Human Resources
Administrative Review

HR Review Team Report – v.14
University of Maine System
5/3/2013
# Table of Contents

*Vision Statement (working draft)* ................................................................. 2

*Mission Statement (working draft)* ........................................................... 2

Executive Summary ......................................................................................... 3

Scope .............................................................................................................. 5

Summary Recommendations ......................................................................... 5

Financials ....................................................................................................... 7

A Look Ahead .................................................................................................. 8

Background .................................................................................................... 9

Overarching Recommendation: Create a Strategic HR Function that Optimizes the Effectiveness of the University’s Full Human Resource Asset ........................................... 9

Expanding the Scope of HR to Strategic HR ................................................... 9

The Human Asset .......................................................................................... 10

Principles ...................................................................................................... 11

Recommendations (that form the plan) .......................................................... 15

Implementation Timing .................................................................................. 30

Financial Impact .......................................................................................... 32

Report Feedback ........................................................................................... 34

Appendices .................................................................................................... 35

__A. Background, Charter, and Process Utilized .......................................... 35

__B. Human Resources Inventory ................................................................. 35

__C. HR/EO Matrix ....................................................................................... 43

__D. Competency Based Staffing and HR Staffing Principles ..................... 44

__E. UM LEAN HE Pilot .............................................................................. 47

__F. UMS Chief Information Officer Report ................................................ 49

__G. Preliminary Gantt Chart ....................................................................... 51

__H. Consultant (Sibson) Report .................................................................. 53
**Vision Statement (working draft)**

Human Resources at the University of Maine System is known for providing best practice in the following areas:

- Excellence in service delivery
- Leadership in creating systems and cultures that engage and empower our faculty and staff in order to serve our students and state
- Thoughtful, effective, and timely response to all members of our university community

**Mission Statement (working draft)**

The role of Human Resources is to advance the core mission of the University of Maine System in strategic partnership with other staff and academic units of the University by recruiting, motivating, and retaining diverse faculty and staff in an open, fair, simple, responsive, and efficient manner by using the integrated System-wide talents and technologies of the HR organization.

* The Vision and Mission statements will be revised by a broader representative group of Human Resources and Equal Opportunity staff and stakeholders in FY 14.
Executive Summary

In January, 2012, the University of Maine System Board of Trustees adopted a statement of Goals and Actions, comprising a plan to make UMS financially sustainable, accessible, and affordable to students, and poised to meet the needs of Maine citizens for higher education, research, economic development, and community service. Among the actions was a series of administrative reviews intended to improve the effectiveness and efficiency of administrative functions by removing barriers and creating functions that are interoperable. This report covers the Human Resources Analysis and Design steps of the process culminating in nine recommendations, one of which is an umbrella or overarching recommendation: transition the Human Resources organization to a new paradigm that incorporates three major components:

1. A collaborative **HR governance** structure that improves the investigation, problem-solving, and resourcing of the unique needs of large and small campuses and the system office.
2. HR leadership delivering strategic and grand tactical consultation and partnership that maximize the effectiveness of our faculty and staff (a move to **strategic HR**). As an operating paradigm we recommend HR leading, modeling, and suggesting systems that enhance the engagement and empowerment of the workforce, and drive decision-making authority to the lowest competent level.
3. HR modeling “**optimum service delivery**” of strategic, tactical, and transactional HR services.

**Strategic human resource (SHR) management** is the term most often used to denote the shift of the human resource function from a reactive and transactional entity to one that assists leadership in the proactive engagement of employees. Strategic human resource management defines employees as a resource, an asset, that provides competitive advantage to an organization, and on whom organizational success is leveraged. This view of employees, as the prime drivers or one of the prime movers of organizational success denotes that people are in the special position of best helping the organization attain its objectives.

The SHR approach requires proactive planning for an organization to better meet the needs of its employees, and for the employees to better meet the needs of the organization. This approach affects the way things are accomplished, improving everything from hiring practices and employee training programs to assessment techniques and strategic planning.

Organizations dependent on human capital for a large portion of their innovation, productivity, or service delivery must cultivate a work environment conducive to engagement and
productivity. In an environment of engagement and productivity, all faculty and staff can flourish and excel whether their work be teaching, scholarly activity, and service; providing essential supports to students and faculty; or maintaining the physical campus. The beneficiaries of this environment are our students and the citizens of Maine.

An engaged employee is defined as one who is fully involved in, and enthusiastic about their work, and thus will act in a way that furthers their organization's interests. According to Scarlett Surveys, "Employee engagement is a measurable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization that profoundly influences their willingness to learn and perform at work." Thus engagement has components influenced by employee satisfaction, motivation, effectiveness, and organizational culture.\(^1\)

The Gallup organization, a leading international expert on the topic of engagement (or lack thereof) wrote: “Engaged employees are clearly more valuable to your organization than disenchanted ones. Great managers and leaders know this instinctively, and the Gallup Organization's latest research into employee engagement levels among the U.S. workforce confirms it. In fact, according to Gallup's calculations, actively disengaged employees - the least productive - cost the American economy over $300 billion per year in lost productivity.”\(^2\)

**Optimum service delivery:**

The Review Team reviewed all HR services and divided them into three groups:

- Services to be delivered locally (high-touch, high immediate value)
- Services to be consolidated, but not centralized (named shared expertise teams in the report)
- Services that were System-wide, transactional and could be automated and centralized (named shared services)

The report recommendations are aimed at finding the optimum balance of centralization, consolidation, and/or local delivery based on weighing the type of service expectation with available delivery mechanisms. Models and recommendations are discussed for each in the body of the report.

Another portion of optimum delivery is process improvement. Many organizational consultants are comfortable claiming 20% inefficiency in unexamined systems, of which 50-80% can be cost-effectively recovered. Obviously, not all of this is direct cost, but includes opportunity costs, avoided costs, and better service delivery as well.

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\(^1\) For a good summary of employee engagement see this white paper by DecisionWise at: [http://www.decisionwise.com/three-components-of-employee-engagement-whitepaper-access-page.html](http://www.decisionwise.com/three-components-of-employee-engagement-whitepaper-access-page.html)

Lastly, any truly customer-focused service organization has to get feedback from the customers. The review team recommends the adoption of regular 360-feedback surveys, complete with prioritization and action planning for improvement.

**Scope**

It is the above considerations that convinced the HR Review Team to expand the scope of the HR charter and recommend a set of strategies that would position HR to assist UMS leadership in capturing the larger value represented by the overall cost of human resources and not just the administrative cost of HR administration. The following graph depicts the potential for leverage of the full human resource at UMS compared to concentrating solely on direct HR administrative costs.

![Comparison of Two UMS 2012 Operating Expenses](image)

**Summary Recommendations**

**Overarching Principle**

To better empower and utilize the human resources (faculty and staff) that carry out the education, research and public service missions of UMS, the Human Resources Administrative Review Team recommends a transition of UMS HR to a new paradigm of human resource engagement, including:
a. Adoption of a collaborative HR governance structure that improves the investigation, problem-solving, and resourcing of the unique needs of larger and smaller campuses and the system office

b. HR leadership delivers strategic and grand tactical consultation and partnership that maximizes the effectiveness of our faculty and staff (a move to strategic HR). As an operating paradigm we recommend HR leading, modeling, and designing systems that enhance the engagement and empowerment of the workforce, and drive decision-making authority to the lowest competent level.

c. HR models “optimum service delivery” of strategic, tactical, and transactional HR services

**Recommendations (that form the plan)** To accomplish this very large and significant culture change, the team is making the following additional tangible supporting recommendations (grouped in the three above categories although there is overlap):

1. Form, train, and team-build a high-performing human resources leadership team (HR LT) consisting of four leaders representing the HR function of all universities and the system office. Fill leadership positions in a manner to ensure that team members possess appropriate competencies. This team would become the policy, program and budget team for UMS HR and EO, subject to appropriate approval.

2. Transition our current HR to strategic HR management, utilizing the engagement operating model:
   a. For optimal organizational performance, HR leaders will be fully integrated business partners with direct lines of communication to the President/Chancellor and other members of the President’s/Chancellor’s cabinet/executive staff. While recognizing that it is an executive decision, we strongly encourage the use of strategic HR consulting when making strategic decisions and making the lead HR officers direct reports to the Chancellor/President.
   b. Educate HR staff and UMS administration and leadership on strategic HR (SHR), engagement, service delivery, and transactional efficiencies so that they understand the vision for HR as an efficient, effective, service-oriented strategic partner and they are aligned with these goals.

3. Optimize the service delivery model:
   a. Create a “shared service” unit for all transactional HR business – such as benefits, payroll, e-recruiting, document management, and data entry.
   b. Pilot and learn from creating a Shared Expertise Team (SET) to share specialized knowledge and expertise across the System. Expand as the model proves to be more efficient and effective.
c. Reinforce and support the need for appropriate HR services to remain locally at the campus level.
d. Ensure requisite investment in technology and IT support services to better support current and expanded shared services and self-service.
e. Employ LEAN Higher Education (process improvement) techniques to streamline HR processes facilitating higher value in service delivery as well as cost-savings. Build capacity to expand LEAN HE to other functional units across the organization.
f. Utilize 360-degree feedback tools to receive formative “service delivery” feedback at both the work group and leadership levels. This includes formulating action plans to address any areas for improvement.

Financials

UMS HR needs to become more efficient and effective if it is going to be able to become more strategic without adding cost burden.

Savings for implementing the full conceptual plan were quantified both in terms of overall FTE headcount and administrative costs, with a headcount reduction from 83 to 74 over the period\(^3\), while adding capacity to deliver SHR services.

It is the express recommendation of the HR review team that savings in HR be reinvested in technology, automation, and strategic HR services to allow for the building of capabilities that will allow resourcing of similar improvements in all human dependent functional areas. It is the intent of this reinvestment to build and embed the SHR and process improvement training capacity into the HR function to be able to resource all campuses and the system office in their change efforts.\(^4\) It is not, however, the recommendation of the HR Review Team to frontload all investment, as this strategy would accumulate net investment to approximately $1 million in year three; however, if this were done the return calculations still show a net present value of over $1.3 million and an Internal Rate of Return (IRR) of over 25% (6% on a 10-year planning horizon).

