

# Human Resources Systems Statement of Direction

for the Victorian Public Service

# Contents

<b>Vision, purpose and document details</b>	<b>3</b>
<b>Introduction</b>	<b>4</b>
<b>Key objectives</b>	<b>5</b>
<b>Related documents and scope</b>	<b>6</b>
Documents	6
Scope	6
<b>Overview</b>	<b>7</b>
<b>Direction</b>	<b>8</b>
Part A – Employee Lifecycle Requirements	9
Part B – System Components	14
<b>Implementation</b>	<b>17</b>
<b>Document control</b>	<b>17</b>
Approval	17
Version history	17
<b>Glossary</b>	<b>17</b>

# Vision, purpose and document details

<b>VISION</b>	That the Victorian Government's human resources systems support and encourage strategic human resources management, and effective recruitment, development and productivity of employees, managers and leaders.		
<b>PURPOSE</b>	<p>To uplift and modernise human resources systems and deliver consistent human resources services across the Victorian Public Service.</p> <p>To improve employee experience, increase productivity, reduce operational costs, simplify human resources administration, simplify staff transfer, improve employee data management, and provide a cross-government understanding of the workforce.</p>		
<b>APPLIES TO</b>	All Departments and Victoria Police	<b>AUTHORITY</b>	Victorian Secretaries Board
<b>PERIOD</b>	2016 to 2020	<b>ADVISED BY</b>	DPC, HR Directors and the VPSC
<b>ISSUE DATE</b>	August 2016	<b>DOCUMENT ID</b>	SOD/HRS/01 TRIM DPC D16/143135
<b>REVIEW DATE</b>	August 2019	<b>VERSION</b>	1.0 - 31 August 2016

# Introduction

## Background

Strategic human resources (HR) management is the act of managing and maximising the performance and efficiency of the workforce. Operational HR management focuses on managing the workforce through systems like payroll and finance. A Human Resources System (HRS) provides consistency in the processes used for strategic HR management, as well as valuable visibility of enterprise-wide human capital data, upon which strategic human resource decisions can be made. In Victoria, HRS are typically managed as central departmental applications, with integration points into other operational systems such as payroll and finance.

## Problem

Viewing the Victorian Government as a whole, the current HRS landscape is inconsistent, with departments having invested in differing platforms and processes generally independently of each other. Some platforms are out of date, relying on custom-built solutions (e.g. on Lotus Notes) and manual processes based on documents, at least for some components.

At the level of strategic HR, it is difficult to gain a holistic view of the government's workforce, meaning opportunities are being missed, inefficiencies may be being left unaddressed, and gaps in capability may not be being managed.

Inconsistent systems across government mean extra work when transferring staff between departments, and a loss of productivity for staff in having to learn new systems – both for employees and managers. This is worse during machinery of government changes, but is also an issue during the normal exchange of staff between departments through promotion, secondments and transfer at level.

The key issues caused by an inconsistent approach to HRS management are outlined further in the *Human Resources Systems Problem Statement* (DPC: D16/140482). In summary: inefficient processes; poor employee experience; and a lack of data visibility affecting strategic organisational planning and talent and succession management

## Statement of Direction

This *Statement* provides high level requirements for consistent HRS within the Victorian Government. It describes the overarching components required, and the systems platform requirements needed to support improved and consistent government HR processes.

The *Statement* differentiates between strategic HR and operational HR, taking a different view of the systems approach for each.

This *Statement* describes a future desired state, but not the mechanisms or timing to implement it (see the implementation statement near the end of this document).

# Key objectives

- Confirm the Government as a model employer: attracting, developing and retaining talented people, including the identification and development of leaders
- Create a similar user experience across human resources functions, including easy to use employee self-service functionality and administrator/manager functionality, irrespective of department
- Create capability to identify critical roles and develop succession plans that mitigate the risk of future workforce capability gaps
- Create capability to perform department-wide and whole-of-government analysis of workforce data to support the development of long term analysis of workforce plans and strategies at both these levels
- Establish consistent human resources reporting and processes across each department and across the government
- Improve business processes and increase productivity through the use of a common platform, modern tools and consistent 'better practice' processes, including the ability to manage an employee through their life-cycle, if they move between departments, or move in and out of the public service
- Improve usability and mobile-device delivery through a single platform delivered under a Software as a Service model (cloud computing) avoiding the need for multiple procurements by departments
- Provide an implementation approach that does not require all departments to move at once (no 'big bang' project), but which allows staged movement onto the platform as departments are ready
- Reduce machinery of government costs through enterprise level management of staff for selected functions
- Support shared services arrangements for associated business processes that arise due to departments seeing value in sharing these business processes (via clusters)

