

City of Austin

Council Briefing
Human Resources Systems Assessment Project
February 27, 2014

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Agenda

- Update the Council on the Human Resources Systems Assessment (HRSA) project
- Review highlights from the HRSA Feasibility Study Report
- Discuss next steps for a Human Capital Management (HCM) System

Background

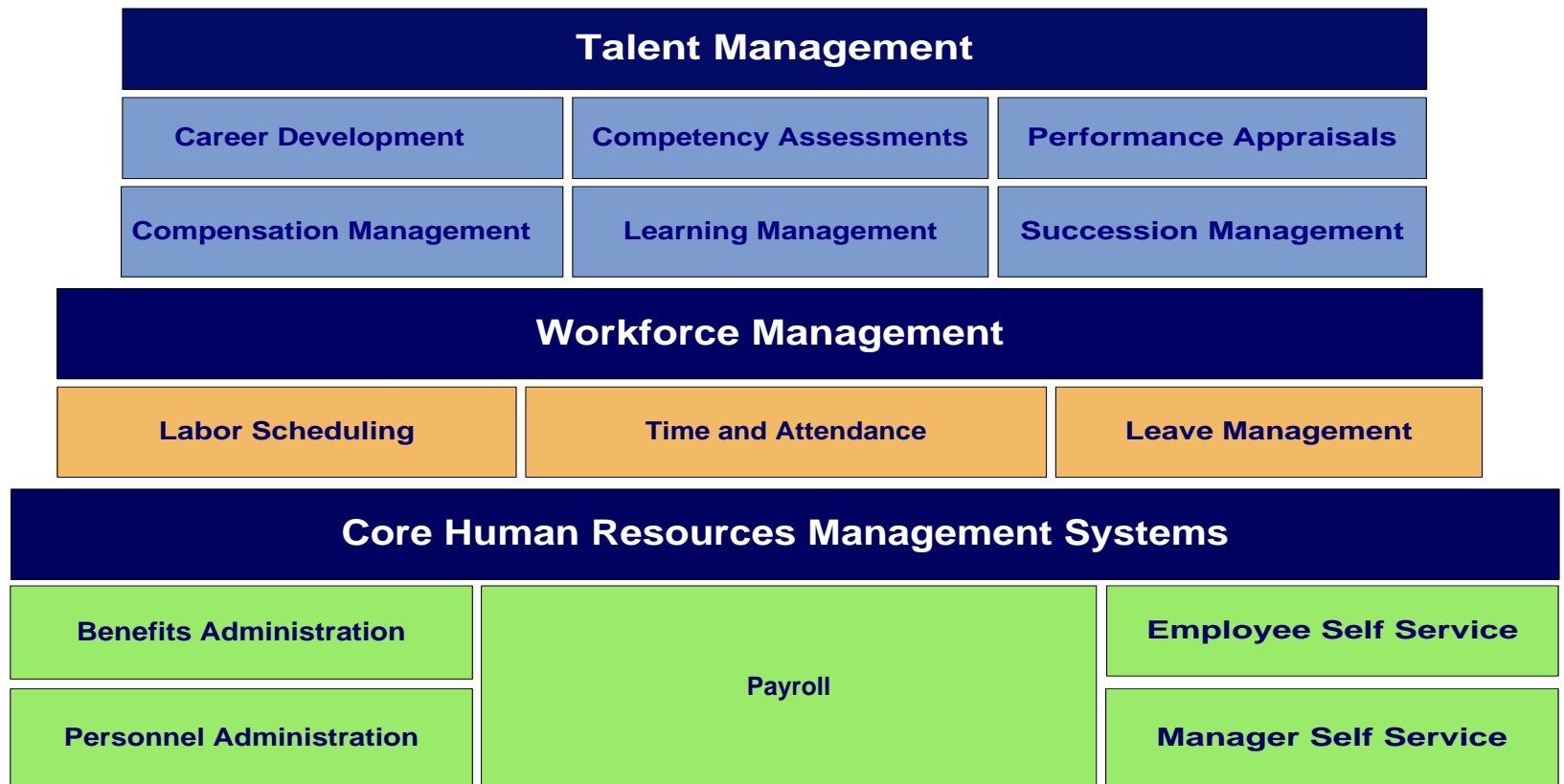
- Employees are greatest asset with \$1.2B personnel cost citywide; 75% of General Fund requirements FY14
- 11th Largest City in Country with supporting technology for human capital that is inferior to other large municipalities
 - Many manual processes
 - Limitations on data tracking, analysis and reporting
 - Many instances of inefficiencies, increased risks
- Examples of challenges
 - Multiple decentralized, fragmented and non-integrated systems and databases due to “work-a-rounds”
 - Risk of rehiring high-risk employees due to lack of system tracking
 - I-9 Audit
 - Criminal Background Investigations Audit
 - Drug and Alcohol Testing Audit
 - Personal Identifiable Information (PII) Audit
 - Access database can not track and share Employee Relations history with multiple users
 - FMLA reporting challenges
 - Parental Leave and Leave Bank implementation

