



mejorando group

FINAL REPORT

June 14, 2017

Mobile County



Operational/Management Review - Public Works and Engineering Department

Submitted By:

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June 14, 2017

John Pafenbach
County Administrator
Mobile County
1150 Schillinger Road North
Mobile, AL 36608

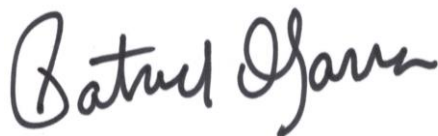
Dear John:

The Mejorando Group is pleased to provide our Final Report identifying current practices and specific recommendations to improve the performance of the Public Works/Engineering Department.

The intent of this endeavor was not to reenact the “wash, rinse, repeat” approach that governments often do and which is the equivalent of replicating past solutions to address today’s issues. Quite the contrary, today’s challenges are truly unique and systemic thereby affording the organization’s leaders the opportunity to implement dramatic changes to areas that otherwise would be off limits. Consequently, our recommendations are both practical as well as imaginative. We are confident these recommendations will play a pivotal role in helping the organization’s leaders make targeted, prudent decisions affecting the community, the organization and its workforce in the delivery of high quality services and programs.

If you have any questions or need more information, please contact me at 925-518-0187.

Sincerely,



Patrick Ibarra
Co-Founder and Partner
The Mejorando Group

A. STATEMENT OF WORK

The current economic and social environment is pushing governments to make transformational change. In general, governments are at a crossroads. To meet rising expectations with shrinking resources, they need to make a choice: cut services, increase the tax burden or pursue a more value-oriented agenda that will put them on an accelerated path to higher performance. We believe leading governments like Mobile County are selecting the third option – finding innovative ways to create greater public-sector value from their resource by delivering improved outcomes more cost efficiently. The management review is being conducted to identify and prioritize options that can help the department perform effectively to achieve strategic objectives within the constantly changing and increasing challenging environment.

To assist in addressing this challenging environment, Mobile County requested our assistance to work with it in **performing an organizational review of the Public Works/Engineering Department**. The central focus of the analysis was to evaluate the organization and management structure to include the type and level of services delivered, workplace culture, management processes and practices, operations/services and programs and so forth. The primary purpose of this study is to provide County Commissioners with recommendations to improve efficiency and increase cost-effectiveness enabling it to execute its goals.

A. Project Scope

The purpose of this organizational review was to:

- Identify any redundancies between Public Works/Engineering and Administration.
- Evaluate the efficiency of departmental services and operations relating to workload distribution, fiscal controls, use of technology, scheduling and productivity.
- Determine organizational effectiveness to ensure that the structure is positioned to operate efficiently and effectively regarding such items as staffing levels, and supervisory structure, etc.
- Evaluate the health of the existing workplace culture and its influence on individual employee performance and organizational effectiveness.

B. WORK PLAN

The Work Plan was built around five phases:

1. Project Launch
2. Collect Information on Current Practices
3. Perform Analysis

4. Develop Recommendations
5. Prepare Report

1. Project Launch

In this initial project phase, we coordinated our work plan with the County Administrator's Office to help all participants gain an understanding of the desired project outcomes and tasks. We coordinated scheduling for stakeholder interviews and acquisition of relevant resources.

2. Collect Information on Current Practices

In this phase, how work is currently being performed was captured by evaluating service delivery, work volumes, performance standards and so forth.

- **Stakeholder Interviews:** Interviews were conducted with internal stakeholders to obtain perspectives about strengths and opportunities for improvement with respect to operations, services and programs. Focus group meetings with several groups of employees were also conducted. This research helped provide a more in-depth understanding of the issues affecting operations.

1. Merceria Ludgood, County Commissioner, District 1
2. Connie Hudson, County Commissioner, District 2
3. Jerry Carl, County Commissioner, District 3
4. John Pafenbach County Administrator
5. Glenn Hodge, Deputy Administrator
6. Bill Melton, Environmental Services Director
7. Bryan Kegley, Assistant County Engineer
8. Ricky Mitchell, Deputy Public Works Director
9. Eddie Kerr, Engineering Manager
10. Tina Sanchez, Environmental Grants Manager
11. Kim Sanderson, Engineering Manager
12. James Vorpahl, Engineering Manager
13. Richard Spraggins ATRIP Director
14. James Foster, Traffic Manager
15. Neal Howard, Public Works
16. Matthew Barclift, Development
17. Tyler Martin, Facilities
18. Cindy Patrick, Information Technology
19. Sherri Mims, Parks and Recreation
20. Ted Lawson, Roads and Bridges
21. Donna Jones, Director of Human Resources
22. Darren Martin, Director of Information Technology
23. Dana Foster-Allen, Director of Finance

- **Review of Key Resources:** Several documents including budgets, organization charts, work plans, etc. were gathered and reviewed.

3. Perform Analysis

Current practices were captured and assessed through these tasks:

- Analyzed information gathered, identified and extrapolated trends.
- Reviewed information obtained about comparable jurisdictions (Madison and Montgomery Counties in Alabama).
- Evaluated existing organizational structure, service delivery and outcomes against generally accepted practices and principles of high performing organizations.

4. Develop Recommendations

Following the evaluation of the existing organizational structure, services, processes, and practices, major themes were identified and specific findings that are either symptoms or causes which impact current service levels. The focus was to develop recommendations which optimize people, processes and financial resources that best align with efficient local government service delivery and meet community needs.

5. Prepare Report

The project report provides a composite profile of current practices and detailed plan identifying recommendations to be implemented.

B. PROJECT RESEARCH – FUTURE OF LOCAL GOVERNMENT

Prior to offering our analysis and series of recommendations, a brief background on the future of local government follows. This is based on various research completed over the last few years.

A new dawn is upon government, and local government is experiencing an unprecedented transformation about its role as a credible community builder. Blended from several sources, the following information is provided as an outline, a narrative of sorts, that describes the shifting terrain local government in general, and Mobile County may be experiencing. Many of our recommendations are consistent with this “new way of doing the public’s business” and we believe, transform the Public Works/Engineering Department as a pivotal partner in building a stronger, more vibrant community.

Big economic, technological and social mega-forces threaten the viability of local governments across the nation. The question “What’s the future of local government?” is not just a topic of academic interest but a critical business issue for public agencies. If a local government can create a vision or “story” about its future, it can help shape that future. Without a vision, a public agency will be reactive and forced to change, one crisis after another.

