

ROONEY AWARD NOMINATION

Program Title: HR Automation Solutions Initiative

State: Arizona

Contact person: Kathy Peckardt

Title: Human Resources Director

Agency: Department of Administration, Human Resources Division

Address: 100 N. 15th Avenue, Phoenix, Arizona 85007

Telephone: (602) 542-7290

Fax: (602) 542-2796

E-mail: kathy.peckardt@azdoa.gov

ROONEY AWARD NOMINATION – Program Summary

Arizona, like other states, is facing unprecedented budget challenges. Agencies across Arizona state government are forced to reduce staffing levels at the same time that many are facing higher demands for their services. During these tough economic times it is imperative that we pursue solutions that enhance the efficiency of state government. The Arizona Department of Administration did just that through the HR Automation Solutions Initiative. The HR Automation Solutions Initiative is the streamlining of HR processes using technology that will benefit all branches of government. The initiative is built on four cornerstones of success:

- Customer Focus – every project included critical customer involvement in the planning and implementation. Resources from other agencies were often included on the implementation team to ensure that solutions would meet the needs of all agencies.
- Statewide Efficiencies – the initiative projects are not designed to benefit just one agency, but rather they provide efficiency and productivity savings statewide; over 100 agencies, boards, and commissions in the state benefit from the automation efficiencies.
- Deployment Strategy – one of the most critical components has been the structure and methodology used in the deployment of initiative projects. Early involvement of customers, thorough communication, and documentation of results is key.
- Measures of Success – every project includes a standardized process of measuring and quantifying current processes and a calculation of efficiency and productivity savings. A rigorous evaluation of the hours needed for manual processing before the implementation is compared to the streamlined and automated process after implementation.

These four cornerstones establish the foundation for every project implemented through the HR Automation Solutions Initiative, and ultimately drive the success of the program resulting in cost savings in excess of \$20 million over the past five years; savings which are realized by all participating state agencies.

ROONEY AWARD NOMINATION

1. Please provide a brief description of this program.

The HR Automation Solutions Initiative is the streamlining of HR processes using technology that benefits all branches of government. The specific projects included in the initiative capitalize on the capacity of HRIS (the state's automated application for all personnel, payroll, and benefits) and the fully integrated projects leverage gains in efficiency across all state agencies. For example, agency human resources staff were previously spending significant time conducting employment verifications (when employees apply for a loan or other financial transaction, the lending institution calls to confirm employment and salary information). Through centralizing and automating the process and partnering with a vendor already on state contract, the state was able to eliminate nearly 6,700 hours of lost productivity each year. Some of the projects that have been implemented thus far include:

- Hiring Gateway
- YES – Employee Self Service
- MSS – Manager Self Service
- Automated I-9/e-Verify
- Automated Notice of Direct Deposit
- Employee Training Solution
- Automated Employment Verification
- Employee Time Entry

2. How long has this program been operational?

Since January 2005.

3. Why was the program created?

The Human Resources Division (HRD) recognized opportunities to leverage the automation capacity of the HRIS system and the chance to capture economies of scale by centralizing specific functions and processes. Specifically, the program was created to 1) increase customer satisfaction, 2) improve productivity, 3) eliminate duplication, and 4) realize statewide efficiencies. In addition,

ROONEY AWARD NOMINATION

the State realizes increased consistency and reduced liability. For example, previously each agency was spending significant time and effort to verify the employment eligibility (I-9 and e-Verify) for new hires. By automating the process, the State is able to ensure that ALL new hires have the appropriate documentation, thus reducing the liability of an inappropriate hiring decision – and in the process realize cost savings of over \$165,000 per year.

