

# **Human Resources Strategy & Structure - and - Update on Administrative Review**

**Lynda Dec  
September 2014**

## Part I: Human Resources Strategy & Structure

*The HR Strategic Plan provides the framework for the University System's most important asset—its people.*

## HR's 7 "Pillars" of Focus:

- HR Technology Plan and Metrics
- Benefits/Wellness
- HR Service Delivery Model
- Compensation
- Recruitment
- Work Culture
- Performance Management/Professional Development

## Develop HR Technology Plan and Metrics

### Priorities:

- **Develop HR Technology Plan with IT**  
To prioritize projects, set timelines, and establish necessary resources.
- **Develop a Human Resource Dashboard**  
Integral to the plan, in order to measure the success of the HR strategic plans

## Benefits/Wellness

Benefit programs are not sustainable and may pose additional risk due to the Affordable Care Act

Priorities:

- **Benefit Program Redesign**  
Evaluate medical, disability, pharmacy, etc.
- **Wellness Program Design**  
Develop long-term strategy & evaluate ROIs
- **EHPTF Mission & Focus**  
Redefine goals to better support UMS

## **HR Service Delivery Model**

Comprehensively outlined in upcoming Updated Admin Review presentation

Priorities:

- **Centralization/Automate/Outsource the HR Administrative Functions**
- **Develop Campus Strategic HR Business Partner Model**

## Compensation

Currently: two established pay programs, SECCP for salaried employees and HECCP for hourly employees

Priorities:

- **Establish a Center of Excellence**
- **Create greater visibility on salary decisions**
- **Establish practices & policies that reduce risk: inequities, competition, PR**
- **Develop common titling language and levels to leverage System-wide talent**

## Recruitment

Priorities:

- **Deploy a System-wide applicant tracking solution**
- **Consolidate sourcing of applicants**
- **Combine the spending to optimize purchasing power and savings**
- **Build a world class recruiting function in support of the University System's vision and strategy**



## Work Culture

Create a culture of collaboration, support, and partnership in dealing with employees, unions, and across campuses

Priorities:

- **Develop a clear Labor Relations strategy**
- **Move to a centralized Labor Relations support model**
- **Develop assessment tools and plans to improve the climate across the System**

## **Performance Management/Professional Development**

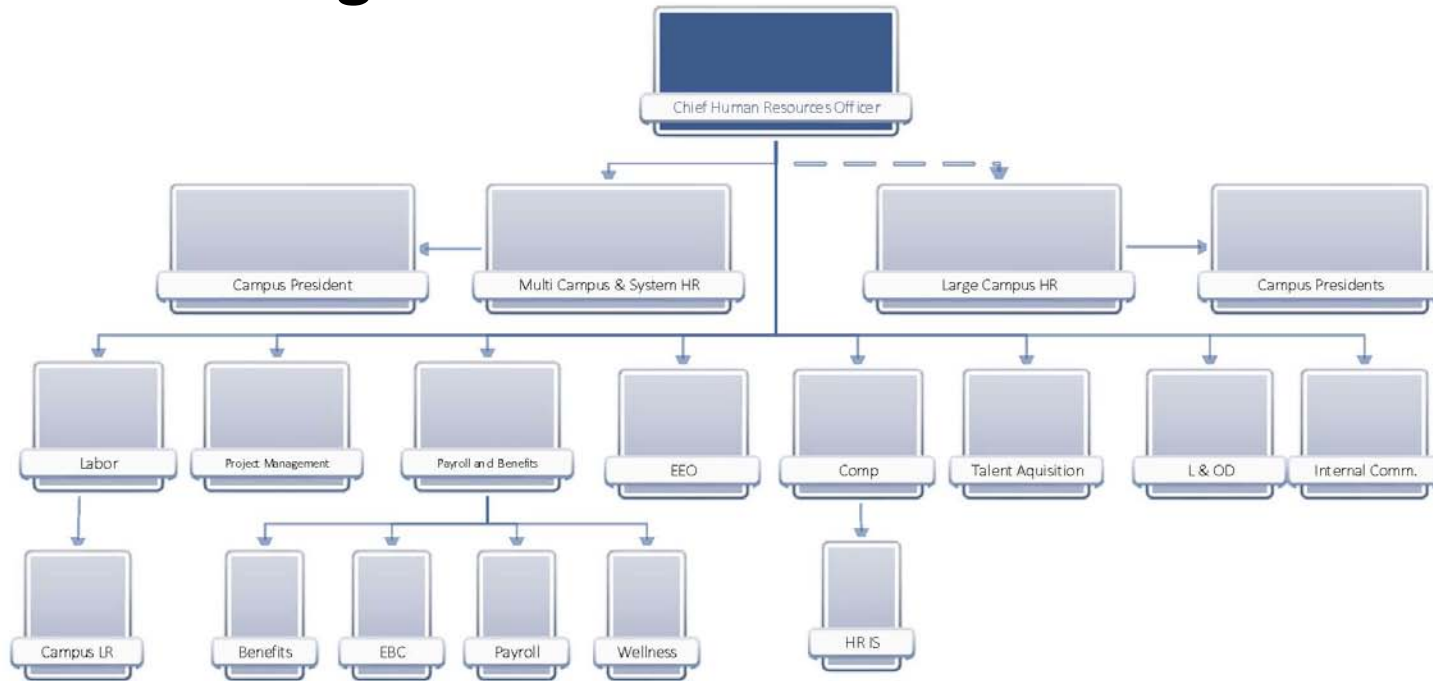
### Priorities:

- **Establish a Center of Excellence in this area**
- **Establish a strategy and plan that support the organization's strategy and people needs in order to deliver on the strategy**
- **Establish a central database for tracking plans, achievements, reviews, etc.**

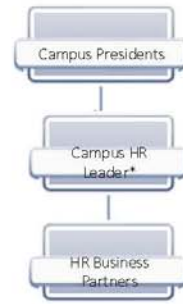
## Human Resources Structure

A proposed HR organizational chart follows and will be more fully expanded upon in the next presentation: Update on the HR Admin Review.

# Future HR organizational chart



## Campus Model



\*Smaller campus leaders may be combined role

## Part II: Human Resources

# Updated Administrative Review

## Goals

- Transition the HR Department to be more flexible and responsive to the University's changing needs
- Concentrate on highly critical or specialized services areas that were identified in the original HR Admin Review:
  - Create a new HR Service Delivery Model
- Support the Board of Trustees Strategic Outcomes

## Phase I

Established an HR vision, strategy, and structure to position the department to deliver on its commitment of improving services while identifying opportunities for cost savings.

- Eliminated 7.5 (net) headcount through outsourcing and consolidation across campuses
- Gained efficiencies in administration, with a net savings of just under \$1m
- Created efficiencies in benefits budget after outsourcing expenses and eliminating positions, realizing \$273,000 (net) in benefits administrative costs

## Phase II: Transforming HR to a Strategic Function

Moving to a service delivery model requires the creation of Centers of Excellence and decentralized Human Resource Business Partners:

- Campus-based HR staff serve as strategic HR Business Partners
- Centers of Excellence (COE) provide a level of expertise not previously provided to the System
- Areas requiring transactional and repetitive administrative work will be further examined
- Concentrates headcount on those areas that are extremely critical & highly specialized in order to achieve superior service delivery



## **Campus HR staff as Strategic HR Business Partners**

This model utilizes new technology and enhanced ways to deliver HR services and improve the experience for stakeholders (employees, applicants, retirees), while shifting task-oriented work as well as specific areas of focus to Centers of Excellence. By freeing up substantial amounts of time previously spent on task-oriented work, staff members are able to provide services—at a breadth and level not previously available to the System.

