

**Administrative Service and Productivity
Task Forces & Steering Committee**

Final Report to the University Community

Executive Summary

Release date: August 7, 2006

I. INTRODUCTION

In his inaugural address and at numerous points since, President Robert Bruininks has stated his aspiration that the University be known as much for its service and business innovation as for its high quality research, education, and outreach. The president recognizes that achievement of the University's overarching goal to be a top three public research university means that we must transform all segments of our institution, including administrative processes and cultural expectations. The University's service and support units have been engaged in continuous improvement projects over the last decade or more. The president has challenged the University to move beyond the commendable continuous improvement work that brought us this far, and move into an era of transformational change.

In order to achieve this change, hundreds of University citizens have contributed over the past 18 months to the creation of a transformational action plan for administrative operations. Each of the administrative task forces will wrap up their important planning and prioritization work by the fall of 2006. **This report is a reflection of what has been accomplished by the administrative task forces and steering committee as well as recommendations for future action.**

II. CURRENT STATUS

In June, 2006, the Administrative Service and Productivity Steering Committee reflected back on what has been accomplished thus far in achieving a transformation of administrative operations:

- ✓ Defined our goal with greater clarity.
 - Refined the vision for administrative operations to specifically reflect our ideal state and compelling for all members of the University community. It reads:
“To support the University’s academic mission, we must achieve administrative operations that are the best among our peers; focused on service to faculty, students, staff, units, and the public; and driven by performance objectives and defined results.”
 - Developed four primary strategies that all implementation efforts have been and will continue to be organized around. These strategies include: People, Organization/Structure, Information/Decision Making, and Culture.

- ✓ Developed a guiding coalition for the administrative transformation.
 - Developed an integrated administrative leadership team that will continue into the future as a standing sub-committee of the president’s executive team. Administrative leaders have strengthened their relationships to one another and created a space to address administrative issues that cut across management system boundaries.
 - Engaged dozens of individuals on task forces and project teams. Task force and project team members have included faculty, staff, students, and external stakeholders.
 - Engaged President’s Emerging Leaders (PEL) and Transformational Leadership Program (TLP) teams on critical administrative projects.
 - Consulted broadly throughout the University community.

- Developed an excitement and belief among the University community that change can and will happen. People are bringing their ideas forward and want to be a part of the change and the future.
- ✓ Developed shared language and concepts that are already guiding implementation.
 - The redesigned colleges used “shared-service administrative structure” principles to design their new administrative structures.
 - The Enterprise Financial System is using “single enterprise” and “shared-service administrative structure” principles to inform decisions, achieve standardized business process, accomplish administrative tasks more efficiently, and design a risk-based simplification of policies and procedures.
 - The Facilities Management Transformation utilized the “shared-service administrative structure” principles to keep service delivery as close to users as possible while capturing economies of scale and using core competencies to provide quality assurance.
 - A President’s Emerging Leaders team developed a model to assess the extent to which the University is affecting transformational change.
- ✓ Made decisions and achieved early results.
 - Developed and began implementation of a “best practice/single enterprise identification and advancement process”
 - Developed and began implementation of a “shared-service administrative structure”
 - Developed and began implementation of enterprise-wide operational metrics that develop greater accountability and transparency of central management units and administrative functions within colleges and units.
 - Conducted rigorous and inclusive assessment process to understand the current university culture
 - Developed implementation plans to meaningfully engage employees and utilize performance management systems to ensure continuous development of university faculty and staff.
 - Developed a new “service philosophy” for the University and began several exciting service enhancement initiatives.
 - Implemented the new Internal Budget Model which creates appropriate incentives and disincentives to optimize the use of resources, achieved purchasing efficiencies, and continued to optimize our financial and physical assets.
 - Began implementation of standardized methodology to measure the impact of our work – impacts of our implementation will be:
 - Improving productivity and/or efficiency
 - Reducing costs
 - Enhancing revenues
 - Improving service and/or product quality
 - Engaging employees

III. FUTURE ACTION

The administrative task forces will wrap up their work by July, 2006. The Culture Task Force will continue working through October, 2006. The Administrative Service and Productivity Steering Committee will end in its current form during the summer of 2006.

