**College and University Professional Association for Human Resources**

# Repositioning HR as a Champion of Strategy and Units on Campus

*Monday, October 21ᵗʰ – 1:30-2:30pm*

**Presented by:**

**Dr. Paul N. Friga,** *UNC-CH and ABC Insights®*

**Mark Coldren,** *University at Buffalo, SUNY*

**Jennifer Donnelly,** *Sibson Consulting*

# Meet your presenters

**Dr. Paul N. Friga -** *pnf@unc.edu*

- Clinical Associate Professor of Strategy, UNC Kenan-Flagler School of Business;
- Chief Strategy Officer and Co-Founder, ABC Insights (Academic Benchmarking Consortium) – abc-insights.com
- Paul earned a B.S. degree in Management and Accounting from St. Francis University (served on Board of Trustees) and an MBA and Ph.D. from the UNC-Chapel Hill, Kenan-Flagler Business School

**Mark Coldren –** *mcoldren@buffalo.edu*

- Associate Vice President for Human Resources at the University at Buffalo
- Previously served as CHRO at Ithaca College, and before that in the HR team under various functions at Syracuse University
- Has over 25 years of professional background and experience in HR, including software design, manufacturing and public education settings in human resources and learning,

**Jennifer Donnelly –** *jldonnelly@sibson.com*

- Senior Vice President in the Higher Education team practice at Sibson Consulting
- Ms. Donnelly received a BA in Political Science from SUNY Brockport and a JD from the University at Buffalo School of Law
- She is also a member of the Board of Directors for the US Olympic Bobsled and Skeleton organization, where she is leading a long-range comprehensive strategic planning effort for the organization

