# Re-imagining HRS at NIU

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Prepared for

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# Agenda

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1. Background and Scope

2. Outreach Conducted

3. Themes:
   a) Technology
   b) Process Improvements
   c) Transparency and Trust
   d) Accountability
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## 1. Background and Scope of Work

NIU President Freeman and Provost Ingram received the resignation of the senior associate vice president of Human Resources (SAVP) in late December 2019. Celeste Latham accepted a new role in the Office of the Provost, and Liz Guess took on additional responsibilities for Payroll, IT and the Service Center. Along with Liz Guess, Pulchratia Smith and Brian Smith began reporting to the provost, and the Labor Relations team was temporarily assigned to General Counsel Bryan Perry. Provost Ingram and General Counsel Perry became co-leaders of HRS on an interim basis in late December 2019.

Feedback received indicated HRS needed improvement, and the SAVP HR vacancy provided an opportunity for leadership to reassess the function for NIU. The assignment was to: identify changes that will allow HRS to be perceived widely as a collaborative and engaged partner; to provide recommendations for HRS becoming a unit celebrated for timely, effective communication and the willingness to work through challenges; and to find opportunities for success and ultimately better integration of NIU core values into HRS processes.

This effort should support NIU's goal to foster talent growth and support the modernization of processes and strengthen relationship with colleagues throughout the university.

All ideas to reimagine how HR services could be performed at NIU were welcome. "Re-imagining HR" was the phrase used by President Freeman and the scope was to allow for — and be open to — out-of-the-box thinking.

## 2. Audrey Southard was hired to lead the effort in mid-February with a goal of completing the report in early April. Due to COVID-19 needs, Southard assumed an interim HR director role and the consulting project was put on hold from March 13 to May 8, 2020, resulting in a delay of the report's submission. OUTREACH EFFORTS

The project began with an HRS all-team meeting February 11, 2020.

Over the course of February, nine focus groups covering over 200 employees and 25 stakeholder interviews were held to gather information on:
- Roles, processes and strategies and their alignment with NIU's vision.
- Current and desired employee experience and services.
- Current and desired use of technology and software.
- Current and desired state of professional and leadership development.

Outreach also included interviewing 43/44 HRS employees (one on leave) and an HRS all-team meeting March 11, 2020, to share the preliminary results from the outreach efforts.

Benchmarking with U of I System Office and ISU was conducted along with HRIS/IT benchmarking with TSI, a nationally recognized IT implementation company. Research of non-academic HR organizations and PEO benchmarking was also conducted.

The Interim HR Director role served from March 13 through May 8 provided perspective that can rarely be obtained in a consultant role and has been useful in providing recommendations.

## 3.    Themes

### 3a. TECHNOLOGY and the need for Digital Transformation and Automation

According to information gleaned from interviews with focus groups and stakeholders, a history of low investment and low appetite for project and change management has resulted in HRS technology being inadequate with existing platforms fragmented and underutilized.

Once tied down with time-consuming manual processes, the HR industry has moved operational and compliance-based activities toward automation. With improved technology, HRS can focus on needs of the campus and the changing workforce. For example, Both U of I and ISU HR areas are highly automated.

Automation and Manager Self-Service should be a priority for NIU. Manager Self-Service allows key members of leadership to run reports to assess their people's information, provide a dashboard for key metrics and to make informed decisions. Technology tools can empower the effectiveness and success of faculty and staff and reduce the need for calls to HRS.

A learning management system (LMS) could automate onboarding and training to get new hires up to speed without a reliance on a physical person.

Before COVID, but especially afterward, the university will have to be nimbler and more efficient. This will result in limited resources and tighter hiring for staff. This means HRS must automate and maximize technology to alleviate the current reliance on paper and time-consuming and inefficient manual processes.In the short term, HRS can leverage existing technology to improve productivity and enhance the employee experience.

An investment in one technology platform for all HR and Payroll services would improve the efficiency of HRS, save resources devoted to manual tasks and provide much needed self-service.

### 3b. PROCESS IMPROVEMENTS

Many HRS processes are manual and difficult to follow. To add to the problem, training of new employees/managers on processes is infrequent, and guides or instructions are outdated or nonexistent. This results in learning by rumor and the exchange of bad practices as there is no one source of truth. In addition, HRS staff turnover has resulted in reduced critical knowledge of what needs to happen, and

their training is lacking. HRS needs to demystify the processes and follow many of the recommendations presented by the HR Processes Working Group from April 2019.

## Hiring, Position Review, FMLA and Policies and Procedures

Getting a position approved for hire, and then a formal job offer, is a complex and laborious process. Focus group feedback describes the process as having too many steps and sometimes taking months to get through. During the focus groups, participants were trying to explain the rules to each other with little accuracy or success.

