



MANDATORY SUPERVISORY TRAINING:
Not cost-effective and should be streamlined

A REPORT FROM THE CITY AUDITOR
March 2008



Office of the City Auditor
Portland, Oregon



CITY OF
PORTLAND, OREGON

OFFICE OF THE CITY AUDITOR
Audit Services Division

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March 14, 2008

TO: Tom Potter, Mayor
Sam Adams, Commissioner
Randy Leonard, Commissioner
Dan Saltzman, Commissioner
Erik Sten, Commissioner
Ken Rust, Chief Administrative Officer
Yvonne Deckard, Director, Bureau of Human Resources

SUBJECT: *Audit – Mandatory Supervisory Training: not cost-effective and should be streamlined*
(Report #354)

Attached is Report #354 containing the results of our audit of mandatory supervisory training provided by the Bureau of Human Resources. Mayor Potter, Chief Administrative Officer Ken Rust, and Human Resources Director Yvonne Deckard, and managers within the Bureau of Human Resources have reviewed report drafts, and we have included written responses, which are at the back of this report.

Because of the negative tone and nature of the Human Resources Director's response letter, I have taken the unusual step of including a response letter addressing her comments. That response is at the end of the responses section of the report.

We make several recommendations in this report, and as a result we ask the Director of Human Resources, through the Mayor's Office, to provide a status report on implementation of those recommendations within one year.


GARY BLACKMER
City Auditor

Audit Team: Drummond Kahn
Amoy Williamson
Kristin Johnson

Attachment

MANDATORY SUPERVISORY TRAINING:

Not cost-effective and should be streamlined

Summary In 2006 and 2007, the City of Portland spent approximately \$1.5 million in direct and salary/benefit costs for management and supervisory training it required for over 800 city employees. The training included 28 hours per person of classroom time on various management and leadership topics, such as Roles and Expectations of Managers and Supervisors and Change Leadership.

Because of the significant investment in time and money, and because the Bureau of Human Resources may continue this training in the future, we surveyed managers and supervisors to obtain their opinions regarding the value and length of the training. From the 198 responses, we found that most participants did not think the training was an effective use of their professional work time, and more than three-quarters reported that the training material could have been covered in less time.

In addition, our review of professional literature and survey of other cities that provide mandatory supervisory training found several improvements that the Bureau of Human Resources could make in its supervisory training program. To help participants receive greater value from the training program, and to make the program more cost effective, we recommend that the Bureau of Human Resources consider making the following improvements in its supervisory training program:

1. Shorten the duration of the course. It may be possible to reduce the 28 hours of in-class instruction depending on the experience level of the managers and supervisors.

2. Allow supervisors the opportunity to “opt-out” of part or all of the training based on their prior training and work experience.
3. Utilize professional trainers to provide the supervisory training; consider contracting-out direct training to an outside consulting firm.

Background

In 2005, City Council instructed the Bureau of Human Resources to implement a comprehensive training program for all City managers and supervisors. The training was an outgrowth of the Bureau Innovation Project (BIP) intended to improve operations in City bureaus. Because of the critical role that managers and supervisors play in any organization, City Council elected to make the new training program mandatory. All employees who supervised other staff, regardless of their previous training or experience level, were required to complete the new training regimen within the following two years.

The Bureau of Human Resources told us that they had a very limited budget from City Council to provide such a comprehensive training program. Human Resources managers chose the current training model with this limited budget to fulfill the Council mandate to train all managers and supervisors.

In November 2005, the City Council authorized a contract with a consultant to develop a curriculum, training materials, and a pilot program. The contract included a Train-the-Trainer component in which selected City employees were prepared to train more than 800 managers and supervisors using modules prepared by the consultant. The mandatory supervisory training program consisted of seven separate modules, lasting four hours each, for a total of 28 hours of training. According to the Bureau of Human Resources, the training program was designed to focus on the core skills every manager and supervisor should possess to be successful.

City Council also instituted a Cultural Competency Management Training Program, intended to assist City bureaus in implementing effective diversity development programs. We did not include this training program within the scope of this audit, but will consider reviewing it at a later time.

Objective, Scope and Methodology

The objective of this audit was to evaluate the cost-effectiveness of the number of hours required by managers to participate in the training program. To achieve this objective, we surveyed all managers and supervisors who had attended the classes through May 2007, and obtained their views on the value and required hours of the training program. We sent out over 800 surveys and received valid responses from 198 participants.

We conducted limited research of jurisdictions and private companies, about the nature and length of their mandatory managerial and supervisory training programs.