The traditional direct service model of local government is now seriously threatened. It is not just the budget, staffing and service cutbacks crippling local governments. A whole series of forces calls into question the traditional model, including:

- Escalating demands and mission creep. Over time, citizens/taxpayers have increased their demands on local government to respond to a whole variety of issues. Consequently, local governments have become full-service organizations that attempt to be all things to all people. To exacerbate matters, local government leaders have a heroic urge to respond to any new community problem or demand with a public service.
- Mandates without money. Local agencies have increasingly been mandated by state and federal governments to provide new services or enforce new regulations without sufficient funding, thus siphoning money from other more basic services.
- Static structures. The organizational structures, systems, processes and rules of local government are oriented toward a static world. Rigid job classifications, civil service and hiring rules and purchasing and contracting systems are not aligned with a dynamic and disruptive world. For instance, a public agency cannot compete with a private corporation that can hire a soon-to-graduate student on the spot at a university career fair.
- Accelerating technology. Technology is changing all service delivery. As just one example, many local governments have launched smart phone applications so that residents can report potholes, graffiti, sidewalk damage, and other service needs. Several years ago, whoever would have guessed that public officials would be tweeting constituents about community issues?
- Out-of-whack tax system. The tax system funding local governments is often based on the old industrial economy. Local agencies generally receive tax revenue when a tangible good is sold. However, our economy is now service and knowledge-based. The provision of services or the creation of knowledge does not generate tax revenue to fund local government programs. While there seems to be little political will for modernization, the tax system needs to be better aligned with the new economy if local governments are to perform their historic role.
- Citizen mistrust. As the closest unit of government to the people, local governments in the past could rely on people’s special allegiance. Now, local agencies are just another institution, just another service provider. Declining confidence in all levels of

government, including local government, is based on a convergence of forces, including anti-government media, anti-government politicians who run against city hall and the county courthouse, an inability to effectively address the big issues confounding communities, and periodic scandals. Citizen mistrust is reflected in ballot-box initiatives and tax and fee restrictions, as well as the public's seeming unwillingness to work with local officials in making tough choices. To make matters worse, citizens do not understand how services are funded, thus creating a fundamental disconnect between the impacts of ballot-box budgeting and the continuing demands for services.

The Emerging Model

After decades of responding to new community, business and union demands, we have entered a new era. Given this new era, we believe that there are at least eight elements to an emerging model for viable local governments.

- 1. More disciplined government, focused on its “core” businesses.** In the midst of accelerating and discontinuous change, most private, public and non-profit organizations are struggling to define “core” businesses. What is core and non-core for a local government depends on the community. To identify the core, local government leaders obviously need to have courageous conversations involving elected officials, management, and business and community groups. Once the core is defined (no easy task), then elected officials and top management need to be focused on the core businesses and not get distracted. **The Public Works/Engineering Department has a vast portfolio of services and it appears to continue to broaden. The County is encouraged to actively focus on identifying its core business – types and levels of service – to ensure community needs are being met.**
- 2. Demonstrating value.** As just another service provider, local government agencies will be required to deliver and demonstrate value. Local agencies operate in a competitive marketplace. Taxpayers/consumers are asking in increasingly strident voices if they are receiving value for their tax dollars. Reducing its cost structure, streamlining, performance measures and other accountability efforts are key initiatives as local government improves its value proposition. **While periodic reports are posted on the department’s website about work completed, capital projects schedule and the like, it is insufficient in reinforcing the value proposition of the role of the Department as a community builder and provider for an improved quality of life for residents.**
- 3. Integration of technology into all service delivery.** Obviously, technology has become an integral part of all service delivery. **Historically, the lack of coordinated integration between the Department’s Information Technology efforts and the Countywide approach has created**

- unnecessary redundancies thereby depriving budgeted dollars to be applied to improvements.**
- 4. Constantly morphing organizations and systems requiring ever-learning employees.** Local government agencies need to jettison rigid personnel systems and practices, as well as ossified purchasing and contracting processes. Constantly morphing organizational structures and practices will require flexible and ever-learning employees who will take on new challenges about which they know little, do some research, respond, make mistakes, and fix up their responses as they go along. The model of loyal, compliant civil servants needs to evolve more to knowledge workers who are self-motivated, change-proficient and adaptable. In this kind of dynamic environment, technical know-how quickly becomes obsolete. Learn-how becomes as important as know-how. **The targeted investment of budgeted resources for expanding the capabilities of employees via training and development has been inadequate and needs serious attention.**
 - 5. Shared services.** Given the cost structure of local government, shared services (collaborative service delivery) will become a more prevalent approach for providing services to the public. Shared service approaches include:
 - a. Self-service
 - b. Contracting out
 - c. Regionalizing services
 - d. Leveraging assets
 - e. Partnering to co-produce the service
 - 6. Nongovernmental solutions.** Typically, local government is at the center of any problem-solving. People look to local government to solve all problems. This government-centric approach is no longer viable given constrained resources. Given the continuing limitations of public agencies, local government must put the issue (e.g., economic vitality, affordable housing, education achievement) in the center and become just one partner among many. With an issue-centric approach, local government leaders can better resist the heroic urge to take on every new challenge. **Efforts should be undertaken to prioritize Department programs and services, and capital projects.**
 - 7. Authentic civic engagement.** To address any significant challenge, local agency representatives need to cross boundaries. Local government is now just another player. To exert leadership in such a situation and address tough issues, local government officials must start conversations with other players, convene stakeholders, facilitate problem-solving, integrate the interests of other parties, and mobilize action. Only through this kind of authentic engagement can local governments turn stakeholders into partners.

8. **Change in Workforce.** Even for the most sophisticated agency, all of the above elements in the emerging model portend significant transformation of the local government workforce, especially moving away from traditional risk-adverse, seniority-based systems.

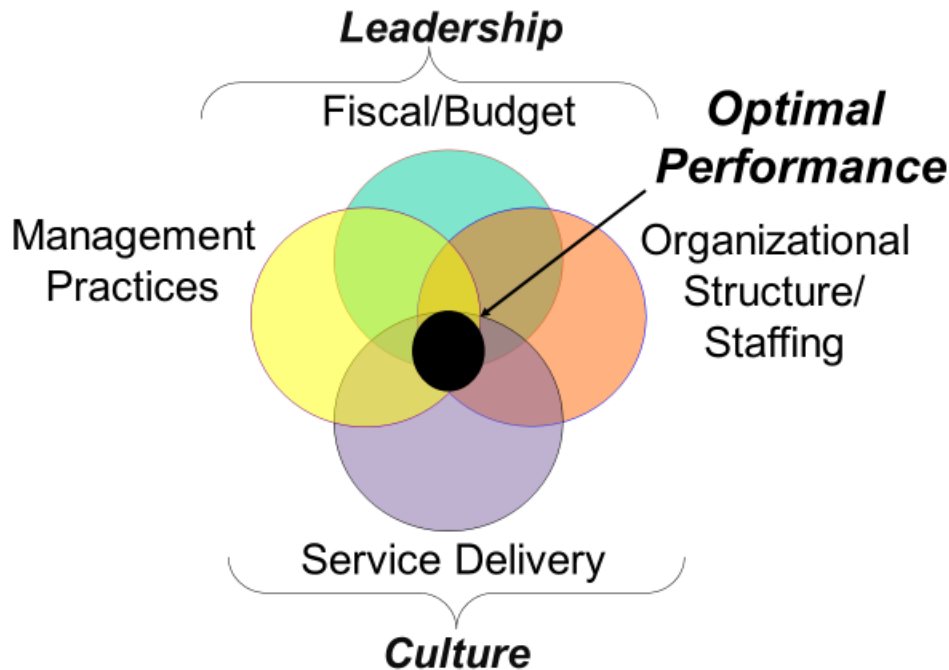
Promoting the Emerging Model

To promote the new model of local government in an era of take-aways appointed and elected officials need to engage in courageous conversations about limitations, expectations, and the “what” and “how” of government. While modernizing and reforming contracting, purchasing and civil service systems are essential elements of the emerging model, local governments will still be held to high standards. Citizens and their elected representatives will continue to require fairness, equity, accountability and transparency—key ethical values that are the hallmark of the public sector, especially local government. These changes will first require conversations with all parties to surface issues and obstacles and then ultimately political courage by local government leaders.

