

September 6, 2002

**To:** **Human Resource Disappearing Task Force Members:** Meredith Huff, Chair; Patty Barnes; Randy Cravey; John Carmichael; Jose Dominquez; Lorri Moore; Ed Rivera (and former members Maia Bellon; Betsy Diffendal; Karen Durant; Alexander Mar; Kelly Smith; and Kathy Dean.

**From:** **Ann Daley, Vice President for Finance & Administration**

**Subject:** **Response to DTF Report and Recommendations**

*Evergreen will recruit, retain and support an outstanding, diverse, vital and dedicated faculty and staff.*

Strategic Plan 2000

I am deeply appreciative of the time, effort and talent each of you contributed to the work of the Human Resources Disappearing Task Force. Yours was no small task. Your charge was to review “all aspects of Human Resource Services.” Your broad objective was to “update/develop new or improved practices in all aspects of employee recruitment and retention.”<sup>1</sup> This work was to be developed into a six-year work plan and budget to guide the future work of the college in support of its employees.

The DTF’s final report and recommendations, the culmination of 17 months of hard work and campus outreach, provides clear direction to guide a reorganization and enhancement of Human Resource Services at The Evergreen State College. I will address each of your priorities below. Before I do, it is important to underscore the *timeliness* of your report and recommendations as the college prepares for the challenges ahead.

One of the most critical issues facing all organizations in the new millennium is the challenge of attracting, managing and retaining skilled employees. At Evergreen, this challenge is heightened by our institutional demographics – the number of faculty and staff reaching retirement age at the same time that the college-age portion of the state population is growing dramatically and the college is planning growth to 5,000 students.

---

<sup>1</sup> Charge to the Human Resource Services DTF, January 16, 2001.

Another critical force is state civil service reform. The 2002 Legislature enacted sweeping civil service reform and collective bargaining for wages and working conditions for all classified employees<sup>2</sup>. The new law requires a fundamental restructuring of job classifications and merit system rules and sets an aggressive timeline for collective bargaining agreements to be in effect by July 1, 2005. Moreover, the duration of any new collective bargaining agreement is limited to two years, requiring frequent re-negotiations. All of this creates some immediate workload pressures and potentially a very different labor-management climate than we have experienced here at Evergreen.

Third, the increasing complexity of state and federal employment law (and legal interpretations) requires greater attention to legal risk prevention. Employee complaints are on the rise across the nation. As the workforce ages, age discrimination and retaliation charges are on the rise.<sup>3</sup> Legal risk prevention is of increasing importance in human resource management. While Evergreen is deeply committed to diversity and has zero tolerance for discrimination in any form, lack of training can lead to problems. Human Resource Services must provide strong leadership to promote diversity and to educate staff about state and federal regulations. Every manager and supervisor should receive regular training on employment law issues.

Fourth, as you learned during the DTF's workforce assessment, the college is experiencing a high rate of turnover. This turnover is especially high among new employees. Of the 89 exempt and classified positions hired in 2000, 22 have left Evergreen employment, a turnover rate of 25 percent. Overall, employee separations compared to total classified and exempt employment has ranged from 7 to 16 percent each year since 1995. This level of turnover consumes college resources and adds workload and costs to HR and to the hiring unit.

Fifth, a number of factors require that the college provide more focused attention to training and professional development. Currently, aside from the Staff Development Committee, training and professional development is decentralized and many staff claim they do not know how to access these resources. Our recently renegotiated union contract commits the college to a set of required trainings for every employee every three years. It also requires that performance evaluations for classified staff be a new tool, the Employee Development Performance Plan (EDPP). As part of this process, an individual development plan will be created for each employee. The new contract also requires that all supervisors receive management training.

Finally, a number of human resource functions are performed in other units across campus. Responsibility for benefits administration is scattered among several offices (payroll, academic budget, HRS). Funds for training and development have been reduced over the past

---

<sup>2</sup>SHB 1268, the Personnel Reform Act of 2002. The 2002 Legislature also enacted a law authorizing faculty at four-year institutions to bargain collectively. It is not known at this time whether the TESC faculty will choose to use this new tool.

