# Human Capital Management (HCM)

# NSWPPA Term 4 State Council

**28-Nov-19**

NSW Department of Education

# HCM Program

# Brief Recap

HUMAN CAPITAL MANAGEMENT PROGRAM
*enabling excellence in public education*

# What is human capital management?

⊘ human capital management, or HCM, is an industry term that refers to people management systems and practices.

⊘ our HCM functions cover a wide range of services, including:

– *Workforce Planning*
– *Position and Organisation Management*
– *Recruitment*
– *On-boarding*

⊘ the **HCM Program** was established to build on the department's investment in a new payroll system (2016-2018) and transform some of our most important HR functions.

⊘ this will drive achievement of our strategic objectives of:

– reducing the administrative burden
– improving systems support to schools

⊘ where systems need replacement, we will develop solutions based on **SAP SuccessFactors,** enhanced by other fit-for-purpose solutions as required.

⊘ this will allow us to leverage very attractive licensing discounts negotiated with SAP on a whole-of-government basis

**The story so far ...**

In our discovery phase we have been:

– Investigating the what, why and how of our HCM service delivery, and where we can improve
– Developed the Solution Design Principles which will underpin decision making throughout the lifecycle of the program
– Planned for design of a new customer (school) experience
– Conducted Resonance Testing
– Identified key opportunities – requiring business decisions, acceptance of assumptions & action to guide Future State Design

**There will be no change impact for schools until 2021**

HUMAN CAPITAL MANAGEMENT PROGRAM
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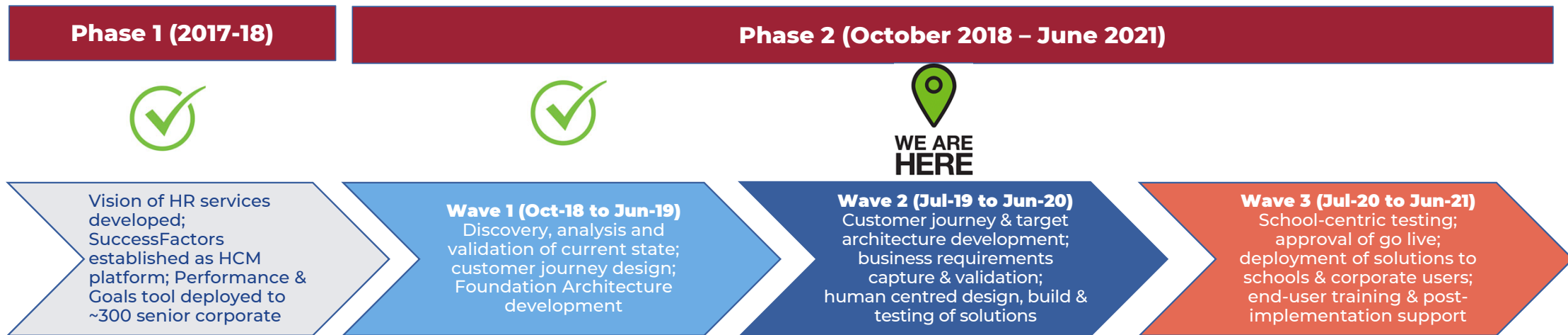
# What will the program deliver for schools?

**Improved HCM services will benefit school budget and hiring managers**

Up to 13,000 hiring managers and 5,653 budget managers in schools will benefit from:

- ⟩ a single, integrated view of the schools workforce, offering budget allocations, position entitlements and vacancies in one location

- ⟩ a substantial (40%) reduction in recruitment times – down from the current average of 10 weeks for teacher recruitment

- ⟩ easy tracking of recruitment requests each step of the way

- ⟩ better access to pools of qualified candidates suited to specific needs (for instance, outstanding secondary maths teachers)

- ⟩ a tool that matches vacancies with schools' forecasted needs based on required skills and capabilities and demographic drivers

