

# Human Resources Team Presentation

**Charge:** Develop and review options for organizational restructuring including but not limited to further decentralization, consolidation at one campus, or consolidation at Statewide of functions that support improvements in service and cost effectiveness through outsourcing, automation, intercampus collaboration, process standardization, and other means TBD by the team.

**Scope:** All of HR across the system.

**Goals:** Reduce operating costs. Align with UA priorities.



# Team Members

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# Key Stakeholders

- ▶ Employees
- ▶ Executive Leadership and Management
- ▶ Unions
- ▶ Institutional Research (IR), Information Technology (IT), Finance

# HR Opportunities and Best Practices

1. Foster “one-university” thinking and a culture of continuous improvement.
2. To realize savings and efficiencies from automation and modernization of HR systems for long-term benefits.
3. Comprehensive and periodic review and update of HR policies, process and regulations.
4. Information capital – leverage computing and information technology to realize efficiency, improved services and enhanced decision making.
5. HR is a strategic partner.



# HR Definitions

1. **Strategic Services**: HR expertise that aligns programs, policies and rewards with mission of organization. Includes total rewards, organizational development and talent management.
2. **Consultative Services**: HR services requiring professional expertise in the areas of labor relations, employee relations, employee development, organizational development, compliance, and recruitment.
3. **Transactional Services**: HR services requiring technical expertise in the areas of payroll, personnel assignments, employment documentation, and face-to-face services.
4. **PPA/CCC**: Payroll - Personnel Assistant/Cost Center Clerk is a department employee assigned certain duties to assist the department manager with HR transactions.

# Options

Option 1 – Continued Implementation of Statewide Transformation and Establishment of HRC

Option 2 – Consolidated Administration, Decentralized Consultation

Option 3 – CHRO Direct Oversight of Campus HR

Option 4 – Autonomous Regional Offices

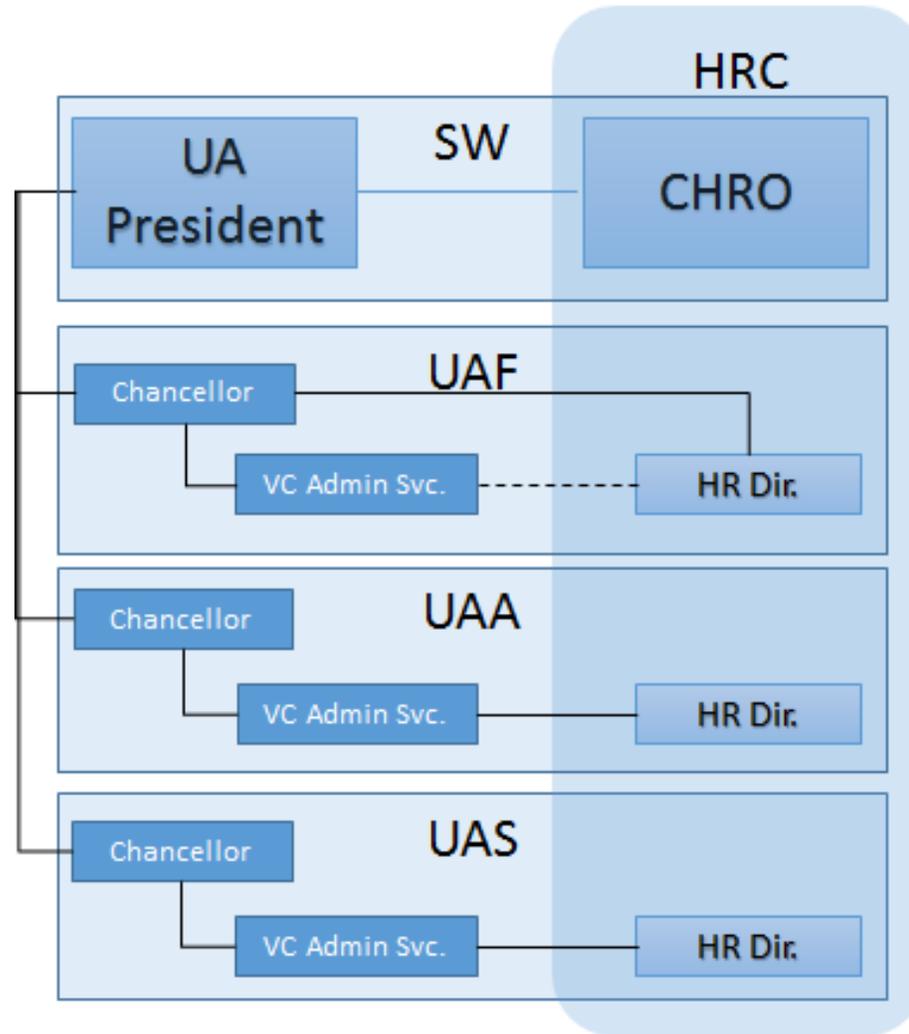
# Option 1: Continued Implementation of Statewide Transformation and Establishment of HRC

