

Positive Impacts of Implementing Technology for State Government Agency **North Dakota** Public Employees Retirement System's Unique Benefits Business Processes

PAULA M. MARSCHNER

*Graduate Student-Management Information Systems, Minot State University, 1739 N Grandview LN,
Bismarck ND 58503· E-Mail: Pmmarsch@hotmail.com*

The organization observed for this study is a state agency located in North Dakota in the United States of America formally known as North Dakota Public Employees Retirement System or (NDPERS). This state agency handles and administers employee benefits for all state agencies, political subdivisions and universities of the state of North Dakota.

This study will focus first on the background and challenges of the agency and its unique business processes. In addition, this paper will discuss the Legacy system that NDPERS used that was built in 1980s and explains its functions and modules. Next, this study will explain the NDPERS organizational structure and gives an organizational chart. This paper will then discuss NDPERS Strategic Action plan and the successes and positive outcomes of implementing a new benefits system for the people of the state of North Dakota over the past five years. Over the past two plus years, this state agency has gone through the process of building from the ground up a new computerized system that will fit and work with its current unique business processes. This paper will then further explain the planning and development stages of PERSLink. Next, this study will focus on modules, functions and technical architecture of the new computerized system. Lastly, this study will further explain the steps that are necessary to further enhance and improve this computer system's efficiency beyond what it is currently doing. This study will also detail the successes and failures of implementing this new computerized system along with ways of improving it so that the organizational unit can continue to grow and prosper. This paper will then focus on what lessons have been learned when going through this building and implementation process.

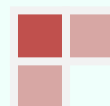
Background and Challenges of the Agency:

This agency is in the implementation stage of its current computer system overhaul. The new computerized system, which is formally known as PERSLink, went "live" on October 1, 2010. NDPERS is still going through growing pains of implementation and staff learning a new computer system environment and in most cases relearning their job duties and or assigning new job duties or roles by management.

For several years demographers, educators and researchers have reported on the baby boomers and the coming "age wave". Public pension systems including NDPERS are now experiencing the first ripples of this wave. Many public pension systems are now

experiencing "the perfect storm" which combines a convergence of heightened service demands, aggressively applied reform-oriented public pension policy and aging technology that has ruled its ugly head for most public pension systems (Sagitec Solutions, 2007).

In addition, demand for core services has also changed throughout the years. Retirement estimates and counseling has increased causing backlogs since the baby boomers are now reaching retirement age. Divorce, child support attachment and disability claims has also increased which this is now considered a new normal part of current pension systems caseload (Sagitec Solutions, 2007). North Dakota Public



Employees Retirement System or NDPERS is one of only a handful of state pension systems across the United States to offer multiple benefit plans to public employees. NDPERS' unique combination of benefit programs presents additional challenges for potential vendors who would be creating the new company and or technology system (Gilliam, 2012). NDPERS operates in a complex environment administering several retirement plans and benefits programs for a diverse group of public employees. NDPERS faces operational challenges that are compounded by technology solution that is technologically obsolete and cumbersome to manage. As NDPERS faces a growing number of retirees, a more rapid pace of change and growing demand for greater levels of service they must have a complete solution to their operational challenges. NDPERS handles seven different benefit programs for active state and counties, cities, schools, and retiree employee members. The seven benefit programs that are offered include the following: health, life, dental, vision and health insurances. NDPERS also administers two different retirement plans that are the defined benefit and defined contribution plans. It handles a 457 Deferred Compensation plan and Flex comp125-cafeteria plan, long-term care and long-term disability plan.

The organizational structure of NDPERS consists of a shared leadership environment, which includes the following: NDPERS Board of Trustees, Executive Director, Internal Auditor, Benefit Programs Manager, Benefit Program Development and Research Manager, Administrative Services Manager and Finance Manager. This organizational structure has both male and female managers (See Appendix 1 for organizational chart). NDPERS follows the client structure based divisional organization structure. NDPERS has over 35 employees working both full and part-time basis. The coordination of work activities is organized through formal hierarchy due to NDPERS being part of state government entity. The organizational dynamic consists of no crossing over departmental or division lines of the organization.

This organization gives an impression of a military environment style in regards to ranks and divisional lines. No one crosses ranks or division lines without prior consent of all parties involved. NDPERS has a managerial functional structure of operation (McShane and Von Glinow, 2010).



