AGENDA ITEM SUMMARY

1. **NAME OF ITEM:** Presentation of the Human Resources Strategy and Structure and Update on the Human Resources Administrative Review

2. **INITIATED BY:** James H. Page, Chancellor

3. **BOARD INFORMATION:**
   
   **BOARD ACTION:** X

4. **BACKGROUND:**
   
   Chief Human Resources Officer Lynda Dec will present the Human Resources Strategy and Structure for Board approval and will also provide an update on the Human Resources Administrative Review for Board Information. The Human Resources strategic plan is based on the HR Administrative Review and is in support of the University of Maine System’s strategic vision and plan. The Human Resource strategic plan provides the framework for the University System’s most important asset – its people. The purpose of the plan is to provide a clear picture of present state and compare the results against further needs. This allows for recommendations and strategies in all areas of the Human Resource function. HR’s priorities are focused in seven categories: HR Technology Plan and Metrics, Benefits/Wellness, HR Service Delivery Model, Compensation, Recruitment, Work Culture, and Performance Management/Professional Development.

   **Current State**
   
   Human Resources was initially established to provide decentralized support to each campus. There were functions such as benefits and payroll that were centralized at the system office with the remainder of the Human Resource portfolio located on each campus. This structure allowed for HR services tailored for the needs of each individual campus. This structure served the local needs of the campus; however, was unable to leverage efficiencies, systems, and resources across the university system.

   **HR TECHNOLOGY PLAN AND METRICS:**
   
   Currently, University System HR does not have a technology plan. Technology investments aren’t planned or purchased as part of an overall strategy. Many investments have not been fully utilized across all campuses and they are not strategically deployed to support the University System’s strategic plan. Development of an HR technology plan will allow for the consolidation of HR administrative services, gain efficiencies, and provide for greater reporting and tracking capabilities. Integral to this plan will be the development of a HR dashboard to measure the success of the HR
strategic plans.

- **Develop HR Technology Plan.** HR will collaborate with IT to prioritize a list, set timelines, and establish necessary resources. Examples of technology needs include: Build out of workflows in PeopleSoft Payroll module, applicant tracking, labor tracking, workflows that enable greater support of managers for HR policies and procedures, data collection of HR information such as labor information, tracking of performance management, employee benefits, etc.

- **Develop a Human Resource Dashboard.** HR will develop a dashboard to measure the success of the HR strategic plans.

**BENEFITS/WELLNESS:**
The Benefit and Wellness programs currently in place pose financial risk to the University System. The benefit programs are not sustainable long term and may pose additional risk due to the Affordable Care Act (ACA). The Wellness component lacks an overall vision and strategy. Investments and activities in support of Wellness do not deliver a clear path for improved employee health and savings. The Wellness program as designed today does not address the areas of high claim costs or drive for the improved health of University System employees. Campuses have also set up their own wellness activities outside of the RiseUp program resulting in a higher cost of wellness and a lack of coordination of efforts. EHPTF was set up to address the rising cost of healthcare; however, the group as structured and deployed has been unable to reduce the trend in the System’s healthcare spend.

- **Benefit Program Redesign.** HR will evaluate benefit design in all areas to include medical plan, disability, retiree healthcare, pharmacy, etc. Programs will be designed to address risks with the ACA, incorporate wellness into plan design, offer competitive programs, maximize savings, and provide sustainability.

- **Wellness Program Design.** HR will develop a long term strategy for Wellness. The strategy will look at the ROI of all programs, address areas of high claim costs, educate the employee base, and drive a culture of health in the University System.

- **EHPTF Mission and Focus.** Redefine the mission, operating rules, and goals of EHPTF to better support the University System’s strategy and mission.

**HR SERVICE DELIVERY MODEL:**
The current HR delivery model is inconsistent and the level of support/programs varies from campus to campus. The structure was built to provide a personalized paternal support system. Our current offerings of centralized services do not leverage technology and are manual and inefficient. The HR Administrative Review addressed the centralization of HR Administration but did not outline a plan to achieve efficiencies or realize savings.

- **Centralization/Automate/Outsource the HR Administrative Functions.** Develop a plan to identify all opportunities to either centralize, automate, outsource, or optimize the administrative functions. The support for the administrative work will be centralized into a Human Resource Service Center and will provide all administrative support in the areas of health and welfare benefits, leave
administration, retirement, payroll, and recruiting. This will allow for process flow redesign, efficiencies, metrics, service standards, and automation. The plan will identify opportunities for cost savings and reduced headcount.

