Positioning Pima County Community College District’s Human Capital Management for the Future

February 4, 2015
Agenda

- Welcome and Introductions
- Project Purpose
- Executive Summary
- Project Approach
- Current State
- Future State Roadmap
- Conclusion and Summary
- Questions
### Christine Smith, Principal
- Over 25 years of experience and specializes in creating innovative resource optimization solutions
- Clients include research universities, private colleges, community and technical colleges, municipalities, counties, and state agencies
- Directs strategy and operations review engagements for more than 100 public sector and higher education clients, including HR transformations
- Served as a strategic HR manager for the Wisconsin Department of Transportation

### Martina Buckley, Manager
- Over 14 years of accounting and consulting experience in multiple industries, including higher education
- Focuses on assisting clients to assess and improve the design of operations, policies, and procedures
- Directed Higher Ed HR functions, including recruiting, hiring, benefits, and payroll; implemented compensation programs with oversight for contractual obligations, bonus review, and market data

### Caitlin Humrickhouse, Consultant
- Over 3 years of public sector and consulting experience
- Specializes in analytics and benchmarking
- Provides management consulting services with a focus on resource optimization to assist educational institutions and governmental entities in their efforts to ensure that the resources available (people, processes, and technology) are used most efficiently
Presentation Objectives

> How can human capital management at Pima be improved?

> How will changes to the organizational structure improve human capital management?

> What specific practices and processes require modification to ensure efficiency and compliance?

> What role does leadership play to ensure successful transformation?
The College exhibited a need for:

> Enhanced *human capital management* effectiveness organization-wide

> Improved alignment of labor resources with strategic and program priorities *college-wide*

> Reduction to the level of effort required to manage the College’s workforce

> Proactive management of HR related risk

> Improved implementation and enforcement of personnel policies and procedures

> Enhanced collaboration on critical HR activities across the College
Project Purpose

Overall Project Goal:

To ensure that the College transitions to a human capital management environment where basic human resource (HR) management needs of faculty and employees are met, HR practices are compliant, and also one where the HR Department can serve as a **strategic partner** for its stakeholders.
Recent Human Capital Management Improvements

- Initial recognition of the strategic and collaborative role to be played by HR
- Revision of internal hiring policy allowing all PCC employees to apply for posted positions
- Formation of the adjunct faculty and temporary employee task forces
- Highly functional and proactive Employee Service Center
- Renewed focus on employee training and onboarding
Current State

High-Level Key Areas of Concern

> Bifurcated approach to human capital management – lack of shared accountability, clarify of roles college-wide
> Human Resources Department is not consistently functioning as a business partner
> Data is not consistently used to drive strategic activities
> High turnover in key HR positions
> Internal policies within HR are unclear and applied inconsistently
> Operating on a tactical and transactional level; strategic direction and initiatives are missing
## Current State

### Categorization of Findings & Recommendations

<table>
<thead>
<tr>
<th>Human Capital Management</th>
<th>Human Resources Department</th>
<th>Human Resources Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Strategically optimizing personnel assets</td>
<td>- Can be implemented almost entirely within HR Department</td>
<td>- Process issues were the root cause of the finding</td>
</tr>
<tr>
<td>- Requires involvement from stakeholders throughout the College</td>
<td>- Major involvement from personnel within HR Department</td>
<td>- Focused solely on the practice or process not organization structure, culture, etc.</td>
</tr>
<tr>
<td>- Broader than just the HR Department; effects the College as a whole</td>
<td>- More narrowly focused on changes within the HR Department</td>
<td></td>
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</tbody>
</table>
Executive Summary

Nineteen primary findings and recommendations in the following broad categories:

> **Collaborative leadership** facilitating a high-level strategic vision and executable human capital management plan

> Organizational structure and culture that embraces a *shared responsibility culture* relative to human capital management

> **Alignment of HR Department focus** with campus and program/department needs
Nineteen primary findings and recommendations in the following broad categories (cont’d):

> Clearly defined HR roles and responsibilities
> Compliant, responsive and efficient HR processes and frameworks
> Required supervisory and employee HR training
> Proactive risk management approach
> Comprehensive and transformative HR culture change management
Key Implementation Considerations:

- Implementation should be gradual
- Human capital management is a shared responsibility
- Roles and responsibilities must be clearly defined, monitored and capabilities developed
- Trust needs to be reestablished between HR and stakeholders
- A culture of continuous improvement is required
Future State Roadmap

Strategic vs. Tactical Human Resources

- Strategic
- Tactical
- Transactional

Progression of human capital management

Centralized and Decentralized HR Functionality

Is it really an “either/or”?

