

Feedback Report for:

The South Carolina Public Employee Benefit Authority (PEBA)

Columbia, South Carolina

September 2014



Preparing to read your feedback report . . .

Your feedback report contains SCGQA Examiners' observations based on their understanding of your organization. They have provided comments on your organization's strengths and opportunities for improvement relative to the Criteria for Performance Excellence. The feedback is non-prescriptive. It will tell you where Examiners think you have strengths to celebrate and where they think improvement opportunities exist. Significant strengths and opportunities for improvement are in **bold**. The feedback will not say specifically how you should address these opportunities. The specifics will depend on what you decide is most important to your organization.

Organizations read and use feedback comments (both strengths and opportunities for improvement) in different ways. We have gathered some tips and practices from prior applicants for you to consider:

- Take a deep breath and approach your feedback with an open mind. You applied to get the feedback. Read it, take time to digest it, and read it again.
- Celebrate your strengths. You have worked hard and should congratulate yourselves.
- Use your strength comments to understand what the Examiners observed you do well and build upon them. Continue to evaluate and improve the things you do well.
- You know your organization better than the Examiners, or they did not receive or understand relevant information. Therefore, not all of their comments may be equally accurate.
- Although we strive for "perfection," we do not achieve it in every comment. If Examiners have misread your application or misunderstood your organization on a particular point, do not discount the whole feedback report. Consider the other comments and focus on the most important ones.
- Prioritize your opportunities for improvement. You cannot do everything all at once. Think about what is most important for your organization at this time and decide which things to work on first.
- You may decide to address all, some, or none of the opportunities in a particular Item. It depends on how important you think that Item or comment is to your organization.
- Use the feedback as input to your strategic planning process. Focus on the strengths and opportunities for improvement that have an impact on your strategic goals and objectives.

General Comment:

The South Carolina Public Employee Benefit Authority (PEBA) was formed in June 2012, joining the former Employee Insurance Program and the Retirement Systems divisions of the South Carolina Budget and Control Board. PEBA is governed by a Board of Directors, with the final Board appointment taking place during October 2012. PEBA's organizational functions must be supervised and executed by the Board of Directors.

Because these changes in administration and executive oversight have only recently taken place, many of the organization's process descriptions and operational results provided, reflect organizational approaches to conducting business that have not been in place long enough to establish meaningful, assessable performance trends (three year minimum needed). However, some approaches, such as the strategic planning initiative are described, and have been mostly deployed. Organizational learning based on the effectiveness of described approaches and deployment strategies is planned by PEBA.

Under our assessment guidelines, processes that are planned, but have not been deployed generally do not receive comments related to "strengths" or "opportunities for improvement." In this feedback report we have made some exceptions to this rule in the hope of providing additional meaning and clarity to our feedback comments.

Also, PEBA has submitted an application under the "Explorer" category of the South Carolina Quality Forum, which would not normally include any results items. However, since the application submitted also included several results items, we have made an exception in this feedback report and included comments on some of the results items provided. It is our hope, here as well, that this additional information will assist PEBA as the organization moves forward and continues on its journey in Quality and Continuous Improvement.

KEY THEMES

Key Themes—Process Items

a. The most important strengths or outstanding practices (of potential value to other organizations) identified in THE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY'S (PEBA) response to Process Items are as follows:

Since beginning operations in 2014, PEBA's Board members and senior leaders have undertaken a number of major initiatives to produce a functional and sustainable organization. They have created governance documents, chartered standing committees, established a clear mission statement that fulfills their legislative intent, specified the organizational vision and values that may drive the agency, produced a strategic plan to guide development, identified organizational goals and challenges, and are beginning the work of clarifying performance measures and developing a workforce plan.

In addition to meeting customer needs through face-to-face and telephone options, PEBA is making extensive use of technology and provides strong customer responsiveness toward systematic approaches in their customer service delivery. Examples include, providing customers with secure online access to conduct business and manage accounts, central computer tracking of all customer inquiries, the augmentation of extra employees to the combined Call Center during peak business times, electronic fund transfer (EFT), employee intranet and instantaneous access to customer information through document imaging and Unix systems, and multiple other customer services (online live chat, website suggestion box, Facebook, Twitter, and newsfeed subscription).

