HR Consolidation
Service Modernization Delivery Strategy

Update to the Legislative Finance Committee
June 7, 2017
Today’s Agenda

• Background
• Staffing
• New HR Structure
• Transition Timeline
• Questions
A Need for HR Transformation

The following challenges have been identified as a basis for HR transformation & implementing innovative HR solutions for New Mexico:

- HR functions are exclusive to agency focusing primarily on transaction administration as opposed to strategy.
- Inconsistent application SPB Rules, policies and procedures.
- HR staffing ratios exceed national benchmarks.
- Processing times are prolonged and do not support business needs.
- Duplication of efforts and processes.
- HR training needs are inconsistently addressed.
- Lack of technology solutions for the delivery of HR services.
Evolution

NGA identifies commitment to streamlined and efficient government services (2011)

NAPSE issues report identifying centralized v. decentralized structures as one of the top five issues affecting state government (2014)

SPO executive staff researches advantages and disadvantages of centralized v. decentralized structures with other states (2014-2016)

SPO presents HR consolidation recommendation to Governor Martinez (2016)

Governor Susana Martinez issues Executive Order 2017—002 directing HR service consolidation (2017)
Personnel Act

SPO fulfills its statutory responsibilities under NMSA 1978, Sections 10-9-1 to 10-9-25 (Personnel Act) and provides the authority to the Director to oversee administrative and technical personnel activities as specified in Section in NMSA 1978, 10-9-12(A)
The Governor is committed to sound fiscal spending, and the cost of government operations can be reduced through the centralization and streamlining of HR operations while also improving and consolidating the executive branch’s HR functions as contemplated in the State Personnel Act.

SPO is designated as the single, unified executive branch department with HR consolidation authority to provide and oversee the state’s classified HR operations.

SPO shall make provisions to centralize and consolidate within SPO, all HR functions, operations, and services provided by all executive state agencies under the authority of the chief executive and as otherwise agreed upon by SPO and any other executive, legislative or judicial agency that functions outside of the authority of the chief executive.

The Department of Finance Administration (DFA) and General Services Department (GSD) shall work with SPO to organize and make provision for the consolidation and centralization of the HR operations from executive state agencies.

The timeline for consolidation under the Executive Order states that, “All agreements and transfers contemplated shall be completed as soon as practicable.”
Benefits to the State

• Lower operating costs
• Reduced financial/legal liabilities through consistency
• Avoidance of individual agencies setting precedents that affect all agencies
• Increased HR performance through sharing of best HR practices
• Increased quality and consistency of HR related information statewide
• Streamlined HR processes and improved processing times
• Reduced HR costs enabling state agencies to meet strategic/operational goals
• No loss of knowledge or skills or break in “quality of service” due to HR employee separations within individual agencies
• Consistent application of “best” HR policies and practices

Benefits to Employees

• One-stop customer service
• Consistency
• Self-service functionality
• Increased access to services
Staffing

484

Less: 151 Non-HR

333

Less: 70 HR/Training Vacancies

263

Less: 20 Anticipated Vacancies

243

Target: 238

Current Data
Staffing

484 → 238

• **How do we “right size” to 238 FTE?**
  – Vacancies through attrition
  – Reallocation/Reassignment (Non-HR)
  – Reallocation/Reassignment (HR)
  – Reduction in Force (RIF)

• **How will position assignment be determined?**
  – Business Need
  – Similar job size
  – Similar area of HR Specialization
  – Center of Excellence Preference (*If able to accommodate*)
    
    *Survey*
The New HR Service Delivery Model
Classification & Compensation

- Six (6) FTE
Classification & Compensation

Classification Section Scope of Work (two (2) employees)
- Classification Development
- Job Analysis

Salary Plan Section Scope of Work (one (1) employee)
- Compensation Design
- Survey Administration
- Market Surveys

Rewards and Recognition Section Scope of Work (two (2) employees)
- Monetary & Non-Monetary Recognition Programs
- Work/Life Balance Programs

Performance Management Section Scope of Work (shared staff from Rewards and Recognition Section)
- Competency Design
HR Solutions

- 80 FTE
HR Solutions

Workforce Planning Section Scope of Work (37 employees)
- Administration of Statutory Oversight and Rule Compliance
- Agency Consultation & Partnership
- HR Policies and Procedures (Guide/Interpret)
- Legacy - Oversight

HR Operations Section Scope of Work (25 employees)
- Payroll
- Benefits (limited)
- Transaction Entry

