

State of Washington
Department of Personnel
Strategic Plan 2007-2009

Washington State Department of Personnel

Strategic Plan 2007-09

Introduction

Governor Gregoire describes Washington State as a small nation in the global marketplace. Washington is the most trade dependent state in the country and it must be competitive.

State government plays a key role in fostering Washington's competitive edge by facilitating the vitality and well-being of business, the labor force and citizens. State government must also be competitive by efficiently and effectively delivering on key priorities such as: education, the economy, health care, the environment, safety and security, transportation and government accountability.

Successful businesses see their workforce as one of their most important assets - that they must also be competitive as *an employer* to attract and retain competent, productive employees. Similarly, state government must also view its workforce as a critical asset. The state must be competitive as an employer to attract and retain capable and accountable employees to carry out government's priorities as efficiently as possible.

The Department of Personnel's 2007-09 Strategic Plan outlines key goals and objectives towards leading and assisting state government in becoming a more competitive employer. We know we will face many challenges in attracting and retaining a quality workforce over the next five years as a result of known challenges including: high retirement eligibility and compensation limits.

Some of these hurdles can be addressed with good management practices. Employees want to work where they are treated with respect, provided opportunities to be innovative and grow; provided needed direction and resources to do their jobs well; are recognized for strong performance and are given opportunities to make a difference for this state.

Developing and maintaining a quality workforce requires intelligent and credible leadership and management. The Department of Personnel's Strategic Plan places strong emphasis on state managers' accountability for effectively managing their people. It is the manager, not the Human Resources Office, who is accountable for building a competent and inspired workforce. The role of the Human Resources Office is to provide guidance and support to management. In the past, this distinction has not been clear.

This Strategic Plan describes the Department's highest priority goals and objectives for fiscal years 2007-2011 (with emphasis on the 07-09 biennium). A more detailed operational plan is maintained internally. While not all of the Department's programs and services are listed, each program remains subject to high-level management attention and is addressed in our detailed operational plan.

Statutory Authority

The Department of Personnel is authorized by RCW 41.06, the state civil service law. In addition, the Department is authorized by RCW 41.07 to operate the state's automated personnel/payroll information system.

Mission Statement

We provide human resource leadership and solutions to enable state government to deliver public service excellence.

We accomplish our mission by:

- Providing statewide human resource management leadership and direction
- Maintaining the statewide human resource system infrastructure
- Delivering human resource support services, products and tools
- Monitoring human resource management operations and accountability

Our ultimate outcomes:

We seek to help *state government be a competitive employer* in creating an inspired workforce so that:

- The state has the workforce depth and breadth needed for present and future success
- Employees are committed to the work they do and the goals of the organization
- Productive, successful employees are retained

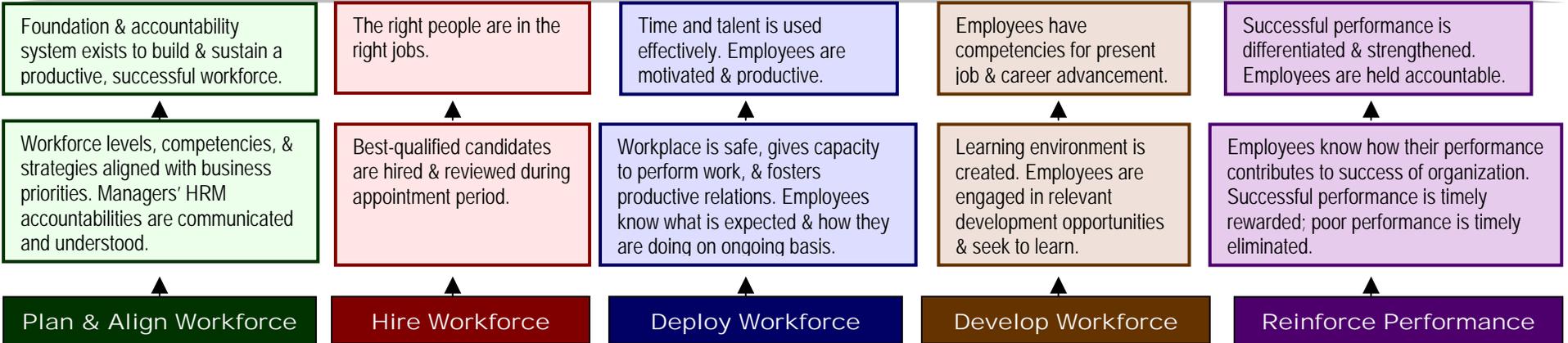
Achievement of these outcomes will better position state agencies to fulfill Washington State government's highest priorities: education, economic vitality, health care, environment, safety and security, transportation and government accountability.

The logic model framework leading to the achievement of these outcomes is shown on the following page.