C. ANALYSIS AND RECOMMENDATIONS

A. CURRENT PRACTICES

The following framework was utilized to determine the appropriate mix necessary for optimal performance:



1) Organizational Structure/Staffing

Examining the existing structure was a primary focus of this assessment. Local government organizational structures are often unplanned, occurring from actions taken in response to specific events, rather than in a comprehensive well-coordinated manner. This results in an overall system that can be duplicative, fragmented, inefficient, and difficult to alter once in place. They develop over time in response to a variety of programmatic, financial and other constraints facing the organization. The Public Works/Engineering Department is no exception, and several issues in the last decade have impacted the organizational structure and approach to service delivery.

These include:

- Absorbing a range of functions/service areas and then applying a “command and control” based management approach.

- Adding functions/service areas (i.e. Parks and Environmental Services) inconsistent with the overall mission of the Public Works/Engineering Department.
- Assigning staff, the responsibility for areas in which they did not possess extensive experience or expertise. Most notably, Budget and Human Resources.
- Personnel assigned to one function but source for wages is another function/fund.

The most widely used organizational structure is the basic functional structure, which is what is in place for the Public Works/Engineering Department. The Department is divided into functional units such Roads and Bridges, Engineering, Environmental Services, etc. There are advantages and disadvantages of functional structures. On the positive side, functional structures promote specialization of skills and resources by grouping people who perform similar work and encounter similar problems. This group should facilitate communication within departments and allow specialists to share their expertise through standardized processes. **The functional structure is intended to reduce duplication of services because it makes the best use of people/employees and resources.**

On the negative side, a functional structure tends to promote routine tasks behaviors with a limited orientation. Department focus on their own tasks, rather than on the organization's overall mission. This can and have led to conflict across functional departments when each group is trying to maximize its own performance without considering the performance of the other units.

Going back several years and for several reasons, the Public Works/Engineering Department has acted as an independent/stand-alone department, separate from County Administration. Department leaders have exercised significant discretion on operations and services, with fluctuating oversight, utilized unnecessary and overly cumbersome budgetary methods, applied stale and possibly risky management practices and fostered an extremely unhealthy workplace culture in many of the functions.

The past practice of the former Public Works Director/County Engineer "reporting" to the County Commission has created the desire among many of those who do not report directly to the governing body, to want to do so and that by doing so, clear direction would be provided about operating priorities. Increasing the number of the people reporting directly to the County Commission generates its own share of challenges and complexities and is not recommended.

In order to improve organizational performance, it requires much more than simply moving boxes around an organization chart. Designing a reorganization without applying sufficient attention to identify what else needs to happen beyond the

reorganization will produce practically no positive results and may unexpectedly exacerbate other pressing issues.

2) Services

The planning and monitoring of service levels is essential to determine mid-course corrections and demonstrating the “return-on-investment” for taxpayers. It’s also vital for managers and supervisors so they can adjust work schedules, satisfy deadlines and report accomplishments.

1. A framework of the characteristics which describe a high-performance organization is not evident as a gauge for efforts to improve agency effectiveness.
2. Determining priorities for several of the functions was difficult to evaluate since they do not exist, at least in written form. The flow of projects and priorities from the County Commissioners seems to be steady but not recorded for evaluation purposes. While being responsive to needs defined as urgent is essential to demonstrate responsive local government, when these are excessive and sometimes unclear, it can create an “everything is a priority” mentality.
3. A Strategic Plan is not prepared.
4. Best Managed Practices as advocated by APWA (American Public Works Association) do not appear to be utilized.
5. In 2012, the Department created an Overview of annual goals, recent accomplishments, list of upcoming projects and other components. This appears to be the most recent year this information was captured and communicated.
6. There is no listing of services included in the annual budget linking service levels with budget resources.
7. Performance measures are absent.
8. The Environmental Services Department produces an annual work plan of projects and priorities.
9. Parks and Recreation maintains and revises a Work Plan.
10. Facilities maintains an Active Projects List for Design and Construction.
11. Road and Bridge maintain an Estimated Six-Month Bid Schedule of Road, Bridge and Drainage Projects.

- 12.A Fleet Replacement Schedule is maintained although dedicated funding sources were not identified. Question remains on how well this Schedule is being utilized.

3) Fiscal/Budget

Over time, the Department has created their own internal accounting and budgetary practices. Granted, the various funding sources the Department utilizes can cause what should be a straightforward process, slightly more complex, but all the more reason duplicate “books” should not be maintained in the Department.

Frontline employees and managers can make good decisions only if they have access to relevant, up-to-date/current information. Therein lies the challenge in this department as that type of information is not readily available and is “customized” based on department preferences.

1. A separate accounting system is maintained by Department personnel that is not compatible with County systems.
2. The Department personnel responsible for budget and financial matters, do not possess extensive finance and budget experience and expertise.
3. Several Division Managers indicated they do not receive timely and accurate budget reports from the Department and have been advised a hiring freeze is in place which is untrue.
4. Budget dollars are seemingly moved around to different funds within the department so the budget that managers receive at beginning of fiscal year is often modified without the manager being notified so the lack of reliable budgeted dollars unnecessarily delays purchases and impacts timely decision making
5. As communicated in the memo dated October 31, 2016 from Dana Foster-Allen, Director of Finance to the County Commissioners, the Work Order and Billing process current used by the Department is out-of-date and needs immediate revisions.

4) Management Practices

Specifically, the provision of Human Resource and Information Technology services.

While decentralizing **Human Resource** services from County Administration can be effective such as when there is regular communication between the two parties (i.e. County Administration and the specific Department), in this instance, entirely too much discretion has been applied by Department staff.

1. HR functions are administered by a staff member who does not have an extensive background in human resources.
2. Separate time keeping system for employees in the Department.
3. Duplicate employee/personnel files and records.
4. Lack of coordination with the County Human Resource Department about employee disciplinary actions.
5. A serious lack of policy coordination has occurred over the last several years. Indeed, the Department has adopted their own customized HR policies several of which are over 20 years old and possibly non-compliant with County policies. Department policies regarding attendance, hours of work and what is considered tardy (dated 1995), break periods, merit raises (dated 1996), personnel communication devices (dated 2003), injury in the line of duty (dated 1991), work breaks (dated 2002), while some of these policies might be valid today; a review of all department policies should be undertaken and the appropriate modifications should be made to be consistent with County Human Resource policies
6. Several department managers have been advised a hiring freeze is in place, but that is inaccurate, no such freeze exists.
7. County HR Department is routinely not contacted by Public Works/Engineering Department staff about hiring processes and instead contact is made directly with the Personnel Board.

