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## **HR Architecture**

### **Michigan**

Goal of the Project:

In March, 2001, the State of Michigan implemented an enterprise HRM system delivering payroll, personnel, and employee benefits functionality and data exchange among agencies and third parties. This resulted in streamlined business processes, better information for customers, reduced costs, improved service, and flexibility to manage the State workforce of the future. Success factors include integration from recruitment to retirement, reduced data entry, ease of update, automated workflow, and employee self-service. Post-implementation, the State has expanded this enterprise HRM system to include performance management and training administration functionality. Projects currently underway include an integrated online recruitment and screening application, as well as a workforce analytical tool.

Specific benefits/efficiencies of the new system:

- Seven legacy systems reduced to two legacy system interfacing with HRMN (1 – time and attendance/labor distribution; 2 – reporting data warehouse)
- Re-engineered 31 State processes to reflect best business practices as delivered in software, resulting in no modifications to base code.
- 708 management reports reduced to 163
- Legacy system transaction codes and entry reduced
  - 68 separate entries of name, address, and SSN data reduced to one entry in HRMN
  - 1618 payroll deduction codes consolidated into 912 HRMN codes
  - 79,246 legacy position codes consolidated into 34,195 HRMN positions
- Implementation of employee and manager self-service via the web empowered employees to have direct access to their own personal data. Employees are able to make changes directly in the HRMN (address change, add a dependent, update email address, add emergency contact data, etc.).

### **Massachusetts**

In 2003, Agency HR Directors began reporting to the Chief HR Officer of the Commonwealth (director of the central human resources agency) instead of the director of the agency for which they work.

Why

There was a changing focus:

Previously time was allotted

10 percent strategic planning

30 percent Customer service

60 percent administration

Current Plans

20 percent strategic planning

60 percent customer Service

20 percent administration

Integrated technology and process redesign allowed for much of this change.

Technology for Transactions & Information  
Staff for Value-Added HR activities

Moved to a shared services model  
(Presentation attached)  
Objectives of a shared services model  
Elimination of duplication and waste  
Promote inter-agency cooperation rather than competition  
Establish clear lines of accountability  
Deliver just in time services  
Develop turnkey operating procedures  
Build a nimble organization – speed, agility, skill  
Focus on outcomes – not what we do but what we deliver

HR Advisory Council established to provide oversight on major HR initiatives.  
HR & Technology (See graph)

### **Alaska**

Centralized/Shared Services

June 2004

Moved all agency HR staff to a central location within the Central Personnel Agency

<http://dop.state.ak.us>

## **Flexible Governance/Civil Service Reform**

### **Washington**

The Personnel System Reform Act of 2002 – “Washington Works”

Again, technology driven, completely supported by a new computer system.

- Overall, the states human resources system will be modernized to:
- Improve the delivery of state services;
- Give agencies flexibility to meet changing needs; and
- Give employees more job mobility and career advancement opportunities
- The new system applies in total for those employees who are not covered by collective bargaining agreements and in part for those who are covered by collective bargaining agreements

Rules adopted by March 15, 2004; Implementation of new classification system – January 2005.

Washington Works will improve public services by:

- Streamlining the state’s classification system from 2,400 to several hundred
- Expanding collective bargaining
- Providing for competitive contracting through a fair and open process to determine the most effective and efficient manner of delivering government services
- Enabling and supporting an effective human resource management system with a modern, flexible human resource management system.

Source: <http://www.washingtonworks.wa.gov/mission.htm>

# Outsourcing

## Florida

- August 2002 signed a contract with Convergys – implementation still ongoing; Expected Completion September-October 2004
- It made sense for Florida (it's not going to in every state)
- Estimated \$80 million in cost avoidance to replace outdated, "on it's last legs" system
- Projects \$73 million in expense reductions
- Allows agencies to focus on core business and mission
- Immediate access to "state of the art" technology

Outsourced all transaction processes – payroll, recruitment, employee benefits, employee assistance program. Keeps policy "in-house"

It's important to make the distinction between outsourcing, privatization and off-shoring  
**Outsourcing** – retaining ownership of the functions (focus on policy of "what" we do; not process of "how" we do it)

**Privatization** - Relinquish ownership of the functions (getting out of the business)

**Off-shoring** – cross-border variety of outsourcing

900 jobs were affected. Employees were either retirement eligible and retired, were placed in a different position within the state or hired by Convergys for employment within the state.

Source: Florida Department of Management Services

## Texas

Health and Human Services Commission recently signed an agreement (Texas very decentralized)

Targeted cost savings: \$1 billion within first two years of implementation, \$3.6 billion over five years

Source: HR Outsourcing in Government Organizations – Emerging Trends, Early Lessons, The Conference Board, August 2004

# Workforce Planning

## Pennsylvania

- Enhanced progress in part with new SAP system
- Forget about doing macro-level analysis of age and retirement eligibility; Instead focus your analysis at a more micro-level: on selected jobs or occupations
- Identify jobs with high “retirement probability factor”
- Focus on jobs that are hard to fill
- Find out what the retention factors are
- Tailor incentives accordingly

*Source: The HR Challenges Raised by the Aging and Retiring Government Workforce, 2003, The Center for Organizational Research, a Division of Linkage (Dr. Mary Young)*

## Maine

- Rehiring Retirees & Developing Leaders with Critical Competencies
- Why shouldn't the state be able to rehire its retirees, while private employers can?
- Rehiring retirees saves money – don't have to contribute to their retirement account or pay health benefits when they're back on the state payroll.
- As “rehired” retirees don't compete with union members for promotions
- Developing future leaders

*Source: The HR Challenges Raised by the Aging and Retiring Government Workforce, 2003, The Center for Organizational Research, a Division of Linkage (Dr. Mary Young)*

## Maine Management Service Program – (Leadership development as part of workforce planning strategy)

- Broad purpose  
accelerate leadership development opportunities;
- Develop and focus leadership competencies,
- Provide the MMS members with more latitude in managing their programs, and to
- Set up reward and accountability structures particularly for their positions
- Designed specifically for confidential management and executive positions within state government.

## Important features

- Individual accountability and program results
- Management training and development opportunities
- Flexibility in hiring procedures
- Interagency and upward mobility

## How it is different from traditional civil service

Managers will have greater flexibility and responsibility to directly manage their own careers  
Job assignments can be tailored to better use current skills or to develop new skills  
Human resource decisions will be handled by individual agencies, while preserving merit principles for classified confidential managers.

Source: <http://www.maine.gov/bhr/mms>

## **Current NASPE Research and Projects**

### **Strategic HR Architecture**

What model(s) works best for providing HR services to all state government employees?

### **Workforce Planning**

- Marketing and Branding State Government as an Employer of Choice
  - Knowledge Management/Transfer Techniques
- Effective Workforce Planning and Succession Planning Techniques

### **Healthcare Benefits**

- Identify most effective cost containment measures

### **Total Rewards**

- Looking at an employees total compensation package and putting a qualitative value on benefits for comparisons to other jobs in both the public and private sectors.

[www.naspe.net](http://www.naspe.net)