HR Council (HRC) with HR Directors and CHRO to collaborate on strategy, standards, best practices, and automation of processes.

Move Statewide payroll, personnel, and employee relations to UAF.

# Option 1: Proposed Organization

Continued Implementation of Statewide Transformation and Establishment of HRC



# Option 1: Pros and Cons

## Continued Implementation of Statewide Transformation and Establishment of HRC

### Pros

- ▶ Improved standardization, communication, coordination and collaboration between campuses and Statewide maximizing effectiveness of HR expertise across UA System
- ▶ HR Directors located on campus embeds expertise and deeper understanding of the university unique needs (positive impact of HR as a strategic partner). Localized decision making on HR matters.
- ▶ Allows immediate focus on efficiencies gained and costs reduced by improved automation efforts

### Cons

- ▶ May require more costs in HR labor compared to a more centralized model
- ▶ Will not create massive reductions in operating costs beyond those cuts already made
- ▶ Does not create the appearance of significant structural change



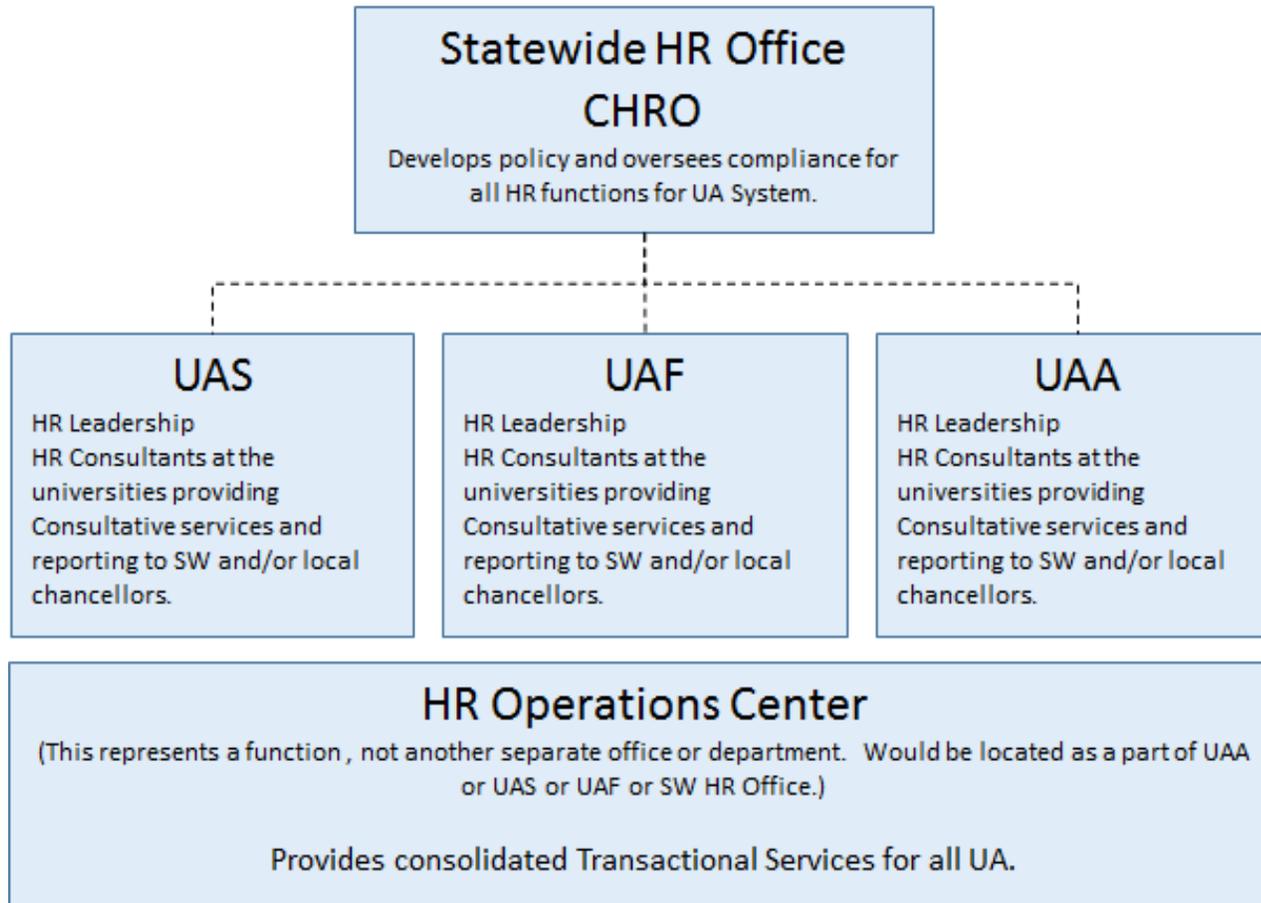
# Option 2: Consolidated Administration, Decentralized Consultation