### **HR Business Partners:**

- Report directly to the individual University that they support
- Work with campus leadership to ascertain the tools and people required to deliver on University goals and objectives.
- Utilize COEs to provide support in the areas of culture change, organizational design, succession planning, employee development, talent acquisition, etc.
- Direct campus employee relations and have tools to manage campus-related issues.
- Focus on pressing needs such as working with campus-based union representatives on day-to-day issues, problem solving, strategic planning, communications, and employee development.

## **Establishing Centers of Excellence (COE)**

Labor Relations  
Recruiting/Talent Acquisition  
Learning & Organization Development  
Compensation/Data Analytics  
Equal Opportunity  
Benefits Administration  
Project Management  
Communications

## **COE: Labor Relations**

Led by a director and includes:

- Building cooperative, strategic relationships with campus leadership, managers and union representatives
- Consulting and strategizing with campus managers/HR partners
- Tracking and assembling bargaining and training needs
- Implementing a proactive communication strategy that supports campus and System-wide goals

System-wide LR responsibilities would include:

- Lead contact/relationship manager for a particular union(s), including System-wide bargaining responsibilities
- Providing System-wide labor relations training

## **Benefits of a Labor Relations COE**

- Provides a dedicated labor resource where one does not currently exist, augments and provides additional depth
- Increases consistency in contract administration, advising and training managers, communication between the campuses and System, and coordinates communication with local and System union leadership
- Addresses succession management issues: builds bench strength gaining experience with each union, builds System-wide experience negotiating and union relationship management
- Labor COE will operate with a total headcount of five FTEs in FY15, and four in FY16. Investments needed in training of managers and HR Business Partners

## **COE: Recruiting/Talent Acquisition**

Function includes:

- Position approval, posting of positions, tracking applicant data, screening for minimum qualifications, processing paperwork, background checks, offer/appointment letters, and on-boarding of new candidates

## **Benefits of a Recruiting/Talent Acquisition COE**

- Ensures volume rates for the advertising/posting of positions
- Provides consistent data and analysis for Affirmative Action Plans, Title IX, and compliance-related reporting
- Automated systems will expand our recruitment capabilities in on-boarding, resume screening and social networking
  - Applicant tracking system (ATS) allows recruitment from one System-wide applicant database.
  - Allows us to build candidate pools based on projections and recruiting plans.

## **COE: Learning & Organizational Development**

Function addresses & provides expertise in:

- Employee development, goal setting, training needs, succession planning, employee engagement, manager development, and tracking and reporting

### **Benefits of Learning & Organizational Development COE:**

- Managers use technology systems to do reviews, reports are easily generated, training needs may be identified and tracked.
- Training compliance will improve in training areas such as Affirmative Action, Title IX
- Will help identify critical positions & internal talent well before a need
- Engages our employees in new ways of becoming agents for positive changes across the System

## **COE: Compensation/Data Analytics**

Function addresses & provides expertise in:

- Developing and maintaining the salary system for all employees in the organization

## **Benefits of Compensation/Data Analytics COE:**

- Provides a high level of campus support
- Establishes consistency, develops programs and systems that allow cross-utilization of talent and a competitive labor market advantage
- Creates consistent processes, reduces duplication, increases accuracy and efficiencies
- Maintains updated salary programs, keeping UMS more competitive and eliminating salary discrepancies



## **Other COEs:**

### **Benefits COE**

- Long-established at UMS in meeting the employees' needs and has a high level of expertise in plan design, compliance, and cost control
- Currently has significant focus on addressing ACA requirements, designing plans that control costs

### **Project Management COE**

- Provides System-wide support on change and transitional projects and will assist on campus projects, conduct training and provide expertise to individuals and work close with ITS project managers

### **Communications COE**

- Provides support for all HR COEs, change management across the System, wellness, other departments, as well as general statewide employee communications
- Transparency in communications is the biggest mover of change and will become increasingly integral to the success of our change efforts