Shifting HR
to the Strategic
Center

Methods to
Improve HR
Strategy

Case Study:
University at
Buffalo

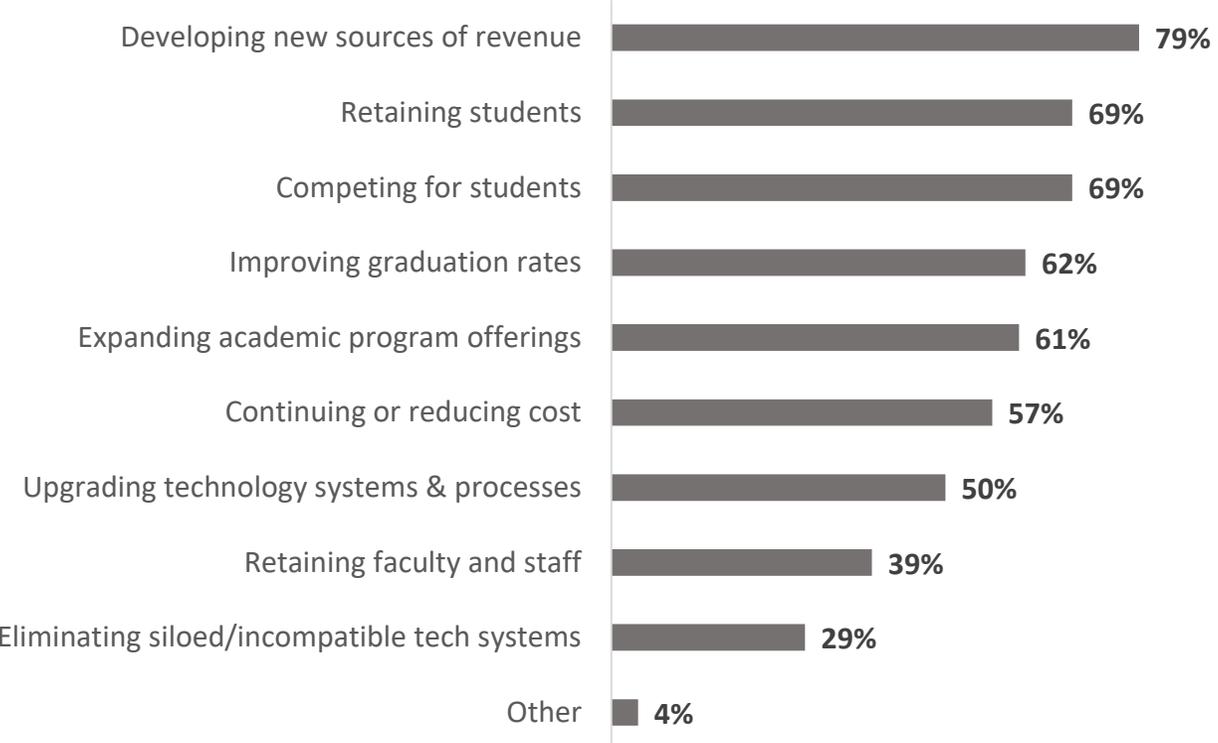Shifting to the Center

Improvement Methods

Case Study: Buffalo

# Let's Hear From You

**What are the major challenges you're facing in Human Resources?**

**What barriers have prevented HR from having a say in strategy?**

# Growth and Efficiency are Key Issues Facing Higher Education Today



**Top Institutional Challenges According to Academic Leaders**

**Growth in revenue and enrollment**

- Developing new sources of revenue — 79%
- Retaining students — 69%
- Competing for students — 69%
- Improving graduation rates — 62%
- Expanding academic program offerings — 61%

**Efficiencies and cost management**

- Continuing or reducing cost — 57%
- Upgrading technology systems & processes — 50%
- Retaining faculty and staff — 39%
- Eliminating siloed/incompatible tech systems — 29%
- Other — 4%

# Success through a service-minded approach

**Shifting HR to the Strategic Center**

Methods to Improve HR Strategy

Case Study: University at Buffalo

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# Higher Ed HR Trends

As universities and colleges continue to shift and face challenges with growth or diminishing revenues, the evolving workforce, and generational impacts, organizations will need to rethink their HR service delivery models in order to meet the demands of an ever changing workforce

Organizations within higher education often rethink their HR service delivery models to:
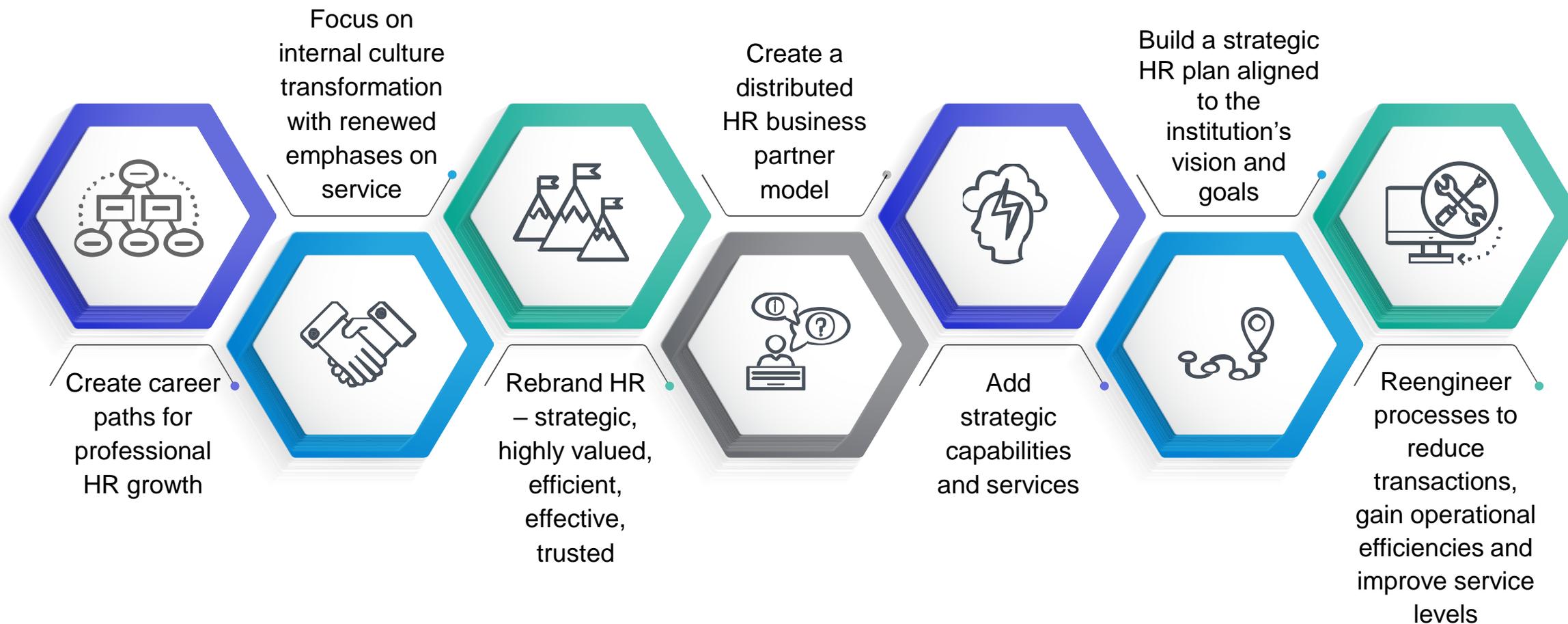
➢ Improve HR services with timely, easy, and accurate access to information
➢ Provide greater customer service
➢ Reduce institutional risk
➢ Reduce administrative burdens, particularly to faculty
➢ Improve data collection, analysis, and informed decision making
➢ Create more capacity for unit level staff to perform more value added services
➢ Reduce administrative costs
➢ Improve the overall quality of HR services
➢ Create a continuous improvement environment
➢ Reduce error rates and time spent on rework
➢ Leverage technology to streamline and simplify HR processes

