Human Resources Forum

Dwaine Duckett
Vice President Human Resources
Office of the President

November 2010
Forum Agenda

✓ HR Mission
✓ HR Structure
✓ HR Strategy
✓ HR Q and A
UCOP Human Resources Mission
To Add Strategic Value

HR functions we fulfill:

- Employee Relations
- Labor Relations
- Compensation
- Benefits
- Policy
- Compliance
- Retirement Programs
- Recruitment
- Training and Development
- Performance Management
- HR Data Systems
The University of California

BUSINESS OFFICER INSTITUTE

Dwaine B. Duckett
Vice President
Human Resources

Michael Baptista
Executive Director
Benefits Programs & Strategy

- Mark Esteban
  Director
  Benefits Programs

- Esther Cheung
  Director
  Benefits Information Systems

- Kris Lange
  Interim Director
  Benefits Vendor Mgmt

- Eva Devincenzi
  Manager
  Health & Welfare Policy

Vacant
Executive Director
Employee/Labor Relations & Policies

- John Fox
  Director
  HR Policies

- Howard Pripas
  Director
  Employee Relations

- Gayle Saxton
  Director
  Labor Relations

- Chris Simon
  Director
  HR Compliance

Dennis Larsen
Executive Director
Compensation Programs & Strategy

- Vacant
  Director
  Executive Comp Programs

- Brad Pruit
  Director
  Staff Compensation

- Joe Epperson
  Director
  HR Business Partner

Gary Schlimgen
Director
Pension & Retirement Programs

Randolph Scott
Executive Director
Talent Management & Staff Development

- John Cammidge
  Director
  Talent Mgmt

- Vacant
  Director
  Staff Development and Diversity

- Elly Skarakis
  Director
  Strategic Planning

- Stan Kowalski
  Director
  HR Business Mgmt

- John Fox
  Director
  Issues Management

- Joe Lewis
  Interim Director
  Retirement Administration Service Center (RASC) **

* Includes functional direct reports to Executive Directors and above.
** Retirement Administration reports to the RASC Management Advisory Board chaired by VP Duckett.
Employee Relations and Policies Strategic Plan

Strategic Themes: Operate as an excellent employer

Mission: Build an environment of employee engagement, empowerment and involvement where people can offer their best; equip managers with tools, resources and a policy framework that facilitates an effective operating environment

<table>
<thead>
<tr>
<th>STRATEGIES</th>
<th>SO THAT…</th>
<th>FUTURE IMPLICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reorganize the functions, distinguishing ER from LR</td>
<td>• We continually improve our reputation with all employees</td>
<td>• Sets the environment to attract and retain the best</td>
</tr>
<tr>
<td>• Increase interface with non-represented groups</td>
<td>• Increase employee engagement and satisfaction</td>
<td>• Maintain a degree of operational flexibility via the non represented population</td>
</tr>
<tr>
<td>• Have overall ER strategies lead Labor strategies</td>
<td>• Tap into the desire to drive productivity via discretionary effort</td>
<td>• Drives productivity by increasing satisfaction and engagement</td>
</tr>
<tr>
<td></td>
<td>• Acknowledge non represented as a key constituency</td>
<td></td>
</tr>
</tbody>
</table>
**Labor Relations Strategic Plan**

**Strategic Themes: The contract is central to how we operate**

**Mission:** Constantly engage unions and locations to foster a stable, predictable, compliant Labor Relations environment

<table>
<thead>
<tr>
<th>STRATEGIES</th>
<th>SO THAT…</th>
<th>FUTURE IMPLICATIONS</th>
</tr>
</thead>
</table>
| • Advance a “constructive engagement” doctrine  
• Leverage UC as large employer with multiple unions  
• Commit to timely settlements  
• Acknowledge “closed contract” as a preferred state  
• Acknowledge LR strategies as a component of ER strategies | • We collaborate and deal on the basis of “mutual interests” where possible  
• We don’t allow lingering issues to create feelings of bad faith  
• We stabilize our operating environment  
• We neither advantage or disadvantage employees based on union represented status | • Labor peace and stability whenever possible  
• Focus on operational contract terms vs. just wages and benefits  
• Minimization of external influences on UC  
• Evaluate feasibility of interest-based bargaining |
**Compensation Programs & Strategy Strategic Plan**

**Strategic Themes:** Move toward aligning with markets (particularly total cash); leverage all aspects of remuneration

**Mission:** Development of compensation/rewards framework and position evaluation methodology that account for relative level of contribution and emphasize pay for performance

<table>
<thead>
<tr>
<th>STRATEGIES</th>
<th>SO THAT…</th>
<th>FUTURE IMPLICATIONS</th>
</tr>
</thead>
</table>
| • Emphasize Market-Based practices  
• Take a systemwide view of practices  
• Derive common frameworks for position evaluation and performance management  
• Gain efficiencies in reporting and compliance via HRIS  
• Understand the role of cash compensation | • We lay the foundation to adjust pay practices to our relevant markets  
• We drive consistency of practices, set appropriate review and monitoring systems  
• Provide timely accurate data and transactions to the President and The Regents  
• We balance all other types of rewards within a total package | • Moving toward market alignment allows us to make competitive talent choices  
• Logical implementation of pay practices will drive internal credibility to help us attract and retain talent  
• Moving beyond defensive approaches to compensation (industry standards)  
• A sustained excellent workforce and university |
Benefits Programs & Strategies Strategic Plan