Employee Service Center Section Scope of Work (17 employees)
- Call center- employee support
- Employee Self Service
- Employee Counseling & Coaching
Talent Acquisition

- 29 FTE
Talent Acquisition

Organizational Connection Section Scope of Work (total of 21 employees)
- Candidate Relations
- On-boarding
- Off-boarding
- Recruitment lifecycle

Sourcing Section Scope of Work (total of five (5) employees)
- Sourcing External Talent
- Employment Outreach
- Employment Branding

New Generation Workforce Section Scope of Work (total of two (2) employees)
- Internship Program
- Real World Work Challenge
- Job Shadow
- Fellowships for Graduates
Training & Employee Development

- 32 FTE
## Training & Employee Development

### Training Development Section
**Scope of Work** (total of seven (7) employees)
- Curriculum Design & Development
- Communication of Training Opportunities
- Competency Management
- Online Training Development

### Leadership Assessment and Development Section
**Scope of Work** (total of 11 employees)
- Leadership Needs Assessment
- Identification of Internal Talent
- Leadership Preparation
- Executive Development & Coaching

### Training Delivery Section
**Scope of Work** (total of 13 employees)
- Training Delivery
- Training Administration
- Performance Management
Employee & Labor Relations

- 74 FTE
Employee & Labor Relations

Legal Staff Section Scope of Work (total of eight (8) employees)
- Assist with a wide range of personnel legal issues
- Training evaluation
- Compliance with state and federal laws

Leave Management Section Scope of Work (total of 21 employees)
- Employee Relations
- Statutory Benefits (WC, UI, etc.)
- Leave Management

Labor Relations Section Scope of Work (total of 13 employees)
- Collective Bargaining Agreement Administrator
- Roster Management (NMCD, CYFD, DOH, etc.)

Employee Relations Section Scope of Work (total of 31 employees)
- Progressive Discipline & Compliance
- Leadership Guidance
- Investigations
- Informal and formal Discipline
Quality Assurance & Data Analytics

- 17 FTE
Quality Assurance & Data Analytics

Quality Assurance Section Scope of Work (total of seven (7) employees)
- SPB Rule/Policy Compliance
- Data Integrity
- Quality Assurance Reviews

Stakeholder Reporting Section Scope of Work (total of six (6) employees)
- Data Analytics
- HR Reporting
- Metrics and Performance Standards

Process Improvement Section Scope of Work (total of three (3) employees)
- Assess new HR program needs
- Workflow Analysis
Features and Enhancements

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<tr>
<th>Feature</th>
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<tr>
<td>Strategic Workforce Planning</td>
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<td>Call Center staffed by HR Professionals</td>
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<td>Employee Service Center</td>
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<td>Increased HR Communication</td>
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<td>Employment Branding</td>
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<td>eForm</td>
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<td>Onboarding &amp; Offboarding</td>
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<td>Employee Engagement</td>
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<td>Customer Service Emphasis</td>
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<td>Consistent Application of Rules, Policies &amp; Procedures</td>
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<td>Employee Development Opportunities</td>
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<td>Career Planning</td>
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<td>Mentoring &amp; Coaching</td>
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<td>Executive Development &amp; Coaching</td>
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<td>Culture of Continuous Process Improvement</td>
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<td>Next Generation Workforce Analysis</td>
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<td>Data Analytics &amp; Consistent Workforce Reporting</td>
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<td>Electronic Employee Personnel File</td>
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Project Planning
- Obtain Executive Support
- Establish Steering Committee
- Develop Project Management Plan to Include:
  - Project Charter
  - Implementation Plan
  - Timeline

Agency Surveys
- Roles and Responsibilities
- Global Survey
- HR Policies, Procedures & Forms

Discovery Teams
- HR Policies and Procedures
- HR Roles and Responsibilities
- Technology
- Data Analytics
- Facilities
- Business Workflow
- SPB Rules
- External Contract Agreements
- Communications
- Financials
- Selection Strategy/Methodology

Implementation
- Service Level Agreements with Agencies
- Employee Acknowledgement
- Staff Transition
- Facilities (GSD)
- Call Center Setup (GSD/DoIT)
- Physical Assets/Resources
- Workflow Development
- SPO Staff Training
- State Employee Process Training
- SHARE Security Roles
- Onboarding (TBD)
What Happens Next?

Meet with Agency Leadership to Initiate HR Consolidation

Sign SLA and Employee Acknowledgment Form

FY17 - 50-50 Work Arrangement
- Part of HR Consolidation Workflow Design
- Maintain Agency HR Responsibilities

FY18 – Part of Consolidated HR Model