

SOUTH DAKOTA BOARD OF REGENTS

Planning Session

AGENDA ITEM: 4 – D

DATE: July 31 – August 2, 2023

SUBJECT

HR Transformation

CONTROLLING STATUTE, RULE, OR POLICY

None

BACKGROUND / DISCUSSION

Following the Board’s approval of steering committee recommendations at the [March](#) and [June](#) Board meetings, the HR Transformation project has entered into the implementation phase of the project. Outlined below are status updates on progress toward goals and implementation of recommendations from this extensive project. In the coming weeks, a timeline will be developed to ensure that the recommendations for each of the key goals in this project are moving forward in an effective and manageable manner.

GOAL 1: Implement an organizational structure for HR that supports dual reporting lines, with campus HR staff responsible to both the System HR Officer and the appropriate campus administrator.

1. Effective June 22, the dual reporting structure has been implemented. The system Chief HR Officer (CHRO) has scheduled bi-weekly meetings with each campus HR leadership to ensure that there is a consistent flow of communication and to ensure understanding of what is happening at the institutional level and assist with better coordination across the system. An organizational chart for human resources is attached.
2. The authority matrix has been discussed at the COPS, steering committee, and HR leadership level and will continue to be monitored and updated throughout the transition and the development of the centers of excellence.

GOAL 2: Establish a strategic vision for human resources that includes a system HR vision statement, defines the role of human resources departments, establishes a project timeline, and sets the goals for the sub-committees.

1. The Board approved the attached Vision, Mission, and Objectives statement in the fall of 2022.

(Continued)

INFORMATIONAL ITEM

2. The steering committee developed and adhered to the timeline that was established last fall, and work done at the subcommittee level has been completed.
3. Communication will be a continuous focus as the system implements new processes, policies and reorganizes functions into the centers of excellence.
4. Through review of the organizational structure and funding model, there have been a few key changes within organizational structures to accommodate the costs for shared services.
 - a. The organizational structure at SDSM&T and BHSU shared human resources department has been developed and is currently being implemented. This has resulted in the elimination of an associate vice president level position and an administrative support position.
 - b. Shared service agreements have also been implemented with SDSBVI/NSU and SDSD/USD to allow for the universities to provide HR services for the special schools.
 - c. A position in the USD HR department is being held vacant due to expectation that the shift to shared services will eliminate the need for the position.
5. The budget model has been communicated to the institutions and aligns with well-established practices for shared service cost allocations.

Goal 3: Evaluate & provide recommendations to develop and implement a ‘Center of Excellence’ (shared service model) for classification and compensation management across all employee types.

1. One senior class & compensation specialist has been hired for the Classification and Compensation Center (CCC). The individual hired has experience in human resources management and classification with the state of South Dakota. Recruitment is still underway for a second individual to staff the center.
2. A governance document is being developed to outline the scope of responsibilities, expectations, processes, and budget model.
3. The CCC staff will be working closely with the institutional human resources offices and will be evaluating existing practices and policies to develop guidelines regarding classification and compensation.

Goal 4: Evaluate systemwide training and professional developments needs and implementation of a shared position to develop, implement and manage professional development and training opportunities across the system.

1. Currently, a review is being conducted of various training opportunities that are available through existing learning management systems and will be evaluating which existing courses provide the most value.
2. Next steps toward this goal will be collecting and developing supervisory training curriculum and determining the modality(s) in which it should be delivered across the system.

3. Additionally, time in this area will be focused on the development of a system leadership development academy. A program of this type would allow rising leaders across the system to focus on broader leadership and policy issues in higher education.

Goal 5: Evaluate the current model for recruitment to identify process improvements and centralize management of search functions into the human resources departments, or a “center of excellence” model, to ensure consistency, compliance, and efficiency.

1. The development of the recruitment guide has been identified as a top priority by the HR leadership team. Next steps will be developing a holistic guide to recruitment and a communication plan to address changes to processes across the campus community.
2. Another key next step is the development of marketing materials through partnerships with university relations departments to “tell the story” of why the universities are employers of choice.
3. Initial conversations have also been started with the vendor for applicant tracking to better align our recruitment processes and integrations with market standards.