MODULES AND FUNCTIONS OF THE LEGACY SYSTEM

Previously before implementing the new computer system, this agency used the Legacy system that was built in the 1980s. This system was built using COBOL and natural programming database called Adabase. The Legacy system uses green online screens. The Legacy system had several modules built and are listed as follows; Retirement which includes member retirement account, Insurance, Security, Correspondence, Reports and Department Master. The Department Master Maintenance may include the following updates; Authorized Employer Agents changing that would be the primary payroll person for a particular agency or subdivision, plan changes for an agency or subdivision. The business environment back in the Legacy days is that each department at NDPERS operated independently from other departments and was not functioning as a cohesive entity. For example, if NDPERS received a retirement paperwork from a potential retiree the paperwork would get divided up and sent to each department. There were no tracking devices in place of the paperwork and where it was going next. Paper forms



were shifted to one department to another until the process was completed of retiring an individual. Paperwork would get lost or duplicated at times and more room for human error because of this happening and would at times delay business processes such as setting up new hires for benefits or setting up retirement files for individuals who wanted to retire. In addition, NDPERS faces more complex business processes that demanded special programming throughout the years such as public employees having dual retirement systems such as Teacher's Fund for Retirement or TIAA-Cref along with having NDPERS retirement, which made calculating purchases, and retirement benefits a challenge at times. This in turn, forced the staff at NDPERS to do more manual processes of benefit calculations more often than necessary.

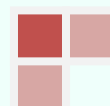
STRATEGIC IMPLEMENTATION PLAN

Over the years, NDPERS has encountered a changed core business service that was explained in the previous section. NDPERS faces a growing number of retirees due to the demographics of the state of North Dakota changing throughout the years. Previous history shows North Dakota's job market trend has been more young people are moving away for better paying jobs. But recently, that trend has slowly changing around and young people are moving back to North Dakota thanks to the economic boom due to this state has recently experience due to new technologies of drilling oil.

Because of these recent trends surfacing to state governmental agencies, the NDPERS Management staff along with the NDPERS Board of Trustees decided that it was time to rebuild the existing Legacy system that has been in existence since the 1980's to keep up with the demands and needs of public employees. The NDPERS Board of Directors and Management staff requires that the new technology solution should continue to assist the staff in their mission of providing best possible service to their membership. NDPERS is now committed to increase

its use of technology in providing ever more accessible and member-orientated service to its members. NDPERS looks to new solution to increase their ability to respond quickly and accurately to service requests and views web based, member self-service as a significant goal in the implementation of a new Line Of Business or (LOB) solution (Sagitec, 2007).

In 2006, NDPERS Management Staff and NDPERS Board of Trustees has agreed upon updating and overhauling the current Legacy system. NDPERS management staff first step was to create a Request For Proposal or RFP. NDPERS needed a vendor to help assist in creating the RFP that would be sent out eventually to vendor who would be creating the new computerized system. The vendor chosen to help assist PERS in creating the RFP was Wechler. Wechler and the PERS management team started the process of gathering business rules and requirements. In addition, Wechler created Proof of Concept to be included with the RFP. NDPERS then sent out the RFP to potential vendors. We had several vendors who bid on the project. The two vendor finalists were Sagitec and CPAS. The vendor that eventually was selected to build the new computer system was Sagitec that is headquartered in Minneapolis Minnesota. They also have an offshore team in India that would also be involved in the project. They were the closest vendor that would be capable of handling and building multiple benefit plans into one computerized system. They had staff that had governmental experience in creating business systems for government agencies along with experienced programmers.



NEW COMPUTIZED SYSTEM NAMED

The first item on the agenda when the team of Segitec staff made their home with the NDPERS staff was to come up with naming our new computized system. Staff at NDPERS was invited to come up with a name for the new computized system. The management staff agreed with the name of PERSlink. PERS being part of the ND Public Employees Retirement System and second part of the name which is link that would link together all of the business processes to make it one cohesive entity.

PLANNING AND DEVELOPMENT STAGES OF PERSLINK

After the new computerized system was named, it was time to develop the new computized system. NDPERS management staff felt that the project team staff from NDPERS had to be working on this project full-time from beginning to the end when it was implemented in order to meet the legislature's time line and cost budget that was passed. Management did not want the existing business functions of NDPERS to suffer while building the new computerized system. Management decided to hire temporary full-time employees to work to cover for staff that would be working full-time on the PERSlink project. As a result, this made life at NDPERS a lot easier to manage and members were still given superior customer service that they are used to and none of the existing business processes was delayed due to building and implementing PERSlink.

Segitec and NDPERS next step would be defined the business rules of NDPERS and eventually would need to build these business rules into the new computerized system. Segitec also addressed NDPERS problem statements the agency currently was having with the Legacy system. Some of the problem and solutions that Segitec has proposed is mentioned below (Segitec Solutions).

