

Human Capital Management Project

**Town Hall
Information Session**

**Originally presented on
September 13, 2016**



Topics

- **HCM Project Refresher**
- **Phase 1 & 2 Recap**
- **Phase 3 Summary**
- **Your Involvement**



HCM Project Refresher – Why are we doing this project?

The end goal for the HCM Project is to improve the University's HCM processes and replace its supporting systems:

- We are working collaboratively with schools and centers to understand Penn's current HR/Payroll processes, identifying commonalities across the University, and implementing process and technical 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.



HCM Project Refresher – What is the difference between HR and HCM?

- **Human Resources (HR)** is Penn's HR department called **Division of Human Resources (DHR)** within Penn's Office of the Executive Vice-President.
- **Human Capital Management (HCM)** represents the end-to-end processes related to managing people resources. Processes that enable HCM include core support functions such as:
 - Recruiting
 - Personnel Administration
 - Benefits Administration
 - Compensation Administration
 - Payroll
 - Time Management

Talent Management processes such as Performance Management, Succession Planning, Career Development and Learning are also part of the HCM end-to-end process.



HCM Project Refresher – Where are we?



HCM Project Structure – Phase 3

Steering Committee

Jack Heuer (DHR)* Gary Truhlar (DHR) Trevor Lewis (Provost)* Tom Murphy (ISC)*	MaryFrances McCourt (DOF)* John Horn (DOF)* Tom Slavinski (DOF) Jeanne Curtis (ISC)	Matt Lane (SAS) Marianne Achenbach (PSOM) Regine Metellus (SP2) Kim Hoftiezer (Lib) Gary Sorin (Interra)
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*Project Sponsor

Change Management

Change Lead: Gary Truhlar (DHR)
 Comms. Specialist: Stephanie Brown (DHR)
 Change Consultant: Don Saragnese (Interra)

Project Management & Coordination

Functional Manager: Chris Blickley (DHR), Julie Shuttleworth (Provost)
 Technical Manager: Julie Meyer (ISC)
 Consulting Manager: Manny Ramirez (Interra)

Extended Team Members

<p style="text-align: center;">HCM SDM Review Team</p> <ul style="list-style-type: none"> • TBD (HR Generalists, DHR, DOF, BAs) • Consulting Lead: <ul style="list-style-type: none"> • Don Saragnese (Interra) • Manny Ramirez (Interra) 	<p style="text-align: center;">Requirements Definition & Software Selection Team</p> <ul style="list-style-type: none"> • TBD (HR Generalists, DHR, DOF, BAs) • Consulting Lead: <ul style="list-style-type: none"> • Tim Regan (Interra) 	<p style="text-align: center;">Process & Technology Improvement Team(s)</p> <ul style="list-style-type: none"> • TBD – Project Team Leads • TBD – Team Members (HR Generalists, DHR, DOF, BAs) • Oversight: <ul style="list-style-type: none"> • Julie Meyer (ISC) • Tim Regan (Interra)
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Phase 1 & 2 Recap – Overview

- **Current state processes, systems and operations were documented and analyzed.**
 - All current HCM processes (17 HR and Payroll processes) were documented and analyzed (approximately 110 process flows)
 - Leveraged more than 120 participants representing all Penn schools and centers
 - Conducted peer reviews with 6 universities regarding their HCM efforts

- **Four short-term tactical process improvement initiatives were launched:**
 1. Onboarding
 2. Transactional Policies and Procedures
 3. Staff & Faculty Recruit and Hire
 4. Late Pay / Additional Pay