Goal 6: Conduct an efficiency review to evaluate key human resources processes in order to identify inefficiencies and develop and document system standards where appropriate. This will include evaluation of current technology solutions to ensure full utilization of existing resources and identify technology needs.

1. Electronic Personnel Action Forms (EPAFs) are being implemented across the system to support the more centralized payroll functions.
2. DocuSign processes have been implemented across the system for all new hire paperwork processing and we have notified the PeopleAdmin vendor that we will be cancelling the subscription for those services, reducing approximately \$30,000 annually.
3. A human resources knowledge center is being developed that will allow for consistent documentation and support resources for employees across the system.

Goal 7: Evaluate the existing functions and responsibilities of the Shared Payroll Center and Shared International Employment Services Center to identify opportunities for expansion of services.

1. Positions descriptions have been updated and the reporting structure for impacted SDSU and USD payroll staff have been modified to have a direct reporting line to the system payroll center supervisor.
2. SPC leadership have visited campuses to work through plans to take over payroll duties and ensure a smooth transition of payroll and benefits services.
3. A governance document is being developed to outline the scope of responsibilities, expectations, processes, and budget model.

4. The reporting structure for the System Payroll Center and the System International Employment Services Center is now a direct line to the BOR office of human resources.

Other Human Resources Updates

In addition to the HR Transformation project, there have been several other key human resource initiatives occurring throughout FY23 that will support the broader HR transformation. This includes:

1. The Non-Faculty Exempt compensation study work has been concluded and we are in final stages of implementation, including a broad communication strategy to ensure employees and supervisors are informed of the new salary structures and the loading of that data into applicable ERPs.
2. The launch of an online and integrated platform for performance evaluations for all NFE and CSA employees to align the evaluation with position descriptions, reduce paper and alleviate manual tracking.
3. Implementation of a third-party vendor, Experian Verify, to complete employment verifications. This service is at no cost to the institutions and completed more than 1,300 employment verifications that would have historically been completed by human resources staff members.

Next Steps

The CHRO will develop a timeline and priorities to assist with the implementation and tracking of the recommendations resulting from this project. The HR Leadership team is planning a retreat for Fall 2023 to begin discussions on strategic priorities and focus on development of the guidelines and process improvements that were approved as recommendations from this project. This team will continue to have regular meetings to ensure a cohesive and collaborative approach to human resources across the system.