To build on all of the work that has come before and to ensure achievement of service and support operations that are best among our peers, an ongoing administrative team will be created. The team will be a standing sub-committee of the president's executive committee. The Administrative Team will oversee the successful completion of the first wave of projects, ensure the task force recommendations are implemented, and identify and oversee implementation of future administrative transformational projects. In addition, the Administrative Team will:

- Direct critical enterprise administrative processes such as the best practice/single enterprise identification and advancement process
- Bring University leadership into discussion as issues dictate
- Bring requisite decisions to the president and appropriate academic officers and communicate decisions to impacted groups
- Consult with university governance groups and communicate with the University Community as appropriate
- Maintain accountability for the measurement of administrative operations, strategy, and project impacts

Major areas of future focus for the Administrative Team will include:

- Space optimization and asset optimization
- Purchasing efficiencies
- Implementation of culture change strategies
- Implementation of system-wide operational metrics
- Implementation of a best practice/single enterprise identification and assessment process

IV. Task Force Reports

Single Enterprise

The Single Enterprise Task Force was asked to “develop a practical and effective set of operating practices to promote and facilitate enterprise based decision making for the purpose of achieving economies and efficiencies available to the University because of its enterprise breadth.” With the recognition that the campuses, colleges, departments, and units together comprise the single enterprise that is *The University of Minnesota*, the goal of the Task Force was to develop a structure that could establish uniform standards and systems that will help reduce duplication of administrative processes and their associated support structures while creating institutional cohesion.

In order to transform the University culture so that staff and faculty members think creatively about how to foster improvement not only in their own units but also explore ways to advance the whole system, the task force initiated a foundational project to develop a Single Enterprise tool that (1) establishes a simple process to encourage and welcome new ideas from individuals and departments, (2) provides support for analyzing proposals, (3) promotes a clear and transparent decision-making process that is overseen by senior University officers, (4) conducts quality assurance reviews during implementation, and (5) allows for opting-out of system-wide innovations only with the approval of senior officers. The Single Enterprise Task Force worked closely with the Best Practices Task Force to develop similar processes for identifying and implementing excellent new ideas.

The Single Enterprise Task Force recommends that the University adopt the Single Enterprise Principles, Criteria, and Process.

Single Enterprise Principles:

- Advance the Institution
- Align with Strategic Objectives
- Serve a Common Good
- Improve Performance

Single Enterprise Process:

The single enterprise process is a systematic method for tracking single enterprise ideas from the suggestion stage through implementation and review. It is an open and transparent system with clear decision points. The required analysis and measurement enables University decision makers to carefully evaluate potential solutions. Continuing quality assurance review enables the University to communicate successes when it adopts innovative ideas.

Single Enterprise Criteria:

- Alignment
- General Applicability
- Economies of Scale
- Net Gain on Cost/Benefit Analysis
- Risk Reduction
- People/ Human Capital
- Stakeholder Buy-In
- Validation Process

Culture

Culture is a manifestation of behaviors and actions that are driven by aspirations, expectations, values, systems and programs. It characterizes institutions but is embodied by the humans who populate them. It is a net result of leadership, human resources and communications – repeated and engrained over time.

A culture of excellence, service and receptivity to change is critical to the University of Minnesota's aspiration to be one of the top three public research universities in the world within the next decade. The university that emerges from the strategic positioning process will need to embrace and project a clear vision and identity that motivates from within and projects its leadership to the world. In many ways, the University of Minnesota today is an accumulation of many cultures. The question – and challenge – is whether the pieces add up to a larger whole that unites all aspects of this institution into one community with the drive and ability to become world-class.

Based on work to date, some of those unifying, ennobling characteristics might be:

- Shared recognition of the university's responsibilities to the state of Minnesota.
- Commitment to fulfill the university's education, research and public service mission in ways that improve peoples' lives here and around the world.
- Dedication to the good of the institution, with individual, unit, department and college goals serving those of the university.

In the transformed university, all employees would embrace those principles and see alignment of their individual interests and success with those of the institution.