## Headcount Levels

- Current headcount: HR statewide 72 with annual salaries and benefits of approximately \$6.0 million
- Future headcount: headcount of 61 by the end of FY18. Phase I & II provides for a total headcount reduction of 17.6%
  - Exact positions not yet identified. Assumes average salary & benefits of \$60,000/yr (some will be higher and others lower)
- Net reduction: Phase II eliminates a total of 23, adds 12 in the Centers of Excellence (COE), for a net reduction of 11
- Opportunities: affected employees may be eligible for 12 COE positions based on experience & skills. As with IT & Procurement, not all COEs will be based in Bangor.
  - It will take a couple of years before we move to this model and, in that time, we will also look for other employment opportunities for affected employees
- Timing: will be determined based on the both the investment in & implementation of technology

## Campus support

- System-wide HR/ERL group agreed and recommended a 300/1 ratio of total employees to HR business partners.
- To start, a 200/1 model is proposed, as this a transformative change.
  - Over time, more efficiencies may be realized and future support levels adjusted, based on experience and feedback

**Current & proposed status of HR staff on campuses:**

University	Current			Proposed			
	Total employees	HR employees	Ratio of Total Emp to Total HR Emp	HR Business Partners	Non-HR Work	Reduction in HR Employees	Ratio of Total Emp to HR Bus. Part. Emp
UM	2,264	19	119/1	11	2	6	206/1
UMA	343	6	57/1	2	1	3	172/1
UMF	342	3	114/1	2	1	0	171/1
UMFK	116	3	38/1	1	0	2	116/1
UMM	94	2	47/1	1	0	1	94/1
UMPI	157	3	52/1	1	0	2	157/1
USM	1,185	15	79/1	6	1	8	198/1
UMS*	291	2	145/1	1	0	1	291/1
<b>Totals</b>	<b>4,792</b>	<b>53</b>	<b>90/1</b>	<b>25</b>	<b>5</b>	<b>23</b>	<b>192/1</b>

\*This graph does not include the 20 HR employees currently serving statewide University Services.

## Technology: Initial Investment of \$1.2m

- Savings will not be realized until FY17 at \$1.1m (cumulative) and, thereafter, annual net savings of approximately \$1.6m

Estimated Net Savings After Investments

FY	FTE Action (net)	New HR Structural Compensation Savings	Total HR Structural Compensation Savings	Technology Investment	Annual Net Savings	Total Cumulative Savings
FY15	(See Page 3)	(\$20,118)	(\$20,118)	0	(\$20,118)	(\$20,118)
FY16*	-2	\$1,110,412	\$1,090,294	\$1,200,000	(\$109,706)	(\$129,824)
FY17	-7	\$420,000	\$1,510,294	\$250,000	\$1,260,294	\$1,130,470
FY18	-2	\$120,000	\$1,630,294	\$250,000	\$1,380,294	\$2,510,764
FY19			\$1,630,294	\$250,000	\$1,380,294	\$3,891,058

\*Includes dollar savings from FY14: a 7.5 headcount reduction at UMaine which could not be realized as part of admin review until FY16.

## **The essence of the plan—remove all transactional services from the campuses**

- Utilize technology, implement consistent processes & practices across the campuses
- Self-service model results in less foot traffic and paperwork

### **Areas include:**

Benefits administration (new hire benefits/open enrollment, leaves of absence, retirement, tuition waivers),  
Payroll, Administrative support staff

These changes will require greater ownership: managers must monitor employee time, and employees must promptly enter their time and ensure it is correct.

## **In Summary**

This plan is an estimate of headcount reductions, investments required, and savings.

Additional work needs to be done to scope out and identify the exact positions and dollars associated with the reductions.

The investments required were based on estimates provided by multiple vendors. Actual costs will be built out once the scope of work is defined and the RFP process is completed.

Savings will be further defined as the timing of automation will determine the timing of headcount reductions.



Maine's  
Public  
Universities

UNIVERSITY OF MAINE SYSTEM