- ⟩ visibility of vacancies for hiring managers and candidates

- ⟩ much less paperwork and duplication of processes

# HCM Program High-Level Timeline

| Phase 1 (2017-18) | Phase 2 (October 2018 – June 2021) | | |
|---|---|---|---|

**WE ARE HERE**

| **Vision of HR services developed; SuccessFactors established as HCM platform; Performance & Goals tool deployed to ~300 senior corporate** | **Wave 1 (Oct-18 to Jun-19)** Discovery, analysis and validation of current state; customer journey design; Foundation Architecture development | **Wave 2 (Jul-19 to Jun-20)** Customer journey & target architecture development; business requirements capture & validation; human centred design, build & testing of solutions | **Wave 3 (Jul-20 to Jun-21)** School-centric testing; approval of go live; deployment of solutions to schools & corporate users; end-user training & post-implementation support |

# Our Targets



Increase automation to industry standard levels — 1% → 33%

Reduce manual handling & overall process complexity — 21 steps 33% manual → 8 steps 8% manual

Reduce time needed to hire a permanent teacher — 10 weeks → 6 weeks

Reduce steps in principal, school exec & teacher recruitment — 77 steps 21% manual → 30 steps 10% manual

Reduce number of user interfaces — 5 → 1

Increase capacity to hire by 25% — against 2018 baseline of 5,241 permanent appointments (teacher, SASS GSE & PSSE roles)

# SPC, PPA, PSA & Teacher Federation Engagements

| Meeting | Date |
|---|---|
| SPC Finance & Admin Reference Group | 3-May-19 |
| PPA Executive Meeting | 9-May-19 |
| SPC Rural and Remote Reference Group meeting | 20-May-19 |
| SPC HR Reference Group meeting | 21-May-19 |
| PPA SSP Reference Group meeting | 23-May-19 |
| PPA Finance and Admin Reference Group meeting | 27-May-19 |
| PPA HR Reference Group meeting | 30-May-19 |
| SPC Executive Meeting | 30-May-19 |
| PPA Teaching Principals Reference Group meeting | 31-May-19 |
| PPA Rural and Remote Reference Group meeting | 31-May-19 |
| SPC State Assembly Meeting | 31-May-19 |
| PPA State Council | 13-Jun-19 |

| Meeting | Date |
|---|---|
| SPC Finance and Admin Reference Group | 26-Jul-19 |
| SPC Aboriginal Education Reference Group | 5-Aug-19 |
| PPA Technology Reference Group | 9-Aug-19 |
| Public Service Association meeting | 15-Aug-19 |
| PPA Communications & Engagement Standing Committee | 15-Aug-19 |
| PPA Rural and Remote Standing Committee | 16-Aug-19 |
| PPA/SPC HCM Working Group | 20-Aug-19 |
| NSW Teachers Federation | 22-Aug-19 |
| SPC Executive Meeting | 28-Aug-19 |
| PPA Aboriginal Education Reference Group | 19-Sep-19 |
| PPA/SPC HCM Working Group | 25-Sep-19 |
| SPC Finance & Admin Reference Group | 18-Oct-19 |

| Meeting | Date |
|---|---|
| PPA Executive Meeting | 18-Oct-19 |
| SPC Multi-Campus Colleges | 18-Oct-19 |
| SSP Reference Group | 29-Oct-19 |
| PPA HR Reference Group | 29-Oct-19 |
| PPA Technology Reference Group | 29-Oct-19 |
| SPC Technology Reference Group | 11-Nov-19 |
| SPC HR Reference Group | 12-Nov-19 |
| SPC Executive Meeting | 20-Nov-19 |
| SPC Staffing Reference Group | 21-Nov-19 |
| PPA/SPC HCM Consultative Group | 26-Nov-19 |

