

WORKFORCE RESTRUCTURING

In late winter 2016, three workgroups composed of staff and faculty representatives were asked to develop ideas for how UC Merced could best achieve its teaching, research and public service mission given the expected amount of resources available to the institution.

Each subcommittee was focused on one of the following areas: (1) Research Excellence and Academic Distinction; (2) Student Success; and (3) Organizational Efficiencies and Sustainability. Their recommendations are listed below.

A. Convene staff and faculty stakeholders to study opportunities for applying an organizational model focused on process improvements, service delivery and technology

The workforce planning effort yielded a new staff organizational model as a creative way of thinking about how services are delivered and their potential for various forms of consolidation and process improvement.

The model categorizes various staff functions as follows:

- **“Local” functions** that are truly unique to individual divisions and departments, and not duplicated elsewhere on campus;
- **“Interface” functions** that initiate processes touching non-local campus systems and provide customer service to stakeholders navigating processes ranging from hiring to purchasing;
- **“Operational” functions** that are common to all stakeholders, whether they are faculty, staff or students, such as custodial services and the Administrative Coordination Team (ACT); and
- **“Centers of expertise”** that consolidate subject-matter experts within discrete units to better serve the entire institution.

Based on the recommendation of the workforce planning group, the campus should adopt this as a heuristic model for thinking more deeply, through a collaborative process, about further organizational changes that, coupled with process improvements and the smart and targeted use of technology tools, might free up additional staff time to focus on other unmet needs of the campus.

This model is useful for the way in which it might help the campus to identify areas in which greater coordination or even consolidation might yield improvements in the effectiveness or efficiency of service delivery. It also acknowledges that *a key to the success of any future consolidations into centers of expertise or operational centers requires an effective, client-focused interface function.*

In fact, this is what makes the model unique and quite different from other past consolidations at UC Merced and at other UC campuses.

A number of questions remain to be addressed, including the identification of centers of expertise and common operational functions, the evaluation of the benefits and drawbacks of greater coordination or consolidation, the ways in which staff would be provided with appropriate support, training and career pathways, and the viability and affordability of technology tools.

Thus, a team of staff and faculty should be assembled to further explore these questions and to provide a report and recommendations for broader campus review and input.

B. Recommendations for specific organizational realignments for implementation over the next few years

The working group recommendations also included actions to improve the efficiency and effectiveness of services ranging from faculty research support to supply chain processes. Some of these recommendations will require further study and work. The implementation of others can begin during the upcoming academic year.

The recommendations for organizational realignment are as follows:

1. Improve Research Support Infrastructure with a Centralized Service Model

The Research Excellence and Academic Distinction workforce planning subcommittee recognized that in order to achieve many of the goals identified by the committee, it was necessary to have adequate support in place for faculty to accomplish their research goals.

In an effort to provide this support while keeping within budget constraints, the committee began investigating novel models for providing research support.

After reviewing the research administration structures at other comparable universities, it was determined that a centralized service model would be the most appropriate way to provide efficient and consistent quality service.

During the Fall 2016 semester, the [Committee on Research](#) (COR) conducted a survey among the faculty regarding their views and opinions about “extramural funding staff support” (EFSS). The responses to this survey were summarized in a report, entitled *COR*

2016 Survey of Faculty Concerning Staff Support for Extramural Funding Efforts, which was circulated to the faculty and stakeholders.

The results of the survey provided a clear indication that there are grave deficiencies in UC Merced's EFSS and, consequently, that there is need for adjustments to EFSS and a definitive structure around roles and responsibilities.

The key findings of the survey were:

1. Inconsistencies exist in EFSS across the existing support organizations.
2. Poor communication and gaps in institutional knowledge persist.
3. Retention of trained staff must be prioritized.
4. Accountability and feedback are necessary elements for a future structure.

An additional deficiency with the current structure is that there is little to no capacity to provide backup in the event of a temporary staff vacancy (due to illness or vacations). This creates the significant risk of not meeting sponsor deadlines for the submittal of grant proposals.