Recognizing that capital for investment is tight, the team is requesting approval for the following:

1. Approval of the full conceptual plan
2. Authorization to form and populate the new HR leadership team

\(^3\) The period will be defined by the rate of investment in technology, automation, and training. This will be recommended in the implementation plan.

\(^4\) Also the recommendation of Sibson Consulting (see their report – Appendix H – Executive Summary – page 1)
3. Several pilots as proof of concept. The pilots are as follows:
   a) Continue the “LEAN” pilot within HR, and focus first on recruiting and benefits
      (readiness for technology investments)
   b) Develop out the business case for phase II of the Employee Benefits Center (EBC),
      including the addition of case management software

A Look Ahead

The HR review team thanks you in advance for your interest in reading the full report that
follows.

Upon approval, the first step will be to form and team-build the HR Leadership Team. They will
be tasked with the following:

• Coming together as a team to lead System-wide HR, including development over the
  next twelve months of a full implementation plan
• Investment/return calculations and sequencing on each specific software investment,
• Stewardship of the pilots to ensure successful implementation
• A financial model for shared services (working with Finance)
• Metrics to measure the progress/success of the effort
• A review and assessment process with Presidents’ Council and SSAC
Background

This group was chartered in July, 2012 as part of the administrative reviews tied to the Board of Trustees’ Goals and Actions of January, 2012.

The team was made up of a cross-campus mix of HR representatives, led by Tracy Bigney from the system office.

A consultant (Sibson) was hired for a three-month period to review the work of the team and help them work through some organizational design options.

The process of analysis and redesign was used by the team to evaluate current state and design a more optimum future state.

The details of the background, charter, team process, and campus input can be seen in Appendix A.

**Overarching Recommendation: Create a Strategic HR Function that Optimizes the Effectiveness of the University’s Full Human Resource Asset**

Expanding the Scope of HR to Strategic HR

Numerous studies spanning decades have demonstrated the long-term return on investment of developing and engaging the human asset of an organization; especially in service organizations.\(^5\) The University of Maine System is one such service organization.

Arguably everything that is (or is not) accomplished at the University of Maine System is done through, and because of, people. Effective teaching, research, economic development, and community service are the extension of individual and group competencies, training, alignment, deployment and performance. Moreover, salaries and benefits constitute 73% of the current UMS educational and general budget and 64% of the total annual expenditures; by far the largest single budget component. By contrast, the HR/EO function itself is a minor piece of the

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\(^5\) Service organizations tend to have a larger component of their cost and impact reliant on individuals when compared to production or manufacturing organizations that are able to capture greater benefit from technology like automation, robotics, programmable logic controllers, and information technology.
UMS budget, totaling about 1.5% of the UMS E&G budget and $6.8 million dollars of total annual budget (Figure 1).

![2012 Total UMS Operating Expenses](image)

These realities - the return on investment of leveraging human resources and the people-centric nature of our organization - broaden the original anticipated outcomes of this review. The Review Team recognized that, while it is important to keep costs of the Human Resources function at an efficient level, it would be shortsighted to focus on these costs without looking at the context of the total cost of human resources within the organization. Our conclusion is that the UMS Human Resources function can best assist the organization’s competitive advantage by creating systems, processes, and a work environment where individuals and groups can optimize their contribution to the organization. This is the essence of strategic HR.  

**The Human Asset**

Higher education fulfills its promise of accessible, quality education, basic and applied research, economic development, and public service through the efforts of its faculty and staff. It is a labor intensive enterprise. Approximately 5,700 regular employees and 800 part-time faculty

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6 Sibson Consulting recognized these shifts as “Industry” Trends (see their report – Appendix H – Executive Summary – page 5), and further noted that UMS HR was “thin” in important areas supporting this type of move (bullet point 1).
(in any semester) make up the human resources at UMS. In addition, undergraduate and graduate students constitute another sizeable part of the workforce. Human resources services and programs support the efforts of all these people, the university’s full human resource. The totality of knowledge, skills, talent and other characteristics of the UMS human resource is the “human asset;” arguably, the most critical asset to UMS’ success.

**Principles**

During the Human Resources Review process, four key concepts emerged.

1. **Strategic human resource (SHR) management**
2. **Engage the workforce** and push decision-making down to the lowest competent level as a more effective way to operate
3. **“Optimum service delivery”** where the customer becomes the judge of value (what is received, compared to what it costs)
4. **Differentiation of services** by type, method of delivery, and scale

The Human Resources Administrative Review team strongly endorses all four concepts and recommends that they be adopted as principles guiding plan design and implementation. We provide a summary of each below.

**Strategic human resource management** is the proactive management of employees tied to the directions articulated in the strategic plan of the organization. It is an intentional shift from human resource management as a reactive, compliance-focused unit charged with administering programs and reactively responding to issues and is a move towards human resources becoming an essential business partner. Such a shift can only be accomplished by first recognizing and acknowledging that strategically developing and engaging our employees is not just a value-added option, it is an imperative to stay competitive in the marketplace. This is particularly salient in such a people-centric industry as higher education. Developing competencies in SHR is one primary method by which we will create and sustain a competitive advantage for UMS going forward.

Key practices in SHR include:

- 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)
• organizational development (structures, human capacity planning, efficiency and effectiveness)

Effective implementation of SHR fosters a proactive approach to human resource management that moves the organization towards performance excellence. ²

The concepts of engagement and “service delivery” represent another two concepts that coupled with SHR can provide UMS and campuses with the competitive advantage that will place UMS at the cutting edge of organizational change and effectiveness. As envisioned by organizational development consultant Peter Block in his book, Stewardship, these paradigm shifts mean much more than providing excellent customer service. They mean placing service above all else and engaging the workforce so as to drive responsibility and decision-making as far down in an organization as employee competence and accountability will allow. ³ These concepts address the very way in which our organization practices alignment, leadership, and performance management.

The recommended HR service delivery model can be depicted by the schematic that came out of the March Presidents Council. ⁹ It visually depicts the paradigm shift that needs to occur for

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⁹ It is important to note that the same type of triangle could be drawn for the research, economic development, or community service portions of the mission.
staff groups as they redirect their efforts in support of those that serve the customer (students or internal/external constituents).

Leadership has historically been integrally tied to hierarchy, initiative, responsibility, and control. The act of leading in this historical paradigm has meant leading largely by determining the desired future, defining the path to get there and knowing what was best for others. This model of leadership was well suited to the industrial revolution where knowledge, power and financing were consolidated in the minority. Block’s model of stewardship, however, requires the movement of choice and resources closer and closer to those that serve the paying customers, urges us to serve employees as customers, and distributes the power and decision making thus increasing responsibility and ownership by employees. This stewardship paradigm enhances employee engagement and organizational success.  

Engagement: Employee engagement, also called worker engagement, is a business management concept where an "engaged employee" is defined as one who is fully involved in, and enthusiastic about their work, and thus will act in a way that furthers their organization's interests. According to Scarlett Surveys, "employee engagement is a measurable degree of an employee's positive or negative emotional attachment to their job, colleagues and organization that profoundly influences their willingness to learn and perform at work". Thus engagement has components influenced by employee satisfaction, motivation, effectiveness and organizational culture.

The Gallup organization claims to have studied over 17 million employees since 1997. Their published findings show that engaged employees produce more, they make more money for the [organization], they create emotional engagement with the customers they serve, and they create environments where people are productive and accountable. They also demonstrate that engaged employees stay with the organization longer and are much more committed to quality and growth than the other two groups. Gallup has statistically correlated that [for profit] companies with world-class engagement have 3.9 times the Earnings Per Share (EPS) growth rate compared with organizations with lower engagement in their same industry.

Peter Block asserts “[o]ur belief that consistency and control are the cornerstones for running productive organizations [has been] visibly reflected in our human resources policies and in the

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10 Block clearly tackles accountability in his model – making it the third cornerstone. Joint accountability means there is no one else to blame. He quotes: “if people want the freedom that partnership offers, the price of that freedom is to take personal accountability for the success and failure of our unit and our community”.
way we expect this staff to operate.”¹³ By contrast, the engagement model of customer-oriented human resources services asks HR leaders to create “teams serving client groups..., teams responsible for a whole work process...”¹⁴ This engaged team approach sees HR staff organized in consulting roles to the organization’s leadership assisting them in engaging employees rather than in specialized silos formulating and monitoring policy.

Differentiated service delivery models: the group wrestled with and came to preliminary conclusions that different services require different delivery mechanisms depending on a number of attributes. The Chancellor is fond of quoting a Maine organization that divided their service delivery into three major buckets:

- Integrated services => common platform and policies
- Consolidated services => strategically utilizes different locations but not centralized
- Centralized services => all together in one place

Utilizing this framework the HR Review Team came up with the following categories of HR work:

- (Integrated) Locally delivered services: those services where high touch, situational factors, lower automation and/or scale make it optimum to have them locally delivered.
- (Consolidated) Shared Expertise Teams (SETs): those services where level of expertise, lack of scale, and/or ability to best deploy talent across multiple locations lend themselves to a team of employees working collaboratively from multiple sites to deliver the services enterprise-wide
- (Centralized) Transactional shared service: those services that are more uniform and repetitive, that can be automated and where a team of employees working together give the service economy of scale

In summary, the combination of SHR, engagement model of leadership and service delivery means that UMS Human Resources shifts from a primary role of enforcing policies and procedures to one of being partners to leaders and employees in creating systems and procedures that advance the mission and vision of the institution.

¹⁴ Ibid. at 151
Recommendations (that form the plan):

1. Form, train and team-build a high-performing human resources leadership team (HRLT) consisting of four leaders representing HR for all seven universities and system-wide services. This team will become the priority setting, policy and budget team for UMS HR, subject to appropriate review and approval.

