October 15, 2012

To: Chancellor Page, Vice Chancellor Wyke

From: Tracy Bigney

Cc: HR Administrative Review Team, OE Partner Tamara Mitchell

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. Specific accomplishments since our August progress report include:

Analysis Phase

- Using the matrix of HR functions and activities that we developed earlier, we have identified components of our work that are Mission Critical/Mandatory, “Should do” to provide excellent service, and “Would be nice.” A notable finding is that a very substantial amount of HR work is mandatory by law (compliance, collective bargaining, etc.)
- We have also identified HR functions and activities as transactional, customer service or strategic. This work has prepared us to identify the areas with greatest opportunities for increased efficiency and other areas for later development.
- The matrix includes eight major components and about 65 more detailed activities covering the full scope of HR and EEO.
  - **Talent Management**: recruitment, onboarding, performance management (coaching, performance appraisal, discipline, discontinuances), employee development
  - **Total Rewards**: compensation, benefits, wellness and health improvement, leave management, working conditions
  - **Labor and Employee Relations**: collective bargaining, communication, grievance administration, contract administration, consultation, personnel files and records
  - **Organization Development**: employee and leadership development, succession planning, workforce planning and management, change management, metrics, management consultation, conflict resolution
  - **Payroll**: time and attendance, data entry, payroll processing, compliance, reporting, withholding, remittances
• **Equity and Diversity**: equal opportunity, affirmative action, diversity, complaint investigation, training
• **Human Resource Information and Reporting**: software system, electronic records, reporting
• **Institutional Leadership and Planning**: strategic planning, advising executives, policy development, compliance oversight, management to goals, project management, President’s/Chancellor’s designee, high level group facilitation, system-led initiatives

- Identified areas of greatest opportunity for increased efficiency and started a discussion of which activities could be performed in a more center-based/centralized manner. We have about 8 areas that might be characterized as administrative streamlining and 3 – 4 other areas that represent more major structural and/or cultural change.
- We will be reviewing the areas of greatest opportunity with the campus HR and EO directors in mid-October and with all HR and EO staff across the System the following week.
- As the next level of analysis of the areas of opportunity we will be reviewing each through the lenses of staffing; potential use of technology; customer service; difficulty of change; time horizon for change -- short, medium or long-term; and institutions to benchmark with.
- In order to identify best practices we have reviewed web sites for several universities and university systems that are undergoing administrative transformations to see what areas of HR they are focusing on and changing. The results show that we have already accomplished some of the changes other institutions are making (e.g. enterprise HR and payroll system) and that some of the areas we are looking at as opportunities for improvement are also being reviewed and changed at other institutions.
- With assistance from the National Center for Higher Education Management Systems (NCHEMS) we have identified universities and systems to explore for best practices and have identified some preliminary benchmarking data. We will be reviewing the NCHEMS benchmarking data to better understand the comparisons and will also look for other benchmarking data.
- We will be gathering 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.

**Design Phase**
- We will be entering the design phase by the end of October. This is about one month behind our initial schedule.

**Timetable**
*Project timeline for June, July, August and September*
*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; future need for consultants to be determined

☐ 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 –IN PROCESS

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 –NOT AT THIS TIME
  ☐ Major internal partners: University Counsel, ITS, finance and budget --NOT AT THIS TIME
  ☐ All HR/EO staff –WEEK OF OCTOBER 22

☐ 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

10-15-12