Strategic Themes: Align programs to markets, leverage our size and emphasize employee value

Mission: Manage and create a health benefits strategy and programs that enhance the well-being of our employees and their families

<table>
<thead>
<tr>
<th>STRATEGIES</th>
<th>SO THAT…</th>
<th>FUTURE IMPLICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Control costs and create value for employees through plan design</td>
<td>• We establish programs that are market competitive and sustainable</td>
<td>• Stabilization of cost curve</td>
</tr>
<tr>
<td>• Focus on giving employees choices and alternatives</td>
<td>• Acknowledge differences in employee’s value equations and move from “one size” mentality</td>
<td>• Emphasize employee responsibility in a less paternalistic culture</td>
</tr>
<tr>
<td>• Leverage UC’s Medical enterprise as subject matter expert and provider</td>
<td>• We more effectively leverage UC medical expertise</td>
<td>• Possibility of expanding UC Med as a primary service provider could have cost and Employee Affiliation benefit</td>
</tr>
</tbody>
</table>
Strategic Themes: Leverage value of Defined Benefit architecture and Retiree Health program

Mission: Manage and create programs that reward long service and help provide for post-employment income and healthcare

<table>
<thead>
<tr>
<th>STRATEGIES</th>
<th>SO THAT…</th>
<th>FUTURE IMPLICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Use PEB recommendations as our guide to sustainable offerings</td>
<td>• We offer continued value to the UC population</td>
<td>• A workforce that reflects institutional priorities</td>
</tr>
<tr>
<td>• View all retirement plans and retiree health as integrated parts of the</td>
<td>• Move forward with more balanced programming</td>
<td>• Leverage Post Employment Benefits as a strategic talent advantage</td>
</tr>
<tr>
<td>employee / talent lifecycle</td>
<td>• Drive workforce behavior that builds on UC’s premier status as an institution</td>
<td></td>
</tr>
<tr>
<td>• Balance programs with market practices</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


### Talent Management & Staff Development Strategic Plan

#### Strategic Themes: Programs to better manage Human Capital, the University’s primary asset

**Mission:** Design an approach, strategies and programs to hire, deploy, develop and retain the best people in their respective fields

<table>
<thead>
<tr>
<th>STRATEGIES</th>
<th>SO THAT…</th>
<th>FUTURE IMPLICATIONS</th>
</tr>
</thead>
</table>
| • Resource this area, not just on paper | • We create an internal environment where organizational opportunity meets readiness of individuals  
• Inject Talent discussions into all aspects of HR programs  
• Evaluate support systems and current practices to support the mission  
• Leverage our talent pool of 180K EEs | • Prepare for a more dynamic post recession job market  
• Establish bench strength in key functions  
• We have backup and succession plans for key positions in the organization (consider organization-wide succession planning) |
**Retirement Administration Service Center Strategic Plan**

**Strategic Themes:** Use technology to expand the RASC service concept

**Mission:** Build a state-of-the-art retirement processing center and service experience that helps employees transition to the next phase of their lives

<table>
<thead>
<tr>
<th>STRATEGIES</th>
<th>SO THAT…</th>
<th>FUTURE IMPLICATIONS</th>
</tr>
</thead>
</table>
| • Build newly insourced center, with Service and Technology as primary points of emphasis  
• Look to extend continuous learning and service concept | • We maintain the smooth operation of this valued set of programs  
• We extend UC best practices to other employee service areas | • Consider if this concept can be scaled for other transactional work |
HR Systems & Data Strategic Plan

Strategic Themes: Use relevant data to drive Human Resource decision making

Mission: Gather, track and report on relevant metrics that influence decisions on Human Capital

<table>
<thead>
<tr>
<th>STRATEGIES</th>
<th>SO THAT…</th>
<th>FUTURE IMPLICATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Explore Internet and feasibility of using some common systems across UC</td>
<td>• We take advantage of efficiencies gained through systems and collaboration</td>
<td>• We leverage our vast human capital more effectively</td>
</tr>
<tr>
<td>• Work with Senior Management to develop Human Capital metrics</td>
<td>• We use readily accessible data to manage the enterprise</td>
<td></td>
</tr>
</tbody>
</table>


HR STRATEGIC VALUE CONTINUUM

**Reaction**
- Something happens we have to fix
- External influence drives action
- Crisis management

**Transaction**
- Set of steps triggered by an occurrence
- Dominated by rules and standards
- Typically one right answer

**Tactics**
- Target set Road map to achieve it in place at start
- Road map may contain contingencies that don’t require consultation
- Usually incorporates one unit

**Strategy**
- Multiple targets or initiatives
- Involves a series of aligned tactics
- Incorporates the movements of multiple units/functions

**Vision**
- “The headline”
- The ideal Future State
- Incorporates operating environments, philosophy and way of doing business
- Takes into account external perception of an entity

**Timing:**
- Reaction: NOW
- Transaction: completed in 2-3 Days
- Tactics: One month to 2 Quarters
- Strategy: One year or more
- Vision: Is probably never fully realized in all aspects
  “Regenerating Improvement”
HR

Q and A