PEBA's strategic plan has been communicated to agency's staff and customer groups. Strategic goals are being linked to action plans and related performance measures. A further link to each individual employee's performance evaluation is also planned. Input and feedback is planned to include a variety of sources, including customer groups and employee input on operational and workforce matters. Periodic strategic planning reviews by senior management include updates on progress towards goal completion, and a review of funding that may be necessary to support goal attainment.

b. The most significant opportunities, concerns, or vulnerabilities identified in THE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY'S (PEBA) response to Process Items are as follows:

As an organization in the early stage of development, there is little evidence of a systematic quality improvement program. Although there is evidence of some efforts in this area, (e.g., call and visitor wait times), there appears to be no defined quality improvement model (e.g., PDCA, Six Sigma, Lean Enterprise, etc.) or employee training in the selected model to address identified problems or improve customer service and operational processes.

While PEBA does not have direct control over funding, it is not clear how known funding needs will be resolved or funding shortfall effects minimized. These issues include those related to the unfunded liabilities

of approximately \$10 billion in OEP, \$13.9 billion in SCRS, the planned replacement of the agency's aging IT infrastructure, and any potential funding issues related to the continued implementation of SCEIS. Without adequate funding, in these areas, PEBA's primary purpose "to provide comprehensive and affordable insurance and sustainable retirement benefits," and the desire to continue its operational customer service improvements, may be at risk.

The agency does not appear to have a systematic approach for process management. While a variety of groups and committees affect changes to existing organizational processes, it is not clear how new processes, or how changes to existing processes are systematically deployed, to include feedback on the understanding of new processes, the effectiveness of deployment, and how resulting organizational learning is used to make further and continuous process improvements. Examples include the methodological aggregation and systematic processing of customer feedback and employee satisfaction related initiatives, as well as, processes related to the identification and acquisition of best practices.

DETAILS OF STRENGTHS AND OPPORTUNITIES FOR IMPROVEMENT

Category 1 Leadership

1.1 Senior Leadership

Your score in this Criteria Item for the Consensus Review is in the **50-65%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

PEBA's Board of Directors has developed a defined mission statement and a set of values that are used to provide direction and expectations for the agency's employees. These have been communicated to the workforce through a variety of means including meetings, printed materials, and social media avenues.

Senior leaders focus on actions designed to improve organizational effectiveness. The agency's first strategic plan was approved in October, 2013, a workforce planning document is being developed, customer satisfaction data are being collected, and additional (or replacement) performance measures are being created by senior leaders in FY14.

Stated organizational values are reflected in specific actions of the Board and senior leaders. Senior leaders routinely review key data on business efficiency, customer satisfaction, financial performance, and Past Action Reports. PEBA's value for possessing a strong workforce with engaged employees is reflected in their cross-training of staff and the use of employees as review panels to screen new applicants.

OPPORTUNITIES FOR IMPROVEMENT

Although having reduced agency operating costs by 3.5 percent between FY12 and FY13, as a fiscal steward of the funds with which PEBA has been entrusted, it is not clear how PEBA addresses or is planning to address key unfunded liabilities of approximately \$10 billion in OPEB and approximately \$13.9 billion in SCRS. Agency staff's work with public policy makers to improve or resolve these financial shortfalls may not by itself prevent or reduce these fiscal problems or any related future litigation.

Until the planned workforce survey and workforce plan are completed, it is not clear how senior leaders obtain feedback on the effectiveness of deployment of the agency's mission, values and performance expectations. Without this information, any needed corrective measures regarding the deployment and effectiveness of this communication and corresponding leader expectations may be difficult to achieve.

While PEBA indicates an organizational value for innovation, it is unclear what systematic process is used by senior leaders to create an environment to promote, support and manage innovation and intelligent risk-taking within the organization.

Although senior leaders regularly show appreciation for the work of their employees and recognize employee achievements through methods including direct contacts, emails and the annual Employee Appreciation Day, it is not evident how senior leaders determine the effectiveness of these approaches towards increasing employee satisfaction and commitment to their work.

Although one of PEBA's Key Values is "Quality Customer Services and Products" and has stated that it provides excellent customer service as defined by PEBA's customers, it is not clear if agencies (agency employers) are included. If not, senior leaders may not be fully aware of the effect on customer agencies regarding decisions that are made by the organization or fully understand the needs of agencies as related to PEBA's services, decision making, and communications methods.

