

2018 NASPE AWARD

Eugene H. Rooney, Jr. Award Nomination
Innovative State Human Resource Management Program

Nominations from dues-paying states are considered for eligibility. Nominated leaders and programs should have a positive effect on the administration of state human resource programs. A state's central human resource department or line agency human resource operations may administer nominated programs.

Programs and projects must have been operational for at least six months and must be transferable to other states. Selection criteria are based on the questions asked on the award application. Included in this packet are the specific criteria for each award and their categories. Nominations are encouraged in all areas of human resource management administration.

Additionally, please attach a one-page summary of the program and prepare a narrative answer for the questions listed below. Do not send supporting documentation. Provide a narrative answer for each of the following questions.

PROGRAM INFORMATION

Program Title: Strategic HR Service Delivery State: TN

Contact Person: Kim Yap

Contact's Title: Chief HR Business Partner

Agency: Tennessee Department of Human Resources

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ALL SUBMISSIONS MUST:

Meet all eligibility requirements. • Meet deadline requirements stated on the NASPE website. • Be entered in the correct category and be correctly identified. • Include a complete nomination packet. • Conform to all copyright laws.

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NOMINATOR INFORMATION

Nominator: Rebecca Hunter Title: Commissioner

State: TN Agency: Tennessee Department of Human Resources

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E-mail: Rebecca.Hunter@tn.gov

DETAILS

1. Please provide a brief description of this program.

Strategic HR Service Delivery is transforming the State of Tennessee HR function from a decentralized, administrative role to a strategic partner role by centralizing transactions in DOHR to increase the capacity of agency HR business partners to focus on strategic HR priorities. The initiative provides an enhanced and more efficient HR experience for employees, managers, and agency HR professionals, enabling leaders to identify the critical HR and Talent Management priorities that need to be addressed to achieve long term business objectives.

2. How long has this program been operational (month and year)?

DOHR is implementing a rolling schedule to transition all 23 cabinet agencies to the new model by February 2019. Currently, 50% of agencies are in transition, and they have expressed that Strategic HR Service Delivery provides greater opportunities for HR to be a strategic business partner with agency executive teams, making significant contributions to organizational success.

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

Strategic HR Delivery was established to address the growing need to modernize the HR function for the State of Tennessee and accelerate the implementation of state-of-the-art, strategic HR and TM practices across the enterprise. The pending number of retirements, along with anticipated challenges of recruiting and retaining millennials, demonstrated a need to proactively focus on strategic HR initiatives to drive long-term success in recruiting, retaining, and rewarding a talented workforce.

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

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State HR directors have traditionally been focused on transactions and compliance.

By streamlining transactions and creating a platform for HR strategy to be a focus in state government, Strategic HR Service Delivery proves to be a creative approach to drive state-of-the-art employment practices. Additionally, DOHR employed innovative methods to drive the success of Strategic HR Delivery, including the creation of detailed transaction process maps, surveys to identify strategic needs in each agency; a centralized Service Center to field HR related inquiries from state employees and applicants to create additional capacity for agency HR teams; a DOHR "Strategic HR toolkit" to help connect our internal DOHR services, such as learning and development and strategic business planning, with broader strategic HR priorities; and a Service Partnership Agreement (SPA) identifying key performance metrics to guarantee clear expectations around excellent service under the new Strategic HR Business model.

5. What was the program's startup costs? (Provide detailed information about specific purchases for this program, staffing needs and other expenditures, as well as existing materials, technology and staff already in place.)

Strategic HR Delivery is a cost neutral program. In fact, the program's expected operational improvements, including a 75% expected reduction in HR errors and rework and an increase in transactional accuracy rate from 84% to 96%, has a potential cost savings of \$1.5M - \$4M in recurring funds.

6. What are the program's operational costs?

Strategic HR Delivery was launched entirely with existing DOHR materials and staff. As part of the centralization initiative for transition to the shared service Strategic HR Services Delivery model, DOHR expects to gain approximately 78 new employees, who will transfer from other cabinet agencies over Calendar Year 2018 - 2019. The funds established for these employees will move from the transitioning agency budget to the DOHR budget.

7. How is this program funded?

There are no additional costs for this program other than DOHR staff and general operating costs for the agency.

As an Internal Service Fund agency, DOHR's funding sources are primarily from billing agencies monthly for the services provided to those agencies based on the number of established positions.

8. Did this program originate in your state?

9. Are you aware of similar programs in other states?
If yes, how does this program differ?

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It's our understanding that other states have issued Executive Orders to centralize HR. In contrast, DOHR configured a model that is being widely accepted due to our collaborative and transparent approach. Based on feedback from Cabinet about the relationships they've developed with their HR Directors, Tennessee focused on enabling the directors to increase their focus on strategic HR initiatives. Through the listening tour we conducted, we obtained buy-in on centralizing HR transactions and routine inquiries as a method to not only provide consistent, repeatable processes across the enterprise, but to increase the capacity of the directors to focus on strategic HR. A strength of the model is it is configurable based on the strategic HR & TM needs of the agency as identified through a one-page survey of senior executives and leaders. The survey results provide the necessary data for the HR Business Partner to create action steps to implement the HR strategy for their agency.

