People Are Our Competitive Advantage

THE DIVISION OF HUMAN RESOURCES

Administrative Transformation Paper
December 1, 2008
THOUGHTS ON INSTITUTIONAL TRANSFORMATION

As the University of Arizona seeks to transform itself, members of our community are asking hard and pointed questions, among these, “Do we have too much administration?” This is a logical and necessary question that can, if not thoughtfully considered, lead to a false dichotomy in which the community asks, “Is it true that teaching, research and outreach = good, and administrative infrastructure = bad?” We believe the wiser questions are, “What kind of administrative support will enable the UA to achieve its aspirations?” and “Are we organized and resourced to provide it?” Beyond reframing the fundamental question, we believe the University must reframe the manner in which it seeks to determine the answer. We will miss profound opportunities if we limit our requests for change to operations within existing administrative silos. It is beyond the scope of this paper to address the benefits of realigning the UA’s administrative infrastructure comprehensively, but we hope the University community will consider opportunities for both administrative and academic units to work together in different ways.

ASSESSING THE VALUE OF THE DIVISION OF HUMAN RESOURCES

As the University community assesses the value and future of its existing departments, colleges and divisions, mission centrality is a critical issue, and we, like all divisions, are being asked, “What do you do to support teaching, research, service and outreach?” A partial list of our deliverables is detailed in Appendix 1. This chart reveals that everything we do is designed to bolster the University’s human capital -- the people who make teaching, research, service and outreach possible. Our goal is to support the University in its efforts to attract and engage exceptional and world-class talent, and all of our efforts are aligned accordingly.

An explosion in the demand for our programs and services during the last several months speaks to the importance of a strong, steady, responsive and appropriately resourced HR organization. Anxious employees have required significant career guidance, retirement information, outplacement assistance and mental health counseling. Managers require assistance in reorganizing in ways that are prudent, just and legally defensible. Charges of discrimination are rising as employees fail to understand the rationale for decisions. Stress and feelings of hopelessness have increased the number of workplace violence threats our team must manage. Complying with new IRS requirements and a host of new federal laws has required us to invest heavily in policy analysis and benefit plan redesign.

We see our division as a vital resource to the University community and believe that the way our institution attends to its people during this time of profound organizational change and global economic uncertainty will shape, for years to come, the UA’s institutional psyche. If we are strategic and take a long-term view, the University will emerge stronger and more nimble. If we are shortsighted, we anticipate an unparalleled exodus of talent once economic conditions reverse course and make new opportunities possible.

Recognizing that the University of Arizona already has, by far, the lowest HR staff to employee ratio of any of our peer institutions, we believe the University is at a critical juncture and see two possible paths: On one path, the University invests judiciously in programs and services designed to attract and grow remarkable talent while containing costs and effectively managing institutional risk. The second path follows a continued pattern of disinvestment that will result in employee frustration, significant turnover, higher costs, an ever increasing number of expensive and time-consuming complaints and more time responding to federal audits. We believe that modest investments are critical to ensure the University’s future.
THE DIVISION’S TRANSFORMATION EFFORTS TO DATE

We have been asked to detail our plans for transformation, but note that transformation is nothing new for us. With a combined staff of 55 people that serves 14,600+ employees and 38,000+ students, working smart is an imperative. Indeed, we have been proactively identifying opportunities for efficiency, effectiveness and cost savings for several years and have made several significant changes in this last year alone.

When the Equal Opportunity and Affirmative Action Office (EOAAO) moved to the Human Resources Division this past July, we consolidated business and IT functions, moved server management to UITS, eliminated an Assistant Vice President ($50k returned to central administration) and reduced IT staff. Recent changes also include our decision to reduce staff in our finance and administration area including the elimination of the Director of Finance and Administration position, merge the Benefits and Compensation units and eliminate our manager of Employee and Career Advising.