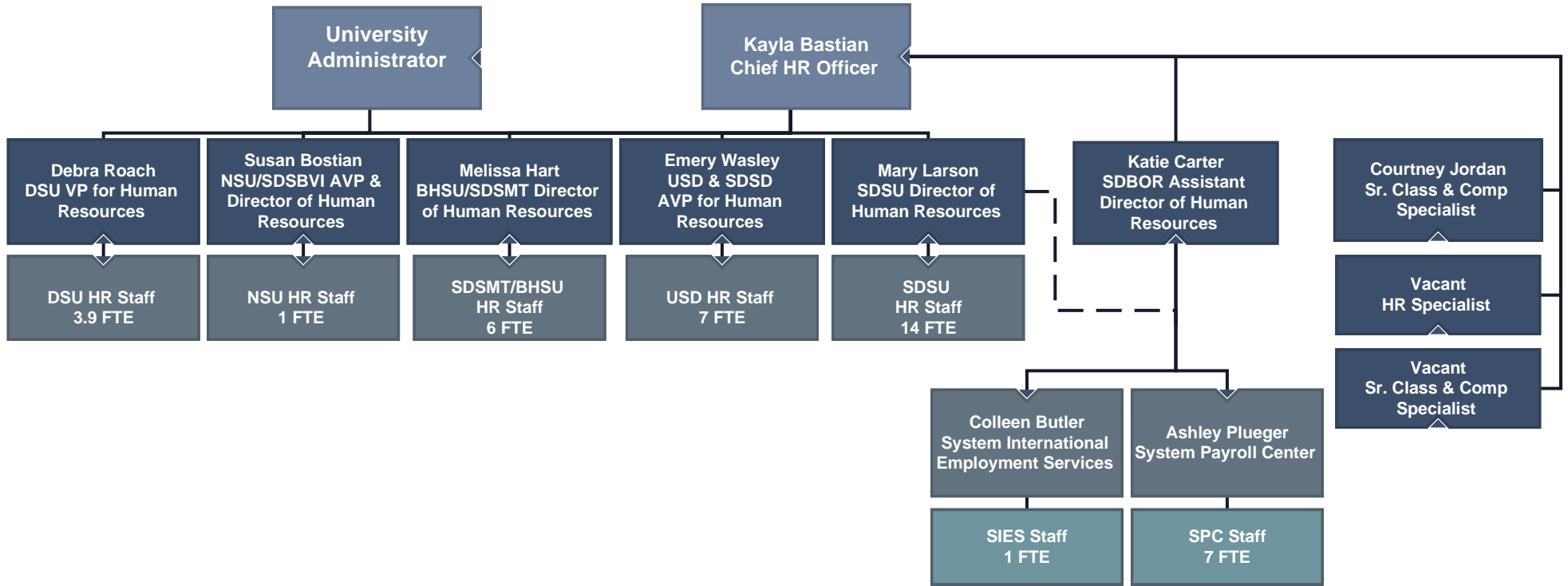
Currently, the primary priorities are to ensure a successful transition of duties to SPC and getting the new class and comp center up and running effectively. In addition, the implementation of the new salary structures for non-faculty exempt employees will be an important focus for institutions in the next six weeks. Segal has provided pay administration guidelines that will be a helpful tool in developing guidelines for the classification and compensation center.

The steering committee has also agreed to continue to provide guidance and leadership throughout the next twelve months as these recommendations are implemented, with periodic meetings to address any concerns and provide feedback and direction.

ATTACHMENTS

- Attachment I – System HR Organizational Chart
- Attachment II – Authority Matrix
- Attachment III – System HR Vision, Mission & Objectives

SDBOR HUMAN RESOURCES ORGANIZATIONAL CHART



INSTITUTIONAL HR TASK OR DECISION	AUTHORITY/DECISION MAKING	
	INSTITUTION	SYSTEM CHRO
COMPENSATION, CLASSIFICATION & POSITION MANAGEMENT		
Mid-Year Compensation Adjustments (no reclassification) CSA, NFE, Faculty	First level approval	Final Approval - BOR approval for exceptions
Classification Changes - NFE	First level approval after class review completed by Center of Excellence (COE), COE determines appropriate compensation adjustment if applicable.	Notify if only reclassification with no compensation adjustment.
CSA Classification Changes	First level approval after classification and compensation review and recommendations are completed by COE and	Final Approval by BOR HR designee.
New hire compensation setting	Approve after starting range established at system level (unless BOR Policy/guidelines require system approval)	Approve for exceptions and final approval of compensation guidelines.
Development of new positions (CSA, faculty, NFE)	First level approval after classification and compensation review and recommendation completed by Center of Excellence.	Final Approval - BOR approval for exceptions
Department/College/Institutional Reorganizations	Approve	Notify UNLESS it results in new positions or RIF then requires Approval
Fiscal Year Salary Policy Application	Approve.	Approve exceptions.
EMPLOYEE DISCIPLINE & SEPARATION		
Corrective Actions (verbal and written warnings)	Approve - campus level	Nothing required.
Disciplinary Action - Resulting in demotion or termination	First level approval	Notice prior to action.
CSA Termination - Probationary	Approve	Notify