We did not independently confirm respondents' self-assessment of their management experience. Because training of all managers and supervisors was not complete when we started our audit, we focused our audit work on the cost effectiveness of the number of training hours required for the program rather than the overall effectiveness of the program, which may be considered for review later.

This audit was included in the City Auditor's FY 2006-07 audit schedule. We conducted our work in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results

The survey results* showed that most respondents felt the course was not a good use of their professional work time, and that the material could have been presented in a shorter period of time. Respondents were split as to whether to recommend the course to a co-worker. The responses for each question are presented below.

* The sample of survey responses represents a statistically valid proportion of the survey population. With 95 percent certainty, the responses are accurate within +/- 3 percent, and describe the entire population of managers and supervisors we surveyed.

Figure 1 Manager’s Survey Results

Question	Yes	No	Other *
1. Would you recommend this course to a co-worker?	47%	44%	9%
2. Was the training a good use of your professional work time?	34%	60%	7%
3. Could you have learned what you did in a shorter amount of time?	84%	13%	3%
4. Could you have used additional time for any of the modules?	9%	88%	3%
5. If yes, which modules? **	Response		
Module #1	%		
Module #2	%		
Module #3	%		
Module #4	%		
Module #5	%		
Module #6	%		
Module #7	%		
6. What did you think of the length of time for the training?			
More than enough time	75%		
Enough time given to the modules	20%		
Not enough time given to the training	2%		
Other	3%		
7. In terms of other similar management training you’ve attended, how does this compare in terms of length of time?			
A lot longer	59%		
About the same	37%		
Much shorter	3%		
Other	1%		
8. How long have you been a manager or supervisor?			
1-4 years	20%		
5-9 years	28%		
10-14 years	17%		
15 years or more	36%		

Percentages may not add to 100 percent, due to rounding

* “Other” includes no responses, comments with no checked box, or more than one box checked

** 95 percent of the respondents did not respond to this question

When considering respondent levels of experience, 55 percent of supervisors with less than five years experience said that the training was a good use of their professional time, while 43 percent indicated it was not. Of the supervisors with more than five years experience, 28 percent said the training was a good use of time, versus 64 percent who said that it was not.⁽¹⁾

In addition to the survey responses, 42 percent of the managers and supervisors who replied to the survey provided unsolicited comments on the training. The comments dealt with the length of the training sessions, competency of the trainers, the quality of the material presented, management of the training program and duplication of the material with training previously attended. For example, a significant number of respondents indicated that the modules were either too long, not productive and could have been condensed. We were also told that either the trainers were not adequately skilled, the quality of the material presented was inadequate, and/or that the training program was not well conducted. In addition, several managers and supervisors indicated that they had comparable training, so being required to take the modules was duplicative and not a good use of their time. Based on these responses from managers who attended the training, it appears that this training did not achieve its full objective.

We asked the Bureau of Human Resources why it did not allow experienced managers and supervisors to “opt-out” of all or part of the training, based on their previous training and experience. Human Resources managers told us that the City had never required a training program in the past, and the Bureau wanted to provide a basic level of knowledge and core competencies for all managers and supervisors. They also told us that the time and effort to administer an “opt-out” program would be high.

Human Resources required managers and supervisors with extensive training and experience to attend all seven training modules.

(1) Percentages do not total 100 percent due to some respondents not replying to the question.

Cost-Benefit of the Training

A comprehensive training program for managers and supervisors to learn the style of management and leadership expected in City government appears to be a reasonable and worthwhile endeavor. Because of the time and cost involved with training over 800 City employees, it is important that the scheduling of classes and methods of teaching be as efficient as possible.

Based on our review of the costs of the training and our survey of participants, it appears that the training was not as cost-effective and useful as it could be. The Bureau of Human Resources told us that they did not quantify the total financial impact of the training. The financial impact is difficult to estimate; however, based on the classification and compensation levels of managers and supervisors who attended the training, we have estimated a range of costs for managers and supervisors.

Figure 2 Cost of the Mandatory Supervisory Training Program

Consultant Contract (material development)	\$150,000
Wages and Benefits of 800 participants *	\$1.1 million - \$1.7 million
Average estimated total costs	\$1.5 million

* Audit Services Division estimated cost of the average cost of salaries and benefits based on financial data supplied by the Office of Management and Finance

We believe that the City could have saved a significant amount of resources by allowing more experienced supervisors to opt-out of the training. Training should be of such benefit so as to justify the time taken away from primary work responsibilities. All supervisors and managers were required to take all the training modules, regardless of previous training they had received or their prior experience. While the Bureau of Human Resources managers indicated that the training was the first of its kind in the City, several bureau managers told us that they received similar, or even more advanced and specialized training in the past.

