

HR/B Redesign- Initiatives Underway

2007 | 2008

SMG Compensation Policy Review

Alternate Models for Benefits Administration

Local HR

Reporting Needs Assessment

Examining Infrastructure Requirements as related to Information & Reporting (formerly HRIS)

Future Vision & Organization Design

Implementation

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SMG Compensation Policy Review

Why: Regents mandated the review of all compensation policies, development of a new policy framework, and the establishment of procedures for monitoring, reporting and compliance, *May 2006*

✓ **March 2008: Regents Compensation Committee discussion item:**

- Proposed guidelines for compensation reporting, monitoring and compliance
- Proposed approval authority framework for SMG compensation actions

Next Steps: new & revised policies at future Regents meeting for discussion

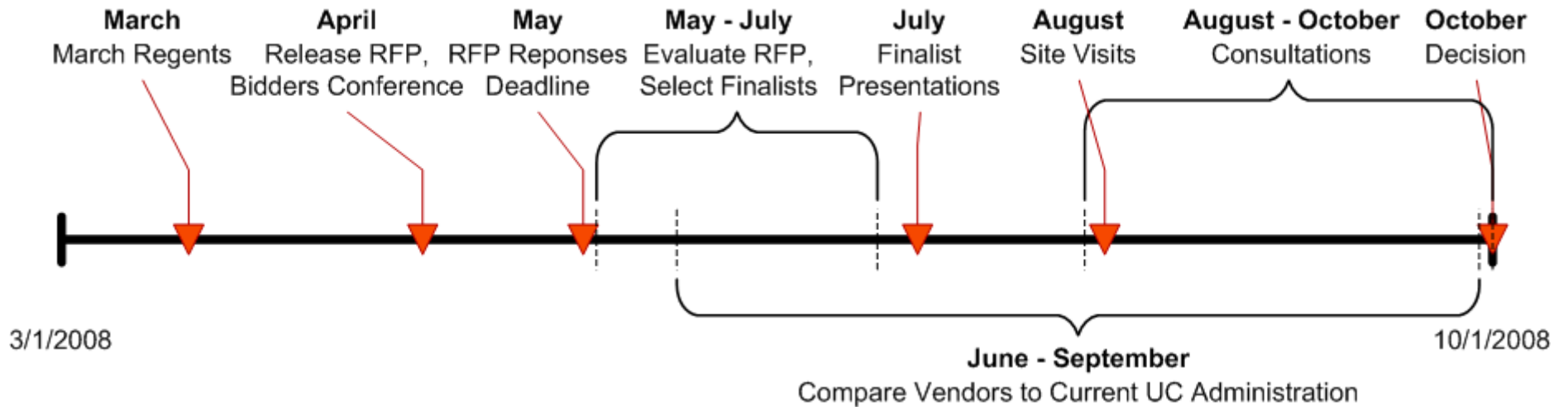
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Alternate Models for Benefits Administration

Why: One of the largest functions in HR/B is the administration of retiree benefits; to **rebalance from transactional work to strategic priorities**, we are exploring how to leverage services & technologies of an outside vendor

- ✓ Phase 1 – Create RFP; exploring 3 models; **release date April 10**
- ✓ Phase 2 – Complete RFP process
 - Analyze responses
 - Interviews, site visits
 - Cost comparisons, consultations
 - **Target decision date October 2008**
- ✓ Phase 3 – Implementation
 - **Target of 12 – 18 months after decision (2009 –2010)**

Alternate Models for Benefits Administration – Pension Administration Review Timeline - Phases 1 & 2



**Phase 3 –
Implementation : 2009 – 2010,**
depending on the selected model

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Local HR

Why: A smaller UCOP will not be able to support a stand-alone full service local HR Office

- ✓ **Exploring delivery of OP HR services with UCSF**
- ✓ With concurrence, UCOP-UCSF service agreement will be written
- ✓ Transition plan to follow in next several months
- ✓ Implementation throughout 2008 -09