We also have certain characteristics that affect our culture, and that are unlikely to change. We have to optimize the advantages of each of these factors while minimizing their disadvantages. We are:

- In a Midwestern cultural environment
- In a small state with limited resources
- Large – including one of the largest urban campuses in the country
- Public land grant: teaching, research and public service mission
- Multi-campus, statewide
- Civil service, unionized, tenured
- One part of a bifurcated public post secondary system

To understand where we are, and to enlist the ideas and eventual support of the university community, we undertook an exhaustive information-collecting process. That included focus groups, individual interviews and accessing other university reports and data sources. We built culture questions into the annual Pulse survey, studied the university's annual external market survey and incorporated work from the University Relations marketing and branding initiative. We also coordinated our work with the faculty culture task force and other administrative task forces such as People and Single Enterprise.

We are still mining all the information we have collected for insights, themes and directions that will shape our recommendations. But common threads emerged:

- We value the discovery of new knowledge.
- We value the education of the young and the inculcation of a lifetime pursuit of learning.
- We value the application of our knowledge and talents to the needs of society.
- We value the individual dignity of every member of our university community; we respect and prize diversity of ideas, life experiences and cultures.
- We are proud of our work for and connection to the University of Minnesota and all it stands for.
- We seek to create a sense of community dedicated to our shared values.

As we complete our analysis, we will begin to craft recommendations for culture change and an implementation plan for achieving them.

Administrative Structure

If the University is to achieve its vision of being a top ranked research university, a new model of administrative support to the academic enterprise must be created. The University's historically poorly defined and unstructured approach of providing administrative support is outmoded. Our goal for the University's administrative operations is to be the best among peers, focused on service, and driven by performance.

The University faces intense competition as it strives to become a top ranked research university, requiring us to reexamine how we can better organize our administrative services in support of the academic mission. In an organization as large and as complex as the University, there is no single

administrative model that fits all. The key is to develop overarching principles to guide the restructuring, which needs to be tailored to meet the needs of individual units while providing overall strategic direction and management to the institution. Reorganization will not be easy, but it can be done if done thoughtfully, collaboratively, with purpose and commitment.

General Principles:

1. The University is a **single enterprise**.
2. Administrative services are provided and delivered in **partnership** with academic leaders and faculty in support of the University's academic missions of education, research, and outreach.
3. Administrative services must be **integrated** from central to colleges to departments using clearly defined responsibilities and authorities at each level. Services must be **seamless** to users.
4. Administrative services must be **transparent** and **understandable**.
5. Administrative services must be **nimble**, **dynamic**, and **robust** enough to be able to respond to changing needs of academic programs and external factors.
6. Administrative services must be **efficient**, of **high quality**, and provide the **best value** to support the education, research, and service missions.

Design Guidelines:

7. University-wide policies, standards, systems, plans, strategies, and services are to be defined centrally, in consultation with the users of those administrative services.
 - a. Business practices are to be standardized with user input.
 - b. There must be regular, interactive, timely, and face to face communication between central administrative service staff and collegiate or unit staff to share information; to develop and change university-wide policies, service standards, plans, and strategies; and to resolve urgent problems.
 - c. There must be a strong working partnership between academic and administrative staff.
8. Services are to be delivered as close to users as practicable either by central or local units – weighing customer service, cost, and (the extent to which providers need to know the collegiate discipline/field to provide effective service).
9. The number of levels between users and decision-makers is to be kept as small as possible while keeping the number of direct reports manageable.
10. Shared administrative services are to be used where there are significant economies of scale, where special expertise is required, or where emerging issues can only be addressed effectively by pooling resources across schools or units.
11. Local administrative service roles must be defined centrally in terms of standard classifications, competencies, skills, training, and expectations. Collegiate/unit service directors are accountable both to the deans and central administrative service heads.
12. A base level of administrative service support will be provided to all units but units may purchase or provide higher levels of service. Service contracts should be used to define expectations.
13. Working together, central administrative services and collegiate and other units must develop methods for measuring service performance, ensuring quality, and holding each other accountable for administrative services.
14. We will increase our use of technology and continually upgrade systems to provide and integrate administrative services, including automating more routine transactional work and creating more self help services where appropriate.

15. Working together, central administrative services and collegiate and other units must create a comprehensive system of oversight and accountability to ensure compliance with federal/state laws and University-wide policy.