*Observations and suggestions made after each presentation reinforce the findings of HCM Program's current state discovery and analysis, and offer potential opportunities for immediate improvement in the school recruitment experience.*
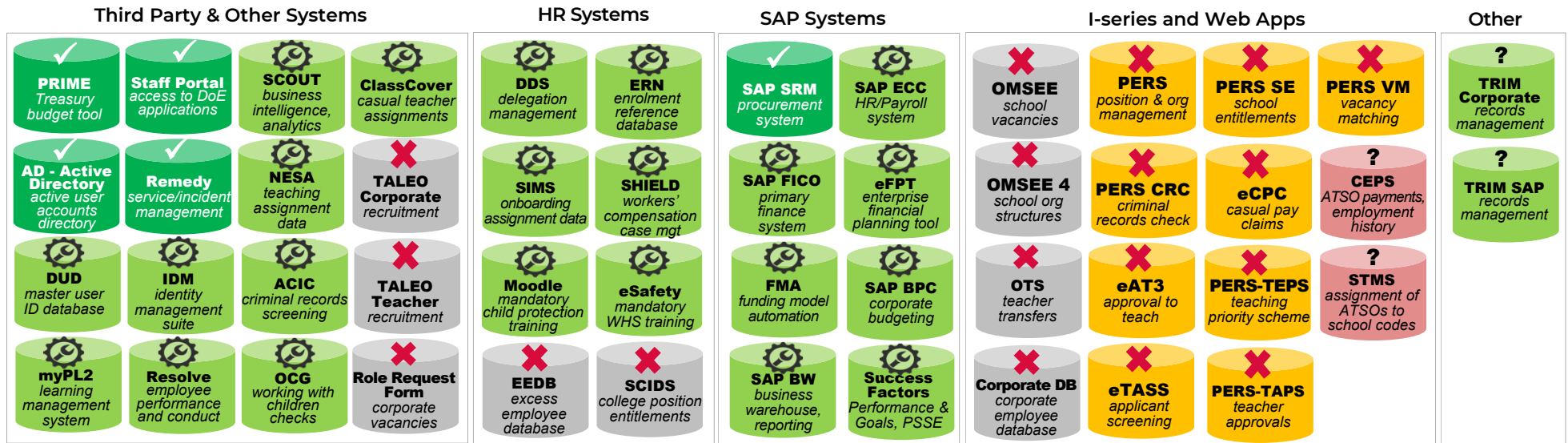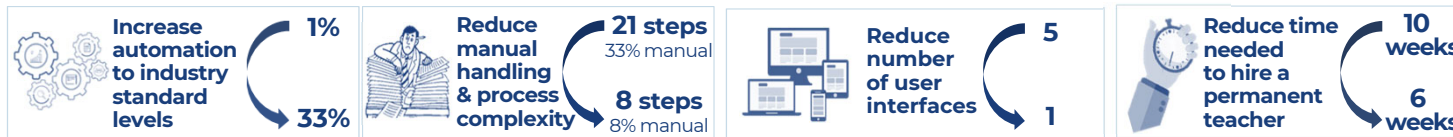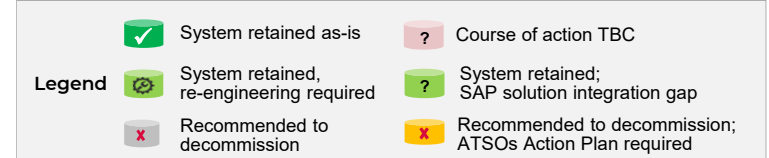
# HCM Systems Opportunity Landscape

Decommissioning of legacy systems and the transition to SuccessFactors will enable reduction in systems, reduced overall complexity and shorter transaction times

- Increase automation to industry standard levels: 1% → 33%
- Reduce manual handling & process complexity: 21 steps 33% manual → 8 steps 8% manual
- Reduce number of user interfaces: 5 → 1
- Reduce time needed to hire a permanent teacher: 10 weeks → 6 weeks

## Third Party & Other Systems

- PRIME — Treasury budget tool (retained as-is)
- Staff Portal — access to DoE applications (retained as-is)
- SCOUT — business intelligence, analytics (re-engineering required)
- ClassCover — casual teacher assignments (re-engineering required)
- AD – Active Directory — active user accounts directory (retained as-is)
- Remedy — service/incident management (retained as-is)
- NESA — teaching assignment data (re-engineering required)
- TALEO Corporate — recruitment (recommended to decommission)
- DUD — master user ID database (re-engineering required)
- IDM — identity management suite (re-engineering required)
- ACIC — criminal records screening (re-engineering required)
- TALEO Teacher — recruitment (recommended to decommission)
- myPL2 — learning management system (re-engineering required)
- Resolve — employee performance and conduct (re-engineering required)
- OCG — working with children checks (re-engineering required)
- Role Request Form — corporate vacancies (recommended to decommission)