Although senior leaders communicate significant items to employees such as the strategic plan, it is unclear what systematic process is used to promote, encourage and deploy frank two-way communications between senior leaders and the entire workforce on an on-going basis. Such two-way communication may assist the applicant in upholding its values for a strong workforce, professionalism and quality products and services.

1.2 Governance and Societal Responsibilities

Your score in this Criteria Item for the Consensus Review is in the **50-65%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

Senior leaders show their commitment to open and two-way communication with employees and customers by incorporating a variety of methodologies, including reviews of customer feedback, from social media survey results, and from surveys designed to provide feedback on agency leadership effectiveness. Open communication is also reflected in the posting of the strategic plan on the agency's three public web sites and routinely reviewing customer feedback and call volume metrics.

PEBA has established a plan to evaluate the Board's performance annually by the executive director, as well as the annual evaluation of the director by the Board.

In keeping with PEBA's mission and statutory obligation, fiscal responsibility is maintained through automated systems with internal controls, annual external audits, and documented disaster recovery procedures. Legal and regulatory accountability is maintained through a continuous review of requirements and operations against applicable federal and state laws and regulations.

PEBA's senior leaders encourage and support community involvement, e.g., the United Way campaign, the Harvest Hope food drive, and the Richland County School District One's Lunch Buddy Program. To facilitate this initiative, the agency maintains an Employee Recognition and Community Involvement Committee.

OPPORTUNITIES FOR IMPROVEMENT

Although the agency has been collecting data on employees who are eligible to retire in the next five years, it is unclear that there are organized methods in place for senior leader succession: to identify replacements;

efforts to systematize retiring employee's work processes for duplication by a successor; or groom potential employees for their positions.

The systematic process that PEBA uses to identify, select and determine areas of involvement with its charitable organization partners is not clear. While PEBA is involved in numerous community activities, the systematic process for measuring the impact and effectiveness of such activities within the community is not evident.

Other than agency leadership modeling ethical behaviors through their comportment, there is no evidence of an organized approach to promote or ensure ethical behavior of employees. Nor is there evidence that ethical standards and safeguards are in place for suppliers and partners, or evidence of procedures to detect or act on breaches of ethical standards for any of these entities.

Category 2 Strategic Planning

2.1 Strategy Development

Your score in this Criteria Item for the Consensus Review is in the **30-45%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

Action plans in support of the agency's strategic plan are assigned to senior leaders who serve as owners and overseers of these plans. Specific owners are charged with developing performance measures and action steps which are reviewed at management team meetings. Human and information system resources are made available to support action plan achievement. Routine reporting provides updates on progress made towards the achievement of these plans.

As part of the process of developing an agency strategic plan, PEBA Board Members and senior leaders consulted and worked with FAAC Committee members and other internal and external entities as key participants to help identify core competencies, strategic considerations, and key challenges and advantages. This supports a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) type of approach that may support the agency in its strategic planning initiatives.

Board members and senior leaders have developed a strategic plan for many of PEBA's functions, and have begun to communicate the plans' goals and expectations to its workforce and customers. Work is in progress to link the strategic plan to action plans and performance measures. Plans are also in place to apply performance measures to the agency's key contractors.

OPPORTUNITIES FOR IMPROVEMENT

It is not clear that key stakeholders, customer groups, and employees were included as participants in the strategic planning process. Such inclusiveness, consistent with PEBA's values, may benefit the agency and its stakeholders as the agency matures.

It is not clear what time horizons, long or short, for the strategic plan objectives have been determined. It is also not clear how often the agency will revisit the appropriateness of the objectives. Examples include: the strategic objective of replacing the agency's aging IT infrastructure; updating the agency's existing security policies; and meeting the increased demand for instantaneous access to account information by the agency's customers. Senior leaders may wish to consider these factors to ensure that the strategic plan will remain a viable document.

While the applicant indicates a focus and value for innovation, it is unclear how the strategic planning process is used to identify strategic creative opportunities and for seeking and introducing innovative ideas.

It is not clear if there is a systematic process in place for collecting and analyzing challenges that may impede the successful attainment of the agency's strategic objectives. A clear understanding of challenges related to each of the strategic objectives, and plan on how to overcome these challenges, may support the agency's successful attainment of its objectives.

It is not clear that key stakeholders, customer groups, and employees were included as participants in the strategic planning process. Such inclusiveness, in this and the agency's quality and performance improvement initiatives, would be consistent with PEBA's values and may help promote stakeholder commitment and agency excellence.

