also feel beleaguered, defensive and that changes are needed.

- District staff feel entitled to positions if they meet MQs and generally have unrealistic expectations about their chances. There were eligibility lists before and the feeling seems to persist that meeting MQs is really an equivalent of this old eligibility list.
- Training for how the recruitment process work should be required
- Succession planning will help develop a sense of responsibility for each staff to get the training and experience they need.

- Internal staff often do not present themselves well in the interview process. They feel like they don't need to prepare or discuss what their accomplishments and experiences are.
- Managers don't step up to their responsibilities in the process, they don't talk to staff who did not get the promotion, but rely on HR to do that.

Mid-Managers have multiple concerns and, as in all organizations, are caught in the middle. Because of the practice of ignoring lines of authority at the District, and characterizations as inept, they often feel second guessed and at least partially marginalized. Mid-managers don't truly feel part of the leadership group and feel they would not be supported in difficult decisions. Staff on the other hand, perceive they relinquish their authority and the unpleasant parts of their jobs to their supervisors.

> *"We {managers} just feel exhausted..."*
> *--District manager*

Their feelings of not being supported, being unable to hold their staff accountable for poor performance due to the weak evaluation system, inability to deal with the District's dead wood, easy vulnerability to serious, anonymous charges of unfair treatment, sexual harassment or racial discrimination, together with the long tenure at the District, makes management difficult and the hiring decision a formidable one. *The hiring manager is not making a hire for a few years, but facing the possibility they are hiring someone who will be with them the rest of their careers at the District.*

Perceived Board Interference

Staff often cite the Board as one of the problems that management seems to be reacting to in terms of diversity and inclusion in hiring decisions. The complaint is that the Board is interested only in the 'numbers game' -- to count heads for ethnicity and gender but not understanding inclusion. The belief is that the Board uses their roles to award jobs at the District patronage style. These are staff perceptions, not validated facts, but are often repeated, well known and contain persuasive details. It is not the realm of this study to explore this, but the fact is that these are consistently perceived intrusions are viewed as real and naturally unfair by District staff.

Data Analysis: New Hires & Promotions

As evidenced by the staff perceptions discussed in the previous section, one of the primary, almost bitterly argued, complaints about the District has been the unfairness of hiring and promotions. In this section, the data of on new hires and staff promotions, both competitive and non-competitive (position upgrades) for the last 5 fiscal years is analyzed and discussed.

The data that was provided included the electronic files obtained from the IT department for each job action. The EEO Office committed on 8/29/11 to providing for the last three years minimum, if they could be found, these job action logs but unfortunately, none was

provided: New Hire Log, Termination Log, Transfer and Promotion Log, Applicant Flow Log, Workforce Count Log. Because of this lack of information on the numbers of people who applied for a promotion or upgrade was not available, rates of success for each person applying is not possible. Therefore, the methodology of evaluating possible differentials will be to compare percentages of promotions, hires, reclassifications to the proportion in the population or District. This assumes that members of all groups are applying for raises, etc., at approximately the same rates.

New Hires Rates vs. Availability

There were a total of 84 new hires during the 2007-2011 period. Of these 60% were men and 40% female. Table 10 breaks out the hires and promotions by gender and ethnic identification and shows the differential from the labor force availability.

Table 10. New Hires by Gender & Ethnicity 2007-2011

Gender/Ethnic Identification	SCC Employed Labor Force	2007 - 2011 Hires	No.	Hire Differential with SCC Labor Force
Male				
White	27.20%	33%	28	6.13%
Hispanic	11.77%	11%	9	-1.06%
Black	1.50%	5%	4	3.26%
Asian	14.24%	11%	9	-3.53%
Am Indian	0.17%	0%	0	-0.17%
Other	1.79%			
Female				
White	21.23%	21%	18	0.20%
Hispanic	8.50%	4%	3	-4.93%
Black	1.20%	4%	3	2.37%
Asian	10.80%	11%	9	-0.09%
Am Indian	0.16%	1%	1	1.03%
Other	1.42%			
	100.00%	100.00%	84	

These numbers are based on the overall availability in the labor force regardless of occupational level. This data was compiled as only a suggestive rough gauge. These percentage variations cannot meaningfully be judged as evidence of existence of an issue due to the small numbers involved. In the absence of the availability of complete

data which would provide the numbers of applicants, those who met the minimum qualifications, those who were interviewed, etc., in other words, data at each stage of the recruitment process, a file by file analysis would be the only way to ferret out definitive answers in a thorough manner.

Nevertheless, the data shows there is a higher than would be expected success rate in hiring for males and for blacks in the last 5 years and lower rates for Asian men and Latino women. The groups that had higher hire rates compared to the available labor force overall were as follows: white males, black males and black females.

Competitive Promotion Success Rates

During the 2007 to 2011 period, there were 95 competitive promotions at the District. A total of 63% of the promotions went to men and 37% to women. Given that the District is made up of 62% males and 38% female, the percentages of promotions appear to be what would be expected overall.

Table 11. Promotions & Reclassifications
By Gender & Ethnicity 2007-2011

Gender/Ethnic Identification	2011 SCVWD Employees	No.	2007 - 2011 Competitive Promotions	No.	Promotion Differential compared to District	2007 - 2011 Reclass Promotions	No.	Reclass Differential compared to District
Male								
White	33.15%	235	32%	30	-1.57	23%	17	-9.86
Hispanic	11.14%	79	13%	12	1.49	11%	8	-0.18
Black	4.51%	32	6%	6	1.80	8%	6	3.71
Asian	12.69%	90	12%	11	-1.11	14%	10	1.00
Am Indian	0.56%	4	1%	1	0.49	1%	1	0.81
Other								
Female								
White	18.62%	132	20%	19	1.38	18%	13	-0.81
Hispanic	6.63%	47	6%	6	-0.31	5%	4	-1.15
Black	2.68%	19	6%	6	3.64	4%	3	1.43
Asian	9.17%	65	3%	3	-6.01	12%	9	3.16
Am Indian	0.85%	6	1%	1	0.21	3%	2	1.89
Other								
	100.00%	709	100%	95		100%	73	

For this analysis, the comparison benchmark numbers are not the labor force, but naturally the internal composition of the District. Using this method, most groups were on target with their representation at the District with two exceptions: black females were more likely to be promoted and Asian women less likely.

Black Females = higher rates - 6% of promotions vs. 3% at the District
Asian Females = lower rates - 3% of promotions vs. 9% at the District

Reclassification Success Rates

During the 2007 to 2011 period, there were 73 position reclassifications or position upgrades. A total of 58% of these non-competitive promotions or reclassifications went to men and 42% to women.

Again, the comparison benchmark numbers for this analysis are the internal composition of the District. Using this methodology, fewer groups were on target with their representation at the District. White men were less likely to be among those receiving a reclassification given their numbers. Black males and Asian women were more likely to be upgraded.

Underrepresented -
White Males: 23% of reclassifications vs. 33% at the District

Overrepresented -
Black Men: 8% of reclassifications vs. 5% at the District
Women: 12 % of promotions vs. 9% at the District

Summary of Internal Job Action Success Rates

When both promotions and upgrades are considered, women appear to be advantaged using percentages, but the numbers are small and the impact of the black women in this group raises the rate. Blacks were consistently more likely to receive a promotion or upgrade than any other group in the last five years.

**Table 12. Success Ratios of Promotions & Upgrades
By Gender & Ethnic Identification**

Group	% Chance of Promotion or Upgrade in 5 Year Period
MALES	**23%**
White	20%
Latino	22%
Black	38%
Asian	23%
FEMALES	**34%**
White	24%
Latino	21%
Black	47%
Asian	18%

Hiring & Promotions Analysis of Recruitment & Hiring Pools
January 2010 to September 2011

In previous section, the analysis focused on the current staff and the rates of internal promotions. In this section, data from all recruitments during the period January 2010 to September 2011 was pulled to explore how successful the District is in getting a representative pool of applicants to apply and then the success rates of individuals in landing the job. This was done in the absence of an electronically generated report.

There were 52 recruitments during this period. They involve internal promotions as well as external recruitments. While specific counts were unavailable, the HR recruitment analysts indicate that when an external recruitment is undertaken, the internal applicants are typically very low, from one to a few. There were at least three recruitments in this group which were for maintenance, mechanic and legal positions which had a high interest and for the maintenance and mechanic areas, traditionally low numbers of women applicants.

Data in Table 12 gives the numbers of applications received for the 52 recruitments during this period along with the Santa Clara Valley Labor Force statistics and the District's profile. The data indicate that Latino and black men apply at rates that are far greater than are in the labor force overall. Women of all ethnicities, except black, are under-represented in the candidate pool. This is especially the case for white women.

The first two lines of Table 12 show the percentages of males and females in Santa Clara County and then the 2011 District labor force percentages. These two rows can be used to compare applicants through the recruitment process. For example, 40.1% of the applicants were white men, and they represent 41% of the Santa Clara working population and 33.1% of District staff. Latino females were 2.3% of the applicants but 5% of the labor force and 6.6% of District staff.

Applicant Representativeness.   White, Latino and black men applied at higher rates than would be expected given their presence in the labor force; women of all ethnicities except black were quite substantially less likely to apply.

Minimum Qualifications. Of all applicants who applied, 87% overall met the minimum qualifications for the job they were seeking. White, black and Asian women were as a group less likely to be judged as meeting the minimum qualifications than men.

Decision Makers. The attention now turns to an analysis of the ethnic and gender composition of the decision makers in the hiring process: the assessment panels, interviewing/hiring panels, and the hiring managers. The numbers were calculated of necessity based on the total numbers of people in the process.   Therefore, if someone was in an interview panel for two recruitments, they will be counted twice.   In summary, the data show who were the staff who judged candidates on qualifications, and who interviewed and hired the successful candidate.