Like Human Resources, **Information Technology** services were decentralized which has created the following situation:

1. Separate e-mail system requiring duplicative hardware/software purchases/maintenance/personnel.
2. Separate internet connection requiring an ongoing expense.
3. Separate web site that is not linked to County's website.
4. Separate phone system that is not linked to county's system.
5. Separate LAN (Local Area Network) requiring additional hardware; LAN is not easily accessible from County LAN.
6. While an IT/technology review per se was not completed as part of this evaluation, an extremely large number of software systems are in use and require a more extensive evaluation.

7. Until recently, the partnership between County IT and Department IT staff was not integrated. In other words, there has historically been a lack of communication and coordination between the Department IT staff and the County IT staff.

5) Leadership

1. Until recently, the primary approach was command and control type of leadership. This philosophy still exists in many aspects of department decision-making. During this interim period, by many of those involved, decision-making has become unnecessarily protracted (i.e. bottle neck).
2. The credibility of leaders and managers varies based on those serving in those roles. Many of those in leadership and management roles are not visible, “out and about” as it were, being active in the workplace seeking and building relationships with employees, communicating, etc.
3. Historically, there has been little emphasis placed on building leaders within the organization except for those who are engineers.

Additional information about Leadership is provided under the next section, Workplace Culture.

6) Workplace Culture (including Employee Morale)

In a number of areas throughout the Department, the workplace culture is extremely unhealthy, the exception being the Environmental Services Department which is spirited, collegial and unified. Based on input from several meetings with groups of employees an us vs. them mentality emerged.

Culture is defined as a system of collectively shared values, beliefs, traditions, and behavioral norms and is very important to employees within organizations. Employees’ preference for fundamental cultural values is emotional, not rational.

Workplace culture matters because it is a powerful, hidden and unconscious set of forces that determine both our individual and collective behavior, ways of perceiving, thought patterns, and values. Workplace culture:

- Represents “how things are around here.”
- Reflects the prevailing ideology that people carry inside their heads.
- Conveys a sense of identity to employees, provides unwritten and often unspoken guidelines for how to get along in the organization, and enhances the stability of the social system they experience.

Unfortunately, employees are unaware of their culture until it is challenged, until they experience the new culture, or until it is made overt or explicit through, for example, a framework or a model.

The following **Workplace Culture framework** features six dimensions and is being utilized to categorize feedback gathered during interviews with stakeholders and capture Current Practices:

- 1. *The organization's mission.*** Employees take great pride in public service. A strong commitment to public service and building a better community was evident in all the meetings. High performance is occurring not as the result of a healthy workplace culture, but possibly despite it. However, while employees are, by and large, dedicated to their respective roles, the mission is not leveraged well to unify the group. **There were no comments during the interviews about the group working from a shared set of values as the guiding principles for acceptable, and expected, workplace behavior and performance.**
- 2. *Authority of those in leadership roles.*** A serious lack of trust is rampant and evident between front-line employees and mid-managers toward those in appointed leadership roles, thereby limiting his effectiveness.

Trust is influenced by many factors, with the most dominant one being the individual relationship between an employee and his/her manager or direct supervisor. Effective leaders recognize that trust is the currency which fortifies their relationships with members of their staff. In order for a leader to be credible, he/she must be believable and to be believable employees must trust him/her. **The effectiveness of those in leadership roles will continue to be limited and uneven, up until they build and sustains trusting relationships with department workforce members.**

- 3. *Management and leadership style.*** Many front-line employees stated that **Department leaders rarely visit job-sites for impromptu discussions or to demonstrate his interest in daily operations.** Visiting job-sites and facilities should not be uncommon for those in senior management positions.
- 4. *The treatment of employees.*** **This area was mentioned most frequently during the interview segment of the information gathering.** The following are excerpts from some of those meetings:

- Taken for granted and unappreciated
- Demeaning treatment of employees (i.e. policy requiring employees to radio supervisor when restroom break is necessary)
- Lack of training and apprenticeship opportunities
- Little to no regular communication from management
- Compensation/Wage levels
- Lack of promotional opportunities
- Too much micro-management
- Poor planning for work assignments (either too many or too few employees at job sites)

- Favoritism
- Unfair disciplinary measures
- Lack of unity- splintered
- Inefficient work order system

The result has been morale has declined substantially and a perception of fear of retribution exists among many employees. Compliance and obedience are what appears to be expected by managers of employees. It's a lead by intimidation and positional power approach.

- 5. Decision-making processes.** Employees openly question the role of the Deputy Director and shared that on several occasions she has inserted herself into operational matters that should be at the discretion of Captains and Sergeants.

There is nothing wrong with bureaucracy per se. Procedures and protocols are necessary for any organization to function well. But too much red tape can impede progress, dampen employees' enthusiasm, and leach their energy.

The effectiveness of those serving in leadership and management roles varies greatly. The existing environment is one in which supervisors have been disempowered, forwarding even the smallest decision to the Director for his review and decision. This has created a **decision "bottleneck"** and is consistent with a micro-management approach that unnecessarily decreases the efficiency of even the most common situations.

- 6. Communication patterns.** A popular concern in almost all organizations is the lack of timely and relevant communication throughout the workforce.

No all employee meetings have been held. These types of gatherings can be extremely beneficial to dispel rumors, clarify direction, seek employee input, reaffirm a department's purpose and emphasize the role of each employee.

Perceptions from employees, in all organizations, are not always based on facts, but primarily on their own experience, what they "see" happening and the gossip which occurs. Effective leaders understand these forces are always a factor and are vigilant at countering their influence by building and sustaining healthy relationships with employees and fostering a healthy workplace culture where rumor and innuendo are not tolerated. Offering negative input does not imply the employees who are sharing it are pessimistic and so-called "problem employees," because in this situation, there was overwhelming indications their feedback was shared by a number of employees and not a select few.

In summary, the existing workplace culture is dysfunctional and consists of several unhealthy practices that are undermining group cohesion. Transitioning a workplace culture is not easily accomplished and is not about simply adopting more policies,

procedures, rules and regulations especially since those devices are not the source of existing workplace practices.

Workplace culture also affects **employee morale**, which with few exceptions, is low across the department. Employee morale describes the overall outlook, attitude, satisfaction, and confidence that employees feel at work. When employees are positive about their work environment and believe that they can meet their most important needs at work, employee morale is positive or high. If employees are negative and unhappy about their workplace and feel unappreciated and as if they cannot satisfy their goals and needs, employee morale is negative or low.

Employee morale is second only to the quality of the leadership/management team in influencing the long-term success of an organization. It (the employee morale) is a very good indicator of the quality of the leadership/management team since it is the most direct outcome of good management. After all, a good leadership/management team will do everything to engage their employees.

Finally, the morale of the workforce has a direct link to the performance of each department and the entire organization. When morale declines and performance suffers, the consequence can be a less credible government which can hinder the building of a stronger community.

B. ORGANIZATIONAL EFFECTIVENESS FRAMEWORK

Is more always better? Mobile County Public Works/Engineering Department, like most government agencies tally lots of inputs and outputs, but it's a mistake to suppose that the average budgeted capital project, percent of roads resurfaced, grant dollars received for programs translate to improved government performance.

For the last several years, within the public sector much effort is aimed at benchmarking services as a technique expected to assist with improvement efforts, but little attention is paid to identifying the characteristics of a successful organization. Benchmarking is a tool that captures input and outputs with little to no emphasis placed on outcomes and measurable goals.

