

Facts about the HR Design Strategic Plan

HR Design Project Team

9/21/12

1. *Misconception: UW employees will no longer be state employees.*

Fact: All UW employees will continue to be state employees.

UW employees will remain state employees, although we will be covered by a different personnel system than other state employees. As state employees, UW-Madison staff will have the same core benefits (e.g., Wisconsin Retirement System and health insurance), as well as comparable civil-service protections, as other state employees. Unclassified UW employees have been covered by a different personnel system for many years, but have always been – and will continue to be – state employees. (This issue is addressed on page 18 – “Employment Categories” – in the *Strategic Plan for a New UW-Madison Human Resources System*.)

2. *Misconception: The HR Design project is a direct result of Act 10 (the law that dramatically scaled back public-sector collective bargaining).*

Fact: The project and the ability to create our own personnel system resulted from Act 32 (not Act 10).

The authority to create a separate and unique personnel system for the UW was the result of Act 32 (the 2011-13 biennial budget), not Act 10. This provision in Act 32 was the culmination of many attempts by previous UW chancellors and presidents to obtain more HR flexibility. The rationale for this flexibility is based on the unique nature of higher education compared to other state agencies. Although the approval of the budget occurred in the same general time period, the UW’s ability to create a unique personnel system is not related to Act 10. (See page 6, “HR Design Project Background,” in the *plan*.)

3. *Misconception: Just-cause standards and due process will be eliminated in the new system.*

Fact: UW employee categories that currently have just-cause and due-process rights will continue to have these protections, regardless of when employees are hired.

The legislation authorizing UW-Madison to create its own personnel system requires that current employees with due-process and just-cause standards be provided the same protections in the new personnel system. The legislation does not require that we provide these same protections to employees hired after July 1, 2013. However, we will provide due process and just cause to these employees because these are important principles that need to be preserved. (See page 4, “Executive Summary;” and page 35, “Job Security,” in the *plan*.)

4. *Misconception: Collective-bargaining rights will be eliminated.*

Fact: Collective-bargaining rights will be maintained and will not be involuntarily taken away from current employees.

The new system will not eliminate collective bargaining. In the proposed new “university staff” employment category, employees in this category (a majority of the current classified employees) will have the same ability to collectively bargain as they do today. These employees will still be covered by the State Employment Labor Relations Act (SELRA), just as similarly situated employees in other state agencies are. (See page 20, “Employee Categories,” in the *plan*.)

5. *Misconception: Wages will decrease under the new system.*

Fact: Base wages will not decrease for any employee as result of the new personnel structure.

One of the fundamental parameters of the HR Design project is that the new HR system will not reduce salaries. In fact, one of the project goals is to ensure that UW-Madison is a competitive employer, able to recruit and retain the right talent. As a result, new compensation structures will be created, and market data will be gathered to inform compensation decisions. (See page 11, “Project Parameters,” in the *plan*.)

6. *Misconception: Cost-of-living/general wage increases are being eliminated.*

Fact: Cost-of-living/general wage increases will be important components of future compensation mechanisms.

The project’s Compensation work team recommended that the university use a range of pay mechanisms. These will include general wage increases for employees to address cost-of-living/inflation. The work team also concluded that this type of increase should be used more often (compared to performance-based increases) for employees with less discretion in performing their job duties. All future wage increases will depend on the ability of state government and the university to fund pay plans. (See page 4, “Executive Summary;” page 11, “Project Parameters;” and pages 23-25, “Compensation and Job Titles” in the *plan*.)

7. *Misconception: The university will not provide a living wage to our employees.*

Fact: The university is committed to providing our staff with at least a living wage.

The compensation team emphasized the need to continue to provide a living wage (as computed by the city of Madison). Moreover, with the flexibility to create our own HR system, we will be able to increase the wages of some university employers who currently earn below the living wage because of limitations in the state government compensation plan. As of July 1, 2013, when we implement the new system, we will be able to increase the wages of these employees to the living

wage level. (See page 4, “Executive Summary;” and page 26, “Compensation and Job Titles,” in the *plan*.)

8. ***Misconception: Pay increases will be based on favoritism, not objective criteria.***

Fact: Pay adjustments will reflect a broad range of factors (e.g., market, equity, performance) within defined parameters, and will be based on objective performance evaluations

The Compensation work team recommended that performance should be a component of pay decisions. These decisions will have to be made through fair, objective and transparent performance evaluations. Supervisors will be provided with training on how to conduct effective and bias-free performance evaluations and how to ensure that the supervisors who report to them are doing the same with their staff. Deans and directors will be responsible for ensuring that compensation decisions are fair and merit-based. (See page 27, “Compensation,” and pages 44-45, “Fostering and Managing Talent,” in the *plan*.)