There are fundamental differences between the HR needs and resources for large campuses, smaller campuses and the system office. In the current state, there are far too many times where HR representatives feel like they are not being heard, which creates tension and lack of efficiency. This is not an indictment of good people; it is a realization that our “federation” system often has folks at cross purposes. These differences create the need for a forum where issues can be worked collaboratively to optimum resolution. This recommendation sets up a leadership team to find the “win-win” solutions to System-wide HR issues.

To be successful, the HR leadership team, with the support and engagement of the Chancellor and Presidents, will need to confront and overcome the historic tensions arising from the differing perspectives represented by the system office, small campuses and large campuses. This challenge will not be easy and it will take time to build and nurture the necessary trust and relationships to support this effort but the challenge must be met to successfully move UMS towards a sustainable future.

Individual team members and their roles include:

*UMS Chief Human Resources Officer (CHRO):* The UMS CHRO coordinates and engages the HR leadership team and as such ensures that the voice of HR at all the campuses is fully represented in key UMS policy and program changes and initiatives. In addition, this position provides leadership for shared services and common UMS functions (labor relations, compensation and benefits, etc.). This position has ultimate supervision and budget authority for centralized or SWS HR services. One of this position’s direct reports is a senior leader (see below) for the five smaller campuses and SWS HR staff. The UMS CHRO represents the leadership team as the HR business partner with the Chancellor, Board of Trustees, and other UMS senior staff.

*Small campus/SWS Chief Human Resources Officer:* This “super six” CHRO replaces the current ERL function and provides SHR leadership for the five smaller campuses
and SWS HR programs, services and staff and is the liaison between campus and UMS business strategies. This counterpart to the UM and USM positions (below) ensures a strong equal voice for the smaller campuses’ issues and experience within the leadership team, provides a level of dedicated strategic HR expertise not always available or cost effective for individual campuses to achieve, and helps to ensure appropriate consistency in delivery of service. While seemingly a “new” position, appropriate deployment of this as a multi-campus resource will eliminate the need for smaller campuses to have to make the choice between individually funding redundant, and sometimes difficult to recruit and retain, senior-level HR expertise or operating without dedicated strategic HR leadership.

**UM Associate Vice President for Human Resources (AVPHR) and the USM Chief Human Resources Officer (CHRO):** The UM AVPHR and USM CHRO will retain leadership, supervision, and budget authority for their campus HR programs and services. In addition, they will acquire the System-wide responsibilities inherent in being a member of the HR leadership team. In the new role, each is their campus HR business partner, acts as a liaison between their campus and UMS HR strategies and has System-wide responsibilities.

In addition to the team’s broad leadership role, each of the four members of the UMS HR/EO leadership team may also have future responsibilities for cross-campus/SWS creation and oversight of teams for sharing expertise.

Three of the above positions have a dual role: serving as HR leaders at a campus(es), and being a member of the System-wide HR leadership team that designs and implements the details of this plan. For this to be effective, all parties will need to have clear agreements as to the percentage of time devoted to System leadership versus to campuses. The initial estimate is to plan approximately 10% HRLT and 90% campus(es). These percentages will be confirmed by the HRLT and agreed to by the Presidents with a 6-month review in the first year, and an annual review thereafter. Other significant on-going system responsibilities by campus-based employees (e.g. leadership for a shared services center (SSC) or a shared expertise team (SET), described below) will be treated similarly.  

The intent of the design of the HRLT is that they will utilize shared expertise, collaborative inquiry, and team skills to arrive at optimum designs that leverage the whole as well as the parts of UMS. That stated, the review team understands that there are times when hard

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15 Also see Sibson Consulting report – Appendix H – pg12 – bullet 3
choices have to be made and in those rare cases one individual needs to be charged to do that. For this reason, the team recommends a rather unique reporting arrangement. The CHRO will report to the Chancellor, who will collect and utilize feedback from Presidents and the three other HRLT members in the review of the CHRO.

The “super six” position will report to the CHRO, and his/her review will be based largely on feedback gathered from the Presidents and HR staff of the five campuses and SWS. The two large-campus HR leaders will report to their Presidents for their campus role and to the CHRO for their System role. CHRO reviews of these two HR leaders for their System role will be provided to the respective Presidents to be used in their reviews at the negotiated percentages.

This service model orientation calls for competencies in Human Resources leaders different from those of the traditional HR leader serving as guardian and enforcer of centralized practices. For the University of Maine System this means that its Human Resources/Equal Opportunity leaders at the campus and System-wide Services level must first themselves be organized as a collaborative team able to be proactively responsive to the new reality. This leadership team will establish UMS HR strategy, priorities, and resource deployment subject to the Presidents’ Council, Chancellor, and Board of Trustees approval. The function of the HR leadership team includes implementation and assessment of HR programs, services and, overall HR spend. This team models, practices, and promotes both an engagement approach and strategic human resources management.
The individuals on the HR leadership team must possess executive-level competencies needed for the stewardship and service model of HR and for the leadership of any functional areas for which each is given responsibility. The fundamental competence is an orientation of adding value to employees’ efforts rather than one of centralized control. It is the express recommendation of the HR Review Team that these positions be established and filled to appropriate competencies through a process that acknowledges and respects the competencies, performance and service of current employees in similar positions and minimizes unnecessary disruption to the workforce. Competency-based staffing and HR staffing principles are included in Appendix D.

The nature of the times in higher education call for a significant transformation in the way we engage and empower those that serve the ultimate customers (students and Maine residents). It is the Review Team’s belief that UMS and campus HR can form a leadership team that best manages resources to effectively face challenges and empowers employees to meet them. With this team leadership approach and these shared competencies, HR will model the behavior needed for the University of Maine System—its seven campuses and System-wide Services—to become an organization of engagement and service.

**Recommendation 2: Transition the HR organization to Strategic Human Resources Management and a culture of appropriate engagement**

2a. For optimal SHR and organizational performance HR/EO leaders must be fully integrated business partners with direct lines of communication to the President/Chancellor and other members of the President’s/Chancellor’s cabinet/executive staff.

The Human Resources profession has evolved dramatically from its roots in payroll and benefits to its current broad portfolio of responsibilities including the management, support, and development of people as one of an organization’s most critical success factors.

The increasing need for strategic human resource management here in the University of Maine System is evidenced by the nature of the strategic challenges facing UMS. These include:

- The ability of UMS to be responsive to the needs and opportunities of Maine people
- Declining numbers of high-school graduates in Maine and New England
- Declining revenue from both Maine State appropriations for higher education and frozen in-state tuition and unified fees
• Claims upon university funds to do more with less
• Competition from Maine’s community colleges, for-profit higher education institutions, and online higher education offerings
• The necessary changes to the workforce skills employers seek for success in the 21st century economy

These challenges for UMS can’t be met without harnessing all of our employees’ abilities in service of innovation and strategies to sustain public higher education in Maine. Human Resources must be a strategic partner to accomplish this.

A strategic Human Resources partnership with UMS leaders brings three competencies to the table.

1. **Organizational Development.** HR can help cabinet-level leadership with processes to determine priorities and envision/design organizational structures and polices that engage and empower employees to successfully move the campuses and System towards a sustainable future.

2. **Development and Deployment of the Workforce.** Faculty and staff must have the right competencies and be positioned appropriately for all areas to meet or exceed the outcomes anticipated and expected by our students, the public, the legislature and the Board of Trustees. When there are gaps it is performance management and training/development that often can correct the situation.

3. **Guidance with Legal and Policy Implications.** Customer-focused HR can assist leadership, managers, and supervisors to achieve their outcomes while staying away from costly oversights.

For Human Resources to be a strategic partner, lead HR officers need to be at the table as integral managers during conversations of a strategic and grand tactical nature. For the smaller campuses, this may be the “super six” CHRO or an individual campus lead as appropriate. Such integration and strategic partnership is most easily and typically accomplished through direct reporting lines from HR to the chief executive officer so the Review Team encourages the Chancellor and Presidents to consider making lead HR officers direct reports and members of their cabinet or executive staff, as appropriate.

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Effective deployment of SHR requires human resources management to be fully integrated with strategic business practices. HR leaders must serve as strategic partners with senior management, fully involved in the establishment and achievement of organizational goals in light of employee and business objectives. To accomplish this, HR must be positioned to act with responsibility and authority.

2b. Educate HR staff and UMS administration and leadership on strategic HR (SHR), engagement, service delivery and transactional efficiencies so that all HR staff understand the vision for HR as a strategic partner and are aligned with these goals.

The shift from traditional to strategic human resource management will be a significant change both for those involved in providing and delivering human resource services and for organizational leaders including members of the Board of Trustees, Chancellor, the Presidents, department chairs and directors. The shift will require a concerted development and communication effort to shift the focus within HR and shift how it is perceived by others to the new strategic role.

**Recommendation 3: Redesign the HR organization for optimum service delivery**

**Overview**

Human Resource functions may be categorized in three major types of services: transactional, customer service/tactical, and strategic. These different types of service lend themselves to differing delivery models. The review team divided HR work into the following three categories and service delivery models for UMS:

- Locally delivered services: those services where high touch, situational factors, lower automation and/or scale make it optimum to have them locally delivered.
- Shared Expertise Teams (SETs): those services where levels of expertise, lack of scale and/or ability to best deploy talent across multiple locations lend themselves to a team of employees working collaboratively from multiple sites to deliver the services enterprise-wide.

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• Transactional shared service: those services that are more uniform and repetitive, that can be automated and where a team of employees working together give the service economy of scale.

3a. Reinforce and support the need for certain HR services to remain locally at the campus level.  

Tactical/customer service HR work involves context specific service, often of a face-to-face nature, with employees - from those holding entry-level positions to faculty to those in upper administration jobs. Each of these employees is an HR customer or client and they come with many opportunities, challenges, and problems that aren’t routine. One of HR’s most important responsibilities is to help these employees be as productive as possible as they serve the needs of their institutions.

Important locally based HR services include:

• **Advising Presidents, Provosts, Deans and Directors, and supervisors on personnel policies and labor relations**
  Local HR provides timely and effective guidance to administrators as they contemplate organizational changes such as reorganization or operational changes that may affect personnel. The HR department helps to ensure that appropriate policies and procedures are understood and followed, laws and collective bargaining provisions are understood and followed, and employees are treated fairly, while protecting the institution’s ability to manage change.