# Related documents and scope

## Documents

- NOUS Human Resources Directors Workshop – Results (November 2015)
- *Information Technology Strategy, Victorian Government, 2016 to 2020*
- *Workplace Environment Statement of Direction (SOD/Workplace/01)*
- *Network and Cyber Security Statement of Direction (SOD/NetworkCyberSec/01)*
- Human Resource Systems Problem Statement (DPC D16/140482)
- *Business Support Services Strategic Review*
- *VPSC People Capability Strategy*

## Scope

The following departments and agencies are formally in scope:

- Department of Economic Development, Jobs, Transport and Resources
- Department of Education and Training
- Department of Environment, Land, Water and Planning
- Department of Health and Human Services
- Department of Justice and Regulation
- Department of Premier and Cabinet
- Department of Treasury and Finance
- Victoria Police
- CenITex (to remove doubt for implementation matters)

These are referred to collectively as “departments” in this document.

# Overview

**Overview** – See Figure 1. Strategic HR functions through a common system and common information types; payroll handled separately.

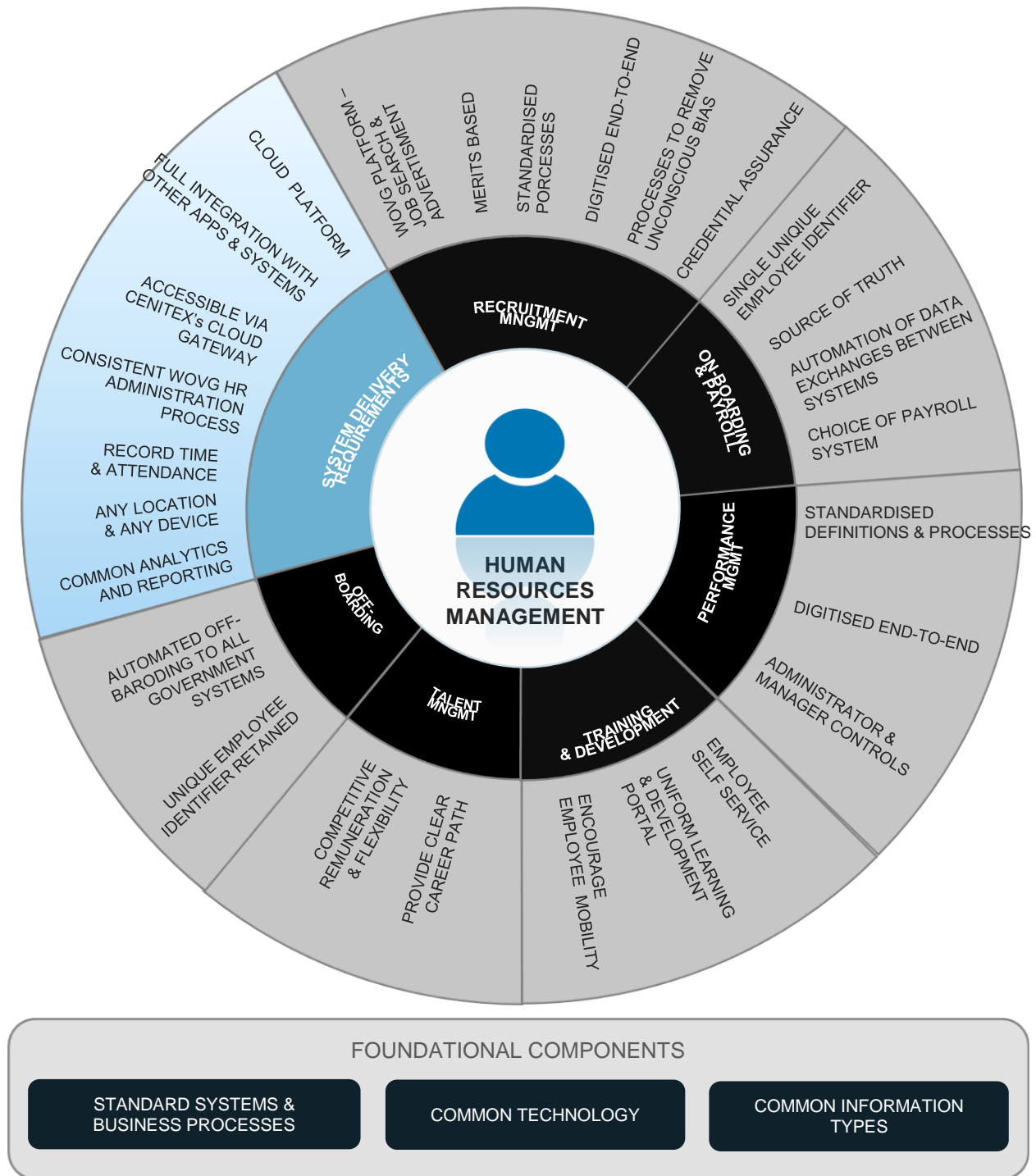


Figure 1 - Overview

# Direction

The following section outlines the high level requirements for Human Resources Systems (HRS).

There are seven components of the proposed HRS covered in this statement:

## **Part A – Employee Lifecycle Requirements** (strategic or operational, as shown)

### ***Initiating***

1. Attraction (strategic), recruitment, selection and credentialing (operational)
2. On-boarding & Payroll (operational)

### ***Building***

3. Performance Management (strategic)
4. Learning and Development (strategic)

### ***Recognising***

5. Talent management and succession planning (strategic)

### ***Exiting***

6. Off-boarding (operational)

## **Part B – System Components**

7. System Delivery Requirements



# Part A – Employee Lifecycle Requirements

## 1. Attraction, Recruitment, Selection and Credentialing

### Objective

Provide a uniform streamlined recruitment process for departments, managers and potential employees.

Reference	Direction	Benefits to Government
