

To: Susan Kerr
From: Cost Savings Questionnaire Committee

28 April, 2006

EXECUTIVE SUMMARY OF RESULTS FROM COST SAVINGS SURVEY

The Cost Savings Questionnaire was designed to assess employee morale, turnover risk, as well as catalogue employees' suggestions for improving DMH's operational cost effectiveness. As staff salaries constitute an extremely large percentage of the overall DMH annual expenditures, it was reasoned that measures of employee morale and work-related attitudes heavily impact productivity and therefore was an important area to include. Due to delays with developing a retention survey this was also included. In all, 883 employees participated in the survey (696 of who completed it in its entirety), representing 29% of total DMH employees. [Numerous other employees confided to committee members that they were too afraid to answer the questionnaire for fear of retribution from management. Several other non-participants were resentful that their earlier suggestions had not been acted upon. The feelings of animosity, hopelessness, helplessness, and futility were also often conveyed as reasons for non-participation.] Results from the data analyses were scored utilizing a traditional, standardized alphanumeric grading system (A thru F; 4.0 thru 0). Various measurement, reliability and validity checks were made which supported the scientific merit of the findings.

DMH survey respondents were overall well satisfied with the professionalism of their supervisees (B), their co-workers (B-), as well as their immediate supervisors (B). The overall quality of DMH training was also rated high (B-).

In contrast, survey results reflected an extremely negative view of management (F), as well as a marked lack of confidence in the integrity and efficacy of the recruitment (F), promotion (F), and discipline (F) processes. A full 33% of the employees surveyed reported that they would leave DMH if given a chance for a lateral transfer. Similarly, 39% reported that they would transfer out of their current DMH division to another if given the chance. Combining these two groups, 47% would vacate their present positions at DMH if presented with an opportunity to do so. Given the reasons for non-participation reported by other staff, the actual figure for employees wanting to leave DMH or transfer out of their current assignment most probably exceeds 47%, likely by a wide margin.

As staff turnover reflects a substantial operational cost, and given the extreme statistic on turnover risk just cited, a separate evaluation was conducted to assess the self-reported work environment perceptions of those staff wanting to leave DMH with those of staff who want to remain. Predictor variables included substantially lower ratings for management leadership (although ratings from both groups yielded F's), ineffective recruitment of quality staff (F vs. C-), lack of fairness in promotions for themselves (F vs. C-) and for co-workers (low F vs. high F), and lack of fairness in discipline (F vs. C+). [A validity check was included that found that staff who wanted to leave were not significantly more negative in their responses to areas extraneous to the organizational issues they were critical of. Therefore, there was no 'negativity bias' in their responses.]

Another area of concern for cost savings pertains to compliance with HIPAA regulations. Although the overall score for this variable was C+, given the prohibitive litigation liabilities possible, a much higher score is not only necessary, but also vital. As reported, 10% of respondents claimed that their workspace was 'not at all compliant' with meeting HIPAA regulations. A further 13% rated compliance as only marginal. Only 15% rated their workspace as extremely compliant with HIPAA regulations.

Survey participants were specifically asked to report what cost-saving ideas and improvements they had. Over 400 participants gave input, making just over 1000

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suggestions and comments. General themes were identified through content analysis. Some 48% of total suggestions/observations made involved criticisms of management, including managerial incompetence, an unfair, cliquish organizational culture, the unethical conduct of certain high-level managers, a profoundly broken promotional system that is based on cronyism rather than merit, the extremely undesirable practice of re-hiring DMH retirees (particularly those in upper management) that not only takes away promotional opportunities but also perpetuates their power and influence in a cult-like organization devoid of mentorship, and the poor employee morale that results from these factors. [Such intense and pervasive distrust and even contempt for the management abilities, performance, fairness and ethical conduct of DMH's leadership/managers also reflects substantial litigation liability vulnerabilities from a risk management perspective.]

Other major themes identified included excessive and redundant paperwork, a slow and cumbersome hiring process, a slow and cumbersome firing process, better use of support staff to assist clinicians, better supervision of problem employees, better accountability, more training opportunities for professional development, utilizing more modern computer software technologies, the adoption of more efficient and user-friendly forms-particularly those related to patient care, the abuse and ineffectiveness of overtime, and improving the quality and privacy of workspace.

A qualitative analysis of individual suggestions and concerns related to cost-savings was conducted. The most substantive recommendations for cost-savings include:

- 1) Eliminate current promotion system; revise completely including replacing all current HR staff involved. Hire HR staff that not only have college degrees on the subject, but also are leaders in the field. Develop objective and modernized employee evaluation and promotion systems. Remove the subjectivity/bias associated with the current system.
- 2) Consider appointing staff with formal professional management education and academic credentials to become managers.
- 3) Terminate practice of re-hiring upper management retirees; encourage mentoring.
- 4) Eliminate redundant paperwork. Revise DMH forms; make them more efficient.
- 5) Incorporate newer and better software systems (e.g., consider adapting Linux).
- 6) Provide more private workspaces, particularly for doctors and clinical staff.
- 7) Develop a more secure protocol to meet HIPAA requirements in the workplace.
- 8) Eliminate over-time. Replace with a flexible, expanded work-hour system.
- 9) Develop a new recruitment and hiring program that is timelier, streamlined, and that places a crucial focus on recruiting only the best and brightest.
- 10) Management should refrain from knowingly sending out registered child sex offenders who are DMH staff to children's clinics to conduct program reviews. (*Liability Issue*)
- 11) Management should not promote staff that has committed workplace sexual offenses. Managers should be held accountable if they fail to file Incident Reports of such.
- 12) Make the MIS System fully HIPAA compliant.
- 13) Conduct a risk assessment of security operations around and within DMH facilities, including parking structures.
- 14) Ensure that clerical staff is optimally assigned to support clinicians and doctors.
- 15) Develop protocol procedures for turning office lights on/off. Recycle paper.
- 16) Improve janitorial services, particularly in bathrooms; improve ventilation.
- 17) Develop better coordination between Mental Health Centers and PETs.
- 18) Assure that all clients who are Medi-Cal eligible are verified into the system.