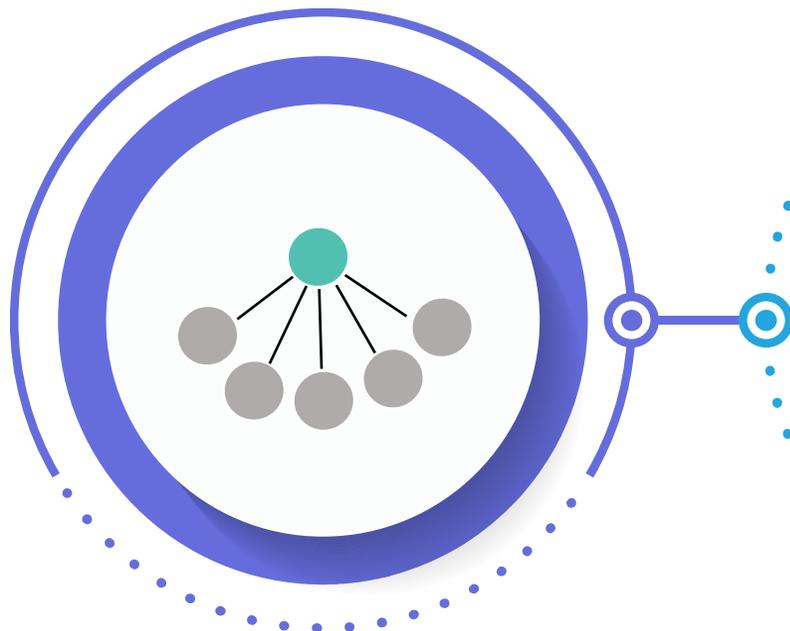# How HR Organizations Are Moving From Transactional to Impacting Institutional Strategy

**Formal HR Transformation Initiatives with a comprehensive focus on modernizing HR include:**



Focus on internal culture transformation with renewed emphases on service

Create a distributed HR business partner model

Build a strategic HR plan aligned to the institution's vision and goals

Create career paths for professional HR growth

Rebrand HR – strategic, highly valued, efficient, effective, trusted

Add strategic capabilities and services

Reengineer processes to reduce transactions, gain operational efficiencies and improve service levels

# Overview of Model Types

## Centralized

- An integrated structure, with a single leadership body, serving an organization
- Business owners / leaders set the organization's strategic vision and mission
- More common in smaller institutions