Industry Best Practices

We selected three other government agencies to compare against Portland's practices. While all three may not each have a shorter management training program, we found them notable because some allow "opt-out" by experienced managers, and others allow some of the training to occur on-line. We find that these practices provide context and comparison for Human Resources to consider if it continues this training effort. We do not suggest that these government agencies are exactly like Portland – rather, they present different options that are currently used in other jurisdictions.

Specific examples of some of the programs we found are the following:

The County and City of San Francisco

The Department of Human Resources is responsible for implementing a supervisory training program to newly hired supervisors and managers within the first six months of employment, including training on performance planning and appraisals. This program is offered over a three-day period and includes an orientation, several modules, periodic roundtables and a post-training 360 degree assessment. The modules include pre-work that eventually blends into a learning component utilizing both pre-work and post work, with a final open-book, comprehensive, pass-fail exam. Upon completion, a Certificate of Completion is placed in the employee's personnel file.

The National Oceanic and Atmospheric Administration (NOAA)

A structured supervisory training program was instituted at NOAA (U.S. Department of Commerce) to ensure that all new managers and supervisors acquire a basic level of training to meet their supervisory and managerial responsibilities. The 80-hour training program is conducted by outside consultants and consists of both a basic course and an advanced course. The basic course is mandatory for new supervisors. Incumbent supervisors who have not received any basic supervisory training within the last two years are strongly urged to attend. The advanced supervisory training course is entirely voluntary. A record of the completed training is retained in each employee's personnel file.

The University of Colorado at Boulder

The University's supervisory training program requires supervisors to complete three courses. The first course can be taken on-line, and participants must achieve a 75 percent score to pass the course. If a participant does not pass the test in the first attempt, the course must be repeated at a site-based training location. The second and third courses can be completed by attending a workshop or by successfully completing an online test. Managers are allowed to "opt-out" of some training if they have attended similar courses within a designated period of time. The amount of time to complete the three mandatory courses varies by individual and the type of course and delivery method selected by the employee. Most online courses take 60 minutes to complete. Site-based courses take longer to complete than online courses because of the time required for case studies and group discussions.

Conclusion and Recommendations

The mandatory supervisory training program was better suited to new managers and supervisors, and to those with limited supervisory experience. However, the program was not tailored as well to the needs of experienced managers and supervisors, or to those who had received previous supervisory training. The program, overall, was not well suited to the needs of many of those who participated in the program. We believe the training could have been provided in a much more cost-effective manner. To make similar training programs more cost-effective and beneficial in the future, we recommend that the Mayor direct the Bureau of Human Resources to:

1. Shorten the duration of the course. It may be possible to cut the 28 hours of in-class instruction depending on the experience level of the managers and supervisors.
2. Allow supervisors the opportunity to "opt-out" of part or all of the training based on their prior training and work experience. While implementing this recommendation may cost Human Resources some staff time, we believe that a "opt-out" is worthwhile for experienced managers, since the testing and review of their experience will likely take less time

than the 28 hours of training that an experienced manager would otherwise have to complete.

3. Consider the skills and capacity of in-house trainers. If unsuitable, hire professional trainers to provide the supervisory training; and/or contract out direct training to an outside consulting firm.

RESPONSES TO THE AUDIT



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Tom Potter, Mayor
Kenneth L. Rust, Chief Administrative Officer

Bureau of Human Resources
Yvonne L. Deckard, Director
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February 27, 2008

TO: Gary Blackmer, City Auditor
Drummond Kahn, Audit Services Director

FROM: Yvonne L. Deckard
Director Bureau of Human Resources

SUBJECT: Mandatory Supervisory Training Audit

I have reviewed the final draft your office provided last week. Although I am not surprised at the results, I am disappointed. Audits conducted by your office are intended to fulfill two purposes: 1) an unbiased review of current City practices and 2) suggestions for improvement. This audit fails on both counts. As outlined below, it is neither neutral nor does it provide any meaningful suggestions or information I can use to improve the training program.

Equally important, the apparent, and erroneous, assumption of the audit is that the goal of the Manager and Supervisor Training Program is to provide training in a minimal amount of time. The goal of the training program, however, as mandated by Council is to provide the City's managers and supervisors with core competency training in every key area of managing employees in our unique work environment, regardless of prior experience or training. In addition, Council stated there would be one time funds only for this training and that it needed to contain a "train-the-trainer" component to ensure the program would be ongoing. The only money allocated to this project was \$150,000, which was barely sufficient to hire consultants to assist in developing the training and materials, to conduct the pilot program and incorporate feedback, and to make improvements and train the trainers. The consultants with whom the City contracted to develop the program and provide the training recommended 56 hours to fully address all of the core competencies. Recognizing the impact this mandatory training would have on the organization and employees, we cut their recommendation in half: to 28 hours spread over seven modules of four hours each.

