

2013 Human Resources Administrative Review

Phase I – Scope of Work and Financial Impact

Overview

During the upcoming fiscal year, FY14, Phase I of the recommendations will focus on the composition and development of the Human Resources Leadership Team, the expansion of the Employee Benefits Center, and the education of University System leadership and HR staff on Strategic HR.

HR Leadership Team

The HR Leadership Team (LT) consists of the UMS Chief Human Resources Officer (CHRO), the UM Associate VP for Human Resources, the USM CHRO, and the Multi-Campus CHRO.

The LT is charged with advancing a collaborative governance structure to oversee human resource policy, program, and budget for the entire university system, subject to appropriate approval.

Specific Tasks for FY14:

- Determination of the proper competencies for each of the positions in the LT
- Recruitment, hiring, and positioning of the LT to competencies
- Development of the LT and the formation of a common vision for HR
- Oversight of system-wide and campus HR policy, program, and budget
- Responsibility and authority to identify headcount reduction/savings to support the following ongoing investments:
 - ✓ Additional EBC positions (2 FTE)
 - ✓ Case Management Technology
 - ✓ HR Liaison - IT (1 FTE)
 - ✓ Multi-Campus CHRO (1 FTE)
- Conduct initial training for University System leadership and HR staff on Strategic HR
- Planning, implementation, and oversight of the Employee Benefits Center expansion
- Development of a business case for the next pilot project from the Human Resources Administrative Review report recommendations to commence in FY15

Employee Benefits Center (EBC)

The EBC is the first logical pilot project under the HR Administrative Review given the existence of a business case dated March 12, 2012, the significant experience of current stakeholders in the prior development of the virtual EBC, and the opportunity to conduct a simultaneous pilot of LEAN to redesign EBC processes.

The HR Administrative Review Report identifies employee benefits as a transactional service – those services that are uniform and repetitive, easily automated, and for which a team of employees working together give the service economy of scale. The EBC would report up to the UMS CHRO; however, the entire LT is charged with successful planning, implementation and oversight of the EBC.

Specific Tasks for FY14:

- Location of suitable space for co-location of the EBC staff
- Identification of savings to cover the additional ongoing cost of the EBC
- Recruitment, hiring and positioning EBC staff and HR Liaison - IT to competencies
- Utilization of LEAN to redesign EBC processes
- Identification of the scope of work and preparation of the RFP to procure case management technology
- Implementation of the procured technology

**2013 Human Resources Administrative Review
Phase I - Scope of Work and Financial Impact**

	<u>FY14¹</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
<u>Leadership Team (LT)</u>						
Administrative Investment						
<i>Future Additional Investments:</i>						
1 FTE - Multi-Campus/US Lead	\$113,550	\$151,400	\$151,400	\$151,400	\$151,400	\$151,400
Travel	3,750	5,000	5,000	5,000	5,000	5,000
Supplies/Misc.	1,125	1,500	1,500	1,500	1,500	1,500
* Total Investment	\$118,425	\$157,900	\$157,900	\$157,900	\$157,900	\$157,900
<u>Employee Benefit Center (EBC)</u>						
Administrative Investment						
<i>Current Investment</i>						
4 FTE	\$169,208	\$225,610	\$225,610	\$225,610	\$225,610	\$225,610
<i>Future Additional Investments:</i>						
2 Additional FTE	80,444	107,258	107,258	107,258	107,258	107,258
Supervisor (Upgrade)	3,975	5,300	5,300	5,300	5,300	5,300
Temp Employees	5,700	7,600	7,600	7,600	7,600	7,600
2 phones	1,200					
Computers (2) plus replacements	3,800	1,900	1,900	1,900	1,900	1,900
General Office Supplies	2,250	3,000	3,000	3,000	3,000	3,000
Total Administrative Investment	\$266,577	\$350,668	\$350,668	\$350,668	\$350,668	\$350,668
<i>Less existing EBC staff funding:</i>						
2 FTE - University Services	(95,755)	(127,673)	(127,673)	(127,673)	(127,673)	(127,673)
2 FTE - UMaine	(73,453)	(97,938)	(97,938)	(97,938)	(97,938)	(97,938)
* Total Additional Admin. Investment	\$97,369	\$125,057	\$125,057	\$125,057	\$125,057	\$125,057
Technology Investment						
<i>Future Additional Investments:</i>						
Case Management Software - one-time	\$125,000					
Case Management Software - ongoing		\$37,000	\$37,000	\$37,000	\$37,000	\$37,000
IT Hardware/Support	9,500	9,500	9,500	9,500	9,500	9,500
1 FTE - HR Liason to IT (FY14 = 1/2 yr)	37,500	75,000	75,000	75,000	75,000	75,000
* Total Technology Investment	\$172,000	\$121,500	\$121,500	\$121,500	\$121,500	\$121,500
* TOTAL ADDITIONAL INVESTMENT (LT & EBC)	\$387,794	\$404,457	\$404,457	\$404,457	\$404,457	\$404,457

<u>Savings & Additional Funding</u>						
Human Resources ongoing savings (TBD)	\$0	\$202,229	\$404,457	\$404,457	\$404,457	\$404,457
UMS one-time investment	387,794	202,228	-	-	-	-
TOTAL ADDITIONAL FUNDING	\$387,794	\$404,457	\$404,457	\$404,457	\$404,457	\$404,457

¹ FY14 reflects 10/1/13 implementation unless otherwise noted

Note: All compensation based on FY13 salary & benefits - no factor included for future increases

2013 Human Resources Administrative Review Final Report Changes Based on Feedback

Changes that will show up in the final report are as follows:

- Only asking for approval of Phase I: Scope of Work
- Financials included for Phase I
- Leadership Team of four has the responsibility and authority to identify and make HR administrative changes that ensure that phase I is cost neutral by year three of the implementation.
- Include the requirement for benchmark data and metrics as part of the full implementation plan for future phases
- Each new software/technology investment will require an approved business case
- Less jargon – use words more commonly accepted by the University community
- Clarification on a number of points
 - Engagement (helping employees to do their jobs more effectively) not empowerment (as defined in the 70s and 80s). Report will clearly articulate expectations.
 - Outsourcing is certainly an option to be considered for a number of the current services.
 - More clearly articulate the audit/correct portions of the change cycle.
 - Use different words to explain the 360-degree feedback recommendation so it is clear it applies to both individuals and work groups (from their customers). Also that it can be on-going, rather than once/year.
 - Better clarify the role of the Multi-campus Leader and the relationships involved.
 - Clarify in the report that a significant portion of the efficiencies gained will be utilized to staff SHR and to build in change management resources (as opposed to further headcount reductions).
 - Be cleaner in group definition: System-wide services, University Services, and System office.
 - Include System-wide or shared service in vision statement.