HRS-01	A well-articulated value proposition will be developed for potential employees	<ul style="list-style-type: none"> <li>Talented and well-performing potential employees are attracted to join or encouraged to remain in the VPS</li> <li>Structured benefit data will be available for evidence-based decision making for future development of HR policies and strategies at a whole-of-government and departmental level</li> </ul> <p><b>Related:</b> HRS-16 (learning and development management system)</p>
HRS-02	A consistent unbiased approach to recruitment will be undertaken across government	<ul style="list-style-type: none"> <li>The government is seen as a model employer and desirable place to work, attracting talented and high-performing candidates</li> <li>The best candidates are recruited regardless of background, disability, gender or sexual orientation</li> </ul> <p><b>Note:</b> cross-government systems are in use (for example Springboard); these will further analysed at project design phase.</p>
HRS-03	A set of whole-of-government minimum requirements will be developed to become a component of all job descriptions	<ul style="list-style-type: none"> <li>Principles will be consistent and high quality for government employees</li> </ul> <p><b>Note:</b> some of these already exist.</p>
HRS-04	A standard set of selection criteria will be available for recruiting managers to use to construct position descriptions	<ul style="list-style-type: none"> <li>Reduce time to create position descriptions</li> <li>Increase consistency of description</li> </ul> <p><b>Note:</b> these are only for roles that support this approach, and for the criteria that are general, and is not a movement to criteria so generic that they are unsuitable for specific positions. They will be available as 'pick from a catalogue' service, not precluding specific key selection criteria being developed for specialist roles.</p>
HRS-05	A standard set of tools and processes will be used to remove unconscious bias in the recruitment process	<ul style="list-style-type: none"> <li>Avoid unconscious bias in the recruitment process which may lead to poorer appointment decisions</li> <li>Influence economic participation in marginalised communities, and bring the Victorian Public Service (VPS) closer to the community it serves</li> <li>Efficiency and productivity gains from a standard approach</li> </ul> <p><b>Note:</b> the "Recruit Smarter" initiative to remove the majority of identifiable information from an application before it is sent to hiring managers.</p>