Table 13. Applicants & Recruitment Decision Makers by Gender and Ethnic Identification - 2010-2011

	Male						Female					
	White	Hispanic	Black	Asian	Am. Indian	U/K	White	Hispanic	Black	Asian	Am. Indian	U/K
SCC Labor Force	**41.0%**	**6.0%**	**1.0%**	**13.0%**	**0.0%**	**1.0%**	**24.0%**	**5.0%**	**1.0%**	**7.0%**	**0.0%**	**1.0%**
SCVWD Labor Force	**33.1%**	**11.1%**	**4.5%**	**13.0%**	**0.6%**		**18.6%**	**6.6%**	**2.7%**	**9.2%**	**0.8%**	
Applicants *(n=1,357)*												
No.	544	358	79	150	14	30	88	31	18	34	4	7
Percent	40.1%	26.4%	5.8%	11.1%	1.0%	2.2%	6.5%	2.3%	1.3%	2.5%	0.3%	0.5%
Met MQs (87.4%)	35.8%	22.9%	5.2%	10.0%	1.0%	2.1%	4.9%	2.0%	0.9%	1.9%	0.3%	0.4%
Did Not Meet(12.6%)	4.3%	3.5%	0.6%	1.0%	0.1%	0.1%	1.6%	0.3%	0.4%	0.6%	0.0%	0.1%
% Met MQs	89.3%	86.9%	89.9%	90.7%	92.9%	93.3%	75.0%	87.1%	66.7%	76.5%	100%	85.7%
Assessment Panel Composition *(n=59)*												
No.	23	10	2	8	1		10	1	0	4	0	
Percent	39.0%	**16.9%**	3.4%	13.6%	1.7%		16.9%	1.7%	0.0%	6.8%	0.0%	
Hiring Panel Composition *(n=161)*												
No.	47	18	3	38	1		20	18	3	12	1	
Percent	29.2%	**11.2%**	1.9%	**23.6%**	0.6%		12.4%	**11.2%**	1.9%	7.5%	0.6%	
Hiring Manager Composition *(n=51)*												
No.	19	2	1	9	1		7	4	2	6	0	
Percent	**37.3%**	3.9%	2.0%	**17.6%**	2.0%		13.7%	7.8%	3.9%	**11.8%**	0.0%	
Hired\Promotion Rates												
No. (n=52)	20	9	4	8	1		5	1	2	2	0	
Percent	**38.5%**	**17.3%**	**7.7%**	**15.4%**	**1.9%**		**9.6%**	**1.9%**	**3.8%**	**3.8%**	**0.0%**	
Ratio of Hires to MQs	4.1%	2.9%	5.6%	5.9%	7.6%		5.6%	3.7%	16.7%	7.7%	0.0%	

Notes: U/K= Unknown; Numbers in red highlight high negative differences; numbers in bold highlight high positive differences. These numbers represent the distribution of participants in 52 recruitments.

Assessment & Hiring Panels. Assessment panels varied widely in terms of gender and ethnic representation. This is also one of the areas which is viewed by District staff as susceptible to inappropriate influence or bias.

The hiring/interviewing panels showed an over-representation of Asian males and Latino females.   Interview panels were slightly under-represented by white women and blacks. *A side note finding was that during the data entry process, a Latino woman and two Asians made up an unexpectedly high percentage of the hiring panels across the recruitments.*

Success Rates by Gender and Ethnicity. The last line of Table 13 shows the success rate of hires among those who met minimum qualifications. With the average success rate of being hired 4% overall, the rates by group can be explored for variation from this average. Success ratios were calculated by using the number of people hired by the number who were judged to have met the minimum qualifications.

Those numbers indicate the most likely group to be hired are black females given applicants in the pool followed by Asian and white women. Black and Asian men had higher success rates than did white men. Latinos, both men and women, had slightly lower rates than the average rate during this time period.

Attrition of District Staff: Resignations & Dismissals

While there has not been in recent years concern about retention at the District, there have recently been concern that people of color were differentially impacted due to working conditions and firings. Table 14 examines this issue by providing rates by gender and ethnic identification.

**Table 14. Resignations & Dismissals by
Gender & Ethnicity 2007-2011**

	2011 SCVWD Staff	No.	2007 - 2011 Dismissals	No.	2007 - 2011 Resign-ations	No.	2007 - 2011 Retirements & Deaths	No.
Male								
White	33.15%	235	42%	5	28%	10	40%	37
Hispanic	11.14%	79	25%	3	3%	1	12%	11
Black	4.51%	32	0%	0	3%	1	4%	4
Asian	12.69%	90	8%	1	11%	4	9%	8
Am Indian	0.56%	4	0%	0	3%	1	0%	0
Female								
White	18.62%	132	8%	1	25%	9	18%	17
Hispanic	6.63%	47	0%	0	6%	2	6%	6
Black	2.68%	19	17%	2	3%	1	0%	0
Asian	9.17%	65	0%	0	19%	7	1%	1
Am Indian	0.85%	6	0%	0	0%	0	0%	0
	100.00%	709		12		36		92

Leaving the District: Resignation, Retirement & Dismissal Ratios

There were 36 **resignations** at the District in the last five years. White and Asian females were more likely to leave than were other groups. Latino and black males were substantially less likely to quit.

Resignation Ratio Disparities

⬇Hispanic & Black Males: 3% Less likely to leave

⬆ White Females: 6% higher
⬆ Asian Females: 9% higher

Given that the rates for a promotion or upgrade shows that white and Asian females are disadvantaged when it comes to promotions, it may be that these women are leaving for what they likely perceive to be better opportunities for success elsewhere.

Among those who **retired or died** while at the District, 40% were white males or 37 of the total 92 employees. The remaining groups were about what would be expected, taking into account the small numbers in some of the demographic categories.

Dismissals, or releases as they are referred to at the District, are rare. There were 12 in the last 5 years. Because of the very small numbers involved, it is difficult to draw conclusions confidently regarding any ethnic or gender disparities. However, the numbers are from official sources and they cover a five year period which should eliminate annual anomalies.

A total of five white males (41%) were among those fired, while they represent 33% of the District Staff, so higher than their representation at the District. Three Latinos and two blacks were also released, also at higher percentages that would be expected. On the other hand, Asian men and white women were substantially lower.

With these sizes of differences, perhaps a way to evaluate further the question of bias is by examining whether these decisions were challenged.

Summary

While there may be solid business reasons for the differences found in these analyses, and it may be that the small numbers have influenced the numbers, it does appear that some groups are advantaged in the promotion and upgrade process. Asian and Latino women may also be an issue in terms of under-representation and they appear to be leaving the District at higher rates as a result. Finally, while there may be good reasons that the white male upgrades are low, it deserves to be looked into to determine the reasons for the anomaly.

CLASSIFIED EMPLOYEE EVALUATION PROGRAM (CEPP)

> **"Unit Managers and Supervisors –** Unit Managers and Supervisors have the responsibility to exercise appropriate authority over staff to ensure that District work is complete and that employees comply with the District's standards of behavior. Unit Managers and Supervisors must ensure that acts of discrimination and/or sexual harassment are not tolerated and that performance ratings are fair, consistent, and intended to assist employees in improving their abilities.*"*
> *Source: District HR Management System Framework Document no. Q621D01*

The District's evaluation system and format were introduced in 1992. It is currently being performed midyear and annually. In the past, there were issues with compliance of managers to complete and submit the forms. In 2011, District management started to enforce the policy and states there is now near 100% compliance.

The form is made up of four sections, the first and most substantial section is devoted to work plan and job priorities, and the second to training and development opportunities, the third consists of evaluation of professional attributes including work effort, knowledge, judgment, teamwork/ leadership and customer service. The fourth section provides an overall judgment for the mid-year and annual administrations.

The performance rating system uses three classifications: Needs Improvement, Meets, and Exceeds. These 3 point systems are viewed in the HR field as being the least subjective. However, they are also less able to provide differentiation for high performers.

The charge of this analysis was to review the policies and other data provided for evidence of obstacles that would impede fair treatment of employees in terms of diversity and inclusion. Review of the AD 2.7.1201 CEPP program and the Classified Employee Performance Program collaborative document dated February 2010 were the guiding documents included in the analysis along with forms and a memo of instruction to managers. In addition, data from staff surveys, interviews with managers and other staff obtained information on the utility and use of the evaluations. In addition, since not all evaluations are entered into a computer system, statistical analysis was not possible. Therefore, although the charge of this study was not to review individual cases, a manual 15% review sample of the evaluations for FY 2011 was conducted. Analysis based on each of these data sources is discussed below.

Manager & Staff Perceptions

Staff perceptions as measured in the 2009 staff survey were positive toward the annual review process with 72% indicating it was helpful. Staff with longer years of service felt as though they were less likely to benefit. The majority, 71%, also believed the evaluation of their job evaluation was fair and accurate.

Information on the attitude toward the evaluation system was also collected in the 2011 audit interviews. During these interviews, staff and supervisors alike felt the process itself was not an issue, but at the same time, that it was not used or taken seriously.

Findings from the 2011 staff survey indicated that 20% of the comments concerned performance problems that were ignored. This is consistent with the findings from the 2009 cultural assessment. The major themes in 2011 in order of number of comments received were as follows:

- Accountability – Work Quality
- Management Performance
- Disparity of workload assignments
- Absences and/or Tardiness
- Non-Performing Staff Shuffled Around The District
- Accountability – Work Deliverables
- Productive Staff Given Extra Work To Make Up For Non-Productive Staff

Staff Who Agree to these Statements in the 2011 Survey ...