Consolidation of Transactional Services into an Operation Center at Statewide or one campus with each University providing Strategic and Consultative Services at regional campus offices.

CHRO provides centralized policy decision making, oversees compliance, and guides University HR directors.

# Option 2: Proposed Organization

## Consolidated Administration, Decentralized Consultation



# Option 2: Pros and Cons

## Consolidated Administration, Decentralized Consultation

### Pros

- ▶ Consistent interpretation and application of policy and procedures for employees, HR, and management
- ▶ Improved trust, communication & collaboration between the campuses and main HR office
- ▶ Pooled resources may cost less

### Cons

- ▶ Centralized Transactional Services does not address the inefficiencies inherent in the system
- ▶ Perceived loss of control at campus level if centralized Transactional Services
- ▶ Risk loss of HR Technicians



# Option 3: CHRO Direct Oversight of Campus HR

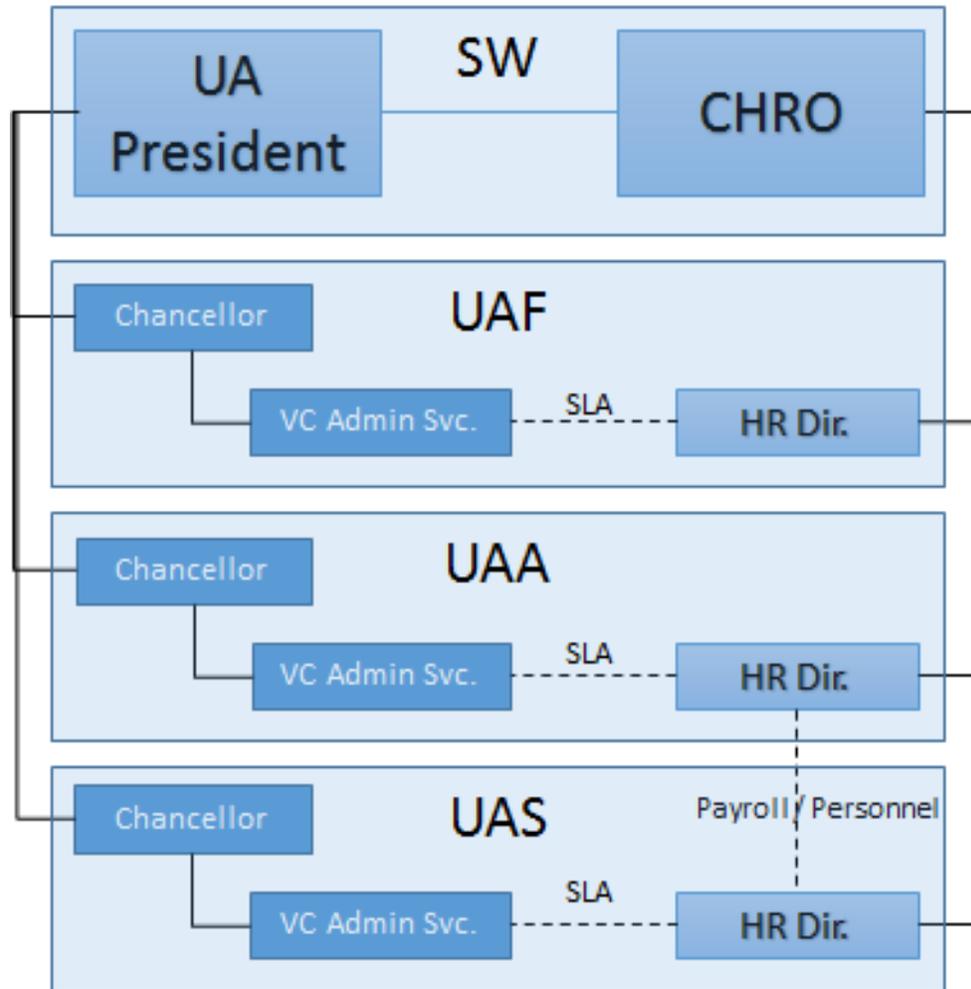
Statewide HR assumes direct supervision of campus HR. CHRO and University HR directors (HRC) collaborate on strategy, standardization of processes, policies, and regulations.

Transactional Services consolidated at UAA and UAF.

Create HR Coordinator positions to supplant PPAs/CCCs.

# Option 3: Proposed Organization

## CHRO Direct Oversight of Campus HR



# Option 3: Pros and Cons

## CHRO Direct Oversight of Campus HR

### Pros

- ▶ HR Directors supervised by functional expert with HR expertise, the CHRO, has the potential to improve strategic alignment and efficiencies in implementation of efforts
- ▶ HR Directors insulated from inappropriate pressure in decision making in the interests of the institution as a whole

### Cons

- ▶ Marginal improvement in overall efficiency; the system itself is rife with inefficient, paper-bound processes; investing in HR Coordinators who are more expert at paper shuffling doesn't address this fundamental problem with the system; it's treating a symptom not a cause
- ▶ Removing local University reporting and accountability and labeling all HR professionals as "Statewide" potentially alienates HR from its clients and distances HR as a strategic partner



# Option 4: Autonomous Regional Offices

Decentralization of human resources functions.