## HR Systems

- DDS — delegation management (re-engineering required)
- ERN — enrolment reference database (re-engineering required)
- SIMS — onboarding assignment data (re-engineering required)
- SHIELD — workers' compensation case mgt (re-engineering required)
- Moodle — mandatory child protection training (re-engineering required)
- eSafety — mandatory WHS training (re-engineering required)
- EEDB — excess employee database (recommended to decommission)
- SCIDS — college position entitlements (recommended to decommission)

## SAP Systems

- SAP SRM — procurement system (retained as-is)
- SAP ECC — HR/Payroll system (re-engineering required)
- SAP FICO — primary finance system (re-engineering required)
- eFPT — enterprise financial planning tool (re-engineering required)
- FMA — funding model automation (re-engineering required)
- SAP BPC — corporate budgeting (re-engineering required)
- SAP BW — business warehouse, reporting (re-engineering required)
- Success Factors — Performance & Goals, PSSE (re-engineering required)

## I-series and Web Apps

- OMSEE — school vacancies (recommended to decommission)
- PERS — position & org management (recommended to decommission; ATSOs Action Plan required)
- PERS SE — school entitlements (recommended to decommission; ATSOs Action Plan required)
- PERS VM — vacancy matching (recommended to decommission; ATSOs Action Plan required)
- OMSEE 4 — school org structures (recommended to decommission)
- PERS CRC — criminal records check (recommended to decommission; ATSOs Action Plan required)
- eCPC — casual pay claims (recommended to decommission; ATSOs Action Plan required)
- CEPS — ATSO payments, employment history (Course of action TBC)
- OTS — teacher transfers (recommended to decommission)
- eAT3 — approval to teach (recommended to decommission; ATSOs Action Plan required)
- PERS-TEPS — teaching priority scheme (recommended to decommission; ATSOs Action Plan required)
- STMS — assignment of ATSOs to school codes (Course of action TBC)
- Corporate DB — corporate employee database (recommended to decommission)
- eTASS — applicant screening (recommended to decommission; ATSOs Action Plan required)
- PERS-TAPS — teacher approvals (recommended to decommission; ATSOs Action Plan required)

## Other

- TRIM Corporate — records management (Course of action TBC)
- TRIM SAP — records management (SAP solution integration gap)

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- 29 systems to be retained: 5 as-is, 22 re-engineered, 2 requiring modernised interfaces to address SAP Solution Gaps (increased automation; investment protection)
- 18 Systems are identified for decommissioning – 9 of these have an ATSOs action plan dependency (reduce manual handling and process complexity)
- 141 integrations reduced to 84; 60 new, 24 retained; 80 automated (increased automation)
- Access all HCM via a single interface (reduced number of user interfaces)