• **Assisting with innovation and group process**

  While an HR department may consult with many groups of employees as they strive to innovate, no group of people seeking innovation will bring to the fore identical issues in ways identical to another group’s process. Assisting group processes is not something HR can do well from afar—it takes a local HR presence to facilitate these efforts.

• **Designing, training and auditing effective performance management**

  When a supervisor brings the challenge of working with an under-performing employee to HR, local HR staff must work with the particular supervisor/supervisee relationship in the context of the particular work within the department on the particular campus.

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18 Also see Sibson report: Appendix H – pg5 – paragraph 3.
• **Supporting employees**
  
  When an employee brings a problem of sudden illness, an increasing disability, a family stress, a financial concern, or the repercussions of a death to HR, he or she may need personal contact with caring HR personnel on a campus.

• **Employee, manager, leadership, and organizational development**
  
  Particularly as we move to new paradigms of employee engagement and service, employee, manager and leadership development will be critical to our success. While tools for these and other development efforts such as succession planning may be generated away from a campus context, their application requires an HR presence in tune with unique campus interests, capacities, and cultures.

3b. Pilot and learn from creating a Shared Expertise Team (SET) to share specialized knowledge across the System. Expand if the model proves to be more efficient and effective.  

The UMS 2009 “Report of Human Resources Service Delivery Model Task Force” recommended a service delivery model based on Centers of Expertise (COEs) to share specialized knowledge across the System. There were two pilot project COEs established, the Employee Benefits Center, and the Wellness COE.

Through experience we have learned that benefits administration services are not an appropriate use of the COE model, but are better suited to a shared service center as are other transactional services, as indicated in supporting recommendation 3a of this report.

To avoid confusion with the earlier terminology of Center of Expertise concept and to make a distinction of this role from the Shared Services model, the Review Team is recommending establishment of Shared Expertise Teams (SETs). The role of the SET is to share specialized knowledge and expertise across the system and to focus on the design, implementation, and execution of System-wide HR programs, initiatives or services that are not routine or transactional.

SET members may be located at a campus or at the system office and are a resource for all locations. SET members may provide consultation using phone, e-mail and teleconference or travel to another campus or location to provide assistance and consultation. The SETs will give the University System the ability to become more proactive in sharing best-practices, as they

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19 Also see Sibson report: Appendix H – pg5 – paragraph 2.
are made up of a small number of dedicated, specialized team members who focus on high-impact, non-routine work.

The team has identified the following functional areas as potential areas for SETs:

- Compensation (program design and maintenance, with more work needed to determine the role of the SET in position classification)
- Labor Relations
- Organizational and Workforce Development/Training and Communications
- Benefits and Wellness (excluding shared services functions)
- Equal Opportunity, Affirmative Action, Diversity

Coordination and alignment are needed within each SET to ensure consistent application of policies and procedures and quality assurance for the SET work. Clear communication channels will be needed to promote sharing of knowledge within the SET and opportunities for the SET to provide input to planning and policy in the SET area.

The general design parameters for SETs need to be determined by the new HR leadership team working with employees in these areas to determine the timing and best application of the concept in each functional area. Some SETs need accountability to the System Office because the programs apply System-wide and there are policy and compliance issues (i.e.: Labor Relations, Benefits and Compensation Program design). In other areas it may be possible to have an SET leader reporting to a campus with the team sharing their expertise System-wide or amongst several campuses (i.e.: Organizational and Workforce Development). More detail work is needed around this issue as the new team does pilot(s) and learns from the successes and failures.

3c. Create a “shared service” unit for all transactional HR business – including benefits, payroll, e-recruiting, document management, data entry. 20

The Shared Services Center (SSC) will offer operational support to managers, employees and applicants of the University of Maine System in the areas of payroll, benefits administration, recruiting and data processing.

Shared Services will be responsible for:

- Providing exceptional service delivery directly to employees and managers
- Day-to-day processing of HR transactions

Also see Sibson report: Appendix H – pg6 – paragraph 4, pgs8-9, and pgs 14-16.
• Resolving routine questions that cannot be handled through self-service
• Managing the HR systems and ensuring data quality
• Monitoring usage, customer satisfaction, and providing reports

The bulk of the transactional activities will be handled by support staff reporting to a working leader who will manage the SSC as well as handle complex issues and provide overall accountability. Through experience we have learned that physical co-location of employees providing services through a shared services center offers a smoother and more efficient operation. We have also learned that gaining efficiencies and meeting service delivery goals through shared services is dependent upon requisite technology.

Shared services will be under the leadership of the UMS CHRO. A funding model for shared services needs to be developed. In addition, the specific location for these services has not yet been determined.

**Benefits Administration**

An anticipated first step in the transition to the SSC is to redesign the processes for benefits functions not already assigned to the Employee Benefits Center (EBC), including:

• Benefits related to and management of medically-related and other types of leaves
• Employee and retiree problem resolution and advising, and other miscellaneous services
• Separation benefits advising and processing

In addition, the SSC personnel would be charged with identifying process improvements in benefits onboarding, annual open enrollment, and status changes through facilitated application of the LEAN process.

From our experience with Phase 1 of the EBC we know that case management software is needed to provide timely service, realize greater efficiencies, and decrease the amount of time EBC staff spend documenting and researching employee contacts. Case management technology will allow for:

* E-mail integration: ability to route incoming emails to ticket queue and track outgoing responses via e-mail
* Robust request/ticket management for assigning case ownership for proper follow-through and ticket escalation to next tier workflow level
* Reporting capabilities for case analytics (e.g., request types, resolution time, staff allocations, etc.)
* Ability to expand to and be shared by HR System-wide (scalability), which will allow it to be used for other HR needs without added cost
Additional necessary technology includes workflow, increased use of document management and expanded employee and manager self-service.

**Payroll Administration**

Once Phase II of the transition of benefits administration to the Employee Benefits Center is solidly on track, it is the recommendation of the HR Review Team to consolidate and centrally manage payroll administration. In the process of implementation planning, carried out with significant involvement of payroll staff, we will determine:

- Best practices for shared service payroll (including application of LEAN for optimal process redesign)
- Impact on data management function
- Necessary technology enhancements
- Appropriate staffing level
- Potential cost savings and time efficiencies

**Complete Document Management**

Currently most campuses are in the process of being trained on the ImageNow document management system. Scanning stations have been purchased at all locations and are in place. Existing staff have begun imaging current staff personnel files. The Shared Processing Center is making its scanning services available to HR when they have capacity beyond their student work. Once all campuses have adequate training on imaging, the next “phase” of the document management project will be training on workflow. This will allow not only for efficiencies within internal campus operations, but aid in ease of Shared Services operations.

**Complete Pilot and Expand E-recruiting to Smaller Campuses**

As we implement shared services we will determine the feasibility of adding other functions such as data entry, e-recruiting, applicant tracking and background screening. In each of these areas we will work with staff familiar with each function and with our IT partners to develop LEAN processes, determine what technology is needed, assess appropriate staffing levels and ascertain the potential for cost savings and efficiency gains.
3d. Employ LEAN-HE (higher education) process improvement techniques to streamline HR processes facilitating higher value in service delivery as well as cost-savings. Build capacity to extend LEAN-HE to other functional units across the organization.

LEAN is a continuous process improvement tool developed and refined in the Toyota Production System. While originally used in the world of production manufacturing, it is gaining recognition and success in higher education, hospitals, and K-12 institutions which have increasingly seen success in application. The HR Review Team is encouraged by the high success rate of the fledgling attempts at using LEAN within UMS.

The fundamental philosophy of LEAN is to add value to the process by removing steps that do not add value that the customer would be willing to pay for. LEAN is about engaging and empowering the person/group in the position closest to the customer to determine when something works and when it does not, and to offer suggestions for improvement. LEAN-HE (higher education) is an adaptation of LEAN manufacturing. The application of LEAN management in higher education has become prevalent in administrative processes such as: admissions, add/drop, purchasing, facilities, hiring and budgeting. LEAN has also been applied to academic processes.

During the Fall semester of 2012, University of Maine Human Resources hired internal consultants from USM and worked with a group of 20 stakeholders over three days to LEAN-HE the process of approving positions and searching to hire. This search process had been identified as confusing, frustrating, overly complex, and taking too long. Based on the LEAN work, the process has been reduced from 98 to 51 steps (33 done by HR) and the group reduced actual staff hours from 116 to 67 per search. When these savings were monetized, a conservative estimate of gross savings for a full year is $88,482 with more savings expected as UM adopts an applicant tracking system (see the description of the UM HR LEAN hiring process in Appendix E). The team recommends that UMS HR adopt the LEAN-HE process and begin several initiatives like the one completed at UM as part of the implementation of SHR.

Both the Sibson consultants as well as the UMS Executive Director of Organizational Effectiveness believe that a conservative estimate of rework in any unexamined process is 20%. It is normally cost-effective to retrieve 50-80% of the opportunity that is discovered. The team believes that the effective deployment of LEAN will therefore result in finding and eliminating a significant amount of rework and redundancy in HR and across the organization, which will lead to substantial savings on the order of 10-16% for reinvestment, empowerment of employees, improved employee morale, and better customer service.
3e. Ensure requisite investment in technology to better support current and expanded shared services and self-service (integrally tied to supporting recommendation 3a: shared services).

In adopting an optimal service model for HR, the importance of technology and sufficient information technology resource can hardly be overstated. The consolidation of transactional services depends heavily on technology for communication, case management, and use of tools such as document management and workflow to achieve a high level of customer service and the desired efficiencies. KPMG International Cooperative issued a study of “HR Optimization in the Public Sector” in October 2012.21 Among the seven lessons learned from case studies of public sector HR organizations were three related to data, IT and technology:

- Invest in IT applications: HR infrastructure and process improvements help ensure service delivery integrity. Focus on developing infrastructure for data and tools for managers.
- Have a sophisticated applications system of HR: This makes centralization of processes possible. IT and information systems need to be in place before you even start—at minimum, a central system for the HR applications and the data warehouse. Start with this, and then move to the organizational design, follow[ing] up with centralized transaction processing.
- Use shared services as a way to centralize all data gathering and analysis: performance management is as much about data as it is about effective processes and rules.

