



January 15, 2013

To: Chancellor Page, Vice Chancellor Wyke

From: Tracy Bigney

Cc: HR Administrative Review Team, OE Partner Tamara Mitchell
David Stevens, Executive Director of Organizational Effectiveness

Subject: Human Resources Administrative Review Progress Report

The Human Resources Administrative Review Team has continued its work in analysis of the HR function and opportunities to improve efficiency and maintain or improve quality of service.

Highlights of work in October – December

Analysis Phase

- Continuing our work with the matrix of HR functions that we developed, we have identified six functional areas and two over-arching areas that we think have the greatest opportunities for increased efficiency. These areas have been presented to HR leadership, campus presidents and executive staff and all HR and EO staff throughout the system. The six functional areas are:
 - Recruiting, hiring, onboarding
 - Add technology, applicant tracking (USM pilot), employee orientation
 - Centralize functions such as placing ads and background checks
 - Process redesign (UM pilot on lean process)
 - Benefits administration and customer service
 - Expand Employee Benefits Center (Phase II)
 - Labor relations
 - Formalize role of campus experts to increase consistency and accountability
 - Classification and reclassification
 - Decisions can be made by a few staff with specialized knowledge rather than at every campus
 - Payroll and data entry
 - Need to improve consistency of use of MaineStreet

- Review payroll roles at System and campus to determine whether there is unnecessary duplication
 - Establishing and maintaining payroll records
 - Payroll data entry
 - Employee Development and Training`
 - Mandatory training
 - Leadership development
 - Two additional overarching areas are technology and decision making.
- We gathered data from campuses about staff and budget resources dedicated to HR in total and in the areas we are considering for review to help us determine a ballpark idea of potential savings/return on investment.

Communication, Feedback and Input

- Over the last two months we have focused on communication, feedback and input. This has resulted in identification of campus leadership and HR/EO staff perceptions and priorities that will be incorporated into our work.
 - Conducted structured discussions combining progress report and broad interview questions with president and executive staff of each university
 - Conducted structured discussions combining progress report and broad interview questions with HR/EO staff at each university
 - Themes from these meetings are attached
 - Received detailed feedback from one president about impact of some past and current system initiatives on campus HR work and reviewed for lessons for the future

Design Phase

- We have developed preliminary analytical tools to examine decision making and service delivery models and have engaged in discussion with HR leadership around those issues.
- We issued a request for proposals and have selected a consultant to provide over the shoulder review of our work and to lead us in a process of considering alternative service delivery models. The consultant will also assist with identifying benchmarks and best practices.
- We developed a synthesis of the analysis work to date
 - Proposes focusing our work on developing shared services for payroll administration and benefits administration, completing work on document management and spreading e-recruitment to all universities.
 - With each of these initiatives we would work with the consultant to determine needs for technology and HR staff and the related costs, savings and time.
 - Functional accountability would be assigned to the campus or system level for transactions, customer service and strategy.
 - This phase of our work does not include conducting business process review; process review is an essential part of the work to be done if our recommendations are accepted.

- Work on other functional areas (labor relations, classification, employee development) would continue after successful implementation of these priorities
- We are now reviewing this synthesis with the themes of the input from presidents' staffs and HR/EO staff

Work has continued to progress since January 1. This work will be reflected in our next progress report.

Project plan with status of each step identified for June – December follows:

Timetable

Project timeline for June – December

June 2012

- Form review team --DONE
- Plan work --ONGOING
- Initial communication with all HR/EO staff --DONE
- Consider/establish mechanism for review of all hiring in HR/EO system-wide to maximize future flexibility --DONE; soft freeze in place as of 9/21/12
- Define the scope of HR/EO --DONE

July 2012

- Select consultant --Initial consultation with NCHEMS completed; SELECTED CONSULTANT TO BEGIN WORK IN FIRST WEEK OF JANUARY
- Identify barriers to change and factors that limit efficiency --Initial identification DONE

August 2012

- Review standards, benchmarks, best practices, staffing ratios and previous studies and assessments of UMS HR function --IN PROCESS
- Develop a matrix of HR functional components to be used to assess current services and plan future service delivery -- DONE
- Inventory current staff and resources dedicated to HR --DONE

SEPTEMBER 2012

- Assess HR current services against matrix for duplication and gaps --DONE
- Gather data about perceptions, priorities and preferences from:
 - Major stakeholders: administrators, managers, supervisors, employees, retirees -- COMPLETED for campus leadership (president and executive staff)
 - Major internal partners: University Counsel, ITS, finance and budget --NOT AT THIS TIME

- All HR/EO staff –DONE
- Gather information about opportunities for enhanced use of technology in areas such as self-service for applicants, employees and managers; document imaging and management; workflow; and knowledge management –IN PROCESS
- End of Analysis work