- My job responsibilities are clear to me: 86% Management and 78% Staff agree

- I receive praise or recognition for doing good work at least semi annually: 84% Management and 79% Staff agree

- My manager has checked in with me on my work assignments, goals and professional development in the last six months: 83% Management and 71% Staff agree

- People feel safe to express a difference of opinion w\o fear of retaliation: 44% staff agree

- There are reasonable and timely consequences for poor performance: 39% of staff agree

- I am able to contribute to the maximum of my skills and abilities: 69% Mgmt and 57% Staff

- I am consulted as a valued member of the team: 74% Management and 73% Staff

Recognition of Quality at The District

There are few ways the District recognizes excellence and strong employee performance. Comments from the surveys, interviews and the surveys themselves indicate there is lack of recognition for good work and a frustration that hard work and skill are not recognized. One of the key feelings of inequity is this lack of recognition and its accompanying lack of accountability for the low performers -- including the supervisors who tolerate them.
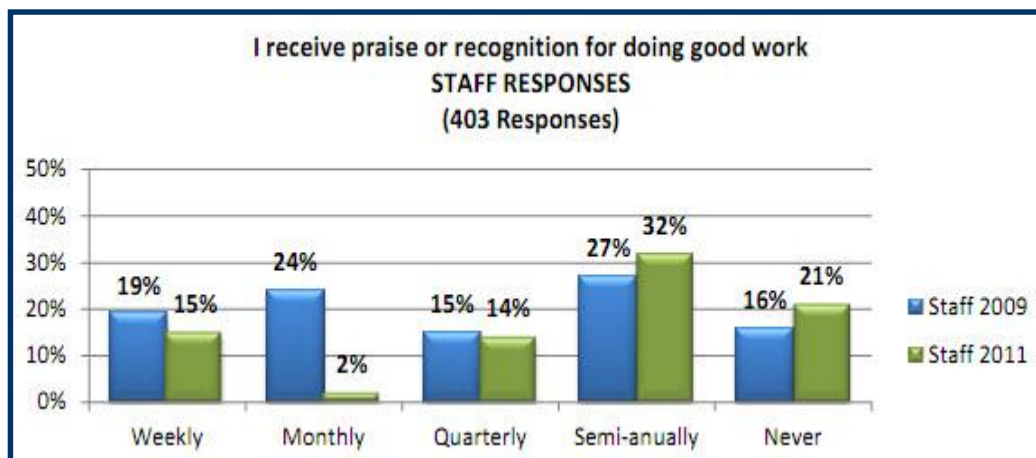
Source: District 2011 Survey
NB: 2011 monthly percent is inaccurate; should be 18%

These frustrations with low performers will likely become more strident as the workforce is reduced. The District culture is often characterized as being short term focused and tactical. Staff to managers indicate it is check-box culture, not concerned with quality but focused on getting a task done and the immediate task at hand rather than looking at the long term implications. Below are a few representative comments about the culture of quality, the evaluation system, feelings of fairness, and accountability.

> *"{staff at the District} will perform work which they KNOW will fail, they KNOW we will have to come back a year later and fix it again. That doesn't matter. They just need to say, it's done, not that it's done right.*
>
> *"I don't feel the organization in general is very comfortable discussing difficult issues or being confrontational. This makes accountability challenging. I have a person of color as a staff member and I often feel that I won't be supported in holding this person accountable because it is felt he will play the "race" card. This makes effective management difficult."*

"I have been told not to write anything negative {in the review} because it would just cause me trouble and impact my career at the District.. They can complain anonymously and then your hands are tied..." - Manager

"There are a lot of us working out of class with no recognition. Not even a thank you and we will get you promoted."

"I still report to a ..{person}... who knows nothing about {their} job. I work with staff who does {his/her} job for {him/her} and {they} get no recognition. I still get stellar reviews with no pay increase and no promotional opportunities. I observe that there are other employees with my same job classification who do about half the work I do with less skill. I find no opportunities that support my advanced degrees or allow me to apply my education. I am running out of opportunities to learn."

"One of the performance measures of "managers" should be meeting diversity and inclusion goals."

MLT Evaluation of CEPP Forms

A survey done by the MLT in 2011 of District supervisors and managers also explored their assessment of the process. Table 15 gives a summary of findings:

Table 15. Manager Perceptions of the CEPP

Question	% Yes
Does the CEPP form meet your needs as a supervisor/manager	39%
Do.. we need to have more choices on the ratings?	59%
Is the current form too time consuming?	25%
Does the current form help in providing feedback to the employee?	78%

Analysis of 2011 Sample Evaluations

Summary findings of the analysis of the 15% review by two raters of actual evaluations submitted in FY 2011 are provided below by each section:

Section 1. Work Plan Job Priorities on the whole are fairly well defined and detailed. These appear to come from the staff's job duties.

Section 2. Work Plan Training and Development opportunities revolve around safety and office efficiency. About a third of the evaluation sample had job related external training. Professional development and abilities improvement, seemed limited to 'Needs Improvement' ratings, because it is required, rather than a more positive focus on the employee's future career growth.

> *"We still tend to associate good leadership with those male qualities of being tough and strong where, in fact, being nurturing and inclusive and collaborative is just as effective, if not more." -- Rev. Ruth Garwood, National Religious Leadership Roundtable*

Section 3.   Professional Attributes exhibited the most inconsistency of any of the sections. Over half had no comments and none identified future professional development needs.

Section 4. Overall Performance Rating had inconsistencies in terms of what was written to justify a rating of 'Exceeds' versus 'Meets'. Lacking were discernible patterns or relationship between all parts of the evaluation. For example, there did not seem to be a systematic standard to link a rating from Section 3 to a rating of 'Exceeds' in the overall rating, although all had written justifications now.

Support for the 'Exceeds' rating for most candidates were vague and without justification or reference to a standard criteria, instead there were examples such as "dollars saved" or "improved efficiency". There is often no clear link to the District's mission or how the person made an exceptional contribution. There were, likewise, no comments on how one could improve their ability in the future or managerial direction for next year's development.

Reviews are highly impersonal. Only about a third of the reviews had a positive comment about the employee or working with the employee.

Some managers seemed to have a higher performance rating standards than others. In a significant number of reviews, there was not sufficient information presented that would allow or encourage an honest and open conversation about performance. This lack of clarity breeds suspicion and makes it difficult to assist the employee to now how to improve abilities.

DIVERSITY & INCLUSION PROGRAM AUDIT

Overview & History of Diversity & Inclusion at the District

Over the past fifteen years, the District has supported a number of programs to foster and integrate diversity into its daily business practices. In 1995, the District began preparation of the annual Equal Opportunity/Non-Discrimination Plans (EO/NDP). In 1996, the CEO sanctioned the affinity group called FORUM (Fairness Opportunity Recognition Understanding Multicultural) and a Hispanic organization. In 1996, a cultural audit was conducted and its results were released to the Board.

In terms of equal opportunity, passage of Proposition 209 in November of 1996, marked a turning point for public agencies. It prohibited public institutions from considering race, gender, and ethnicity in hiring, contracting, or other programs, essentially ending the District's affirmative action plan. In May 1997, the District revised its employment and other policies and shifted focus to implementation of multiple diversity projects focused on EO training, Discrimination Complaint procedures, contract compliance and diversity awareness and outreach programs.

Shortly after these changes in 1997-98, the Santa Clara County Civil Grand Jury disclosed that it had commenced an investigation into allegations of racial bias and harassment. The 1999-2000 Grand Jury issued its report in 2000 and in response; the District developed and implemented a 2000 EO/NDP. Key elements of the plan included:

- Quarterly and annual progress reports
- Supervisor/management leadership academy
- Development of a database to record, track, and report data on all EEO/harassment complaints
- An EO Advisory Committee
- An EO/NDP that included compliance and diversity training for all staff

In 1999, the Board of Directors adopted a new governance model which included statements in the policies regarding the value of Diversity and Inclusion of all people.

Resources: Staffing & Budget

In 2004, the Office of Ethics, Diversity, and Inclusion was formed with an Assistant Administrative Officer as lead along with four full time staff members. The Equal Opportunity Program function has been administered through Human Resources which

included the Equal Opportunity/Non-Discrimination Plan. This structure remained until 2007 when the ethics function was re-assigned to HR.

In 2010, the office was again restructured and personnel assigned to the program were reduced from four to one full time staff person. Two staff from the department were reassigned to other offices within the District and one was released. In support of the full time staff remaining, 750 hours are assigned to the program and distributed among 3 staff members in the CEOs support office. These hours are structured to provide accounting assistance, staff support and assistance with ERG activities.

The early FY budgets of the Diversity & Inclusion Office (excluding EEO and Ethics) while it was under the Office of the CAO were as follows.

FY 2006 - $1,665,860
FY 2007 - $1,949,508
FY 2008 - $1,286,222
FY 2009 - $ 847,480
FY 2010 - $ 396,666
FY 2011 - $697,027
FY 2012 - $516,630

The expenditures starting from the transitional FY 2008 to FY 2012 budget are shown in Table 15. The fiscal year budget in 2010-11 was $697,027 while expenditures were $456,083. The 2011-12 budget going forward is currently $516,630.

In addition to staff officially assigned to the unit, 2,400 hours have been allocated to ERG officers to attend D/I Council meetings and to support the work of the program. These hours are thus spread out across the District. Each of the four officers of the 9 ERGs (and Associated Women Employees) is allocated 60 hours per year for a total of 2,400 hours. Of the 2,400 hours budgeted for ERG participation, only about 770 were used, or about 32% of available funds. The budget for ERG activities showed little activity: $11,000 was budgeted while only $832 was expended.