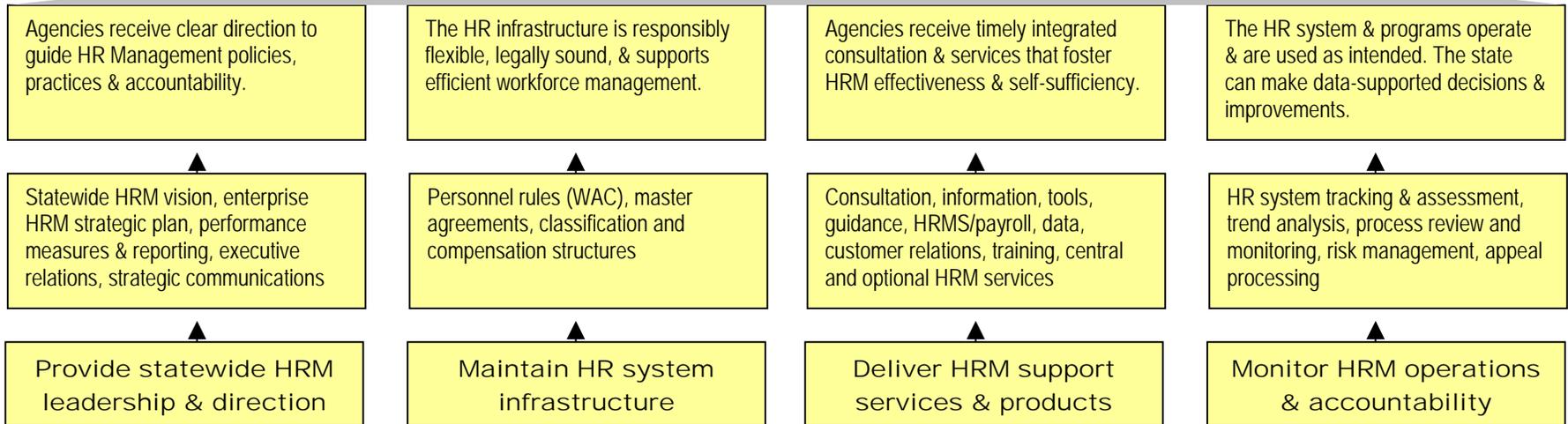
Priorities of Washington State government are achieved

- State has the workforce depth and breadth needed for present and future success
- Employees are committed to the work they do and the goals of the organization
- Productive, successful employees are retained

So that the state can



So that state agency managers can



So that DOP can

DOP Internal leadership, alignment, capacity, resource management and support

The Department of Personnel's primary lines of service

Primary functions and services to achieve the outcomes outlined in our logic model are summarized as follows:

Statewide human resource management leadership and direction

- Statewide human resource management (HRM) strategic planning
- Setting statewide standards, performance measures, benchmarks, targets
- Statewide Human Resource Management Report and data/trend analysis
- Statewide-level information/data for executive decision-making and improvements
- Building and supporting capacity of the Human Resources (HR) profession and function
- Outreach and network building

Design and maintenance of statewide human resource system infrastructure

- Classification system (including management structure)
- Compensation plan for non represented workforce
- Washington Administrative Code (personnel rules)

Delivery of human resource support services, products and tools

- Integrated customer support (client service management)
- HRM self-sufficiency building (toolkits, models, training, support groups)
- Workforce planning guidance
- Classification and organizational design consultation
- Recruitment and assessment assistance and consultation
- Technical and business training services
- Supervisory, management and leadership development programs
- Employee performance management training and consultation
- HR vendor (contractor) management and consultation
- Payroll production and support
- HR technology tools and user assistance/self-sufficiency (including E-recruit, Business Warehouse, Self-service, HRMS enhancements)
- Diversity awareness
- ADA and reasonable accommodation consultation
- Rules interpretation
- Employee Assistance Program
- Combined Fund Drive coordination
- HR data and performance measurement consultation

Monitoring human resource management operations and accountability

- Monitoring/measuring use of HR infrastructure (e.g., classification structure)
- Monitoring/measuring use of key HR functions/activities and DOP services
- Conducting Performance Management Confirmation reviews
- Measuring state employee satisfaction
- Processing appeals and conducting Director's reviews

Priority Goals, Objectives and Strategies

Statewide human resource management leadership and direction

Outcome: The state has the necessary foundation and direction in place to be a competitive, model employer that builds and sustains a productive, high-performing workforce

Goal: Improve statewide human resource management performance and accountability

<u>Objectives</u>	<u>Strategies</u>	<u>Fiscal Year</u>
Institute a statewide Human Resource Management performance and accountability system	<ul style="list-style-type: none"> ▪ Develop and implement statewide Human Resource Management Strategic Plan (includes benchmarks and performance targets) ▪ Institutionalize agency and statewide Human Resource Management Report (performance measurement and reporting) ▪ Lead strategic, data-driven improvements and solutions to statewide human resource management processes and challenges ▪ Use technology to better facilitate data analysis and reporting 	2007-09

Goal: Reinforce state government's human resource profession as a model support function that is strategic, self-sufficient and adds value to achieving business priorities

<u>Objectives</u>	<u>Strategies</u>	<u>Fiscal Year</u>
Lead and promote building of human resource professional capacity	<ul style="list-style-type: none"> ▪ Communicate guidelines and best practices for HR competencies and performance ▪ Develop, implement and promote participation in the HR development program ▪ Outreach and build collaborative HR partnerships within and outside of WA state government 	2008-09

Design and maintain statewide human resource system infrastructure

Outcome: The state's basic HR infrastructure (rules, master agreements, classification and compensation structure) enables agencies to strategically align, hire, deploy and hold their workforce accountable

Goal: Ensure that the statewide HR system infrastructure is responsive, flexible, legally sound and supports efficient workforce management practices

<u>Objectives</u>	<u>Strategies</u>	<u>Fiscal Year</u>
Re-tool the classification and compensation structure to increase responsiveness to business needs while maintaining statewide integrity	<ul style="list-style-type: none"> ▪ Develop and implement phased approach to classification system re-structure ▪ Refine salary survey structure and process 	Phased in 2007-2011

