



**HUMAN RESOURCES COMMITTEE
JANUARY 19, 2010
2:30 P.M.**

**BOARD ROOM
WELLS FARGO PLACE
30 7TH STREET EAST
SAINT PAUL, MN**

Please note: Committee/Board meeting times are tentative. Committee/Board meetings may begin up to 45 minutes earlier than the times listed below if the previous committee meeting concludes its business before the end of its allotted time slot.

Committee Chair Ruth Grendahl calls the meeting to order.

- (1) **Minutes of November 17, 2009 (pp. 1-3)**
- (2) Human Resources Update
- (3) **Appointment of Vice Chancellor for Information Technology (pp. 4-5)**
- (4) Demographic Report for FY 2009 (pp. 6-7)
- (5) Human Resources Planning and Infrastructure (pp. 8-16)

Members

Ruth Grendahl, Chair
David Paskach, Vice Chair
Cheryl Dickson
Jacob Englund
Christopher Frederick
David Olson
Christine Rice
Scott Thiss

Bolded items indicate action required.

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE
MEETING MINUTES
November 17, 2009**

Human Resources Committee Members Present: Ruth Grendahl, Chair; Cheryl Dickson; Jacob Englund; Christopher Frederick; David Paskach; Christine Rice; Scott Thiss

Human Resources Committee Members Absent: David Olson

Other Board Members Present: Duane Benson, Dan McElroy, Tom Renier, James Van Houten

Leadership Council Committee Members Present: Lori Lamb, Vice Chancellor for Human Resources, and Earl Potter, President, St. Cloud State University

The Minnesota State Colleges and Universities Human Resources Committee held its committee meeting on Tuesday, November 17, 2009, at Wells Fargo Place, 4th Floor, Board Room, 30 Seventh Street East, in St. Paul. Chair Grendahl called the meeting to order at 11:00 a.m.

1. MINUTES OF SEPTEMBER 8, 2009

Chair Grendahl called for the motion to approve the minutes of the Human Resources Committee meeting on September 8, 2009. The minutes were moved, seconded and passed without dissent.

2. HUMAN RESOURCES UPDATE

- Vice Chancellor Lamb reported that the human resources strategic planning efforts are in progress and expected to conclude in June 2010.
- Planning for the Labor Relations Summit is underway, which is scheduled on December 17-18, 2009, at St. Cloud State University. Its purpose will be to assist in the development of effective, long-term labor relations strategies for future bargaining.
- A comprehensive review of the presidential evaluation process is in progress, and a report will be presented at a future board meeting.
- The Human Resources Fall Conference was held at St. Cloud State University on September 28-30, 2009, bringing together human resources professionals from around the system. Vice Chancellor Lamb acknowledged Chair Grendahl's attendance at the conference. Recipients of this year's annual Human Resources All Star awards were Liz Newberry from Inver Hills Community College; Wendy Schuller from Minnesota State University, Mankato; and a large group award was presented to 30 individuals who contributed to the development of a human resources online help system that includes process flow charts and other documentation.
- In the past, the demographic report has been presented at this time; however, given the conversations among the trustees at last month's retreat, we wish to make a more thorough analysis of the report and present it at a later date.

3. LUOMA LEADERSHIP ACADEMY UPDATE

Anita Rios provided a brief overview of the Luoma Leadership Academy that included demographic and return on investment information since its first cohort (November 2004). She introduced three individuals who gave personal testimonials about their participation in the program. They were Michael Amick, Dean of Academic and Technology Services, Central Lakes College; Trish Schrom, Academic Dean, Minnesota State Community and Technical College-Moorhead; and Sherrise Truesdale-Moor, Associate Professor, Sociology and Corrections, Minnesota State University, Mankato.

4. PRESIDENTIAL AND CABINET DEVELOPMENT

Vice Chancellor Lamb discussed a proposed executive development plan, which has been supported by Chancellor McCormick and included the following topics:

- Individual development plans
- Assessments
- Executive coaching
- Annual retreat for Leadership Council
- Onboarding for new presidents

Trustee Van Houten commented about faculty contracts being potential barriers to hiring and retaining administrators. Vice Chancellor Lamb replied that this will be included in discussions at the upcoming Labor Relations Summit.