> Decisions should be made at point with best information to have positive impact

  • Policy decisions require various perspectives and understanding of “the whole” to ensure consistency, mitigation of risk and ability to realize investments

  • HR Process decisions (e.g., Recruitment approaches) warrant being informed by best practice, yet are best made by those closest to understanding business needs

> Models dictate relative roles

> Both require partnerships to be successful
HR Business Partner Roles & Responsibilities

Accountability
• Everyone at PCC is responsible for effective human capital mgmt.
• Business partners (exec. leadership, supervisors, etc.) are also responsible for the provision of services
• Clearly defined decision authority

Focus on the Client
• It is the job of HR to understand the “business” of their clients
• Internal Advocate approach-strategy, tactics and services should be customer specific
• Communicate the renewed focus on the client
To rebuild trust and confidence, the HR Department must focus its attention on the following short term matters:

> Aligning HR staff to campuses, programs and divisions so there is a clear expectation of exceptional service to HR customers
> Assuring that HR Department policies are consistently and correctly applied
> Guaranteeing a meaningful presence on the campuses to rebuild trust
> Ensuring consistent quality control & urgency in issue resolution
Future State Roadmap

Benefits of Organizational Redesign

- Promotes coordination and a comprehensive human capital management approach
- Creates strategic partner relationships with campuses
- Streamlines processes by grouping together related and dependent activities
- Increases flexibility and backup
- Prioritizes a focus on strategy
- Enhances rules compliance
<table>
<thead>
<tr>
<th>Current State</th>
<th>Proposed Organizational Model</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six Divisions &amp; Six Directors</td>
<td>Four Divisions &amp; Four Directors</td>
<td>Reduces siloes</td>
</tr>
<tr>
<td>Separate Divisions/Directors for Employee Relations, Talent Acquisition, Classification &amp; Compensation</td>
<td>One Human Resources Services Division</td>
<td>Enhances collaboration and process integration, Reduces siloes, Improves customer service</td>
</tr>
<tr>
<td>Faculty Certification reports to Provost</td>
<td>Faculty Certification reports through HR Services Division with collaboration with Provost’s Office</td>
<td>Integrates processes, Reduces siloes, Enhances policy application consistency</td>
</tr>
<tr>
<td>Limited focus on strategy</td>
<td>Creates Division of Human Resources Strategy &amp; Planning</td>
<td>Increases focus on being a strategic business partner &amp; systemic frameworks</td>
</tr>
<tr>
<td>Limited focus on compliance &amp; quality control</td>
<td>Creates HR Adv. Analyst position focused on compliance</td>
<td>Increases risk management &amp; rules compliance</td>
</tr>
<tr>
<td>Lack of HR presence on campuses and in departments</td>
<td>Creates HR Generalist pool with specific focus area</td>
<td>Improves customer service, Creates strategic partner relationships, Enhances flexibility and back-up</td>
</tr>
<tr>
<td>Two Employment Processing HR Specialists report through the HR Department</td>
<td>Two Employment Processing HR Specialists report through the Employee Service Center</td>
<td>Integrates and streamlines processes, Improves quality control</td>
</tr>
</tbody>
</table>
Human Resource Generalists

> The role of an HR generalist is to serve as a consultant to influence client decisions by providing a comprehensive look at alternatives that comply with HR Department policies and laws, and which support the mission and goals of the organization

- Eleven generalists in pool
- Serve specific College locations and position categories (faculty, maintenance, etc.)
- Serve as the primary point of contact for HR matters

> Statistics relative to workload should be tracked and adjustments made accordingly

> Dual roles with specialties in the following:
  - Market-based compensation & classification
  - Return to work/leave management
  - Proactive and effective recruiting
  - Workforce planning & staffing analysis
  - Employee relations
  - Performance management

Adapted from the HR Generalist definition used by Fresno State University. http://www.fresnostate.edu/adminserv/hr/aboutus/index.html
Human Resource Competencies

- HR Staff must have appropriate competencies for continued improvement in HR Department - ongoing development is key

- Equally as important is the training of managers and supervisor

- Director of HR Strategy and Planning will be the lead on HR related staff development
Future State Recommendation
Mandatory Training Benchmarking

<table>
<thead>
<tr>
<th></th>
<th>Mandatory for all College Employees*</th>
<th>Mandatory for Supervisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sexual Harassment</td>
<td>67%</td>
<td>67%</td>
</tr>
<tr>
<td>Ethics/ Compliance</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Diversity Awareness</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>EEO/ADA</td>
<td>67%</td>
<td>67%</td>
</tr>
<tr>
<td>Title IV</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>Supervisory Training</td>
<td>N/A</td>
<td>50%</td>
</tr>
</tbody>
</table>