<sup>3</sup> "Hottest Employment Law Concerns" by Mike McNamee, NACUBO Business Officer, November 2001.

years of state budget reductions and services are neither centralized nor coordinated. Payroll is administered by Business Services, although personnel actions are administered by HRS. Worker health and safety is administered by Facilities. Civil rights complaints are addressed through the President's Office. Responsibility for staff recruitment is divided among the hiring authority, HRS and the President's Office. The Provost and the Academic Deans handle faculty recruitment. Data and information systems are inadequate. This decentralized and relatively uncoordinated structure results in confusion and inefficiency.

This assessment stands in stark contrast to the organization and breadth of human resource management in most institutions of higher education. Beyond the traditional and still important HR functions (recruitment, record-keeping, labor relations, equal employment opportunity and affirmative action, employee relations and compensation and benefits), human resource organizations now typically offer training and development, core competency training, employee assistance programs, workforce diversity, work/life programs, management development (succession planning), strategic planning, customer service, and internal consulting, among others.<sup>4</sup>

In summary, the final report and recommendations of the HR DTF have come forward at a time of both challenge and opportunity for the college.

#### DTF Recommendations

I fully support the DTF's priorities and recommendations. You have provided well-grounded and thoughtful suggestions for improving the training and services provided to our employees.

Senior staff has reviewed the DTF recommendations and is also supportive. It is important to note, however, there are questions about available resources given the current budget climate.

As you know, because of the state's fiscal difficulties, the college will likely have to consider further budget cuts in the ensuing biennium. If so, any reallocation of existing dollars to implement the recommendations will be subject to a campus-wide deliberation and must be weighed against other important priorities. Fortunately, many of your suggestions can be implemented without cost, and we have some resources set aside last year in anticipation of the HR DTF's work. I also anticipate that we can gain some efficiency by re-engineering some of our paper-dependent processes and by reorganizing HRS.

---

<sup>4</sup> "Human Resources and Benefits Administration", College and University Business Administration, Sixth Edition, NACUBO, 2000.

With these cautions in mind, I will briefly highlight the DTF's recommendations, offer my comments (*in italics*), and follow that with my recommendations for first steps toward implementation.

### **Priority One: Training and Professional Development**

The DTF's first priority recommendation includes hiring a Training and Development Coordinator and one support staff to develop and coordinate a comprehensive training program, including employee performance and development plans, management training for supervisors, orientation for new employees and the establishment of an annual series of staff institutes.

*I agree that enhanced opportunities for training and professional development for all our staff are critically important. We have committed in our union contract to a schedule of required training for every employee on topics important to the work of the college. In addition, the new performance evaluation tool, the EDPP,<sup>5</sup> also will generate an individual development plan for each employee that the college will need to honor. I particularly like the concept of establishing a staff institute, similar to the faculty summer institutes that have been so successful.*

### **Priority Two: Communication**

Communication is a challenge in any organization. Evergreen is no exception. As the DTF's consultant wrote, "without a strong culture grounded in effective communication, trust and strong accountability and performance management systems, it is difficult for organizations to succeed in managing change and innovation."<sup>6</sup>

Your recommendations to improve communication include the formation of a mid-managers group to foster communication across work areas and to provide a forum for work on policy issues of mutual concern. You also point out the critical need for each division to update policies and document procedures. More clarity on institutional planning processes could be gained with greater focus on orientation for new managers.

Finally, the DTF strongly urges Senior Staff, Deans and Directors to "own" the cultural data contained in the consultant's report and to undertake strong efforts to raise the level of trust and to improve overall communication across the campus.

---

<sup>5</sup> Employee Development and Performance Plan, developed by the Washington State Department of Personnel. See Article 8 of the Basic Agreement between the Evergreen State College and the Washington Federation of State Employees, AFSCME, AFL-CIO.