Background Continued

- Banner payroll, implemented in 1997; current and up to date; primarily used in higher education
- Other HR functionality developed around Banner over time in an ad hoc manner
- Engaged Gartner Consulting, beginning in March 2013, to conduct an assessment for replacing current technology
 - Human Resources, Financial Services and CTM are lead departments
 - Collaborative and thorough evaluation involving departments throughout the City
 - City's current technology does not effectively support best practices in human capital management and increased demands for services
- Created an Human Capital Management Governing Board

Human Capital Management (HCM) Systems-- Technology to support the delivery of human resources citywide

HCM



Current State



Legend

Existing functionality= blue

Partial functionality= yellow

Very limited or no functionality= white

Needs Assessment and Current State Findings

Susan Bostick, Senior Director, Gartner Consulting

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Needs Assessment

Industry Challenges and Trends

Industry Challenges

- Efficiently ensure compliance with Human Resources policies (internal or external)
- Employees are treated uniformly and fairly across the organization
- Perform routine administrative activities efficiently
- Migrate away from paper based systems to electronic systems
- Provide the data and tools to develop the organization
- Provide the workforce with the technology they expect

Trends

- Increased stakeholder expectation for access to Human Resources information
- Increased budgetary pressure and demand for efficiency
- Increased workforce comfort with technology

All of the Top 10 Ten Cities have Invested in an HCM Solution

City	Running HCM System?
New York	Yes
Los Angeles	Yes
Chicago	Yes
Houston	Yes
Philadelphia	In process
Phoenix	Yes
San Antonio	Yes
San Diego	Yes
Dallas	Yes
San Jose	Yes

Needs Assessment

Summary of the Benefits of an HCM Solution

Improvement Opportunities	Description	Estimated Business Benefits
Risk / Compliance	Decrease the likelihood of a major issue occurring	<ul style="list-style-type: none"> ■ Proactively monitor compliance with policies (e.g., required certifications, licenses, training) ■ Enable citywide views / reporting on disciplinary actions, compensation, performance, etc.
Quality	Improve the quality of the process outputs (e.g., reducing environmental impact)	<ul style="list-style-type: none"> ■ Reduce environmental impact by reducing printing(~900,000 pages per year) ■ Perform data validation as data is entered and automated auditing rather than manual audits and spot-checks for time entry and other processes ■ Implement consistent business processes across all departments to help ensure compliance ■ Improving new hire quality by reducing time to hire, giving the City “first choice” ■ Improve/perform Succession Planning
Direct Cost Savings	Decrease direct costs (e.g., printing costs)	<ul style="list-style-type: none"> ■ Printing Costs ■ Storage Costs ■ Third Party Contracts
Efficiency	Decrease effort required to perform the business functions	<ul style="list-style-type: none"> ■ Implementing Citywide Workflow ■ Employee/Manager Self-Service ■ Integrating systems and removing rekeying of data

Needs Assessment

Current State Findings

- Personnel records are paper based and stored in multiple locations and there is no single view of employee
- Results:
 - Labor intensive to report/review compliance with policies (e.g. performing the I-9 audit took over 7 months)
 - Inefficient recruiting process (e.g. interviews, scoring) is paper based and is not integrated with other HCM systems, resulting in significant manual effort and delays
 - Hiring managers do not have easy access to City employee's work history, such as disciplinary action or performance ratings
 - Employees complete paper time sheets and have limited online access to benefits information. Employee self service would enable employees to make changes to benefits and personal information, and submit online time cards

