



The State Bar of California

OPEN SESSION AGENDA ITEM JULY 2021 FINANCE COMMITTEE III.B

DATE: July 1, 2021

TO: Members, Finance Committee

FROM: Lisa Chavez, Director, Office of Research & Institutional Accountability

SUBJECT: Review of Metrics Under Purview of Finance Committee

EXECUTIVE SUMMARY

This agenda item summarizes the most recent performance metrics for offices under the purview of the Finance Committee. The offices are Finance, General Services (GS), Human Resources (HR), Information Technology (IT), and Recruitment & Retention (R²).

BACKGROUND

In January 2019, a set of performance metrics for all of the State Bar's functional areas was introduced to the Board of Trustees. The purpose of the metrics is to assess the organization's overall functioning and provide a depiction of the State Bar's work and impact. Performance metrics provide a quantifiable way for organizational leaders to recognize successes, identify areas needing improvement, and for stakeholders, to build trust in leadership and see the results of ongoing efforts. The metrics measure each State Bar office's critical performance objectives, including operational efficiencies, customer responsiveness, and fiscal accountability, and are reported monthly, quarterly, semiannually, or annually. Some metrics are one-time in nature—for example, a specific implementation plan. The majority have performance targets.

In fall 2020, staff undertook a comprehensive review of all metrics to determine which metrics remain valuable for assessing the office's performance objectives and goals. Current metrics were reevaluated with office leaders and were revised, eliminated, or designated to remain the

same. Revisions included modifying wording to clarify language and adding or eliminating targets. Metrics were eliminated for a variety of reasons, including outdated relevance to office objectives. Some metrics for which we consistently met the target goal were also eliminated. Finally, new metrics were added as appropriate to assess the performance of the office and the State Bar.

DISCUSSION

A complete list of metrics for each office under the Finance Committee's purview that the State Bar is tracking in 2021 and results for the current reporting period is provided in Attachment A.

Table 1 summarizes the 20 metrics reported during the current period. Monthly metrics are reported for January through May 2021, quarterly metrics are reported for Q1 2021 and Q4 2020, and annual metrics are reported for 2020. Of the 20 metrics reported, 16 have targets for accountability purposes. Of these, six or 38 percent met targets.

Table 1. Summary of Metrics for Current Reporting Period

| | Number of Metrics Reported | Number of Metrics with Targets | Number/Percent of Metrics that Met Target |
|-------------------------|----------------------------|--------------------------------|---|
| Finance | 4 | 4 | 0/0% |
| General Services | 3 | 3 | 3/100% |
| Human Resources | 2 | 2 | 0/0% |
| Information Technology | 4 | 4 | 2/50% |
| Recruitment & Retention | 7 | 3 | 1/33% |
| Total | 20 | 16 | 6/38% |

METRICS THAT DID NOT MEET PERFORMANCE TARGETS

A brief explanation of performance metrics that did not meet their target is provided below.

Finance: Provide fiscal year-to-date budget/actual analysis monthly to enable efficient financial management by client division/office and the executive director within 30 days of the end of the month (F-1)

- This target was not met for any month during the reporting period.

Entering fiscal year 2021, the Oracle financial system, which was implemented in March 2020, continued to experience data reporting issues. Problems with the system delayed the uploading of 2021 approved budget data into the general ledger and financial reporting modules until April 16, 2021. On June 16, 2021, the Q1 2021 budget/actual analysis reports were completed and sent

to divisions and offices for financial status review. The Office of Finance continues to solve problems associated with Oracle and expects to meet this metric by the end of Q2 2021.

Finance: Pay 90% of vendor invoices within 30 days of receipt by the State Bar offices (F-2)

- Target: 90%
- Q1 2021: 83%

The average number of days from receipt of invoice by the offices of the State Bar to their submission to the Office of Finance has remained consistent: 17 days in Q1 2021 compared to 16 days in Q4 2020. In Q1 2021, the average number of days between the date offices submitted invoices to the Office of Finance to the date invoices were paid was 13 days. The Office of Finance processed 83 percent of invoices within 30 days of receipt by State Bar offices. The Office of Finance will continue working internally with divisions and offices on timely invoice submissions and to ensure divisions and offices understand the importance of timely approval of invoices to allow for prompt payment. Further, as a solution to ensure invoice payments are made more quickly than the current 13-day average, the Office of Finance will work to implement check runs twice a week rather than the current weekly check run.