As we realign our programs and organization, we are guided by both quantitative and qualitative research, reflecting our commitment to data-informed decision making and an interest in supporting the University’s long-term success. We consult with our clients constantly and realign resources and approaches as needs evolve. We recognize the importance of forging strong partnerships with colleagues throughout the University and look forward to future opportunities to leverage resources and pursue economies of scale. We have identified additional transformation opportunities which are discussed below. In developing these we have been guided by the following principles:

- Accept and respond to the current fiscal situation that the University faces and optimize the delivery of HR services while ensuring appropriate and effective service levels
- Transform from an organization providing high cost one-to-one personalized services to a model of cost-effective student, faculty and staff self-service where one-to-one services are reserved for unique issues not otherwise possible to address
- Leverage technology wherever possible to enhance efficiencies for both our staff and the UA community
- Recommend proposals which require initial investment only where a near-term return on investment is demonstrable

PROPOSALS TO CONTINUE TRANSFORMING THE UA HR DIVISION DELIVERY MODEL

USE TECHNOLOGY TO EXTEND SERVICES PROVIDED BY PEOPLE:

We propose to create web-based career and employee relations resources to manage excess demand in our Employee and Career Advising unit. This fall, we launched a narrated on-line self-service benefits orientation to support prospective, new, and current employees as they learn about the wide variety of our benefit programs and we propose a similar approach as we face escalating increases for individualized pre-retirement counseling. Demands for our Employee Assistance Program have exceeded capacity for several years, and waits of three weeks or more for appointments are common. We are in the process of augmenting this service by purchasing a self paced, web-based resiliency program that all employees can access to bolster personal hardiness while they wait to be seen by a professional. We have finished customizing an on-line sexual harassment education program and propose to launch it to replace small group sessions currently conducted by EOAAO. We imagine a similar approach for new employee orientation that could enable us to reduce the number of orientation sessions we conduct.

INCREASE INSTITUTIONAL VISIBILITY TO ATTRACT EXCEPTIONAL TALENT:

Current recruitment efforts for both faculty and staff are uncoordinated and unnecessarily expensive for hiring departments. Working in partnership with External Relations, we propose to establish a centralized employee recruitment and advertising model in which HR charges a cost-per-hire fee that supports a standardized advertising approach appropriate to employment type. This approach would significantly reduce departmental advertising costs through volume purchasing, create greater institutional visibility, increase brand consistency and reduce administrative work at the department level. Discipline-specific advertising would still be necessary and encouraged.
CENTRALIZE HIRING SUPPORT AND ENHANCE “THE FIRST YEAR EXPERIENCE” FOR FACULTY AND STAFF:
Research demonstrates that the first year of employment is pivotal in terms of employee retention, and UA’s first-year turnover rates in excess of 25%, in some employment categories, are cause for concern. The University has an opportunity to create a sense of excitement and belonging among new faculty and staff by transforming the way it welcomes them to the UA community. We propose to create a New Hire Center (name TBA) to consolidate and centralize new hire support and serve as a one-stop center for all hiring and new employee activities. The Center would manage employment eligibility (a protracted process that currently requires the involvement of colleges, Systems Control and HR); expedite new employee productivity by coordinating Cat Cards, email accounts and other new hire needs that often take a week or more to obtain; and coordinate a new and enhanced approach to new employee orientation. This approach would significantly reduce administrative work at the department level and will require cooperation of departments outside the HR Division.

STREAMLINE RESOLUTION OF DISCRIMINATION COMPLAINTS:
With a goal of fair and timely complaint resolution, we propose that the Equal Opportunity and Affirmative Action Office offer alternatives to reduce costly and time-consuming formal investigations. We envision a continuum that begins with dialogue, offers the option of mediation, and escalates to formal investigation when appropriate. This model would promote early resolution of discrimination complaints brought by students and employees, support members of our community to forge productive agreements, and increase participant satisfaction with both process and outcome. As part of this effort, we propose that the Equal Opportunity and Affirmative Action Office be renamed the “Office of Institutional Equity.”