Centralized service structure model to target 2018 deployment

The current Contracts and Grants model will be redesigned to allow Research Administrator (RA) FTEs within the schools of Engineering, Natural Sciences, and Social Sciences Arts Humanities and Management and the Organized Research Units (ORU) to operate in a shared services environment focused on delivering efficient and consistent research administrative services to all faculty at UC Merced.

This centralized unit will consist of a lead director who coordinates the effort of two teams of RAs. One team will focus on pre-award activities and the other on post-award management of extramural research awards. This group of staff will be managed in a matrix fashion with full input from the schools, the ORUs and the Office of Research.

The identified advantages of this proposed structure include:

1. Creation of a collaborative environment with subject matter experts;
2. Faculty support by a team of RAs, versus individual RAs with limited backup;
3. Standardized processes and performance metrics;
4. Efficient service delivery;
5. Standardized training of staff;
6. Clearly defined pathways for career development and advancement of staff; and
7. Increased organizational efficiency that will better position the campus to meet the growing needs of the extramural grants program.

The campus will further develop this model, in consultation with external experts and appropriate faculty governance bodies, with a goal of initial deployment by early 2018.

2. Expand Administrative Coordination Team (“ACT”) to include several additional Divisions

The Administrative Coordination Team (ACT) was created in 2015 to centralize operational support services common to all campus stakeholders. Examples of these services include financial access requests; general purchasing; invoice purchasing; travel reservations and reimbursements; and employment verification.

At this time, three divisions use ACT as part of their normal workflow: the Office of the Chancellor; the Division of Planning and Budget; and the Division of Business and Administrative Services.

Identifying opportunities to take advantage of ACT would help the University focus its limited FTE staff resources for faculty and student support. As such, the Organizational Efficiencies and Sustainability workgroup recommends a voluntary expansion of the Administrative Coordination Team beyond the current divisions currently using its services.

Six attributes of the Administrative Coordination Team framework

As currently implemented, the three divisions using ACT have benefitted from:

- **Flexibility:** The workforce of each participating division was examined to consolidate distributed administrative transactions into ACT as a single source provider. This allowed participating divisions greater flexibility to expand the role of their staff to their respective expertise.
- **Redundancy:** The consolidation of administrative operations within ACT secured for each participating division a level of backup, redundancy and disaster recovery previously unavailable. Planned and unplanned staff absences no longer suspend critical operational support, as the ACT model seamlessly allows for immediate cross-coverage to support divisional managers and leaders.
- **Automation:** *Service Now*, an automated ticketing and tracking system, replaced the previous manual tracking processes, allowing for greater flow and accountability of submitted service requests.
- **Service standards:** Service level agreements are extended to all participating divisions, setting expectations on turnaround or fulfillment times.
- **Quality monitoring:** Through oversight, quality control, surveys and metrics, regular reporting measures ACT performance against service level agreements to meet or exceed service delivery agreements and customer satisfaction.
- **Governance and continuous learning:** Leaders of each participating division serve on ACT’s executive governance committee, providing a forum for review and discussion to incrementally yet continuously improve ACT service and responsiveness.

Voluntary, pre-consultation steps

To ensure transitional success for interested divisions and departments, the Organizational Efficiencies and Sustainability workgroup recommended that prior to any future voluntary consideration of ACT service expansion, numerous conversations and assessments must be engaged in within each division or department. This analysis should include, at a minimum, the following:

- an intake assessment with Subject Matter Experts to identify operational nuances and coverage continuity;
- processes that are synthesized and standardized to streamline operations and service delivery;
- early consultation with the Office of Information Technology to identify project scope, timeline and *Service Now* software automations that would be needed to effect the transition;
- a negotiation of new Service Level Agreements to ensure quality assurance and service delivery; and
- an identification of “convertible FTE,” specifically those employee positions envisioned as migrating from a home department to a new ACT department.

While this level of deliberation is not designed to enable an immediate transition, the Organizational Efficiencies and Sustainability workgroup is confident that a thoughtful expansion of ACT services will provide newly participating departments with the same benefits and outcomes as articulated above.

The workgroup strongly encourages divisions interested in participating to meet and confer with ACT leadership in order to identify opportunities for expansion of this service.