Position review or desk audit is another area that focus group feedback suggests the process taking months to years to get a final answer.

This complexity, confusion and disinformation results in a lack of trust in the HR function.

The FMLA process for example is manual using spreadsheets and paper forms. The staff can be overrun with claims at the most critical time for an employee. Outside of NIU, FMLA is usually highly automated, and although the law/rules of leave can be confusing, information can be written more clearly and the process could be more user friendly.

HRS Policies was the largest complaint area from the focus group and leadership feedback. There is much confusion and frustration and a lack of transparency on what the policies and procedures are and where one can find the current version. Many outdated policies exist on the various internal websites. Leaders commented that other Illinois universities do not have as strict an interpretation of Civil Service rules and shared a perception that NIU has a more conservative and restrictive approach than necessary.

Updating HR policies should be a priority for NIU Policy Library project.

## Performance Management

NIU lacks a unified accountability for performance management. The current process is more a check-off via a manual form. Goal setting, feedback and development should be the focus instead of a process focused on checking off a box.

A quick win would be to eliminate the form and check-off requirement for all but probationary employees and to move the probationary form online. A mid-term action would be to create a robust performance feedback system for all employees in line with HR best practices on forward-focused feedback vs. rear-view, including frequent check-ins instead of once a year.

## 3c. COMMUNICATION, TRANSPARENCY AND TRUST

The lack of automation and manual processes, along with outdated policies and confusing processes, results in a feeling of distrust, and at times, anger toward HRS. Focus group participants shared their personal stories of "getting through" HR or the exhaustion of getting even simple tasks completed. This affects the employee's view of NIU, not just HR. The HRS department is seen as an extension of the leadership and NIU culture.

I was surprised at the level of emotion from all levels providing feedback for this project. Members of the NIU community want a partner they can trust, and they need more transparency. Several indicated that they believe this area is holding back NIU and its ability to transform the culture and to hire and retain the best.

The technology and process improvement recommendations can improve the transparency and trust; however, new leadership in HR will have the greatest impact in improving trust. This will take time and effort.

More outreach from HRS employees to the various departments is underway and comments from those department leaders have been positive. This outreach should continue. HRS can benefit from a dedicated communications resource.

### 3d. ACCOUNTABILITY AND CHANGE READINESS

HRS does not participate in goal setting. Therefore, there is limited accountability with staff for project completion or addressing improvements for mid- to long-term needs. Metrics are not used, (i.e. turnover or time to hire), to hold the team accountable or to make decisions.

The COVID-19 crisis, with interim leadership in place, demonstrated how the existing HRS team can rally when supported, held accountable, encouraged and trusted.

### 3e. PHYSICAL ISOLATION AND NEGLECT

HRS is physically and socially distanced from its customers. The office is located at the outer edges of campus, and outside of the Employee Assistance Program (EAP) and a Student Employment office on campus, HR is isolated.

Further complicating matters, prior HR leadership discouraged HR staff from attending NIU meetings or committees or reaching out to their customer groups. Professional development was not allowed.

Several HRS employees commented that they take leave time and pay for their own development for HR skill development or legal updates.

The building is outdated and portrays a poor image, is worn and lacking energy. This is an applicant's or new hire's first experience with NIU.

HRS feedback is that pay is low, which results in turnover. The HRS team feels ignored, underappreciated and overworked. My personal observations during my COVID-19 interim role was that, with the right leadership and support, the employees were service-oriented, willing to work, dedicated and responsive.

I can't help but feel that the current work environment creates a self-fulfilling prophecy of the level and quality of service and the reputation of HRS.

## 4.    Organizational Structure Recommendations

**Current State**

Focus group and leadership feedback indicate this department has never achieved a "best in class" HR service department level, and that over the last four years, the area has become even more ineffective. This is because of lack of investment and lack of leadership.

My personal experience at NIU shows, and focus group and stakeholder feedback confirms, a great number of hard-working and well-intentioned HRS employees. However, the service and knowledge are inconsistent.

Significant investments in technology, training and leadership are needed to turn the HRS department into an effective contributor toward NIU goal achievement.

Lastly, HR functions have been fractured over the years, which has been confusing for the employee/customer.


**Recommendations**

The focus was to reimagine HRS, and my first recommendation is my preference; however, the work that needs to be done for HRS at NIU can be overwhelming and potentially costly in the short term. It would require a strong VP HR leader and the full support of the president and leadership team. Therefore, in the spirit of reimagining HRS, I have added two other recommendations worth exploring.


### Recommendation 1 – Revise Organizational Structure

Create an organizational structure that provides a consolidated HRS experience for applicants, employees and leadership.

Integrate the HRS services that have been fragmented across campus (EEO, Labor and Employee Relations) into HR.