INSTITUTIONAL HR TASK OR DECISION	AUTHORITY/DECISION MAKING	
	INSTITUTION	SYSTEM CHRO
CSA Termination	First level approval	Notice prior to action.
CSA Reduction in Force	First level approval	Notice prior to action.
NFE Termination for Cause	First level approval	Notice prior to action.
NFE Non-Renewal	Approve	Notify
NFE Reduction in Force	First level approval	Notice prior to action.
Faculty Non-Renewal	Approval	Notify. BOR approval required for TT faculty.
Faculty Reduction in Force	First level approval	Notice prior to action.
Faculty Termination for Cause	First level approval	Notice prior to action.
INSTITUTIONAL HR DEPARTMENT POLICIES, PROCESSES AND PROCEDURES		
HR institutional policies & guidelines.	First level approval	Final Approval
Changes to HR services/programs	Approve	Notify
HR Technology Change/New Technology Requests	First level approval	Final Approval
Institutional HR led training programs - ensuring compliance with statutory requirements	First level approval	Final Approval.
Employee performance evaluation approvals (if university HR does final approval)	Approve	No action required.
RECRUITMENT, RETENTION & TRAINING		
Requisition and recruitment of approved or existing positions	Approve	Notify for positions reporting to the president. Exceptions approved by BOR.
Contracting with a search firm.	First level approval	Final Approval
EMPLOYEE RELATIONS		
Engage with outside legal counsel for employee related issues.	First level approval	Final Approval
Work/Performance Improvement Plans	Approve	Notify
Employment Contract Language - NFE & Faculty	First level approval	Final Approval.
LEAVE APPROVALS		
Advanced Sick Leave Requests	First level approval	Final Approval
Leave without Pay Requests - Greater than 3 Months	First level approval	Final Approval

v1.1

INSTITUTIONAL HR TASK OR DECISION	AUTHORITY/DECISION MAKING	
	INSTITUTION	SYSTEM CHRO
Donated Sick or Annual Leave Requests	First level approval	Final Approval
Repayment from Leave	First level approval	Final Approval
HUMAN RESOURCE DEPARTMENTS & STAFF OVERSIGHT		
Recruitment of institutional HR leadership position	Approve	Approve
Termination/Disciplinary Decisions for Institutional HR leadership	Approve	Approve
Performance Evaluation of Institutional HR leadership	Approve	Approve
Compensation for Institutional HR leadership	Approve	Approve
Human resources department staffing - Filling positions, new positions, FTE changes within HR departments.	First level approval	Final Approval
Leave and Time Reporting for HR Leadership	Approve	Notify (if using extended leave)

Delegation of Authority Matrix

V1.2

7/1/2023

SDBOR Human Resources Vision, Mission & Objectives

Vision

Human Resources aspires to be a model of excellence and leadership, delivering strategic human resources services and solutions that support the strategic plan of the SD Board of Regents and its individual institutions.

Mission

As a strategic partner with system and institutional leadership, human resources will deliver high-quality, innovative, and efficient human resources programs, solutions, and services. We will promote a culture of excellence that will attract, engage, and retain high-quality employees and positively influence the applicable teaching, research, and service missions of the institutions.

Strategic Human Resources Objectives

1. Implement an HR organizational structure and service delivery model that aligns and integrates resources across the system in order to elevate human resources as a strategic partner.
2. Define the role of human resources and implement strategies and practices to support the transformation from transactional to strategic.
3. Establish a ‘Centers of Excellence’ model for human resources services to improve the employee experience, reduce duplication and build human resources expertise.
4. Implement strategies and programs to attract, engage and retain the best talent to support the system’s strategic goals and missions of the individual institutions, and to meet the human resources service needs of the system and institutions.
5. Align talent management processes to ensure that compensation and performance management systems are supporting the goals of the Board and university and are meaningful to the employee and supervisors.
6. Engage with campus leadership in strategic workforce planning through development of processes to holistically assess current state and forecast future needs.
7. Modernize and streamline processes to ensure consistent, efficient and solution focused services for current and potential employees through continuous improvement efforts.
8. Establish common human resources best practices, guidelines, and policies to ensure consistency and reduce risk and liability for the system.
9. Establish and refine data metrics to inform and influence strategic, data driven decision-making.
10. Develop strong leaders through training and development opportunities to ensure that supervisors and employees are appropriately prepared for their roles.