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# University of California HR Information Technology Assessment

Deloitte Consulting, Human Capital

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# Executive Summary

# Overview and Approach

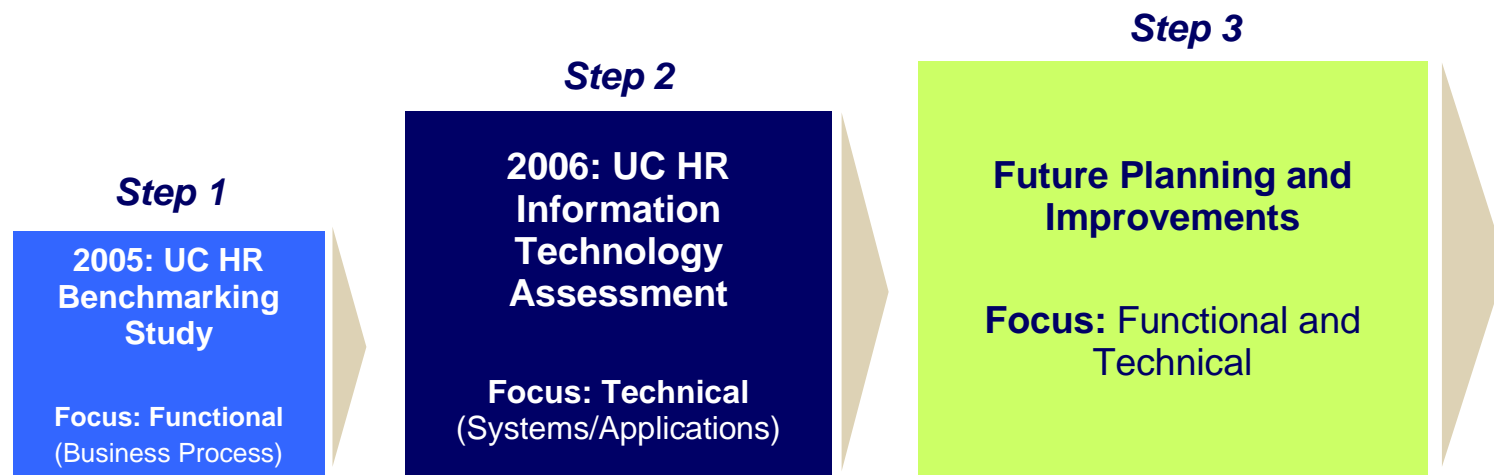
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The Regents of the University of California recently approved an initiative that requires the University to develop a strategy and implementation plan to significantly improve its HRIS capabilities.

As a result of this initiative, UCOP engaged Deloitte Consulting to perform a high-level assessment of all HR information technologies across the UC system.

This assessment leveraged the findings of the 2005 UC HR Benchmarking Study which identified key HR issues across the UC system from a *functional* (business process & policy) perspective.

The following report outlines key findings from the 2005 UC Benchmarking Study, and details HR issues from a *technical* (systems & applications) perspective.