The HR Administrative Review Team calls for a number of investments in enhanced use of technology and increased information technology support. In this arena, the Review Team recommends the following actions and added technologies:

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21 KPMG defines shared services as the collective set of resources, capabilities, and systems to deliver support services such as information technology, finance and accounting, human resources, procurement, and other business services across an organization. Implied in shared services delivery is greater consolidation and leveraging of common applications, business processes, models, and leading practices across an enterprise. Research findings reinforce the KPMG position that adopting, deploying, and expanding shared services is a never-ending journey. The initial benefits are typically cost savings resulting from economies of scale and scope, better use of technology, standardized business processes, expanded use of performance metrics, and a reduction in the number of people required to deliver services. The destination and longer-term benefits typically are a moving target dependent on changing needs and conditions. They run the gamut from further cost savings to enhanced process performance, higher quality services, and overall business improvement.
Critical for full implementation of the Shared Services/automation model

1. Clarification of the level of technology support needed within HR and from Information Technology Services to support appropriate levels of automation for HR services.
   a. Sibson consulting and internal IT advisors have suggested that HR will require additional 2-3 FTE positions to facilitate implementation and serve as functional liaisons for new technologies.
   b. HR currently receives an excellent quality of IT service, but does not have a sufficient amount of IT service to support current needs. Additional support is needed to catch up with pending priorities.
   c. The technology recommendations of the Review Team will require significant IT support to implement and maintain.

2. The adoption of shared services for benefits administration, payroll, data entry and other transactional services will require case management software, enhanced document management, workflow, and additional employee self-service applications such as pledging for the annual charitable campaign.

3. Streamlined recruitment to result in time savings for hiring departments, search committee members, and HR and to serve employment applicants better requires e-recruitment/applicant tracking software.

Mid-term opportunities

4. Managers and employees are more likely to complete performance reviews effectively if supported by performance management software to manage performance forms, job descriptions, and notifications.

5. As HR oversees the delivery of more education, training and development programming, a learning management system (LMS) would facilitate enrollment, content delivery, and record keeping. Legal mandates to provide certain kinds of training make record keeping critical in this area. UMS needs to evaluate the needs for an LMS and determine whether they can be met with course management systems used in the delivery of academic courses.

Long-term major investments

6. UMS capacity for HR reporting would be greatly strengthened by having an HR data warehouse. (The current UMS data warehousing initiative is limited to Campus Solutions/student data.) Such an investment should be evaluated for 2017 and beyond.

7. Employees would be able to answer many more of their HR questions if they had access to an employee portal with an HR knowledge base through which they could obtain information about policies and benefits applicable to their own situation. This takes
self-service beyond data entry, expands access and can reduce the need for HR customer service staff for basic questions.

HR is already engaged in two of these initiatives, document management, and applicant tracking. In the area of document management, all campuses are now beginning the process of scanning personnel files to create electronic personnel files. One campus has purchased, and others are considering the purchase of applicant tracking. These two projects were initiated by campuses eager to expand the use of technology and willing to share their experience with other universities. These projects will proceed regardless of the outcome of this review.

UMS Information Technology Services has reviewed the technology recommendations within this report and is in agreement with the Review Team that investments in hardware, software and expertise will be required to further the work already in progress and to undertake implementation and support of new technology systems in HR. Specific proposed changes or new systems will need to be documented, analyzed and approved through the normal business case development/return on investment process if this report and recommendations are approved. The CIO’s report and cost estimates by technology category are Appendix F.

3f. Utilize 360-degree feedback tools to receive “service delivery” feedback at both the work group and leadership levels and formulate action plans to address any areas for improvement.

The HR Review recommends the development and implementation of a robust 360-degree feedback model for leaders and for operational units within HR. 360-degree feedback is a method and a tool that provides each employee or service function the opportunity to receive performance feedback from all aspects of their work life (thus full coverage). This includes supervisors, peers, reporting staff members, coworkers, and especially customers. Most 360 feedback models also include the opportunity for self-assessment. This process allows each individual or functional group to understand how his or her effectiveness and responsiveness or service delivery level is viewed by others. The intent of 360-degree feedback is to provide actionable performance information to individuals and/or groups.

UMS HR has limited experience with 360-degree feedback. The Employee Benefits Center routinely asks employees to complete a basic feedback survey and compiles and reviews results. The System Office of HR, along with other System departments, also conducted a customer satisfaction survey of campus customers in 2010, and a small number of individuals
have participated in 360-degree reviews. These experiences lead us to believe that more systematic use of this feedback mechanism would be useful. Possible applications include:

- Campus HR departments getting feedback from campus employees, supervisors and managers
- System office work groups, Shared Service Center or Shared Expertise Teams getting feedback from individual employees, administrators and/or campus HR staff as appropriate
- Individual employees, particularly at the leadership level, engaging in 360 reviews

While UMS HR currently has the capacity for 360-degree assessments, they are optional, utilize paper-based forms and are not systematically utilized. This recommendation would make their use an integral part of the HR change assessment and improvement.

**Implementation Timing**

Significant cultural changes of this magnitude take time and must be built on a solid foundation. Initial steps must be executed correctly the first time, including:

- Determination of the proper competencies for each key position
- Recruiting, hiring, and positioning to competencies
- Providing the opportunity for new or transitioned leaders to build a common vision, develop a team, and formulate implementation plans
- Opportunity to implement and assess pilots and ensure they work or are improved before full rollout

For these reasons the team recommends a phased approach to implementation. The preliminary Gantt chart is Appendix G. The actual implementation timeline will be reviewed and more firmly established by the HRLT if this report and recommendations are approved. As feasible, the timeline will be accelerated provided that adequate resources are available and sufficient early progress is apparent.
FY 2014

1. Leadership team formulation and team-building
   a. Finalize the competencies for each position
   b. Populate the four key HR leadership spots based on competencies
   c. Start the process of team-building and implementation planning for the broad cultural change
   d. Formulate details of the full implementation plan for vetting and approval
2. Begin HR, administrator, and leadership education
3. Build the business case for phase II of benefits administration. Seek approval and transition EBC to a shared service model
4. Pilot LEAN-HE (Higher Education) with a focus first on recruiting and benefits (readiness for technology investments), then start to build the LEAN capacity through train-the-trainer
5. Pilot 360-degree feedback processes
6. Pareto analysis completed of UMS SHR needs

FY 2015

1. Demonstrate proof of concept, obtain approval of phased implementation and begin transition
2. Maturing in decision-making and accountability of the HR leadership team (moved from forming and storming into norming).
3. Incorporate 360-degree feedback into performance management for key leaders and units.
4. Expand LEAN to other aspects of HR by priority.
5. Begin planning and process redesign for consolidation of payroll.
6. Pilot a Shared Expertise Team (perhaps OD).

FY 2016

1. Invest savings from technology for remainder of Shared Services and critical hiring for SETs.
2. Continue to transition HR to SHR by adding critical services as prioritized by Presidents’ Council.
3. Full deployment of 360-degree feedback.

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22 Pareto analysis is a form of prioritization founded on the principle that 20% of the items will get you roughly three-quarters of the gain. It is particularly helpful when the number of potential items available for attention are much greater than the resources available.
4. Consider other technology/automation areas by priority and payback
5. Begin resourcing LEAN and SHR opportunities outside HR

Financial Impact

Complete plan:
If all investments were front loaded, the “minimal expected” scenario in this proposal calls for an accumulative maximum investment of $927,000. The majority of this investment is spent in the following areas:

- Software purchases and information technology support to automate and process-simplify paper-based and routine tasks
- Develop a high-performing HR leadership team and proactive HR group, incorporate SHR services, educate, train and transition the paradigm

The payoff for this upfront investment comes in primarily three areas:

- HR administrative costs; through a reduction in headcount (83 to 74)\(^{23}\) and lowered administrative costs. Both of these are projected as coming from efficiency gains. Projected headcount will be reviewed annually and any deviation reported to the Chancellor and Presidents. The projected headcount does not provide for any major mandates added in the future.
- An increase in HR’s abilities to resource improvement initiatives related to our human asset. Improved morale, retention, engagement, employee positioning, supervisory and leadership training, and clearer processes for decision-making can all have significant returns.
- Increasing HR’s abilities to resource campus process improvement initiatives. This includes organizational development efforts, LEAN process improvement, and workflow streamlining.

The benefits from the HR administrative review portion of this report (original charter) are small when compared to the investment needed to gain them – approximately a breakeven over the first 4-5 years. The exciting potential is when we look to what can be gained by investment that supports changing the way we look at engaging our human asset and the power of harnessing that knowledge, expertise and passion into improving the way we conduct our core business.

\(^{23}\) Benchmark from Sibson report – Appendix H – pgs10-11.
**Incremental Approach**

Since it is unrealistic to either fund or execute all these initiatives in the first years, the team recommends an incremental approach which serves two purposes:

1. Spreads investment over a number of years thus allowing HR administrative savings to pay for much of the investment
2. Allows time for both “proof of concept” and for rigorous execution

Therefore, the team is requesting approval of the following:

1. Approval of the full conceptual plan
2. Authorization to form and populate the new HR leadership team
3. Several pilots as “proof of concept”. The pilots are as follows:
   a) Continue the “LEAN” pilot within HR\(^{24}\), and focus first on recruiting and benefits (readiness for technology investments)
   b) Develop out the business case for phase II of the Employee Benefits Center (EBC), including adding case management software, and perhaps IT resources. This initiative to be vetted and approved by SW-CIO, Presidents’ Council, and SSAC prior to any outlay of capital for technology and beginning the transition

While a complete business case needs to be developed and approved by the Presidents Council, the rough investment costs are:

- Incremental salaries, benefits and travel costs for the Super 6 position and HRLT: $70,000 to $100,000 per year. This can most likely be offset within one year from the results of the LEAN process.
- Software for EBC transition: $120,000 to $130,000. Adequate return on investment will need to be demonstrated in the business case.
- Other shifts in headcount and operating costs can be made within the HR budget with a cost-neutral impact as efficiencies are found utilizing LEAN and other SHR principles.