Table 15. D/I Office Expenditures & Budget - FY 2008-2012

Budget Item	FY08 7/1/07 - 6/30/08		FY09 7/1/08 - 6/30/09		FY10 7/30/09 - 6/30/10		FY11 7/1/10 - 6/30/11		FY12 7/1/11 - 6/30/12	
	Expended		Expended		Expended		Expended		Budgeted	
	Hours	$	Hours	$	Hours	$	Hours	$	Hours	$
D&I Staff(including benefits and taxes	1,685	$115,657	5,181	$561,349	2,307	$214,897	2,312	$196,890	1,947	$171,461
D&I Staff Assistance										
Accounting Budget Support					900	$83,835	90	$7,664	400	$35,226
ERG Assistance							830	$70,683	400	$35,226
D&I Council Meetings Labor Costs 60 hrs x 4 officers x 10 ERGs	324	$22,239	239	$25,895	482	$44,891	545	$46,413	2,288	$201,490
D&I Regular Labor Cost (incl benefits)	**2,009**	**$137,896**	**5,420**	**$587,244**	**3,689**	**$343,623**	**3,777**	**$321,650**	**5,035**	**$443,403**
Travel for Professional Conferences		$0		$11		$2,359		$11,667		$10,000
Sponsorship of Community Events		$14,790		$19,630		$10,970		$23,590		$9,300
ERG Activities - Direct Expenditures		$0		$3,244		$0		$5,404		
Expenditures Other		$30,320		$3,301		$2,375		$3,855		$20,700
Agency, Assns & Prof Memb.		$150		$0		$0		$2,235		
Misc. Services and Supplies		$8,507		$741		$437		$67,441		
Other Admin Supplies		$2,729		$3,308		$525		$93		
Total S&S		**$56,496**		**$30,235**		**$16,666**		**$114,285**		**$40,000**
Internal Services		**$13,192**		**$29,252**		**$18,809**		**$20,148**		**$33,227**
GRAND TOTAL		**$207,584**		**$646,731**		**$379,098**		**$456,083**		**$516,630**

The District is to be commended for the commitment it has shown and the resources that have been allocated to the Diversity & Inclusion Program, its support for the employee affinity groups, and involvement of its top managers, including the CEO to the program. No comparison agency in the state has a program of this scope. The priority at the District has placed the program and its structure with the Top 50 Diversity Inc. benchmarks.

The FY 2010-11 was a time of great transition including the restructuring of the office, loss of its full time team and limitations on use of funds for heritage events by the ERGs. Nevertheless, it appears that the budget warrants re-structuring to make more efficient use of the funds available to ensure efforts are sharply focused on the goals set out in the 2012-14 Master Plan.

Diversity & Inclusion Master Plans & Accomplishments - FY 2007-2012

The program has a long history of developing master plans to guide its activities. In this section, a summary of the goals and accomplishments will be provided. After establishment of the office in 2004, the first master plan appears to have been completed for FY 2007. The most recent Master Plan includes tactics, strategies, as well as a project implementation plan with timelines and responsibilities assigned. Accomplishments for the program were found in a variety of documents including the Master Plans as well as in separate memos and reports. The complete text of the plans are provided as Appendix 2. Documents summarizing accomplishments in other formats are provided as Appendix 3.

In the narrative below, each of the plans is summarized and encompasses goals, activities, and accomplishments included in the planning documents.

Master Plan of 2006-7

This plan was prepared under the direction of the **Assistant Administrative Office and Ethics, Diversity & Inclusion.** The report includes an informal assessment of the status of various activities that were done since 2004 when the office was first established. Noted among the 2005-6 accomplishments which survived to the present day include:

- ✓ Developing ERGs & guidelines
- ✓ Conducting diversity training
- ✓ Planning cultural events and Diversity Day
- ✓ Planning women's focus group as part of the Women's Initiative Task Force
- ✓ Establishing a Diversity & Inclusion website
- ✓ Community sponsorships

At that time, the plan noted that in 2004, there was a feeling among staff that heritage day events had become too extravagant, that there were not enough African American women in leadership roles, and that the District needed to move beyond counting heads and toward inclusion.

The business case goals at this time were developed and included:

- Enhancing cultural competence of all District employees
- Working to removed perceived reverse discrimination
- Addressing communication issues
- Achieving buy-in from all employees
- Encouraging people to come out of their comfort zone

Activities for the following years were to focus on education and training, a woman's initiative, developing another five year plan, and developing ways to hold managers accountable. Three overarching formal goals were also listed:

> 1. Encourage and maintain a highly skilled and high performing workforce through employee development and diversity education.
> 2. Integrate diversity and inclusion into District policies and procedures.
> 3. Demonstrate effective and internal communications to a diverse audience. (Internal, external and a website presence)

The goals included in this plan were to begin to institutionalize D/I practices into the business systems and by 2009-10, be an "Employer of Choice" in the area. Other metrics which were evaluated at the time include the percentages of women and minorities in the workforce.

Accomplishments FY 2008

The Diversity & Inclusion Summit was held whose goal was to re-ignite momentum in diversity by updating the diversity master plan for the next five years.

Master Plan 2020 - 2006-2008

There was another plan published in 2007 reiterated the goals and structure set out in the earlier 2006-8 report. It also includes a good history of the diversity and inclusion efforts at the District.

Master Plan Status Report for FY 2008-2009

The goals of the plan were identical to those listed in the 2009-11 plan. This document listed the program accomplishments:

- Development a D&I Communications Plan
- Began management leadership training at an MLT meeting
- Hosted 7 community events
- Sponsored 6 diverse community outreach organizations

A brief summary of ERG activities was also included:

- 12 noon hour events were scheduled to celebrate diversity and other cultures

> *"When you have experienced being invisible, not heard, and passed over, you develop a burning passion for being inclusive because you know the costs of missed opportunities." --- Floyd Keith, Executive Director, Black Coaches Association.*

- ERGs were allocated $23,000 for events and $3,244 was used. ERGs which had no expenditures include: ABE, Indo-American Association, Parents' Advisory Network.

2009-2011 & 2009-2010 Master Plans

A major focus for the 2009-11 plan was workforce planning including succession planning, and leadership development. The goal was to integrate diversity and inclusion into these plans. Other goals included in both plans included:

✓ Communicate and engage diverse communities to ensure a common understanding

✓ Managers will understand and model positive D/I behavior

✓ Build and sustain a diverse workforce that embraces and implements D/I concepts

✓ Assess impact of D/I program

✓ Ensure policies and procedures are fair, inclusive and respectful of gender differences

✓ Leverage efforts of ERGs to build inclusive workforce

Accomplishments FY 2010. The FY 2009-2010 Master Plan listed the 2010 accomplishments of the program consistent with the goals of the plan:

✓ Continued monthly training of management

✓ Develop tools to assistant managers to talk with staff about diversity and inclusion including a poster, video, and brochure.

✓ Webinars were held

✓ ERG events were held and 6 other events were hosted

✓ The 2005 Women's Initiative recommendations were developed into an action plan by the D&I Council in 2009.

A July 19, 2010 Board Agenda Memo also summarized the program for the 2009-10 fiscal year beginning with an overview of the number of recruitments and promotions. Accomplishments listed were the cultural assessment survey. Areas of strength and areas needed improvement were identified. An action plan was development and distributed to employees in April 2010. Other initiatives during this time included:

✓ D/I Communication Plan - to educate staff on goals

✓ Multi-Lingual Program - to identify staff with various language abilities

✓ Diverse Professional Organization Outreach - with a goal of developing a diverse talent pool and enhancing the District's image, including a video and poster.

✓ Complete a cultural assessment study via a survey and interviews with staff

✓ Developed an action plan in response to the cultural assessment completed

✓ Hosted 7 community events

✓ 6 internal events by ERGs were held ranging in size from 9 (Parents Advisory Network to 74 (Veterans Awareness)

✓ Black and Indo-American History Month were cancelled. (Source: 2009-10 Master Plan, p 19)

<u>Key metrics to measure future success include:</u>
Complete the D/I Master Plan objectives
Complete the action plan from the 2009 cultural assessment
Conduct a new survey to measure trends and program successes

A meeting with the ERGs and Director Santos was held in April of 2010. During this meeting a number of concerns were identified and an action plan developed. The status of the actions from this meeting was updated on 9/29/2010. (Appendix 3)

Accomplishments FY 2011. Activities during this period included a variety of webinars, meetings regarding the program with external audiences and internal groups. The Council was restructured to include 11 EEO job classes. Other accomplishments included:

✓ Developed a new D/I Master Plan for 2012-14

✓ Updated the Communication Plan

✓ Developed a D/I brochure

✓ 17 community sponsorships

✓ Participated in 6 diverse professional organization conferences

Diversity & Inclusion 2012-2014 Master Plan

The current 2012-14 plan was designed under the purview of a new Diversity & Inclusion Council and with the oversight of the CEO and acting program manager. It is the most concrete and measurable plan that has been developed thus far. It contains goals as well as strategies and tactics for accomplishing these goals:

A. Recognize and understand the community we serve
B. Enhance outreach to the community
C. Attract, promote, and retain the best talent
D. Apply creative and innovative {technological} solutions
E. Educate our workforce
F. Sustain an inclusive work environment

For the first time, each of these abstract goals is explicated by specific strategies which are action oriented and thus geared to move the District along a path toward accomplishment. In addition, specific tactics or actions are delineated. The plan is further enhanced and given strength by an implementation or action plan in matrix format that indicates timelines for each tactic and responsible parties. (See Appendix 4. Master Plan Implementation Resources Projections 2012-2014.)

"You can build a ramp to get anyone into a building, but it truly is the attitude that facilitates real inclusion. If the people inside the building don't see the value of the individual and don't want them there, then true inclusion does not happen. Christina Smith, The Arc of the Mid-Ohio Valley

The successful implementation of the plan is greatly enhanced by fleshing out these goals. As the District begins implementation, the next enhancement would be to develop specific metrics for the goals in terms of impacts and outcomes, not process, to track progress toward accomplishment. These metrics will be meaningful District-wide, but should also be developed for each of the Chief's areas of responsibility.