Finance: Complete monthly adjusting of journal entries and close the books timely & accurately within 20 business days of the end of the month (F-3)

- Target: 20 business days
- January 2021: 35 days
- February 2021: 35 days
- March 2021: 60 days
- April 2021: 60 days
- May 2021: 45 days

The timely financial close of the financial books monthly remains a priority in the Office of Finance. During the first quarter of 2021, the office experienced the departure of key financial reporting staff. These vacancies also delayed access of certain systems and financial information because some departing staff were the only ones with access. This, along with ongoing financial system issues, affected the timely monthly closing of the books. Management has since hired additional staff and is finalizing all access to all necessary systems and data. The office expects to meet this metric by the end of Q2 2021. In addition, to prevent having access to certain system and financial information, at least one other person will be cross trained to ensure there is another staff member with the necessary access and system information to complete the work.

Finance: 90 percent of internal clients report a high level of overall satisfaction with services provided by Finance staff (F-4)

- Target: 90%
- 2020: 68%

This metric is based on the annual staff engagement survey that was administered in early 2021. During the last 18 months, the Office of Finance has been challenged with Oracle financial system issues, key leadership staff turnover, retention of core management staff, and recruitment of professionals to fill vacant positions. Recently, the Office of Finance has successfully filled vacant positions and made progress on addressing staff performance issues. The Office of Finance continues to work with the IT team to improve the Oracle system performance and expects to meet this metric going forward.

Human Resources: Conduct 80 percent of performance evaluations by anniversary date or, for executives, the due date (HR-1)

- Target: 80%
- January 2021: 41%
- February 2021: 62%
- March 2021: 49%
- April 2021: 33%
- May 2021: 30%

Human Resources (HR) continues to work with office directors, managers, and supervisors to facilitate the timely completion of performance evaluations (PEs). The Memoranda of Understanding (MOU) with the State Bar's represented staff includes a provision that, for administrative reasons, essentially provides a 60-day grace period after the PE due date. Although the target is completion of PEs by the due date, many managers and supervisors complete PEs during this 60-day period rather than by the due date.

HR sends a monthly report to each office director showing PEs due within 60 days, as well as PEs that are overdue. HR also provides direct support and guidance to managers and supervisors in writing PEs when necessary. The importance of effective performance management will continue to be emphasized in training for supervisors and managers.

Human Resources: 90 percent of internal customers report a high level of overall satisfaction with services provided by Human Resources staff (HR-2)

- Target: 90%
- 2020: 82%

This metric is based on the annual staff engagement survey that was administered in early 2021. During 2020, the COVID-19 pandemic had a severe impact on many of HR's primary functions, and much of the office's focus was to ensure that the State Bar's workforce was healthy and safe by assisting managers with the transition to a remote workforce. HR also spent considerable time ensuring that the Coronavirus Aid, Relief, and Economic Security (CARES) Act's measures were implemented timely; and addressing other issues related to COVID-19, such as mandated quarantines, as they arose. These issues required considerable time and effort, which had a negative effect on HR's ability to serve the State Bar.

During this time, HR also saw the unexpected departure of staff in critical leadership positions, including the HR director and principal HR analyst overseeing the Employee & Labor Relations team. Although a new principal HR analyst was hired in summer 2020, the HR director role was not filled until November. The change in leadership also had a negative impact on HR's ability to serve the State Bar.

As the pandemic appears to be subsiding and the HR team continues to fill critical positions, we have been able to devote more time and resources to our primary HR functions. We expect to see demonstrable improvement with this metric moving forward. In March 2021, the HR team experienced an unexpected departure in a key leadership position, which contributed to this metric not being met. However, shortly thereafter, the leadership position was filled, and the results have been overwhelmingly positive. We believe that this staffing change will help us achieve more positive results during the next review period.

Additionally, over the past several months, the HR team has been engaged in ongoing recruiting efforts, focusing on staff with subject matter expertise in areas that will supplement the current team's knowledge and experience. The HR Benefits and Operations team has, just recently, filled one of the final vacancies to be considered "fully staffed," while the Employee and Labor Relations team is currently seeking to fill one critical position that will greatly enhance the office's ability to serve the State Bar's needs.