The point is that it's not simple to determine what constitutes successful or unsuccessful public-sector performance. The challenge is pinpointing what exactly quality performance, and thereby success, means.

Prior to offering my analysis and recommendations, it seems what may be beneficial to provide is a barometer to define what constitutes a high-performance public sector organization. In the private sector, it's primarily about market share, return on investment and profitability. Defining success in the public sector is not so quantifiable. Based on more than fifteen years working in local government management and consulting exclusively to counties and cities for the last fifteen years, combined with contemporary research, the following is provided simply as

a framework the County Commissioners may want to reference in achieving a higher level of performance within their organization.

A working definition of high performance organizations is necessary to describe its role: High-performance organizations are groups of employees who produce desired services at higher *quality* with the same or fewer resources. Their productivity and quality improve continuously, day to day, week to week, and year to year, leading to the achievement of their mission. The major focus is on achieving desired outcomes, not simply producing more outputs.

The pursuit to becoming a high-performance organization requires clarity of purpose, investing in the workforce, understanding the environment, efforts to understand stakeholders, and the building of commitment to change. The process of transitioning to becoming a high-performance organization and of maintaining the change is people-centered. While processes, technologies and techniques are vitally important, the essential focus is on the people inside the organization and those on the outside with a vested interest in its performance. The processes, technologies, and techniques are tools to help them perform at a higher level.

By looking at many different strategies for helping organizations become more effective, efficient, and adaptable, common characteristics and themes emerge. By examining closely, the characteristics that make both qualitative and quantitative differences in high-performance organizations, we can distill the essential differences. High-performance organizations...

- Are clear on their mission – the clarity of mission sets the framework for assessing the performance of the organization and provides everyone involved a sense of purpose, direction, significance, and achievement. The Mission Statements are:

Construction: *This mission includes the supervision of the design of any new facilities that are constructed with County Funds to assure the completion of this work in an economical and efficient manner. The supervision of this construction includes projects with public buildings, utilities, roads, bridges, airport facilities, traffic control devices, environmental protection facilities, boat ramps, seawalls, parks, and other facilities. We also issue permits and inspect all building construction on private property in the unincorporated portion of the County through our Building Inspection Department. Our mission also includes the issuance of permits for any construction to be performed by outside agencies or private contractors within the County road Right of Way.*

Maintenance: *Our mission is to maintain all County owned facilities in a safe and efficient manner. This maintenance responsibility includes the maintenance of more than 90 County owned buildings, an airport on Dauphin Island, several parks, 1379 miles of roads, drainage facilities associated with these roads, bridges, traffic control devices, a countywide 800 Mhz trunked radio system, and*

environmental measures to protect the air and water for the citizens of this County.

Administration: *We administer contracts approved by the County Commission. This mission includes the administration of all Professional Engineering Contracts, and Construction Contracts for the Pay As You Go Program and other construction projects awarded by the County Commission. Our mission also includes Planning, GIS mapping of all roads in the County, subdivision plan review, commercial site plan review, road and drainage improvements and bridge construction and/or repair plan review. Our Building Inspection Department is responsible for the administration of the Federal Flood Insurance Program, house addressing and enforcing the Standard Building Code for the unincorporated portions of Mobile County. Our Environmental Department is responsible for the administration of the County's solid waste management program and the County's National Pollutant Discharge Elimination System (NPDES) program for both the construction activity and the municipal separate storm sewer system.*

Based on the review of assorted documents and reports, along with interviews conducted, it is unclear how the daily work of department employees and delivery of services and programs are connected to the respective mission statements.

- Define outcomes and focus on results – defining these outcomes requires the involvement of the stakeholders. Measures of performance are developed and communicated in a timely way to the entire workforce. Outcomes and performance measures are the tools the organization and its stakeholders should use to focus on results. **Strategic Planning is not undertaken, nor are performance measures captured.**
- Empower employees – to reach high performance, employees are empowered to apply their skills, creativity, ability to adapt to change, and capacity to be continuous learners to achieve the organization's mission. Employees are empowered to form alliances and working relationships based on their interest in meeting the outcomes and mission of the organization. They are not limited by organizational boundaries. **The workplace culture is more about disempowering employees than empowering them.**
- Foster a healthy workplace culture – Refer to recommendations regarding fostering a healthy Workplace Culture on page 29 of this report.
- Are flexible and adjust nimbly to new conditions – Workers are encouraged to take initiative, innovate, and take risks. They are promoted based on objective measures of performance and management is committed to training and continuous improvement. **Employees often feel discouraged and advised to**

not take risks, but follow the rules. The Department is primarily rule-centric.

- Maintain communications with stakeholders – successful organizations develop effective channels of communication to keep stakeholders involved in the process of continuous improvement. ***Internal stakeholders such as employees are rarely if ever communicated with about department programs, priorities and the like.***

C. RECOMMENDATIONS

The rationale for the recommendations is to help the organization attain its next level towards improving the delivery of public services. Enhancing the effectiveness and efficiency of government is not simply about adding or subtracting employees as a method to improve government efficiency. The operation of local government is not arithmetic, but more like algebra. In other words, reducing the number of government employees does not lessen its purpose.

The recommendations proposed are based on our analysis blended with our expertise, experience of what works in other jurisdictions and what are considered generally accepted practices of efficient local government.

1) Organizational Structure/Staffing

In many respects, traditional organizations, like local government, are built to resist change. Their numerous rules, regulations, and provisions limit experimentation, program in traditional behaviors, and reward consistent performance. They have many checks and balances in place to ensure that the organization operates in the prescribed manner. There is good reason why organizations are built to operate in a stable, predictable manner. Behaving this way is often critical to an organization's ability to perform well in the short term. It is perfectly consistent with the objective of achieving success under current operating conditions, but it is inconsistent with achieving continuing success when change is needed.

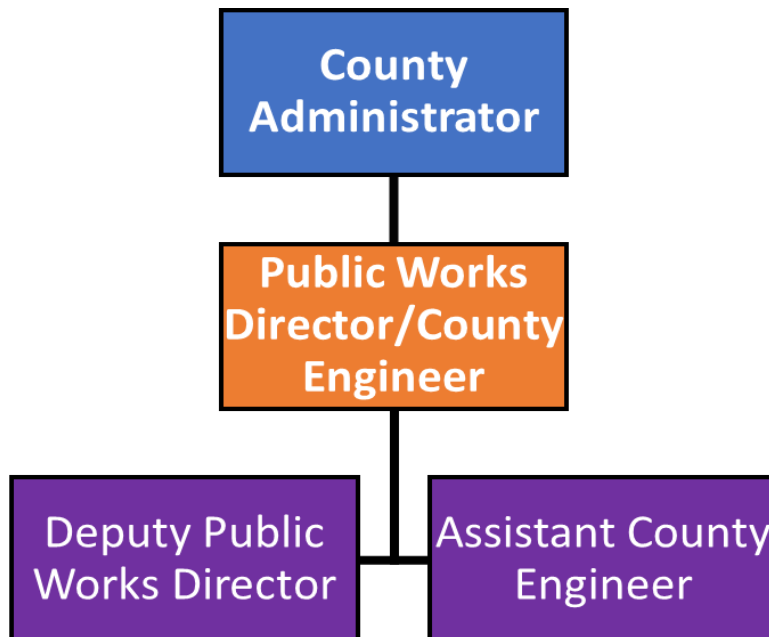
It is true that when people have been successful at doing something over and over, and have been rewarded for doing it, they may take a great deal of pride and comfort in doing it. Change is particularly difficult in these situations not because people are inherently resistant – after all, they learned to perform this way in the first place – but because they often have not been advised to expect change, don't see any advantages to change, continue to be rewarded for doing what they have always done in the past, and are understandably confused by the suggestion that doing what they were trained to do is no longer valued. Further, change often requires learning and developing new skills and forming new relationships. Although learning and establishing new relationships can be rewarding, it also can be hard work, uncomfortable, and stressful.