2.2 Strategy Deployment

Your score in this Criteria Item for the Consensus Review is in the **30-45%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

As part of its strategic planning process, PEBA determines the resources needed to support current and projected budget and financial obligations. Periodic reviews are designed to ensure that adequate funds are available.

OPPORTUNITIES FOR IMPROVEMENT

Since the strategic plan is in its early stages of implementation, there is no information on any related cycles of learning for the organization and for continuously improving the strategic planning process.

Category 3 Customer Focus

3.1 Customer Engagement

Your score in this Criteria Item for the Consensus Review is in the 30-45% percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

PEBA has identified its key customer groups and related customer requirements and has an initial systematic approach toward segmentation to understand the needs of its varying customer groups. The agency's customers – subscribers of the state's employee insurance programs, members of the retirement systems, and the covered employers for which these individuals work – are established in statute. Key customer requirements are fundamentally tied to operational processes, financial reporting and member/subscriber information.

The applicant has some initial approaches in place for listening to its customers' satisfaction and engagement. Examples include daily, periodic and annual customer satisfaction surveys, telephone, email, and face-to-face interaction, as well as, its use of social media. Along with continuous feedback through direct contact with customers, agency staff monitor the agency's Facebook and Twitter pages for customer comments, "likes," "follows," and "shares," as well as comments on news articles pertaining to the agency's programs and services. Continued emphasis on developing a systematic approach for listening to customers may assist the agency in achieving its goal for customer satisfaction.

The applicant demonstrates a number of customer satisfaction measures. For example, Figures 2 through 6 show customer satisfaction levels between 87% and 94.8% for a variety of customer service related interactions. In addition, Call Center Customer Satisfaction, Figure 10 – 11, averaged over 95% during the conversion from two call centers into one, with a 98.6% satisfaction rating during FY13. These results demonstrate positive customer service satisfaction with the agency's customer interactions.

The Retirement Benefits Visitor Center satisfaction metrics maintained their rating over 99% between FY09 and FY13 (Figure 12), while the Insurance Benefits satisfaction measures averaged 98.1% during FY13.

OPPORTUNITIES FOR IMPROVEMENT

Although PEBA deploys numerous avenues for communicating and engaging customers, such as satisfaction surveys, telephone, email, face-to-face interaction, and social media, it is not clear what systematic process is used to determine the effectiveness of these communication methods. Nor is it evident how all of this information is systematically processed, analyzed, and acted upon to continuously improve customer services. The absence of a systematic process for synthesizing its customer data into coherent, actionable strategies may impact the agency's ability to accurately respond to the needs of their customer groups.

It is not clear that the agency has a systematic process to assess customer dissatisfaction. Without a process for tracking, reporting results and determining root causes for dissatisfaction, the agency may not be able to improve key elements of its customer services.

Although Figures 2 – 6 demonstrate positive customer service satisfaction regarding customer service interactions, it is not clear if these results are reflective of the combined call center, or from multiple agency functions.

3.2 Voice of the Customer

Your score in this Criteria Item for the Consensus Review is in the **30-45%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

The applicant demonstrates a responsiveness in listening to customers and learning about their changing needs by adding options for online self-service such as secure online access, “live chats,” a website suggestion box, and social media tools. For example, Figure 8 demonstrates a 195.3 % increase in member access to online services between 6/30/2012 and 6/30/2013 as a result of the promotion of online services. The applicant’s efforts to reach customers through a variety of methods may increase its ability to further understand customers’ needs and create positive customer engagement strategies.

PEBA designs its key processes in response to legislatively mandated services and customer feedback. To better meet customer needs, PEBA combined the insurance and benefits staff into an integrated Customer Services Center.

OPPORTUNITIES FOR IMPROVEMENT

It is not apparent the applicant has a systematic process to ensure that specific complaints are resolved promptly and that, when necessary, new procedures are established to ensure that the problem does not recur. For example, while individual complaints are reviewed by the appropriate senior leaders, there is no indication that the data are aggregated or stratified to determine patterns or trends.