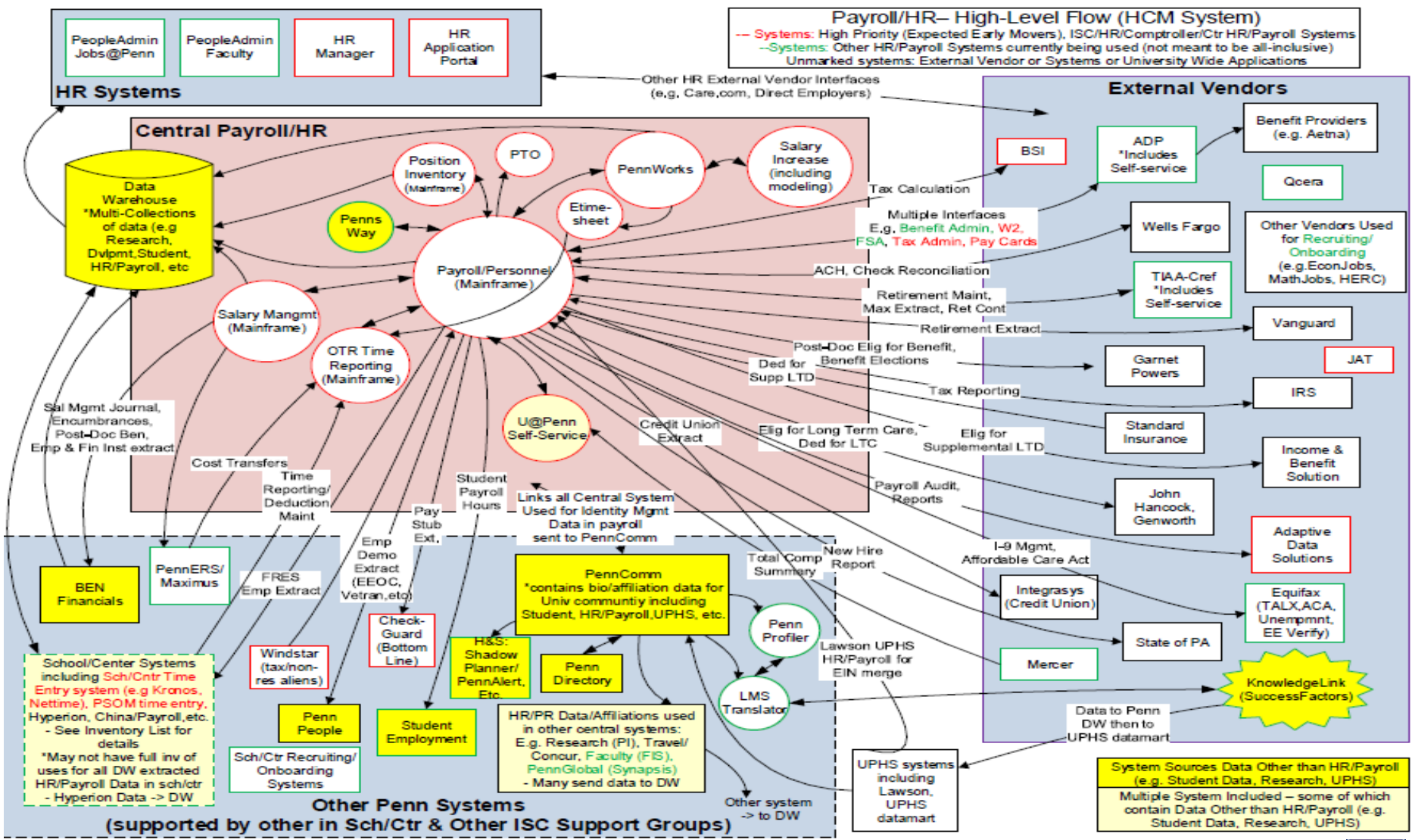
Note: Penn-led teams are driving the initiatives

Phase 1 & 2 Recap – Overall themes

- Identified strengths include strong institutional knowledge and various creative uses of technology.
- Participants continued to be eager to share and learn from each other, and while differences exist, overall school and center processes are not as different as initially feared.
- Decentralized operations sustain disparate, inconsistent processes; sometimes with limited controls.
- Timing and lack of communication across multiple processes impacts Benefits and data accuracy.
- Work process awareness, training, support and knowledge sharing is needed across the system.
- Systems are aged, manually interfaced, highly customized and high risk for Penn.
- Reporting information (finding and aggregating data) is overly complicated and time consuming.



Phase 1 & 2 Recap – Current HCM Systems



Phase 1 & 2 Recap – Challenges to be addressed

- A governance model needs to address tough project and on-going decisions such as:
 - Where should HCM service be delivered? (e.g. Shared Service vs. Distributed models)
 - Who is responsible for policies and procedures regarding student workers, post docs and temporary employees?
 - How will Position Management and Organizational Hierarchy be handled in the new HCM System?
 - How will we rationalize vendors and systems? (e.g. multiple time systems, school/center HR systems)
 - How do we handle the labor distribution process in the new HCM System?
- HCM Project sponsorship and commitment needed at the executive level and school / center leadership



Phase 3 Summary – Objectives & Scope

The objectives of Phase 3 include the following:

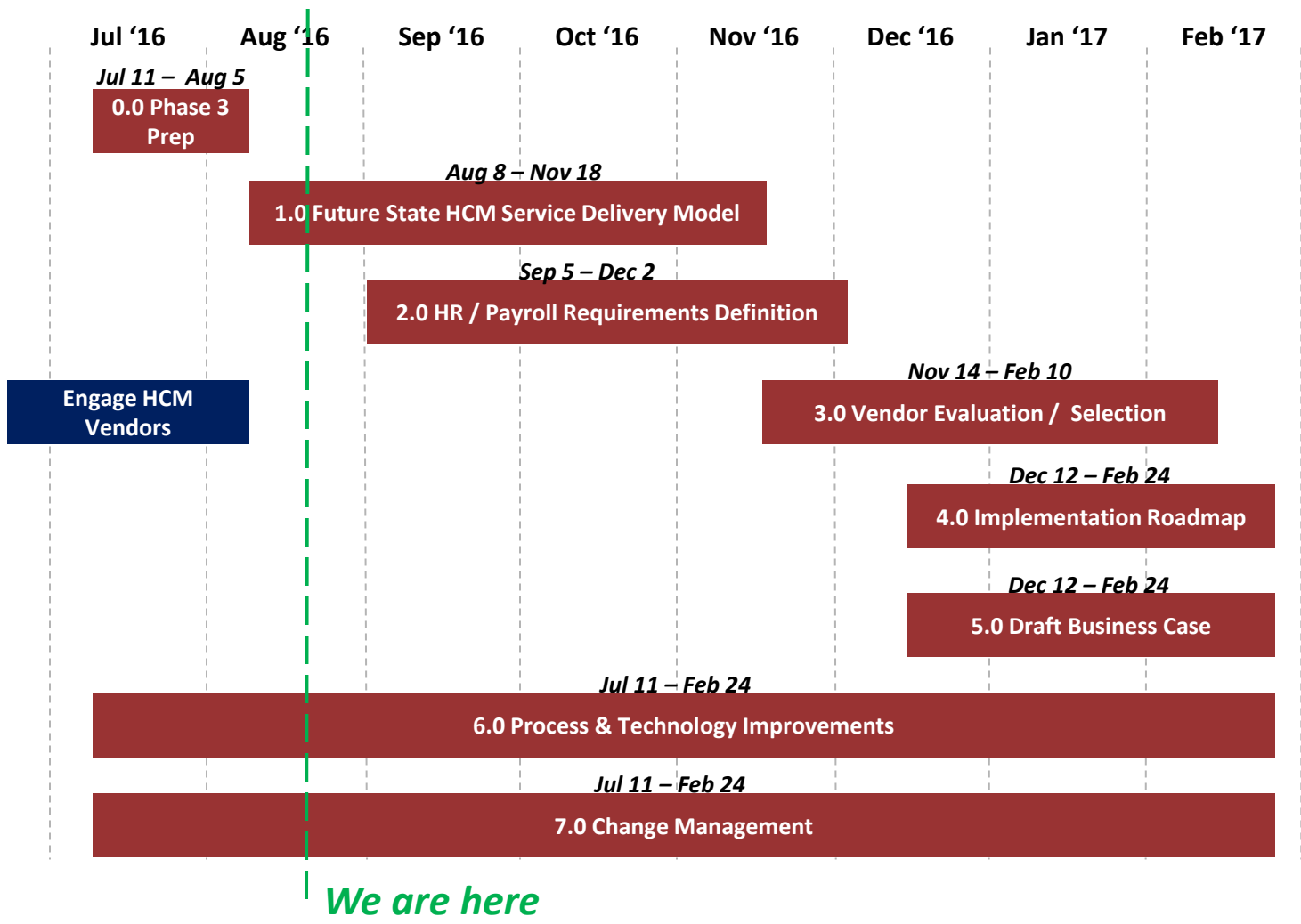
- Provide an integrated people, process and technology vision for how HR and Payroll services are to be delivered in the future – HCM Service Delivery Model (SDM)
- Prepare for the implementation of the future HCM SDM by developing requirements, evaluating and selecting software vendors and service providers, creating a business case for implementation and building a high level implementation roadmap
- Continue to make process and technology improvements that have immediate impact with minimal investment or can be carried over to the future SDM

The scope includes all employees including faculty, staff and student workers for the following the HR/Payroll functions/ processes:

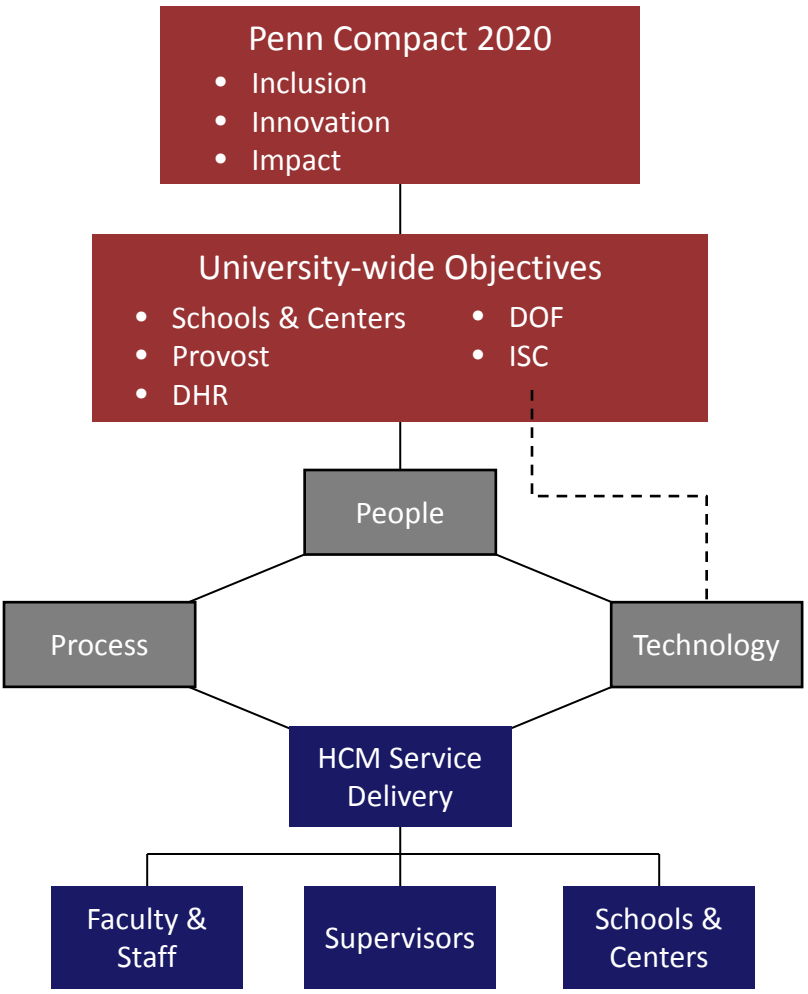
- Recruiting (Sourcing and Applicant Tracking)
- Onboarding
- Core HR Administration (Hires, Rehires, Status Changes, Transfers, Promotions and Terminations)
- Health and Retirement Benefits Administration including ACA
- Compensation (Planning and Administration)
- Time and Attendance (Scheduling, Time Capture & Reporting, PTO Accruals)
- Payroll (Gross Comp-to-net & Pay Employee)
- Labor Distribution
- Reporting & Workforce Analytics
- Learning (Curriculum Development & Delivery)
- Learning (Training Administration)
- Talent Management – Workforce Planning
- Talent Management – Performance Management
- Talent Management – Succession Planning
- Employee Health & Safety
- Employee and Management Self-Service
- Labor Planning and Forecasting
- Effort Reporting
- Position Management and Organizational Hierarchy



Phase 3 Summary – Timeline



Phase 3 Summary – HCM Service Delivery Model Definition



The Human Capital Management Service Delivery Model (HCM SDM) is driven by...

...University-wide strategies and School/Center, Provost, HR, Finance & IT objectives and...

...selecting the optimal combination of people, processes, and technology.

The HCM SDM focuses on meeting the needs of its three customers; Faculty & Staff, Supervisors and Schools & Centers.

Phase 3 Summary – HCM Service Delivery Model Approach

The key to developing Penn’s Future HCM SDM involves focused work sessions with the HCM Steering Committee and other influential stakeholders throughout the University.

Create Foundation for Decision Making

- Develop Foundations Work Session materials using baseline data and external peer reviews
- Conduct **Foundations Work Session(s)**
 - Validate alignment of University-wide strategy with School/Center, Provost, DHR, DOF & ISC Objectives
 - Discuss Trends in HCM SDM
 - Develop HCM Guiding Principles
 - Agree on HCM Governance Model to manage process, technology and organizational change
 - Determine strategy for obtaining executive level commitment

Analyze HCM SDM Options

- Identify future HCM service levels objectives
- Conduct **HCM SDM Options Work Session(s)**
 - Automate vs. eliminate
 - In-source vs. outsource
 - Shared service vs. decentralize
 - Determine future responsibilities of organizations (Schools/Centers, Provost, DHR, DOF & ISC) involved in performing the HCM processes

Develop Future HCM SDM

- Develop “to-be” end-to-end HCM process vision
- Assess potential change impact to current organization structure
- Document where technology can improve baseline processes
- Identify high-level “to-be” target performance levels by process and align with HCM service level objectives
- Conduct **Future HCM SDM Work Session** to agree on recommendations

Q & A



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!