In order to improve organizational performance, it requires much more than simply moving boxes around an organization chart. Designing a reorganization without applying sufficient attention to identify what else needs to happen beyond the reorganization will produce practically no positive results and may unexpectedly exacerbate other pressing issues. A well-designed organization ensures that the form or infrastructure of the organization matches its purpose and strategy, meets the challenges posed by business realities and significantly increases the likelihood that the collective efforts of people will be successful.

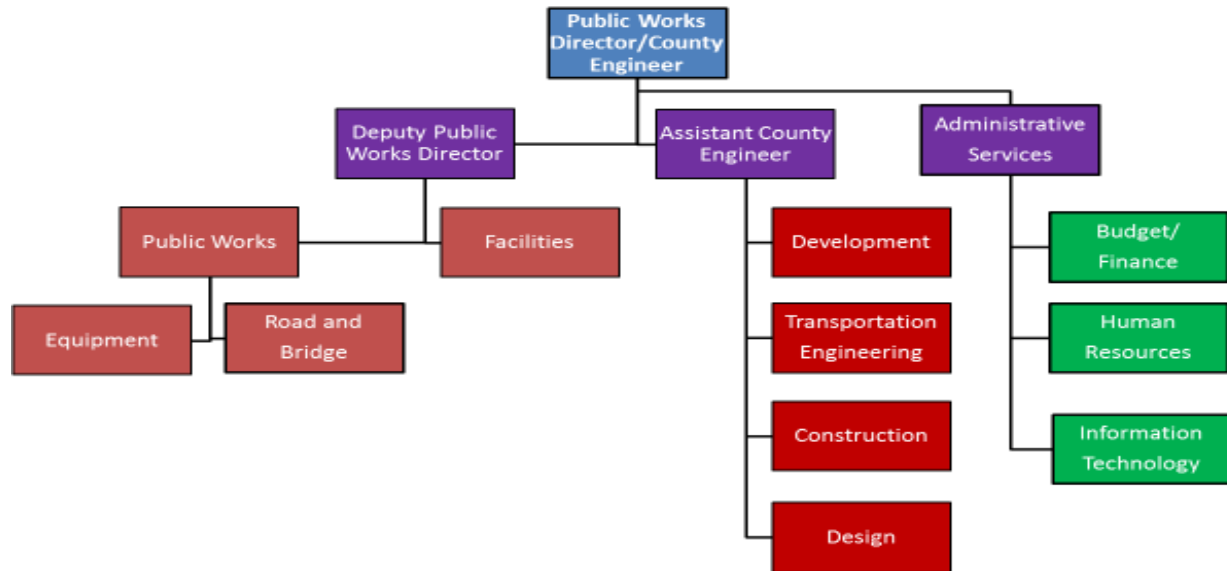
There is no perfect organization chart, but based on the history of the department, typical practices in County government and an approach where functions are grouped with similar functions the following two options are provided for consideration.

Option A:

A significant reason the situation about department performance as captured in this report is where it is today, is in no small part from the Public Works Director/County Engineer reporting directly to the County Commissioners. In order to help the department pivot from the past (and present) and increase its effectiveness while simultaneously being supportive of the priorities as set forth by the County Commissioners, is to have the Director/County Engineer report directly to the County Administrator who has a long-standing working partnership with the County Commissioners and would serve as the conduit/broker of these discussions. As stated in this report, once a new Director is in place, shortly thereafter a discussion should ensue about the priorities – both short- and long-term about capital investments, services and programs – and include input from members of the County Commission.

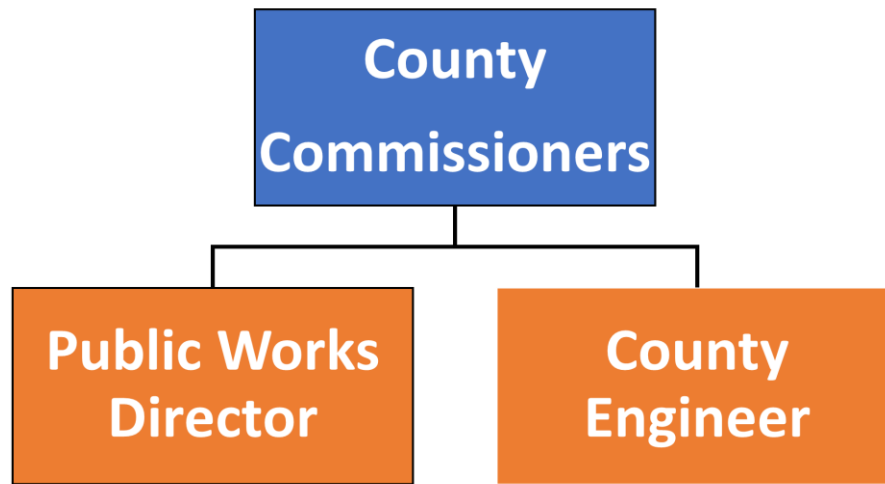


The other reorganization as part of Option A concerns the Public Works Department itself. A new division is being recommended, Administrative Services, possibly overseen by a Director who will be responsible for Budget/Finance, Human Resources and Information Technology services with a major emphasis on partnering more effectively with these same services provided by County Administration. An alternative to a full-time Director is to have certain existing County Budget/Finance and Human Resources staff members assigned to supporting Public Works/County Engineer, though not on a full-time basis. The only other change from the existing organizational structure is that Development would now be the responsibility of the Assistant County Engineer as compared to the Deputy Public Works Director.