Category 4 Measurement, Analysis, and Knowledge Management

4.1 Measurement, Analysis, and Improvement of Organizational Performance

Your score in this Criteria Item for the Consensus Review is in the **30-45%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

Even though the number of visitors to retirement services increased 24.9% between FY11 and FY13 (Fig. 20), the maximum visitor wait time did not increase by more than four minutes during the same time period (Fig. 21), meeting the agency's goal of not exceeding a wait time of 15 minutes. This service goal was met with the same number of assigned employees, during the same time period. A similar achievement is noted in the areas of claims volumes and service purchase invoice processing, both of which experienced increased workloads without an increase in assigned employees (Figs. 22 – 23). A continued emphasis on utilizing data to support fact-based decisions that set and align organizational direction may support the applicant's strategic goals for the incorporation of customer requirements into new technology and the continued cross-training in response to peak service demands.

The applicant's approach for measurement involves senior leaders determining which operations, processes and systems to measure for tracking financial and operational performance based on statutory requirements, customer and stakeholder needs, and the agency's strategic plan. The applicant also has the beginnings of a systematic approach for managing information at all levels of the organization. Staff selects data and information that support the agency's key strategic goals, in particular, those related directly to service delivery. The agency uses multiple information systems to collect data and information, such as volume, cycle time and quality assurance.

The Average Weighted Employee Premium costs for health insurance demonstrates a five-year trend (2009 – 2013) of health insurance costs for covered employees that are low in costs to comparisons. This supports the agency's desire to provide a health insurance program that is responsive and affordable to its stakeholders.

OPPORTUNITIES FOR IMPROVEMENT

The agency has developed a strategic plan and is tracking plan achievement. However, performance measures directly linked to strategic plan objectives continue to be under development. The absence of appropriate performance measures may directly impact the applicant's ability to understand both the obstacles and the enablers for success in the achievement of their strategic objectives.

Measures and data related to the agency's participation in the South Carolina Enterprise Information System (SCEIS) have not been presented. Nor is it clear how data and information, including data related to volume, cycle time and quality assurance, obtained from the agency's multiple information systems, are collected, organized, tracked and fully integrated to improve performance. Without this information it is difficult to understand how the agency determines the impact of its strategic initiatives for operational, financial, and customer service related services.

4.2 Management of Information, Knowledge, and Information Technology

Your score in this Criteria Item for the Consensus Review is in the **30-45%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

PEBA's information systems, which have built-in safeguards and controls to ensure that data are not compromised, appear to be part of an effective systematic approach toward knowledge management and data security. This approach is deployed through fail-safe information systems which are monitored 24/7 including procedures that are in place should any system unavailability or cyber-threat occur. Penetration audits are conducted routinely throughout the year and internal auditors routinely conduct random audits to further ensure data integrity and accuracy.

OPPORTUNITIES FOR IMPROVEMENT

The agency's methodology and planning process for the anticipated replacement of its information technology infrastructure has not been established. The absence of a systematic process to develop specific plans that address details for improving the aging IT infrastructure, including concerns regarding the user-friendliness of its software within its worker and customer groups, may be negatively affect timely financial decision making, customer services and work processes, and lead to potential disruptions to key services.

Category 5 Workforce Focus

5.1 Workforce Environment

Your score in this Criteria Item for the Consensus Review is in the **10-25%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

PEBA's senior leaders and program managers have begun a workforce planning process. As part of this initiative, management is exploring gaps between factors related to the current workforce and the workforce requirements that are projected to be needed in the future. This planning process incorporates an analysis of workforce competencies needed to support the goals of the agency's strategic plan, workforce attrition, and employee development.

As an approach to workforce capability, PEBA's senior leaders recognize that a well-trained workforce is essential to the organization's performance and success, and encourage and support training initiatives through which employees may learn about programs, services and business processes, including those with which they work directly.

PEBA has worked to merge two previously separate agencies into a single entity, assimilating two workforce cultures and two different, but related, functions. In doing so, staff skills and knowledge have been assessed, expanded, and utilized to help meet customer needs.

PEBA has in place a resource allocation plan to support Call Center operations during times of peak demand. Staff from a variety of office functions has been trained to support Call Center operations. In addition, Call Center staff also assists other office functions during those times that they may need additional assistance. This reciprocal approach helps reduce customer services wait times, supports collaboration between office functions, and increases the transfer of knowledge between individual staff members.

PEBA maintains a safe and secure workplace through regular inspection and servicing of the physical plant, ongoing training of employees in emergency first aid, CPR, and disaster preparedness.