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Reporting Needs Assessment

Why: Perception of non-responsiveness & inaccurate reporting, stemming from problematic data, workload volume & limited resources

Tasks Completed:

- ✓ Inventoried 1,141 reports – over 1,000 generated in HR/B
- ✓ Assessed current & future state of reporting capabilities - identified gaps
- ✓ **Recommended a path forward**
 - Create a Decision Support & Reporting Unit
 - Enhance HRB Data Warehouse
 - Obtain necessary technology to standardize & facilitate access to payroll and personnel data

Fiscal Year 2008-2009 Budget
HR/B Reductions in Permanent Funding

Reduction	\$ Amount	FTE
Consulting budget in Benefit areas	\$1.0 million	
Fidelity fees for Master Record Keeper contract	\$2.2 million	
Defined Contribution Master Fund	\$1.41 million	
Eliminate 22 vacant FTE	\$1.19 million	22
Total	\$5.8 million	22

HR/B Redesign Update

Aspects of President's Role

“The Report of the Working Group on the Roles of the Office of the President” identifies the role of the President as falling into four areas

- Inspires support for vision
- Fulfills public service obligations
- Promotes educational access, affordability, quality
- Champions value of university to public
- Promotes university's external reputation
- Represents university to state and federal governments

Executive head of university as a whole



- Selects / evaluates chancellors, senior administrators
- Is sole authoritative contact to Regents
- Establishes / administers university management structure
- Allocates systemwide funds
- Sets policy, monitors compliance for use of funds
- Identifies and manages risk, protecting university
- Provides appropriate timely information on university activities

HR/B Redesign Update

Catalysts for Change

Three main factors provided a strong basis for this effort

1

Opportunity to align our department's goals and outputs with the clarified Role of the President of the University and UCOP

2

Overhauled budget process at UCOP allowing for rational resource allocation

3

Need to focus on critical human resource issues for the University

Consolidation of Shared Services

- Creating central units to perform services that currently take place across many UCOP departments
 - Examples: Communications, UCOP budget, Institutional Research

Reconsideration / Reconfiguration of Functions

- Substantially rethinking the organizational structures used to perform critical functions
 - Clarifying purpose and leadership role
 - Consolidating / restructuring / building new departments to emphasize and improve core work
 - Developing plans for systemwide support activities
 - Examples: Academic Affairs, IR&C