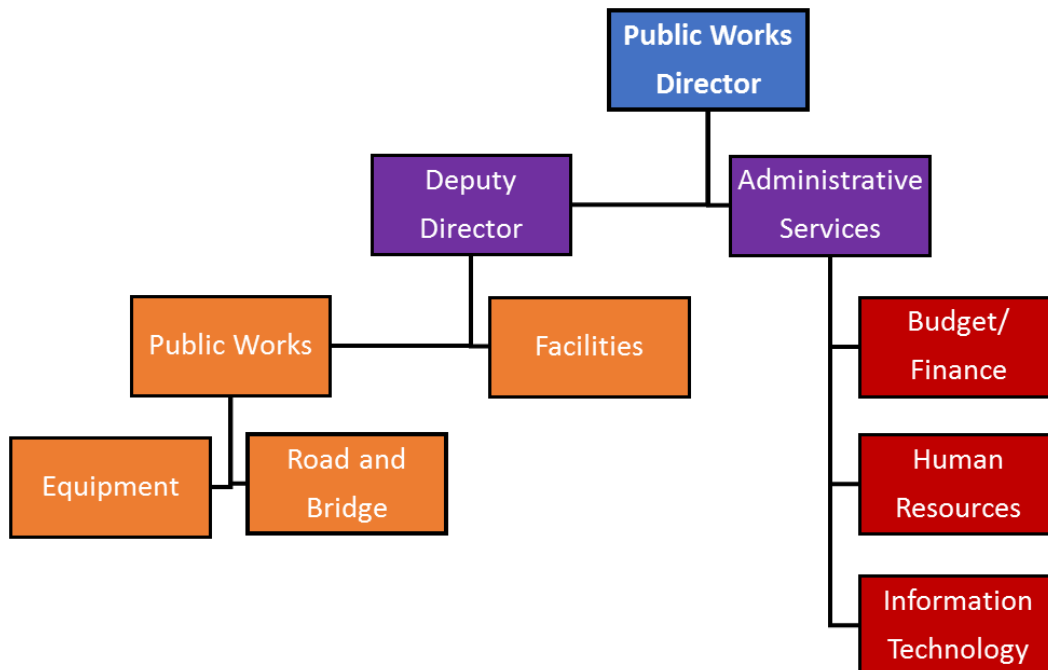


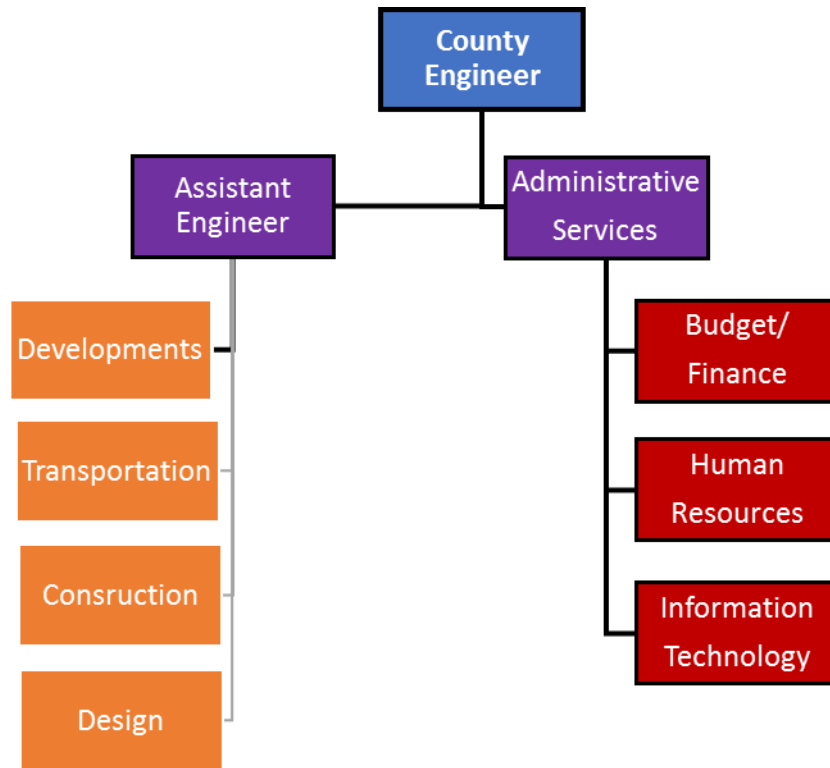
Option B:

Option B is to divide the existing position of Public Works Director/County Engineer into two positions – Public Works Director being one, and the County Engineer being the second. The benefits from this arrangement will ensure that each Department – Public Works and County Engineer – are responsive to the needs of the taxpayers via the direction given by the County Commissioners. The challenge is the County Commissioners are not always unified about the direction of these two areas and that can lead to inefficiencies, frustration and lack of timeliness in addressing community needs.

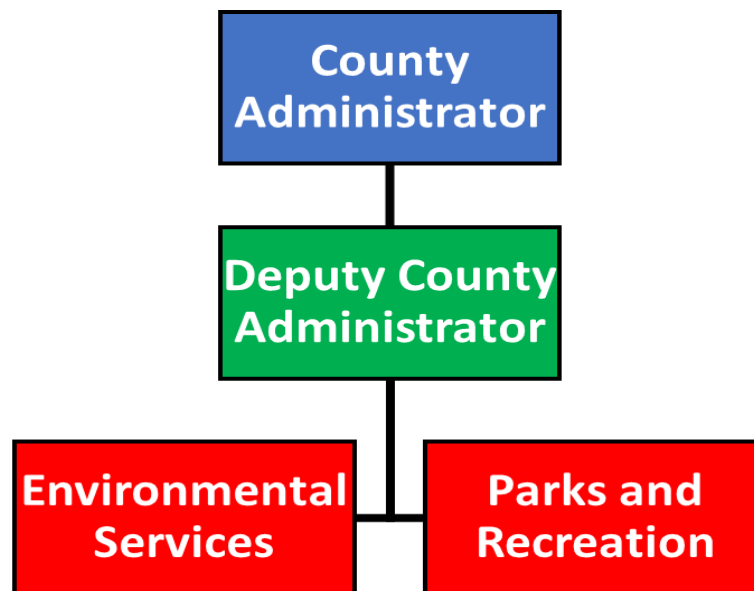


Due to the volume of Budget/Finance, Human Resources and Information Technology activities, it is recommended that similar to Option A, a new Division be created – Administrative Services for each of the departments.





Regardless of whether Option A or Option B is implemented, two departments are recommended for transferring to the Deputy County Administrator – Environmental Services and Parks and Recreation – each a singular function with little to no overlap with the Public Works Department.



2) Services

Organizations are often encouraged to institutionalize best practices, freeze them into place, focus on execution, stick to their knitting, increase predictability, and get processes under control. These ideas establish stability as the key to performance. As a result, organizations are built to support enduring values, stable strategies, and bureaucratic structures, not to change.

1. A self-assessment using the Public Works Management Practices Manual published by the American Public Works Association (APWA) is a valuable tool for determining how the department's policies, procedures and practices compare to recommended practices identified by nationally recognized experts in the field of public works. Agencies who have used the Self-Assessment process report significant gains in productivity and increased employee morale just by virtue of the process. The increased dialogue and cooperation necessary to conscientiously complete the process is typically sufficient to produce immediate benefits. Once a Public Works Director/County Engineer is in place, a Self-Assessment process should be scheduled and completed.
2. In the very near future, discussions involving the County Commissioners, County Administrator and the Public Works Director/County Engineer should be held to identify priorities for capital projects. An agreed upon set of priorities is essential for ensuring that resources are directed correctly.
3. A process to prepare a Strategic Plan should begin soon after a Public Works Director/County Engineer is selected. This Strategic Planning process should include management team members of the various functions along with a select group of non-management employees and focus on reaffirming the mission statement(s), operations/services, programs, staffing and equipment. The immediate benefit realized from adopting a Strategic Plan is it ensures clarity about direction, focus and how resources will be optimized.
4. Each year the Department should create annual goals, capture previous year's accomplishments and provide a list of upcoming capital projects. This information should be provided to the County Commissioners for review and discussion. Beginning in mid-to-late 2017, service levels per function should be captured and provided to the County Commissioners at least quarterly.
5. Each department function should be required to prepare and utilize annual work plans and capture accomplishments and service levels which are then forwarded to the Public Works Director/County Engineering. Fortifying the linkage between budgeted resources with goals, services and accomplishments is vital to maintaining the public's trust and confidence.
6. The Fleet Replacement Schedule should be reviewed and consideration given about improving its implementation.