Delivery of human resource support services, products and tools

Outcome: Agencies have the knowledge and capacity needed to align workforce with priorities; hire well-qualified candidates; deploy workforce productively and develop, reward and retain workforce competence

Goal: Foster human resource management effectiveness and agency self-sufficiency through timely, innovative and integrated HR consultation, services and tools

<u>Objectives</u>	<u>Strategies</u>	<u>Fiscal Year</u>
Enhance and develop the overall competence and performance of state managers and senior leaders	<ul style="list-style-type: none"> ▪ Implement a model management and leadership development program for entry, middle and senior managers 	2007-09
Help agencies' efforts to develop and implement workforce planning (including succession plans)	<ul style="list-style-type: none"> ▪ Consult and communicate workforce planning guidelines, toolkits and data sources 	2007-09
Promote statewide use of the new Human Resource Management System (HRMS) to maximize statewide efficiencies	<ul style="list-style-type: none"> ▪ Use statewide decision-making process to determine HRMS enhancement priorities ▪ Implement HRMS enhancements that further government efficiency efforts 	2007-09
Build user expertise and agency self-sufficiency in fully using the new Human Resource Management System (HRMS)	<ul style="list-style-type: none"> ▪ Establish accessible, ongoing HRMS training and support service to help agencies use full capabilities of new technology (including E-Recruit, self-service, business warehouse and HRMS enhancements) 	2007-09
Enhance agencies' ability to hire the best-qualified job candidates	<ul style="list-style-type: none"> ▪ Provide user training and consultation to fully use E-Recruitment ▪ Provide proactive consultation on recruitment and assessment strategies for targeted government hiring priorities ▪ Implement an outreach program that markets the state as the employer of choice 	2007-08 2007-11 2008-09
Help retain a competent, productive and diverse government workforce	<ul style="list-style-type: none"> ▪ Research, develop and deliver toolkits and best practices to assist with retention strategies (e.g., employee recognition, work/life balance issues, etc.) ▪ Organize/coordinate statewide diversity awareness activities 	2008-09 2008-09
Establish the DOP web site as a more strategic tool for customer support, information collection and communication and outreach	<ul style="list-style-type: none"> ▪ Re-work the underlying technology of DOP web site to make it more efficient, sustainable and easy-to-use ▪ Align/create web pages to support achievement of DOP priorities 	2007-08

Monitoring human resource management operations and accountability

Outcome: Foster a performance-based workplace culture. The state’s HR system and programs operate and are used as intended. The state can make data-supported decisions to improve human resource management effectiveness and efficiency.

Goal: Evaluate operations, reduce risk and litigation and make responsible improvements based on data-supported usage of HR infrastructure and programs

<u>Objectives</u>	<u>Strategies</u>	<u>Fiscal Year</u>
Monitor and assess key HR programs and processes to determine usage trends, issues and challenges	<ul style="list-style-type: none"> ▪ Establish tracking and evaluation processes for selected areas ▪ Identify and monitor key vulnerabilities for risk management and determine mitigation strategies ▪ Create and implement automated process to gather and assess customer feedback 	2007-2009
Reinforce the building of a performance-based working culture	<ul style="list-style-type: none"> ▪ In conjunction with HB 1970, conduct Performance Management Confirmation reviews 	2007-11

DOP-internal leadership, capacity, resource management and support

Goal: Strengthen DOP-internal organizational performance management and accountability to position it as a model employer and HR agency.

<u>Objectives</u>	<u>Strategies</u>	<u>Fiscal Year</u>
Implement a comprehensive DOP organizational performance management system that is consistent with the Governor’s management framework and WSQA performance criteria	<ul style="list-style-type: none"> ▪ Implement a strategic agency-wide operational plan with specific performance measures and targets ▪ Implement regular internal reporting, monitoring and communication strategies ▪ Implement tool for gathering customer feedback ▪ Achieve Performance Management Confirmation ▪ Complete WSQA performance assessment by 12/30/07 	2007-2009

Goal: Ensure that DOP has the internal workforce depth and breadth needed to successfully achieve the agency’s strategic priorities and operational plan

<u>Objectives</u>	<u>Strategies</u>	<u>Fiscal Year</u>
Reduce the gap between existing staffing levels/competencies versus that which is needed to accomplish DOP’s goals and objectives	<ul style="list-style-type: none"> ▪ Prepare and implement an agency-wide workforce plan that clearly identifies workforce gaps and resolution strategies 	2007-2009

Overall Performance Measures

Statewide human resource management leadership and direction

- Percent agencies reporting complete semi-annual Human Resource Management Reports

Design and maintenance of statewide human resource system infrastructure

- Number of job classifications

Delivery of human resource support services, products and tools

- Percent state managers completing the Management & Leadership Development Program
- Number of training hours
- Percent agencies using E-recruitment system
- Percent hiring manager satisfaction with candidate quality
- Percent agencies with an operational strategic human resource plan (workforce plan)
- Percent accurate paychecks

Monitoring human resource management operations and accountability

- Percent overall customer satisfaction with DOP services
- Number of agencies achieving Performance Management Confirmation
- State employee commitment survey rating

DOP-internal leadership, capacity, resource management and support

- Performance management self-assessment score (using instrument provided by Governor's Office)

Performance Assessment Summary

Implementing PSRA

Since the passage of the Personnel System Reform Act in 2002, the Department of Personnel, along with the OFM Labor Relations Office, has been engaged in a comprehensive overhaul of the state's personnel system. Among the key elements of personnel reform is the replacement of the state's antiquated legacy personnel and payroll computer system. The new server-based computer system, the Human Resource Management System (HRMS), is a necessary upgrade to support the other elements of personnel reform.