**HIRE Chief Human Resource Officer, VP HR**

The need for NIU to have a human resources leader sitting at the executive table, helping to shape the university's plan for its human resources, is now. Years of neglecting this function has stifled NIU's ability to meet its goals, and the current transformation strategy requires a partner and advocate at the most senior level. HRS would shift from a highly administrative and transactional department to a business partner role.

To attract the right candidate, the HR department must reacquire the functions that have been decentralized or parceled out and create new ones that allow NIU to become an employer of choice.

**Create a Talent Acquisition Function under the AA/EEO function**

The employment process is not integrated with the EEO/AA function. This results in duplicated work and confusion by hiring managers, along with unproductive time. This function will allow more conversation and collaboration with hiring managers to fill openings with top talent in a timely manner.

With no talent acquisition function at NIU, the process of recruiting is fragmented and represents an  inconsistent experience for the applicant. NIU should approach the job applicant market with one voice and one brand identity that includes social media and online presence.

The current process is not optimal for the applicant. In the focus groups held in February 2020, several newer hires mentioned that, "You really have to want to work at NIU," as the hiring process is difficult to navigate and the communication is poor at best. Hiring managers expressed frustration at failed searches and losing qualified applicants because the process takes too long.

Combining current hiring resources (people and budget including search) under one team and creating recruitment or talent-acquisition specialists who possess experience in seeking out passive candidates, selling the NIU brand and providing a real resource to hiring managers in selection.

ISU for example, combines all its hiring efforts (faculty and staff) under one function in HR. This will require leadership support as the centralization of talent acquisition will mean a large change

for deans and department leaders. The idea is not for these leaders to lose control of their hiring decisions but to gain a more effective process and partner.

## Create a Total Rewards Function

This function supports the value proposition for NIU employees during their careers.

Benefits and Payroll functions would reside under this department. A new role, Compensation Manager, would be created.

A new area of compensation strategy would be created to focus on what NIU's compensation philosophy is and how current pay aligns with that philosophy. Total rewards emphasis is not just on base pay but also includes benefits, retirement, additional pay (add-pay), tuition remission and all the other rewards that employees can experience while working at NIU.

More pay transparency to the applicant in the hiring process, and more collaboration with leadership on pay decisions, would be an outcome of this function.

## HRS becomes a function focused on exceptional service delivery

This area provides support for all administrative processes associated with the employee's life cycle (i.e. onboarding, position reviews, status changes, approval processing). This area needs to be the best service department on campus, which can be accomplished through automation, improved training of staff and clearly defined and communicated policies and procedures.

## Create a Training and Org Development Function

Learning and Development at U.S. universities ranks at the bottom quartiles compared to non-academic organizations (Gallup survey). NIU's training is more ad hoc and not clearly linked to NIU strategies. There is a need and desire for more campus-wide training and development.

Focus group and stakeholder feedback gave kudos to the EAP area and its current training and counseling services as one of the bright spots for HRS.

Training resources through EAP can be housed in this new function. Additional support for leadership development, succession planning and organization design support would eventually need to be in place. Re-evaluate the current cultural norm that training is optional.

U of I and ISU provide leadership development programs/institutes, and NIU would benefit from that same focus.

## Labor/Employee Relations

The legal department should hire an experienced labor relations strategist/attorney, and the role in HR would be to execute that strategy working with the rest of HR, supervisors and union reps. Another focus would be to improve relationships with unions. The new legal resource can mentor current HR Labor staff.

This also can serve as a consultative area for managers and supervisors with employee issues. The Employee Relations function serves as a conflict resolution role and a support role in helping employees, managers and supervisors navigate the many options available to them to resolve concerns and to support change-management efforts.

**Create an HRIS function**

The current systems are described as "kluge" and hard to navigate. In addition, many of the current HRS and AA/EEO processes aren't incorporated into the current systems. Many manual processes continue to exist, including timekeeping.

Current systems such as PeopleSoft and PeopleAdmin are not fully utilized, resulting in inefficiencies with the HRS team. Benchmarking with U of I and ISU suggests that many of our processes in payroll and benefits, as well as in leave processing and reporting, could be automated.

The DoIT team is willing to work with HRS to develop the current applications, including timekeeping. This effort will require a full-time effort and resource, with the existing HR leadership serving as Subject Matter Experts (SMEs). NIU campus user groups also should be formed to ensure that the customer's voice is included in the workflows.

## Recommendation 2 – Outsource major parts of HRS

**This option was reviewed but rejected by NIU leadership as an option to pursue.**

If NIU cannot provide the financial and leadership support for the change required, the university might want to consider a PEO option. PEO firms include Paycom, Tandem, Trinet and Insperity.

Explore outsourcing HRS to a PEO with a smaller team remaining at NIU that consists of recruiting/hiring for Civil Service, training and labor relations.

