

June 8, 2010

MEMORANDUM

TO: James R. Ramsey  
President

Shirley Willihnganz  
Executive Vice President & University Provost

CC: Vice Presidents & Deans

FR: Sam Connally  
Vice President for Human Resources

RE: HR Self-Assessment, Priorities, & FY11 Strategies

Unit HR directors and I have engaged in a self-assessment of HR with substantial input from campus constituents. With the concurrence of our primary university partners – including the Human Resources Advisory Committee and the Executive Committees of the Commission on Diversity & Racial Equality, the Commission on the Status of Women, Faculty & Staff for Human Rights, the Black Faculty/Staff Association, and the Faculty and Staff Senates, I am pleased to convey the following assessments, priorities, and strategies for the coming year for your consideration.

**Commitment to Service Excellence**

**Assessment:** HR has grown up with a transaction-processing orientation and exhibited a regulatory approach in its interaction with campus units, often losing sight of the impact our services have on faculty, staff, and campus administrators.

**Priority:** Recognize that faculty and staff are the University's #1 asset and should be Human Resources' #1 priority in creating a healthy, dynamic, equitable work environment. Foster a commitment to service excellence that conceives of HR's role as a service unit whose primary goal is to help campus administrators and employees get their jobs done.

**Strategies:**

- HR should move from a "rule-based" to a "judgment-based" approach to HR. We must align our services with the academic and research mission of the University and evaluate our services through the eyes of our customers.
- HR staff should advise, but we should not direct. We should serve, but not regulate. We should "look for ways to say yes," with multiple levels of review (cascading up to the chief HR officer) before we say no.

- HR staff should share our knowledge and judgment, but without supplanting managers' judgment for our own; we must maintain appropriate internal audit and accountability mechanisms and satisfy external stakeholder requirements, but do so in the least intrusive manner possible.

## **Payroll & Position Management**

**Assessment:** Assignment of these units to Finance Division will enhance internal financial controls by integrating PeopleSoft position management with the University Budget system and establishing clearer separation between HR employment & compensation processes and payroll processes.

**Priority:** Ensure orderly transfer of Payroll & Position Management to Finance Division July 1, 2010. Evaluate & correct designated payroll process issues before the transfer.

### **Strategies:**

- Reconcile Dec 2009 taxable benefits. Establish monthly & quarterly taxable benefit option for employees with taxable benefits. [Completed.]
- Audit Jefferson County vs. Non-Resident occupational tax records and take appropriate corrective actions, as necessary. [Underway.]
- Implement 12-mo disbursement option for incoming faculty to receive 2/12<sup>th</sup> their annual contract salary in August. [Announced.]
- Implement new “Check on Demand” process to ensure employees are paid on their first scheduled pay day and eliminate five-day wait for “emergency checks” when recruit-to-hire process goes awry. [Underway.]
- Review 2009 Payroll Audit findings and recommendations to ensure proposed remedies have adequately addressed internal controls.

## **Employment & Compensation**

**Assessment:** Previous separation of the Employment & Compensation functions in separate units leads to sub-optimal utilization of HR resources and creates a disconnect between the classification function (the assignment of positions to salary grades) and the compensation function (the assignment of salary within grade in relation to market value and internal equity).

**Priority:** Consolidate Employment & Compensation functions in a single unit. Develop additional compensation expertise. Deploy compensation advisory function for senior academic and administrative officers.

### **Strategies:**

- Adopt a University compensation philosophy that is linked to market value & addresses internal equity.

- Develop annual market evaluations for professional & classified staff by occupational category. Advise senior staff on market strategies.
- Implement new salary administration policies that eliminate fixed percentage thresholds in new hires, promotions, reclassifications, in-range adjustments, and supplemental salary transactions. Implement guidelines that ensure salary decisions: (1) are based on facts & data, (2) are linked to market value, (3) take internal equity factors into consideration (but not be bound by them), and (4) are reasonably documented.
- Develop internal capacity to support the recruitment of executive and Board-appointed administrator positions.
- Develop HR orientation program for graduate fellows and graduate assistants in collaboration with Graduate & Interdisciplinary Studies.

## **Benefits & Health Management**

**Assessment:** UofL has a reasonably balanced portfolio of market-competitive benefits. We will continue to experience market pressure to slow the growth of health care costs. Unique health management program and disease management programs warrant continuation & expansion.