Information Technology: Complete 90 percent of planned major IT projects on schedule and on budget (IT-3)

- Target: 90%
- Q1 2021: 89%

The Office of Information Technology (IT) encountered delays on two projects slated for completion in Q1 2021. One project was delayed about six weeks due to an unexpected increase in the scope of work. A project associated with rule 2.2 required four additional weeks, including testing, due to the need to upgrade and improve old, redundant underlying code to accommodate the project's requested functionality.

Information Technology: 90 percent of internal customers report a high level of overall satisfaction with services provided by IT staff (IT-4)

- Target: 90%
- 2020: 84%

This metric is based on the annual staff engagement survey that was administered in early 2021. The year 2020 was a difficult year for many offices at the State Bar and IT in particular. In March 2020, IT was responsible for ensuring that all State Bar employees had the capacity to work remotely, 100 percent of the time. That monumental effort was successfully completed within a period of three weeks. The transition to remote work created an incredible demand on

IT and its helpdesk. Staff supported users who did not have any telecommuting experience and were not accustomed to using video conference technologies. As a result, many problems took much longer to resolve, and some staff had to wait longer to get service and support.

Another major event that had a major toll on IT resources was the Desktop Refresh project, which involved upgrading all State Bar users' PCs to laptops. This was especially challenging, as IT needed to deploy the new laptops remotely, which required working with users over Zoom. Despite having additional support, this process caused significant delays for the IT helpdesk.

Recruitment & Retention: Reduce average time to hire to 60 days or less (RR-1)

- Target: 60 days
- Q1 2021: 63 days

In Q1 2021, R² completed 33 hires. An analysis of these hires shows that one hire for the Office of IT took 408 days to fill and impacted had an impact on the performance metric, compared with the other 32 hires, which took on average 53 days to fill. This hire was challenging because it required a candidate with six-plus years of Salesforce experience and five-plus years of customer relationship management (CRM) industry experience. These highly sought-after skills, combined with the State Bar's salary structure, made it difficult to find candidates. The position was filled after R² conducted a "stay interview" with a recent hire and determined that this staff member met the requirements and skills for the role. R² recommended that IT interview the staff person, and based on a successful interview, they were promoted internally to the role.

Recruitment & Retention: Stay interviews are conducted for 100% of new hires within 90 days of hire (RR-2)

- Target: 100%
- Q4 2020: 86%

Because this metric is conducted 90 days after hire, it is always one quarter behind in reporting. R² conducted 12 stay interviews during Q4 2020 and were unable to conduct interviews for two staff members within the 90-day target. One new hire gave notice to depart the State Bar and declined to participate in a stay interview given the scheduled exit interview, while another new hire's schedule did not allow for the interview to be completed within 90 days of hire.

One purpose of these interviews is to receive feedback from new hires. R² has determined, based on feedback from new hires who have been with the State Bar at least 90 days or more, to change the target to 110 days. The added benefit will be to allow new hires to be fully onboarded and allow more time to schedule interviews.

ATTACHMENT LIST

A. Metrics Under Finance Committee Purview: July 2021



The State Bar *of California*

Metrics Under Finance Committee's Purview

July 2021

Introduction

The list below contains metrics for offices under the Finance Committee's purview that the State Bar will track in 2021. Most metrics reported are for Q1 2021, while others are monthly metrics reported for the months of January through May 2021. Annual metrics based on the staff engagement survey are reported for 2020. One quarterly metric is reported for Q4 2020 because of its timing.

FINANCE

Metric Focus: Fiscal Management/Operational Efficiency, Quality, Cycle Time

F-1: Provide fiscal year-to-date budget/actual analysis on a monthly basis to enable efficient financial management by client division/office and the executive director within 30 days of the end of the month

- Reporting: Monthly
- Target: See metric description
- January through May 2021: This target was not met for any month during the reporting period.

Note: This metric was recently updated to provide greater clarity and to adjust the reporting period from quarterly to monthly.

F-2: Pay 90% of vendor invoices within 30 days of receipt by the State Bar offices

- Reporting: Quarterly
- Target: 90%
- Q1 2021: 83%

F-3: Complete monthly adjusting journal entries and close the books timely and accurately within 20 business days of the end of the month

- Reporting: Monthly
- Target: 20 business days
- January 2021: 35 days
- February 2021: 35 days
- March 2021: 60 days

- April 2021: 60 days
- May 2021: 45 days

F-4: 90% of internal clients report a high level of overall satisfaction with services provided by Finance staff

- Reporting: Annually
- Target: 90%
- 2020: 68%

Note: This metric is drawn from the annual staff engagement survey administered in early 2021.

