

HUMAN RESOURCES PLANNING TEAM REPORT

CHARGE

The charge of the CSCU “Students First” Human Resources Planning Team is to develop an effective model for the delivery of HR services across the system. The Team’s work grows out of the recommendations of the CSCU Workgroup tasked with this area of the system’s operations. The report produced by the Workgroup recommends the implementation of a strategic human resource management framework, which includes two key recommendations: 1.) establishing a system-wide HR staffing ratio of 1:100 FTE employees., 2.) create a direct reporting relationship between all HR employees system-wide and the CSCU VP for HR.

The earlier work of the Workgroup, and now the Team, is in response to the lack of systematic planning and development in HR functions and policy across 17 institutions. Related weaknesses are owed, to differing degrees, to the natural outcome of merging three separate entities (CSU, CSCC, and Charter Oak), and the historical lack of thoughtful exercises to align HR across institutions for the purposes of consistency, efficiency, and best meeting the needs of constituent groups.

The HR Planning Team has reviewed and discussed the recommendations of the HR Workgroup, and solicited additional ideas concerning other approaches to addressing sub-optimal HR operations. Few arguments in defense of the status quo present themselves, and perhaps even fewer stakeholders (faculty, management, administrative faculty, etc.) support the status quo as an ideal model moving forward.

COMMITTEE MEMBERSHIP:

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MEETING SCHEDULE:

June 1, 2017
June 16, 2017
June 27, 2017

BACKGROUND:

Current Delivery Model of HR Services

Delivery models of HR services vary between campuses, and express a wide range of practices that have been baked-in by the historical needs of institutions and institutional inertia, rather than best practices. In general, these models follow a “personnel” orientation to HR. This means focusing primarily on transactional services (e.g., contracts, benefits, retirement counseling, and the like). The personnel focus of campus HR, as well as mission creep in the form of aligning other institutional services, such as payroll, with the HR function, prevent the alignment of HR with the strategic goals of the enterprise.

Strategic Human Resource Management Delivery Model (Proposed)

Strategic Human Resource Management (SHRM) is a paradigm for the delivery of HR services that is well-established in both the academic literature and organizational practice across private and public enterprise. The guiding notion of SHRM is that an organization’s employees are its most valuable asset, and thusly of critical strategic importance. As opposed to the “personnel” model, which focuses on reaction and transaction (e.g., responding to the occurrence of a triggering event), SHRM advocates a systems-based approach to HR that focuses on how elements of an enterprise interact in the service of achieving their optimal alignment. In short, this means recognizing that HR plays a necessary and valuable role in an organization efficiently achieving its strategic objectives.

Strategic Objectives of SHRM (abbreviated list)

Strategic objectives, by their nature, incorporate multiple units and functions within an enterprise, often have multiple targets, and require aligned tactics. A SHRM HR framework stands to contribute to a system-level vision in the following ways:

- 1.) **HR ARCHITECTURE:** Build an HR architecture by mapping existing HR systems, which include represented, non-represented, hourly, and other groups of employees.
 - a. Represent and evaluate current staffing levels across all units using best practices
 - b. Assess if/where system functions are inefficiently replicated
 - c. Determine the staffing levels needed to achieve strategic goals
 - d. Analyze the viability/efficiency of regionalizing services while maintaining high-quality stakeholder access.
- 2.) **CENTERS OF EXPERTISE:** Establish centers of expertise that pool HR expertise in areas in areas of operations across the system.
 - a. Labor relations
 - b. Searches and hiring
 - c. Benefits
 - d. Retirement counseling
- 3.) **LABOR RELATIONS:** Develop an effective labor relations policy.
 - a. Produce a coherent understanding of how labor agreements function in the HR architecture
 - b. Constructively and efficiently negotiate labor agreements
 - c. Fairly implement labor agreements
- 4.) **COMPLIANCE AND POLICY:** Create an efficient and effective model for compliance activities, and the development of policy.
 - a. Standardize compliance efforts
 - b. Leverage technology to bake-in efficiency in compliance
 - c. Develop clear HR policies that fairly represent the interests of employees and management.

