

**REPORT PURSUANT TO AB 102**

**(Chapter 38, Statutes of 2023)**

**Item 7350-001-3152**

**Fiscal Year 2022-2023**

**LABOR COMMISSIONER'S OFFICE**

**CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS**



## **Executive Summary**

The Division of Labor Standards Enforcement (DLSE), also known as the Labor Commissioner's Office (LCO), is a division of the California Department of Industrial Relations (DIR). LCO provides essential services to workers and employers in the State: adjudication of wage claims; inspections of workplaces to ensure compliance with wage and hour law; enforcement of prevailing wage rates and apprenticeship standards on public works projects; licensing and registration of certain businesses; investigations of retaliation complaints; prosecution for wage theft; and education of workers and businesses on labor laws.

In order to meet enforcement goals, LCO has made hiring a priority and has invested resources in recruitment and hiring efforts while facing significant challenges. In 2019, the department lost its hiring delegation authority for almost two years, – which overlapped with the beginning of the pandemic. Like many employers across the state and nation during this time, the Division experienced an increase in resignations. In addition to employees leaving the department for retirement or outside job opportunities, the division also experiences a lot of internal promotions – illustrating the importance of scaling its hiring strategy.

LCO submits this report pursuant to AB 102, Chapter 38, 2023, item 7350- 001-3152, Provision 4, which provides:

Of the amount appropriated in Schedule (1), \$2,000,000 shall be used by the Department of Industrial Relations for worker outreach as well as recruitment, hiring, and retention efforts to increase staffing levels at the Division of Labor Standards and Enforcement. The Department of Industrial Relations shall provide a report to the Legislature on January 10, 2024, that includes, but is not limited to, the following information from the 2022–23 fiscal year:

- (a) Recruitment and hiring activities conducted.
- (b) Number of positions filled by classifications.
- (c) Number of vacancies by classifications.

## **Section I**

### **LCO Recruitment and Hiring Activities**

The Labor Commissioner's Office, along with DIR's Office of Human Resources, have deployed several operational, staffing, and recruitment strategies to support and scale hiring. These strategies are informed and prioritized by the Division's most significant needs: increased staff to initiate, process, and prepare recruitment packages to improve hiring timelines as well as bolster the pipeline of qualified applicants.

#### **Strengthening LCO's Hiring Infrastructure**

In the period covered by this report, LCO has invested in building the infrastructure for hiring and recruitment efforts.

In 2022, LCO's hiring team operated with the support of 6 redirected executive leaders acting as hiring liaisons (in addition to carrying out their normal enforcement work), one full-time hiring analyst, one retired annuitant, and an SSM II who departed in July 2022. Today, as explained below, LCO's internal capacity to initiate, lead, and manage the volume of recruitments has more than doubled – building the capacity needed to master the process and handle the volume of recruitments required to reduce the vacancy rate.

In 2023, the Division hired four Associate Governmental Program Analysts (AGPAs) and a Staff Services Manager I (SSM I) to support hiring for the entire division. LCO also hired a Staff Services Manager II (SSM II) to lead LCO's Headquarters Unit, which includes the hiring support section. In addition, LCO continues to receive the support of two retired annuitants in the hiring support section and of the redirected six executive leaders to act as hiring liaisons to coordinate recruitments and submit hiring requests in coordination with the relevant program manager for each position.

LCO is in the process of hiring additional staff in its hiring section, including six analysts to replace the redirected executive leaders acting as hiring liaisons and two analysts to serve as recruitment ambassadors to proactively conduct recruitment efforts and to build career pathways to LCO. The analysts will be supervised by the newly hired management team, including an SSM I and SSM II. LCO anticipates hiring into these positions during the third quarter of 2024.