Implementing the most comprehensive overhaul of the state's personnel system in over 40 years in a short period of time has been a tremendous undertaking—requiring DOP to devote most of its time and resources during the previous biennium to successfully meet this mandate. As a result, traditional operations were maintained at basic levels and updated performance data was not collected on the old operations because they would all be replaced.

The Personnel System Reform Act fully went into effect July 1, 2005. On that date, a completely new chapter of personnel rules (Washington Administrative Code) went into effect, as did the new master collective bargaining agreements.

The Department of Personnel's 2005-07 strategic plan was prepared in the spring of 2004 while the Department was engrossed in civil service reform and the HRMS project. That plan fell short of anticipating internal and external process changes, training and change management issues that would be needed to implement the new rules, master agreements and other elements of the Personnel System Reform Act. The plan did not anticipate unexpected contingencies, scheduling changes and staff redeployment needs for the HRMS project. In addition, the change of administration and new emphasis on accountability resulted in revised priorities.

New Priorities for 2006

The following new priorities were established for fiscal year 2006:

- Implement Human Resource Management System (HRMS) – on time and on budget
- Deliver on recruitment service commitments
- Partner in developing collective bargaining negotiation strategy
- Create a statewide management and leadership development program
- Create a HR development program for agency human resource professionals
- Implement a new service delivery model
- Develop a communications plan for each priority and implement “plain talk”
- Establish statewide HR management performance measures and reporting processes

FY 2006 Key Accomplishments that Met Governor's Goals

DOP Successfully Implemented Personnel System Reform Act

- Revised and re-wrote civil service rules in user-friendly format
- Implemented state's first master collective bargaining agreements
- Implemented the re-designed state's classification system with broad occupational categories
- Implemented the re-designed state's classified recruitment and selection process
- Developed and delivered training classes to support HR changes from PSRA
- Created performance management process that aligns individual performance with the organization's mission, vision and values.
- Developed competency catalogs to be used for statewide E-Recruitment implementation
- Established and implemented recruitment service delivery commitments to help agencies transition from the old recruitment system to the new rules and processes
- Provided targeted recruitment services tailored to support agency recruitment challenges identified through GMAP

State Successfully Pays Employees Using New Personnel and Payroll System

- HRMS scope and timelines met successfully
- Successfully administered 2005 pay raise deferment during critical testing period
- Launched diverse communication program to prepare HRMS users, state employees and media for changes ahead
- Developed and implemented comprehensive training for HRMS users
- Successfully converted 24 state agencies to HRMS -- processing payroll for approximately 9,000 employees. Remainder of state government goes live in July 2006.

DOP's HR Leadership Improves Government Performance and Accountability

- Created HR Subcabinet to help establish a unified HR vision for Washington
- Developed HR Management Report to track and measure statewide HR data
- Built and implemented first statewide survey in over a decade
- Developed the reporting and tracking system for 1,000 management reductions
- Designed and launched Supervisory Management Development and Leadership program
- Provided key information to support collective bargaining negotiations
- Coordinated management reduction process and statewide reporting
- Developed a human resource development program for the state's HR professionals
- Implemented employee performance management improvements, including a new performance appraisal system and development of a "performance management confirmation" process to help build a performance-based workplace culture
- Developed employee appeals and Director's review processes, including merger of functions of the former Personnel Appeal Board; consolidated legal-related functions within the Department

Other Key FY 2006 Accomplishments

- Implemented an "account manager" approach to provide integrated support to agencies comprehensive HR needs

Re-Designed Criteria for Honoring Excellence on the Job

- Re-designed criteria for Distinguished Manager and Sustaining Leader awards
- Streamlined the nomination and selection process
- Administered the 2005 awards in compressed time

2005 Record Year for State Combined Fund Drive

- State employees pledge a record \$5.6 million in 2005 campaign
- Pledges move CFD to #4 in nation among public agency campaigns
- New Giving Station allows state employees to donate online
- CFD pledges over \$5 million for 3 consecutive years

During FY 2006, the Department began re-structuring its internal operations and lines of service to align with the new HR infrastructure and to support customers' demands and business priorities. This re-building mode will extend into FY 2007. The 2007-09 priority goals, objectives and strategies outlined in the previous section of this Strategic Plan were developed as a function of this effort.

External Environment Impacts

To successfully achieve its priorities, Washington State government must have a competent and productive workforce. The state must be able to compete with comparable organizations to attract, develop and retain the talent and high-performance needed to deliver public services as efficiently and effectively as possible.

Being a competitive employer goes far beyond the compensation package. Talented people want to work for organizations that:

- Have strong and visible leadership
- Have clear vision, achieve results and measure success
- Give employees opportunities to innovate, grow and make a difference
- Encourage and support diversity
- Promote efficiency, best practices and doing things smarter
- Provide the information resources and environment needed to perform the job well
- Hold employees accountable; differentiate and reward strong performance
- Provide opportunities for career development and mobility
- Provide for appropriate security, stability and work/life balance

The Department of Personnel seeks to provide human resource leadership and solutions that will help the state's ability to represent these characteristics. Key environmental considerations that influence DOP's objectives are outlined below.

Dynamics of workforce demographics and diversity

- *High proportion of older workers and retirement-eligible workers.* Approximately 74 percent of the state government workforce is over the age of 40 and 44 percent is over the age of 50. It is estimated that 45 percent of the workforce will be eligible to retire by 2011.