2012 Project Action Plan

According to the FY 2012 Project Plan the program objectives of the Diversity & Inclusion Program are to:

1. Implement the 2012-14 D/I Master Plan that includes long term objectives, strategies, and tactics to create, promote, and sustain diversity and inclusion.
2. Develop and implement communication strategies for informing and engaging employees in diversity and inclusion.
3. Develop the Employee Resource Groups (ERGs) to assist with implementation of the tactics of the D/I Master Plan.
4. Leverage external organizations to enhance recruitment and to communicate the District's messages through sponsorships.
5. Develop performance and monitoring mechanisms to measure effectiveness of Diversity & Inclusion Master Plan.

The key milestones were to:

(1) Conduct a single survey incorporating diversity and inclusion, workforce satisfaction, and ethics by June 2012.

(2) Present an annual progress report on Diversity & Inclusion to the Board of Directors by May 2012.

Employee Affinity Groups: ERGs & AWE

A key component of the District's D&I program is its heavy reliance on the affinity groups which have been organized over the years. Currently, the District recognizes and has chartered 9 employee affinity groups, called Employee Resource Groups (ERGs) plus the Association of Women Employees which is a 503(c)5 formed in the 1980's. The ERG charter applications and by laws where available are provided in Appendix 5. Appendix 6 shows the individual web site fact sheets for each ERG/AWE. These are listed below along with the reported membership and documentation provided. According to the self-reports of membership, 40% of staff belong to ERGs. The 2009 survey indicated that 29% were members.

Table 17. Affinity Group Membership, Activities and Expenses 2010-2011

Affinity Group (ERGs & AWE)	No. of Members*	Charter or By Laws?	Fact Sheet from Web?	Annual Report	FY 2010 Expenses+ ($1k max)	FY 2011 Expenses+
Asian Pacific (APRG)	27	yes	yes	No	$950	
Association of Black Employees (ABE)	25	No	yes	No	0	
Association of Women Employees (AWE)*	86	n/a	yes	No	$210	
Baby Boomers	13	yes	no	No	--	
Disability Awareness	N/A	No	no	No	$325	
Indo-American Association IAA	25	yes	yes	No	0	
Lesbian, Gay, Bi, Trans/Straight	34	yes	yes	No	$850	
OLA - Organization for Latino Affairs	64	yes	yes	No	$977	
Parents Network		No	yes	No	$300	
Veterans Awareness	37	yes		No	$184	
Total Membership	284	--	--	No	$3,797	$836

*Self-reported numbers with the exception of AWE which provided a membership list.
+ Expenses are only those funded by the District.

ERG Structure, Policies and Procedures

There is an extensive and well developed 13 page policy last revised February 2011 along with multiple forms and process descriptions to guide the ERG groups along with requirements to be chartered as an ERG by the District. There is also a 24 page publication entitled ERG Guidelines which is a well organized introduction to the ERGs and requirements to become recognized by the District. Topics for these documents include forms specially designed for ERGs to make budget requests, use of facilities, request for food vendors, reprographics and A/V services, etc. There is a detailed records retention schedule for these forms and documents.

Criteria for ERG status is clearly outlined indicating that a group must:
1) Represent major components of the way people identify or define themselves
2) Explain why the group wants to be an ERG
3) Serve as a resource to the District
4) Serve as an extension to the community
5) Promote the District as a good place to work
6) Welcome employees not of the same affinity
7) Abide by all District Policies and procedures and values
8) Not take responsibility or advocacy for any individual employee concerns
9) Assist the District in recruitment and retention efforts
10) Not represent District employees regarding terms and conditions of their employment

Each ERG is required to have an executive manager to guide the group. These sponsors may be unclassified (executive managers) or mid-managers (manager sponsors). The roles of these sponsors are extensively identified in the documents described above.

Internal Events. There are multiple, specific requirements for each ERG event to be evaluated including one day after the event, and a final report to the D/I Council within 45 days of the event. These reports, where available, are included as Appendix 7 and Appendix 8 includes evaluation of some of those events. Compliance with this requirement is unclear.

External Activities. ERG members are encouraged to participate in external activities with a nexus to the D/I program business case as described in the Master Plan. Compensation for this participation is required to be approved by the D/I program manager and the staff's unit manager.

Required Reports. In addition to the summary evaluation and report of each event to the D/I Council, these events are also to be summarized in a fiscal year end report. An annual fundraising report is due at the end of the fiscal year 4th quarter. These reports are not being done at the present time.

The D/I Program Manager is to review and publish an Annual Report which is submitted by all ERGs at the end of the 4th Quarter every fiscal year. The report is to document the ERG activities for the year, with impacts, problems/issues, lessons learned as well as the ERGs expenditures. *(Source: p. 6 ERG Guidelines, item A6)*

ERG Activities

Annual Reports & Activities. Annual reports for the ERGs, even though required by District policy, are not being collected at this time. As a result, there is no information on activities. The expenditures -- which will be used as a proxy indicator for activities -- shows that in 2009-10, there were $3,797 of expenditures by ERGs. Some ERGs had no expenditures and others had expenditures but did not report event attendance.

The FY 2010 expenditures by ERG are shown in Table 18 below along with the attendance reported at events. The attendance for 2009-10 totaled 228, a decline of 28% from FY 2009 when the attendance was 315.

Table 18. Affinity Group Expenses & Event Attendance 2010-2011

Affinity Group	FY 2010 Expenses ($1k max)	FY 2010 Reported Attendance at Events	FY 2011 Expenses ($1k max)
Asian Pacific (APRG)	$950	0	
Association of Black Employees (ABE)	0	0	
Association of Women Employees (AWE)*	$210	26	
Baby Boomers	--		
Disability Awareness	$325	0	
Indo-American Association IAA	0	0	
Lesbian, Gay, Bi, Trans/Straight	$850	34	
OLA - Organization for Latino Affairs	$977	57	
Parents Network	$300	37	
Veterans Awareness	$184	26	
Total	$3,797	228	$836

Source: 2009-10 D/I Master Plan, pp. 19-21

Maturity Matrix Survey. A member of the Diversity & Inclusion Council conducted a survey in fall of 2011 of ERG leaders and members to evaluate the 'maturity' of their ERG. The idea was to assess how well established the ERGs were based on a number of dimensions: governance and structure, talent acquisition and retention, professional development, community participation, leadership commitment, governance and structure, funding, and internal influences.

The survey was modified to suit a non-profit entity. Six of the 9 ERGs & AWE responded and rated the overall level of growth of the ERGs as one level above foundational on a 4.0 rating scale. The commitment of leadership was ranked as higher, but in terms of impact and organization, the ratings were lower. (Appendix 9)

Perceptions of ERGs

As discussed in the first section of this report, District staff perceptions of the ERGs have been and continue to be in this round of data collection, poorly thought of and often seen as social clubs or vehicles to promote individual agendas.

The 2009 cultural assessment gathered information on perceptions of the ERGs, as discussed in the first section of this report. The Association for Black Employees (ABE) is most often cited for perpetuating the idea the organization is racist and for promulgating a personal agenda. Succinctly, District staff feel the ERGs were positive at first, but have outlived their purpose; that they are divisive and have not made the transition to support the work of the District.

Diversity & Inclusion Council

During the period 2007 to 2010, there were three groups which provided leadership for the D/I Program: (1) The Executive Diversity & Inclusion Council; (2) The Diversity Council, and (3) the ERG Leadership Group, and AWE, the Association of Women Employees which is a 503(c)5.

In 2010-11 these groups were merged into one inclusive group, the Diversity & Inclusion Council which now encompasses the CEO, Chiefs, ERG leadership, members from the unions as well as staff from 11 job groups (referred to as non-ERG members in this report).

Three focus groups or listening sessions were held with this body, one with ERG and job group members combined and then two with just ERG leaders and the non-ERG members of the Council. The ERGs are not comfortable with the non-ERG members. The non-ERG members are likewise not comfortable attending the meetings, did not understand their role, indicated their role was frowned upon with their colleagues and generally feel out of place since they don't represent a larger group. Neither group felt the Council was an effective way to get the work of the program accomplished. A lack of confidentiality among members, lack of all Chiefs attending render discussion of difficult issues impossible.

Some members of the Diversity Council who do not represent an ERG expressed confusion about their role and feel marginalized in part due to the presence of ERG leadership in the Diversity & Inclusion Council.

Attendance at the D/I Council is based on who can attend which leads to different individuals being present. While the motives for this practice are totally understandable, to ensure representation, this practice may not lend itself to building a predictable membership at the meeting or one where one can expect confidentiality. It seems important to develop the Council into a trustful, confidential group of individuals who are held accountable for assignments and what they are expected to do, just as any committee or work team at the District. The current composition and procedures do not seem to lend itself to strong expectations of accountability or productivity.

In FY 2011, about 2,288 hours or approximately $200k were allocated for ERG officer's work with the Council, however only about 32% were utilized. This under utilization is evidently a pattern over the years. Therefore, it appears these funds can be reallocated and more productively utilized to pay for time of process owners and other individuals who can be held accountable for accomplishment of goals of the program and organization.

Diversity Council Best Practice

Diversity Councils typically operate in the realm of a semi-informal structure characterized by short term planning and limited accountability. They are usually activity based and may also fulfill an advisory role. Membership of these types of councils vary widely and usually represent many parts of the organization and job functions. The metrics for these Councils usually focus on activities such as trainings. There is no accountability and this model can prove to be risky if it is the primary hallmark of the program.