Recommendations:

1. We recommend that each administrative function develop a **clear definition of roles, authorities and responsibilities for central, collegiate and local units**, using the principles and guidelines outlined above.
2. We recommend a **new model for organizing and structuring collegiate administrative services**.
3. A key step in restructuring administrative services as well as implementing the University's new internal budget model is to **define the base line services** to be provided by central units and the services that are expected to be provided by colleges. We recommend that base line services be detailed in **written service agreements** between central units and colleges.
4. We recommend that **collegiate administrative directors be accountable to both the dean (or chief administrative officer) and to the University service head**.
5. We recommend that the University aggressively pursue opportunities for units to **share administrative services and staff**.
6. Critical steps in implementing a new design for administrative services are to clarify the **skills, competencies, and performance** expected of staff; to refine or develop new **standard job classifications** if necessary; and to develop **staffing models**.
7. Effective **communication and consultation** between central and collegiate staff is key to improving administrative services.
8. The University needs to continually examine ways to **streamline and simplify administrative practices**, in particular those practices that significantly affect staffing requirements and structure.
9. We recommend that the University further **delineate system responsibilities**.
10. While many of recommendations speak specifically to the relationship between central administration and colleges, they apply also to **centers, coordinate campuses, academic support units, and major administrative units**.

Best Practice Management Tools

The Best Practices Management Tools (BPMT) Task Force was charged to create a sustainable framework to support the University of Minnesota's operational and service units' need to embrace and continually improve through the University-wide adoption of best practice management tools and techniques. Measurement of this improvement will be accomplished through the ability to make data-driven decisions in the context of common performance metrics.

This task force's deliverables to the institution are a portfolio of projects that would lead to a sustainable framework and action plan upon which continuous improvement becomes part of the University's operational and service day-to-day modus operandi, leading to a culture which both seeks and embraces change on the path toward excellence and the goal of becoming one of the top three public research universities in the world.

Project I: Administrative Policy Review and Simplification

The purpose of this project is to restructure administrative policies so that they appropriately guide the activities of the institution by ensuring appropriate authority or delegation from the Board of Regents and President, eliminating conflict with other internal policies or external regulatory

requirements, presenting in a consistent, recognizable and accessible format, and communicating clearly and understandably to faculty, staff, students, and the public. Reduced over-regulation and complexity, increased consistency and compliance, and empowered on-the-line decision-makers will result through this project.

Project II: Best Practice Management Tools Identification, Assessment, and Implementation Process

This project will create a process where identification and appropriate adoption of best practice management tools is a continuous responsibility of an operational / service unit – and a component of the unit’s performance measures. This project will also recommend incentives and disincentives for adopting best practices and place accountability on process/service owners for identifying and promoting best practices related to their management discipline. Collaboration the Single Enterprise and Culture task forces in addition to others will be critical to the success of this project. The ideal outcome of this project will be an environment where continuous identification and appropriate adoption of best practices is part of the cultural norm for each and every person within the institution.

Project III: Administrative, Operational, and Service Unit Leading Indicator Measures

This project will identify key outcome-based measurements by which service units use to measure their performance and benchmark their activities. Alignment of the University’s overall operational and service metrics to the measures developed in the Metrics and Measurements task force is a very key objective. Key performance measures include: Service Quality, Organizational Productivity, Staff Development and Improvement Processes. These metrics are specifically intended to measure the performance of common administrative/operational activities that occur at a variety of organizational levels throughout the institution. They are positioned in the context of other measures such as: the University’s top-level metrics, Academic Units’ Compact Scorecard metrics, unique unit metrics, and strategic initiative measures – all of which are not in this project’s scope. This project is designed to create and utilize information for operational and service performance related decision-making. It will be used for benchmarking these activities, along with costs and outcomes to provide an accurate assessment of how we compare to our peers and other external organizations. This information will also result in prioritization capabilities that will maximize the use of the institution’s existing resources and economies of scale. Ideally, the outcome of this project will enable any operational or service unit employee to understand the value of their specific work-role in relationship to the leading indicator measures.

Services

Administrative and support services must be oriented towards advancing the University’s teaching, research and public engagement missions, and achieving its strategic goals and initiatives. Services must be provided in ways that--

- help students learn, grow, and graduate in a timely manner;
- support faculty and staff in their teaching, research and engagement activities; and
- maximize resources through cost effective, efficient, and service-oriented operations

Service providers must respond to customers’ concerns in a timely, courteous and helpful manner and commit to understanding customer’s needs and perspectives before defending current policies, practices, and procedures. As new initiatives, programs and services are developed, and as current

practices, policies and procedures are revised, service providers must be inclusive and sensitive to human differences and experiences.