The potential turnover due to retirement challenges the state to proactively implement strategies now to develop or hire high-quality new employees without disrupting service. Comprehensive workforce planning is needed to identify projected skill gap needs and identify key strategies to close those gaps. Examples of key strategies that will help the state maintain the necessary skills and knowledge includes: knowledge-mapping and transfer, succession planning and targeted recruitment.

To retain productivity, it is also important that the state, as an employer, be sensitive to important work/life balance issues. It is important to note that many who are eligible to retire choose not to, often due to rising health care costs. Also, many older workers are now in PERS 2 and must continue to work much longer than their peers of the past to be retirement eligible. Older workers tend to have higher personal health and eldercare responsibilities, as well as beyond-career interests.

- *Generation Y and attracting young talent.* Generation Y is becoming the fastest growing segment of the workforce nationally. Narrowly defined as those born between 1978 and 1989, this segment grew from 14 percent to 21 percent of the national workforce over the past four years. This group comprises roughly 15 percent of Washington's labor force. However, in Washington State government, this group is less than 5 percent of the workforce.

Research characterizes this new crop of workers as significantly different than generations before them. They have high expectations of themselves -- aiming to work faster and better than others. They seek creative challenges, change and ongoing learning and professional development. They want immediate responsibility and to make important impacts from day one. They want job and workplace flexibility (e.g., telecommuting or virtual office, non-traditional hours, etc.) and work/life balance is especially important to them.

With 45 percent of its workforce eligible to retire in five years, it is important that state government review its hiring processes and career pattern options to be more conducive to attracting and retaining younger talent. The Department of Personnel plans to create and implement outreach strategies to improve state government's ability to compete for Generation Y workers.

- *Inter-generational workforce mixture.* Today, and increasingly in the future, there can be three generations reflected in the same workplace. Younger and older workers have different values and expectations and management is challenged to blend these to ensure constructive relationships. It is of growing importance that managers and human resource professionals understand these dynamics and take appropriate action to maintain ongoing productivity and performance.

Increased demand for leadership and management talent

- *The competition for strong leadership and management skills is extremely high.* This is an especially important challenge for the state to step up to since 54 percent of its managers are over the age of 50 and an estimated 64 percent are eligible to retire by 2011. Succession planning and targeted recruitment strategies will be critical. Developing and perfecting the competence of supervisors and managers so that they are fully capable to handle today's business challenges and well-prepared for future leadership positions is a priority. Participation in the new Supervisory, Management and Leadership Development Program will be strongly promoted.

Increased need for workforce planning and data-driven workforce strategies

- More calculated workforce planning is needed to ensure that the state has the workforce depth and breadth needed to successfully achieve the present and future priorities of government. Workforce decisions should not be based solely on informal or intuitive hunches. A more structured workforce planning approach will use research and data-analysis to pinpoint workforce skill and composition gaps and identify appropriate strategies to close them.

Strong emphasis on performance and accountability

- *GMAP and managers' accountability for human resource management.* The statewide emphasis on data-driven performance and accountability as initiated by Governor Gregoire's Government Management Accountability & Performance (GMAP) and reinforced by the passage of House Bill 1970 and Initiative 900 significantly impacts the measurement and monitoring of state human resource management practices.

In conjunction with GMAP, the Human Resource Management Report has recently been developed at both the statewide and per agency levels. The report includes approximately 25 key performance measures to monitor and improve agency managers' accountability for workforce management. This is a starting point to determine how well managers plan and align, hire, deploy, develop and reinforce the performance of their employees.

A statewide human resource management strategic plan must now be developed and deployed. A statewide plan in combination with workforce planning will help ensure:

- the state's workforce composition and competency needs are met
- managers' workforce management performance is properly measured and monitored
- performance of the personnel system infrastructure and human resource support function is properly measured and monitored
- workforce strategies and improvements are data-supported

The Department of Personnel must be prepared to support the reporting and analysis process as well as providing tools and consultation to help agencies improve workforce management practices.

Changes in service types and levels as a result of Personnel System Reform Act (PSRA)

- Due to changes brought about by PSRA, DOP no longer performs most of the “transactional” work previously done by DOP. Today, the system is much more decentralized. For example, central approvals for various personnel transactions are no longer needed and agency use of HRMS E-Recruitment functionality will eliminate the need for centralized manual screening and candidate referral processes. DOP resources that were previously devoted to transactional work will be re-directed to more strategic, value-added HR activities.
- By fiscal year 2008, the state will have had two years of experience with the new civil service system. At that point, an assessment should be made as to whether the new infrastructure and processes are doing what was intended. Tracking and monitoring systems need to be put in place to allow a data-supported review and improvement process.
- As part of the PSRA, the state’s classification structure has undergone streamlining and consolidation. Though it has become “flatter”, it does not have the breadth needed to accommodate the wide diversity of today’s job responsibilities. The Department of Personnel plans to re-tool the classification structure over the next two biennia so that it supports agencies’ business and compensation needs, while maintaining statewide integrity.

Optimizing statewide technology

The new Human Resource Management System has capabilities that can significantly improve agencies’ efficiency in a variety of personnel transactions. On a statewide basis, it will be important for agencies to make use of the capabilities of HRMS and for DOP to implement enhanced applications that meet agencies’ needs.

Agency self-sufficiency in using the HRMS applications, such as E-Recruitment, will help agencies to eliminate manual administrative tasks so that resources can be used more productively. Proficiency in using the new Business Warehouse will give agencies more accurate and complete human resource data for HR performance measurement, monitoring and decision-making needs. The Department of Personnel will play a critical role in helping agencies learn and make the best use of the HRMS technology so they may become self-sufficient.