Additional changes would also likely be called for in the following service areas: benefits, retirement programs and services, talent management and development, and HR systems and data.

SWOT Analysis

Strengths:

- ✓ Builds a planned approach to HR.
- ✓ Integrates HR into the system as a contributing partner in realizing strategic goals and vision.
- ✓ Produces greater employee satisfaction through consistent, fair policies.

Weaknesses:

- ✓ Will require resources to implement (e.g., time and labor).
- ✓ Necessitates a shift in understanding HR's function in the system among relevant stakeholders.
- ✓ Implementation requires stakeholder buy-in.

Opportunities:

- ✓ Develop consistent policy and application so that every occurrence does not require "reinventing the wheel."
- ✓ Leverage HR as a resource for accomplishing strategic goals.
- ✓ Improve efficiency in rendering HR service.
- ✓ Make a value-added contribution to system-wide operations.

Threats:

- ✓ Real and perceived budget concerns stand to interrupt or lead to the discontinuation of implementation.
- ✓ Decision making at the Board of Regents or Chancellor level might undermine the effective development and execution of a SHRM model.
- ✓ Other organizational priorities may take precedence over implementing.
- ✓ Organizational inertia may moderate desire for change.
- ✓ Campus presidents are likely to balk at any perceived or real diminishment of authority.

Key Performance Indicators (KPI)

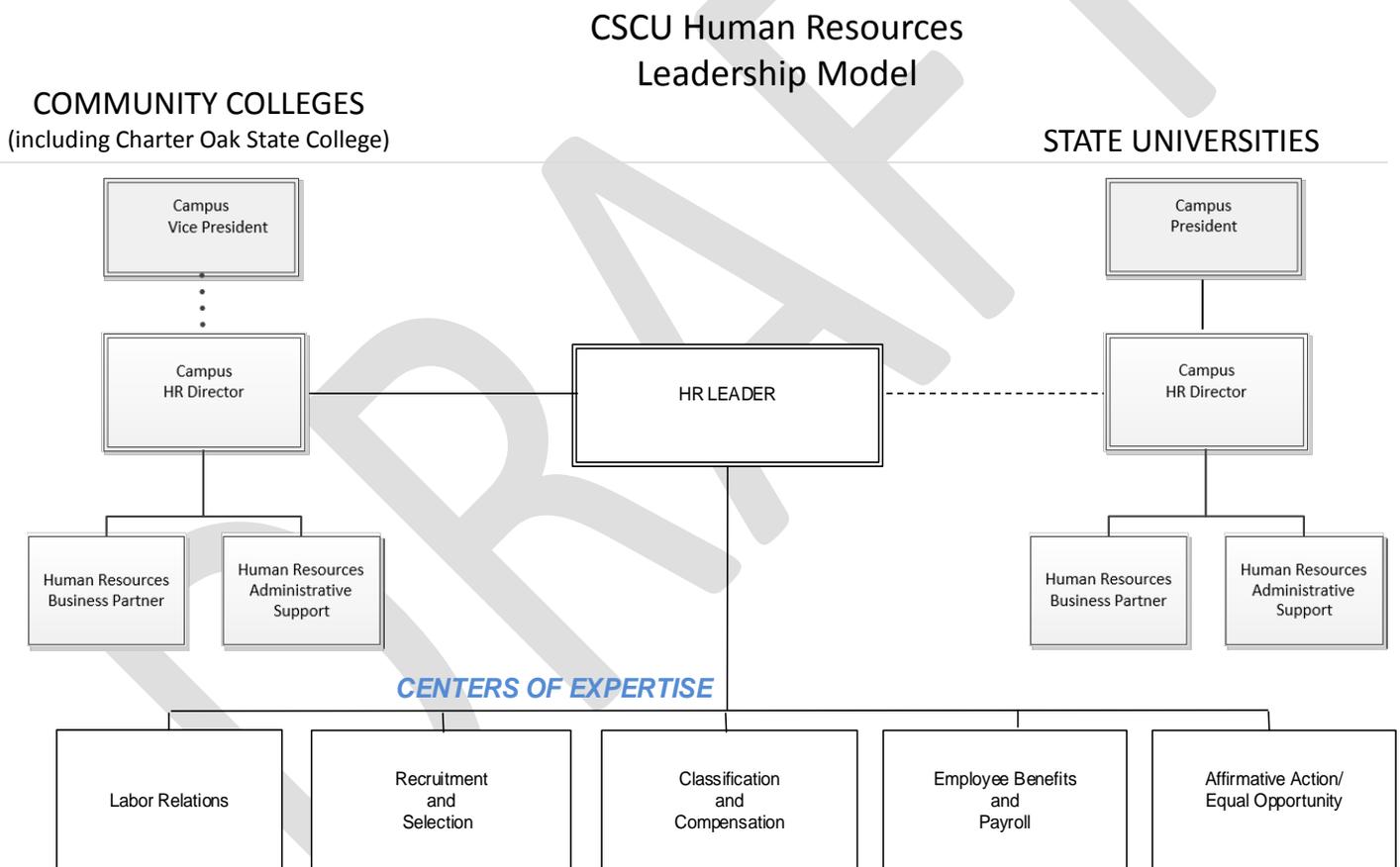
Thoughtfully developed KPIs measure and assess areas of enterprise operations, and in the context of SHRM, aid in providing distillations of key HR services. Below are sample categories of KPIs that may be used to measure the effectiveness of a SHRM delivery model.