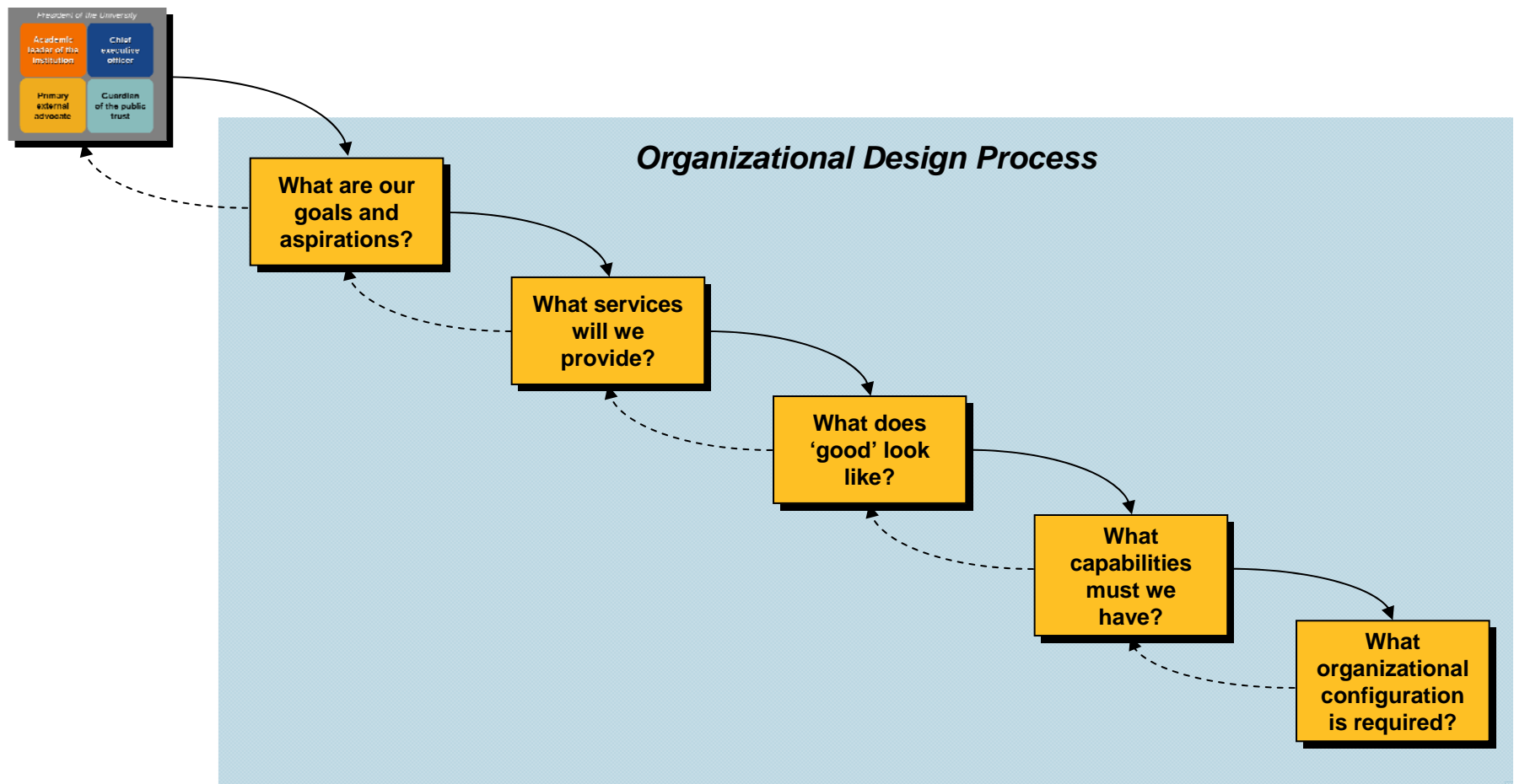
NAPA CAHRS Model *The pre-validated NAPA certification framework provided a concrete model for the ideal HR system*



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Organizational Design Approach

Our organizational design process helped us answer key questions about the work of our department and how we should be configured to deliver it



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Operations & Administration

Our current transactional work will continue while alternative delivery models are being explored



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Future Vision & Organization Design

Implementation

The design process resulted in a set of five categories that represent the core work that is essential to HR/B achieving success in its future role

“Employee Services”

- Policy Interpretation & Implementation
- Labor Relations & Negotiation
- Employee Relations
- Grievances

“Guardian of the Public Trust”

- Reporting
- Location Operations through NAPA
- Risk Management
- Inquiries
- Data Security
- Vendor Management

“The Employee Contract”

- Compensation Policy & Program Design
- Benefits Policy & Program Design
- HR Policy Design

“Strategic Leadership”

- Strategic Plan
- Workforce Planning
- Diversity
- Resource Requirements
- Local Strategies through NAPA
- Decision Making Support

