

# Human Resources Modernization

Modernization may be defined quite simply as an improvement that makes a business more efficient. This can be accomplished by replacing or upgrading out of date skills, processes, or technologies. For the purposes of this playbook, modernization is defined as, **‘the progressive transition from traditional business practices (i.e., organizational structure, transactional processes and procedures, workforce competencies and qualifications, and legacy technologies) to more current practices that provide an operational advantage to performance (i.e., quality, timeliness, satisfaction) and possibly cost efficiency.’**

Key to successful modernization is the ‘progressive’ or incremental nature of effort. That is, agencies are often best suited to smaller changes that can be more easily funded, monitored for outcomes, and controlled for risk.

Lastly, modernization proposes a change in mindset, wherein decision makers, managers and front-line workers willingly adopt new modes of performing traditional work for the express purpose of improving performance, replacing unnecessary legacy processes or technologies, and freeing up time to take on new activities.

- [Building the Case for HR Modernization](#)
- [Defining Modernization Outputs](#)
- [Defining Modernization Outcomes](#)
- [Defining the Business Case](#)
- [Building a Winning Business Case](#)

# Building the Case for HR Modernization

The purpose of the **Federal Human Resources Modernization Business Case Playbook** is to help users increase the probability of securing modernization activity approval and the supporting funding by preparing better business cases. The playbook provides a guide for federal government decision makers to prepare winning business cases for human resource (HR) modernization activities by focusing on gap identification, outcome selection and cost considerations.

For the purposes of this playbook the term 'outcome' refers to both outcomes [changes to operating conditions] and outputs [results of production] collectively. Each output's benefit thus is considered as either an improvement to production or change to the operating environment that provides the agency an advantage or efficiency in achieving its mission.

Not all modernization activities will require funding beyond an agency's operational budget. For example, the adoption of governmentwide human resource service measures, such as those promulgated by the [Human Resource Quality Service Management Office \(HR QSMO\)](#), and advocated by the [HR Line of Business](#) may allow agencies to simply shift into a uniform method of performing human resource work to improve its timeliness, efficiency and accuracy, thereby modernizing its human resource services.

## Key Questions

1. How can I ensure that I am identifying all gaps between the current and future state operations to effectively lead, advise, and influence HR modernization efforts?
2. What data can I document to develop a comprehensive, evidence-based business case that is both defensible and actionable?
3. What surveys and interview methods can I use to capture anecdotal experiences critical to human-centered HR modernization planning?
4. What outcome(s) and/or output(s) should be prioritized to assist with planning the future state of HR operations?

5. How can I determine the readiness of the organization for HR modernization initiatives?

## Checklist

Thoroughly review the *Federal Human Capital Business Reference Model* (HCBRM) to determine opportunities for modernization initiatives. Map the 15 functions and 54 sub-functions

Compare current state service measures in light of desired future state utilizing [HR Service Measures](#). A simplified sample of service measures targeted for modernization is included [here](#).

# Defining Modernization

## Outputs

Generally, outputs related to improved human resource **productivity** might include decreased processing times, reduction in errors, reduction in required resources to perform work, elimination of non-compliant hiring actions, reduction in EEOC complaints, accomplishment of DEIA goals, reduction in sensitive data breaches or exposures, increased productivity, improved workforce management, and increased workforce data cleanliness and accuracy.

### Key Questions

1. Do you have access to current performance data and metrics including current cycle times and costs for each of the defined Human Capital Business Functions?
2. Which of the outputs represent the highest priority for modernization?
3. Are there any “quick wins” that can be seen as incremental or progressive in nature that are more easily funded, monitored for improvements, and minimize risk?
4. How can I ensure there are decision makers, managers, and front-line workers who are willing and able to support necessary performance improvements?
5. What process improvements can be realized through hiring, training, process reengineering, or system upgrades?
6. Do we have sufficient internal resources needed to realize these process improvements?
7. What process improvements can only be realized through a purchase action?
8. What financial resources will be required from internal and external sources?

# Checklist

Gather at least two years of performance data, more if available.

Identify the current cycle times for each of the defined [Human Capital Business Functions](#).

Compare your current performance data and metrics against the HR Line of Business Service Measures for each of the five HR Federal Integrated Business Framework (FIBF) HR Management Services, including [Talent Acquisition](#), [Talent Development](#), [Employee Performance Management](#), [Compensation and Benefits](#), and [Separation and Retirement](#).

Prioritize task-based and human-centered process improvements that can be realized without additional financial or external contracted resources.

Prioritize system-based process improvements with the highest probability of success and return on investment (ROI).