<sup>6</sup> Recruitment and Retention Project Executive Summary prepared by Organizational Resource Group, Inc., January 2002.

*This recommendation is under active review by the Senior Staff. We recognize that both growth and turnover have made communication using our traditional modes more difficult. A series of initiatives, including the creation of a “mid-managers” group is under discussion. The President and the Senior Staff are committed to work over the next academic year to foster “an engaged, informed and vital community”.*

### **Priority Three: Benefits**

As you noted, responsibility for benefits administration is divided among several offices: Payroll, HRS, and Academic Budget. Retirement planning services are extremely limited and not adequate for our staff and faculty. TIAA-CREF policies are out of date and need revision. Employees are generally not given any consistent information about all of the benefits of working at Evergreen.

To remedy these concerns, you have recommended the college hire a benefits coordinator in the 2003-05 biennium to establish a centralized benefits office within HRS to consolidate and coordinate all College benefits education and services, with special attention to expanded retirement related counseling. In the meantime, you recommend a standing benefits committee continue its work to coordinate benefits administration. Additional recommendations include the development of a benefits web page, and a benefits statement for each employee annually.

*I am confident that we can make significant progress to address benefits administration by clearly assigning responsibility in HRS and by providing an enhanced web page with basic retirement and benefits information with links to other on-line resources. Work toward this interim step should begin right away. In the future, HRS may need to hire a benefits administrator to provide benefits assistance and retirement planning services for all faculty and staff.*

### **Priority Four: Exempt Compensation System**

The DTF recommends that the college adopt a broad banding model for exempt salaries and that an exempt salary system coordinator be assigned, or a consultant hired, to develop and implement the new process.

In addition, you recommend the college develop a policy to allow exempt employees to be credited with exchange time when they work beyond 45 hours in a week and that managers be trained to set priorities so as to maintain reasonable workloads.

*A fair and understandable methodology to determine exempt staff salaries is something that the college has struggled to achieve in recent years. I agree that a broad-banding approach*

would provide more clarity and would increase flexibility and fairness. The necessary next steps to review this approach should be undertaken this year.

### **Priority Five: Data and Information Systems**

Our human resource data and information needs exceed our ability to extract information from our current system, the Personnel/Payroll Computer Information System (CIS). The DTF's evaluation of the Banner HR module was to delay a decision on whether or not to purchase until Banner has a fully functional and more user friendly HRS package that is compatible with state payroll and benefit regulations. In the meantime, you recommend that a half-time position be allocated to database management of the CIS system beginning in fiscal year 2003.

*I agree that we must take steps to improve the college's HR data and information system, and I share your sense that we could better utilize the capabilities of the CIS system. Over the long term, however, I am concerned about the stability of the CIS system, which needs significant improvements. I will form a committee in the fall of 2003 (after Banner Finance and Banner Alumni go live) to undertake a new review of the Banner HR module and other HRIS options.*

### **Human Resource Services**

The DTF offers some valuable insights into the organizational issues surrounding the college's human resource related functions. Issues discussed include the decentralization of services, the inadequate office space and whether HRS resources are adequate to meet its responsibilities.

You recommend the creation of a centralized Employee Services functional area to include HRS, benefits and training, and the Payroll Office. Additional offices that might be co-located include Environmental Health & Safety and possibly Student Employment. In addition, you recommend that the VP for Finance & Administration consider revising reporting lines of some or all of these functional areas to achieve greater efficiency and accountability.

Finally, you recommend increased funding for recruitment outreach to increase diversity in applicant pools, and to continue to review the recruitment process. Responsibility for exempt recruitment should be clearly assigned to HRS.