ESTABLISH COLLEGE/DIVISION BASED HR PROFESSIONALS:
Acknowledging the value of local and on-site support from those familiar with a college/division’s people and priorities, we propose placing one HR professional in each college and division (small colleges and divisions may share) with a shared reporting relationship between the Dean/VP and Human Resources. This would increase the quality of HR services often provided in an ad hoc way at the local level today, provide a sense of professional community, enhance responsiveness, improve institutional effectiveness, and reduce employment-related liability. An embedded model of HR support has been effectively employed by the four colleges of the Arizona Health Sciences Center for more than ten years, and we propose that the University adopt this model more broadly.

CREATE A VIRTUAL TEMPORARY EMPLOYEE RESOURCE CENTER:
The UA currently spends close to $3 million a year on temporary employment services. While we would not seek to replicate the services of a temporary agency, we believe costs savings and quality enhancements could be achieved by using technology to establish a virtual employment center to facilitate the temporary hire of retirees and former UA employees (including those affected by budget reductions or the UA Transformation).

ESTABLISH A NEW UA LEADERS ORIENTATION:
Recognizing that employee engagement, organizational climate, and institutional liability are influenced by management behavior, several campus constituencies have called for a more deliberate approach to prepare managers and supervisors for their roles. We propose to establish a UA Leaders Orientation to provide new managers and supervisors with the tools and expertise they need to attract and retain world-class talent.

RESTRUCTURE THE UNIVERSITY’S SERVICE AWARD PROGRAM:
The program, which is coordinated by the Office of University Events and the Human Resources Department, requires significant resources. We believe that there are more cost-effective and meaningful ways to recognize members of our community and propose that a taskforce be charged to explore alternatives.

The proposals described here are intended to increase institutional effectiveness and capacity while using limited resources in the wisest possible way. We look forward to the feedback from the University community.
### APPENDIX 1: DIVISION OF HUMAN RESOURCES “DELIVERABLES”

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<tr>
<th>Benefits information, program design and vendor relations</th>
<th>Equal opportunity investigations and education</th>
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<td>Career assessment services</td>
<td>Ethics and Compliance Hotline management</td>
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<td>Childcare and family resources for students and employees</td>
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<td>Community job fairs</td>
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<td>Contract management</td>
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<td>Crisis/workplace violence management</td>
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<td>Eldercare and life cycle resources for students and employees</td>
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<td>Employee relations consultation for employees and managers</td>
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<td>Employment and advertising services</td>
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<td>Employment verification services (for mortgage companies, etc.)</td>
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<td>Wellness screenings and counseling</td>
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<td>Workflow and workplace design analysis</td>
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1 HR manages several benefit programs not administrated by the Arizona Department of Administration. Effective management and savvy negotiation skills have enabled us to enhance income protection by reducing or keeping constant employee premiums for our Aetna life insurance and Unum short term disability insurance programs.

2 HR moved dispute administration in-house in 2006, thereby saving $1,000 per dispute previously paid to the American Arbitration Association.

3 Human Resources underwrites all advertising costs Inside Higher Ed and Higher Ed Jobs.com. saving departments $25,000 annually. HR’s volume discount contract with Tucson Newspapers and Career Builder.com saves departments $30,000 annually.

4 The Equal Opportunity and Affirmative Action Office assumed responsibility for this hotline in 2007 without additional staff resources.

5 Average Tucson area consulting rates for retreat facilitation and strategic planning consulting begin at $1,200 a day and these services are provided to University departments at no cost.

6 In 2006, the management of motor vehicle record checks was transferred from Risk Management & Safety to HR with no accompanying FTE in 2006. In 2007, HR began performing these checks in house (rather than through an outsourced vendor), thereby saving hiring departments $12,000 a year.

7 In FY 2008, 1,800 professional development “seats” were filled at no cost to departments or employees.

8 Contract negotiations with temporary staffing agencies have saved departments in excess of $300,000 annually.

9 The HR Division saves the University $150,000 each year in unjustified unemployment claims through a rigorous claims management approach.