# Defining Modernization Outcomes

Modernization is not always about cost savings or cost avoidance. In fact, agencies can often suffer double expense during implementation due to sustaining legacy processes or procedures while implementing and testing new ways of doing business. Modernization outcomes can result from either improvements to the **operating environment** or **process-related efficiencies**. Improved outcomes result in an increased ability to perform mission activities effectively and efficiently. Outcomes can include sufficient staffing to perform mission activities; ability to acquire the right talent; increased process efficiency; improved user experience; reduction in audit findings involving management of workforce, financial, and technology resources; employee retention; increased employee satisfaction; decreased absenteeism; and activities fostering future talent development.

## Key Questions

1. What evidence can be utilized to guide modernization efforts to improve customer, user, or employee satisfaction?
2. What outcomes should be prioritized for modernization based on my agency's operational priorities?
3. How can I ensure that outcomes are achievable and present meaningful targets?
4. What modernization changes to the operating environment are required to affect desired outcomes?
5. What process-related changes can be made to improve outcomes without procurement actions?

## Checklist

Conduct interviews, surveys, and comparative studies to target areas for improvement.

Meet with agency leaders to confirm operational priorities.

Engage key stakeholders to select and define the value of modernization activities.

Conduct an analysis of service measures, key performance indicators, and cost-benefit determinations on proposed process improvements and system modernizations.

# Defining the Business Case

The primary aim of a business case is to provide information on the benefits, investment (in time and resources), and risks associated with a modernization proposal. A well-crafted business case provides the basis for effective decision making.

Further, a business case captures the reasoning for initiating an investment and must support a specific, demonstrable business need. That is, the business case provides not only a clearly defined business need, but a modernization activity that is designed specifically to meet that need. And of course, as the business case identifies specific, related benefits, the ongoing viability of the modernization activity can continue to be measured against it.

## Key Questions

1. How will the business case establish the value, relevance, and importance of HR modernization for the agency?
2. How will I ensure the implementation plan is properly communicated and managed?
3. How will the business case reduce risk and improve the probability of successful delivery of benefits?
4. How will I lead, advise, and influence the agency's HR modernization plans to optimally utilize agency resources toward the highest value opportunities?

## Checklist

Evaluate stakeholder inputs, service measures, key performance indicators, and cost-benefit analysis on proposed process improvements and system modernizations to ensure value, relevance, and importance.

Establish communications with working groups, employee forums, management roundtables, and executive councils to ensure alignment on plans, goals, and objectives.

Plan and conduct pilot projects, test business use cases, and evaluate cross-agency best practices, success stories, and available HR modernization solutions on the [HR Quality Service](#)

## Management Office.

Evaluate modernization recommendations to guide optimal resource utilization in alignment with the agency's desired outcomes for human capital management.

# Building a Winning Business Case

An effective business case clearly communicates an opportunity (problem) for change (modernization), the benefit(s) expected to be achieved through the activity, alternatives considered, funds needed and an anticipated timeline for value realization and the potential for investment recovery. A good business case gives decision makers confidence that the modernization recommendation has undergone rigorous analysis and that it is the best option to overcome existing problems and realize desired outcomes.

The level of detail, complexity of analysis and even the size of the document should be proportional to the scale of the problem, the size of the modernization investment, the anticipated outputs, and outcomes to be realized, and the level of effort expected to be expended. A winning business case is clear (easily understood, logically structured), concise (to the point, factually based) and persuasive (presents a compelling argument).

## Key Questions

1. What key elements will you include in the executive brief to ensure stakeholders understanding of the business problem and the proposed solution(s)?
2. What evidence will you present to support organization readiness, including proof of concept, prototype, or pilot results, or key performance indicator analysis you have conducted?
3. How will you ensure your recommendations align to the agency's desired outcomes?
4. How does your modernization plan incorporate strengths, weaknesses, opportunities, and threats and consider alternative recommendations?
5. How will your plan address investable resources, recovery methods and timelines for return on investment?
6. What funding sources have you identified?

7. How will your plan address the cost of not modernizing?
8. How will your implementation plan address change management, governance, and accountability?
9. What reporting mechanisms will your plan include?
10. What future steps are required to reinforce a culture of continuous improvement?

## Checklist

Define a clear Value Proposition Statement by including the benefit, uniqueness, and feasibility of the modernization activity, while addressing the needs of stakeholders.

Visit the sample documentation from previous modernization business cases on the M3 Example MAX Page.

Follow the Building a Winning Business Case guide from the HR Modernization Playbook.

Establish an executive roundtable review of the business case to ensure engagement and alignment with agency leadership.

Revise the Business Plan in accordance with agency priorities and available resources.

Identify modernization plan owners responsible for execution and delivery of successful outcomes on budget.

Monitor, document, and report on plan deliverables and modernization results while identifying additional opportunities for continuous process improvement.