#### **Building a Career Pipeline to LCO**

Currently, the Division is also working with the University of California Los Angeles to

build a career pipeline to the LCO. These efforts include:

- building capacity of partner organizations, like the UCLA Labor Center, to understand the civil service hiring process and requirements through workshops and the development of training materials,
- saturating UC networks with employment opportunities to bolster interest, and
- providing potential candidates opportunities to learn about the powerful work we do at the LCO through information sessions and other outreach activities.

Last year LCO built the model for this program. This year, the Division is focusing on implementing the program at UCLA and building new partnerships with other UC campuses, the California State University system and community colleges. This program will be further strengthened once the two new recruitment analysts are hired and onboarded in the third quarter of 2024.

This initiative illustrates the Division's efforts to expand its reach in advertising open positions, broaden its candidate pool to include more qualified candidates, and provide assistance to those that may not be familiar with navigating the state hiring process.

### **Additional Efforts**

LCO has also implemented several best practices to streamline and improve its hiring processes. One of these practices is advertising recruitments with the option to fill future, identical vacancies in accordance with 2 CCR § 249.3. This allows LCO the opportunity to fill subsequent vacancies without having to readvertise. For example, if the Division was in the middle of hiring two Deputy Labor Commissioner I's in Fresno and during the recruitment period had another vacancy due to an internal promotion, the Division may hire a third qualified candidate in the same recruitment. This strategy saves the Division time and resources and adds flexibility for hiring additional qualified candidates.

### **Support from DIR HR**

DIR's Office of Human Resources (DIR HR) continuously prioritizes the department's recruitment needs including providing resources and guidance to ensure vacant positions are filled timely and in accordance with personnel laws, rules, and regulations. DIR HR has implemented Recruitment and Hiring Guidelines, Recruitment and Hiring Frequently Asked Questions, Recruitment Vacancy Status Reports, and other recruitment tools for department-wide use. These resources provide additional guidance to LCO's hiring managers, liaisons and Administration Unit to improve the quality of duty statements, interview questions, and other parts of the recruitment process to streamline review and approval.

DIR HR holds recurring weekly meetings with LCO's recruitment teams to address current issues and foster collaboration. DIR HR also provides monthly training and guidance on emerging issues to LCO's personnel liaisons to support the adoption of best practices. DIR HR has recently developed training on duty statements and best hiring practices specific to DIR, delivered a personnel liaison training in April of 2024, and is in the process of expanding these training offerings to hiring managers. These tailored trainings will further increase LCO's capacity to create and submit high quality recruitment packages.

DIR HR has also expanded its resources to meet the recruitment and hiring needs of LCO. Previously, LCO's recruitments were handled by the team of four people. By June 1, 2023 the Unit size doubled, allowing for more dedicated support for LCO to scale and speed up its hiring efforts.

Lastly, DIR HR has engaged a vendor to develop and execute a classification study for the Industrial Relations Representative and Deputy Labor Commissioner classifications to update the specifications such as minimum qualifications. This effort is critical to ensuring the position requirements allow for larger pools of eligible candidates. As DIR HR and LCO have observed, the current requirements limit candidate pools for open positions.

## **Recruitment and Outreach**

The DIR HR Recruitment and Outreach Unit (ROU) has partnered with LCO to expand their recruitment efforts during the last fiscal year. These efforts include advertising job postings on external career employment sites such as, LinkedIn, Indeed, Handshake, WorkComp Central, and Idealist. The ROU also has worked with CalHR to highlight job advertisements on their carousel on the CalCareers homepage. The ROU also sends out a weekly email notification each Monday to all current DIR employees with the current exam and job opportunities.

The ROU has also focused on university outreach, sending out email notifications to over 300 contacts in Business Administration, Labor Law, Sociology, Economic, Labor Relations Studies and Industrial Relations programs. In January 2023, DIR released a recruitment video highlighting career opportunities in the Deputy Labor Commissioner series, utilizing social media platforms such as YouTube to reach a broader audience. The ROU also created customized recruitment fliers specific to DLSE which were distributed at the 21 career fairs and conferences attended during the 22-23 fiscal year.