3) Fiscal/Budget

Changes to these practices should occur immediately. The current approach is disconnected from the County's overall approach to financial and budgetary management, unnecessarily hampers timely decision making by managers and supervisors and creates "extra work" for department staff.

1. Implement recommendations regarding the Work Order and Billing process, as outlined in memo dated 10/31/16 submitted to the County Commissioners from Dana Foster-Allen, Director of Finance.
2. Begin utilizing the County Finance Department's budget reports and accounting system to monitor expenses and for procurement purposes. Timely budget reports should be provided regularly to department managers and supervisors to expedite decision-making about operations, services and programs.
3. Determine the skills, expertise and experience necessary for department staff members to be proficient and productive in budget and fiscal matters, then move forward with an action plan.
4. Confer with the Director of Finance about acceptable policies and practices relating to the redistribution of budgeted funds (i.e. moving dollars from one fund to another).

4) Management Practices

Specifically, the provision of Human Resource and Information Technology services.

1. Determine the skills, expertise and experience necessary for department staff members to be proficient and productive in Human Resource matters, then move forward with an action plan.
2. Explore possible integration of time keeping system with the overall County process.
3. Transfer department employee/personnel files and records to the County Human Resource Department.
4. Immediately begin conferring with County Human Resource staff on all matters related to employee disciplinary actions.
5. Confer with the Director of Human Resources for a thorough review of existing department personnel policies to identify potential compliance inconsistencies.
6. Notify all Public Works Department supervisors and managers that a hiring freeze is not in place.

7. Confer with County Human Resource Department staff about hiring process and determine most effective approach in communicating with the Personnel Board
8. Increase frequency of communication and establish a meaningful partnership between the County Information Technology Department and the Public Works/Engineering Department Information Technology staff members.
9. Ensure that going forward, no stand-alone systems will be installed and maintained at the department level unless first approved by the Director of Information Technology.
10. Determine feasibility and cost-effectiveness of transitioning department's email system, phone, internet connection and LAN set-up to County-wide systems.
11. Link the department website to the County's website and vice-versa.
12. The Director of Information Technology in partnership with department IT staff members should jointly review the inventory of existing software systems utilized in the department and determine a course of action about investing in additional upgrades or removal.

5) Leadership

The influence of leadership begins at the top of the department and a fresh approach is urgently needed. The leader must be someone who values people, understands that trust is currency, fosters a healthy workplace culture, appreciates the benefits realized from creating and sustaining healthy relationships with everyone from elected officials to staff members, supports the development of emerging leaders and that participation breeds commitment among employees, seeks to remove obstacles that are impeding employees' performance and advocates the use of modern approaches to improving organizational effectiveness.

The following is a suggested profile of the next Public Works Director/County Engineer:

Character: Five qualities are fundamental to the leader as a person, to his/her identify, and give us reason to trust him/her.

- Authenticity – being real, genuine, transparent, and sincere in one's own relations and interactions with others.
- Integrity – acting with fidelity to one's values and beliefs, living up to high standards of morality and promise keeping.
- Concern – demonstrating interest in others, encouraging adaptive development, and promoting a healthy, sustainable culture.
- Restraint – displaying a calm disposition, characterized by reasonableness and by avoidance of emotional extremes or impulsiveness.

- Humility – showing awareness of one’s strengths and weaknesses, an openness to others, and a belief that all persons have worth.

Substance: Five qualities inspire commitment, inform action and lead to above-and-beyond effort.

- Practical Wisdom – displaying highly honed qualities of insight and judgment that get to the heart of issues and produce prudent decisions.
- Confidence – being self-assured in decision-making and action; ready to accept the risk and responsibility for taking timely action.
- Composure – proving to be steady in a crisis, able to calm and focus others, and to bring objectivity and perspective to critical decisions.
- Resonance – connecting with others, being attentive, attuned, and responsive to feelings, motivations, and thoughts.
- Vision – generating an inspiring organization-wide picture of what could be; recognizing emerging trends, and engaging all in strategy.

Style: Five qualities are overt, skill-based patterns of communicative leadership that build motivation and shape and sustain performance.

- Appearance – looking and acting like an able executive, adapting demeanor the situation, and handling social situations with tact.
- Intentionality – clarifying direction and keeping actions aligned and on track, all without stifling dissent or neglecting needs to adjust course.
- Inclusiveness – actively involving others, welcoming diverse points of view, encouraging ownership in mission, and empowering others.
- Interactivity – promoting an interpersonal style of dialogue and timely exchange of communication and questions to coordinate action.
- Assertiveness – speaking up, valuing constructive conflict, and raising issues directly without shutting others down.

Factoring in technical proficiency and education requirements, this profile should be utilized as the decision is made about the next Public Works Director/County Engineer.

6) Workplace Culture (including Employee Morale)

The message should be clear and consistent across multiple communication channels. Employees need to know the leaders of the organization understand there is a problem. They need to hear them take responsibility for it and are serious about improving the situation. Effectively responding to trends, managing the change initiatives and achieving higher levels of individual and organizational performance is not simply through adding more employees but is the result of integrating many proven practices designed to attract, retain and develop talented employees.

Building trust and investing in relationships by leaders with their employees is fundamental to reach and sustain an acceptable level of organizational performance. Similarly, enlisting employees' support and trust towards management is equally as important. The new Public Works Director/County Engineer and members of his/her management team should explore ways to cultivate stronger relationships with their staff to foster trust and increase engagement from their employees to the organization.

Factors that can contribute to positive employee morale include, but are not limited, to those listed below. Almost anything you do that contributes to a positive work environment for employees helps to build employee morale. When you take care of factors such as these, employee morale can remain high even in turbulent, uncertain times.

- Treating employees with respect,
- Providing regular employee recognition,
- Empowering employees,
- Offering open and regular communication about factors important to employees,
- Providing feedback and coaching,
- Offering above industry-average benefits and compensation, and
- Positively managing employees within a success framework of goals, measurements, and clear expectations.

The following list is a series of proposed **recommendations** for the incoming Public Works Director/County Engineer to transition the department to a healthy workplace culture and improve employee morale.

1. Hold periodic all-employee meetings that encompass a range of issues which pertain to the employee's level of understanding about those factors impacting department services including budgets, operations/services, new department or County-wide technology, etc.
2. Provide additional opportunities for training and development.
3. Enlist employees to clarify organizational mission, vision, values and goals.
4. Revise job descriptions (where needed).
5. Ensure the availability of reliable workplace tools – equipment, technology, etc.
6. Consistent administration of employee disciplinary measures.
7. Improve the performance appraisal process to ensure timely, relevant and accurate feedback is provided to employees.
8. Revise personnel policies to reflect a contemporary approach to workforce management.