Luoma 2013-14 Academy Final Report

Action Project #5: "Increasing the Effectiveness of HR Service Delivery in a Shared Service Environment"

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Contents

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Executive Summary

Action Project #5: "Increasing the Effectiveness of HR Service Delivery in a Shared Service Environment"
Project Sponsors: Michael Berndt and Michelle Thom, Normandale Community College
Team Members: David Bjelland, Loren Haagenson, Jean Maierhofer, Heidi Myers, Jay Nelson, Liz Newberry

Team Charge

To develop and pilot a decision-making model to have the following functional requirements:
- Assess core HR functions
- Identify core functions to be maintained in-house
- Identify core functions to be obtained in a shared services environment—either from another MnSCU provider, or with Normandale as the provider to multiple campuses
- Provide easily measurable HR metrics

Process

HR functions for the decision-making tool were identified based on:
- A matrix of HR functions performed at MnSCU campuses, developed by a work group comprised of MnSCU Human Resources and system employees, as well as feedback from campus Chief Human Resource Officers.
- The HR Management functional areas for which the Human Resource Certification Institute and the Society for Human Resource Management issues professional certifications.

The project team, in collaboration with the Normandale sponsors, identified the following five factors that would influence decisions on whether to provide or obtain through shared services an HR service: **In-House Expertise, In-House Capacity, Importance to Have In-House, Strategic,** and **Risk**. Using these identified functions and factors, a decision making tool was created using Excel Spreadsheet.

Product

The decision making tool includes the following factors that can be scored on a scale of 1-5.
1. **In-house Expertise:** 1 = little in house expertise; 5= extensive in-house expertise.
2. **In-house Capacity:** 1 = little in-house staffing to provide the service; 5 = significant in-house staffing to provide the service.
3. **Importance to Have In-House:** 1 = little importance to providing the service in-house; 5 = significant importance to providing the service in-house
4. **Strategic:** 1 = the function does little to further the strategic business relationship of HR with college departments; 5 = the function offers the opportunity for HR to develop strategic business relationships.
5. **Risk:** 1 = obtaining the service through a shared service arrangement where the institution is not the provider is a low risk; 5 = high risk if not keeping service in-house.

The tool can be populated individually or collaboratively for example by HR Department staff. For the each respondent, the tool creates a one page summary and an easy to review color chart of the responses for all the HR functions within each functional area. Responses from multiple respondents may be presented in a combined average summary and color charts. The purpose of the tool is to create dialogue about potential areas for shared services, and allocation of resources for further in-house capacity. The tool is not meant to dictate decisions based strictly on survey results. As respondents complete the tool, they should think about Human Resource service needs in relationship to the following: the institution's strategic plan, core functions, and Human Resource services not currently available. It is strongly recommended that leadership outside the Human Resources Department respond to the tool to identify leadership's desire for strategic partnerships with HR.

Lessons Learned
What was challenging?
- Geographical distance among the team members made it difficult to gain momentum on the project. WebEx does not provide the benefit of being able to observe nonverbal communication.
- It was hard to focus on the learning process and not the product.
- The process of only asking questions, unless asked a question, was tricky.

What worked?
- The strength team members brought to the project, for example subject matter expertise in HR and Excel.

What have you learned?
- Focusing on learning through asking questions and reflecting yields better solutions than moving right to solution formulation.
- Staying clear on whether the action learning team has a single-problem or multiple-problem focus.

Human Resources Decision-Making Tool
for a Shared Services Environment

Background

The attached *Human Resources Decision-Making Tool for a Shared Services Environment* was developed by a Minnesota State Colleges and Universities' Luoma project team (2013-2014 cohort) for Normandale Community College. The Normandale Executive Sponsor—the Vice President for Planning and Institutional Advancement, and Normandale Team Advisor—Chief Human Resources Officer, defined the Problem/Process Improvement needed as follows:

- Shrinking budgets are making it increasingly difficult to improve campus Human Resource (HR) Office services.
- The resources required for transactional functions at each campus HR Office foster a "back office" perception of HR, and limit the ability of HR Offices to act as strategic partners to their organizations.
- MnSCU's *Strategic Framework* places a priority on shared services across institutions.

In November 2013, the MnSCU Board of Trustees adopted recommendations for the future direction of the MnSCU System in *Charting the Future for a Prosperous Minnesota*. *Charting the Future* includes an emphasis on shared services for business and processing operations to "promote greater efficiencies and garner costs savings" to free up resources for academic and technical programs.