Faculty, staff, and students involved in the academic work of the University must recognize their accountability to each other. While we demand excellence in pursuit of our academic mission, we also require civility and respect in our interactions with each other. All those responsible for convening groups, whether leading a classroom discussion, chairing a committee hearing, or leading a staff meeting, must demonstrate the values that underlie a community of respect, and they must hold others accountable for the same. In a productive and healthy “culture of service,” individuals must feel responsible for supporting and maintaining an open and respectful environment in all their daily activities.

As the institution considers its “culture” or “cultures” and moves toward aligning systems and programs in support of becoming a top three institution, it needs to recognize and articulate that a “culture of service” may be the foundation on which much of our success will rest.

The task force focused its attention on problem areas that relate directly to the “service philosophy and orientation” of the University. These areas were 1) the effectiveness of email communication with students; and 2) the sufficiency of the hours of operation of business and support services important to students, faculty and staff. In Spring 2006, the Task Force met to review and provide feedback/direction for two President’s Emerging Leaders’ teams addressing these problem areas.

People

People practices are critical to the University’s success in meeting the goals and challenges of our aspirations, evidenced in part by the fact that 70% of the University’s expenditures are people related. The human resources system at the University of Minnesota is the entire set of operations used to recruit, retain, develop, assess, and manage our human capital. It includes policies, practices, and technologies; the work of professionals and offices throughout the university who perform human resource functions; the deans and other senior leaders who set the tone; and the implicit institutional values and cultural norms that influence behaviors and attitudes. To become one of the top three public research universities in the next ten years, the University of Minnesota must continue to transform its human resources system to foster and develop the creativity and innovation of our faculty and staff, while providing a healthy and productive work environment.

As the work of the People Task Force progressed, the Administrative Steering Committee endorsed several sub themes on which the Task Force decided to focus in more depth. Several subgroups within the task force then analyzed the following themes for presentation to the larger task force, with resulting reports and recommendations on each area:

- Create a “strong start” for new employees;
- Develop leaders at all levels of the organization;
- Promote healthy, productive work environments;
- Strengthen staff performance management; and
- Strengthen classification and compensation systems

The work of the People Task Force and its subgroups has raised a number of values and recommendations which cross all of the topics considered. These commonalities can be best summarized in the following observations:

- Great leadership, at all levels of the institution, will be needed to model, endorse and reward great people practices.
- All levels of management need to endorse the right values regarding employee development. Training and mandatory enforcement are tools to encourage the use of best practices in employee development, but are most effective when managers own this responsibility as a value.
- The performance reviews of every supervisor, manager, and leader must include an explicit review of their focus on, and demonstrated competencies in, the execution of these important people practices, such as performance management and employee development. Rewards for effectiveness in this area should be as prominent as in other areas of the individual's work.
- Greater consistency in the application of key HR policies and practices at the unit level will enhance employees' sense of fairness, and therefore their engagement as a university employee.
- Great people practices can only result from a shared vision and effective day-to-day working partnerships between the Central offices and the collegiate/campus/business units.
- Allowing units to opt out of those components we consider core to a healthy and productive workplace—whether it be managerial accountability, employee development, or respectful behaviors—is not acceptable.
- Metrics that measure our success on people practices should be modest in number but powerful in impact.

Optimize Resources

Strategic resource acquisition, management, and redeployment are essential if the University is to achieve its long-term goals and advance academic quality. Substantial opportunities exist to align and optimize administrative systems and areas that manage University physical, financial, and technological resources to better serve the academic units they support.

As a public institution, the University must be a good steward of the land, buildings, equipment, tuition revenues, state and federal monies, private donations, and other resources entrusted to its management. Stewardship goes beyond due diligence, efficiency, and effectiveness in managing resources. It also includes strategic pruning, redeployment, and investment. Resource optimization means making decisions with a long-term, often multi-generational, perspective.

Projects currently in process include:

- Enterprise Financial System
- Internal Budget Model
- Utility Cost Controls
- Purchasing Strategies
- Updating the U's Master Plan and Process

Future initiatives will include:

- Space utilization
- Asset optimization