Types of Diversity Councils

A survey of diversity council Best Practices among large corporations show a variety of structures for diversity councils, not all of which are relevant to a non-profit organization such as country specific and regional councils for multi-site organizations. Following is a description of those which may be applicable to the District's situation.

Executive Diversity Councils. Membership consists of executive leadership with CEO and chief diversity officer leading it. Members have responsibility for all functions in the organization and as such can be held accountable for developing strategy and implementing it.

Business Unit Diversity Councils. Membership draws from a large spectrum of people in the organization including different job groups, affinity groups, abilities and thinking styles. These councils can be strictly advisory or part of the business operation. Metrics apply to individual business units and may include such activities as program development, heritage events, newsletters, mentoring, etc.

Supplier Diversity Councils. Membership in this type of council includes partnering with employees, vendors and government agencies. The group helps to determine ways to communicate with and encourage bids from small and disadvantaged businesses.

External Diversity Councils. Members of these groups may be used as an advisory board and are often recruited from business, government, academia, citizen groups, etc., to offer a broader perspective on issues and accountability for diversity.

A Diversity Council who seeks to make a difference needs to reflect all levels, divisions and functions within an organization. Representatives with these characteristics should be sought out for membership:

> Clout, Respect and Credibility. Council members should not only be advocates but also critical thinkers and planners and thought leaders in the organization.

Strategic Perspective & No Personal Ax to Grind - Members who volunteer for D/I Councils sometimes are there to solve an issue of personal interest. But Council leaders must have the ability to represent all viewpoints - an objective citizen of the organization. The Council needs people who understand the big picture as well as the operational details. Controlled passion, including people who care to make positive change and who can be sensitive to all constituencies in the District are needed.

Flexibility, Adaptability & Desire to Grow - There are many contentious issues brought to the table, they must be able to work well with others, remain open to different solutions and be introspective enough to recognize own biases.

Managing Bias - A key success factor in a strong council member is whether the person is introspective enough to manage their biases and stay open to other points of view, and change if needed.

Many successful Diversity Councils are assembled based not on one's office or role in an ERG but rather as a diagonal slice of the organization. The CEO has in the past two years moved the Diversity and Inclusion Council partially down this path by including executives, some process owners, and members of all District occupational groups.

Evaluation of Diversity & Inclusion Policies and Procedures

Persistence of unfairness can exist for two main reasons: (1) An organization's policies are unfair and (2) People treat each other unfairly.

The Diversity & Inclusion Program does not have a specifically named policy guiding its procedures and goals. Neither does the program have under its purview the Ethics and Equal Opportunity function. As a result, the attention of this report now turns to those policies and processes at the District which are charged with Ethics and Equal Opportunity. The role of these policies is to ensure a representative work force, fair promotions and respectful treatment at the District. The Office of Ethics and Equal Opportunity housed in HR, reports to the Deputy Administrative and Ethics Officer who reports to the Chief Administrative Officer.

The Deputy Administrative & Ethics Officer who has oversight of Human Resources also serves as the EEO Officer. The chief ethics officer is the Chief Administrative Officer.

Ethics & Equal Opportunity Policy & Program

The District has several major policies and administrative procedures which outline the role of the Ethics and Equal Opportunity Office's role in the recruitment and selection process for hiring and promotions, for investigating complaints of unfair hiring and providing resolution of discrimination issues, including Reasonable Accommodation. The office also completes EEO report submissions to the Federal government. The policies are available to staff on the District's public website. (Appendix 11)

> *"The District's Ethics and Equal Opportunity Office develops best practices, administers programs and develops policies that ensure the District is in compliance with state and federal laws to ensure prevention and reduction of instances of discrimination, harassment, retaliation, and disparate treatment of District employees and applicants for employment."*
> *SOP Recruitment Process Revision 7, June 23, 2010, p. 1.*

The office is also responsible for providing guidance to District staff in EO and RA matters, secures subject matter experts as trainers and develops District specific handbooks and resource materials. The EEOP also ensures the District is following best practices in training its workforce to ensure it is free of discrimination, harassment, and retaliation.

While the policy dated February 2011 indicates there is an Equal Opportunity/Non-Discrimination Plan, the staff indicates that is no longer true.

Ethics & Equal Opportunity Program Role in Recruitment & Hiring Process

During recruitment and hiring, the office is involved in a hands-on manner a number of times from beginning to the end of the process. The EEO office representative sits in on all meetings. This was structured in this manner to ensure that EEO considerations were part of the process, not an afterthought and is certainly a Best Practice that the practice is so integrally involved. These EO functions in the hiring/promotion are listed below:

Attend Recruitment Meetings. EEOP attends meetings which set the supplemental questions, assessment and interview criteria, panels, interview questions, advertisement plans, scoring rubrics, responsibilities and the qualified list. *(Source: SOP Recruitment Process p. 3)* The questions to be used in the interview, the pool, etc. are all reviewed for gender and ethnic bias. In addition, a worksheet is provided to the recruitment analyst which shows the demographic labor force availability in the county of Santa Clara for the position title that is being recruited. (Appendix 12)   This check is to ensure that the hiring panel is representative of the Santa Clara County labor force for that occupation. This is done along with the recruitment analyst and hiring manager.

There had been a practice if there were over 8 applications, a disparate analysis was performed, but this is no longer done. Disparate analysis is conducted at the end of each fiscal year and does not include information at the level of each hire/promotion.

Applicant Pool Approval. The recruitment folder is provided to EEOP which reviews documents including the advertising plan, recruitment profile, and job announcement.

Intermediate Review. After review of the data, EEOP signs the recruitment documents and returns to the recruitment analyst.

Application Assessments are performed. EEOP reviews the pool.

Assessment Results/Interview List Reviewed by EEOP for signs of disparate impact. The 'EEO Blue Folder Results of Interview Checklist' (Appendix 13) is completed at the end of the process by the EEO office. This debrief is performed with the recruitment analyst only after the interviews are completed and the hiring decision is made. If issues are noted at that time, either the EEO officer or the Recruitment Supervisor is notified depending on the issue.

Ethics & Equal Opportunity Resources

The structure, and therefore the budget, of the office has varied in recent years, making trend comparisons difficult in terms of activities as well as budgets. However, the table below shows the budget or expenditures of the office over the last 4 years.

Table 18. EEO Budget FY 2008 to FY 2011

Budget Description	2008	2009	2010	2011
EEOP Mandatory Training		$29,087	$118,623	$51,483
EEOP Program	$290,101	70,675	103,000	85,805
EEOP Management	373,151	333,567	234,486	346,819
Reasonable Accommodation		31,638	63,669	54,922
Ethics	69,800	55,717	90,701	72,127

External consultants used to investigate EEO or fairness complaints have been budgeted at $57,883 in 2008, $116,394 in 2009, and $87,501 in 2010. The 2011 expenses as of April were $22,644.

Ethics & Equal Opportunity Program: Role in Treatment of Staff Complaints

Because of the long standing perceptions regarding equity issues as well as fairness in hiring and promotions, an examination of the complaints regarding equity and fairness issues was attempted to understand and quantify the scope of the problem and the degree to which these complaints were sustained upon official investigation. First, a few qualifications and historical notes to the findings and quality of the data are in order.

An independent analysis of the climate at the District in 1996 gave this recommendation:

> *"Analyze the grievances submitted, settled, and withdrawn. Identification of complaints and problems should be analyzed more than the particular individual's situation but symptomatic of larger issues."* 1996 Organizational Culture Survey.

The 2000 Santa Clara Grand Jury report noted:

> *"The District has no database for complaint processing and prepares reports by manual tabulation. A database is reportedly planned."* Source: p. 3 June 26 2000 Grand Jury Report.

The 2009 Ethics Survey report and action plan indicated:

> *"..that quarterly reports will be presented to BAOs/Chiefs and posted on the website regarding issues and resolutions."* (source: Ethics Survey 2009 Action Plan recommendation III.A.2.)