### Legend

- ✔ System retained as-is
- ⚙ System retained, re-engineering required
- ✖ Recommended to decommission
- ? Course of action TBC
- ? System retained; SAP solution integration gap
- ✖ Recommended to decommission; ATSOs Action Plan required
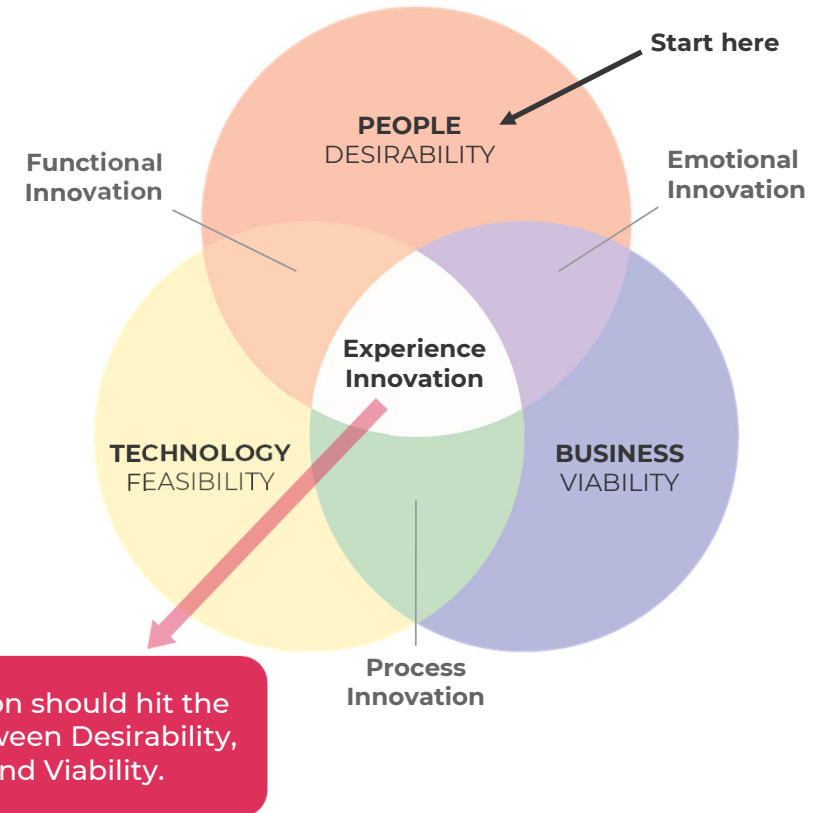
# HCM Program
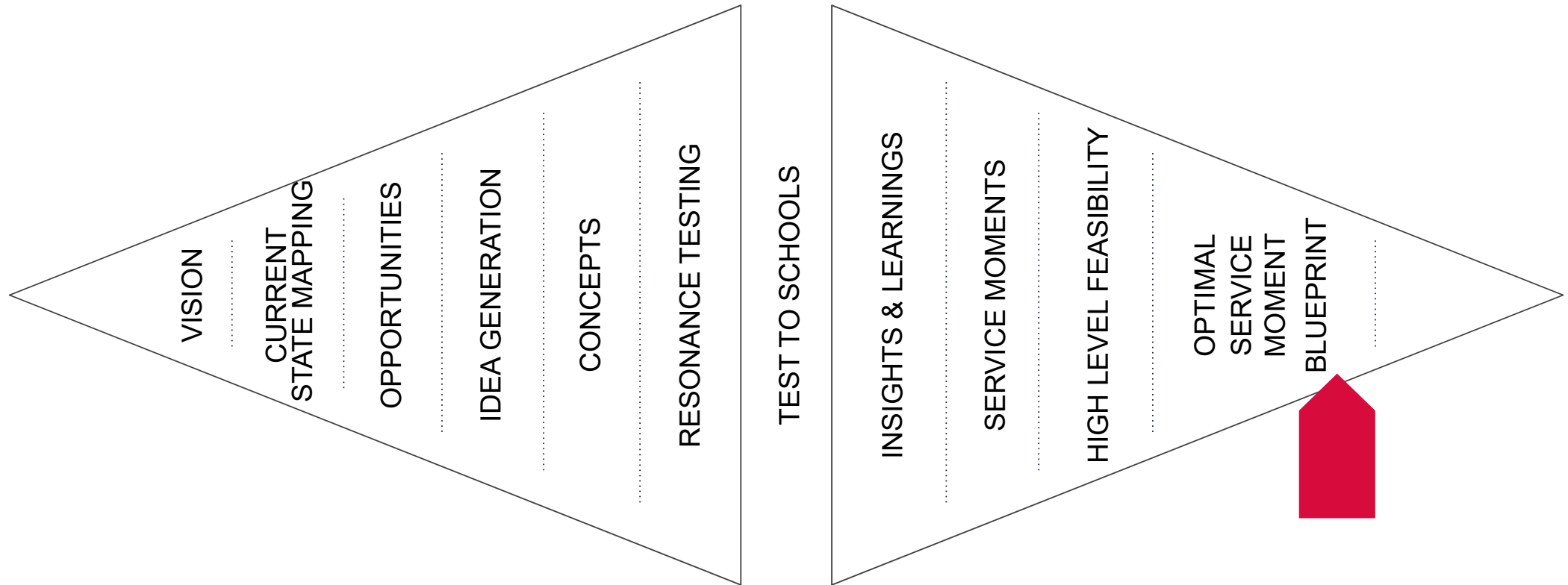
# Human Centred Design

# Ensuring the design is realistic

## Desirable, feasible, viable

- A Human-centred design approach is underpinned by the ability to meet the intersection between desirability (customer), feasibility (organisation & technology) and viability (financial).