*It is abundantly clear to me that improved coordination of the various human resource related functions is needed. Many higher education institutions provide a form of "one-stop" shopping for employee services. I believe we can achieve this coordination through a combination of strategies, including re-organization, future co-location and improved web-based information. I will address this issue in more detail in the following section.*

## Recommended Implementation Plan

If resources were more abundant, I would embrace your recommendations in full and recommend immediate implementation. However, we are all aware of the state's fiscal difficulties and the prospect of further budget reductions across state government, including Evergreen. Fortunately, we have some funds held in reserve for use in the current biennium that will allow us to make some one-time expenditures to move forward on the highest priorities.

In addition, the College's biennial operating budget request for the 2003-05 biennium includes a decision package to improve staff and faculty training and professional development resources. It is not known at this time whether any or all of the College's request for additional funds will receive favorable consideration by the Governor and the Legislature. Nevertheless, the request highlights the HR DTF priorities for new positions in the areas of training coordination and benefits administration. In addition, the request includes new positions to implement civil service reform and local full-scope collective bargaining pursuant to SHB 1268.

1. \$100,000 set aside for HR DTF in current (2001 – 2003) biennium.

Beginning in 2001, the college set aside an annual amount of \$50,000 to begin to implement the DTF's recommendations. Since the DTF was still working in the last fiscal year, the \$50,000 set aside for FY 2002 was not utilized. Thus we have a total of \$100,000 this year allocated to the work of the DTF. Below I have outlined my proposal for one-time expenditure of these funds.

- **\$7,500** for Staff Leadership Institute (late summer 2003)
- **\$32,500** for 9-month contract (salary & benefits) to develop and coordinate ongoing staff training program (ties in with budget request for 03-05)
- **\$20,000** for management training through the HELP Academy
- **\$15,000** to contract for the development of a comprehensive HR web page providing information on training opportunities, employment openings, benefits, services, employment regulations and policies.
- **\$10,000** additional funding to Staff Development Committee
- **\$15,000** to contract for a review and update of employment policies and to develop an employee handbook.

## 2. Operating Budget Request for 2003-05 Biennium

For the biennium that begins next July (2003), the college will request the following additional funds:

- **\$200,000** to establish a centralized benefits office within HRS, hire a Benefits Administrator and a Training Specialist and expand dollars available for training and professional development
- **\$160,000** to implement SHB 1268, the Personnel Reform Act of 2002. Although not connected to the DTF's work, this request would add two new positions to HRS, an employee relations specialist and a compensation specialist, to support civil service reform, position reallocations and full-scope local collective bargaining.

## 3. HRS Reorganization

I am in the process of recruiting to fill the position of Associate Vice President for Human Resource Services. I am hopeful that this individual will be available by early October. While I won't finalize any reorganization of HRS and related functions until the new Associate VP is on board, it is my intention to pursue the following changes:

- Create an enhanced Human Resource Services office to include HRS, benefits, training, civil rights and equal employment opportunity, all staff recruitment functions, and greater resources devoted to diversity outreach. All will report to the Associate Vice President
- Review the pros and cons of including Environmental Health & Safety and Payroll in the enhanced HRS
- Recommend the transfer of the civil rights and EEO/AA positions and related resources from the President's Office to HRS. A direct reporting line to the President on issues of diversity and AA analysis and evaluation will be important to retain.

## 4. Additional steps I will take:

- Assign responsibility for exempt compensation system development to HRS
- Permanently allocate \$7,500 for recruitment outreach focused on increasing diversity in applicant pools (from the FAD reserve).

- Discuss options for improved HRS office configuration with campus Space Committee
- Consider hiring a data and information specialist for HRS
- Reassess the ability of Banner HR to meet the college's human resource data and information needs. This review will commence in the fall of 2003 after Banner Finance and Banner Alumni have gone live.

In conclusion, I am grateful to the Human Resources DTF members for your timely and thoughtful work and your prioritized recommendations. Over the next six years, I believe we can make significant strides toward addressing many of the long-term issues you have identified. In the meantime, I anticipate that the interim steps I have outlined above will move us toward our goal of recruiting, retaining and supporting an outstanding, diverse, vital and dedicated faculty and staff.