Reference	Direction	Benefits to Government
HRS-06	The recruitment process will be digitised end-to-end, including workflow	<ul style="list-style-type: none"> <li>Reduced time to hire (provided the interfaces, and mobile delivery are simple and easy to use, clearly outlining next steps and how to undertake them)</li> </ul>
HRS-07	Consistent advertising platforms will be used across government	<ul style="list-style-type: none"> <li>The government will be known for advertising on certain platforms, reducing a need for wider coverage, reducing costs</li> </ul> <p><b>Note:</b> Advertising business units will be able to pick from a number of agreed platforms. The <i>careers.vic.gov.au</i> website will always be used as one of the available platforms.</p> <p><b>Note:</b> the use of specialised recruitment firms will remain an option for executive positions, and other options for identifying potential candidates (eg LinkedIn) are not precluded.</p> <p><b>Note:</b> the use of newspaper-based advertising to be reviewed as possibly unnecessary.</p>
HRS-08	A consistent approach to assuring credentials will be undertaken across government	<ul style="list-style-type: none"> <li>A high quality and efficient process supported by cross-government system will create accurate and credible assurance of credentials (ie, degrees, certificates etc)</li> <li>Removes duplication of work when applicants have either worked or got to this point in the selection process before in government</li> </ul>

## 2. On-boarding and Payroll

### Objective

Effective on-boarding of new employees, and efficient integrated payroll services.

Reference	Direction	Benefit to Government
HRS-09	New employees will be on-boarded into the payroll system which will hold their employee number	<ul style="list-style-type: none"> <li>The payroll system will be treated as the system of record for departmental employees, allowing for definitive and accurate employee status</li> </ul> <p><b>Note:</b> the employee number will be issued and managed from the payroll system. This is currently the case, and should continue to be the case.</p> <p><b>Related:</b> HRS-26 (single unique employee identifier); HRS-29 (on-boarding/off-boarding system requirement).</p>
HRS-10	Payroll data will be the source of truth for determining employee status for other systems	<ul style="list-style-type: none"> <li>Single, definitive and closely monitored data will provide the necessary authority for other systems</li> </ul>

Reference	Direction	Benefit to Government
HRS-11	Departmental payroll systems will exchange data automatically with financial systems	<ul style="list-style-type: none"> <li>Accurate and timely integration of payroll/finance ensures a major component of government expenditure is tracked properly</li> <li>Allows government to retain flexibility by not requiring a single platform for payroll and finance, only the capacity to exchange data automatically</li> </ul> <p><b>Note:</b> this is currently the case, and should continue to be the case.</p>
HRS-12	Payroll processing will be undertaken on the platform that each department considers most suitable for their particular payroll profile. Departments with similar payroll profiles will seek a clustering arrangement. New arrangements will consider cloud Software-as-a-Service.	<ul style="list-style-type: none"> <li>A consistent platform for similar payroll types for each cluster will create better practice and benefits of scale</li> <li>Interaction with the payroll system by employees within a cluster will become uniform, aiding productivity for transferred employees within a cluster</li> <li>Movement of employees payroll records and management processes between departments as a result of machinery of government changes will be easier for both employees and HR managers where they are part of the same cluster</li> <li>Associated processes will become uniform for employees, managers and HR practitioners</li> </ul> <p><b>Note:</b> The complexity of awards, rostering and timesheets varies considerably between departments. However, major global payroll platforms have the ability to provide differing levels of service based on differing levels of complexity.</p> <p>By taking a clustered approach to this service, Victoria avoids trying to address complexity through undertaking a large consolidated payroll project. Rather, <u>departments will join the clustered platform as their need arises</u>.</p> <p><b>Note:</b> this is a different approach to the strategic HR matters, which are proposed as a single instance on a single platform.</p> <p><b>Note:</b> clustering allows for the benefits of consolidation to accrue without the risk of implementing a single system.</p> <p><b>Related:</b> HRS-22 (software as a service).</p>

### 3. Performance Management

#### Objective

Provide a consistent, proactive and simple to operate performance management capability for departments, managers and employees.