5. SEARCH UPDATES

Currently, there are six executive leadership openings in the system:

- President of Bemidji State University and Northwest Technical College
- President of Inver Hills Community College
- President of Lake Superior College
- President of North Hennepin Community College
- Vice Chancellor for Information Technology/Chief Information Officer
- Executive Director for Internal Auditing

It is anticipated that recommendations for appointment will be made at the following board meetings in 2010:

- January – Vice Chancellor for Information Technology/Chief Information Officer
- March – Presidents at Inver Hills Community College and North Hennepin Community College
- April – Presidents at Lake Superior College and Bemidji State University

Trustee Van Houten asked to receive more information about the search processes and criteria used for selection of system executives. Vice Chancellor Lamb will confer with the search consultants to bring back more information to the trustees.

Continuing on the topic of searches, Vice Chancellor Lamb commented that the Board will be engaged very soon in the upcoming chancellor search, and it will be important to begin the conversation about what to look for in the next chancellor. The current draft timeline indicates that beginning in May, 2010, the vacancy notice is scheduled to be released; and shortly thereafter, a search committee chair will be selected, and the composition of a search committee will be decided.

6. LEGISLATIVE AUDIT FINDINGS AND FOLLOW-UP

Vice Chancellor Lamb reported on the progress related to the audit findings in the human resources areas. Areas cited for improvement are being addressed, and ongoing efforts will continue.

Meeting adjourned at 12:10 p.m.

Submitted by,
Vicki Schoenbeck, Recorder

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Human Resources Committee **Date of Meeting:** January 19, 2010

Agenda Item: Appointment of Vice Chancellor for Information Technology

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda:

1A.4, Subpart A. System Administration Appointment of Administrators

Scheduled Presenter(s):

James McCormick, Chancellor
Lori Lamb, Vice Chancellor for Human Resources

Outline of Key Points:

It is anticipated that the Chancellor will recommend an individual for the position of vice chancellor for information technology. Additional information will be provided in advance of the committee meeting.

Background Information:

The vice chancellor semi-finalist interviews are being held on January 11, 2010, in the Office of the Chancellor.

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION

APPOINTMENT OF VICE CHANCELLOR FOR INFORMATION TECHNOLOGY

BACKGROUND

It is anticipated that Chancellor McCormick will recommend an individual for the position of vice chancellor for information technology.

RECOMMENDED COMMITTEE ACTION

The Human Resources Committee recommends that the Board of Trustees adopts the following motion.

RECOMMENDED MOTION

The Board of Trustees, upon the recommendation of Chancellor McCormick, appoints _____ as vice chancellor for information technology effective _____, subject to the completion of an employment agreement. The Board authorizes the Chancellor, in consultation with the Chair of the Board and Chair of the Human Resources Committee, to negotiate and execute an employment agreement in accordance with the terms and conditions of the Personnel Plan for Minnesota State Colleges and Universities Administrators.

Date of Adoption: *January 20, 2010*

Date of Implementation:

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Human Resources Committee **Date of Meeting:** January 19, 2010

Agenda Item: Demographic Report for FY 2009

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda:

The Demographic Report is presented annually to the Board.

Scheduled Presenter(s):

Lori Lamb, Vice Chancellor for Human Resources

Outline of Key Points:

It is anticipated that Vice Chancellor Lamb will present the Demographic Report for FY 2009, which will be distributed in advance of the committee meeting.

Background Information:

The Demographic Report is intended as a reference for anyone seeking information regarding employees of the Minnesota State Colleges and Universities workforce. This report includes information on all 32 colleges and universities and the Office of the Chancellor as of Spring, 2009.

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MINNESOTA STATE COLLEGES AND UNIVERSITIES

INFORMATION ITEM

DEMOGRAPHIC REPORT FOR FY 2009

1 Vice Chancellor Lamb will present the Demographic Report for FY 2009, which will be
2 distributed later but in advance of the Human Resources Committee meeting.

3
4
5
6

Date presented to the Board: January 19, 2010

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Human Resources Committee **Date of Meeting:** January 19, 2010

Agenda Item: Human Resources Planning and Infrastructure

- Proposed Policy Change Approvals Required by Policy Other Approvals Monitoring
- Information

Cite policy requirement, or explain why item is on the Board agenda:

To inform the Board of Trustees about the completion of the Human Resources Process and Application Assessment

Scheduled Presenter(s):

Lori Lamb, Vice Chancellor for Human Resources
Rob Etten, Insight Solutions
Heather Kidd, Office of the Chancellor Human Resources

Outline of Key Points:

Key findings and recommendations from the project

Background Information:

Vice Chancellor Lamb contracted with Insight Solutions to conduct a current-state assessment of business processes and supporting applications within the Human Resources Division. The goals were to:

- Gain an understanding of the current high level business processes in the Human Resources organization and the current level of IT application support related to those processes.
- Identify potential opportunities to redesign business processes where appropriate to improve the efficiency and effectiveness of the HR organization.
- Gather and correlate baseline information on the applications, their age, technology, ability to be integrated, functional quality, technical quality, funding and support model.
- Identify any current or future plans for additional technology/applications within the Human Resources organization to understand implications for business process support, integration with the application architecture and the IT organization support model.

