From Inefficient to Integrated

AUTOMATING HUMAN RESOURCES PROCESSES IMPROVES WORKFORCE MANAGEMENT

OCTOBER 2016
The Partnership for Public Service is a nonpartisan, nonprofit organization that works to revitalize the federal government by inspiring a new generation to serve and by transforming the way government works. The Partnership teams up with federal agencies and other stakeholders to make our government more effective and efficient. We pursue this goal by:

- Providing assistance to federal agencies to improve their management and operations, and to strengthen their leadership capacity
- Conducting outreach to college campuses and job seekers to promote public service
- Identifying and celebrating government’s successes so they can be replicated across government
- Advocating for needed legislative and regulatory reforms to strengthen the civil service
- Generating research on, and effective responses to, the workforce challenges facing our federal government
- Enhancing public understanding of the valuable work civil servants perform

Cornerstone OnDemand is a global talent management software provider that is pioneering solutions to help organizations realize the potential of a modern workforce. www.csod.com/federal-government
Federal government leaders and human resources staff are responsible for managing an enormous number of employees. The Department of Veterans Affairs, for example, employs about 320,000 people—more than the population of Pittsburgh. And even the smallest Cabinet-level agencies have thousands of workers.

To do a good job of overseeing talent in organizations with that many employees, agencies must have technology and processes that help HR staff work efficiently, and leaders must have access to comprehensive, timely data to guide their workforce decisions. Otherwise, agencies are not capitalizing on their greatest asset and operate at a disadvantage.

“People are the agency,” said Lacey Dingman, chief human capital officer at the Securities and Exchange Commission. “If you don’t manage in a good way, you will feel the impact. Productivity will go down.”

Agencies recognize they need to function in a 21st-century fashion, but many still work with outdated technology, manual HR processes and paper records for everything from hiring and timekeeping to performance management and succession planning. They struggle to manage their workforces in an efficient, comprehensive way—which involves tracking, developing and guiding employees from recruitment to retirement.

While automation seems like a given in today’s world, many federal HR processes are still manual. No matter how good agencies are at managing their talent to achieve their missions, they are inevitably hampered if their paper trail is actual paper. Even in agencies that have automated, paperless processes, most use numerous, disparate IT systems that do not communicate with one another and house data in many different places. One Cabinet-level department, for example, maintains more than 100 IT systems to manage its HR-related activities—not the most streamlined or efficient way to run an agency.

The Partnership for Public Service and Cornerstone OnDemand set out to explore whether agencies are managing talent holistically and what systems they use to support their processes. We interviewed 25 individuals from 17 departments and agencies, as well as the private sector, to gain insight into the current challenges of the federal workforce. Interviewees included chief human capital officers, HR directors and other HR professionals.
Automate and integrate HR processes to save time and money

Human resources staff must complete and process large volumes of paperwork. For example, the Office of Personnel Management identified 24 different forms that agencies consistently use for every employee during the onboarding process alone.¹

When agencies operate with inefficient HR processes, they waste precious time and money, according to HR leaders we interviewed. Several said staff spend a great deal of time processing paperwork manually rather than focusing on strategic management issues such as workforce and succession planning.

Budget constraints, however, keep many agencies from spending adequately on HR improvements. “There is not a lot of appetite to invest in HR automation given other strategic priorities,” one interviewee said. According to another—LC Williams, associate director for human resources at the Department of Interior’s Business Center—HR is “the last frontier for automation.”

In particular, many agencies struggle with inefficient performance-management systems, the systems used to evaluate and track employee performance. Almost all agencies interviewed use paper-based performance-management systems that create unnecessary and often duplicative work for multiple employees.

At one agency with such a system, an HR staff member must manually scan and upload every employee’s performance appraisal into the Office of Personnel Management’s electronic Official Personnel Folder—a database containing information on all federal employees. The labor-intensive process makes it difficult to upload appraisals in a timely way and in accordance with federal personnel recordkeeping regulations. The manual process also results in a huge backlog, according to an interviewee. Additionally, because employees’ performance appraisals likely are not uploaded to their electronic folder in a timely way, employees must go through the HR staff to access their records. “It’s not that paper-based is bad, just inefficient,” he said.