## Hybrid

Centralized

Decentralized

Centralized Admin & Distributed Decision Making
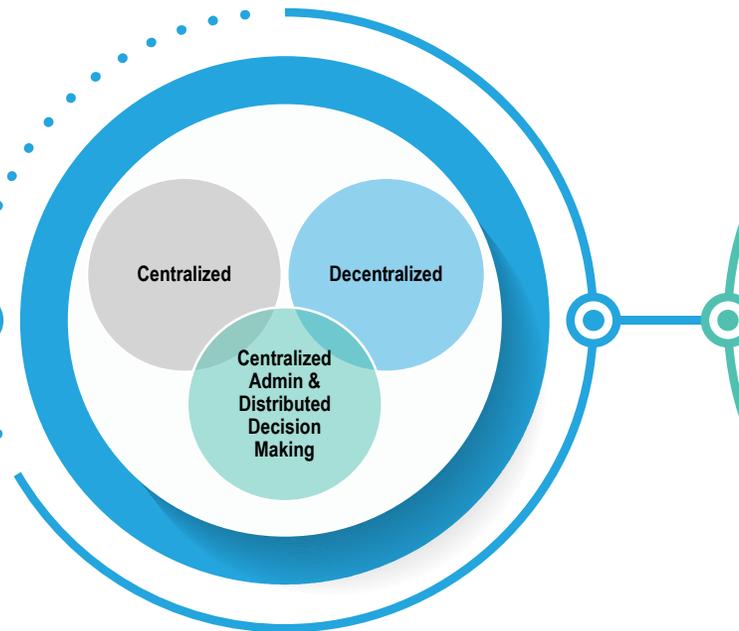
- A centralized structure, with embedded support within individual units
- Business owners / leaders set the strategic vision and mission of the organization
- Specialized expertise, knowledge, and support are delivered through a mix of centralized and decentralized, or shared services structures
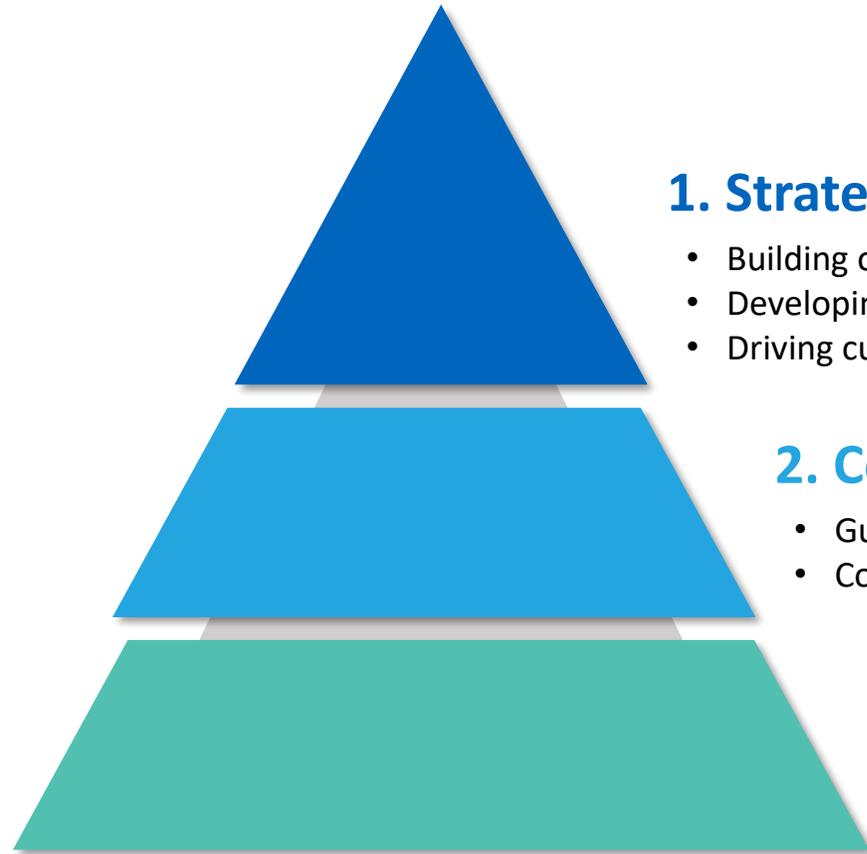
## Decentralized
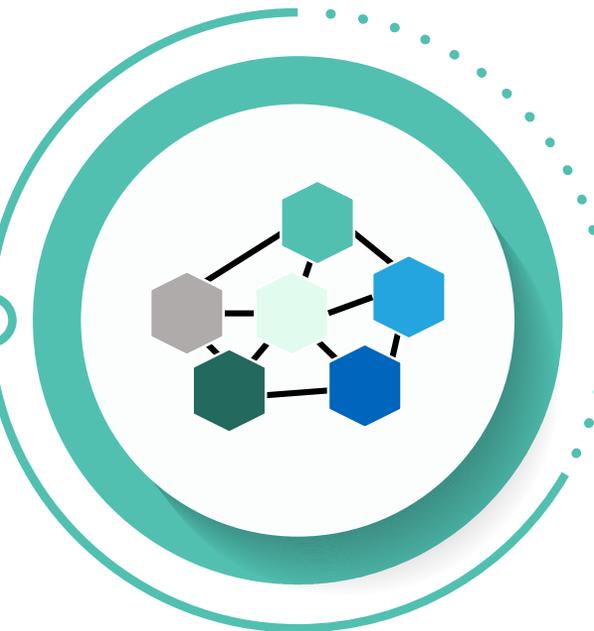
- Support is embedded within individual units
- Multiple layers of management
- A variety of expertise, knowledge, and support

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# Assessing the different models of HR