OPPORTUNITIES FOR IMPROVEMENT

While the agency uses a variety of approaches to maintain a safe, secure, and healthy workplace, it is not clear how widely these approaches are deployed throughout the agency, or how their effectiveness is measured.

While agency leaders recommend that supervisors conduct coaching sessions with their employees to support employee development, it is not clear how the effectiveness of this approach is determined, or how information obtained from these coaching session is systematically used to help determine employee training needs.

Employee training is encouraged by senior leaders, including employee maintenance of professional certifications and designations; however, it is not clear how employee training needs and requirements are systematically identified or aggregated, nor how training is made available to employees throughout the organization, as appropriate. It is also not clear how existing training is evaluated for effectiveness or how feedback is used toward continuous improvement.

5.2 Workforce Engagement

Your score in this Criteria Item for the Consensus Review is in the **10-25%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

PEBA has an initial approach to workforce engagement as evidenced by departmental and unit management teams meeting regularly to provide updates and review current business needs and issues. Input from all participants is encouraged. Unit managers work cooperatively to resolve issues that affect one or more areas of operations and to identify misaligned service delivery mechanisms.

PEBA is in the early stages of developing a systematic approach to assess and measure workforce well-being, satisfaction and motivation. The analysis of data related to these assessments, in addition to the use of regression analysis to evaluate salary data for retention, recognition and equity, support the agency's ability to understand reasons for employee separations and may assist the agency with their succession planning initiative.

Employees are encouraged toward high performance in their annual EPMS evaluation and through supervisory coaching sessions. Their performance is also linked to the agency's performance and related performance measures to which they contribute.

OPPORTUNITIES FOR IMPROVEMENT

While PEBA does have an initial approach to workforce engagement, evidence has not been provided that there is a systematic process for having defined the characteristics of an engaged workforce (elements that affect engagement). The absence of such definition may create difficulty in assessing engagement and appropriately measuring levels of attainment.

It is unclear how PEBA has defined the characteristics of "high performance" for its workforce and its various departments and sectors through an alignment with its strategic plan objectives. The absence of such a definition may make it difficult to fully engage the workforce at a high performing level in order to achieve its strategic goals.

There is no evidence that PEBA utilizes the inputs from its communications processes to ensure that its organizational culture benefits from the diverse ideas, cultures and thinking of its workforce, particularly across various locations and sectors of its organization.

Although PEBA's Human Resources Department conducts exit interviews with departing employees to determine reasons for leaving the agency, there is no indication that data are aggregated or stratified. Nor is there an approach for collecting and analyzing data and measures on workforce retention, absenteeism, grievances, and safety related incidences. Without such information, the agency may not fully understand these contributors to workforce engagement and satisfaction.

Category 6 Process Management

6.1 Work Processes

Your score in this Criteria Item for the Consensus Review is in the **10-25%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

PEBA has focused much of its improvement efforts on reducing cycle time in areas such as “wait time” for telephone and office visit customers. For example, the continual training of key staff to support operations during periods of peak customer demand supports increased timeliness and process effectiveness in enhancing customer service demands and expectations. Preliminary data suggest significant improvement.

The agency has identified its key work processes and related key process requirements. Key processes include: tracking customer requests for information, benefits, and other services; secure online access to account information; web-based technology to provide printed materials, news feeds, and social media updates; and the continual updating of PEBA’s automated systems as a response to legislative changes, process improvement actions and customer feedback.

PEBA has identified its key support processes as the automated information system, financial and accounting management, facilities and contract management, and intergovernmental relations.

OPPORTUNITIES FOR IMPROVEMENT

PEBA does not seem to have a defined process improvement model. Without a clear strategy and employees trained in its methodology, the agency may have difficulty implementing improvements that meet the standards it has set.

It is not clear how work process design and process changes are systematically planned and tested before moving them into full operation, in order to prevent service errors and rework which could negatively affect agency operations and customer service delivery. It is also not clear, whether users of the processes are included in the development and/or testing phases.

There is no evidence of a systematic approach for collecting, analyzing and processing cycles of learning with the process and product design phases, as well as the operational effectiveness phases of the work system.

While PEBA’s Information Technology Opened and Closed Service Request results show a trend of increasing workload between July 2012 and May 2013, information regarding the timeliness of work order fulfillment has not been provided. Without this information it is not clear whether or not, and to what extent, the increased workload affected timely service delivery.