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INFORMATION ITEM
HUMAN RESOURCES PLANNING AND INFRASTRUCTURE

1 **Introduction**

2 Objective: Conduct a current-state assessment of HR business processes and supporting
3 applications:

- 4 • Gain an understanding of the current high level business processes in the Human Resources
5 organization and the current level of IT application support related to those processes.
- 6 • Identify potential opportunities to redesign business processes where appropriate to improve
7 the efficiency and effectiveness of the HR organization.
- 8 • Gather and correlate baseline information on the applications, their age, technology, ability to
9 be integrated, functional quality, technical quality, funding and support model.
- 10 • Identify any current or future plans for additional technology/applications within the Human
11 Resources organization to understand implications for business process support, integration
12 with the application architecture and the IT organization support model.

13 **Approach**

- 14 • Conducted a limited number of business strategy interviews
- 15 • Developed a current state business process model, leveraging existing materials as
16 appropriate
- 17 • Identified areas where redesigning the business processes would have the largest impact
- 18 • Created an HR IT application inventory
- 19 • Assessed the applications for functional and technical value
- 20 • Developed conclusions and recommendations, including both quick hits and longer term
21 initiatives

22 **Summary – Observations and Business Risks**

23 Organizational strengths

- 24 • The collective HR team is dedicated, competent and hard-working

- 1 • Campus and OOC/System personnel have expressed a strong desire to be more consistent and
2 do things ‘the right way’
- 3 • HR System leadership and campus participants on this project are equally eager to begin
4 implementing change that focuses on building campus HR capacity
- 5 • HR management and staff willing to go to great lengths to process transactions and ‘get the
6 business done’
 - 7 – Perform manual work-arounds
 - 8 – Manually track items not captured in the application

9 Barriers to organizational efficiency and effectiveness

- 10 • Many processes are manual and time consuming, and can vary among campuses
- 11 • Use of multiple applications that are not integrated with each other
- 12 • Use of redundant systems for the same function (Resumix, NEOGOV)
- 13 • Union contracts are complicated and difficult to implement in SCUPPS
 - 14 – 11 different contracts / plans and complexity of contract implementation does not
15 always receive sufficient consideration during bargaining sessions
- 16 • HR team members are becoming acclimated to inefficiencies and may have stopped
17 identifying additional modifications that would be beneficial
- 18 • Differing perceptions on how much training is sufficient in specific areas
 - 19 – Some OOC staff believe ‘enough’ training has been delivered
 - 20 – Campuses desire additional detailed training
 - 21 • Specific business process areas
 - 22 • Documentation not always available or easy to access
 - 23 – This barrier creates a reliance on colleagues or the help desk, rather than building
24 campus HR capacity
- 25 • Pending retirement / loss of key personnel – insufficient knowledge transfer and training has
26 occurred
- 27 • Complexity of transactions, business processes and supporting applications have resulted in
28 errors and financial penalties
- 29 • Current business processing is not sustainable over the long term given anticipated budget
30 and resource constraints
- 31 • Perception that expertise and ownership of processes exists with System HR division rather
32 than with campus HR
- 33 • Additional IT support is required
 - 34 – Lack of IT development resources dedicated solely for HR needs

- 1 – Unable to get key modifications implemented, and backlog of requests continues
- 2 to grow
- 3 – Requests for new software are unmet
- 4 – Lack of IT involvement in application selection / development has resulted in
- 5 issues with integration and reporting

