

Appendix G

University of California Employee Systems Task Force Intel Report

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- Date: April 18, 1997

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- 1. How many employees does the company have? How does the company operate, e.g., are their operations centralized or de-centralized? Do departments, divisions, and companies support HR operations or are all operations supported centrally? What size staff does it take to support systems that are run centrally?**

Currently, has approximately 60,000 employees worldwide: roughly two-thirds are in the US, though future plans are to split the distribution more evenly, i.e., half in US and half out of US. Operations are generally very centralized. HRIS is staffed by approximately 80 people.

- 2. What is the profile of the employee base (regular career-type employees versus the diversity of shift-working, student, academic, medical personnel found within the University)? How easily does the system accommodate this diverse a population?**

Categories were primarily presented from an "exempt" and "non-exempt" perspective: 55% are exempt employees (salary) and 45% are non-exempt; most of the non-exempt employees are technicians, workers manufacturing the microprocessors.

- 3. What are the sites' operating system or technical platform issues? For example, must all the users of the application(s) run on a 32-bit Windows platform (either '95 or NT)? Did they have to convert any users from one platform to another during the implementation of the application? How many platforms do they support? Are application systems run centrally or locally? Are they vendor packages? If so, to what extent are they modified (customized)?**

Most desktops today are running MS-Windows NT (workstation) and want to utilize more 32-bit applications. Current plans are to migrate more servers to MS-Windows NT (server); still running Banyan, Novell, and UNIX (all flavors) servers. Also utilizes mainframe (including VSAM and DB2 databases) applications such as a McCormick and

Dodge Payroll application (VSAM database) that feeds "final" payroll processing by ADP (outsourced payroll vendor.) 07/01/98 is target date for Payroll to be replaced by PeopleSoft Payroll application, version 6 (32-bit). Migration to PeopleSoft HR application, version 5 (16-bit) has already begun (13 months ago). Deployment at US sites has been completed; worldwide implementation tasks remain.

Currently undecided if PeopleSoft HR will be upgraded to version 6 or higher because longer-term plans are to migrate again from PeopleSoft to SAP by the year 2002. Brief background on this is that Intel upper management decided that Intel would be a "SAP shop"; however, HR "rebelled" and convinced the "powers that be" (including Finance) that an immediate PeopleSoft migration prior to SAP implementation was cost-justified. Thus, PeopleSoft is being implemented today, with the long-term plan of migrating to SAP by 2002. Thus, some PeopleSoft infrastructure issues are being decided with an eye to the SAP future.

Intel's PeopleSoft HR application employs a central UNIX server and Oracle database for global enterprise; plans are to migrate to NT server at some point. Modifications are limited except for the *relocation* function which was totally rewritten to meet Intel's needs.

Restracc Resume Reader and Finder are utilized and is linked to the Applicant Tracking module of PeopleSoft HR. Current functional processing allows for selected applicants to have records created in the PeopleSoft HR database, even though they haven't been hired; intent is to facilitate expeditious loading of personnel data (such non-employees are flagged as "A" records meaning they're not current employees); also noted that not every single resume is load, only those that are identified as "acceptable" as defined by Intel.

SAP's Time Management application is used for leave accrual, though only for non-exempt employees.

- 4. How are the sites' application interfaces handled? For example, how does their Payroll Application interface with their Human Resources application or with a Financial application? Are HR and Payroll integrated or separate? Do they see advantages to separation or combining these two systems? Do they have a data warehouse? If so, what data is included in it and how is the data interface (or source feed) processed?**

There is limited application interface processing between current, non-PeopleSoft Payroll and PeopleSoft HR applications as well as between financial application (SAP; various financial components use different databases including MS-SQL Server, Oracle, and Sybase) and 401k administrative application. Having highly integrated applications remains a goal as evidenced by moving to PeopleSoft HR and Payroll in the short-term and SAP, longer-term; however, such integration may be less of a priority than initially envisioned, perhaps partly due to Intel's definition of Payroll as a Finance function rather than a HR function.