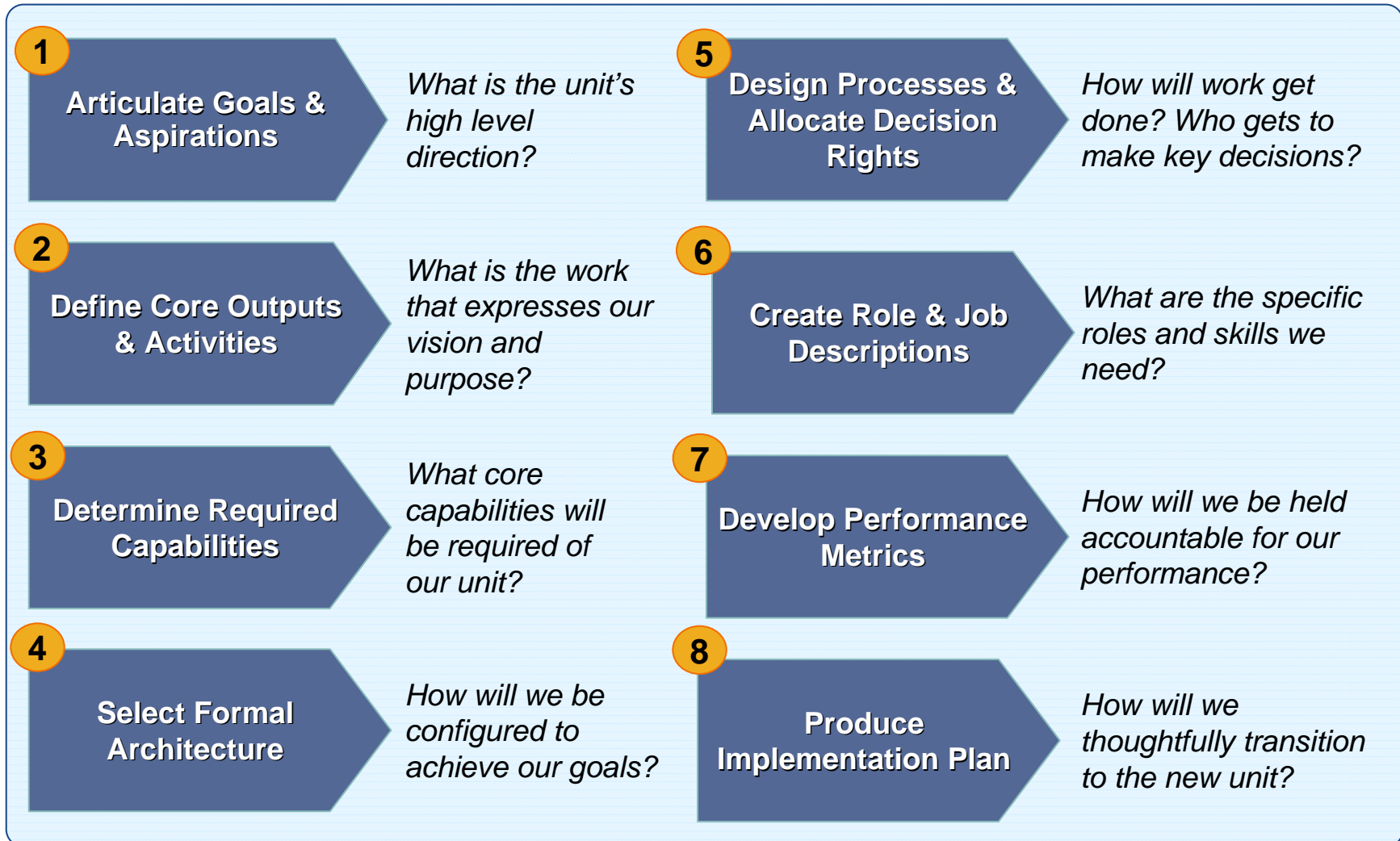
“The SMG Suite”

- Talent Management
- Training & Development
- Performance Management
- Compensation Design & Administration

HR&B Redesign Update

Designing the Details of the Work

While still in progress, the details for each work unit will eventually include components of the following



HR/B Redesign Update **Implementation Plan**

When we are ready to transition, there will be a dedicated restructuring team committed to overseeing this transition phase and providing our employees with additional information and support