Simplify Maintenance and Support. This allows for quickly implement changes in rules, policies and

regulations with less software coding and spend less time reacting to uncontrollable change.

Create a "Click and Mortar" Service Vision. This extends NDPERS to allow the capability of using member-centric self-service over the web. This improves cross training and knowledge transfer throughout the organization of NDPERS. This provides service to members and beneficiaries from remote counseling centers, satellite offices, or other department using a feature rich web-based solution. Also this allows for environmentally friendly work-from-home options for NDPERS staff.

Become More Efficient and Effective. Prior to PERSlink system, PERS was experiencing duplicate data entry and redundant data. The solution of this is to use advanced "scrubbing" routines that identify errors and inconsistencies at every stage of the posting process. This provides accurate and complete services more efficiently and manages the age wave with ease.

Improve Service. This improves NDPERS to respond to complex service demands such as garnishments, attachments and division of marital property. This also eliminates multiple handoffs required to provide service to members and beneficiaries. This also improves internal ownership for results, not tasks.

Lower Operating Costs. By incorporating PERSlink this will reduce maintenance and transaction costs. In addition, NDPERS can reuse existing technology investments and integrate pension administration solution with NDPERS existing accounting package, imaging package, workflow processes and other applications.

Extend Your Solution. NDPERS can control their own technical destiny and evolve your systems and technical staff. This also allows for quick implement legislative changes. Also NDPERS can maintain their own software, reduce costs and achieve higher return on investment.

Improve Services Incrementally. Segitec proposes that they can roll out in phases of the new



computer system which reduces risk, maximize the investment of returns and improve adoption rates.

Leverage Existing Technology. Segitec's tools serves as a front-end to existing data and applications to rapidly and cost-effectively deploy web-based solutions. This allows NDPERS to reuse their current existing systems and expertise.

Gives Members Access to Up-to-Date Information. These tools will get NDPERS production data out to members as soon as it is available to internal users.

Provide Intergovernmental Collaboration. This allows reporting agencies to submit contribution and demographic data. Provide real-time validation and share information with other agencies.

MODULES AND FUNCTIONS OF PERSLINK SYSTEM

NDPERS project staff along with the staff at Segitec has come up with these modules and functions

of PERSLink. They include the following; person, organization, payment, benefits calculation, financial, administration, security, coorespondence, workflow and reports. The PERSLink system is built using Graphical User Interface program. The system's programming was built using object orientated.net and C#. The PERSLink system is more of a robus system than the previous Legacy system was and more flexible to operate. It was built to accommodate unique scenarios such as a person being enrolled in two retirement systems such as NDPERS and Teacher's Fund for Retirement or TIAA-Cref retirement systems. Or if a member was received a Qualified Domestic Relations Order from ex-spouse while receiving their own pension payment from PERS. PERSLink system is able to handle these types of situations automatically without having intervention of an end user which results in less human error. PERSLink system makes daily processes run more automatically which results in more production time for the end user thus less human error.

TECHNICAL ARCHITECTURE FOR PERSLINK

Below is a table that summarizes product features and the business benefits this computerized system can offer to North Dakota Public Employees Retirement System.

PRODUCT FEATURES	BUSINESS BENFITS
Framework Approach	Packaged-based software that combines custom development that fits specific specifications.
Rapid Application Development	Allows the user to see the solution as it is built incrementally which reduces risk and improving communication throughout the development life cycle.
XML Meta Data Driven	Reduces the cost and effort associated with making routine changes. Quickly implement changes in rules, policies and regulations. Allows developers to focus on solving business problems rather than technical problems. Lines of Code are significantly reduced, lowering maintenance, time and cost.
Browser-Based	Allows the User to create a "click and mortar" service vision. This would extend NDPERS organization using member-centric and employer-centric self-service