Changing role of the human resource support function

- Nationwide, there is a strong push to elevate the human resource function and profession from primarily “transactional and administrative” to “strategic business partner.” The evolution is happening in Washington State government as well. HR must be a driver in enabling agencies to achieve their business goals and priorities. Presently, the degree to which strategic HR is realized in state government varies widely. The Department of Personnel plans to provide leadership in reinforcing HR as a strategic business partner by providing better role definition and best practice information and guidance.

Public opinion about state government employment and employees

- Within state government, it is generally felt that public perception about state employment and state employees is not very positive. Regardless of whether that perception is valid, it likely impacts the state's competitiveness in attracting and retaining good employees. In addition, it has an adverse effect on existing employees' morale. As part of its HR leadership role to help the state be competitive, the Department of Personnel plans to outreach and inform the public of the diligent efforts and accomplishments of their public servants.

Major partners

- Sub-Cabinet on Human Resource Management (Advises and makes recommendations on statewide HR direction and initiatives)
- OFM Labor Relations Office (DOP partners with LRO to develop strategy and feed information for collective bargaining negotiations)
- Central support agencies (OFM, DIS, GA, DOP) (Partners in statewide efficiency initiatives and Government Efficiency GMAP)
- OFM Risk Management Office (Data and information exchange; management training)
- Department of Retirement Systems, Health Care Authority (Data and information exchange, computer systems, workforce benefit strategies)
- Agency human resource managers

Internal Capacity and Financial Health

Challenges with DOP workforce depth and breadth

The Department of Personnel is facing a number of challenges now and over the next three plus years in building and sustaining the depth and breadth of staff competencies. These competencies are needed to achieve DOP's business priorities and new direction. One of our priority objectives is to implement a strategic workforce plan and tactics to address the following:

- *Aging workforce and turnover.* DOP's turnover due to retirement is more than double the statewide average. Presently, 46 percent of our workforce is over the age of 50 and 39 percent will likely be eligible to retire by 2011.

DOP must ensure that its older workers continue to have opportunities to keep knowledge and skills up-to-date and that work/life balance matters are appropriately supported. With the impending retirement turnover, we must identify which knowledge and skill sets will be needed in the future and implement strategies to maintain those (such as knowledge mapping and transfer, succession planning, targeted recruitment, etc.).

- *Different or new skill set needs.* As a function of personnel system reform and HRMS implementation, many traditional DOP functions will be replaced with new lines of service and support. Transactional and administrative activities will be replaced with strategic human resource management services that are mission-focused and directly aligned with government priorities. Maintenance of the old legacy personnel/payroll system will be replaced with maintenance of HRMS/SAP software applications and consultation with users to maximize HRMS capabilities to fulfill business needs. Staff resources in all of these areas will be re-directed and new skill sets will have to be developed and/or recruited for.

New priorities will require the addition of new skill sets, particularly in the areas of performance measurement, research and data analysis and benchmarking. This will be needed to support performance and accountability initiatives (discussed below).

Performance, accountability and data-driven decision-making

- The Department of Personnel will be placing much greater emphasis on comprehensive organizational performance management. The deployment of our strategic plan must be directly aligned with statewide human resource strategic plan that will be created in partnership with the Governor's Cabinet. Deployment must also be aligned with the Governor's management framework and self-assessment criteria pursuant to HB 1970. In addition, linkage to individual DOP employees' performance expectations must be clear. All of this is essential to DOP's efforts to build a performance-based working culture and achieve performance management confirmation.

New performance measurement and reporting processes will need to be put in place throughout the Department. This will be challenging since the functions and priorities of the Department are significantly changing due to personnel service reform and HRMS. Adequate staffing and technology applications will be needed to support performance measurement, analysis and data-driven decision-making processes.

Use of technology to improve services

The Department of Personnel needs to further invest in technology as a strategic business tool in order to increase efficiency, improve usability and provide better and more useful data for reporting. DOP needs to further refine the technology to maximize those efficiencies. Specifically, DOP needs to ensure its website will provide job seekers, state employees, HR professionals and other users easy access to the information they seek and be a sustainable tool. Additionally, DOP needs to ensure that the Business Warehouse provides the necessary flexibility to mine for statewide HR data and generate reports. This will help GMAP reporting, HR management report comparisons and other planning tools.

Facility consolidation

The Department of Personnel's employees are spread out among four separate facilities in the Olympia/Lacey area. This arrangement is highly inefficient. It causes duplication in administrative services, lost productivity due to travel and communication and cross-training gaps. The Department will be exploring facility consolidation options within the next two years, with the goal of acquiring more suitable arrangements in the 2009-11 biennium.

Business Plan Information for Proprietary Funds

The Department of Personnel is supported by three revolving funds: the Department of Personnel Services Account (fund 415), the Higher Education Personnel Services Account (fund 455) and the Data Processing Revolving Account (fund 419).

Rates charged for funds 415 and 455 are intended to recover appropriations for the Department's mainstream business operations. Rates charged for fund 419 are intended to fund the operating costs of the Human Resource Information Systems Division, which includes the new Human Resource Management System (HRMS).