9. ***Misconception: The new personnel structure will value research over teaching and subsequently undermine teaching by only rewarding research.***

Fact: The HR Design project is not prescribing the performance factors that should be reflected in compensation decisions.

The Compensation work team recommended that our new compensation structures be market-informed, but also include other factors (e.g., performance, equity and cost-of-living). No decisions or value judgments have been made in the *Plan* about what types of results, achievements or activities should be rewarded. Each department and division will be able to identify these factors and how to weight them. (See page 26, “Compensation and Job Titles,” in the *plan*.)

10. ***Misconception: Governance will be diminished.***

Fact: Governance rights will not be diminished – they will be expanded.

Employees who now have governance will not have those rights changed in the new personnel structure. In fact, the project’s Employee Categories work team recommended that governance be expanded by providing formal governance rights for classified employees (i.e., the new category of university staff). (See page 21, “Employee Categories,” in the *plan*.)

11. ***Misconception: Merit-based hiring will be eliminated.***

Fact: Hiring will be based on applicant qualifications.

Act 32 requires UW-Madison to implement a civil-service-based personnel structure. This will include merit-based hiring processes that require hiring decisions to be based on objective criteria.

Through hiring policies and procedures, training and Office of Human Resources (OHR) consultation, the campus will ensure merit-based hiring continues under the new structure. (See pages 39-42, “Recruitment, Selection and Employee Movement,” in the *plan*.)

12. ***Misconception: The HR Design project has not used data or evidence to support its recommendations.***

Fact: The project used available internal data and external research and benchmarking to develop recommendations. In addition, data-driven decision making will be central to the new HR system.

In developing their recommendations, the HR Design work teams reviewed practices used by 19 other major research institutions. The work teams also reviewed literature and other materials (many teams provided bibliographies – see the HR Design website). In key areas, such as compensation, the teams reviewed practices at our Committee on Institutional Cooperation (CIC) peers, and conducted detailed interviews with 10 major research universities.

The work teams were also provided with data on issues such as employee use of benefit programs, time to fill vacancies, and number of employees at/near the top of their salary ranges. However, the HR Design project did reveal data limitations. Current systems and processes do not always provide easily-accessible and actionable information.

Therefore, the HR Design plan strongly focuses on the importance of data as we move forward. For example, implementing a new job applicant tracking/management system will involve establishing metrics to monitor its effectiveness. In addition, conducting a comprehensive title and total compensation analysis will provide the university with a full picture of its current compensation program and our competitiveness for talent. The plan also calls for a campuswide employee engagement and inclusion survey, an HR “dashboard” and a systematic evaluation of the impacts of the new HR system (with adjustments as necessary). (See page 49, “Diversity, Inclusion and Employee Engagement,” page 53; “Developing OHR Capabilities,” and Appendix I in the *plan*; and individual work team reports at <http://hrdesign.wisc.edu/>.)

13. ***Misconception: The new HR structure will involve large permanent increases in the staff in central administration.***

Fact: Permanent increases in OHR staffing levels to support the new personnel structure will be minimal.

The Compensation work team identified the need for additional expertise in the central Office of Human Resources to support a university-specific compensation system. Therefore, OHR will likely need several positions to add this expertise. In addition, expanding training and development will require resources, probably in the form of temporary positions. Therefore, we do not believe that the new HR system will require a substantial increase in permanent OHR positions. OHR has

committed to first analyzing existing capability and resources to see if current staff can take on new responsibilities. This is the likely scenario because other HR functions may be combined or reduced in the new personnel structure. (See page 53, “Developing OHR Capabilities,” in the *plan*.)

14. ***Misconception: UW-Madison is moving to a corporate model.***

Fact: UW-Madison will be adopting a personnel system that meets the needs of our educational mission and culture.

Our university will implement a new personnel system tailored to the needs of our higher education environment. Implementation will include working with governance and other stakeholder groups to ensure that the new HR system makes sense for our mission, culture and environment. We will also continue to identify and apply best practices from other educational and public sector organizations. (This point is emphasized throughout the *plan*.)

15. ***Misconception: HR Design work teams were dominated by human resources staff.***

Fact: HR Design work team members represented all stakeholder groups, including human resources.

The work team members included representatives of all UW-Madison stakeholder groups, including governance and labor. The teams included HR professionals who provided expertise on complex workforce issues. Of the 143 work-team members, 47 represented governance groups or labor unions, and 46 were HR professionals. (See Appendix C in the *plan*.)