	<p>over the web.</p> <p>Provide service to members and beneficiaries from remote counseling centers, satellite office or other departments.</p> <p>Provides environmentally friendly work-from-home options.</p>
Advanced Security Architecture	<p>Authenticate internal and external Users and prevent unauthorized access to your pension administration system.</p> <p>Protect data and enforce process audit controls by setting security policies at the role and resource level.</p> <p>Restrict access at the application, page or field level.</p>
Component Based Architecture	<p>Modify or replace subsystems without affecting other subsystems.</p> <p>Add third party applications such as workflow to software portfolio and connect them to pension administration solution.</p>
Multi-Tier Architecture	<p>Allows for scalability and the ability to grow in the future by providing various configurations.</p> <p>Reusability that reduces maintenance costs by sharing common code-base between batch jobs, internal-facing and external-facing applications.</p>
Enhanced User Interface	<p>Familiar and consistent web page standards that reduces training costs and allows Users to be productive immediately.</p> <p>Can customize the look and feel at site and individual level allows you to retain your image/branding purposes in new applications.</p> <p>User-level defaulting enhances user productivity and reduces data entry error.</p> <p>Offers Tree-View controls simplify navigation and provide a holistic view of the member.</p> <p>Data Validations allows power users to set many business rules without programming which saves time and money.</p> <p>Seamless and advanced navigation design features including point and click drilldowns and multi-record selection allows users to get at information quickly without having to go back and research.</p> <p>Use of browser controls like drop-downs and multi-select boxes, which improves data accuracy and reduces the learning curve associated with new software tools.</p> <p>Seamless integration with MS Office allows Users to use familiar tools such as Excel and Word.</p> <p>Users can export grid/query results to Excel for further data analysis.</p>
Advanced Audit Trail	<p>Allows for customization audit logs by process, user and type of customer (member, employer).</p> <p>Allows you to track before and after changes to any data.</p> <p>Allows you to track changes by processes, customer or user.</p>



After the business rules were defined and created into PERSLink system environment testing phase began. NDPERS staff created testing environments that would test the benefit system environment and also the financial environment. Testing was also conducted on the Employer side of benefit reporting and also the Member Self service portal that would eventually go into production at a later time. After the testing phase of each of these modules and functions were completed, each one would be rolled out into production and then implemented to both end-users, employers and active and retired public employees.

GATHERING INFORMATION OF POSITIVE IMPACT

The first step of gathering information to assess the positive outcomes that PERSLink has offered to end users of NDPERS was to conduct a survey of questions to be given to staff members. The subjects selected for this survey were staff workers from various departments of NDPERS such as: Benefits Division, Administrative Services and Accounting/Finance. Criteria used in selecting staff to be surveyed were based on the frequency of using PERSLink system on a daily basis. This group was surveyed on whether or not there were positive outcomes with the new PERSLink system as a whole and if it made a positive impact on their current job duties. They were also asked whether there were problems/issues that existed that would hinder the growth process of this new computer system. Below is the list of the survey questions handed out:

1. In your opinion, what have been the positive outcomes that PERSLink has done in your current job duties?
2. Before PERSLink came into existence, what were the drawbacks or downfalls of working in the Legacy computer system that made your job duties difficult to do?
3. If I were a Genie and I was able to grant wishes, how could I improve PERSLink so that it would

give you a more positive outlook on your current job?

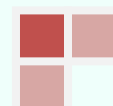
4. What are some problems, if any, that PERSLink has caused for you and your job duties? Explain what solutions you desire in order to improve efficiency and productivity of your current job duties?
5. What would be your goals in succeeding in your current job?
6. What, if any, is your reasoning of looking for other employment, if indeed you are not satisfied in your current job position? Please list.

The next strategic action plan step would be reviewing the results of the survey to gain a better understanding of how well the PERSLink system is working for the entire organization.

The last step of this strategy action plan would be to review what the critical success factors are with which NDPERS been successful. In addition, how to further enhance and improve upon this new computer system to achieve further growth of the organization. Also, review factors of where NDPERS did fall short in achieving successful implementation and to focus on areas that need improvement in order to be more efficient and to prosper in the future.

RESULTS OF THE SURVEY

Results of the survey showed quite a few positive outcomes of how this new computerized PERSLink system has made a positive impact on the entire organization. Overall, the new system has brought the organization into an active “coming together” of employees’ attitude and energetic spirit. The attitude of staff members is “we are all in this new and scary experience together and we won’t leave anyone behind as far as workload is concerned”. This has resulted in everyone pitching in, including upper management, which was an unexpected surprise since the culture is a definite line hierarchy between staff and management. PERSLink has incorporated the best traits and features of the organization along with



displaying at times the failures and shortcomings of staff's attitudes. PERSLink has brought to the surface a deep caring and understanding for the members served on a daily basis. Examples of this would be making sure the data conversion between the old Legacy system and the new PERSLink system is accurate and to ensure the processes and workflows are correctly completed to create a positive outcome for members NDPERS works with on a daily basis.

SUCSESSESS OF PERSLINK

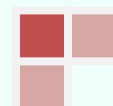
The new computer system, PERSLink compared to the old Legacy system, has had a positive effect or outcome on the overall organization unit and has improved NDPERS business processes.