Reference	Direction	Benefit to Government
HRS-13	There will be a standardised system approach to managing employees for performance across government	<ul style="list-style-type: none"> <li>Contribute to increased employee engagement and productivity due to greater job clarity and improvements in the retention and placement of talent within VPS</li> <li>Reduce administrative and transaction overheads for HR staff, managers and employees</li> <li>Reduce complexity in managing staff</li> <li>Consistent data that can inform workforce policy at a departmental and whole-of-government level.</li> </ul>

Reference	Direction	Benefit to Government
HRS-14	All employees will have their performance management process and workflow undertaken electronically	<ul style="list-style-type: none"> <li>Improved HR experience and productivity for managers and employees</li> <li>Improved HR staff productivity via the reduction of administrative activities</li> <li>Automation of manual HR tasks will improve efficiency and reduce errors</li> </ul>
HRS-15	Administrators/managers will have access to record and manage labour and performance management matters	<ul style="list-style-type: none"> <li>A single longitudinal view of employee performance will ensure performance-related matters are treated over time</li> <li>Managers will be able to manage disciplinary matters efficiently and with a focus on evidence-based action, performance planning, supervision notes, and other performance matters</li> <li>Grievance matters will be properly and consistently recorded encouraging clearer and better labour outcomes</li> <li>A workflow driven process for dealing with – for example, poor performance, misconduct, grievances, disciplinary action, restructuring and retrenchment – will underpin good manager/employee practice</li> <li>At a whole-of-government and departmental level, insights will be available based on evidence to inform future employee relations policy and the VPS code of conduct</li> <li>Offer deep insights into employee performance.</li> </ul>

## 4. Learning and Development

### Objective

Provide a coordinated learning and development capability for the government, departments, managers and employees.

Reference	Direction	Benefit to Government
HRS-16	All employees and managers will have access to a learning and development management system	<ul style="list-style-type: none"> <li>Employees are developed with a view to both their own careers and the delivery of high quality services to Victorians</li> <li>Empower employees and assist managers to manage career learning and development proactively</li> <li>Improve the retention of employees</li> <li>Consistent view of learning and development that is portable across agencies that can be used by the employee and which allows talent and capability identification at a whole-of-government and departmental level</li> <li>Standard compliance training</li> <li>The creation of data that can be used for whole-of-government and departmental level workforce planning and development/education planning</li> <li>In conjunction with credentials assurance allow for searching for particular credentials across whole-of-government or department level.</li> </ul> <p><b>Related:</b> HRS-08 (Credentials assurance).</p>

Reference	Direction	Benefit to Government
HRS-17	Employees and managers will have access to online management development resources	<ul style="list-style-type: none"> <li>Allows the development of a standard resource base. For example, the global thinking on management practice.</li> </ul> <p><b>Note:</b> this does not preclude other methods of finding and using resources.</p>

## 5. Talent Management

### Objective

Retain and develop talented employees.

Reference	Direction	Benefit for Government
HRS-18	Mobility within the VPS will be supported by its systems and policy	<ul style="list-style-type: none"> <li>Allows the government to allocate employees efficiently and productively, despite departmental boundaries</li> <li>Allows the development of employees by broadening their exposure to a broader scope of government activity.</li> </ul>
HRS-19	A well-articulated value proposition will be developed for existing employees	<ul style="list-style-type: none"> <li>Talented and well-performing existing employees are encouraged to remain in the VPS</li> <li>Structured benefit data will be available for evidence-based decision making for future development of HR policies and strategies at a whole-of-government and departmental level</li> </ul> <p><b>Related:</b> HRS-16 (learning and development management system)</p>

## 6. Off-boarding

### Objective

Ensure departing staff are removed (as active) from payroll and associated systems.

