HCM Business Process Mapping & Analysis Project

Information Session
March 1, 2016
Agenda

1. HCM Project Definition and Purpose
2. Phase 1 Recap
3. Phase 2 Overview
4. Q&A
What is Human Capital Management (HCM)?

HCM: Managing Penn’s Investment in Its Greatest Asset

The term “human capital management” (or HCM) represents the entire range of practices and processes related to managing people resources (e.g., knowledge, skills, experience).

Processes that enable HCM include core support functions such as:

• Recruiting
• Personnel Administration
• Benefits Administration
• Compensation Administration
• Payroll
• Time Management
• Employee/Manager Self-Service
Purpose of the HCM Project

Work Process Improvement

Our goal is to work collaboratively with schools and centers to understand Penn’s current HR/Payroll processes, identify commonalities across the University, and develop improvements that can make us more efficient while also enhancing compliance and improving information quality and access.

Rather than letting technology drive the process, we asked schools and centers to document their processes before we proceed to explore any technological options for new systems.

The last Penn employee engagement survey found that staff enjoy their work, but dislike University work processes.

Similar to Phase 1, results of Phase 2 will include an overall current state assessment and recommendations for moving forward.
HCM Project Steering Committee

Marianne Achenbach, PSOM
Jean Curtis, ISC
Jack Heuer, Human Resources
John Horn, Comptroller’s Office
Matt Lane, SAS
Trevor Lewis, Provost’s Office
Regine Metellus, SP2
Tom Murphy, ISC
Tom Slavinski, Comptroller’s Office
Gary Truhlar, Human Resources
HCM Process Scope

- Recruit employee
- Hire employee
- Pay employee
- Gross comp. to net
- Labor distribution
- Reporting and analysis
- Maintain employee data
- Administer employee benefits
- Administer employee health/safety
- Train and develop employee
- Manager self service
- Employee self service
- Performance management
- Onboard employee
- Create employee record
- Retire or terminate employee
- Transfer/promote employee

Processes Reviewed in Phase 1
Processes To Be Reviewed in Phase 2
Phase 1 Recap

From October 2015 through December 2015, we documented four current state HCM processes for both staff and faculty members:

- Recruit
- Hire
- Onboard
- Labor Distribution

There were over 120 participants representing all Penn schools and centers.

88 process maps were created and supported by detailed findings.
Phase 1 Recap – Strengths

Organizational

- Strong institutional knowledge with Business Administrators, HR Liaisons and Grant Administrators in the schools and centers.
- HR Generalists in larger schools, centers and the Provost Center provide HR consultative services and work in conjunction with Central HR.

Process

- Some schools have web forms and intake forms that provide information to IT, Facilities, and other functions to let them know of a new hire and their provisioning needs.
- As a result of Passive Searches/Sourcing by Central HR Recruitment, the depth of candidate pool and diversity representation has expanded and improved.

Systems

- Hiring is more streamlined today with PeopleAdmin; was previously more manual and paper based.
- Staff positions are very visible and widely viewed on the Jobs@Penn website – high traffic – as well as online job boards such as HERC and local veterans, disability and diversity sites.
- The Faculty Information System (FIS) is the source for reviewing appointment status
Phase 1 Recap – Sample Challenges

- Disparate HR / Payroll systems are causing inefficiencies within the Recruit, Hire, and Onboard processes.

- Despite the gains in efficiency with the implementation of PeopleAdmin, Onboarding remains a paper-intensive process.

- Faculty New Hires are ineffectively onboarded.

- Schools add Faculty into PennWorks without Provost approval.
Phase 1 Recap – Sample Challenges (con’t)

- Limitations for making structural and data updates to Personnel/Payroll System may be a contributing factor to some of the inconsistent transaction processing of distribution lines.

- Grants Managers and Business Administrators have the burden to determine if an individual’s pay will be affected when grants funding updates necessitate Distribution Line adjustments in PennWorks.

- Several Time Reporting systems are being utilized with variations in processes, policies, approvals, and electronic data entry capability.

- The Additional Pay / Pre-Work approval processes are burdensome and sequencing and controls for the process can be circumvented.
Organizational, process and systems opportunities have been identified for each process area. Here are the overall themes that were discovered during Phase 1:

- Penn’s highly decentralized operating structure sustains disparate processes.
- While differences do exist, overall school and center processes are not as different as anticipated.
- Greater consistency in HR/Payroll processes allows for expanded opportunities for career development and cross university growth.
- A large amount of effort is being expended to gather information for regulatory and compliance reporting (e.g. EEO/AA, ADA, VEVRAA, etc.).
- Systems are aged, highly customized, not easily modified, and poorly interfaced.
HR Technology Overview Example

Recruit, Hire & New Faculty Appointment Processes

HR Application Portal

HR Manager

PeopleAdmin - Jobs@Penn

HireRight

PennWorks **

UMIS (Position Inventory) **

Faculty Information System **

Personnel Payroll System **

PSOM Faculty Ad System

Wharton Faculty Recruitment

SAS Post Doc DB

PSOM FEDS System

PSOM Recruiting System (Under Development)

Student Employment Mgmt. System

Interfolio

SparkHire (Online Interviewing)

Econ Job Market

MathJobs.org

Direct Employers

Inside Higher Ed

HERC

Third Party Paid Advertising Web Sites

COLOR KEY

- Central Payroll/HR SLA System (3)
- Other Central System (7)
- school / Center System (6)
- Third Party System (9)

** Interfaces to Data Warehouse

HireRight also used by other schools and centers for background checks
Phase 1 Recap – Conclusions

There are two key conclusions from the initial Phase of the HCM Project:

Onboard
Of the three HR processes (Recruit, Hire and Onboard), the Onboard process offered the most improvement opportunities that would have a University-wide impact.

Labor Distribution
Updates of distribution lines for grant-specific payroll allocations are directly tied to faculty/staff pay, causing additional work and imposing artificial payroll deadlines. A redesign of the Labor Distribution process to separate grant-specific allocation from payroll should be further investigated.
Phase 2 Overview

Baseline As-is HR/Payroll Operations

- Create high-level process flows for the remaining HR/Payroll processes
- Conduct HR/Payroll Operations Analysis
- Compare HR/Payroll Operations with Best Practices

Prioritize and Initiate HR/Payroll Process & Technology Improvements

- Use opportunities from Phase 1 as input
- Review, clarify and prioritize opportunities
- Initiate Process & Technology improvements
# Phase 2 Timeline

**Work Stream 1 - Baseline HR/Payroll Operations**

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**Work Stream 2 - Process & Tech Improvements**

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Questions

Q & A

HCM Process Analysis Project Information Session March 1, 2016
Thank you

We appreciate your openness to discuss and share information about the current processes, and their strengths and weaknesses during the work sessions and meetings.

Thanks!