3. Consolidate Procurement and Improved Processes

The Organizational Efficiencies and Sustainability workgroup reviewed several campus processes that had the potential of creating high service impact and efficiency gains, and Procurement Services became an area of focus for those reasons.

Modeled on system-level initiative

Procurement Services had already begun an exploration of process improvements in collaboration with the University of California Office of the President through the “Supply Chain 500 initiative,” (SC500) a systemwide initiative to generate more than \$500 million annually in sustained benefits and savings. This effort follows an earlier successful initiative that was designed to save the system \$200 million.

Procurement Services at UCOP engaged the consulting firm of A.T. Kearney to analyze the feasibility of SC500 and provide input on how this volume of benefits and savings could be achieved. A.T. Kearney conducted an analysis and found that it was feasible to generate and sustain that level of savings by optimizing and integrating the supply chain functions similar to how UC San Francisco and UC San Diego have done — which has allowed them to generate increasing savings and benefit numbers.

Potential UC Merced application: A single point of contact for procurement

The proposed changes for UC Merced would align with the A.T. Kearney recommended organizational structure to maximize the value, benefit and cost savings of a so-called Procure-to-Pay (P2P) organization.

Adopting and optimizing an integrated P2P model has the impact of creating a single organization with campuswide responsibility for procurement, logistics, receiving, equipment management and accounts payable functions. This will allow the creation of a single point of contact for the campus community for these closely related functions.

Currently, a department buyer may need to interface with each of these departments for any single purchase — i.e., procurement to issue a purchase order, receiving to coordinate delivery, equipment management to ensure the item is tagged, and accounts payable to ensure payment. Therefore, the Organizational Efficiencies and Sustainability group recommended centralization of procurement functions and adoption of the Procure-to-Pay model, as it has the potential to more efficiently assign those involved in the supply chain.

Adoption of an integrated P2P structure will allow the procurement liaison role to expand into a supply chain liaison role, creating a single point of contact for faculty and researchers for their supply chain needs.

Centralization of the procurement organization will create an agile and scalable team that can support the University through its rapid growth in the coming years while reducing the administrative burden of P2P activities on all staff and faculty. Centralization will also allow the creation of dedicated procurement liaisons to support faculty and researchers with their procurement needs.

Within the campus, the workgroup recommends the development of a process that includes broad engagement with the campus to determine process and achievable timelines for potential implementation.

4. Apply a Matrix Organizational Structure for “self-supporting” Auxiliaries

The Organizational Efficiencies and Sustainability group conducted a high-level analysis of the types of auxiliaries on campus and their operations, and assessed if efficiencies could be gained.

Background: An auxiliary is a self-supporting, non-instructional enterprise

Auxiliary enterprises are largely self-supporting activities which provide non-instructional support in the form of goods and services to students, faculty and staff upon payment of a specific user charge or fee.¹

Examples of auxiliary enterprises are housing operations, non-housing food service operations, parking operations, bookstores and child-care centers.

Other examples include “hybrid” auxiliaries, which are programs, services and activities that are complementary to the core instructional program, that contribute to students’ physical and psychological well being, or that enrich their social, recreational or cultural experience.

The auxiliary opportunity for UC Merced

UC Merced’s collection of auxiliary enterprises is a critical part of the campus experience. Due to their nature, auxiliaries also present an excellent opportunity to be managed similar to a business enterprise. However, the ability for these services to provide the best possible outcome depends on a common strategy and a high degree of coordination among many departments.

For example in the housing realm, student life, maintenance and finance — among others — are critical to a successful and affordable housing experience for our students. Yet in the current organizational structure, there are missed opportunities because all the auxiliaries are generally managed on an individual basis rather than as a portfolio of auxiliary services.

Recommendation: Consider a cross-divisional matrix model

To holistically define the kinds of services UC Merced offers as a campus and how those services are delivered requires a breadth of expertise only found by assembling a cross-divisional team of senior management.

A “matrix model” would enable the campus to provide services that have a positive impact on UC Merced’s essential work, by assembling a cross-divisional team to ensure alignment with UC Merced’s mission and vision. As a result, the workgroup recommends applying a matrix model to the governance of auxiliary enterprises.