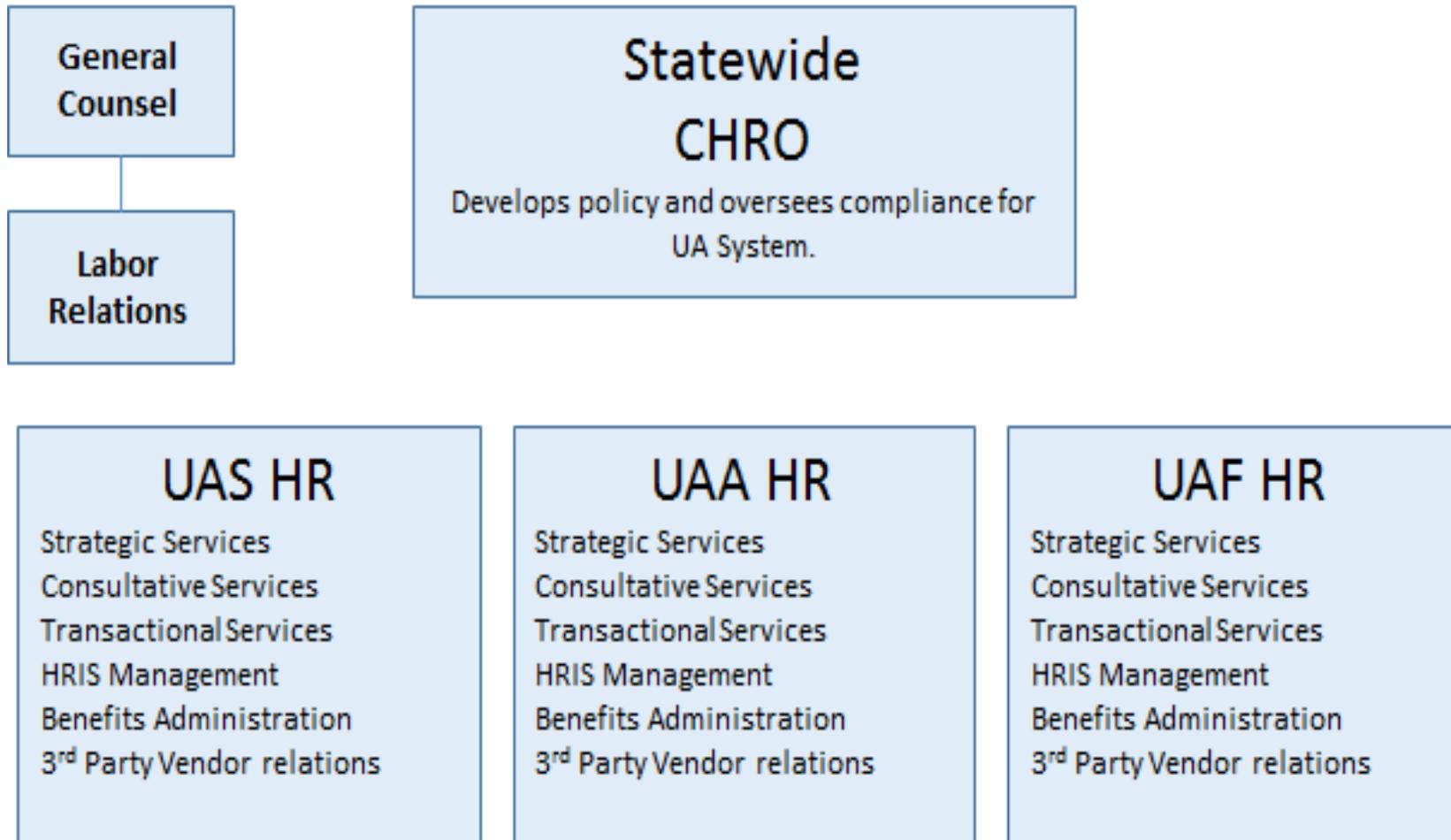
CHRO sets minimum standards guidance, compliance and health checks, with each campus autonomous in operating under a standard set of policies and regulations.

Each campus HR work independently administering benefits, and vendor contracts in addition to Strategic, Consultative and Transactional Services.

Labor Relations may need to report to General Council's office at Statewide.

# Option 4: Proposed Organization

## Autonomous Regional Offices



# Option 4: Pros and Cons

## Autonomous Regional Offices

### Pros

- ▶ All HR functions are localized at each campus where the majority of HR work is located
- ▶ HR policies and procedures are developed to fit the campus individual situations
- ▶ Decision making authority resides at the campus level

### Cons

- ▶ Net increase in HR positions, systems, and resources to support HR functions
- ▶ Cost of triplicating HRIS and associated standard operating procedures
- ▶ Common data analysis and reporting no longer exists
- ▶ Loss of economy of scale advantage by having a single vendor for certain services, such as healthcare administration
- ▶ Differences in interpreting and implementing policy could increase risk and inefficiency



# Further Analysis Needed

1. Who should the regional HR Directors report to?
2. Clarify and enhance the role of HR in training and development for employees.
3. Further analysis of best use of PPAs and CCCs as a system wide resource.
4. Identify and clarify core HR services.
5. Front-end investment in enhancing HRIS is necessary.

# Q&A