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|  | **Advantages** | **Challenges** |
|---|---|---|
| **Centralized** | • Maintains consistency and equity in delivery of services, policies, and practices<br>• Readily identifies and addresses institutional needs<br>• Allows for economies of scale and operational efficiency with reduced turnaround times and scalability<br>• Reduces institutional risk | • Efficiency comes at the cost of localized knowledge<br>• Local demands and needs not readily addressed<br>• Difficult to deploy in larger more complex organizations |
| **Hybrid** | • Effective differentiation between local and institutional priorities and greater ability to timely address local demands<br>• Enables cross-functional skill development and highly specialized resources<br>• Reduction in institutional risk through consistent quality of services<br>• Supports shared vision, mission, and common goals | • Ability to recruit and retain highly competent talent at the local level<br>• Gaining broad based institutional trust to shift towards a hybrid model<br>• Requires a clearly defined organizational structure and sustained commitment |
| **Decentralized** | • Increases local knowledge and expertise<br>• Decreases bureaucracy and bottlenecks, enhancing the ability for quick decision making<br>• Creates innovation, flexibility, and distributed workloads when empowering at the local level<br>• Strong customer service, local managers tend to be in-touch with clients | • High exposure to institutional risk by varying levels of quality and support<br>• Duplicative work efforts and higher costs/inefficiencies<br>• Varied levels of service quality<br>• Difficult to maintain consistency / equity across the institution |

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# Three primary ways HR creates value for higher education institutions

## 1. Strategic Value and Leadership

- Building organizational competencies
- Developing and delivering effective retention, succession, and recruiting strategies
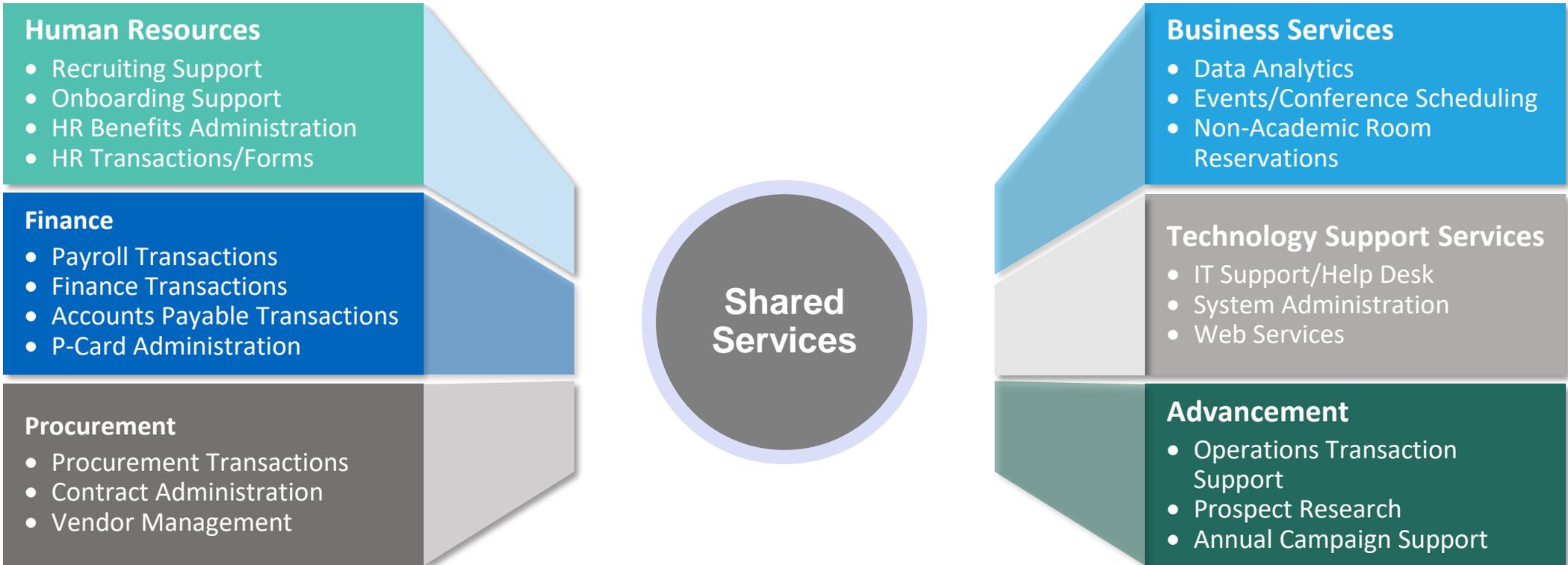- Driving culture and leading change

## 2. Consultative Value

- Guiding/supporting leaders and managers on workplace needs
- Consulting with employees on workplace needs and issues

## 3. Administrative Value

- Payroll and benefits administration
- Record keeping and compliance

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# Trends of Common Services Delivered