# HR Information Technology Assessment Project Objectives

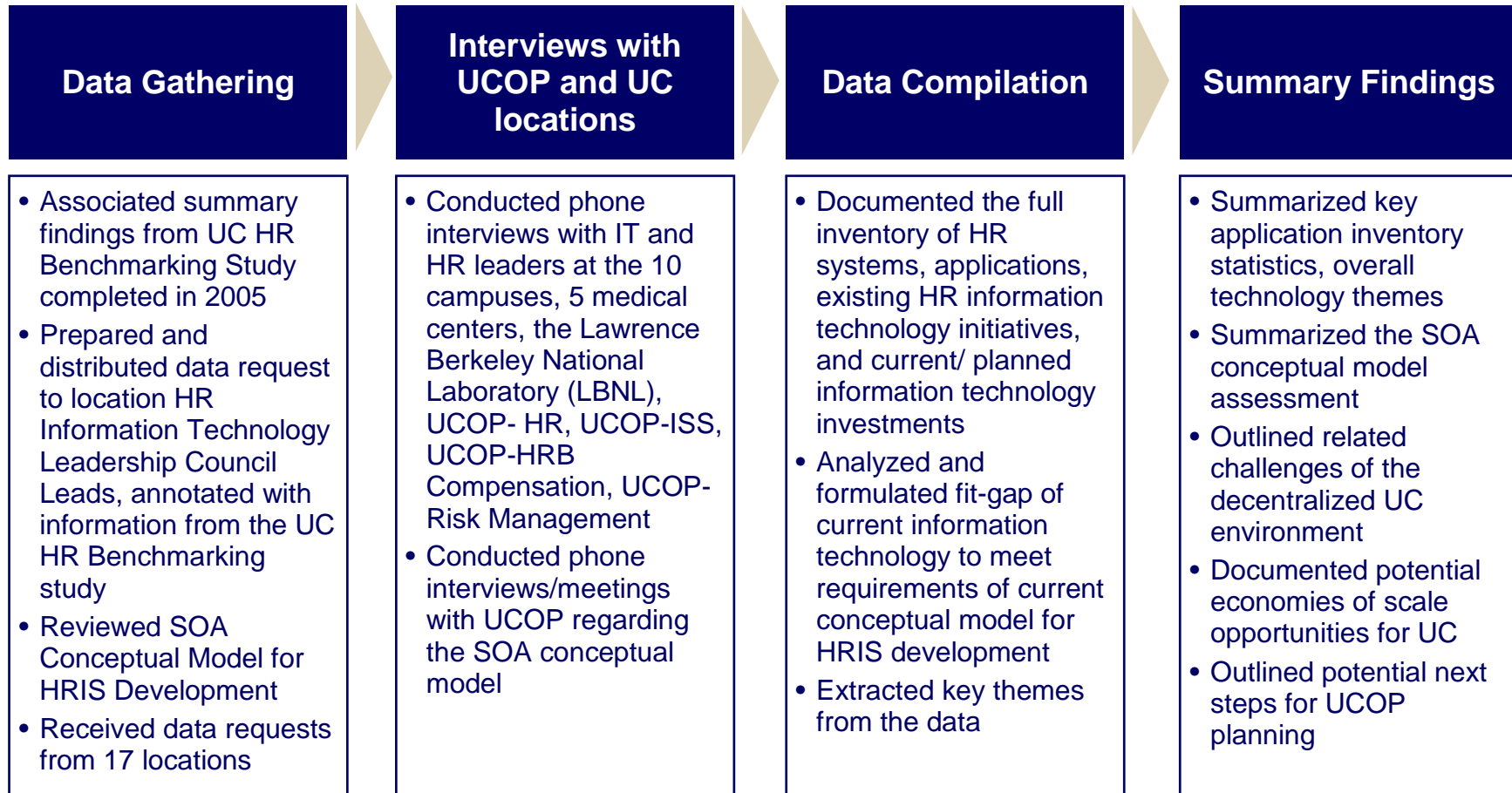
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## **The HR information technology assessment focused on the following key objectives:**

- 1) Associate key findings from the UC HR Benchmarking Study to illustrate key HR issues from a functional perspective
- 2) Assess the HR information technology environment within the central HR departments of the University system, with the exception of Los Alamos National Laboratory and Lawrence Livermore National Laboratory, by developing a complete inventory of:
  - HR systems and applications in 18 functional areas
  - Existing HR IT projects/initiatives
  - Current and planned information technology investments
  - Issues with current HR applications
- 3) To assess the fit between existing technologies as identified by the HR applications inventory and the current SOA conceptual model for HRIS development by:
  - Collecting information from the application inventory as well as reviewing data from UCOP
  - Studying the conceptual model from an IT best practices perspective
  - Analyzing the HRIS applications from various locations to determine 'fit' with the SOA conceptual model

# HR Information Technology Assessment Project Approach

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# Summary Findings From a *Business* Perspective

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## Decentralized Model Challenges

- **Multiple HR Models:** There is not a common approach to HR service delivery across the location, resulting in a wide variation of activities performed. The substantial number of people outside of HR performing HR duties also increases cost, complexity, and risk.
- **Data Management:** Data definitions are not consistent, and data entry/management is diffused leading to errors and a lack of integrity. e.g., the UC job classification system has not been updated from a system-wide perspective in many years and there is no central control of the information; the lack of oversight regarding job titles has led to many reclassifications within the system.
- **Compliance/Reporting:** process and data issues limits compliance and reporting for key policies and procedures, (e.g., compensation, sexual harassment), which places the business at risk.
- **Service Quality:** Because each of the locations operates with a high degree of autonomy, policies, processes, and programs are performed inconsistently, causing inconsistent service quality, redundant efforts, cost and complexity.
- **Scalability:** Some locations are better prepared for growth while others are ill-equipped to handle student and related staff and faculty growth targets

## Summary Findings from a *Technology* Perspective

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- Most locations without an ERP are hopeful that an **ERP solution** can be implemented at their location in the future.
- **Applicant Tracking and Training & Development** are the two functional areas that locations report having the most initiatives in-progress or planned near term.
- Issues with applications seem to center around the **lack of reporting capabilities and data integration**, and functionality deficiencies.
- 9 out of 10 **campuses have a HR portal**; only 1 out of 5 medical centers currently have a HR portal.
- In general, locations have been able to **address the core-HR IT needs** of their populations by either purchasing an ERP solution, purchasing packaged applications, or building custom applications (vast majority is custom).
- A majority of locations are in **reactive mode related to HRIT**; dealing primarily with a core-HR or compliance-related tracking of today rather than building for tomorrow.
- **Very little employee self-service and manager self-service** or workflow exists across the locations, requiring a substantial amount of resources to process HR transactions.
- Several locations (e.g., UCI, UCSD, UCLA) have **adapted to the “custom” environment**, and have well defined IT governance standards to effectively scale within their respective environment.