In March 2021, the ROU implemented an applicant survey. The information collected in this survey is constantly reviewed and evaluated by the HR ROU team to provide guidance and recommendations to Executive Leadership and DLSE on making improvements to broaden our candidate pools. The ROU also implemented

an exit survey in August 2022 in an effort to collect information and implement strategies to improve employee retention based on the feedback received.

More recently, DIR has launched a nationwide recruitment campaign to scale the department's efforts to hire enforcement personnel. The campaign, "More than a Career, a Purpose," aims to attract talent to fill crucial roles in DIR, including with LCO and Cal/OSHA.

The campaign features a revamped website [DIRcareers.com](https://dircareers.com), and will be promoted through digital and out-of-home ads and community outreach and engagement activities. DIR continues to build its dynamic team with top talent who will help fulfill its mission and values to make California workplaces fair and safe for everyone. Campaign messages provide helpful information for qualified candidates, including simplifying the application process and connecting directly to the job openings.

## **Section II**

### **Number of Appointments, Filled Positions, and Vacancies**

Exhibit A provides the counts of filled and vacant positions for each classification in LCO for the 2022-2023 fiscal year. In summary:

- As of July 1, 2022, LCO had 816.5 established positions and 509 filled positions.
- As of June 30, 2023, LCO had 816.5 established positions and 478 filled positions.

Between the end of the 2022-2023 fiscal year and December 31, 2023, LCO filled an additional 49 positions.

It is important to note LCO received 82.5 new BCP positions in the 2022-23 Fiscal Year, and 79.5 new positions in the 2023-24 Fiscal Year, which is a contributing factor to the overall high vacancy rate. LCO aims to make faster progress in filling positions and reducing its vacancy rate with the improved hiring processes described above.

**Exhibit A<sup>1</sup>**

Classification	July 1, 2022		June 30, 2023	
	Filled	Vacant	Filled	Vacant
Assistant Chief, DLSE	3	1	2	2
Associate Governmental Program Analyst	8	2	11	2
Attorney	4	4	3	3
Attorney III	27	17.5	18	31.5
Attorney IV	8	7	21	4
Attorney, Assistant Chief Counsel	3	0	3	0
Auditor I	13	8	11	14
C.E.A.	1	0	1	0
Chief Counsel	0	1	1	0
Chief, DLSE	1	0	1	0
Deputy Director of Legislation and Policy	1	0	1	0
Deputy Labor Commissioner I	131	98.5	140	91.5
Deputy Labor Commissioner II	67	43.5	56	47.5
Deputy Labor Commissioner III	52	16	50	16
Deputy Labor Commissioner IV	10	5	14	3
Industrial Relations Counsel III	4	2	0	0
Industrial Relations Counsel IV	9	1	0	0
Industrial Relations Representative	61	28	61	29
Investigator	2	0	2	0
Legal Analyst	0	4	0	4
Legal Secretary	15	6	12	9
Legal Support Supervisor I	1	0	1	0
Management Services Technician	22	16	13	20
Office Assistant (Typing)	2	1	1	2
Office Technician (Typing)	56	41	47	52
Payroll Auditor, DLSE	1	0	1	0
Special Assistant to the Labor Commissioner	1	0	0	1
Special Counsel to the Labor Commissioner	1	0	1	0
Special Investigator	0	0	1	0
Staff Services Analyst (General)	2	4	0	6
Staff Services Manager I	2	1	3	1
Staff Services Manager II (Supervisory)	1	0	2	0
Total	509	307.5	478	338.5
Total Vacancy Rate	37.7%		41.5%	

<sup>1</sup> Note that some figures in Exhibit A may not match those in the Department of Finance Salaries and Wages Supplement (Schedule 7A) due to different reporting points in time, treatment of temporary help blanket positions, the timing of the establishment of new BCP positions, the timing of the de-establishment of expiring limited-term positions, and recruitments in process.