- ✓ Cost and efficiency (e.g., Cost of service delivery, number of labor grievances)
- ✓ Culture and Values (e.g., employee satisfaction)
- ✓ Employment (e.g., average time to fill vacancies, diversity in the labor force)

RECOMMENDATIONS:

- Prepare a full-fledged strategic plan that envisions the design and implementation of a SHRM for delivering HR service.¹
- Establish in policy a primary reporting relationship between HR services at the 12 community colleges and Charter Oak State College and the CSCU VP for HR office and a secondary reporting relationship between the 4 universities and the CSCU VP for HR office.
- Establish Centers of Expertise that pool HR expertise from the 17 campuses in areas of operations including labor relations, searches and hiring, benefits and retirement counseling.
- Implement a SHRM at the system level.

PROPOSED ORGANIZATIONAL STRUCTURE:



¹ For an illustrative example of a SHRM strategic plan, see University of California, HR Strategic Plan 2015-2019.

POTENTIAL SAVINGS/VALUE ADDED:

Implementing a SHRM delivery model will realize some cost savings in the short term, more in the long term, and provide value-added to the system in the medium term.

Immediate-term cost saving:

- ✓ Immediate cost savings will be realized by achieving a 1:100 ratio of HR professionals to FTE employees. (This ratio is recognized as a general benchmark, and may fluctuate depending on the necessary staffing to achieve strategic objectives.) Current estimates based on CORE data suggests a system-wide reduction of four positions with potential savings of \$400,000-500,000.
- ✓ Additional cost savings in total HR budget lines will be achieved by shifting all payroll work to Finance operations (some institutions already house payroll in Finance).

Long-term cost savings:

- ✓ Long term cost savings will be realized as an outcome of a planful approach to HR services. This includes, but is not limited to: streamlining redundant functions; spending less time on reacting to occurrences, and more time on contributing to strategic goals; greater efficiency and amicability in negotiating labor agreements; supporting hiring and planning in areas identified for growth; and functioning as a coherent whole, rather than as 17 separate operations.

Medium-term value-added

- ✓ HR services across the 17 institutions has historically focused on responding to occurrences and employee transactions (contracts, employment paperwork, benefits, etc.). This history has led to a range of inefficiencies, and delimited the capacity of HR to productively contribute to a strategic vision. In and through the means outlined in brief in this report, program outcomes stand to be improved in a range of meaningful ways.

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