**A shift towards a shared services delivery model for transactional HR is another trend we are seeing within higher education. Common shared services models may include the following business functions:**

## Human Resources
- Recruiting Support
- Onboarding Support
- HR Benefits Administration
- HR Transactions/Forms

## Finance
- Payroll Transactions
- Finance Transactions
- Accounts Payable Transactions
- P-Card Administration

## Procurement
- Procurement Transactions
- Contract Administration
- Vendor Management

## Shared Services

## Business Services
- Data Analytics
- Events/Conference Scheduling
- Non-Academic Room Reservations

## Technology Support Services
- IT Support/Help Desk
- System Administration
- Web Services

## Advancement
- Operations Transaction Support
- Prospect Research
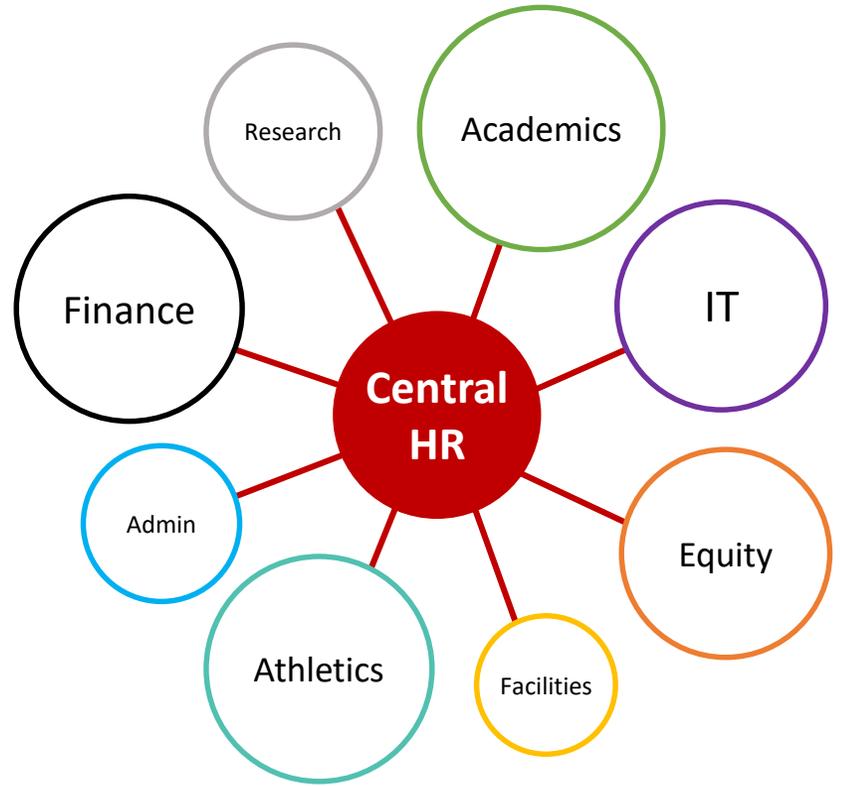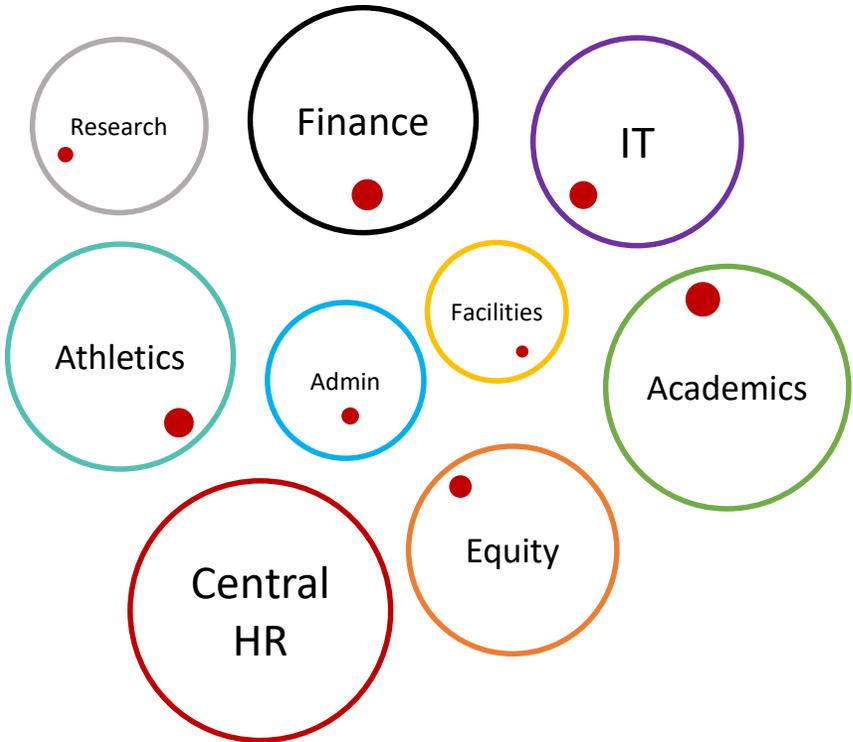- Annual Campaign Support