- **Develop Campus HR Business Partner Model.** Development of a Business Partner Model sets up Human Resources to be a strategic partner. Centers of Excellence will provide tools, support, and expertise to be used in a manner to allow for the strategic support of the Campuses.

**COMPENSATION:**
The University System currently has two established pay programs, SECCP for salaried employees and HECCP for hourly employees. The management group is handled on an ad hoc basis and faculty compensation is determined by collective bargaining agreements and campus resources. The SECCP hasn’t been updated in over ten years. The management group does require periodic adjustment to salaries that may pose PR risk to the system. Salary negotiations do not incorporate a strategic approach to total rewards or campus strategies. There is no uniform titling of positions across campuses which poses a challenge in utilizing resources across campuses.

- Establish a Center of Excellence Compensation function to proactively provide up-to-date tools, recommendations, and guidance on all salary planning negotiations, recommendations, and adjustments.
- Create greater visibility across the system on salary decisions and implementation.
- Establish practices and policies that reduce risk in salary inequities, over payments, competition, public relations.
- Develop common titling language and levels to leverage talent across the system and promote the sharing of resources.

**RECRUITMENT:**
Recruitment is handled at every campus throughout the system. The larger campuses have implemented an applicant tracking system. The smaller campuses do not have tracking capabilities. The software was not scoped to determine the needs of the smaller institutions or looked at to ensure abilities beyond current needs. Currently, the University System does not have the ability to leverage the applicants from other campuses, there are redundancies of effort and expense, and the ability to meet compliance requirements is challenged.

- **Deploy a system-wide applicant tracking solution.** This would be included in the HR Technology Plan
- **Consolidate sourcing of applicants.** This will allow for efficiencies of scale as well as develop an expertise that is lacking at the University System.
- **Combine the spending to optimize purchasing power and savings.** Using the new Procurement model, evaluate spend and determine ways in which to reduce through greater purchasing power.
- **Build a world class recruiting function in support of the University System’s vision and strategy.**

**WORK CULTURE:**
The current culture of the University System does not always lend itself to collaboration, support, and partnership in its dealing with the employees, unions, or across campuses.
We do not have a proactive labor relations strategy. Issues are brought up at the bargaining table which tend to leave contracts unresolved for extended periods of time. The campuses deal reactively with local issues without a clear strategy or direction. Technology is not deployed for the tracking of data. The relationships with the various unions do not lend to collaborative activities in support of the seven universities.

- **Develop a clear Labor Relations Strategy.** Create a strategy which builds productive, sustainable relationships with the Unions which represent our employees to support and advance System and University goals and objectives while maintaining management’s rights to act and manage the University operation.

- **Move to a centralized Labor Relations support model.** Change the Labor Relations support to a centralized model where resources can be utilized across all campuses. This model will allow for a consistent approach to Labor Relation while reducing redundancies.

- **Develop assessment tools and plans to improve the climate across the system.** Plans should include ways to build trust, collaboration, improve morale, and drive employee engagement.

**PERFORMANCE MANAGEMENT/PROFESSIONAL DEVELOPMENT:**
Currently the University System has limited opportunity for management and professional development. There is no central tracking of training/development needs, resources, plans, or achievements. There is a clear lack of academic management development. There is no formal succession planning in the system.

- **Establish a Center of Excellence for Performance Management/ Professional Development.** This COE will be responsible for program development in support of the growth and professional development of our people.

- **Establish a strategy and plan that support the organization’s strategy and people needs in order to deliver on the strategy.** Understanding the University System’s strategic plan, identify the skills and competencies needed to achieve goals. Evaluate the talent in the organization, identify gaps and build programs to develop needed skill sets and competencies.

- **Establish a central database for tracking plans, achievements, reviews, etc.**

The proposed structure of Human Resources is in support of the strategic plan. The structure is attached. The Update on the Human Resources Administrative Review is attached. It will be posted on the Mission Excellence website [http://thinkmissionexcellence.maine.edu/](http://thinkmissionexcellence.maine.edu/) on September 22 with a feedback tool available until October 14. It is anticipated that the final plan for the Human Resources Administrative Review will be presented to the Board of Trustees at the November 16-17 meeting.

5. **TEXT OF PROPOSED RESOLUTION**

That the Board of Trustees approves the Human Resources Strategy and Structure.

09/11/2014