CSCU | Students First

Planning Team	Human Resources
Meeting Date	June 27, 2017
Members Present	Jay Brower, Associate Professor, Communication & Media Arts, WCSU Kimberly Carolina, Director of Human Resources, NVCC (Tel.) Fred Cratty, Chief Human Resources Officer, WCSU Gregg Crerar, Director of Community Advancement, SCSU Angelo Glaviano, Professor, Foreign Language, MxCC Owen Kaufman, Professor of English, QVCC (Tel.) Michael Lopez, Director of Human Resources, CSCUSO Diane Mazza, Chief Human Resources Officer, SCSU Eduardo Miranda, Bursar, MCC Steve Weinberger, Vice President of Human Resources, CSCUSO

Meeting Notes

Vice President Weinberger provided a **recap** of the June 16, 2017 meeting:

-Refresh of CORE-CT data
  -Payroll personnel removed
  -Part-time data found to be unreliable
  -As a result of the data refresh, ratio of HR Staff FTE to CSCU Staff FTE changed, revealing HR Staff FTE to be slightly over industry average ratio of 1:100 by approximately 4 HR Staff.
  -Savings expectations lowered to $.5 million
- The Team appointed Dr. Brower to draft an initial HR Planning Team report for Executive Steering Committee review and feedback as to next steps the Team should pursue.

Dr. Brower gave a brief **presentation** of a draft of the **Initial Report of the "Students First" HR Implementation Team**. [Appended to these notes] Group **discussion** followed:
  -Benefits of moving from a traditional personnel or transactional HR model to a Strategic Human Resources Model (SHRM)
  -How can HR help to improve, streamline, bring efficiencies to benefit across the entire System?
  -Fundamental shift in rationale needed to ensure that staff incorporate SHRM concepts in basic decision-making processes
  -SWOT analysis reveals many opportunities and few disadvantages for implementation

-Key Performance Indicators can be used to measure the effectiveness of the SHRM model:

- -Number of grievances filed
- -Search time for vacancy decreases
- -Employee satisfaction
- -Potential savings (i.e., payroll moving to Finance)

-Revisited discussion of which areas likely lend themselves to Centers of Expertise:

- -Recruitment/searches
  - -Remain local as possible
  - -No disruption in hiring of faculty
  - -Placement of advertisements

Next Steps:
-VP Weinberger will submit the initial Team report for review and approval by Executive Steering Committee.
-HR Planning Team on hiatus until such time as the Executive Steering Committee affirms the Team's recommendations and objectives are aligned with the planned implementation of "Students First".

Next Meeting Dates:
None scheduled

Initial Report of the "Students First" HR Implementation Team

Executive Summary

The HR Implementation team has reviewed and discussed the recommendations of the HR Workgroup, and solicited additional ideas concerning other approaches to addressing sub-optimal HR operations. The Implementation Team is prepared to make three initial recommendations:

- ✓ Pursue and develop a "Strategic Human Resource Management" model of HR services.
- ✓ Create a system-level reporting relationship between institutions and the system office.
- ✓ Implement a "Strategic Human Resource Management" model of HR services.

The Implementation Team requires guidance from the Steering Committee concerning support for, and the viability of, the below described changes in the context of "Students First."

- ✓ Are the recommendations of this report coherent with the steering committee's planned implementation of "Students First"?

- ✓ Should the HR Implementation Team conduct further work in pursuit of the discussed concepts and objectives?

Background

The charge of the CSCU "Students First" Human Resources Implementation 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.

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.

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)

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.

✓ 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.

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 17 institutions and the CSCU VP for HR office, along with a secondary reporting relationship between institution-based HR services and relevant presidents.
  - o In order to develop and execute a system-wide plan, HR services are best situated under the umbrella of a central reporting authority.
  - o To address legitimate concerns over the erosion of shared governance and other elements of management accountability, campus presidents must be fully engaged in HR, and apprised of HR activities, and also must maintain access to a meaningful process to question and alter system-level decision making where it is deemed adverse to the interests of a particular institution.
- ✓ Implement a SHRM at the system level.

Questions for the "Students First" Steering Committee

Are the recommendations of this report coherent with the steering committee's planned implementation of "Students First"?

Should the HR Implementation Team conduct further work in pursuit of the discussed concepts and objectives?

References

Colbert, B.A. (2004). The complex resource-based view: Implications for theory and practice in strategic human resource management. *The Academy of Management Review*, 29, 341-358.

Lengnick-Hall, M.L. *et al*. (2009). Strategic human resource management: The evolution of the field. *Human Resource Management Review*, 19, 64-85.

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

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University of California. (2016). HR Strategic Plan 2015-2019. < http://www.ucop.edu/human-resources/_files/hr-strategic-plan-2015.pdf>.