Neutrality

- When Drummond Kahn and Amoy Williamson first met with Anna Kanwit to discuss this audit, Drummond explained he was looking at the training because two members of the Auditor's Office had complained about having to attend the training. When Anna questioned this as a valid reason for commencing an audit, Drummond then said that was not the only reason, there was a "general" concern about the length of the training. He declined to provide information about the source of this "general" concern.
- The survey was results-oriented and crafted to elicit feedback to prove your pre-audit hypothesis. The questions focused solely on the time involved in the training and generally asked participants if they could "have learned what they did in a shorter amount of time." Whether a participant believes they could have learned something in less time is

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immaterial. A participant has no basis on which to make that assumption after the fact. Moreover, what is "shorter time?" Is it one hour less per module, 30 minutes less, etc.? The survey is also invalid given the low response rate. Your auditors are probably aware that a response rate of 25% is too low to enable them to reach any meaningful conclusion.

- Finally, if you had been interested in an unbiased audit you would have, at the very least, integrated feedback from the participants' surveys completed at the conclusion of the training; however, those are conspicuously absent from this audit. I have attached a summary of the responses. In stark contrast to the small sample received by your auditors, we received 692 evaluations from 800 participants, an impressive 87% response rate. Because each participant was asked to evaluate each module, the total number of possible responses was 5,600 and the total number of responses received was 4,844. It is also interesting to note that in our survey there were 3,610 "yes" responses to the question of whether they would recommend the module to others.
- I have yet to see a single audit out of your office where monies spent on personnel costs for regular hours worked was included. Yet in this audit, your office reflected the cost of the training as a \$1.5 million expenditure, implying that this was a new and/or additional cost. The managers and supervisors are FLSA exempt and, as such, do not receive additional pay or monetary benefits when assigned additional responsibilities. The fact that the Council determined that managers' and supervisors' time should be spent in training rather than engaged in other tasks, did not result in any additional costs to the City.

Assumptions and Suggestions

- Industry Best Practice - - based on the auditors' claimed review of "professional literature" and survey of other **cities** (page one of the audit) the report found several improvements that BHR could make in the supervisory training program: an opt out provision; shorter training and use of professional trainers. Despite the statement concerning professional literature and a survey of other cities, the audit cites no literature or other cities other than the City and the County of San Francisco, the University of Colorado at Boulder (not a city) and also possessing technology the City of Portland does not have, and the National Oceanic and Atmospheric Administration (again, not a city) as examples of industry best practices. The audit provides no information concerning these entities' size, the cost of training, the goals of training, or training received prior to hire or promotion as a manager or supervisor, and how this was evaluated to establish a meaningful "opt out provision". Absent this information, there is no basis for the claim of an established industry best practice or that the audit even looked at comparable training programs.
- The Training is Too Long - - this is belied by the audit's examples of the claimed industry best practice. Of the three examples cited in the audit, one entity requires only 4 fewer hours (the final version of the audit states that the City and County of San Francisco's training occurs over a "three day period". In the working draft, the number 24 hours was used which I assume accurately describes three days of training), hardly a significant reduction in training time from the City's program of 28 hours. NOAA, the federal agency cited, requires 80 hours of training and there is no breakdown in the audit to determine how much of this training is devoted to the basic level
- The Training is Too Costly - - I addressed that above. In fact, we actually had too little money allocated to this project. The funding allocated (\$150,000) was barely sufficient to develop the training and provide the train the trainer function for more than 1000 managers and supervisors. As noted above, no information was provided which shows what costs the cited comparators incurred in developing and rolling out their training.

- Use Professional Trainers - - this would cost considerably more than the \$150,000 that Council allocated and also would have directly contradicted Council's direction. Council stated very clearly it wanted the City to be able to carry out the training in the future without the need for a further budget allocation; hence the train the trainer component. Further, your audit results indicate you believe the costs the City incurred were exorbitant yet this section of the audit says not enough dollars were allocated (i.e., costs for contractors would far exceed Council's initial allocation).
- Provide "Credit" for Experience and Prior Training - - again, it is clear the auditors did not review Council's mandate. Council believed it was important for every manager and supervisor to have the same core competencies - - and a primary goal of this training is to establish a baseline of core competencies. The City tends to promote from within, and regardless of the length of time someone has been a supervisor, they still may not be particularly skilled. Often, the reason the City has been unsuccessful in its efforts to improve performance and to manage other employee issues is due to the lack of understanding by supervisors of roles and how to best change employee behavior. Finally, of the three entities cited, only one -- the University of Colorado -- appears to have an "opt out" component and it is unclear what that component entails.