Needs Assessment

Current State Findings

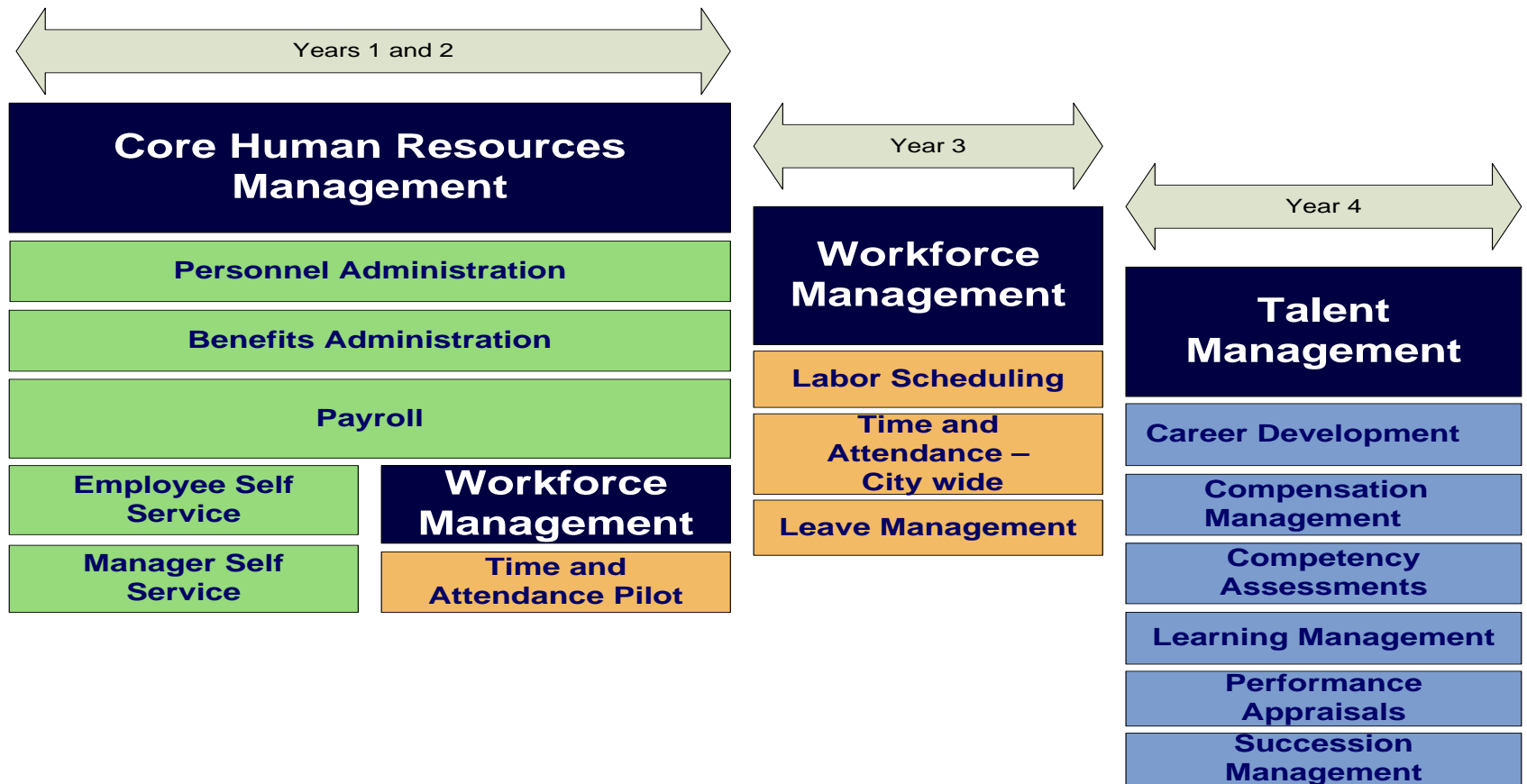
- Technology does not enforce compliance for numerous processes
- Results:
 - ❑ FMLA tracking is partially a manual effort and the potential that it is not administered according to policy
 - ❑ Salary determination is a manual process and is not supported by system capabilities and workflows approvals at various levels of the organization
 - ❑ The manual Personnel Action Form (PAF) process for making changes to personnel records and entering new employees is paper based and requires duplicative entry in Banner increasing the potential for errors (~600 manual PAFs per pay period)
 - ❑ Employee performance reviews maintained at the department level increasing the potential for inconsistent practices and decreases the ability to manage development and/or succession plans for the workforce, Managers do not have the ability to review documents electronically through Manager Self Service