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# In order to gain efficiency, we must shift HR from a segmented, transactional approach, to a strategic champion across functions

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Center

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Case Study:
University at
Buffalo

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Data-driven Decision Making

Continuous Improvement Efforts

Shifting to the Center

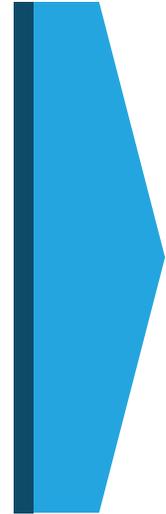Improvement Methods

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A 2017 survey of institutions found that **91 percent** of colleges report they are investing in descriptive data and analytics in some way, and **89 percent** report they are investing in predictive data and analytics in some way

Only **40 percent** of college representatives agree that they "are able to implement the results of student success analytic studies effectively"

**Universities are now overflowing with data, making it difficult to accurately understand and use that data to make better decisions.**

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Limited cross-functional data on labor which is ~ **60 to 80% of University cost structures**

*New option for data analysis*

Activity Based Costs measuring labor spend for 8 key administrative activities

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# Platforms such as ABC Insights® exist to better track and understand their data

## ABC Insights®

*ABC Insights® is the premier benchmarking platform for finance executives within higher education, designed to allow members to easily perform comparative analyses against peer institutions and to share best practices.*

### Mission
To improve decision-making in higher education by providing reliable benchmarking data and insights

### Vision
To become the industry standard by improving university performance

### ABC INSIGHTS® METHODOLOGY

DATA SUBMISSION → ACTIVITY MAPPING → NORMALIZED REPORTING → INSIGHTS DELIVERED

## ABC Insights® – Standard Activity Model (SAM)

*ABC analyzes and organizes member universities administrative labor expenses into a standardized and consistent model called our SAM or Standard Activity Model.*



Standard Activity Model (SAM) Spend as a Percent of Peers
All Activities (FY16)

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**PDAC**

**Kaizen**

**Six Sigma**

**Lean**

**Agile**

## Continuous Improvement

*"Continuous improvement is a gradual never-ending change which is ... focused on increasing the **effectiveness and/or efficiency** of an organisation to fulfill its policy and objectives. It is not limited to quality initiatives. Improvement in business strategy, business results, customer, employee and supplier relationships can be subject to continual improvement. Put simply, it means 'getting better all the time."*

Institute of Quality Assurance

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# Success through Continuous Improvement



Have Persistent Leadership

Encourage Employee Ideas

Let Data Guide the Way

Implement Small Changes

Measure the Impact

*However, "success rate for Continuous Improvement efforts is less than 60 percent"*

*-McKinsey*

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# Executive Summary

**Shifting HR to the Strategic Center**

**Methods to Improve HR Strategy**

**Case Study: University at Buffalo**

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**University at Buffalo**

- 31,503 students - 21,607 undergraduate students and 9,896 postgraduate degree students
- Over 6,100 Faculty and Staff
- $725 million endowment in 2018
- $401.6 million in research
- US News and World Report
  - #31 Best Public Universities in the U.S.
  - #1 Public University in New York State
- 65 central Human Resources staff in total

Source: Buffalo University Website

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# University at Buffalo: Strategic Goals

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## Strategic Mission

*We provide, transform, and steward the environment that empowers UB faculty, students, and staff to succeed in teaching, research, engagement, living and learning in pursuit of the university's mission and goals*