*Note that one survey respondent indicated that per union rules, they are not allowed to mandate certain trainings. However, all of these trainings are strongly encouraged. Another survey respondent indicated that although sexual harassment training is mandatory, the other trainings listed in this table are not but they are working with administration to make them mandatory.
Data Analytics and metrics are key to:

> Making informed business decisions
> Aligning resources to strategic priorities
> Ensuring accountability to organizational goals

Data should be regularly collected and analyzed and metrics reported on at least annually.
Future State Roadmap
Key Human Resource Metrics

**Talent Acquisition Metrics**
- Time/Days to Offer
- Time/Days to Fill
- Key position vacancy
- Turnover rate of new hires
- Quality of Hire

**General HR Metrics**
- Absenteeism percentage
- Monthly Turnover Ration
- Cost per Hire
- HR employees per organizational employees
- HR Personnel Costs/HR Operating Costs

**Benefits Metrics**
- Health Care costs per employee
- Medical loss ratio
- Benefits costs as a percentage of compensation

**Training Metrics**
- Training spend per employee
- Percentage of employees trained per year

**Performance Management Metrics**
- Percentage of employees completing performance reviews
- Improved performer ratio
Shared Governance and the Meet and Confer Process

> Meet and Confer should be a valuable tool to consider the needs of college employees
> By law, meet and confer is an advisory process
> AGB “integrated governance” concept
> Campus stakeholders are involved in critical issues dialogue
> Board of Governors has the ultimate decision-making and fiduciary responsibility
> Must establish a clear and consistent process for Meet and Confer across all groups
> Roles and responsibilities, especially relative to final decision making authority need to be communicated
# Future State Recommendations

## Human Resources Processes

Must take a beginning-to-end perspective and consider all process owners including the HR Department as well as business partners

<table>
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<th>Item #</th>
<th>Category</th>
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<th>Future State Recommendation</th>
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<tbody>
<tr>
<td>1</td>
<td>Succession Planning</td>
<td>• Lack of formal succession planning at College</td>
<td>• In collaboration with OED, develop a succession plan which identifies short and long term needs, potential candidates and development plans for those candidates</td>
</tr>
</tbody>
</table>
| 2      | Compensation Program Alignment with Performance Management | • The annual performance review process is viewed as arbitrary  
• Step Progression is not consistently linked to job performance or tied to the annual performance review | • Step Progression program should be reevaluated and tied to the performance review process |
## Future State Recommendations
### Human Resources Processes

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</table>
| 3      | Employee Relations – College-wide | • Underperforming employees are a systemic issue  
• Widely reported that disruptive/underperforming employees are difficult to terminate and discipline | • Review employment related processes for effectiveness in identifying and resolving issues related to competencies or underperformance |
| 4      | Classification and Compensation   | • Classification and compensation system is outdated, restrictive and impedes the ability to obtain and retain the best candidates | • Class specifications and market analyses should be reviewed regularly and in line with industry evolution  
• Classification system should be flexible enough to fit organizational needs |
| 5      | Workforce Planning                | • Workload analysis is seldom performed  
• Appropriate staffing levels are undefined | • Proactive and continuous planning of workforce needs, gaps or changes  
• Perform benchmarking in departments that are over or understaffed  
• Make adjustments to staffing levels based on findings |
Finding: There is not a clearly identified unit or person accountable for managing overall HR related risk at PCC

- Exposes College to significant risk
- Proposed organizational model provides some coverage – HR Advanced Analyst focused on compliance
- Consider establishing a Compliance function led by a Chief Compliance Officer (CCO) who performs the following:
  - Develops, executes, and monitors adherence to compliance program
  - Coordinates compliance activities (e.g. annual training code of conduct updates, etc.)
  - Collaborates with executive level management on compliance
Key Takeaways:

> Renewed focus on HR strategy and alignment of budget to optimize human capital assets

> The culture of shared responsibility starts at the top and must be the “new norm”

> Change management will be difficult; human capital management initiatives will require the support of the Board of Governors
Key Takeaways:

> Implementation of organizational structure and recommendations will help ensure compliance through enhanced HR skillset and consistency in policy application

> Use metrics to promote accountability. Culture should be that of a high-performing organization

> Ongoing and periodic Board monitoring is a critical part of the accountability framework
Pima Community College is experiencing significant college-wide changes, especially relative to human capital management.

**Successful Transition Requires:**

- Acceptance of change by all
- Time & Patience
- Accountability
- Honesty
- Collaboration
Questions?