One agency estimated how much money it could save by automating its performance-management system alone, one of several processes now being done manually. Its calculations show that the organization could reap about $3 million annually in cost avoidance and savings—money that could support other important agency functions. The estimate takes into account employee time as...
well as the costs to print, scan and mail performance documents.

While automation will produce some benefits, inefficiencies will still exist if IT systems are not integrated. After automating, agencies can start connecting their HR systems and processes. However, of the agencies we interviewed, those with automated HR functions typically continue to maintain multiple, separate IT systems. This forces HR staff to log into many databases, enter the same information repeatedly and retrieve data from different locations. These duplicative activities waste time, and employees’ everyday tasks can be tediously repetitious.

Agencies do not necessarily have to integrate everything at once. Organizations without fully integrated systems have benefited from partial integration, saving their employees from continually carrying out simple, routine tasks.

The Securities and Exchange Commission is one of several agencies that are integrating their systems. First, the SEC automated its HR processes, which helped HR staff handle a larger volume of work as the SEC expanded—by almost a third since 2007, according to Dingman, the agency’s chief human capital officer. Now the agency is procuring updated technology to integrate and improve HR operations.

In addition to increasing efficiency, HR enhancements also improved SEC employees’ work experience. “People are not having to run around the office, forms aren’t getting lost, and we don’t have to worry about people not getting their benefits,” Dingman said.

Similarly, the Department of Agriculture eliminated wasted, form-filled days for new employees by processing all paperwork and security screenings prior to their arrival. An integrated IT system called “One USDA” facilitates the process by making it faster and easier for HR and security staff to work together.

“Gone are the days of someone swearing in their oath and sitting in a cubicle for two days” filling out paperwork, said Traci DiMartini, acting director of HR enterprise systems management at USDA. With this taken care of, the process is quicker for new employees to get oriented and start performing the job they were hired to do. And, in general, a good onboarding experience leads to better employee engagement and reduced turnover, research shows.

The “One USDA” system, built out over many years, connects several HR systems including the learning system, deployed in 2002, and the onboarding system, introduced in 2016. USDA continues to add new capabilities. The department is in the process of creating data dashboards and bringing all subcomponents into the same performance-management system.

Automation and integration provide similar efficiencies for agencies when employees leave their job. Before the Department of Housing and Urban Development integrated its IT systems, employees going through the “separations process” had to walk around to 26 different people and offices for signatures, according to Towanda Brooks, the department’s CHCO. Now, everything can be done in the online system, creating a “fantastic” separations process, she said.

Like USDA, HUD integrated and deployed its system in phases. Beginning in 2013, the department started implementing about one module per year, testing new modules in a few offices. Before deploying the technology department-wide, the agency made changes based on feedback from employees who helped test it.

The department’s current system has been fully integrated since March 2016, and has the ability to communicate with the National Finance Center for payroll processing and the Bureau of Fiscal Services for human resources processing. HUD will continue to improve and build upon the system, according to Brooks.
Increase access to comprehensive and timely data so leaders can make informed decisions

When human resources offices operate with paper processes and disparate IT systems, agency leaders often cannot get their hands on comprehensive, timely data to make informed workforce decisions. Many interviewees said their agencies do not have data that provide a global view of their employees, making it difficult to manage talent in a holistic way. At a few agencies, access to data from across the entire department and all IT systems has led to cost-savings and more informed decision-making.

The National Institutes of Health, for example, used data from its learning, payroll and timekeeping systems to calculate the cost of training for employees. Now that the agency knows that an hour of training for all employees costs almost $1 million, leaders can make informed decisions about the financial impact when deciding whether certain types of training should be mandatory, according to Julie Broussard Berko, NIH’s acting human resources director.

The agency also uses data to inform workforce planning for its senior executives. The agency has information going back 10 years, which has been helpful to identify trends, do predictive modeling and plan for the future, according to Berko.

At the Department of Agriculture, the ability to analyze data from the integrated IT system has led to better, more targeted staffing and recruiting efforts. When recruiting for certain positions or skills, USDA can see where top talent tends to come from and focus recruiting efforts there, instead of wasting time and resources casting a wide net.