Reference	Direction	Benefit for Government
HRS-20	Departing employees will be off-boarded from the payroll system	<ul style="list-style-type: none"> <li>Departed employees are no longer paid</li> <li>Because the payroll system will be the source of truth for other systems, ensures that departed employees no longer have access to government systems</li> </ul> <p><b>Related:</b> HRS-26 (single unique employee identifier); HRS-29 (on-boarding/off-boarding system requirement).</p>
HRS-21	Departed employees will retain their employee number for life	<ul style="list-style-type: none"> <li>Consistent employee data for analysis over time through multiple employee engagements, or multiple departments</li> <li>Allows tracking of human capital management data over time and changing departments</li> </ul> <p><b>Note:</b> off-boarded employees will be set to 'inactive'.</p> <p><b>Related:</b> HRS-26 (single unique employee identifier); HRS-29 (off-boarding process).</p>

## Part B – System Components

### 7. System Delivery Requirements

#### Objective

Provide a reliable, flexible and consistent platform to deliver the system components for HRS.

Reference	Direction	Benefit to Government
HRS-22	A platform-based approach delivered through a cloud computing model (Software-as-a-Service) will be used for strategic HR functions.	<ul style="list-style-type: none"> <li>Avoids the major technology project required to deploy and manage technology infrastructure</li> <li>Offers a standard solution based on better practice that will allow department and whole-of-government HR process standardisation</li> <li>Updates and upgrades are managed by the vendor</li> <li>Vendor service level agreement provides for flexible and scalable architecture to meet customer demand</li> </ul> <p><b>Note:</b> this approach aligns with the direction set in the <i>Information Technology Strategy, Victorian Government, 2016 to 2020</i>.</p> <p><b>Note:</b> the operational components (eg payroll) are handled separately (see HRS-12) while the strategic components (eg performance management) will be via a single instance.</p>
HRS-23	The human resources system platform will facilitate integration and data flows with third party applications	<ul style="list-style-type: none"> <li>Avoids error-prone manual updating to keep systems synchronised</li> <li>Efficient management of data</li> </ul>
HRS-24	The platform will be set up with a view of facilitating restructures and reorganisation following machinery of government changes	<ul style="list-style-type: none"> <li>Efficient management of employee data</li> <li>Speed of change will assist employees adjust quickly</li> <li>No loss of corporate knowledge in relation to employees if they move from one department to another</li> </ul>
HRS-25	At the department and the whole-of-government levels, data will be collected to identify critical roles, capability gaps and future leaders	<ul style="list-style-type: none"> <li>An evidence base that can be used for workforce planning and workforce policy development</li> <li>Provides capability to: identify critical roles and develop succession plans that mitigate the risk of future workforce capability gaps; manage current and future talent to ensure retention; identify and develop leaders</li> <li>Develop a cross-government view on where talent and future leaders exist to ensure talent is being utilised</li> </ul>

Reference	Direction	Benefit to Government
HRS-26	All employees will have a single unique employee identifier	<ul style="list-style-type: none"> <li>Improves process efficiency and reduces the administrative and cost burden relating to machinery of government changes, transfers, promotions or other changes.</li> <li>Supports collaboration and data insight across departments and agencies to manage mobility of talent</li> </ul> <p><b>Note:</b> The unique identifier stays the same regardless of changes as a result of employment changes (including gaps in employment).</p> <p><b>Related:</b> single unique employee number for government staff defined in the <i>Workplace Environment Statement of Direction</i> (SOD/Workplace/01)</p> <p><b>Related:</b> HRS-09 (on-boarding); HRS-18 (mobility)</p>
HRS-27	Employees and managers will have access via a self-service portal to view and seek advice on labour and HR policy, departmental employee procedures, leave balances, payslips, and other HR matters	<ul style="list-style-type: none"> <li>Increased capability to educate all users to existing policies and procedures, and adherence to these policies and procedures</li> <li>Employees have access to their HR status, increasing engagement and connection to their employment</li> </ul>
HRS-28	Common analytics and reporting will be available at a department and whole-of-government level	<ul style="list-style-type: none"> <li>Allows for predictive analytics to anticipate changes and insights into key challenges and how to solve them</li> <li>Deliver an unified view of the workforce across government to drive targeted HR strategies and ensure future skill gaps are in place to meet requirements</li> <li>Gain visibility into workforce mobility, departmental headcounts, retention, open positions, and more</li> <li>Enables the identification, retention and development of future leaders.</li> </ul> <p><b>Related:</b> HRS-25 (data collection)</p>
HRS-29	There will be a consistent on-boarding process and a consistent off-boarding process	<ul style="list-style-type: none"> <li>Improve the productivity by streamlining HR administrative activities, accuracy, consistency and timeliness of data and reduce operating costs</li> <li>Reduce the risk of potential lawsuits by ensuring that the compliant procedures are followed and documented across all locations, whether terminations are voluntary or involuntary</li> <li>Provides a tool for line managers to automate the separation process and gather and immediately process off-boarding information</li> <li>Provides accurate and timely integration into user provisioning systems providing seamless user account activation/deactivation</li> </ul> <p><b>Related:</b> unique employee number for government staff defined in the <i>Workplace Environment Statement of Direction</i> (SOD/Workplace/01), and <i>Network and Cyber Statement of Direction</i> (SOD/NetworkCyberSec/01).</p> <p><b>Related:</b> HRS-09 (onboarding); HRS-20 (off-boarding).</p> <p><b>Note:</b> these are separate processes.</p>