4. Why is this program a new and creative method?

One of the truly unique features of this program is the emphasis on capturing statewide efficiencies and realizing productivity savings by the participating agencies. HRD provides services to over 100 agencies, boards, and commissions that use the HRIS system. By centralizing and automating standard processes, agencies that once had to rely on manual data entry have been relieved of that burden and are able to redeploy their scarce resources. Thus the automation benefits of each project are not only realized by HRD staff, but the efficiency gains are multiplied across all state agencies. Agencies are also able to eliminate their stand-alone systems and use the functionality of the automated solutions. Another new and creative aspect of this program is the diligent application of a standardized deployment strategy. This deployment strategy includes the following key principles:

- Customer commitment...not just involvement. The team leader secures the support of the Director of each participating agency. A deployment team is assembled for each large agency, and an agency advisory council is formed to guide decision making when reengineering common business processes.
- Right Project Management – careful selection of the project manager ensures appropriate communication with agency executives and managers, and diligent planning and organization to keep projects on schedule. A schedule of weekly milestones is developed.

ROONEY AWARD NOMINATION

- Thorough Communication – a specific communication plan is developed and tailored to different audiences and different agencies. Communication is a critical component of the project, not an afterthought when the project is completed.
- Documentation of Performance – every project is thoroughly evaluated with a workflow analysis to document the manual processes, including the number of hours required for each step; and an assessment of productivity savings when those steps are eliminated.

The significant cost savings that are realized by stakeholder agencies, along with the standardized approach of implementation, and the consistent documentation of performance make the Automation Solutions Initiative unique and innovative.

5. What was the program's start up costs?

The purchase of additional software for some of the projects added up to \$565,500.

6. What are the program's operational costs?

The annual operational costs for the projects in this nomination amount to \$192,100.

7. How is the program funded?

The program is funded from the existing operational budget of the Human Resources Division.

8. Did this program originate in your state?

Yes.

9. Are you aware of similar programs in other states?

We are not aware of similar programs in other states.

10. How do you measure the success of this program?

Team members frequently receive feedback, emails, and comments from customers praising the success of the program. The state also assesses satisfaction on an annual basis through surveys of agency directors; customer satisfaction in the last survey (2009) was 7.0 on an 8-point scale – one of the highest ranked in the entire agency. Another key measure of success is the

ROONEY AWARD NOMINATION

improvement in the consistent application of practices across all agencies. Each project is measured independently, the specific measures depending upon the nature of the project.

Frequently, agency processes are reviewed by an internal audit team, which not only serves to document compliance (and thus reduced liability for the state) but also provides feedback for fine-tuning the implementation and enhancing the project. However, the ultimate success of the program is primarily measured through cost and productivity savings.

Below is a table illustrating the savings for some of the components of the HR Automation Solution program:

Component	FY2007	FY2008	FY2009	FY2010	FY2011
Hiring Gateway	\$2,076,877	\$1,588,831	\$791,289	\$791,289	\$791,289
YES –Employee Self Service	\$1,109,440	\$2,089,120	\$2,089,120	\$2,089,120	\$2,089,120
MSS – Manager Self Service	\$13,250	\$13,250	\$81,120	\$81,120	\$81,120
Automated I-9/e-Verify		\$165,280	\$165,280	\$165,280	\$165,280
Automated Notice of Direct Deposit			\$414,008	\$828,015	\$828,015
Employee Training Solution			160,000	160,000	160,000
Automated Employment Verification				\$38,927	\$139,027
Employee Time Entry					\$878,735
TOTAL	\$3,199,567	\$3,856,481	\$3,700,817	\$4,153,751	\$5,132,586
Cumulative Total		\$7,056,048	\$10,756,865	\$14,910,616	\$20,043,202

It is estimated that the state is currently realizing productivity savings of over \$5 million per year, and a cumulative savings of over \$20 million.

11. How has the program grown and/or changed since its inception?

As previously noted, the process used to introduce new components has been standardized and is being used as a model for change management in other parts of the agency. New components are also being scheduled into the calendar for the future that are anticipated to realize additional savings including:

- Talent Acquisition/Onboarding – estimated to generate annual savings of \$500,000
- Performance Management – estimated to generate annual savings of \$1.5 million