Human Resources
Administrative Review
Conceptual Recommendations

University of Maine System
May 2013

Meeting the Human Resource Needs of UMS
Now and in the Future

May 24, 2013
Review Team

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Status & Timeline

- Conceptual plan under review by Steering Committee, Presidents, Shared Services Advisory Council, Chief Academic Officers, Board of Trustees, Campuses – May & June
- Team completing financial analysis
- Plan posted on Mission Excellence Website and Feedback Survey open: May 24 - June 28
- Scheduled for BOT action July 15
Scope of HR Review

• Human Resources
  • Talent Management (hiring, managing, developing)
  • Total Rewards (compensation and benefits)
  • HR Information and Reporting
  • Institutional Leadership and Planning
• Equity and Diversity
• Labor and Employee Relations
• Organizational Development
• Payroll
HR Services

- Human Resources work can be seen in these categories:
  - Transactional – repeated, standardized
  - Tactical/customer service – high touch
  - Strategic
- Almost all current HR/EO services are mission critical or legally mandated
- Many “should do” HR services are performed only to a limited extent
Criteria for success

- Interoperable- having “depth” not “redundancy”
- Competent-quality customer service, high level of professionalism
- Consistent, timely and clear - in data, decision making and policies.
- Savings and/or efficiencies
Input into analysis phase

- Discussions with all campus and system office leadership teams
- Discussions with HR/EO staff at each campus and system office
- Consultant workshops
Common Themes of Input

- Strong support for the role of local HR on all campuses and system office
- Need for local knowledge
- Strong recognition that strategic human resource management is important but is currently a gap in HR service
- Generally broad support for improving data management/technological solutions
Leadership Input

- Nearly all current HR services are essential services.
- Universally recognized issues with decision making process (lack of clarity or accountability) across the organization.
- Currently recognized gaps are in employee development and training and lack of formal inclusion of campus leadership in labor relations strategy and communications.
- Scalability is important – differences may be due to campus size or rural vs. more urban settings.
HR/EO staff input

- Need an intentional communication plan and shared expectations (clarity) between system office and campuses
- More HRIS authority should be decentralized
- Need better reporting, integration of databases
- Would like to see improved training for HR staff
Sibson Consulting Assistance

- “Over the shoulder” assistance to review Team’s work
- Identify best practices and benchmarks
- Led workshops to explore organizational designs for HR
  - About 20 employees from HR/EO, IT, Finance from across the System participated in three workshops
Impact of Human Resources

- **HR function**
  - About 83 FTE employees in HR/EO departments
  - Total cost $7 million

- **UMS Human Resources**
  - 5,700 faculty and staff (human resources)
  - Total cost about $350 million (compensation and benefits); 73% of E and G budget
Comparison of Two UMS 2012 Operating Expenses

10% improvement would be $43.4 million

10% improvement would be $0.7 million
Expanded Scope of Review

- Make the HR function more efficient
- while investing in strategic HR management
- to affect the overall effectiveness and productivity of UMS human resources
Overarching Recommendation
A New Paradigm

- Strategic Human Resource Management (SHR) to leverage the total human resource asset.

Strategic Human Resource management is recognizing an organization’s human capital as being the principal source of the organization’s innovation and competitive advantage. In doing so, the focus shifts from: How do we get our employees to do a particular function or task? To How do we best engage and inspire our workforce for our mutual benefit?
New Paradigm

- SHR Key practices:
  - institutional planning,
  - talent management (finding, attracting, nurturing and developing employee talent, proper positioning of individuals within the organization, and off-boarding),
  - alignment (aligning individual, group and organizational goals),
  - culture/work environment management (encouraging employee engagement and decision-making, morale, retention), and
  - organizational development (structures, human capacity planning, efficiency and effectiveness)
New Paradigm

- Employee engagement
  - *UMS success depends on faculty and staff engaged in doing our best work to fulfill the universities’ missions*
  - *Drive decisions to the lowest appropriate level*
  - *Employee development to provide skills and abilities*
  - *Increase authority and accountability of employees and managers*

- Optimal service delivery
  - *Different HR services require different delivery mechanisms*
  - *Customer/Client Focused*
What does the new paradigm require?

- Long-term culture change
- Engagement means leaders delegate more decisions and manage through employee accountability and audit mechanisms
- Service orientation
- Up front investment in staff and technology
- Education of HR staff and administrative leadership
The Plan to achieve this

1. Leadership team representing all universities and the system office
   - **Team of four**
     - System Chief HR Officer
     - “Super 6” HR leader for UMA, UMF, UMFK, UMM, UMPI and SWS
     - UM Associate VP for HR
     - USM Chief HR Officer
HR Leadership Team

• Clear authority for UMS HR policy, program, practices and budget
  • *Improve decision making and consistency*

• Venue to discuss and balance tension between campus perspective and “system-ness”
  • *Better define areas of responsibility, accountability for system office, campuses, shared services*

• Multi-Campus Position
  • *Strong equal voice for smaller/mid-sized institutions*
  • *Strategic HR leadership and expertise to supplement and support campus HR resources*
Staffing based on competencies