¹ University of California Business and Finance Bulletin 72 (“BUS-72”)

Matrix models work by leveraging both vertical and horizontal teams to accomplish work.

Consider a governance board model

In the proposed model, each of the auxiliary enterprises would be a vertical team, with a governance board serving as the horizontal team.

The governance board will define customer needs and what success looks like for the services meeting those needs. Vertical teams would be tasked with delivering the services — but meeting the horizontally defined performance metrics. With the matrix construct, the governance board would be able to hold the vertical teams accountable without direct reporting lines.

As designed, the governance board will establish guiding principles that will ensure each auxiliary enterprise is well aligned to return value for campus. Then the board can make value decisions balancing programs needs and wants with available resources.

Establish performance metrics and guiding principles

Leveraging the principles, program definitions and value propositions, the governance board will generate Service Level Agreements for each auxiliary enterprise. A Service Level Agreement will establish a clear program of offerings, performance requirements and operational objectives that will be used as the internal contract for the operations team tasked with delivering the actual service. Advisory councils for each auxiliary enterprise will be established to support the governance board by providing information, feedback and suggestions for the Service Level Agreements.

Next steps in the short term

In the immediate future, the governance board should be established and begin collective work to create the foundation for managing a portfolio of auxiliary enterprises.

The campus should begin a search for a highly qualified and dynamic Assistant Vice Chancellor of Auxiliary Enterprises, to whom the current operations management staff would report. Operations management staff for auxiliary enterprises will be engaged to inform and provide decision-support to the governance board during the drafting of their respective Service Level Agreements.

A key deliverable that will be shared by the end of the year will be a transition roadmap, which will describe the timeline and approach to engaging stakeholders, creating Service Level Agreements and implementing coordinated management of auxiliary operations. The transition roadmap will outline specific changes to current reporting lines and clearly outline what structure current staff belong to and who governs performance and service levels.

5. Restructure Academic Advising with a focus on a centralized model focused on first-year students

The Student Success Workgroup reviewed campus data, research and reports on academic advising. The recommendation is the creation of a centralized, first-year advising center that would report to the Office of Undergraduate Education.

This center will be formed through the reassignment of Undeclared Advising from Student Affairs to Undergraduate Education, plus student success money allocated from the Office of the President and new FTE allocated from Workforce Planning. The academic advisors in the schools will be actively involved over the summer and throughout the fall to plan for this transition, which will include training, service expectations and changes to policies and procedures.

Current advisors will be involved in the recruitment and selection process of first-year advisors that will start this coming fall. The plan is to fully implement a first-year advising center by summer 2018, with the goals of a 350-to-1 student-to-advisor ratio, which will allow the campus to comprehensively meet our goals to increase student persistence and graduation rates, decrease time to degree, improve student learning, and enhance engagement with the undergraduate experience.

Key milestones include:

- transitioning Undeclared Academic Advising from the Division of Student Affairs to the Undergraduate Education;
- meeting with academic leadership of the schools to develop service level expectations;
- conducting recruitment for first-year advisor positions;
- training and transitioning first-year academic advisors and establishing a first-year advising center during 2017-18 academic year; and
- full implementation of first-year academic advising program to coincide with new General Education implementation in Fall 2018.

6. Provide support for faculty and deans aligned with School Restructuring Plan

When UC Merced opened its doors, its schools functioned as small departments managed by deans. Over time, campus growth has transformed schools into much larger and more complex units, but without significant changes in their organizational structure. As the result of recommendations produced by a joint faculty and administrative task force, UC Merced's schools will undergo internal reorganizations that involve devolving specific

responsibilities to faculty chairs and freeing up more dean time for external work, specifically focused on garnering external support for school programs and initiatives.

During the Fall 2017 semester, a second taskforce will develop recommendations for the implementation of school restructuring, and the workforce planning teams affirmed the importance of aligning future staff support for both faculty and deans with restructuring plans and consistent with available financial resources. Thus, this will be an area of focus for workforce planning during the upcoming academic year.