Build faculty strength, productivity and impact

Recruit great students and fulfill their educational expectations

Provide support structures ensuring faculty and student success

Create a diverse and engaged campus community

Become an increasingly global university

Strengthen partnerships for improved regional healthcare outcomes

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| Operational Excellence | Communities of Interest | Strategic Communication | Unit Success |
|:---:|:---:|:---:|:---:|
| **1** | **2** | **3** | **4** |
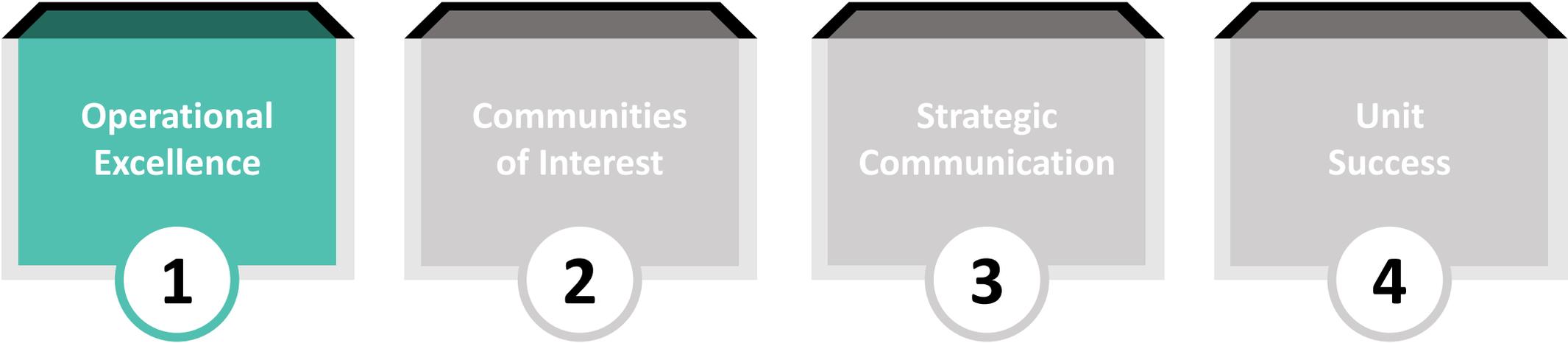
1. Embrace a culture of continuous service evolution and transformation
2. Balance effectiveness and efficiency in everything we do
3. Engage with customers and community, empowering them with authoritative and relevant information and service
4. Build customer satisfaction and brand loyalty by exercising best practices in our thinking and performance
5. Promote strategic, resilient and responsible stewardship of resources

| Shifting to the Center | Improvement Methods | Case Study: Buffalo |
|:---:|:---:|:---:|

| Operational Excellence | Communities of Interest | Strategic Communication | Unit Success |
|:---:|:---:|:---:|:---:|
| **1** | **2** | **3** | **4** |

1. Identify, nurture and engage communities of interest
2. Build partnerships through networking and collaboration
3. Discover, understand, and promote strength through diversity
4. Deliver services that understand and meet or exceed customer needs
5. Provide layered access to information and services

| Shifting to the Center | Improvement Methods | Case Study: Buffalo |
|:---:|:---:|:---:|

| Operational Excellence | Communities of Interest | Strategic Communication | Unit Success |
|:---:|:---:|:---:|:---:|
| **1** | **2** | **3** | **4** |

1. Provide a superior level of communication through:
   - Transparency, Consistency, Ease of access, and Multi-channel touch points
2. Be exemplars of continuous improvement through feedback and measurement
3. Facilitate responsive multi-directional communication

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| Operational Excellence | Communities of Interest | Strategic Communication | Unit Success: Finance & Administration |
|:---:|:---:|:---:|:---:|
| **1** | **2** | **3** | **4** |

1. Continuously adapt and communicate a cohesive vision of Finance & Administration
2. Establish guiding principles that inform our actions
3. Be both students of and teachers for the university community
4. Facilitate environments where every UB employee can succeed
5. Empower customers and promote transparency at every point of service

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# What we do: The UB's Finance & Administration Strategic Priorities

Support the goals of UB and implement models of operational excellence.

Design and create functions and services in a manner that promotes accountability, flexibility, resilience and sustainability for the future.

Employ an Integrated Resource Planning model across the university and its affiliates.

Revolutionize strategic business systems and process improvements that enhance efficiency, effectiveness, and customer service.

Promote and enhance a culture of innovation and excellence in service to stakeholders.

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# What we do: Supporting the goals of UB and implement models of "Operational Excellence"

- "U Plan" – new budget process and tool
- Integrated Security Systems – coordinated building and camera access and utilization
- Employee Recruitment Processes – revise process for internal controls and focus to meet diversity & inclusion goals
- Collaborative/Consortium Purchases and Systems – "Shop Blue"
- Strategic Procurement
- eTravel – Concur revised implementation for efficiencies
- Scaled/Shared Services – focus on workflows and employee redeployments (NY State employment practices challenges)

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