The overall mission for all business operations within these funds is to provide human resource leadership and solutions to enable state government to deliver public service excellence. To accomplish this mission, the Department has organized its primary lines of service, priority objectives, desired outcomes and performance measures into the following five activity inventory categories:

1. Providing statewide human resource management leadership and direction
2. Maintaining the statewide human resource system infrastructure
3. Delivering human resource support services, products and tools
4. Monitoring human resource management operations and accountability
5. DOP-Internal leadership, capacity and resource management

1. Statewide human resource management leadership and direction **(Funds 415 & 455 - Department of Personnel & Higher Education Personnel Service Accounts)**

Description:

The Department of Personnel plays an essential and central leadership role in creating the management framework and strategies for statewide human resource management in state government. The Department seeks to provide agencies with the statewide vision and direction to guide their human resource management policies, practices and accountability. The desired outcome is that the state has the foundation in place to be a competitive, model employer that builds and sustains a productive, high-performing workforce.

Operational Production:

The Department partners with the Governor's Office, the Human Resource Sub-Cabinet and agency Human Resource Directors to carry out the primary services and products within this activity area, which include:

- Statewide human resource management (HRM) strategic planning
- Setting statewide standards, performance measures, benchmarks, targets
- Statewide Human Resource Management Report and data/trend analysis
- Statewide-level information/data for executive decision-making and improvements
- Building and supporting capacity of the HR profession and function
- Outreach and network building

Key issues and initiatives are communicated and discussed at regular meetings of the Governor's Cabinet and individual meetings with agency executives. They are also communicated at regular Deputy Director and Human Resource Manager Meetings. Statewide Human Resource Management Reports are presented at the Governor's GMAP forums and are published on the Department's website.

Performance assessment and environmental challenges are discussed in the main body of this Strategic Plan document. One of the challenges is to make better use of technology to collect and analyze agency HR performance data that is not accessible in the HRMS. Another challenge is identifying benchmark and best practice information for the HR performance measures and the HR profession.

Priority objectives and strategies for this activity help address these challenges and are outlined in the main body of this Strategic Plan document.

Performance Measure:

The ongoing overall performance measure for this activity inventory category is:

- Percent of agencies reporting complete semi-annual Human Resource Management Reports.

2. Design and maintenance of statewide human resource system infrastructure (Funds 415 & 455 - Department of Personnel & Higher Education Personnel Service Accounts)

Description:

The Department of Personnel is responsible, by law, to create and maintain the state's personnel rules for non-represented employees and the statewide classification and compensation structure. The goal is to ensure that the statewide HR system infrastructure is responsive, flexible, legally sound and supports efficient workforce management practices. The desired outcome is that the basic infrastructure enables agencies to strategically align, hire, deploy and hold their workforce accountable.

Operational Production:

The primary functions within this activity area include:

- Design and maintenance of the job classification system (including management structure)
- Design and maintenance of the compensation plan for non-represented workforce
- Adoption of personnel rules (Washington Administrative Code) for non-represented workforce

The personnel rules recently underwent a comprehensive overhaul as part of the Personnel System Reform Act. The Department is primarily involved in maintaining the rules and provided rule interpretation and guidance to agencies.

The Department seeks to ensure that the classification/compensation structure is responsive to changing business needs of state agencies while maintaining statewide integrity. DOP also reviews the creation of exempt positions and salary levels and staffs the State Committee on Agency Officials' Salaries. In addition, it conducts a biennial salary survey to provide recommendations on state employee salaries.

The classification structure and compensation schedule is published on DOP's website and is readily accessible for agencies and state employees to view. Notice of proposed and adopted changes to the structure are published and widely disseminated to interested parties. Relevant forms and tools are available through the website.

Performance assessment and environmental challenges are discussed in the main body of this Strategic Plan document. As part of civil service reform, the Department has made significant progress in streamlining and consolidating the state's job classification structure. Further improvement is needed to ensure that the structure has the breadth needed to accommodate the wide diversity of today's job responsibilities. The Department plans to re-tool the classification structure so that it better supports agencies' business and compensation needs, while maintaining statewide integrity. Strategies to address this objective are discussed in the Priority Goals & Objectives section of this Strategic Plan document.

Performance Measure:

The ongoing, overall performance measure for this inventory activity category is:

- Number of job classes

3. Delivery of human resource support services, products and tools

**(Funds 415 & 455 - Department of Personnel & Higher Education Personnel Service Accounts)
(Fund 419 - Data Processing Revolving Account)**

Description:

The Department of Personnel provides a wide variety of support services to agencies in most key areas of human resource management. This includes central personnel/payroll technology. The goal is to foster HR management effectiveness and agency self-sufficiency through timely, innovative and integrated HR consultation, services and tools. The desired outcome is that agencies have the knowledge and capacity needed to align their workforce with priorities; hire well-qualified candidates; deploy the workforce productively and develop, reward and retain workforce competence.

Operational Production:

The primary services within this activity area include:

- Integrated customer support (client service management)
- HRM self-sufficiency building (toolkits, models, training, support groups)
- Workforce planning guidance
- Classification and organizational design consultation
- Recruitment and assessment assistance and consultation
- Technical and business training services
- Management and leadership development programs
- Employee performance management training and consultation
- HR vendor (contractor) management and consultation
- Payroll production and support
- HR technology tools and user assistance/self-sufficiency (including E-recruitment, Business Warehouse, Self-service, HRMS enhancements)
- Diversity awareness
- ADA and reasonable accommodation consultation
- Rules interpretation
- Employee Assistance Program
- Combined Fund Drive coordination
- HR data and performance measurement consultation

Performance assessment information and external/internal factors impacting this activity inventory category are discussed at length in the main body of this Strategic Plan document. Supplemental information (including marketing matters) about some of the core operations within this activity is discussed below.