Taking it one step further, HUD used its integrated IT systems to create a dashboard that displays data in a user-friendly way. Data from its system feeds into a dashboard, providing up-to-date information to leadership about “anything that would be needed day to day,” such as hiring, demographic, performance and Federal Employee Viewpoint Survey data, said Brooks, the chief human capital officer at HUD. Brooks is able to access the dashboard on her phone, and uses it frequently during meetings with senior leadership when she needs hiring, attrition or other information about her workforce.

Leaders and HR staff who do not have easy access to comprehensive workforce information struggle to make informed decisions and manage talent well. Almost all our interviewees said they wish they had better data analytic capabilities. One interviewee said his agency does not have the best understanding of strategic plan-
ning because “the data is in so many different places” and is not easy to gather and analyze. Another interviewee said it was “very painful” trying to work with all the systems and technology in offices across her agency. She would like her agency to be “more predictive” by using data from the entire organization to anticipate future needs.

Interviewees at a few agencies without integrated systems said they are unable to determine what talent and skills they have as an organization. When the agency identifies a position it has to fill or a skill it needs, leaders often are unable to determine whether they could shift current employees into those vacancies or if they need to hire new people.

Moreover, manual data entry into multiple, separate IT systems is slow and error-prone. At some agencies, maintaining disparate IT systems means leaders cannot identify their top performers. In other cases, manual processes delay leaders’ access to data for three or four months and, without up-to-date information, it is difficult for leaders to identify and address problems quickly.

Even those leaders who can access their HR data relatively quickly may be getting inaccurate information if numerous disparate systems are not reconciled frequently. These leaders face the risk that they will make decisions based on inaccurate data. For example, one agency has a performance-awards system that is not connected to its personnel-actions system, and information in the awards system may not reflect the most up-to-date personnel actions. If the agency relies on outdated data, it could lead to managers budgeting incorrectly for awards.
Agencies seeking to automate and integrate HR functions and processes have options. Some work could be done by IT professionals the agency already employs. Some of USDA’s systems, for example, are “homegrown”—that is, they were developed and built within the agency.

Technology solutions are also available through federal shared services providers, the Office of Personnel Management or by contracting directly with private-sector companies. Shared services providers often offer services to agencies at a lower cost and provide administrative support, allowing organizations to focus on their core missions and maximize efficiency. Agencies also can contract directly with private-sector vendors for products and services that shared service providers do not offer.

Agencies do not have to automate and integrate everything at once. Indeed, interviewees from agencies with integrated systems recommend implementing new technology and processes in phases. As a first step, agencies could consider automating paper-based processes and then connecting their databases to OPM’s electronic Official Personnel Folder. Integrating the learning system and performance-management system could also be a good start, enabling employees to see connections between their professional development and career aspirations, according to a few interviewees.
RECOMMENDATIONS

Agencies without automated processes and many disparate IT systems should:

- Conduct cost-benefit analyses to determine the amount of time and money that could be saved or reallocated by automating HR processes, and use the results when making budget decisions and investments.
- Identify the highest-priority agency needs and research all available technology solutions to determine what best meets those needs.
- Take advantage of products offered by shared services providers.

Agencies in the process of procuring and deploying integrated IT systems should:

- Recognize that these systems are a long-term investment and have staff dedicated to implementing, managing and updating them.
- Test and make changes to new technology based on user feedback before deploying to the entire department or agency.
- Implement new technology in phases rather than all at once.
- Address cultural resistance by improving communication between leadership and employees, providing training to users, identifying early users of new technologies and celebrating successes.
Automating and integrating talent-management processes and systems—such as performance, learning and succession planning—improves efficiency and access to quality data. It allows human resources staff to spend less time on paperwork and manual data entry, and focus more on strategic planning and data analytics.

Sophisticated talent-management systems can give leaders a clearer picture of their workforce and arm them with information when they need it to make informed decisions about allocating talent and resources.

These systems and processes also make it easier for agencies to report accurate data to the Office of Personnel Management on a regular basis. This improves OPM’s ability to identify trends and best practices across government and, in turn, help agencies manage their workforces better.