# Summary Findings from a *Technology* Perspective

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## ***SOA Conceptual Model Assessment***

- A Services Oriented Architecture (SOA) is a **credible integration strategy** for UC to consider given the diverse requirements and complexity across the UC locations. It would be a strategic move towards standard, robust, scalable and secure IT architecture.
- Implementing this architecture would be a **significant undertaking** requiring investment to integrate each HR application with SOA web services, and strong collaboration between locations for SOA web services and data standardization.
- It is **too early to validate** whether SOA is the best specific solution for UC to integrate the various HRIS systems. Business and technical requirements should be further defined to support a detailed conceptual model, implementation approach options, and long-term cost/benefit analysis.

## Integrated (Business and Technology) Summary Findings

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- There are **no standardized role definitions, service delivery approaches, or data management functions.**
- It is difficult from both a business and technology perspective to obtain accurate reports across the system (including compensation, hiring package terms, date of hire, etc.)
- There is **no shared philosophy for HR technology** across all locations, making future IT standardization a daunting proposition.
- Diverse processes have led each location to **pursue their own technology approach**, so the overall system has not realized its combined purchasing power to achieve economies of scale for packaged applications (e.g., PeopleAdmin, PeopleSoft, Kronos licenses).
- There are multiple instances where **applications are serving the same function** in a single location as a result of the decentralization of certain HR functional areas (e.g., Time and Attendance systems).
- Some locations are better prepared for growth and scale while others will be ill-equipped to handle growing student and staff growth targets.
- The **vast majority of custom applications** across locations presents integration and scalability challenges.

# The Bottom Line

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## THE NEED

### Integrated Business Processes

*UC must define a baseline HR service delivery model in order to...*

- Standardize HR processes
- Improve data integrity
- Improve data management
- Reduce manual processing
- Eliminate redundant processing

### Integrated HR Information System

*UC must develop a modern, integrated HR information system that...*

- Manages and enables access to consistent and accurate data
- Is flexible and can effectively scale to address the diverse and growing needs of the business
- Enables employee and manager self-service

## THE OPPORTUNITY

- Now that UCOP has the support of the Regents to invest in process improvement and enabling technology to support reforms related to human resources data management and tracking, there needs to be clear commitment and accountability by senior University leadership—including defined roles, responsibilities, and resources allocated to implement viable solutions.
- This will begin with a focus on senior management compensation, but serves as a foundation to improve UC's overall human resource business process and technology infrastructure.

## THE GOAL

These actions are critical to supporting the University's commitment to public accountability and to eliminate the business risks associated with administrative deficiencies and operational shortcomings within HR.

**THE REALITY: *It won't happen in a monolithic fashion in the UC environment!***

# Framework for Improvement

## THE NEED

### Integrated Business Processes

*UC must define a baseline HR service delivery model*

### Prioritize Process Improvement Areas

Identify “quick-win” areas to standardize processes and systems in a way that is achievable. Targets include:

**Priority #1 is Compliance:** HR areas within risk management scope such as: grievance tracking, sexual harassment tracking, certifications, worker’s compensation.

**Priority #2 are Baseline Economies of Scale Opportunities:** Learning Management, Applicant Tracking, Data Warehouses, Job Classification, Portal Framework, Salary Surveys.

### Define Baseline HR Service Delivery Model

Define baseline business requirements for target areas.

Establish minimum standards to comply with policies and procedures.

Identify functional pain points to support value case and more detailed conceptual solution design for Service Oriented Architecture (SOA).

### Comparative Marketplace Assessment

Benchmark HR information technology solutions in the marketplace.

Validate integration scenarios that UC should consider.

Develop order of magnitude cost estimates and value case.

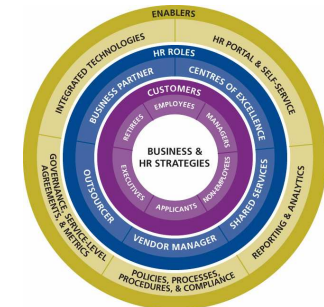
### Strategic Decision Framework

Conduct technical feasibility study to compare the various SOA solution alternatives and approach to implementation.

Devise a strategic decision framework that outlines the various technology integration scenarios.

## Baseline Framework for HR Service Delivery...

- Devise a strategic service delivery framework, including incentive options for locations to adopt a defined level of standardization around data management, HR processes and procedures
- Outline various paths for locations to migrate and adopt common approaches and leverage standard processes and tools



## ...and Information Technology Support

- Devise baseline standards for HR information systems and support, including data management and application integration
- Standards will support open integration environment that is scalable and flexible to accommodate diverse and evolving needs of the businesses

## Where to go from here

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### The Next Step is *Action* and *Accountability*

#### **UCOP must...**

- Agree that this is a huge, but necessary undertaking
- Gain commitment from the highest level of leadership
- Provide clear accountability
- Assign roles and responsibilities
- Allocate resources to implement prioritized solutions



#### **The Locations must...**

- Agree that this is a huge, but necessary undertaking
- Accept a level of standardization across prioritized process and policy areas in order to ensure accuracy and consistency of data
- Adopt a common terminology across key areas (e.g., classifications)

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