Agencies have varying degrees of HR support capacity. Smaller agencies need more hands-on assistance from DOP in all aspects of personnel management. Larger agencies seek DOP assistance and consultation on more complex HR management issues. Such issues are often not silo-ed into one specific area such as workforce planning, classification, recruitment, or training. Many times, the solution requires a combination of strategies. As such, the Department has implemented a service delivery model,

where agencies have a designated DOP account manager who oversees an integrated approach to HR problem-solving.

In the past, workforce planning (human resource planning) has been done informally in most agencies. In light of the changing workforce demographics, impending retirements and need for the state to successfully compete for talent, state agencies have to take a more deliberate, data-based approach to workforce planning. DOP plans to prepare guidelines, data availability and consultation services to help agencies identify projected staffing and competency gaps and develop strategies to close those gaps.

Facilitating agencies' ability to fill job vacancies with talented candidates is a key DOP objective. The new automated recruitment and referral system (E-recruitment) available through HRMS will vastly improve statewide hiring efficiency. As such, DOP support in fostering agency self-sufficiency in using the full capacity of the E-recruitment tool will be important to help agencies hire the right people, in the right job, in a timely manner.

In the recruitment arena, the Department has two primary audiences to reach out and market to. One is state agencies – informing them of hiring tools, consultation and assistance available to them through DOP, especially for hard-to-fill jobs and those directly connected to government priorities. The other is the potential applicant pool from which to recruit. The Department will develop and implement a plan to market state employment as a career of choice in order to be competitive in attracting new talent. Modifications to the DOP website will be essential to this effort.

The Department of Personnel provides a comprehensive array of training and development services to enhance the competencies and productivity of state employees and managers. Agencies' participation in the new Supervisor Essentials training and the new Management and Leadership Development Program is especially important over the next 2-5 years, since over 50% of state government's managers estimated to retire.

Marketing DOP's training and development services must continue to receive special attention. There are a number of external organizations that agencies could opt to use for training services. DOP's offerings are unique in that they are tailored to the special needs, priorities and values of Washington state government. The Department will continue to make extensive use of its website, email broadcasts, flyers, meeting announcements and other vehicles to increase agency and employee awareness of its employee training courses, management development programs and organizational consulting services.

The new Human Resource Management System (HRMS) is operated out of the Department's Human Resource Information Systems Division (HRISD) which is supported by fund 419, the Data Processing Revolving Fund. The HRMS is a state-of-the-art technology tool to deliver accurate paychecks to all state employees. The HRMS supports other key HR needs such as recruitment, certain self-service functions, grievance tracking and personnel data accessibility through its Business Warehouse. As discussed in the main body of the Strategic Plan, to take advantage of the statewide efficiencies that the HRMS can offer, the Department will promote and support full use of the system and will pursue further application enhancements.

Performance Measures:

The ongoing, overall performance measures for this third inventory activity category are:

- Percent state managers completing the Management and Leadership Development Program
- Number of training hours
- Percent agencies using E-recruitment
- Percent hiring manager satisfaction with candidate quality
- Percent agencies that have a strategic human resource plan (workforce plan)
- Percent accurate paychecks delivered

4. Monitor human resource management operations and accountability
(Funds 415 & 455 - Department of Personnel & Higher Education Personnel Service Accounts)

Description:

The Department of Personnel is responsible to review and monitor the state's human resource systems and operations to ensure that they operate and are used as intended. A corollary outcome is that the HR system helps foster a performance-based workplace culture in state government.

Operational Production:

The primary services within this activity area include:

- Monitoring/measuring use of HR infrastructure
- Monitoring/measuring use of key HR functions/activities and DOP services
- Conducting Performance Management Confirmation reviews
- Measuring state employee satisfaction
- Processing appeals and conducting Director's reviews

The Department plans to improve its data collection and tracking processes so that it has a solid knowledge base to evaluate HR programs and operations, identify vulnerabilities for risk and make responsible improvements. This includes monitoring satisfaction with DOP services, as well as the bigger picture of whether statewide human resource management strategies are effective in building a performance-based workplace and a committed, inspired workforce.

A discussion of environmental factors and challenges related to this inventory activity area is contained in the main body of this Strategic Plan document. Priority objectives and strategies for this activity are also outlined in the Strategic Plan.

Performance Measures:

The ongoing, overall performance measures for this fourth inventory activity category are:

- Percent overall customer satisfaction with DOP services
- Number of agencies receiving Performance Management Confirmation
- State employee commitment survey rating

5. DOP-Internal leadership, capacity and resource management
(Funds 415 & 455 - Department of Personnel & Higher Education Personnel Service Accounts)

Description:

This activity area includes all DOP-internal infrastructure and administrative support necessary to carry out the four externally focused activity categories that are discussed above. The Department seeks to ensure that its priorities are clearly defined and that necessary resources are acquired, aligned and properly managed to successfully achieve those priorities.

Operational Production:

Performance assessment and internal capacity assessment information is discussed in the main body of this Strategic Plan document.

The Department has two priority goals for this fifth activity inventory area. The first is to implement a comprehensive organizational performance management system that is consistent with the Governor's

management framework and the performance self-assessment criteria. The second is to implement strategies to build DOP's workforce depth and breadth. Specific objectives and strategies are discussed in the Priority Goals and Objectives section of the Strategic Plan.

Performance Measure:

The ongoing, overall performance measure for this fourth inventory activity category is:

- Performance management self-assessment score (instrument provided by Governor's Office)