- To achieve this, there should be no silos during the human-centred design process, involvement of the wider team is welcomed and expected.

Start here

Functional Innovation

PEOPLE DESIRABILITY

Emotional Innovation

Experience Innovation

TECHNOLOGY FEASIBILITY

BUSINESS VIABILITY

Process Innovation

End state solution should hit the intersection between Desirability, Feasibility and Viability.

NSW GOVERNMENT

# Where are we in the HCD design process?



VISION · CURRENT STATE MAPPING · OPPORTUNITIES · IDEA GENERATION · CONCEPTS · RESONANCE TESTING · TEST TO SCHOOLS · INSIGHTS & LEARNINGS · SERVICE MOMENTS · HIGH LEVEL FEASIBILITY · OPTIMAL SERVICE MOMENT · BLUEPRINT

# Resonance testing

## We visited 16 schools to conduct resonance testing, interviewing 34 people (principals and candidates)

**16** schools (10 Greater Sydney/6 Regional), **34** one to one interviews with Hiring Managers (Principals) and SaSS - for Workforce Planning, Recruitment and Candidate recruitment



| Primary | Secondary | Sample of unique School settings |
|---|---|---|
| Bayanami PS | Fort Street HS | Dorchester Educational Training Unit |
| Harrington St PS | Colo HS | The Hills School (school for specific purpose) |
| Cabbage Tree Is. PS | Denison College | Sydney Distance Education |
| Tregear PS | Denison Kelso College | Evans River K - 12 (connected Community) |
| Werrington PS | Westfield Sports HS | Boggabilla CS (connected Community) |
| Yetman PS | Farrer Memorial Agricultural HS | |



Greater Sydney
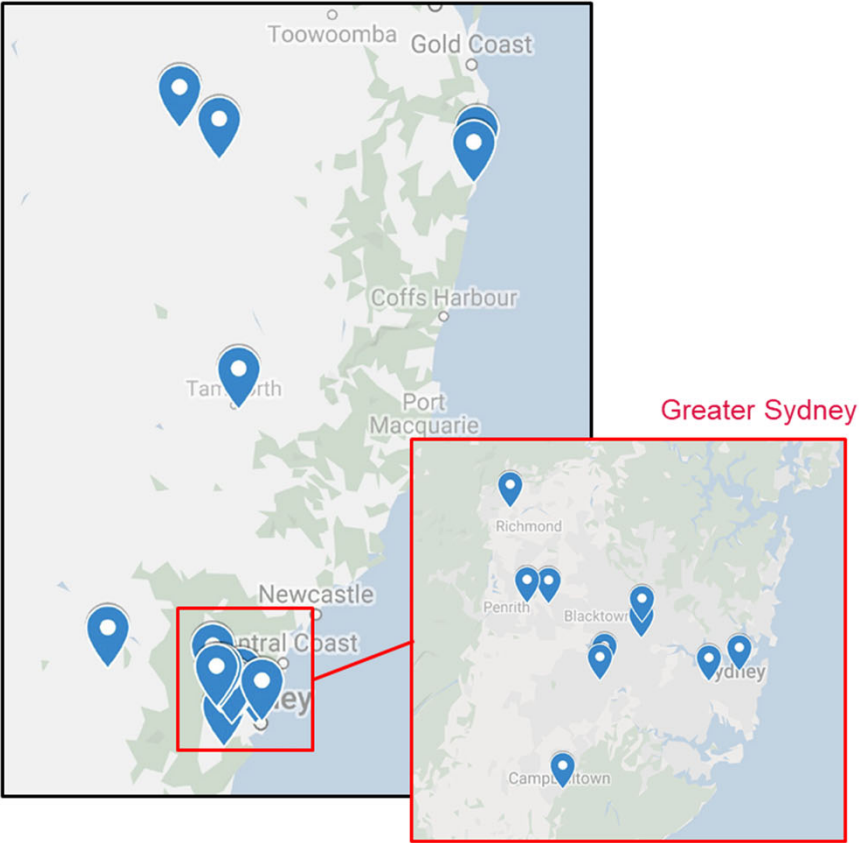
# Resonance testing (cont'd)

Concept artefacts were used in resonance testing in various ways to stimulate conversation.