In regards to leadership point of view, management of this particular agency found the need for a Chief Operating Officer, one who can work with all aspects of management and operations related to PERSLink. Also, better time management over processes has now become reality whereas before this was only a wish or dream. After the implementation of PERSLink management can now frequently monitor, quantity, quality and amount of time it takes to work on workflows, and develop plans accordingly from data extracted from the PERSLink system. In addition, management is able to extract a number of meaningful reports from PERSLink with statistical data that management has never been able to capture before. A second newly created position has also been developed after the implementation of PERSLink. A Business Analyst position who works directly with the Chief Operating Officer (COO). This position monitors the day-to-day interaction of staff with PERSLink. The business analyst analyzes Problem Incident Reports or (PIR) to determine if changes on the system are required, a business process needs to be updated, or if additional staff training needs to occur. The business analyst also identifies areas for operational efficiency.

The next discipline area that has seen a positive impact of PERSLink is the Benefits division. This

division noticed after implementation that information is now centralized. Previous to implementation of PERSLink, each department had their own correspondence, enrollment and change applications, and timeline of processes to meet the overall timeline the agency had set in order to be successful in administering benefit programs for employees and retirees. This resulted in each department working independent from other departments in the agency. In addition, this agency used paper for the data input and would shift paper around from department to department which runs the risk of misplaced paperwork or data duplication. Before the new computer system came into existence, it was difficult to maintain information accurately because the information was in too many different locations among the organization. Now currently with help of PERSLink, most information is presented and electronically scanned at the front end of the business process or immediately when it enters the NDPERS office. Another success factor of PERSLink it has improved communication within all of the departments of NDPERS. Calculations of benefits are now faster to perform. It also improved accuracy of data reporting from employers. The new PERSLink system has allowed system processes to be more automated which has improved errors and miscalculations.

The Accounting/Audit department enjoys the positive outcomes attributed to the PERSLink system. First, there is one area of the computer system environment to now bill all insurance premiums for employers, employees and retirees. It has made the procedures for paying each bill uniform instead of creating unique procedures for each bill paid. The new system has allowed NDPERS the ability to bill separately the Employee Assistance Program (EAP) and basic life insurance premiums to employers. Whereas before implementation, EAP and basic life insurance premiums were billed together. In addition, multiple computer programs were created for different insurances billing purposes to employers. Now after implementation, most if not all, processes is worked



through PERSLink automotive system instead of manually creating unique computer programs thus creating better accurate accounting records. Exact monthly reconciliation was not achieved with larger universities such as University of North Dakota (UND) and North Dakota State University (NDSU) and other Higher Ed entities using the old Legacy system.

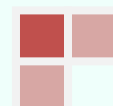
In regards to the organizational structure after the implementation of PERSLink, staff members are now required to have a broader knowledge of all benefit plans NDPERS administers. Whereas before implementation, staff only knew and worked with one benefit program on a daily basis. For example, before PERSLink was created, certain staff members was specialized in only one area, such as insurance, retirement or Deferred Comp 457 plans. In addition, there is a cleaner division of responsibility between staff and departments after the implementation of PERSLink took place. Along these same lines, staff is now aligned/organized into similar work groups, such as the benefit and insurance administrator who now enters all forms related to all benefits and insurance programs for all members. The benefit Payment Administrator now handles all benefit payment related activities, etc. This provides more opportunity for cross training coverage and it also reduces the risk of one staff person being the only one with knowledge on critical tasks such as processing benefit enrollments or applications for retirement. The PERSLink system has also allowed for better controls over documents. All documents are now scanned when received in the mail or by fax (instead of paper being distributed to staff) which increased the risk of data lost. Also by implementing PERSLink system, agency now has better controls over processes. When documents enter the NDPERS office and are scanned into the system, a workflow process occurs and this workflow is then assigned to the appropriate staff member(s) or it is also referred to as a “workflow role”. For example, Benefit and Insurance Administrator performs the work that needs to be done with that document. When the work is done (by the Benefit and Insurance Administrator),

the workflow can be completed, either suspended or reassigned to another department or “workflow role”. NDPERS can now monitor and ensure all workflows are completed in a timely manner and not overlooked or forgotten. The PERSLink system has also created better efficiency in how information is processed. As a result, staff can to direct their efforts towards more value added services for the members instead of processing data. Using the new PERSLink system has given NDPERS flexibility to greatly improve the above-mentioned processes.

POSSIBLE ENHANCEMENTS OF PERSLINK

This study will now discuss ways of enhancing PERSLink system and to also improve the organization itself so that it can run more smoothly with less stress and tears from the entire staff at NDPERS.