6 Note: With new HR and IT leadership in place, improvements have already been noted, but

7 significant work remains

8

9 **Gaps Identified**

- 10 • Lack of standardized, clearly defined processes
- 11 • Lack of an established, consistent training program for HR employees
- 12 • Lack of a consistent on-boarding process for all employees
- 13 • Lack of a defined succession planning process
- 14 • Labor Relations lacks a tool to support their business processes
- 15 • Some other business processes also have no supporting applications
 - 16 – Performance management
 - 17 – Learning management
 - 18 – Succession planning
 - 19 – Employee on-boarding
 - 20 – Employee off-boarding/exiting
- 21 • No group or individual responsible for broad communication across the entire HR team
- 22 • Additional IT support is required
- 23 • Lack of ability to produce or modify complete, accurate and timely reports
- 24 • Lack of an integrated Human Resources Information System (HRIS)
- 25 • Seven HR applications are ‘stand-alone’
 - 26 – College Faculty Salary and Credentialing System
 - 27 – Actuate
 - 28 – Legal Files
 - 29 – Right Now Technology
 - 30 – Job Opportunities
 - 31 – NEOGOV
 - 32 – Power Objects

33

1 **Short-term Recommendations**

2 Organizational

- 3 1. Designate a lead within Labor Relations to professionalize record keeping, allowing staff
4 to focus on core work
- 5 2. As retirements or transitions occur, update position descriptions to capture the evolution
6 of the business and document the actual work being performed – this may or may not
7 reflect the original role and description

8

9 Process

- 10 1. Identify one individual to continue developing (or improving) and maintaining detailed
11 documentation for each key business process
- 12 2. Assign an individual or group responsibility for designing the highest priority business
13 processes
- 14 3. Add an audit function to review transaction processing, identify errors and causes, and
15 enforce process compliance
- 16 4. Continue the work of the team responsible for developing a succession planning process
- 17 5. Define and require a single consistent, comprehensive on-boarding process

18

19 Application

- 20 1. Meet with ITS Chief Operating Officer to discuss need for additional dedicated IT
21 support for OOC HR
- 22 2. Continue to work with ITS on a single list of application priorities
- 23 3. Evaluate opportunities for greatest impact from integration of stand-alone systems, and
24 prioritize integration efforts
- 25 4. Prioritize the following areas for new application support, based on business need
- 26 a. Performance management
- 27 b. Learning management
- 28 c. Succession planning
- 29 d. Employee on-boarding
- 30 e. Employee off-boarding/exiting
- 31 5. Ensure Legal Files (grievance tracking system) implementation continues to receive
32 priority focus from IT
- 33 6. Define and communicate a fixed set of reports to support each business process
- 34 a. Determine feasibility of extracting data from stand-alone applications into the
35 MnSCU data warehouse and building reports integrating data across applications

- 1 7. Begin transferring knowledge to alleviate bottleneck for critical SCUPPS reporting
2 changes
3 8. Develop a 'single sign-on' for HR applications to eliminate the need for logging in
4 multiple times to different applications (currently in process)
5

6 Training

- 7 1. Continue to develop comprehensive documentation and training
8 2. Design and implement a formal cross training program. Begin to 'distribute the
9 expertise'. Focus on key subject matter experts first
10 3. Formally assess HR skills on all campuses in the key business areas, identify gaps and
11 conduct detailed training.
12 4. Provide training for using the new standardized set of process reports, with real-life
13 situations and scenarios on how and when to use the reports

14 Communication

- 15 1. Identify an individual or group to assume overall responsibility for communication across
16 the entire HR team
17 2. Develop and implement a communication plan
18 3. Establish and communicate expectations for succession planning

19 **Longer term recommendations**

20 Organizational

- 21 1. Explore regional centralization for data gathering and entry
22 a. Review and standardize processes across all regional centers
23
24

25 Process

- 26 1. Develop a comprehensive reporting strategy
27 2. Develop a formal process for employee exiting process - capturing reasons for departure
28 3. Explore updating the Personnel Classification Series to better reflect current needs -
29 impacting our ability to hire the correct people
30

31 Application

- 32 1. Develop a strategy to realize a true integrated HRIS solution for MnSCU HR that would:
33 a. Reduce redundant entry
34 b. Strengthen controls to minimize errors
35 c. Improve reporting and data confidence
36 d. Eliminate redundant systems

2. Develop reporting standards for future application development / implementation
3. Begin to capture/log historical Labor Relations documentation for easier access.
Incorporate imaging/document scanning functionality
4. Implement an appropriate tool to support succession planning activities and reporting

Training

1. Designate an individual to lead the design of an 'HR Academy' to build campus HR capacity by providing detailed training to staff in business procedures and tools