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

Strategic HR Service Delivery is measured through the transactional accuracy rate, processing speed, vacancy time-to-fill, and customer satisfaction. DOHR completes a Service Partnership Agreement (SPA) contract with each transitioning agency that commits us to performance measures related to quality, time, and productivity. Quarterly check-ins are held with each agency customer to review performance measures and explore opportunities for continuous improvement.

The success of increasing the agency focus on strategic HR initiatives is measured by the development and implementation of agency-specific strategic plans customized to address specific needs. Agency needs are identified through "customer" surveys of departmental executives and managers, internal HR business partners, and HR teams. Survey results are reviewed and validated during a facilitated discussion with agency senior leaders. Commonly identified needs include recruitment, retention, employee development, and succession planning. Because each agency has the opportunity to identify and select specific strategic HR priorities, additional agency-specific measures can be selected to evaluate the success of individual strategic initiatives, such as engagement surveys, climate surveys, or retention and turnover rates.

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

Changes since inception of the program reflect the collaborative nature of Strategic HR Service Delivery. Two changes are especially significant to the project scope. First, the original design involved full centralization of all HR functions for the state. As that design plan began to finalize, the DOHR Commissioner and Deputy Commissioner conducted a listening tour of executive cabinet-level agency leaders. Many executives noted that they would willingly give up transactional activity; however, they valued their senior HR leaders as business partners and trusted advisors to help them achieve their agency missions. With this in mind, the program was modified to centralize transaction processing, while keeping the senior HR leader and strategic staff reporting to the agency. Second, the original program design did not include centralization of "protected leave" transactions such as FMLA, workers' compensation, or the State's Sick Leave Bank. However, during the listening tour, executives of several large agencies indicated that they would willingly give up the burden of managing such requests. As a result, the initiative expended to also centralize the bulk of protected leave transactions and tracking.

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NASPE 2018 Eugene H. Rooney, Jr. Award: Innovative State Human Resource Management Program

Overview of Strategic HR Service Delivery

The State of Tennessee's Department of Human Resources (DOHR) is transforming the enterprise HR function from a decentralized, administrative role to a strategic partner role through Strategic HR Service Delivery. The initiative drives organizational excellence across the state enterprise by centralizing transactions in DOHR to increase the capacity of the agency HR business partners to focus on strategic HR priorities. This one page overview shares the background context, implementation logistics, and current status of Strategic HR Service Delivery.

The Tennessee Department of Human Resources (DOHR) is a cabinet-level agency that drives the strategic direction of human resources for the State, which is the largest employer in Tennessee with more than 43,000 employees. DOHR serves in a support role and has overall responsibility for statewide human resources policies and services for cabinet departments, boards, and commissions in the executive branch; and provides technical services to the legislative and judicial branches. Each cabinet agency has an HR business partner who implements DOHR policies, processes, and initiatives; however, they are located in and report to the appointing authorities in the agencies they serve. After leading a major overhaul to transition state employment practices from a tenure-based model, to a performance-based model, DOHR began Strategic HR Service Delivery in 2016 to place a focus on HR strategy. The initiative created a new shared service HR structure that centralizes transactions to assure consistent, repeatable processes; increase their efficiency and accuracy; and empower agency HR business partners to implement HR strategy across the enterprise.

DOHR's Assistant Commissioner/Chief Business Partner is working with agency HR Business Partners and Executive Leadership teams to implement three key phases of Strategic HR Service Delivery. First, routine transactions were mapped and are being centralized in DOHR for maximum efficiency, generally by removing steps or leveraging technology. The expected operational improvements, including a 75% expected reduction in HR errors and rework and an increase in transactional accuracy rate from 84% to 96%, has a potential cost savings of \$1.5M - \$4M in recurring funds. Second, agency HR business partners survey key customers, including executive and senior leaders, to determine the unique strategic HR priorities necessary to achieve their specific operational and strategic objectives. Finally, DOHR partners with agencies to develop and implement customized action plans to focus on critical HR issues, such as recruitment and selection, employee retention and engagement, leadership development, and succession planning.

For the past eight years, DOHR has been working to drive an organizational culture change to reward performance excellence, continuous learning, innovation, and servant leadership. We are committed to positioning the State of Tennessee as an employer of choice and to build a talented, thriving workforce to empower the state to provide the best possible service at the lowest possible cost to citizens, and continuously improve in doing so.

Strategic HR Service Delivery provides an enhanced, more efficient HR experience for employees, managers, and agency HR professionals, allowing leaders to identify and address critical HR and Talent Management priorities. The initiative drives state-of-the-art employment practices to recruit, retain, and reward talented workers and position the State as an employer of choice.