- Competencies will be defined for all positions
  - “Knowledge, skills, abilities, self-image, traits, mindsets, feeling, and ways of thinking” (Society for HR Management)

- Starting with the Leadership Team the selection process will ensure that employees have the competencies for the positions

- Commitment to: competency based staffing, providing opportunities for current employees, employee development, and limiting workforce disruption
The Plan

2. Transition the HR function

A. HR leaders are business partners with chancellor and presidents

B. Educate HR staff, administration and leadership about strategic HR and service orientation
The Plan

3. Optimal service delivery – differentiated and client focused

A. Critical role of HR at each campus
   - High touch, requires local knowledge
   - Advising on personnel policies and labor relations
   - Assisting with innovation and group process
   - Designing, training and auditing performance management
   - Supporting employees
   - Employee, manager, leadership and organization development
The Plan

3. Optimal service delivery – differentiated and client focused

B. Share Expertise

- Not every campus can or needs to have high level expertise in every area of HR
- Staff at larger campuses and system office with specialized knowledge share with smaller campuses
- Pilot a Shared Expertise Team and if successful, expand to other areas
- Areas to be considered: Benefits and Wellness; Organization Development/Communication; Labor Relations; Equal Opportunity/Diversity; Compensation
The Plan

3. Optimal service delivery - differentiated and client focused
   C. Shared services for transactional work
      - Repeated, standardized work
      - Build on Employee Benefits Center (EBC)
      - After EBC is transitioned and enhanced, add payroll, aspects of recruiting, and data entry
      - Centralized management; co-located
The Plan

3. Optimal Service Delivery - differentiated and client focused

D. Process Improvement

- Employ Lean process improvement to HR
- Eliminate unneeded steps and rework; decision making to lowest level of appropriate authority
- HR processes affect all departments; savings are not just in HR
- Estimate savings of 10 – 16%
- Expand to all other areas after HR
The Plan

- Optimal Service Delivery - differentiated and client focused

  - E. Invest in technology and IT support
    - *Increased IT support and increased capacity within HR to manage technology – ultimately 2 positions in HR (replacement headcount, not new) and 1 in IT*
    - *Technology needs will be assessed using the standard business case model and phased in as projects are approved and pilot projects demonstrate success*
      - Case management
      - Applicant tracking, e-recruitment
      - Imaging/Document Management
      - Workflow
      - Expanded employee and manager self service
The Plan

- Optimal Service Delivery – differentiated and client focused
  - E. Invest in technology and IT support
    - Medium and longer term considerations may include
      - Learning Management System
      - Performance management
      - Portal with knowledge center
      - Data warehouse
  - F. Use 360° feedback
    - For work groups and individual leaders
    - Formulate action plans to address areas of improvement
The Plan

4. Staged investment and implementation to demonstrate success of the new paradigm
   - Form & develop Management Team
     - Develop full implementation plan for approval
     - Lead and assess pilots
   - Pilot Lean-HE process improvement in benefits and recruitment
   - Pilot shared service center: transition and enhance Employee Benefits Center (with technology investment)
   - Begin education and transition to strategic HR

Future phases subject to approval of implementation plan and business case review for additional technology investments
Financial Impact

- Investment in specialized staff and technology
  - *Pilot projects will be initiated to demonstrate the value of the new paradigm and service delivery models*
  - *Full implementation plan to be approved by Board of Trustees*
  - *Future investments subject to management approval*
- Savings in FTE as technology and business process redesign are fully deployed
- FTE in HR/EO function reduces from 83 to 74 (subject to appropriate investments)
- Savings make it possible to invest in SHR at relatively little added cost over time
Invest in Strategic HR to Gain Longer Term Savings

- Expand Lean process outside HR to create savings in all administrative areas
- Improved management by Leadership Team
  - Consistency
  - Controlling costs – administrative, benefits
- Improved Engagement and Decision-Making
  - Improved dialog with bargaining agents
  - Improved communication with employees
- Improved service to students and the State of Maine
- Investment is required to create longer term savings for strategic, core mission priorities
Assessment

- Metrics and assessment to be spelled out in Implementation Plan
- 360° feedback
  - HR workgroups
  - Leadership Team
  - Individual leaders
- FTE reduction in HR
- Documentation of Lean process results
- Annual assessment by Presidents Council and SSAC
Implementation

- Preliminary Implementation
  - Define and fill the Leadership Team positions
  - Initiate pilot projects
  - Assess pilots
- Full implementation plan subject to approval by Board of Trustees
- Future investments and projects subject to management approval
Feedback Reminder

- Report and survey are available on the Mission Excellence website:
  
  https://mycampus.maine.edu/group/mycampus/think-mission-excellence

- Survey Period: May 24 – June 28
Timeline Reminder

- Vetting process by Steering Committee, Presidents, Shared Services Advisory Council, Board Finance and Facilities Committee – May 1 – May 16
- Roll out to HR/EO staff after May 8
- Board of Trustees SHR discussion - May 20
- Seek feedback from University community – May 22 – June 28
- Board of Trustees action – July 15
• Reactions and Questions