Reference	Direction	Benefit to Government
HRS-30	Applicable users will have access to record and document their time and attendance	<ul style="list-style-type: none"> <li>Improve the productivity by streamlining HR administrative activities, accuracy, consistency and timeliness of data and reduce operating costs to complex time and labour management, leave management and workforce scheduling</li> <li>Enable better workforce planning, labour law compliance and expenditure management</li> <li>Improve HR experience and engagement that empower users to access an efficient and transparent rostering process</li> </ul> <p><b>Note:</b> this does not apply to all employees.</p>
HRS-31	All employees and managers will have access to HR systems irrespective of their location and device	<ul style="list-style-type: none"> <li>Increased capability to connect in real time to any user devices will improve employee productivity and engagement</li> <li>Improve the productivity by streamlining HR and line managers' administrative activities</li> </ul>
HRS-32	Processes related to HR may be operated singly by a department, or by a department offering related services to other departments as a service	<ul style="list-style-type: none"> <li>Economies of scale, where departments (both offering and receiving) agree that there is value</li> </ul> <p><b>Note:</b> DPC will assist in setting up the design authority and shared services governance for such arrangements with a view to larger clusters of service provision being created as value is identified.</p> <p><b>Note:</b> this relates to associated <u>processes</u>; the strategic HR <u>system</u> itself is already common.</p>
HRS-33	The cloud platform will be accessed via the CenITex-provided cloud gateway to the extent it is available	<ul style="list-style-type: none"> <li>Standardised, fast, secure and managed use of cloud services by the government ensures compliance issues, security and speed are managed through an expert technical service</li> </ul> <p><b>Note:</b> Departments not currently part of CenITex services may still consume the cloud gateway service if desired.</p>



# Implementation

Implementation of human resources systems will align with the *Information Technology Strategy* and the broad principles of governance and implementation set out in the *Business Support Services Strategic Review*. A 'first' agency will be identified. DPC will assist to establish a working group of relevant stakeholders to develop a future design, implementation roadmap and preliminary business case.

## Document control

### Approval

This document was approved by the Victorian Secretaries Board on 31 August 2016 and applies from the date of issue (see cover).

### Version history

Version	Date	Comments
<b>0.1</b>	May 2016	Initial framework draft, based on discussion with HR Directors (via NOUS) in November 2015
<b>0.2</b>	June 2016	Enterprise Solutions draft
<b>0.3</b>	June 2016	Following discussion with VPSC
<b>0.4</b>	July 2016	Draft for initial discussion with Human Resources Directors and the Victorian Public Sector Commission (VPSC)
<b>0.9</b>	July 2016	Acceptance Draft for comments from HR Directors and the VPSC prior to submission to VSB
<b>1.0</b>	August 2016	Final version (for approval) based on final feedback from HR Directors and the VPSC

## Glossary

Term	Meaning
<b>HR</b>	Human Resources
<b>HRS</b>	Human Resources Systems
<b>MOG</b>	Machinery of Government
<b>SOD</b>	Statement of Direction
<b>VPS</b>	Victorian Public Service
<b>VPSC</b>	Victorian Public Sector Commission