PEO stands for Professional Employer Organization, which is an outsourcing firm that provides services to small- and medium-sized businesses (SMBs). Typically, the PEO offering can include human resource consulting, safety and risk-mitigation services, payroll processing, employer payroll tax filing, workers' compensation insurance, health benefits, employers' practice and liability insurance (EPLI), retirement vehicles (401(k)), regulatory compliance assistance, workforce management technology and training and development. The firms charge a per-active-employee fee or as a percentage of gross payroll based on the desired services.

| Advantages | Disadvantages |
|---|---|
| Acquire PEO's latest HR technology with no NIU needed investment; generally, all online. | Lose strategic business partner for people strategy and voice for employee; loss of personal touch. |
| System costs and maintenance are absorbed by PEO. | Might be more expensive than current costs; rough average $15-20 per employee per month. |
| Expertise in HR; no need for training or education or hiring of staff; no turnover issues as vendor provides support. | Necessary learning of the Civil Service and unique aspects of NIU and Illinois state systems. |
| Reduction of FTEs in HR and associated savings. | Complex project and significant change management required. |
| Smaller remaining HRS could relocate on campus. | Need to repurpose existing HRS building. |

### Recommendation 3 – Shared Service Center Model

**This is a long-term statewide visionary recommendation and not a recommendation for the short term or midterm.**

Partner with Illinois public universities to create a shared service center concept for common HRS tasks, which would include HR administration, benefits and leave support, payroll and an employee call center. Create centers of excellence for other services: Training and Development, HR Strategy, Compensation and Labor Relations. Keep recruiting at the local level which includes Civil Service testing.

During my interim role, and in the benchmarking process, I realized that the role of HRS across Illinois public universities is not unique enough to merit each campus having its own HR department. Accordingly, moving to a shared concept would yield large financial savings. However, any effort of this magnitude would require cooperation from other institutions and the state higher education system.

The short-term step could be to facilitate a discussion with other university leaders to discuss the concept and to ascertain interest. This is certainly out-of-the-box thinking, and to me represents the most long-term desirable recommendation for the vitality of the HRS role for public institutions in Illinois.

This recommendation would require a phased approach, starting with a decision to have a common HRS system at all universities, for example.

## 5.  HR PRIORITIZATION PLAYBOOK – 6 months to one year

**(Bolded items indicate completed or underway)**

1.  Hire leader for HRS – look to promote a proven leader internally or hire outside
    a.  Current HR management group has the HR technical capabilities
    b.   The person in this role needs a voice at the senior leadership table, strong communication and advocacy.
    c.  Consider current senior leaders at NIU who offer a known commodity on campus and bring a quicker learning curve to support the transformation of HRS.
    d.   In recruiting externally, the role should include a VP title and senior reporting relationship to attract the best candidate.

2.  Hire/secure NIU Project Manager for help with technology projects; consider contracting with an outside firm to hire HR internal resource for project management and change-management.
    a.  A historical impediment to HR technology advancement at NIU has been an unrealistice expectation about the resources necessary to support the implementation of IT projects, with inadequate assignment of dedicated personnel. This is not a best practice. A successful rollout of any system requires a full-time resource to partner with the user community and the HR and technical community.

3.  Continue automation of existing processes.
    a.  **Finish Azure single sign on with PeopleAdmin.**
    b.  **Finish purchase of I9 automation product and implement centralized I9 processing through HRS.**
    c.  **Complete Add Pay automation using PeopleSoft's form feature.**
    d.  Move paper personnel files to a digitalized format and eliminate need for microfiche file reader.

4. **Provide HRS with updated laptop computers.**

5. Begin integration of all hiring efforts under one talent acquisition function.

6. Improve existing technology platforms.
   a. Redo access rights for PeopleAdmin for better role clarification between admin rights and manager rights.
   b. Turn on Manager Self Service.
   c. Review and implement time and attendance module previously purchased.

7. Conduct a Technology Solutions Review.
   a. Conduct a review of current technology; PeopleAdmin and PeopleSoft solutions review.
   b. Develop and distribute an RFP to learn about other HR enterprise systems.

8. Simplify processes where practical; review and edit existing policies; and place in NIU's policy library
   a. Demystify NIU processes and follow many of the recommendations presented by the NIU HR Processes Working Group from April 2019.
   b. **Eliminate required manual form for verification of performance appraisal completion and move attention and focus toward a performance feedback system.**
   c. **Automate and improve the performance management form for probationary employees.**
   d. Post salary requirements in the job posting for the applicant to view.

## SUMMARY

This is a pivotal time for NIU to transform its HR function, and I am confident that NIU HRS can become a best-in-class function supporting NIU's vision, mission and goals. I personally have seen this type of transformation work with organizational leadership who support the change and department-level heads who share and champion that vision. Thank you for the opportunity to work on this project.