Charge

The Normandale sponsors charged the Luoma project team with developing and piloting a decision making tool for Normandale to:

- Assess core HR functions
- Identify core functions to be maintained in-house
- Identify core functions to be obtained in a shared services environment—either from another MnSCU provider, or with Normandale as the provider to multiple campuses.
- Provide easily measurable HR metrics.

Methodology

The universe of HR functions in the attached tool were identified based on:

1. A matrix of HR functions performed at MnSCU campuses, developed by a work group comprised of nine Human Resources employees from the system office as well as

MnSCU employees. The list was also sent out to the Chief Human Resources Officers for comments.
2. The HR Management functional areas for which the Human Resource Certification Institute and the Society for Human Resource Management issues professional certifications.

The project team, in collaboration with the Normandale sponsors, identified the following five factors that would influence decisions on whether to provide or obtain through shared services an HR service:

1. Whether the institution possesses **In house Expertise** to perform the function
2. Whether the institution has **In house Capacity** to perform the function (i.e., sufficient staffing).
3. The **Importance to Have** the service performed **In House**.
4. The importance of the service as a means for developing **Strategic** partnerships by HR with campus departments.
5. The **Risk** of obtaining the service from a source outside of the institution (thus not managing the function internally).

Instructions

As respondents complete the tool, they should think about Human Resource service needs in relationship to the following:

1. The institution's strategic plan;
2. The institution's core functions;
3. Human Resource services not currently available.

The tool can be populated individually, or collaboratively for example by HR Department staff. Alternatively individuals can complete the tool, then come together to reconcile outlying responses and reach a consensus. It is strongly recommended that leadership outside the Human Resources Department respond to the tool to identify leadership's desire for strategic partnerships with HR.

The decision making factors (**In house Expertise**, **In house Capacity**, etc.) should be scored on a scale of 1-5 as follows:

In-house Expertise – 1 means little in house expertise; 5 means extensive in-house expertise.
In-house Capacity - 1 means little in-house staffing to provide the service; 5 means significant in-house staffing to provide the service.
Importance to Have In-House - 1 means there is little importance to providing the service in-house; 5 means there is significant importance to providing the service in-house

Strategic - 1 means the function does little to further the strategic business relationship of HR with college departments; 5 means the function offers the opportunity for HR to develop strategic business relationships.

Risk - 1 means obtaining the service through a shared service arrangement where the institution is not the provider is a low risk (good potential to utilize shared service); 5 means it is high risk if not keeping service in-house(not a good potential for shared service).

For the each respondent, the tool creates a one page summary and an easy to review color chart of the responses for all the HR functions within each functional area. Responses from multiple respondents may be presented in a Combined Average summary and color charts.

HR functions that receive lower scores have shared services potential.

The purpose of the tool is to create dialogue about potential areas for shared services, and allocation of resources for further in-house capacity. The tool is not meant to dictate decisions based strictly on survey results.

The following is a key to the HR functions that appear on the tool they are also included in within the tool itself for a reference.

HR Functions and Key Terminology

Business Management:

Sr Management Team Participation refers to the active participation and membership on team of administrators who regularly meet with and advise the President.

Strategic Planning is a systematic process of envisioning a desired future, and translating this vision into broadly defined goals or objectives and a sequence of steps to achieve them.

College Committee Participation refers to human resources participation on committees related to other college work. Examples may include; strategic planning, accreditation, academic and student affairs, etc.

Policy Development refers to both the development of human resources policies, and participation in the development of other college strategic and operational policies.

Benchmarking is defined as a measurement of the quality of an organization's policies, products, programs, strategies, etc., and their comparison with standard measurements, or similar measurements of its peers.

Workforce Planning and Employment:

Applicant Recruitment is the process of finding well qualified candidates for job openings.

Affirmative Action is a proactive strategy to recruit and hire from under-represented groups of society (women, people of color, people with disabilities, and veterans) to correct the historic effects of discrimination.

Hiring Process Support refers to the processing steps performed by Human Resources during the hiring process, such as applicant screening, applicant communication, etc..

Reference/Background Checking is the process of gathering information on an applicant's work history and other job-related activities to determine his/her suitability for hire.

Onboarding is the process of obtaining new employee paperwork, and securing the resources a new employee will need on their first day of work—computer access, phone number, office space, keys, etc.

New Employee Orientation is a program to provide information to, and assimilate and socialize a new employee to the college.