October 2012

- Begin Design Work
- Based on best practices, stakeholder and HR staff input, and Review Team judgment, determine best level of organization for each functional component at the transactional, customer service, and strategic levels. Organizational levels may include:
 - campus autonomy (each campus responsible for itself),
 - lead campus (one campus provides for the whole system),
 - inter-campus team (team with staff at multiple campuses led from System or campus),
 - multi-campus cluster (several campuses join together, regional service center),
 - System Office, or
 - Outsourcing
 IN PROCESS
- Work with ITS to determine feasibility and costs of enhanced use of technology
HAVE HAD PRELIMINARY CONVERSATION; TO BE CONTINUED AS NEEDS ARE REFINED

November and December 2012

- Design service delivery mechanism for each functional component at the transactional, customer service and strategic levels; assess efficiency, cost-effectiveness, estimated cost savings, and risks FOCUSING ON AREAS IDENTIFIED AS HIGHEST OPPORTUNITIES FOR EFFICIENCY, WE ARE EXPLORING SHARED SERVICE MODEL, USE OF TECHNOLOGY, LEAN PROCESS AND CLEARER SPHERES OF RESPONSIBILITY FOR SYSTEM OFFICE AND CAMPUS
- Evaluate opportunities for greater use of technology IN CONJUNCTION WITH WORK ON SERVICE DELIVERY MECHANISMS
- Preliminary exploration of costs for areas recommended for outsourcing NO POTENTIAL OUTSOURCING IDENTIFIED TO DATE
- Design accountability and leadership model to fit with proposed service delivery mechanisms; greater distribution of services to lead campus, inter-campus teams or multi-campus clusters requires accountability above the campus level IN PROCESS

January – March 2013

- We have a very aggressive timeline with the consultant starting to work with us at the beginning of January. We anticipate completing our report by March 15 in accordance with the project plan and presenting it to the Board of Trustees at the May 2013 meeting.

Attachments:

Themes from meetings with presidents' staffs and HR /EO staffs
Resource inventory

1/15/13

University of Maine System

HR Administrative Review

Themes from campus leadership teams and HR/EO staff

1. Common themes from both Leadership teams and HR/EO staff
 - Strong support for role of campus HR on all campuses. Visibility/credibility of HR on campus, consultation and local quality customer service very important
 - Reinforced need for local knowledge in relation to performance mgmt., parts of hiring, and handling of complex or sensitive matters
 - Strong recognition that human capital management is important but is currently a gap in HR service (ee development, mandatory training, leadership development...)
 - Generally broad support for improving data management/technological solutions (ehire, workflow, e-training) and streamlining business processes (bpr, lean methodology, less paper).
 - Multiple campuses mentioned specific concerns with any consolidation of student employment/payroll – only other proposed area of consideration to generate overall caution or concern was classifications/reclass (requires detailed knowledge of job and campus culture)

2. Campus Leadership Feedback
 - Nearly all HR services are essential services – payroll, comp & benefits, employee relations/performance mgmt., labor relations, HR consultation services. (*consistent with the team's matrix review*)
 - Five of the seven campuses were relatively open to broader coordination/centralization of services provided we maintain or improve: customer service, local HR management consultation (coaching, perf mgmt., organizational & workforce management), and achieve savings.
 - Two campuses more skeptical of any benefits of centralization.
 - Universally recognized issues with decision making process (lack of clarity or accountability).
 - Positive unsolicited feedback on EBC from a couple of campuses, one campus strongly negative
 - Currently recognized gaps are in employee development & training and lack of formal inclusion of campus leadership in labor relations strategy & communications (two campuses went further and referenced poorly functioning LR strategy as evidenced by state of bargaining)
 - Scalability is important – differences may be due to campus size or rural vs. more urban settings
 - “Review overload” mentioned by several campus teams.

3. Campus HR/EO Feedback

- Intentional communication plan, shared expectations (clarity) between system office & campus (most often cited area needing better communication: LR, compensation also mentioned)
- More HRIS authority (correct history, time admin, security) should be decentralized (mentioned by most campuses)
- Need better reporting, integration of databases (HRIS, GL, Campus Solutions)
- Would like to see improved training (round tables?) for HR staff
- One campus specifically concerned regarding potential loss of positions due to review
- One campus indicated centralization of some things on a campus makes sense (vs. at other non-campus location) – more in tune with campus realities
- One campus not supportive of any consolidation of services. Campus feels they can provide superior service in all areas.

Add to matrix: tracking tuition waivers, PATFA performance mgmt, Student employment (payroll), crisis management, HR succession planning, employee recognition, retiree benefits, not enough detail in reporting, HR security administration, workers comp, OSHA, position mgmt., payroll specifics

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