**Mix and match of service components**

**Stimulating resonance conversation**

**Feedback on visuals and ideas to make it better**
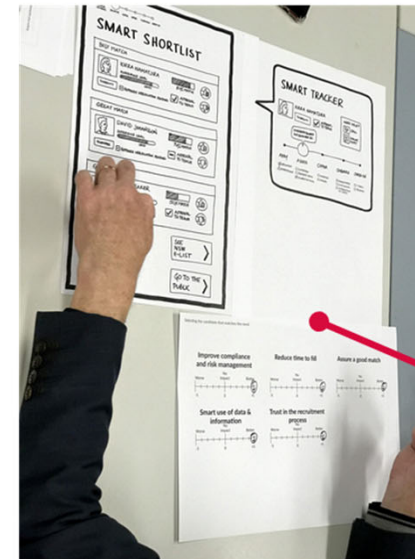
**Ranking concepts against success criteria**
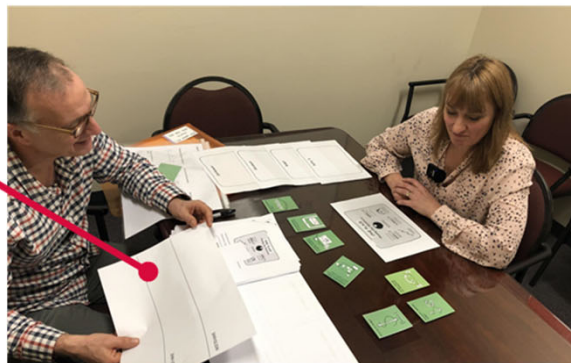
# High value areas

**Resonance testing produced qualitative feedback which was synthesised into 11 key insights**

**The insights have been further assessed to identify feasible & tangible outcomes that can be taken forward to the HCM implementation.**

**These recommendations have then been grouped into 3 high value areas.**

## PEOPLE CENTRIC PLANNING

**Goal of value area**
- Reduce time and effort to access valuable information for ongoing staff management

**Features**
- Concise view of school organisation configuration with key staffing information
- Drill-in for profile information on employees
- View of open roles and compliance status with option to recruit

## PROFILE

**Goal of value area**
- Access, consistency and relevance of candidate and employee information

**Features**
- One central record of personal and career information utilised during recruitment
- Informs organisational view of sharing roles, contract dates and drill-in information on staff
- Enables capture of employee skills over and above the qualification and skills & experience codes
- Targeted job alerts from Hiring Managers to interested DoE profiles

## APPLICATION

**Goal of value area**
- Reduce the administrative burden for recruiting staff

**Features**
- Visibility and tracking of recruitment
- Automation of role description for requisition based on standard job criteria
- Ease to communicate and make booking for panel and short-list candidates
- Sharing of eligibility list candidates with other schools in local community

# Key HCM takeaways

✓ What is Human Capital Management?

✓ Quick recap on the current state discovery work completed & outline our targets for the future

✓ Shared the overall high-level timeline of the HCM Program transforming the following 4 service groups:

    ✓ workforce planning, organisation management, recruitment, onboarding.

✓ Schools participation extended through joint SPC & PPA HCM Consultative Group (12 Principals) adding to the 2 PPA & 2 SPC endorsed Principals already working full-time in the HCM Program

✓ Change impact to schools will be minimised, where possible, schools will be deployed to only once.  No change to schools until back-end of 2020 to participate in School Centric Testing (SCT).

✓ HCM Solution Go Live will be 2021 (by 30-Jun-21)

✓ Update on Human Centred Design (HCD) & Next Steps

✓ **Encourage active PPA & SPC Reference Group participation in Future State Design Gallery Walk Throughs to take place in Term 1 2020**