Finally, the HRLT will work with Presidents’ Council and SSAC on a schedule of updates and assessment mechanisms where progress and obstacles can be discussed and modifications planned.

\(^{24}\) This pilot was started at USM, and has done “proof of concept” at UM-recruiting. A resource (1 FTE) is being shared by OE and UM-HR.
**Report Feedback**

After approval of the conceptual plan by the Chancellor and Vice Chancellor it is being vetted by the Administrative Review Steering Committee, Presidents’ Council, campus cabinets/executive staffs and HR/EO staff. The draft report is being distributed to the Administrative Review Steering Committee, Presidents’ Council, Shared Services Advisory Council, CAOs, HR/EO staff in early May and will be posted to the web. Input will be collected in person and incorporated into the final report submitted to the Steering Committee and Board of Trustees Finance and Facilities Committee for approval and inclusion on the consent agenda for the May 19-20, 2013 Board of Trustees meeting. Broad-based input regarding implementation suggestions and/or concerns will also be collected via an electronic survey tool through the end of May.
Appendices

A. Background, Charter, and Process Utilized

B. Human Resources Inventory

C. HR/EO Matrix

D. Competency Based Staffing and HR Staffing Principles

E. UM LEAN HE Pilot

F. UMS Chief Information Officer Report

G. Preliminary Gantt Chart

H. Consultant (Sibson) Report
Appendix A - Background, Charter, and Process Utilized

In January 2012, the University of Maine System Board of Trustees adopted a statement of Goals and Actions, comprising a plan to make UMS financially sustainable, accessible and affordable to students, and poised to meet the needs of Maine citizens for higher education, research and economic development. The Board of Trustees hired and charged Chancellor James Page with carrying out these Goals and Actions. Among the actions was a series of administrative reviews intended to improve the effectiveness and efficiency of administrative functions by removing barriers and creating functions that are interoperable. Review teams were chartered in Information Technology, Strategic Procurement, Human Resources, and a fourth broad area to set priorities for future administrative reviews.

Each team received a charter and timeline to review their functional area and make recommendations for eventual review and approval by the Board of Trustees.

The Human Resources Review Team developed a work plan that was accepted by Chancellor Page in July 2012. Work began in August 2012, but was heavily encumbered and delayed due to labor negotiations and short staffing through early fall. Work resumed in earnest in October and was completed in April 2013. Periodic progress reports were submitted to the Steering Committee and posted on the project website as a means of communication with the university community.

Anticipated outcomes:

- Interoperability and integration of HR/EO [equal opportunity] services across the enterprise to meet the needs of UMS now and in the future
- Increased efficiency through reducing unnecessary redundancy, leveraging expertise, and using technology to enhance efficiency
- Administrative cost savings
- Identification of service areas to be maintained, enhanced, reorganized, reduced or eliminated
- Timely, high quality service to employees, administrators, managers, supervisors and retirees
- Clear lines of responsibility, accountability and decision making authority

Team Members / Resources

- Tracy Bigney, Chief HR & Organizational Development Officer, UMS - Team Leader
- Cindy Huggins, President of the University of Maine at Machias - Sponsor
- Martha Freeman, Chief HR Officer, USM
• Sheri Stevens, Executive Director of Administrative Services, UMA
• Jennie Savage, Human Resources Manager, UMPI
• Judith Ryan, Associate Vice President for Human Resources and Administration, UM

The work was overseen by a Steering Committee comprised of:

• Chancellor James Page
• Vice Chancellor Rebecca Wyke
• Trustee Karl Turner
• President Paul Ferguson
• President Cynthia Huggins

President Huggins served as the team sponsor and liaison to the Steering Committee until February 2013, when Vice Chancellor Wyke assumed that role. Tamara Mitchell served as the Organizational Effectiveness partner and was joined by David Stevens in January 2013. Laurie Gardner (UMF) joined the team for final deliberations and report writing.

In December of 2012, an RFP was created for an external consultant with knowledge of best practices in public higher education to assist with the work of the Review Team. The consultant role was threefold:

• To assist with identification of best practices, benchmarks and metrics,
• To review the work completed on the functional matrix, proposed service delivery mechanism and leadership model, and
• To assist in the development of the recommendations

Sibson Consulting was engaged for the period January through March 2013 to review the team’s work in an “over the shoulder” manner and assist the team in identifying technology resources to improve service and considering organizational structures. Sibson facilitated three workshop sessions involving about twenty UMS staff from all campuses in HR, EO, finance, and IT to elicit information and ideas and to provide feedback regarding organizational design structures. This work assisted the Review Team in identifying opportunities for technology enhancements and related costs, in estimating HR/EO staff number needs, and in identifying areas of consensus and unresolved issues for further consideration. The Sibson report is Appendix H.

Following the Sibson workshops, the Review Team worked with structured facilitation and assistance to resolve outstanding issues. David Stevens, Executive Director of Organizational Effectiveness, coordinated the preparation of the report, with all Review Team members contributing draft material and reviewing drafts. After it is accepted by the Chancellor, this
report will be vetted by constituent groups and available for broad UMS community reactions leading up to inclusion on the agenda for the May Board of Trustees meeting.

**Process**

**Work Products**

In the early fall, the Review Team developed two work products that assisted our analysis and design efforts, referred to as the HR inventory and the HR matrix.

**Inventory**

One of the first tasks completed by the Review Team was an inventory of current resources dedicated to HR and EEO as of October 2012. The inventory provides detail about the staff and financial resources devoted to HR/EO at each university and the System Office, including resources not assigned to HR/EO. The inventory indicates a total of 87.4 staff FTEs providing HR/EO services in UMS with a total budget of $6.8 million. This provides a baseline against which to measure future resource allocation. The inventory also includes counts of employees and W-2 forms issued as measures of size related to HR/EO staffing levels. As a System, UMS employs close to 6,000 non-student employees and issued more than 16,000 W-2 forms for 2012. The inventory is included in Appendix B.

**Matrix:**

The Human Resources/ Equal Opportunity (HR/EO) matrix was designed to define the scope of the Review Team’s work and as an analytical tool. The scope of HR/EO was divided into eight large categories and multiple components were defined within each category. The matrix is included in Appendix C.

The HR/EO work defined in the matrix was analyzed several ways to provide insight into the optimal service model. For each component of HR work, aspects of the work were identified as either:

- Transactional (routine, repetitive and lends itself to centralization and automation)
- Customer service/tactical (needs to be delivered to a customer to help them operate effectively)
- Strategic (moving the organization forward in a positive manner)

In addition, the work in each cell of the matrix was identified as either:

- “Mission critical/mandatory”
- “Should do” for a well-functioning HR program
• “Would be nice” for those components that are optional

A very high number of the matrix cells were designated as mission critical or mandatory because of federal and state law including collective bargaining, non-discrimination laws, wage and hour laws, and tax regulations.

In considering the optimal mode of service delivery the Review Team determined that transactional work (repeatable, standardized and routine, requiring detailed knowledge but limited application of judgment) could most efficiently and effectively be provided in a centralized or consolidated manner. It was determined that much customer service/tactical work is best performed at the local university level close to the employees, supervisors, managers and executives served. The strategic work of HR has multiple aspects, some of which are best provided at the local level and some at the system level because of the System-wide impact.

Areas of focus for the review were selected because of three characteristics:
   1) Those that could be performed most effectively and efficiently in a consolidated manner
   2) Those with the greatest promise of efficiency and improved service through increased use of technology
   3) Areas in which HR/EO could contribute more through collaborative efforts and shared expertise not necessarily involving a single location and reporting line

Taken together the matrix and inventory also serve to show what is not included in the scope of the review. For example, student payroll is included, but student employment (awards, placement) is generally outside the HR function and the scope of the review. Likewise EO/AA for students and non-employees is not within the scope of this review. The organization of these functions varies among the universities. As we move forward, we need to remain alert to the impacts of our recommendations on functions that are partly within and partly outside HR.

NOTE: For the purpose of this review and report, EO/AA for employees is included in the Human Resources function regardless of reporting at individual campuses.

Communications

Major communication milestones in the review process included:
• A PolyCom meeting in June to acquaint all HR and EO staff with the review work plan and charge
• Updates to Employee Relations Liaisons (ERLs or campus HR leaders) and EO directors in October, December, March
• Solicited feedback/input from campus leadership, ERL’s, EO & HR staff in December
• Meetings with the Chancellor in October, February, and April
Summary of Input Received

Two important groups were asked to provide input to the Review Team: university presidents with their cabinets/executive staff and HR/EO staff at each university and the system office.

Two members of the Review Team met with each university President’s cabinet/executive staff and the system office leadership team. The sessions served to update the university leadership about the HR Administrative Review and the areas selected for further review and to obtain feedback to a series of structured questions about the value of Human Resources at the university level and priorities for the review.

Input from HR/EO staff was gained through a process led at each campus by a member of the Review Team. The five team members conducted the meetings at their respective campuses/system office. Two team members also conducted meetings with staff at other universities, and one university ERL used the briefing materials to conduct the meeting.

The overriding theme of feedback from both sets of groups was that every university strongly endorsed the need for a strong local presence of Human Resources at the campus. Other common themes were raised frequently by both groups.

