

NOMINATION

Submission for the National Association of State Personnel Executives (NASPE) Eugene H. Rooney, Jr. Award

Innovative State Human Resource Management Program Category

Program Title: The Agency Human Resources Services Program
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Program Summary. Governor Bill Richardson led his administration on an ambitious path to improve education, health care, social services, economic development and the environment in New Mexico. For human resource management, the Governor issued a clear directive: With an emphasis on customer service, ensure that applicable federal and state employment practices are being followed, maintain oversight functionality and assist state agencies with obtaining the appropriate people to achieve agency missions.

To meet these mandates, the State Personnel Office (SPO) had to renovate its business processes, to accommodate the implementation of an enterprise resource system that integrated financial, accounting and human resource functions on a statewide level. SPO shifted from a data processor system to a service delivery system that focused on outcomes, customer service, and data management. SPO could not be bound by obsolete HR methods. It needed to develop creative solutions to challenging issues and to find answers that made good business sense. This required a proactive, intra-agency collaboration that focused on planning and partnerships, not process driven approaches that assessed results subsequent to actions. SPO held that oversight is better achieved through planning and partnering rather than by post-transactional policing.

To accomplish these objectives, a new design was needed. The Agency Human Resources Services Program is comprised of six teams whose agency assignments are consistent with the Governor's initiatives. Each team is led by a Statewide HR Manager who has the responsibility, authority and accountability to serve as the SPO director's proxy by administering, interpreting and approving the application of rules and regulations requiring SPO approval. The Statewide HR Manager partners with agencies in HR service delivery to assist them in achieving agency missions and objectives.

1. Please provide a brief description of this program. The Agency Human Resources (HR) Services Program is comprised of six diverse teams consistent with the following Governor initiatives: A Healthy New Mexico; School, Kids, and Families; Promoting and Growing New Mexico; A Safer New Mexico; Protecting and Promoting New Mexico; and Efficient Services for New Mexico. Each team is led by a Statewide HR Manager who has the responsibility, authority, and accountability to serve as the State Personnel Office (SPO) director's proxy in administering, interpreting, and approving the application of State Personnel Board rules and regulations requiring SPO approval. This customer agency partnership allows SPO to provide improved consultation and assistance, and increased oversight to customer agencies, while empowering customer agencies with greater flexibility in performing HR functions. This approach allows for a partnering relationship and greater SPO accessibility while maintaining the consistency of centralized services.

2. How long has this program been operational? The Agency Human Resources Services Program was implemented and became operational in January 2006.

3. Why was this program created? (What problem[s] or issues does it address?)

The program was created to address a multitude of issues that stemmed from an ineffective policing approach of HR service delivery. Agencies complained that they had little input in conducting their own HR transactions and that SPO provided inconsistent guidance and sluggish service. The prior process of service delivery was lengthy and unresponsive resulting in long delays. SPO had become a mere clearinghouse for customer agencies' HR transactions, but was not collaboratively partnering with them. In July 2006, the State of New Mexico implemented a statewide enterprise resource

planning (ERP) system that allowed real time communication across all agencies in the areas of budget/finance, HR, and purchasing. Due to the increased speed of transactions and heightened service expectations, it was clear that SPO needed a new system based on partnerships and responsiveness to properly serve its customer service agencies.

4. Why is this program a new and creative method? The prior system ineffectively concentrated on policing and dictating policy to agencies. The association with agencies was one-directional, provided ineffective oversight, was time-consuming, and therefore not structured in a manner to accommodate the implementation of the new ERP system.

SPO recognized a major renovation was needed to improve these areas. To do so, SPO redeveloped its internal business processes, and conducted an assessment of personnel needs, training, capital, and fiscal resources. Cross-training was also conducted based on desired outcomes. The resulting changes in design and function addressed the shortfalls of the previous system of HR service delivery.

The new system stressed partnerships with agencies and an emphasis on customer service. SPO achieved this through the Agency HR Services teams. The team managers served as the SPO director's proxy, which improved consistency in guidance and eliminated previous bottlenecks. Customer agencies are now empowered in their own HR transactions while being provided latitude in the manner they are conducted. Also, this one-on-one relationship increases accessibility and oversight, and promotes professional growth at both the customer service agency and at SPO. Through this partnership approach, the new system has taken major strides to eliminate the problems of the past while maintaining centralized services at SPO. Additionally, structural and programmatic changes align with the implementation of a statewide ERP system.

5. What was the program's start up costs? No start up costs were required. The Agency HR Services Program utilized existing staff, capital, and technology.

6. What are the programs operational costs? All of the Agency HR Services Program's operational costs are absorbed through SPO's annual general appropriation budget. This includes payroll for the staff, inter-office travel associated costs, and office related expenses.

7. How is the program funded? The Agency HR Services Program is funded through a general fund appropriation from the state's budget.

8. Did this program originate in your state? Yes. The Agency HR Services Program complimented Governor Richardson's *Moving New Mexico Forward* initiative.

9. Are you aware of similar programs in other states? If yes, how do they differ? SPO is not aware of any similarly structured and functioning programs.

10. How do you measure the success of this program? There are several indicators of the success of the program as evidenced through customer service satisfaction surveys and through successfully meeting legislatively assigned performance measures. In August 2007, SPO commissioned a third party customer service survey to other state agencies. In categories such as *customer service satisfaction, improved service delivery, knowledgeable staff* and *responsiveness*, SPO garnered results well above the mean. These results indicate that the major goals for the Agency HR Services Program have shown marked improvement since its implementation. SPO, in partnership with agencies, has drastically been able to reduce the number of days to fill a vacant position to 45 – the legislative target is 90 days. Since the implementation of the program, the state comparator market ratio has been raised to 103 percent, which is an indicator of

advancement in sound pay administration. Additionally, nearly 80 percent of new state employees successfully completed the one-year probation period in fiscal year 2008, which is testament to effective consultation and partnership between SPO and its customer service agencies. SPO successfully met the number of legislatively assigned rule compliance reviews in fiscal year 2008, which is evidence of strong oversight. These widespread measured successes demonstrate the significant positive impact the Agency HR Services Program has had on HR service delivery in New Mexico.

11. How has this program grown and/or changed since its inception? The program has grown considerably since its implementation in January 2006. Due to the success of the program, the Agency HR Managers have been elevated from *advanced analyst* positions to *administrative operation managers* in the State of New Mexico compensation system. This elevated status is largely due to their vital collaborative role in strategic agency HR planning, increased responsibility, and timely and compliant HR transactions. Initially after program implementation it took time to get agencies acclimated to the idea that SPO was no longer purely transactional; instead the focus has been shifted to a largely collaborative and ongoing strategic role. Now, in addition to assisting agencies with the occasional transaction, the Agency HR Services Program appropriates most of its time to the collaborative development of “Agency Human Resources Management Plans” and “Strategic Human Resources Plans”. These collaborative plans consider each agency’s strategic plan, organizational alignment, leadership, talent, and performance from an HR perspective in helping the agency to meet its overall mission and objectives.