Conclusions

- Current economic environment, state revenues, and budget pressures dictate funding will continue to shrink
- 'Doing more with less' is no longer feasible - but unlikely additional staff will be brought on board
- Dramatic gains in efficiency must be achieved
 - The only way to ensure accurate and consistent data is to:
 - Develop and provide frequent, detailed training on standardized processes
 - Require adherence to standardized processes
 - Apply appropriate controls at data entry
 - Perform frequent and thorough audit function
 - Measure and report results
 - Must maximize opportunities to regionalize/centralize processes, while remaining cognizant of campus autonomy
- Focus on building campus HR capacity and ownership of processes
- Distribute and broadly share expertise
- Almost all participants have expressed a willingness to work toward developing a 'single way' of doing things
- Receptivity markedly improved in the last few years
 - Must begin implementing soon
- Capitalize on momentum and contributions of working groups
 - Must achieve an appropriate level of IT support
- More dedicated resources to:
 - Reduce backlogs
 - Improve structure and effectiveness of reports
 - Address needed changes to applications to improve efficiencies
 - Work more closely with HR to develop standards for future application selection and development

- 1 • As progress is made, we must communicate and celebrate our accomplishments and
- 2 achievements
- 3 • “Tell everyone what we’ve done”
- 4 • Take credit for the completion of this assessment (along with the Strategic Plan)
- 5 • View the overall effort as a series of small successes - it is critical to demonstrate visible
- 6 wins early on

7

8 What happens if we don’t take action?

- 9 • Employee morale will be negatively impacted – view their efforts and participation in this
- 10 assessment as a ‘waste of time’
- 11 • Issues will remain unresolved
- 12 • Increased number of errors / data entry mistakes
- 13 • Financial penalties will rise, perhaps dramatically
- 14 • Turnover in HR will continue to increase
- 15 • HR will continue to experience the ‘high cost’ of these inefficiencies and redundancies
- 16 • We ultimately risk not being able to perform basic HR functions, and the value of HR
- 17 will be questioned

18

19 **Proposed Next Steps**

- 20 • Incorporate these results and align with the Strategic Planning recommendations
- 21 • Review, confirm and prioritize
 - 22 – Quick hit ideas from working groups
 - 23 – Near-term recommendations
- 24 • Develop an implementation plan
- 25 • Vice Chancellor for HR to communicate that key processes, supporting reports, and
- 26 applications will be standardized in the very near future
 - 27 – Pilot, assess, adjust and roll-out
 - 28 – Will continue to collaborate with campuses, but adherence will be required
- 29 • Continue to expand HR Online Help – make this the repository for all process and
- 30 training documentation
- 31 • Develop a governance process to oversee and coordinate future modifications to
- 32 processes, applications, and reports
 - 33 – Also review all future proposed new applications (regardless if packaged or
 - 34 custom development)

1 – As the Best Practices Working Group formulates their role in HR, this task seems
2 appropriate for them to address

- 3
- 4 • Determine the steps required to implement an integrated HRIS solution for MnSCU HR
- 5 – Research nationwide best practices for HRIS among comparable higher education
6 systems
- 7 – Perform a detailed cost-benefit/return-on-investment (ROI) analysis of integrating
8 current applications, versus implementing a packaged HRIS solution
- 9 – Leverage current ITS efforts to analyze the ‘complete cost’ of supporting ISRS
- 10 – Identify other alternatives which may or may not include a comprehensive HRIS
11 solution

12 Impacts of integrating existing applications may include:

- 13 – Potential Benefits
- 14 • Leverages customization in existing applications
- 15 • Processes automatically become simplified and standardized
- 16 • Minimal retraining of existing users
- 17 • Reduces redundant data entry
- 18 • Greatly improves reporting ability
- 19 – Potential Drawbacks
- 20 • Will require multiples interfaces – time consuming and potentially
21 expensive to design, develop, test and implement
- 22 • Complete integration may still not be possible
- 23 • Future applications will also need to be integrated

24 Impacts of a packaged HRIS solution may include:

- 25 – Potential Benefits
- 26 • Simplifies and improves consistency of business processes
- 27 • Reporting is greatly simplified
- 28 • Highly integrated
- 29 – Potential Drawbacks
- 30 • Expensive and time consuming to implement
- 31 • Anticipate significant challenges with data conversion
- 32 • Complexity of extracting just the HR functionality from ISRS – may
33 require converting all of ISRS
- 34 • Complexity of implementing bargaining unit contracts and plans
- 35 • Perceived loss of customization and flexibility
- 36
- 37

38 *Date presented to the Board: January 19, 2010*

39