According to the EEO Office, the database for EEO complaints has not been maintained for approximately the last year. Historical information on cases are apparently in two
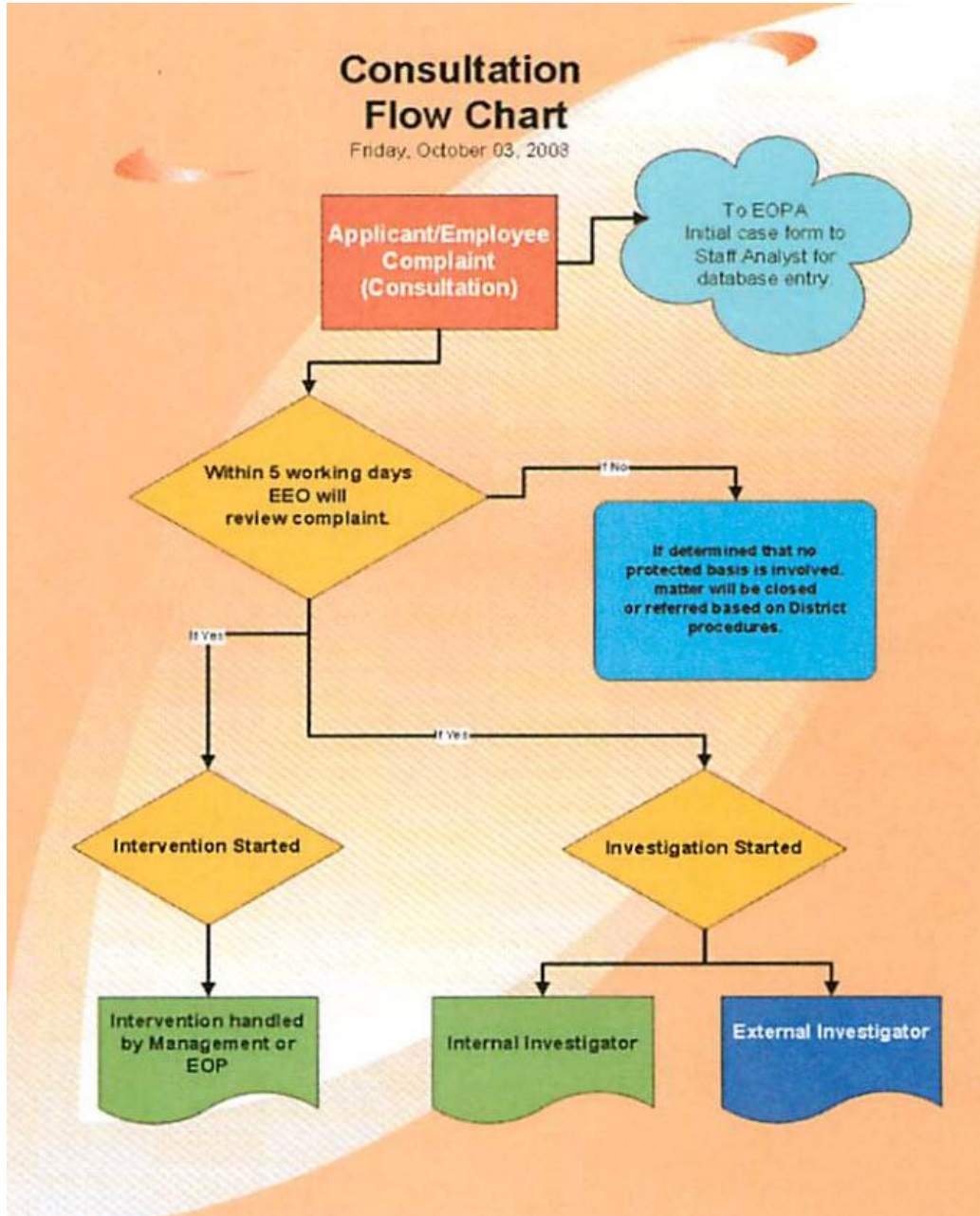
systems, and according to the EEO Office, neither are complete. Therefore, the information in this section of the report should be considered as suggestive and not conclusive. Nevertheless, given the importance of the issue, it was determined that flawed data was better than none.

The data in Table 21 below gives numbers provided in the Grand Jury's report for the years 1996-2000, and the FY 2010 and 2011 were provided and subsequently verified by the Office of EEOP. Appendix 14 contains two reports of EEO and Labor Relations complaints of complaints during FY 2011 part of FY 2010 as well as a presentation on the status of the program.

Since the periods and definitions of the cases appear to vary widely, it is not possible to make firm conclusions on incidence of issues at the District with confidence. According to the EEOP office, beginning with the FY 2010, a triage process was instituted to identify those issues that warranted further investigation and those which could be handled via a more informal intervention. In the past, complaints as well as inquiries were counted. An intervention typically involves discussion of the issues with the parties involved. It is typically conducted internally. Investigations are likewise handled internally unless there may be a conflict of interest and then an external investigator is brought in to handle the case.

The graph below shows the process for considering EEO complaints from initial intake to resolution.

Consultation Flow Chart

Friday, October 03, 2008

Applicant/Employee Complaint (Consultation)

To EOPA
Initial case form to Staff Analyst for database entry.

Within 5 working days EEO will review complaint.

If No

If determined that no protected basis is involved, matter will be closed or referred based on District procedures.

If Yes

If Yes

Intervention Started

Investigation Started

Intervention handled by Management or EOP

Internal Investigator

External Investigator

Table 21. Trends in EEO & Ethics Complaints - 1996-2011**

Type of Complaint	1996-2000	2007-2011 Complaints & Investigations	FY 2009-2010 Investigations	FY 2010-2011 Investigations
Sexual Harassment				
No.	16	23	5	2
No. Sustained	9	15	5	1
% Sustained	56%	65%	100%	50%
Racial Discrimination/ Preferential Treatment				
No.	9	24*	5	3
No. Sustained	1	9	2	0
% Sustained	11%	38%	40%	0%
Unfair Promotions				
No.		35	3	2
No. Sustained		17	1	0
% Sustained		49%	33%	0%
No. of Ethics Consultations & Complaints			110	
No. of EO Complaints			135	

Sources: 1996-200 figures from 2000 Santa Clara County Grand Jury Report;
2007-11 Treatment of Staff Reports, Internal Issues & Ethics
FY 2010-2011- EEOP/Labor Relations Report from EEO & Ethics Office and may in some cases duplicate those in FY 2010 and 2011.
*Includes racial preferential treatment & inappropriate behavior.
**These numbers are accurate, but are not complete for the periods 2007-11 and 2010-11; it is noted the numbers for FY 2010 and FY 2011 investigations do not mesh precisely with written reports in the appendix.
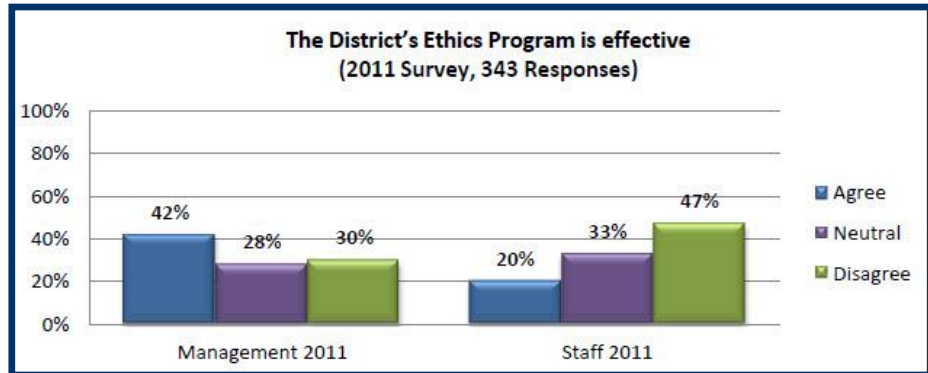
Reasonable Accommodation

According to the EEOP presentation dated 2009-2010, there were 40 new cases of reasonable accommodation during FY 2009-2010.

Perceptions of the Ethics Program

According to the fall 2011 survey, 47% believe the Ethics Program is not effective. A third has no opinion and 20% believe it is ineffective.

At the same time, complaints reported to the Ethics Office, as near as could be surmised given the paucity of systematic data, seem to be declining. However, the qualification here is that there were differences in the method of recording of these complaints from previous years. For example, in the past, all issues may have been included in earlier reports. At the present time, administration has instituted a new procedure to triage complaints that come in. This seems to have had the effect of reducing the number of investigations with more informal interventions and attempts to resolve issues undertaken instead.

An interesting trend is that the EEOP staff indicated there is now an increase in external complaints made directly to EEO and the Department of Fair Employment and Housing, - 7 in the last month.

Another interesting trend shown in the District's 2011 survey shows a sharp spike in the percentage of people who believe it is unsafe to express a difference of opinion without retaliation. In both 2007 and 2009, 33% indicated they felt safe but this dropped sharply in 2011 to only 23%.
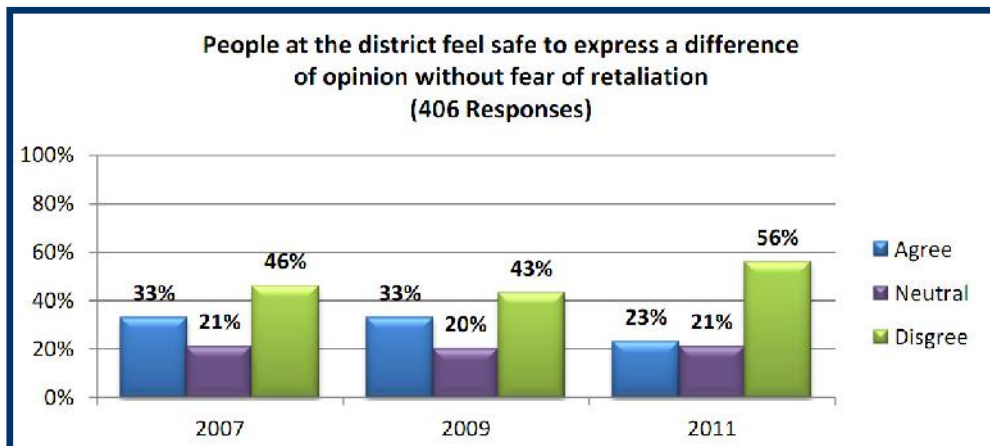
Ethics and Equal Opportunity Gap Analysis and Recommendations

The establishment of the office devoted to ethics and equity, the budget and use of anonymous complaint lines were all serious attempts on the part of the District management to prevent unfair treatment of staff and to provide a work environment that is free of discrimination, including sexual harassment, unfair treatment or retaliation against staff members for expressions of dissent consistent with EL-3 and EL-10, Treatment of Staff and Equal Employment Opportunity.

Community Engagement

Community Sponsorships

In Fiscal Year 2010-2011, the D/I Program sponsored 17 community events totaling $22,690. The range of organizations include Latino, Black and Asian civic groups. San Jose State University Engineering program activities were also supported through the program. Appendix 10 provides a complete listing of these activities.

Professional Conference attendances are provided from FY 2009 to FY 2012. Seven conferences have been attended over the years by various District staff. Government relations provided a list of 16 community sponsorships the District has supported in 2010-11. Plans for 2012 were also listed. The events were regional and ethnic oriented. Two were related to the District's mission: Guadalupe River Park and Gardens and the Palo Alto Emergency Preparedness Committee Fair. (Appendix 10)

EVALUATION OF D/I PROGRAM
EFFECTIVENESS & EFFICIENCIES & GAP ANALYSIS

In this section, an assessment of the program's strengths and weaknesses and comparisons to Best Practices is outlined.   Next, the gap analysis with Best Practice and recommendations for action are provided for the Diversity & Inclusion Program.