The manager and supervisor training program was developed at Council's direction and as part of Bureau Innovation Project (BIP) #5. The BIP committee assembled to oversee the development and implementation of the program consisted of bureau directors, managers, supervisors, and labor leaders. Once development was completed, a pilot training program (consisting of all seven modules and the full 28 hours) was conducted. The attendees provided very useful feedback and assisted in improving the training, and interestingly enough no one raised as an issue the amount of time spent on training. One of those attendants was your Deputy Auditor, Diane Betcher.

This is the second audit to come out of your office questioning a program or practice the Bureau of Human Resources has implemented at Council's direction. Council declined to implement any of your recommendations regarding the first audit. The message I glean from both audits is that BHR should not be innovative, creative, or responsive to Council's direction because the Auditor's Office apparently respectfully disagrees with these Council-driven mandates. For obvious reasons, we will continue to do our best to implement new and creative programs and practices that are responsive to both City Council and the City's employees. We are continually striving to improve our programs and are making changes to the mandatory manager and supervisor training modules, but those changes are based on feedback received directly from participants, rather than on undefined and nebulous "industry practice."

It is my expectation that this memorandum and attachment will append the audit as it is disseminated in any format.

Attachment

Cc: City Council
K. Rust
A. Kanwit
A. Williamson

**Managerial and Supervisory Training
Overall Rating and Comments
November 30, 2007**

Rating Scale: 1- Poor, 3=Average, 5=Excellent								
Overall Rating								
	1	2	3	4	5	No score	Yes	No
Question 1: How would you rate your knowledge of this subject before the training?	49	374	1985	1972	400	62		
Question 2: How would you rate your knowledge of this subject after the training?	12	55	553	3117	1035	70		
Question 3: How well did this course meet its defined objectives?	55	172	986	2423	1100	106		
Question 4: How would you rate your skill (ability to take action) after this training?	22	89	916	2956	758	101		
Question 5: How would you rate the value of the information as it applies to your job?	96	233	881	2008	1538	86		
Question 6: What is your level of commitment to apply the information from the course?	62	118	670	2105	1791	96		
Question 7: What is your level of commitment to learn more about this topic?	119	242	1262	1870	1256	93		
Question 8: How would you rate the trainer's knowledge of the topic?	28	90	536	1858	2247	83		
Question 9: How would you rate the overall presentation?	76	190	835	2054	1599	88		
Question 10: Would you recommend this course to others?						584	3610	648

692 of 800 participants completed and returned evaluations; for a return rate of 87%.



CITY OF
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March 10, 2008

TO: Yvonne Deckard, Director, Bureau of Human Resources

SUBJECT: Audit – *Mandatory Supervisory Training: not cost-effective and should be streamlined*
(Report #354)

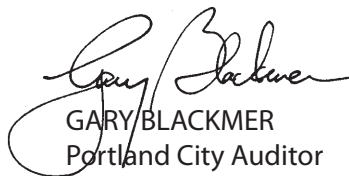
I am taking the unusual step of responding to the content of Human Resources' response to our audit report on Mandatory Supervisory Training because this level of disagreement is rare.

As Portland's elected City Auditor, I select audit areas where I believe we can make constructive recommendations. As with many audit topics, our observations of City activities suggest areas that we often consider for future audits. We participated in this training and believed that it could be improved.

We scheduled this as a small scope audit, gathered more information to determine whether our observations were valid, and produced a report. We followed national government auditing standards and our work underwent a quality control review to ensure our methods were sound.

The recommendations are modest and we still believe they can improve the City's training efforts, but it is apparent that Human Resources disagrees, which is your prerogative. If we have adequately described the attendant risks and consequences, then we still meet our audit responsibilities if a bureau or City Council decides to ignore our recommendations.

Sincerely,


GARY BLACKMER
Portland City Auditor

cc: Mayor Tom Potter
Ken Rust, Chief Administrative Officer

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Report #354, March 2008

Audit Team Members: Amoy Williamson
Kristin Johnson

This report is intended to promote the best possible management of public resources. This and other audit reports produced by the Audit Services Division are available for viewing on the web at: www.portlandonline.com/auditor/auditservices. Printed copies can be obtained by contacting the Audit Services Division.

Gary Blackmer, City Auditor
Drummond Kahn, Director of Audit Services

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