First suggestion of enhancing PERSLink system is to have the various departments of NDPERS have their own quarterly departmental meeting to conduct the same or similar survey questions mentioned previously. This would promote brainstorming and open up conversation with staff and their supervisor of ways to make the new computer system run more efficiently and smoothly. This impacts job satisfaction and staff members could also brainstorm what job duties they would improve or change. Another suggestion would be to make this an ongoing quarterly meeting agenda item and not to only reserve this type of conversation solely during annual job evaluation/reviews. Each department manager would report his or her findings to regular departmental manager’s weekly meetings. If managers find a common problem(s) or issue among all of the departments, management should address this issue/problem(s) during a regularly scheduled all staff meeting. They can discuss the issue/problem(s) among all staff members to provide training and solutions. Incorporating this step will help bring staff together so that everyone is on the same page as management, and to ensure business processes can run as smooth and



efficient as possible. Research shows that staff needs to know and feel like management really cares and listens to their concerns in an open and inviting atmosphere where people can feel free to ask questions and provide comments/feedback regardless of positive or negative without threat of upsetting or offending other team members and management. In addition, staff will then realize that management is on their side and will be more inclined to step up to the plate and contribute by taking more ownership of the role they play in the organization.

Another area to enhance is the overall organizational culture and how management is dealing with the new PERSlink computer system. Management at NDPERS is focused on task orientation and the overall attitude or consensus of getting business processes done quickly with few errors. Unfortunately, the staff surveyed mentioned that management has not taken time with each individual department to outline six months' worth of goals and visions of how NDPERS can further improve and succeed with the new computer system. Staff feels there is no formal long-term action plan in place by Management. Staff wants to be reassured that the PERSLink system is used to its maximum effectiveness and potential capacity. Staff observes management putting out quick fires of problems/issues and only using short-term solution fixes. Management needs to incorporate, in a timely manner, to focus on the overall long-term problem and solution fixes approach to ensure problems are solved the first time around and will not come back to haunt the organization later. Research shows that most management teams follow the short-term problem and solution fix approach and fail to look at the overall process of fine-tuning for long-term problem and solution approach fixes. As a result, organizations find that the problem/issue comes back to haunt them at an usually unexpected time. By incorporating long-term solution and fixes, approach to problems will save this organization time and money. Research shows that most management teams have focused on the task-orientated role but fail in the role of the

supportive and participative leadership environment style. The NDPERS organization should take a more supportive and participative role when working with staff and as a result will retain their employees long-term on their payroll. In order to be a successful leader and manager, the managers must first listen and understand staff points of view. The successful leader/manager must lead with clear and consistent goals of where they want to see the organizational unit level be in the next five to ten years. Management then needs to communicate this vision to their staff members. When staff members know what is expected of them, they will take ownership and will achieve the outcome management has for the organizational unit. Studies show that staff members want and expect from management a clear and concise long-term plan so they know the whole reasoning of why they do the job duties that they do instead of being dictated on what to do and have no reasoning from management why they are doing these job tasks. By incorporating and communicating a clear action plan for the organizational unit, staff in return will feel more empowered and feel more a part of the organizational team and will give their loyalty and long-term support back to the organization. Research shows most managers in large companies or organizations will take on the great diplomatic role. These managers have great emotional intelligence, but in most cases lack the strong leadership role that will give staff a clear overview of goals and expectations of the organization for the future.

Another way to enhance this organization is to hand out actual job performance awards or performance-type of incentives at the end of the year. Unfortunately this agency cannot participate in this activity because at this time is against the law, unless legislature approves NDPERS along with other state agencies to pass a law or provision that the annual job evaluations will be geared to be more performance-based. There has been some discussion of basing annual job evaluations on work performance instead of what is currently being used for state agencies by Human Resource Management Services of North



Dakota state government. This would be a good idea incorporating a performance-based type annual job evaluation and incentives for employees to work for the state system. As a result, these employees would then stay employed with the state system until they retire. When there are no performance-based job evaluation and incentive programs created, everyone across the board gets a raise whether or not they do a satisfactory job or not. This results in staff not working at their full potential or improving upon their job skills since there are no awards or incentives in place. In the future, if the state legislature passes this provision, and gears the annual job performance-based evaluations, this may motivate staff at NDPERS to be more creative and insightful when exploring their annual job performance goals for the upcoming year.