Data warehouses are today used primarily by sales and marketing; future plans are to expand usage by others such as HR.

- 5. How are retirement and/or benefits issues handled? For example, how can a defined contribution plan and/or defined benefit plan member find out his/her retirement balances, e.g., via web, IVR, kiosk, fax, statement (paper) mailing?**

Retirement and benefits information today is currently distributed primarily by either IVR (both data view and transactions) or quarterly paper statements mailed to the homes of the employees. Plans for access after June 1997 include as additional options: web access directly to vendor database (presumably, 401k vendor) and also, extending web access to kiosks.

Intel uses Howard Johnson's for external 401k management and Signa for medical plans' claims processing. Intel offers Dependent Care plan programs, but does not offer cafeteria plan benefit options.

- 6. How are employee records, in general, accessed and updated from both the employer and employee perspective? For example, how would an employer find out how many years of service an employee had? How would the employee find out that same information? How would an employee update beneficiary, W-4, and health enrollments?**

Current information is ideally distributed via Intel's *EASE* application: (Employee Access Support Environment ?) which can be accessed from employee's desktops (only from MS-Windows) or kiosks. These kiosks are simply a PC and printer that are housed in construction to be presented as a kiosk. Thus, no conventional kiosk vendors were employed other than to hire a vendor to build the construction. The monitors, however, employ touchscreen functionality primarily to address those employees for whom English is not their primary language. Employees can change their name, address, mail stop, among other items. Benefits information is not updatable (inquiry only.) W-4 modelling is not currently available and is not a priority item, though other modelling functionality and other online form functionality will be pursued. IVRs will also continue to be utilized; currently using an IVR product called CCI; plan to change to Breakout. It was also stated that employees assign their own PINs, though it's not clear how this process is effected. Web applications (EASE is non-web) are also planned for the future.

- 7. How complex are the sites' administrative policies? For example, do they have large number of unions and/or union member participation? Do employees have multiple appointments? How many payroll cycles do they support? How much customization was required to address the required cyclical processing, e.g., to support the variety of payroll schedules? Do their systems effectively handle the required transaction volumes as well as variety of transaction types?**

Non-exempt employees are paid every other week. Exempt employees are paid twice per month. Cited complex issues included hand-issued check processing and employee relocation as well as the fact that Intel has a large percentage of workers outside the US. Intel has no unions. Payroll process improvements are planned as a part of the PeopleSoft Payroll implementation.

- 8. What types of salary administration issues does the site face? For example, how does**

the site support incentive based pay? If so, are these systems able to calculate the incentive pay figures? Are salary surveys and/or modelling done? Is succession planning done? If so, what systems support it?

Intel supports 3 types of incentive-based pay: Employee Cash Bonus Plan (ECBP) which is profit based awards paid twice per year; Employee Bonus (EB) which is group objectives being met and profit awards paid once per year; sales force also receives commission-based pay. Application systems calculations are currently present and will be retained when conversion to PeopleSoft is completed. Also, salary surveys are currently completed by the Compensation Unit and no succession planning is done except for some work around "key players."

9. How do the central offices manage documents? For example, are they stored offsite or all converted for electronic storage? Are all of an employee's records accessible to whoever needs them from across the organization? How is retrieval of documents facilitated? What kind of workflow processes are utilized?

HR implemented a document control application process in 1995. It utilizes a MS-Access database that is accessible on Intel's internal network (LAN.) All key HR documents except for personnel files are managed by this application and maintained electronically; to view personnel files, must go to Records Unit.

Virtually no workflow processing is utilized today, though hope to implement something around 1998 - 1999 when Documentum (vendor software) will be utilized to support intranet access.

10. What kind of historical recordkeeping is maintained for employee data? For example, what kind of ad hoc reporting capabilities are supported for central office needs?

Reporting plans are still being developed, e.g., currently not decided how much history to maintain. Also, will utilize data management tools supported by corporate IT for accessing corporate data warehouse. Intel is also looking at establishing a base date and then moving forward from that.