The quality and timeliness of the work that agencies do depends on the talent they hire and nurture. Since federal organizations depend on employees to carry out their missions, it is critical for agencies throughout government to improve the processes and systems that manage employees at every level.
INDIVIDUALS INTERVIEWED

**DEPARTMENT OF AGRICULTURE**  
Traci DiMartini  
Acting Director, HR Enterprise Systems Management  
Karlease Kelly  
Deputy Chief Human Capital Officer

**DEPARTMENT OF DEFENSE**  
Defense Logistics Agency  
Brad Bunn  
Director of Talent Management

**DEPARTMENT OF EDUCATION**  
Valarie Barclay  
Director, Executive Resources

**DEPARTMENT OF ENERGY**  
Robert Gibbs  
Chief Human Capital Officer  
John Walsh  
Director, Office of Human Capital Strategy & Analytics

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
National Institutes of Health  
Julie Broussard Berko  
Acting Director, Office of Human Resources

**DEPARTMENT OF HOMELAND SECURITY**  
Federal Emergency Management Agency  
Corey Coleman  
Acting Director, National Training and Education Division  
Immigration and Customs Enforcement  
Diana Lynch  
Succession Planning Program Manager, Office of Human Capital

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
Towanda Brooks  
Chief Human Capital Officer

**DEPARTMENT OF THE INTERIOR**  
Interior Business Center  
LC Williams  
Associate Director, Human Resources Directorate  
Office of the Secretary  
Ellen Carpenter  
Human Resources Information Systems Project Manager

**UNITED STATES GEOLOGICAL SURVEY**  
Jill Nissan  
Workforce Planning Program Manager

**DEPARTMENT OF JUSTICE**  
Federal Bureau of Prisons  
Nate Baker  
Human Resources Information Manager, Learning and Career Development Branch

**NUCLEAR REGULATORY COMMISSION**  
Miriam Cohen  
Chief Human Capital Officer

**OVERSEAS PRIVATE INVESTMENT CORPORATION**  
Atiba Copeland  
Performance Management Specialist

**SECURITIES AND EXCHANGE COMMISSION**  
Lacey Dingman  
Chief Human Capital Officer  
Christelle LaPolice  
Dean, SEC University  
Dennis Truskey  
Chief Learning Officer

**SOCIAL SECURITY ADMINISTRATION**  
Michelle Blagmond  
Personnel Psychologist  
Reginald Wells  
Chief Human Capital Officer

**UNITED STATES POSTAL SERVICE**  
Susan McKeen  
Director, Learning and Development

**ADDITIONAL CONTRIBUTORS**  
Mary Ellen Beach  
Human Capital Management Consultant, Federal Technology Services, Inc.  
Former Deputy Chief Human Capital Officer and Deputy Human Resources Director, Nuclear Regulatory Commission

Scott Cameron  
Director of Strategic Development, Tuknik Government Services  
Former Chief Human Capital Officer, Department of the Interior

John Sepulveda  
President & CEO, Strategic Human Capital Consulting, LLC  
Former Chief Human Capital Officer, Department of Veterans Affairs
PROJECT TEAM

PARTNERSHIP FOR PUBLIC SERVICE
Emily Connelly, Associate Research Manager and Project Lead
Lexi Quinn, Research Associate

Mallory Barg Bulman, Research and Evaluation Director
Bevin Johnston, Creative Director
Ellen Perlman, Writer/Editor
Audrey Pfund, Associate Design Manager
Max Stier, President and CEO

CORNERSTONE ONDEMAND
Jim Gill, Vice President, Government
Steve Dobberowsky, Principal, Thought Leadership & Advisory Services
Dawn Pressentin, Senior Marketing Strategist, Government
Scott Sanders, Director, Federal

The Partnership for Public Service’s work, including this report, would not be possible without the generous support of corporations, foundations and individuals who share our commitment to more effective government. Corporations that support our research and thought leadership provide financial support and valuable expertise on a wide array of government management issues. By enlisting a diverse group of donors, the Partnership ensures that no single person, entity or industry can unduly influence our organizational body of research. The Partnership is actively committed to transparency about all of our funding relationships and retains editorial control over all its thought leadership.
1100 New York Avenue NW
Suite 200 East
Washington DC 20005
(202) 775-9111
ourpublicservice.org
CFC# 12110

1601 Cloverfield Boulevard
#600S
Santa Monica, CA 90404
(888) 365-2763 (CSOD)
cornerstoneondemand.com