In observing this state agency for this study, NDPERS has embraced the first factor, which was the extent, and complexity of the business change. This state agency did set aside the availability of current staff to work and create, from the ground up, the PERSLink system. Management was able to work full-time on this project and then decided to provide short-term employees to cover staff who were working full-time on this project. An example of this was that NDPERS hired temporary full-time and part-time staff during the building process of developing PERSLink and during the implementation stage. Because of adding additional short-term staff on the payroll, it prevented interruption of normal business processes and operations to continue to occur. This was the goal of management during the building process stage of this new computerized system. In addition, NDPERS was successful in meeting the deadline of implementing the new computerized system on schedule and on budget set by the legislature on October 1, 2010, unlike other state agencies that have gone through this similar process. Another factor this agency considered was staff skills and expertise in implementing change, particularly technological change. The initial work group team who worked on this project from day one has over 20+ years each of work experience at NDPERS. Therefore, NDPERS

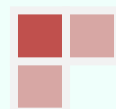
has a great wealth of knowledge from the initial group worked on implementing this new computerized system. In addition to our IT staff, we also collaborated with the State of North Dakota ITD department, along with the vendor hired to build and implement PERSLink system. Above-mentioned factors led to a great positive outcome and have achieved great success.

FAILURES/SHORT COMINGS OF PERSLINK

This study will now focus on factors NDPERS has fallen short on and how to improve upon these shortcomings.

The first factor is to pay more attention to practices/procedures and to review to maximize opportunities for improvement. On a regular basis, this agency needs to review practices/procedures of PERSLink with staff members to discuss ways to maximize opportunity for improvement and efficiency of our current workflows so that workflows can be done in a more timely and efficient manner. The focus should concern putting out quick fires to whatever problems that comes on the immediate surface, and also to take a look at the overall big picture of the problem/issue presented. Management also needs to review with staff the whole workflow process so that staff is aware and has a better understanding of the entire work process from start to finish when workload is handed out to them. As a result, they will have a better understanding of this work process from the beginning to the end when workflow is finally completed. Due to the nature of implementing PERSLink, certain business processes have changed that not all NDPERS staff were aware of when we first implemented this new computer system.

Another factor that this agency fell a bit short, echoed by the staff members who completed the survey, is this agency needed more time in testing the new computerized system before going "live". NDPERS did create a full testing environment of the entire PERSLink system but fell short on the extensive testing of key aspects conducted. This organization

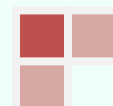


only tested certain parts, especially in the insurance billing area, for one month and needed more than one month to run the tests to make sure NDPERS had covered everything and that there would be no mishaps or hiccups with our insurance billing process with the new implementation. Because of lack of lengthy testing of the billing system, NDPERS ran into issues and problems when the system went “live” for the first time. The new system had done certain processes and staff was not entirely sure of why the system did the process as it did in certain situations. For example, failure of applying health credit amount towards monthly health insurance premiums when certain life insurance premium rates changed since it was originally built to include and to apply the health credit amounts to monthly health insurance premiums in all circumstances whether or not insurance rates changed. If NDPERS had invested more time in testing of the billing cycle, many of the bugs that PERSLink had experienced when initially going “live” would have been caught and corrected during the testing phase rather it happening during implementation phase which had made employers and members angry and frustrated and started questioning the integrity of the new billing system. Finally, the last short coming NDPERS experienced was taking the time to do usability testing for our employers when implementing PERSLink employer portal for their billing and reporting purposes. Incorporating a usability-testing environment would have made employers happy and more satisfied with the new PERSLink system before it went “live”. It would have given them a more positive experience and they would have embraced, with open arms, the new PERSLink system, which this was not the case. Evidentially employers have come to learn and appreciate the positive impact the PERSLink system has done for their workload. They are now able to submit their monthly reports and payments electronically to NDPERS in a timely manner.