HCM Governing Board Recommendations

HCM Governing Board: representative cross section of City executives to provide citywide perspective, insight and make key decisions

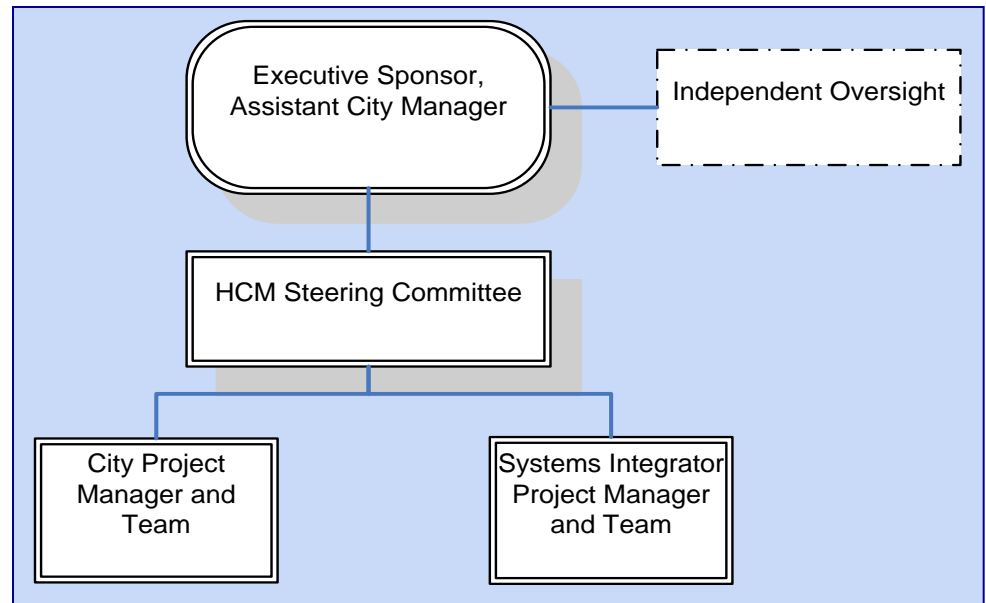
- Concluded that there was a strong business case for pursuing a new system
- Concluded that an integrated system would enable employees to provide more time for services to citizens by reducing administrative paperwork
- Recommended issuance of an RFP for an integrated HCM system, including payroll
- Recommends broadest possible range of solutions and remaining open to all proposers, including current vendors

Projected Implementation Timeline



Project Governance

- Provide clear responsibility for oversight and direction
- Executive Sponsor and HCM Steering Committee lead a City Project Manager and Team in working with an experienced Systems Integrator's Project Manager and Team
- Independent Oversight contractor provides unbiased experience and oversight information to the Executive Sponsor. City resources will work “shoulder-to-shoulder” with vendor resources to ensure knowledge transfer between the two organizations



In Summary

- A fully integrated HCM system would enable Human Resources staff through out the City to provide higher quality services to employees and potential employees, and enable employees to provide more time for services to citizens by reducing administrative paperwork
- A fully integrated HCM system will improve the integrity of data on employees and will allow data to be more readily available to Council and other stakeholders in support of Open Government
- Ensure project success by building upon track record of successes through identification and mitigation of project risks, governance, expert experience, third party oversight, phased implementation, and project governance
- Apply a formal change management strategy already successfully used at the City on large technology projects such as CTECC and AMANDA to engage stakeholders in adopting and using new technologies and business processes

Next Steps

- Release a competitive RFP for an HCM to vendors in Spring 2014
- Bring back a proposed solution to Council in Spring 2015
- Provide periodic updates to Council