SEMA4 Position Management entails coding a position number associated with an employee to the proper cost center, bargaining unit, employment status, etc. to ensure correct pay and benefits to the employee, and budgeting of the position.

ADA Administration refers to making the workplace free of discrimination and accessible to job applicants and employees with disabilities, including through reasonable accommodation.

Organizational Design refers to developing and refining an organization's structure and job roles.

Position Description Writing involves the creation and maintenance of position descriptions for individual jobs.

Layoff is the elimination of a position held by an employee.

Workforce/Succession Planning is forecasting employee turnover in key positions, and developing a plan to ensure the availability of qualified internal and external applicants for vacancies.

Records Management is the systematic creation of records with employment information, and maintenance in accordance with a records retention schedule.

Human Resource Development:
Mandatory Training is the training of federally and state required employee training including specific right to know and safety regulations.

Mentoring is an arrangement under which a more experienced employee is assigned to a less experienced employee for training and coaching.

Training and Development refers to the educational activities within an organization designed to enhance the knowledge, skills and performance of employees. Examples may include training, coaching, etc.

Cultural Competency Development is the practice of planned, systematic change in the attitudes, beliefs, and values of the employees through creation and reinforcement of long-term training programs.

Organizational Development is the implementation of strategies based on behavior-based research to increase organizational effectiveness.

Exit Interviewing entails gathering information from an employee who is leaving the college for the purposes of identifying trends in employee turnover.

Compensation and Benefits:
Salary Decision-making involves analyzing a job applicant or employee's education and experience, the provisions of collective bargaining agreements, and State guidelines to make an equitable salary decision.

Benefits Eligibility Determination is determining which employment benefits an employee is eligible for based on collective bargaining agreement provisions and employment status.

HR Transaction Entry involves accurate data entry related to various human resource functions including new employee set up, benefit administration, payroll, etc.

Serving as DDIR means serving as the campus contact on State employee insurance benefits.

Time Reporting means fielding questions on correct entries to make on eTimesheet.

Leave Administration includes advising supervisors and employees on the various leave provisions of collective bargaining agreements, and tracking employee leave taken.

FLSA Administration means advising on federal and contractual overtime provisions.

Performance Review and Step Progression Tracking is the administration of various employee performance review schedules and processes including collective bargaining salary schedule progression.

Tuition Waiver Administration is the process of accurately processing tuition waiver requests according to collective bargaining agreement provisions.

Retirement Reporting is the provision of data on employee eligibility, earnings, and leave use to retirement plans and MnSCU System Office.

Retirement Planning (Information Provision) is the provision of information about retirement benefits to employees.

HR/Payroll Reconciliation is a task jointly performed by HR and Payroll to resolve discrepancies on how employee wages are charged to cost centers.

Overpayment Collection is the process of recapturing overpayments made in error to employees.

Employment Verification is the process of verifying employment information about an individual employee to a third party.

Wellness Programming is the development and administration of programs designed to foster a healthy workforce with high level of well-being.

Employee Labor Relations:
Meet and Confer is a meeting to exchange views and concerns between bargaining units and management.

U**nion Contract Advising** is advising supervisors and employee a related to employment contract provisions and interpretation.

Performance Mgmt Advising is the guidance and support provided to a supervisor dealing with a performance issue of an employee.

Investigation is the process through which the organization obtains the necessary information to evaluate an allegation.

Advising on Disciplinary Action refers to providing guidance, in accordance with applicable bargaining agreements, to supervisors who are contemplating disciplinary action against an employee.

Grievance Administration is the processing of employee grievances within guidelines established in applicable bargaining agreements.

Risk Management:
EEOC Compliance is the process to comply with state and federal equal employment opportunity legislation.

Safety Programming contains the health and safety elements of an organization, objectives which make it possible for the company to achieve its goal in the protection of its workers at the workplace.

Workers Compensation Administration involves the processing of employee workers compensation claims.

Data Practices Administration is determining what information about employees and job applicants can be released to a requesting party.

Unemployment Administration is the administration of unemployment claims by state employees.

Works Cited:

Society for Human Resource Management-www.shrm.org

Human Resource Certification Institute-www.hrci.org

Professional Human Resource and Senior Professional Human Resource body of knowledge: http://www.hrci.org/exam-preparation/bodies-of-knowledge

Minnesota State Colleges and Universities HR Cooperative Services Year-End Report 2012

Normandale Community College Office of Research and Planning HR Department Employee Survey October 2011

Attachments:

HR Decision Making Tool (Excel File)

HR Decision Making Tool Presentation (PowerPoint File)