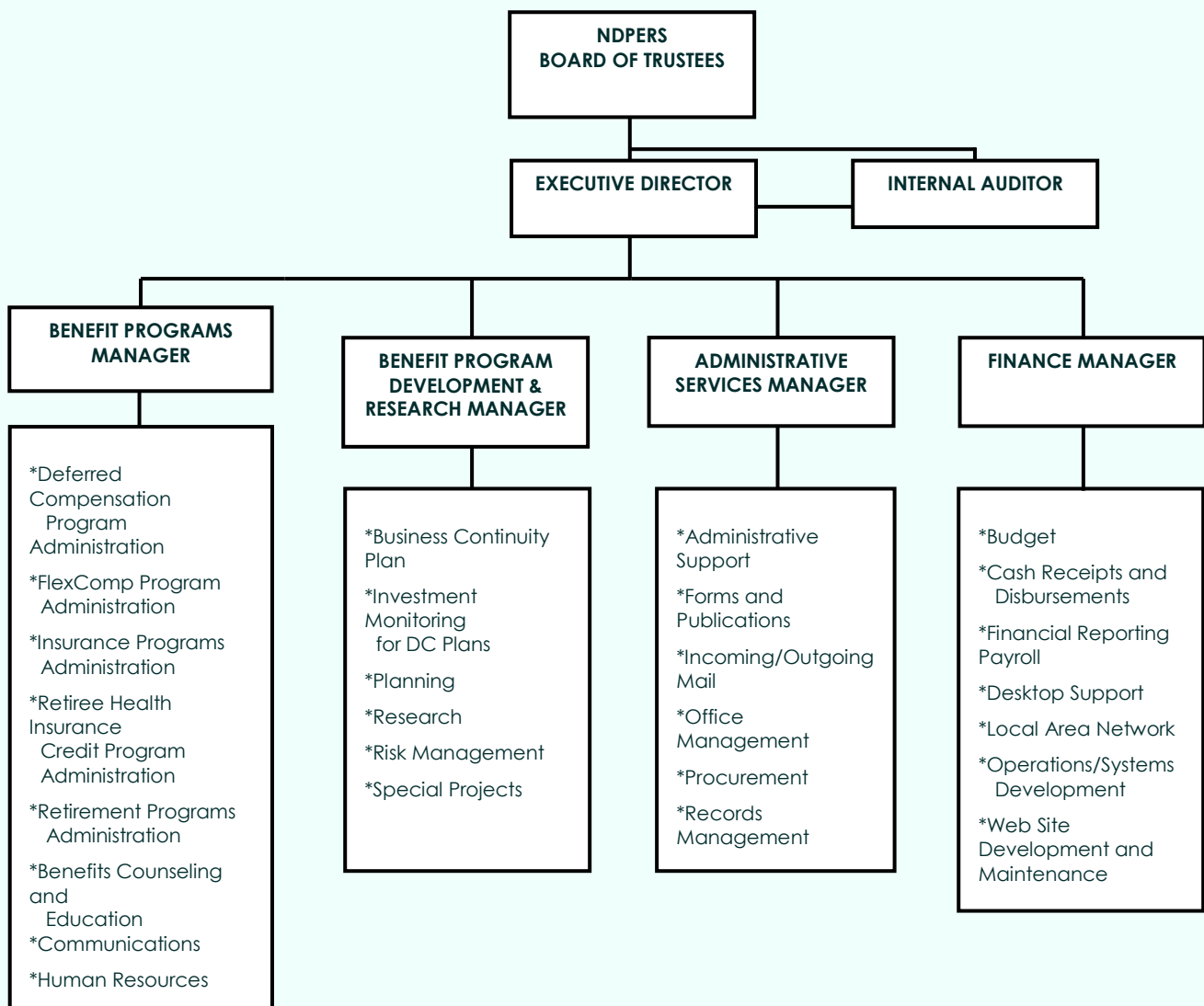
Finally, the last factor that this agency should consider is the organizational staff would have liked more extensive training, not only in the areas of

navigating around the new computerized system environment, but also staff needed training on how their everyday work tasks will be changed forever. Most staff members had to relearn their jobs over again, and staff members who only worked with one program such as retirement had to now learn both enrolling new hires on retirement and insurance, which both programs follows different rules and laws when enrolling new hires. There should also be ongoing training put in place for all staff members of the new system when new enhancements and releases become available. Actually management at NDPERS has been successful in communicating at staff meetings when new enhancements or releases becomes available that will affect all staff members. Management though had fallen short in providing in-depth training of the new computer system to each individual department before implementation. Due to the time crunch and the deadline of going “live” (October 1, 2010) fast approaching, Management had thrown together last minute training to all staff (only two weeks’ worth of training) in navigating around the new system before implementation. Management should have allowed additional time on how each staff member’s work tasks and duties will change and how it fits in the overall organizational puzzle of business processes.

In closing of the strategic plan of action introduced previously, management meetings should be scheduled. This meeting should focus on going over critical success factors that NDPERS has successfully achieved and factors or processes this agency can improve upon. By incorporating these agenda item activities during the management meetings, this will push the organization into more growth opportunity pattern and thus will create a happy and satisfying work environment for all staff members. Management in return should schedule meetings with staff to discuss what critical factors they find have been successful and factors needed to improve upon. Sharing the success factors this agency has achieved will influence staff for the better and make staff member’s workload easier to manage and to handle in the future.



APPENDIX 1



REFERENCES

- ❖ McShane S., Von Glinow M., Organizational Behavior: Emerging Knowledge and Practice for the Real World. 2010.
- ❖ Gilliam R., Personal Interview. Oct 2012.
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