GENERAL SERVICES

Metric Focus: Cycle Time, Quality

GS-1: Process 90% of procurement requisitions with 100% accuracy within three days

- Reporting: Quarterly
- Target: 90%
- Q1 2021: 100%

GS-2: Process 85% of all facilities requests (not requiring parts/equipment ordering) within three business days or less

- Reporting: Quarterly
- Target: 85%
- Q1 2021: 100%

GS-3: 90% of internal customers report a high level of overall satisfaction with services provided by General Services staff

- Reporting: Annually
- Target: 90%
- 2020: 91%

Note: This metric is drawn from the annual staff engagement survey administered in early 2021.

GS-4: Advance capital improvement projects according to the capital improvement plan by Q4 2021, which includes: complete HVAC/chiller project; execute contract for generator project and prepare site for 2022 installation; execute contract for elevator modernization project for 2022–2024 phased upgrade

- Reporting: One-time report
- Target: See metric description

Note: The results of this annual metric will be reported in March 2022.

HUMAN RESOURCES

Metric Focus: Cycle Time, Customer Satisfaction

HR-1: Conduct 80% of performance evaluations by anniversary date or, for executives, the due date

- Reporting: Monthly and quarterly
- Target: 80%
- January 2021: 41%
- February 2021: 62%
- March 2021: 49%
- April 2021: 33%
- May 2021: 30%

HR-2: 90% of internal customers report a high level of overall satisfaction with services provided by Human Resources staff

- Reporting: Annually
- Target: 90%
- 2020: 82%

Note: This metric is drawn from the annual staff engagement survey administered in early 2021.

INFORMATION TECHNOLOGY

Metric Focus: Efficiency, Customer Satisfaction

IT-1: 90% of stakeholders report a high level of overall satisfaction with new technology deployments

- Reporting: Quarterly
- Target: 90%
- Q1 2021: 99%

IT-2: Process 85% of all IT service requests (not requiring parts or equipment ordering or software development) within five business days or less

- Reporting: Quarterly
- Target: 85%
- Q1 2021: 92%

IT-3: Complete 90% of planned major IT projects on schedule and on budget

- Reporting: Quarterly
- Target: 90%
- Q1 2021: 89%

IT-4: 90% of internal customers report a high level of overall satisfaction with services provided by IT staff

- Reporting: Annually
- Target: 90%
- 2020: 84%

Note: This metric is drawn from the annual staff engagement survey administered in early 2021.

RECRUITMENT & RETENTION

Metric Focus: Efficiency, Cycle Time, Organizational Capacity, Customer Satisfaction

RR-1: Reduce average time to hire to 60 days or less

- Reporting: Quarterly

- Target: 60 days
- Q1 2021: 63 days

RR-2: Stay interviews are conducted for 100% of new hires within 90 days of hire

- Reporting: Quarterly
- Target: 100%
- Q4 2020: 86%

Note: This metric's target will be changed to 110 days for 2021. The Q1 2021 result will be reported to the Board of Trustees at its November 2021 meeting.

RR-3: Average number of days to fill Office of Chief Trial (OCTC) attorney positions

- Reporting: Quarterly
- Target: No target
- Q1 2021: 52 days

RR-4: Average number of days to fill OCTC investigator positions

- Reporting: Quarterly
- Target: No target
- Q1 2021: 46 days

RR-5: 90% of participants report a high level of overall satisfaction with the Training & Development program

- Reporting: Semiannually
- Target: 90%

Note: The results of this semiannual metric will be reported to the Board at its July 2021 meeting.

RR-6: 90% of participants report a high level of overall satisfaction with professional development trainings

- Reporting: Quarterly

- Target: 90%
- Q1 2021: 98%

RR-7: Percentage of internal hires

- Reporting: Annually
- Target: No target

Note: The results of this annual metric will be reported in March 2022.

RR-8: Turnover rate among OCTC attorneys

- Reporting: Quarterly
- Target: No target
- Q1 2021: 3%

RR-9: Turnover rate among OCTC investigators

- Reporting: Quarterly
- Target: No target
- Q1 2021: 1%

Note: This metric excludes casual and temporary employees, as well as staff who do not successfully complete probation.