**Priority:** Enhance the value of university benefits, while containing or reducing costs.

### **Strategies:**

- Expand retirement investment options for employees by adding IRA rollovers, Roth after-tax contributions, and UofL 457 plan. [Pending Trustee Approval.]
- Evaluate waiting period and vesting provisions of 403(b) retirement plan to address equity concerns, ensure market competitiveness, and contain cost.
- Evaluate health plan waiver and retiree health subsidies to contain cost, without adversely impacting current waiver or retiree health benefits.
- Support the continuation of Cardinal Care and ensure continuing access to University Physicians and UofL Hospital through custom contracts.
- Explore point of service pricing incentives (similar to waiver of co-pays for University Physician primary care office visits) to promote consumer-driven selection of health care services at lower costs (when quality of care issues are not a material factor).
- Support the continuation of health management program (Get Healthy Now) and expand disease management programs through UofL health plan.
- Establish shared leave as continuing benefit for staff employees and include sick leave option in bereavement leave policy. [Pending Trustee Approval.]

- Explore options to provide additional University-sponsored, employee-paid benefits (such as term life, auto, or home insurance where collective purchasing power may result in material discounts to employees).

## **EEO/AA and Employee Relations**

**Assessment:** There is a pervasive sense that the AA function serves management's interests, but is not responsive to employees' needs and that the ER function is not objective or balanced.

**Priority:** Enhance the visibility and role of the EEO/AA function; promote more effective employee relations services; foster HR's role as an "honest broker" in the employee relations function; and develop internal staff development capacity.

### **Strategies:**

Note: Harvey Johnson has announced that he will retire effective August 31, 2010. As we acknowledge appreciation for Harvey's 35 years of service to UofL, this vacancy will provide an opportunity to structure this position to better meet current challenges.

- With Mr. Johnson's awareness and concurrence, I propose that the University restructure the Board-appointed Director of AA & Employee Relations as a P&A Director of Staff Development & Employee Relations and that the Board designate the VPHR as the University's chief EEO officer.
- More fully integrate EEO/AA review in University recruitment and search processes to ensure applicant pools reflect market availability of minorities and women; support the recruitment of minorities and women in job groups where they are under-represented in relation to market availability; and reduce the reliance on search waivers to fill regular positions.
- Review and revise disciplinary and grievance processes in collaboration with Staff Senate and representative campus managers.
- Review performance management program to foster more effective supervision, greater clarity in setting performance strategies, and greater employee confidence in the objectivity of performance evaluations.
- Develop customer service excellence, supervisory, and performance management training within Human Resources to augment Delphi partnership and enhance staff development across campus.

## **HR Management Systems**

**Assessment:** UofL has a well-structured, adequately staffed HR Management Systems unit that supports the efficient use of technology in support of HR operations.

**Priority:** Support and sustain the collaboration among HRMS, IT, and Finance Division to support HR, Payroll, and Finance functions.

**Strategies:**

- Complete migration to PeopleSoft 9.0 in Oct 2010 and support the Enhanced Financial Management Initiative.
- Implement time and leave reporting system during FY 2010-11; contingent on the availability of funds.
- Enhance automation of HR forms and processes, develop work-flow capacity; convert existing forms to on-line, electronic submission formats.

**HR Administration & Partnership Building**

**Assessment:** Previous HR organization included a number of stand-alone administrative functions reporting to the VPHR that diffused organizational focus and separated some core functions. Regulatory approach to some HR processes contributed to perception that HR was removed from core functions of the University.

**Priority:** Foster confidence on the part of University administrators that HR is an effective partner in helping them achieve organizational excellence.

**Strategies:**

- Streamline HR organization by consolidating administrative functions into new “HR Administration” unit; consolidate Employment & Compensation.
- Re-think and re-conceptualize role of HR within the University to align HR functions with the academic, research, and service mission of the University – by focusing on core functions; distinguishing among customers, beneficiaries, stakeholders, and co-service providers in order to evaluate services through the eyes of our customers; identifying appropriate outcome metrics; and establishing performance standards. [Underway.]
- Sustain & enhance effective campus partnerships with the Faculty Senate, Staff Senate, CODRE, COSW, HRAC, and FSHR as key campus partners in fostering a more effective HR function.

Human Resources staff are committed to focusing on employees’ and campus administrators’ needs and operational requirements as we work to improve the quality, effectiveness, and timeliness of HR services. We share the 2020 Vision for the University of Louisville to become a premier, metropolitan, research university and will strive to ensure that all HR services contribute toward the University’s efforts to recruit, retain, recognize, and reward top quality faculty and staff.

HR directors and staff join me in welcoming your feedback as to whether these assessments, priorities, and FY11 strategies reflect your vision for a Human Resources department that is aligned with the academic and research mission of the University.