Common themes from both leadership teams and HR/EO staff

- Strong support for the role of campus Human Resources on all campuses
- Visibility/credibility of Human Resources functions on campus, consultation, and local quality customer service very important
- Reinforced need for local knowledge in relation to performance management, parts of hiring, and handling of complex or sensitive matters
- Strong recognition that human capital management (employee development, mandatory training, leadership development) is important but is currently a gap in HR service
- Generally broad support for improving data management/technological solutions (e-hire, workflow, e-training) and streamlining business processes

Other themes that emerged from either the leadership groups or the staff groups included:

From leadership

- Nearly all HR services are essential services – payroll, compensation and benefits, employee relations, performance management, labor relations, and HR consultation 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, mission, or rural vs. more urban settings

From HR/EO staff

• There is a need for an intentional communication plan and shared expectations (clarity) between system office and campuses
• More HRIS [Human Resources Information System] authority (correct history, time administration, security) should be decentralized (mentioned by most campuses)
• Need better reporting, integration of databases (HRIS, GL, Campus Solutions)
• Would like to see improved training for HR staff
## Appendix B - HR Inventory

### HR and EEO FTE and Budget

<table>
<thead>
<tr>
<th>Staff with HR responsibilities</th>
<th>UM</th>
<th>UMA</th>
<th>UMF</th>
<th>UMFK</th>
<th>UMM</th>
<th>UMPI</th>
<th>USM</th>
<th>SWS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Dept FTE</td>
<td>22.69</td>
<td>6.10</td>
<td>3.00</td>
<td>3.75</td>
<td>1.95</td>
<td>2.50</td>
<td>14.75</td>
<td>22*</td>
<td>76.74</td>
</tr>
<tr>
<td>EEO Dept FTE</td>
<td>2.53</td>
<td>1.10</td>
<td>1.00</td>
<td>included above</td>
<td>0.05</td>
<td>0.30</td>
<td>1.00</td>
<td>5.98</td>
<td></td>
</tr>
<tr>
<td>Not in HR/EEO dept.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student employment</td>
<td>2.00</td>
<td>0.25</td>
<td>0.50</td>
<td>0.05</td>
<td>0.05</td>
<td>0.30</td>
<td>1.00</td>
<td>1.50</td>
<td>2.8</td>
</tr>
<tr>
<td>Faculty personnel actions</td>
<td>0.15</td>
<td></td>
<td></td>
<td>0.05</td>
<td></td>
<td></td>
<td></td>
<td>0.20</td>
<td></td>
</tr>
<tr>
<td>Wellness FTE</td>
<td>1.00</td>
<td>0.10</td>
<td></td>
<td>0.05</td>
<td></td>
<td></td>
<td></td>
<td>0.50</td>
<td>1.50</td>
</tr>
<tr>
<td>Mandatory Training FTE</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Staff in other depts. with</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>significant HR responsibilities</td>
<td>0.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.50</td>
<td>0.51</td>
</tr>
<tr>
<td>Total Full-time Equivalents (FTE)</td>
<td>28.22</td>
<td>7.71</td>
<td>4.50</td>
<td>3.75</td>
<td>2.15</td>
<td>2.80</td>
<td>*15.75</td>
<td>22.50</td>
<td>87.38</td>
</tr>
</tbody>
</table>

### Budget

| HR budget | $1,648,374 | $399,547 | $292,773 | $241,430 | $133,620 | $154,911 | $1,652,565 | $1,726,671 | $6,249,891 |
| EEO budget | $332,800 | included above | included above | included above | included above | $23,600 | included above | included above | $356,400 |
| Total HR and EEO budget | $1,981,174 | $399,547 | $292,773 | $241,430 | $133,620 | $178,511 | $1,676,165 | $1,749,271 | $6,606,291 |
| Recruitment budget | $0 | $43,302 | $55,000 | $19,000 | $81,400 | $81,400 | $198,702 |
| Recognition | $17,500 | $11,000 | included above | included above | included above | $28,500 |
| Other (specify) | $11,039 | $13,850 | $1,500 | $26,389 |
| Total | $1,998,674 | $442,849 | $369,812 | $274,280 | $133,620 | $180,011 | $1,733,965 | $1,726,671 | $6,859,882 |

### Employees

| Non-student employees 10/12 | 2,503 | 537 | 401 | 159 | 136 | 215 | 1,570 | 165 | 5,686 |
| W-2's issued for 2012 | 7,739 | 985 | 1,562 | 395 | 417 | 677 | 4,171 | 187 | 16,137 |

SWS HR Dept FTE *Includes 2 EBC employees loan from UM; some HR expenses related to the wellness program are budgeted in the pooled benefits account
USM *Two of these FTEs are being held vacant with no current plan to fill
UM HR budget Contingent on Temporary Staffing Pool fee revenue (FY13 $70,000)
UMFK HR budget - (Includes EEO & Recognition)
UMFK Other (specify) Wellness/Salaried & Hourly Development Funds
If Other (specify) development:
Recruitment budget pays for advertising and other expenses which are budgeted in the hiring department at other campuses
Employee count includes all regular employees plus part-time temporary faculty as of 10/31/2012

Budget and staffing as reported October 2012.
**Appendix C - HR Matrix Excerpt**

**UMS Administrative Review: HR Matrix**

Areas of focus for increased efficiency are highlighted in yellow.

<table>
<thead>
<tr>
<th>Major Function Areas</th>
<th>Activities By Function</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Talent Management</strong></td>
<td>Recruitment - Strategy</td>
</tr>
<tr>
<td></td>
<td>Recruitment - Advertising/posting</td>
</tr>
<tr>
<td></td>
<td>Recruitment - Screening--assessing qualifications</td>
</tr>
<tr>
<td></td>
<td>Recruitment - Interviewing (not usually HR)</td>
</tr>
<tr>
<td></td>
<td>Recruitment - Background and Reference checks</td>
</tr>
<tr>
<td></td>
<td>Negotiate with selected candidate</td>
</tr>
<tr>
<td></td>
<td>Onboarding - Appointment letters</td>
</tr>
<tr>
<td></td>
<td>Onboarding - Orientation</td>
</tr>
<tr>
<td></td>
<td>Performance Management - Coaching</td>
</tr>
<tr>
<td></td>
<td>Performance Management - Appraisal</td>
</tr>
<tr>
<td></td>
<td>Performance Management - Discipline</td>
</tr>
<tr>
<td><strong>Employee Development and Training</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Offboarding</td>
</tr>
<tr>
<td></td>
<td>Discontinuances</td>
</tr>
<tr>
<td><strong>Total Rewards</strong></td>
<td>Compensation - Program design and maintenance</td>
</tr>
<tr>
<td></td>
<td>Compensation - Classification/reclassification</td>
</tr>
<tr>
<td></td>
<td>Benefits - Program design</td>
</tr>
<tr>
<td></td>
<td>Benefits - Vendor relationships</td>
</tr>
<tr>
<td></td>
<td>Benefits - Enrollment and changes</td>
</tr>
<tr>
<td></td>
<td>Benefits - Communication</td>
</tr>
<tr>
<td></td>
<td>Benefits compliance</td>
</tr>
<tr>
<td></td>
<td>Wellness &amp; Health Improvement</td>
</tr>
<tr>
<td></td>
<td>Working Conditions - Policy development</td>
</tr>
<tr>
<td></td>
<td>Leave Management - FMLA</td>
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<tr>
<td></td>
<td>Leave Management - Sabbaticals and Educational</td>
</tr>
<tr>
<td></td>
<td>Leave Management - Disability and Annual leave</td>
</tr>
<tr>
<td></td>
<td>Leave Management - Leaves without pay</td>
</tr>
<tr>
<td><strong>Labor &amp; Employee Relations</strong></td>
<td>Collective Bargaining (planning, developing positions, conducting negotiations)</td>
</tr>
<tr>
<td></td>
<td>Gaining greater consistency policy across bargaining units</td>
</tr>
<tr>
<td></td>
<td>Communication</td>
</tr>
<tr>
<td></td>
<td>Grievance Administration</td>
</tr>
<tr>
<td></td>
<td>Contract Administration</td>
</tr>
<tr>
<td></td>
<td>Consultation with Managers</td>
</tr>
<tr>
<td></td>
<td>Personnel Files and Records</td>
</tr>
</tbody>
</table>
Competency Based Staffing

The Society for Human Resource Management (SHRM) defines competencies as “individual characteristics, including knowledge, skills, abilities, self-image, traits, mindsets, feelings, and ways of thinking, which, when used with the appropriate roles, achieve a desired result.” The SHRM HR Competency Model prescribes proficiencies in:

- HR technical expertise and practice
- Relationship management
- Consultation
- Organizational leadership and navigation
- Communication
- Global and cultural effectiveness
- Ethical practice
- Critical evaluation
- Business acumen

Similarly, University of Michigan professors David Ulrich and Wayne Brockbank have developed a competency model for strategic HR based on over twenty-five years of research. Their latest research identifies the following competencies for HR leaders—an HR leader must be a:

- Credible activist
- Change champion
- Capability builder
- Strategic positioner
- HR innovator and integrator
- Technology proponent

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Taken together, in the context of the stewardship and service paradigms and UMS HR leadership team roles described above, these competency models suggest that the team must be comprised of HR leaders who:

- Believe and manage to a model of shared governance, empowerment, and influence
- Inspire the Presidents’, Chancellor’s, and Board of Trustees’ confidence in the leadership team, especially in regards to effective decision-making and execution and business acumen
- Possess a high degree of competence in selecting, positioning, aligning, and managing performance of key HR working team leaders
- Demonstrate sound understanding of institutional planning and fiscal management;
- Understand team-building with the outcome of shared complementarity of leadership
- If pertinent to their role, has managed and understands management of shared services
- Demonstrate/model the engagement and service model in their work

**Competency Based Filling of Positions**

These statements are to indicate HR’s commitment to competency based filling of positions and to providing opportunities for current employees. It is not possible to say specifically how these guidelines will be applied and carried out until we know the future organizational design and phasing of changes.

- Where there are new or substantially changed positions, appropriate administrators will develop position descriptions and competency requirements utilizing internal or outside expertise as necessary to ensure that those placed in the positions are well suited to the needs of the position.
- Assessments of current employees’ competencies will be made by current and new supervisors with the assistance of internal or external expertise as appropriate.
- The goal is to minimize disruption. Where future positions are identical or very similar to current positions and no positions will be cut, employees will not have to compete for their current positions, so long as they have the necessary competencies (as determined by the appropriate supervisor).
- We are committed to developing and educating current employees. Those with a close match to competencies, but who may be lacking in some specific area will receive development opportunities and training or education to be able to succeed in new or revised positions.
• Incumbent HR/EO employees at all locations will have opportunities to be considered for all new positions at any location. For example, if a position at campus/location A will be eliminated and a position will be created at campus/location B, the employee whose position is eliminated as well as other HR/EO staff will have the opportunity to apply for the position at campus/location B.