6.2 Operational Effectiveness

Your score in this Criteria Item for the Consensus Review is in the **10-25%** percentage range. (Please refer to Appendix B, Scoring Guidelines for Process Items.)

STRENGTHS

PEBA has focused extensively on cost control since it began operations in 2013. Expenses have been reduced by 3.5 percent while overall costs have been held steady, and employee downsizing will be managed through attrition.

Emergency and Disaster Preparedness and Recovery Plans exist, are designed to restore vital operations within 48 hours, and support the continued operation of the agency. These plans also support the timely payment of monthly annuities during times of an emergency.

OPPORTUNITIES FOR IMPROVEMENT

It is not clear how PEBA is managing their supplier and partner relationships, improving their functioning in relation to PEBA goals, and incorporating them in process improvement efforts, where applicable.

The process used for the implementation and use of SCEIS and simultaneous use of the Statewide Accounting and Reporting System (STARS), has negatively affected reporting efficiency and interdepartmental coordination for transactions related to retirement contributions by employers and or partners/suppliers. For example, Retirement Benefits' financial staff do not have access to SCEIS, so all the transactions flow through the Statewide Accounting and Reporting System (STARS), making it more difficult and time-consuming to find the source of discrepancies and to balance interdepartmental transfer accounts.

Appendix B

2014 Scoring Band Descriptors

SCORING GUIDELINES

| SCORE | PROCESS (For Use With Categories 1–6) |
|-----------------------|--|
| 0% or 5% | <ul style="list-style-type: none"> ▪ No systematic approach is evident; information is anecdotal. (A) ▪ Little or no deployment of any systematic approach is evident. (D) ▪ An improvement orientation is not evident; improvement is achieved through reacting to problems. (L) ▪ No organizational alignment is evident; individual areas or work units operate independently. (I) |
| 10%, 15%, 20%, or 25% | <ul style="list-style-type: none"> ▪ The beginning of a systematic approach to the basic requirements of the Item is evident. (A) ▪ The approach is in the early stages of deployment in most areas or work units, inhibiting progress in achieving the basic requirements of the Item. (D) ▪ Early stages of a transition from reacting to problems to a general improvement orientation are evident. (L) ▪ The approach is aligned with other areas or work units largely through joint problem solving. (I) |
| 30%, 35%, 40%, or 45% | <ul style="list-style-type: none"> ▪ An effective systematic approach, responsive to the basic requirements of the Item, is evident. (A) ▪ The approach is deployed, although some areas or work units are in early stages of deployment. (D) ▪ The beginning of a systematic approach to evaluation and improvement of key processes is evident. (L) ▪ The approach is in early stages of alignment with your basic organizational needs identified in response to the Organizational Profile and other Process Items. (I) |
| 50%, 55%, 60%, or 65% | <ul style="list-style-type: none"> ▪ An effective systematic approach, responsive to the overall requirements of the Item, is evident. (A) ▪ The approach is well deployed, although deployment may vary in some areas or work units. (D) ▪ A fact-based, systematic evaluation and improvement process and some organizational learning are in place for improving the efficiency and effectiveness of key processes. (L) ▪ The approach is aligned with your organizational needs identified in response to the Organizational Profile and other Process Items. (I) |
| 70%, 75%, 80%, or 85% | <ul style="list-style-type: none"> ▪ An effective, systematic approach, responsive to the multiple requirements of the Item, is evident. (A) ▪ The approach is well deployed, with no significant gaps. (D) ▪ Fact-based, systematic evaluation and improvement and organizational learning are key management tools; there is clear evidence of refinement and innovation as a result of organizational-level analysis and sharing. (L) ▪ The approach is integrated with your organizational needs identified in response to the Organizational Profile and other Process Items. (I) |
| 90%, 95%, or 100% | <ul style="list-style-type: none"> ▪ An effective, systematic approach, fully responsive to the multiple requirements of the Item, is evident. (A) ▪ The approach is fully deployed without significant weaknesses or gaps in any areas or work units. (D) ▪ Fact-based, systematic evaluation and improvement and organizational learning are key organization-wide tools; refinement and innovation, backed by analysis and sharing, are evident throughout the organization. (L) ▪ The approach is well integrated with your organizational needs identified in response to the Organizational Profile and other Process Items. (I) |