Strengths

As outlined in the Benchmark Report, the Diversity & Inclusion Program is Best Practice in terms of its structure: CEO support, it has its own resources and departmental organization, and ERGs have been developed. In addition, policies for equity in hiring include diversity considerations at each step.

The CEO strongly supports the program, even to the extent of taking over management of the program and the Diversity Council. He meets with the group regularly and has taken personal responsibility for formulating the latest Master Plan.

The program has a small group of dedicated staff who care deeply and feel passionately about the goals of the diversity and inclusion at the District.

The ERGs represent the spectrum of interests that exist nationally. They are supported with funds for their activities and planning time.

Development of a Master Plan as extensive as the District's is rare and only seen in large corporations with significant staffs.

The associated policies and guidelines surrounding the ERGs are well developed and thought through.

The program is moving toward a business case to fully integrate the program and spirit into its everyday operations.

Weaknesses

It appears the role of the Diversity & Inclusion program is unknown, misunderstood, or confused at the District. The Diversity and Inclusion climate is sometimes attributed unconsciously to processes over which it has no control or oversight such as equity in hiring.

The integrity of the hiring and promotion processes is long standing issues and extremely critical issues which influence staff's feelings of fairness and equity at the District. This is the backdrop against which the Diversity & Inclusion Program must

operate yet they have no influence upon the process or role in understanding or evaluating the complaints as they relate to diversity and inclusion.

Ties to departments and people who would be responsible and accountable for carrying out these goals are not those around the table in the Diversity & Inclusion Council. The Council is large and lacks confidentiality and, most importantly, is not clearly linked to the organizational structure of the District. Managers accountable for the processes critical to diversity and inclusion should have their own forum for these issues and have the outcomes identified by the District as key incorporated into their work plans.

There are no formal ties or expectations for coordinating with Diversity & Inclusion between Ethics and Equal Opportunity, Recruitment, Workforce Development, or District projects with the community including EIRs, community hearings, etc.

Negative District Image. The District staff do not understand the role of the program or believe it has a function in these times and in the Bay Area whose tolerance for diversity is well known and celebrated.

The program is associated with ERGs who are viewed as divisive and the social functions including heritage days that were given in the past.

Measures of progress have not been forthcoming. Reports of accomplishments have not been made. There have not in the past been quantitative outcomes metrics reported from its efforts. As a result, accomplishments are not clear and many staff do not understand the program, why it is funded, or what it does.

Diversity & Inclusion Training & Activities

There have not been on campus training for diversity and inclusion for years. The harassment and equal opportunity training requirements are done via the internet. The staff survey shows that their priorities for training are to develop succession plans for their positions, career ladders and their own professional development and given the climate, that should probably take priority over inclusion training at this time. Once the goals of the program are more clearly laid out and accountability measures are incorporated into management work plans, then training needs and programs that fit these goals could be more effectively identified.

Alignment of Diversity & Inclusion to District Needs

Background & Observations
Diversity and inclusion issues are among the most complex management problems an organization faces. This seems to be complicated by a number of historical and organizational characteristics at the District.

The history of semi-autonomous operations of the four chief areas followed by three CEOs in relatively short time frame and administrative efforts to integrate the areas from the top down has resulted in a history of at least partially successful passive resistance.

The proliferation of bureaucracy and excessive administrative rules, as is always the case, results in increased reliance on informal networks, and thus growing strength, to actually get the work done.

The informal power structures and networks at the District are extremely powerful. They control by rumor, by the 'gotcha' mentality of catching someone in a mistake and manipulating the many bureaucratic rules at the District. As with any power structure, the membership is, or appears to be, based on race and gender. These stubbornly resistant-to-change structures are reinforced by another relatively unique factor at the District: the extremely low attrition rates. People literally grow up and old together at the District.

> *"You never know when you might {get into a fix} because if you turn this person down, you may be {annoying} someone way over in another department, because they used to work together and you don't know it."*

In terms of diversity, the District, while far from perfect, has made strides along the lines of equal representation.

However, the real issue at the District is inclusion -- in power sharing, in collaboration, in communicating openly, in working as team members across the silos, in including staff in decisions where they could productively contribute.

Issues with D/I are long standing and have been resistant to fairly substantial efforts to change. In order to make changes, it will be important to improve dramatically communications among managers and their staffs and to provide more data on issues of interest and concern to a very intelligent, interested, educated, and watchful, District staff. Changes in approaches to projects and teamwork, meeting styles, in honest evaluations and accountability, etc. will need to change to reflect more

> *Equality is about treating all people the same. Equity is about treating people fairly, acknowledging their differences in skills, qualities and career goals.*

participatory decision making and power sharing. In short, diversity and inclusion can no longer be viewed as just a program or a department, but now a change process within the organization that touches all corners.

The department as it was staffed and charged in the past had no District wide mandate or scope. The perception of what diversity and inclusion mean is confused at the District and needs to be clarified as evidenced by the disparate policies in separate units. The department as it is currently staffed and resourced will continue to struggle to succeed.

Diversity & Inclusion Programs Best Practices

The first report in this series was a survey of Best Practices of the District's benchmarks along with nationally recognized high mark, aspirational benchmarks. It was found that the District has all the structural elements of a Best Practice program. The reader is referred to that report for details. In this section, the elements or activities in the development of what are accepted to be Best Practices in diversity and inclusion programs are outlined. This will be followed with a set of recommendations for the District.

Typical stages in the development of a Best Practice, robust diversity and inclusion program involve these key milestones:

1. Set the Vision. Executive leadership must set the tone and vision for the plan. Best Practice organizations have shifted **from a total reliance on equality to one of equity and fairness.**

2. Assess Current Status. Establish a scorecard based on employee perceptions; identification of the business case, the diversity census.- level of representation within the organization in terms of job levels, salary levels, assessment of existence of 'job ghettos' that prevent upward mobility.

3. Establish Expectations for Core Competencies of Equitable Leadership and Staff. Assessment of leadership, board members, and staff for core competencies of leadership is often a good way to start the conversation and to set expectations to be built into performance systems.

4. Setting Specific Goals through Metrics -

An effective, transformational plan will require reliable, consistent data, reporting and monitoring efforts to adjust to what is working and what is not.

Metrics should robustly track an organization's progress to achieving their vision. In the area of diversity and inclusion, it is best to maintain as broad a view of the issues as possible. Therefore it is recommended that metrics include some of each of these listed below with possible examples.

Quantitative - the diversity census against labor force information, including applicants, and hires. Promotion rates against current profile of the District workforce.

Internal - Employee Engagement surveys, cultural assessments, etc.

Personal/Behavioral - Treatment of staff complaints filed, participation in training, how the organization learns from unfortunate, apocryphal incidents, how are staff meetings organized, how well does the organization communicate its work plans and projects versus the strength of rumor mill. Numbers of supervisors and managers mentoring for next generation succession. Shadowing time built into complex District projects to build skills and experiences of beginning engineers.

External -- how the District perceived by its customers, community and community leadership, diverse communities within the service area

5. Transforming the Future - Attack Big Issues and Nibble at the Organizational Processes

The most successful plans will identify and act quickly to remedy those areas that are most troublesome or easiest to fix -- the low hanging fruit. The more public and symbolic the change, the better. But a solid plan needs to be behind it, or the program is headed for another failure, and one from which it likely will not be able to recover.

But in addition to these big ideas, organizational wide strategies, the concept of addressing the long term, stubborn to change issues in a more targeted way, often called nibbling at diversity or organizational termites is also an essential part of a successful plan.

District Best Practices

The District is, in terms of CEO commitment and involvement, reporting structure, moral and material support by its chiefs, ERG development, allocation of resources, its master D/I plan, communications plans, and activities, a Best Practice model of Diversity and Inclusion programs.

The District compares favorably with nationally ranked, top 50 Diversity, Inc award winners for its D/I program in terms of its organization, management support, development of its Master Plan, and other District sponsored activities. It is currently a relatively mature model for diversity & inclusion programs. It has accomplished its foundational tasks such as assessment of the climate through staff surveys, undertaking self-examination through rigorous assessment and program audits.

Supporting programs such as the EEO function, ethics reporting, and workforce development planning result in a comprehensive approach to diversity and inclusion. In terms of these structural aspects of D/I programming, the District is Best Practice.

The recruitment policies and structures, not actual operational practices, are very strong, close to Best Practice in terms of diversity, equity, and process. However, there

is strong evidence based on selected case studies as well as statistical information that the process is not universally carried out in a manner consistent with the values and ideals of the District of respect and taking care to consider a person's lifetime commitment and career with the District.

This conclusion has ample support from the recent employee engagement surveys as well as decades old surveys of staff who believe the process is not fair, and not fair to those who work hardest. Interviews with managers, union leadership, and random staff at the District in 2011 confirm these findings. Finally, statistical analysis of the hires completed in the last year show there are systematic issues in selection of the hiring panel, the elevation of desirable experience to the level of requirements, (MQ creep), the inability of recruitment analysts to own the process, interference from hiring managers, etc., that influence the outcome of the decisions in ways that may not place internal candidates at the advantage they feel they deserve.

> *All individuals are unique and important, and will be treated with fairness, dignity, and respect.*
>
> *Source: District Mission & Values Statement*

Highly Inclusive Organizations Have Achieved these Objectives

1. Meaningful goals for diversity program are set and a vision of equity embraced.
2. Senior executives will buy in and publicly recognize the importance of diversity
3. Demographically, the organization represents its community and executive team will be representative as well
4. Employee needs and an alternative work and benefit programs will take into account different needs based on gender, cultural, family and religious needs.
5. Development of a system of measuring success