• Searches for new positions will be limited to current HR/EO staff when we believe it is likely there is an adequate pool of qualified applicants. If an internal search is not successful in identifying a well-qualified candidate, external searches will be conducted. When it does not appear likely that there is an adequate pool of well qualified applicants internally, we will proceed directly with an external search for both internal and external candidates.
Appendix E - University of Maine LEAN-HE Pilot

University of Maine LEAN-HE

I LEAN

LEAN Continuous Improvement tools are gaining recognition for their ability to streamline processes in academia. The term LEAN refers to the system known as The Toyota Production System, and while originally its use was limited to the world of manufacturing, hospitals, K-12, and post-secondary institutions have shown incredible success in applying the lessons of LEAN.

The fundamental philosophy of LEAN is to add value to a process by removing steps that do not add value for the customer. LEAN is about empowering the person in a position to say when something works and when it does not, and to offer suggestions for improvement.

University of Maine’s Search and Selection Process

IIa Background

The process of approving positions and searching to hire at the University of Maine required several layers of approval resulting in delay and frustration. Consultants specializing in continuous improvement were engaged to help the group streamline processes and eliminate redundancy. Human Resources (HR) came together with partners in Academic Affairs and the EO’s office to understand the current state. From the time HR became aware of the need to fill an approved position, 98 steps were required to process the required paperwork before an employee could begin work. A group of 20 stakeholders worked over 3 days to map the process and, in doing so, met its two primary goals:

1. **Reduce the number of steps and length of time required to hire a new employee.** The group worked together to reduce the number of required steps from 98 to 51. The overall elapsed time is dramatically improved.
2. **Provide clarity for all members of the community.** The group created and published two flow charts, which provide a clear understanding of the process. The members are also designing orientation and training sessions for the departmental liaisons.
IIb Improvements

<table>
<thead>
<tr>
<th></th>
<th>Former Process</th>
<th>Current Process&lt;sup&gt;i&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Steps</td>
<td>98</td>
<td>51 (33 steps are handled by HR)</td>
</tr>
<tr>
<td>Minimum Elapsed Time&lt;sup&gt;ii&lt;/sup&gt;</td>
<td>91 days</td>
<td>15 days</td>
</tr>
<tr>
<td>Maximum Elapsed Time</td>
<td>247 days</td>
<td>62 days</td>
</tr>
<tr>
<td>Actual Staff Hours&lt;sup&gt;iii&lt;/sup&gt;</td>
<td>Up to 116 possible staff hours</td>
<td>Up to 67 possible staff hours</td>
</tr>
</tbody>
</table>

In the six months from August 2012 to January 2013 there were 47 full completed searches, with an estimated possible savings of 49 staff hours per search. The average cost per hour for employees involved in this work is $19.21. Cost savings during this time frame was $44,241; double that number for a full year and the total savings number becomes $88,482. This is a conservative estimate based upon savings in full searches only, there are additional savings in partial and search waivers that are not included in this number. In addition, should UMHR adopt the applicant tracking system now in discussion the savings will be substantially higher.

III Summary and Next Steps
The efforts of the improvement team in this process are commendable. The staff worked within and among departments to ensure an improved and transparent process for the entire university community. During follow up meetings with the team, members’ pride and improved morale was palpable. In addition to following up with the group on their progress toward continued improvements, the staff will be asked to complete a questionnaire with regard to their impressions of the process and employee morale.

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<sup>i</sup> As of October 2012

<sup>ii</sup> *Elapsed Time* is an estimate of the time it takes from the time a task could be started until it is complete. This often includes delays in handoffs and transport.

<sup>iii</sup> *Actual Staff Hours* are the hours a staff member is actively handling a task.
Appendix F - UMS Chief Information Officer’s Report

The University of Maine System Information Technology Services has reviewed the technology components of this Human Resources Administrative Review. ITS is in agreement with the HR Administrative Review report that additional functional subject matter experts will be required to further the work already in progress and to undertake implementation of new technologies and support expansion of technology systems in HR. ITS cannot estimate specific number of staff until the technologies and business processes to be addressed are fully identified. It is expected that additional staff will be required to implement new initiatives and to maintain and support new technologies going forward. ITS recommends that specific proposed changes or new systems be documented and put through a normal business case development/return on investment process prior to implementation.

The Chief Information Officer suggests creating an annual allocation of $600,000 to cover the likely cost of improvements under this initiative, including cost of subject matter and IT staff services as technology is added, to cover costs of new software, hardware, vendor implementation costs, and operations.

Identified Technology Areas for Early Implementation

Case Management: Research indicates that licensing costs for case management software could run in the range of $36,000 to $45,000 with vendor implementation costs ranging from $20,000 to $75,000, and annual fees of at approximately 20% of total costs of the system. Information Technology staff time, Human Resources staff time, hardware, software or integration costs have not been assessed as of yet. Both the software solutions and implementation and maintenance costs will vary depending on business process decisions.

Document Management: Human Resources and IT are engaged in a project which will position Human Resources to have an electronic personnel file. Activities are currently underway to configure the document management system and ITS has dedicated .75 FTE toward the project through December 31, 2013. After January 1, 2014, the personnel will drop to .5 FTE to support and maintain this work. Expansion of this system should be evaluated and be approved based on priorities and available funding as described above.

Business Process Enhancement/Workflow/Self-Service: Improvements in process and work flow are very valuable and IT is committed to supporting this effort. Improvements may require significant IT and HR subject matter effort and this should be estimated and prioritized against allocated funding as suggested above. Estimates for personnel and other costs will be estimated as part of each initiative.
Recruitment: Currently two institutions have engaged with Hire Touch for applicant tracking. The vendor has provided the following estimates for a System-wide implementation of the software. This estimate assumes less than ten hours of IT time. The IT needs will change if the security or interface requirements change.

Longer Term: The total effort of phase one, coupled with the possibilities anticipated in phase 2 are difficult to estimate and will be contingent on affordability, payback (ROI) and expectation of improved services. An annual allocation, earmarked for improvements to new HR technology systems and improvements will support any phase 2 investment decision(s). As new systems are implemented, the annual cost of operation should also be covered from the allocation to maintain and support the technology solutions.
### Appendix G - Preliminary Gantt Chart

#### UMS HR Administrative Review Timeline

<table>
<thead>
<tr>
<th>Task Name</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
<th>FY 18</th>
<th>FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rec 1: Implement, train, and team build a high-performing human resources and equal opportunity leadership team (HR/EO LT)</strong></td>
<td></td>
<td></td>
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<tr>
<td>Pilot competency-based staffing for leadership positions</td>
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</tr>
<tr>
<td>a. Finalize the competencies for each position</td>
<td></td>
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<tr>
<td>b. Populate the four key HR leadership spots based on competencies</td>
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<tr>
<td>c. Team-building</td>
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<tr>
<td>Maturing in decision-making and accountability of the leadership</td>
<td></td>
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</tr>
<tr>
<td>Pareto analysis of UMS SHR needs and prioritization</td>
<td></td>
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<tr>
<td><strong>Rec 2: Transition the HR organization to SHR</strong></td>
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<tr>
<td>Establish HR as a strategic partner</td>
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<tr>
<td>Implementation planning for the broad cultural change</td>
<td></td>
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<tr>
<td>HR and workforce education</td>
<td></td>
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</tr>
<tr>
<td>Continue to transition HR to SHR by adding critical services as prioritized by Presidents' Council</td>
<td></td>
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<tr>
<td><strong>Rec 3: Optimize the service delivery model</strong></td>
<td></td>
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<tr>
<td><strong>Rec 3a: Create shared service unit for transactional HR business</strong></td>
<td></td>
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<tr>
<td>Develop business case for benefits phase II</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Transition EBC to shared service model</td>
<td></td>
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</tr>
<tr>
<td>Begin planning and process redesign for consolidation of payroll and eRecruitment</td>
<td></td>
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</tr>
<tr>
<td>Implement shared service for payroll and e-recruiting</td>
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<tr>
<td><strong>Rec 3b: Pilot and learn from creating a Shared Expertise Team (SET)</strong></td>
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<tr>
<td>Pilot a Shared Expertise Team</td>
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<tr>
<td>Assess/Learn/Modify from pilot SET</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>If successful Pareto remaining SETs</td>
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<tr>
<td>Implement additional SETs</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Task Name</td>
<td>FY 14</td>
<td>FY 15</td>
<td>FY 16</td>
<td>FY 17</td>
<td>FY 18</td>
<td>FY 19</td>
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<td>--------------------------------------------------------------------------</td>
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<tr>
<td></td>
<td>Jul</td>
<td>Oct</td>
<td>Jan</td>
<td>April</td>
<td>Jul</td>
<td>Oct</td>
</tr>
<tr>
<td><strong>Rec 3d: Make requisite technology investment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invest in technology for benefits administration</td>
<td></td>
<td></td>
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<tr>
<td>Use savings from phase I to invest in payroll</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Pareto remainder of technology needs</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Invest savings from phase II in technology for remainder of Shared</td>
<td></td>
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<tr>
<td>Services and critical hiring for SETs</td>
<td></td>
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<td><strong>Rec 3e: Employ Lean (process improvement) techniques to streamline</strong></td>
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<td>HR processes.</td>
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<td>Pilot Lean-HE (Higher Education) on benefits and recruitment process</td>
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<td>Build Lean capacity (train the trainer)</td>
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<td>Expand Lean to all aspects of HR by priority</td>
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<td>Expand Lean outside HR</td>
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<td><strong>Rec 3f: Utilize 360-degree feedback tools to receive service delivery</strong></td>
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<td>Develop 360 feedback process</td>
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<td>Pilot for HR Leadership team</td>
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<td>Incorporate 360 feedback in performance management (key leaders/units)</td>
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<td>Full deployment of 360 degree feedback</td>
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**LEGEND**
- Anticipated Phase 1
- Anticipated Phase 2
- Anticipated Phase 3
Appendix H – Consultant (Sibson) Report