1150

Human Resources

Mark Coldren
Human Resources Overview
HR 1150 – 1st Year Learning

College Business Management Institute
July 2019
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Agenda
• Introductions & welcome
• Block (1): HR in Higher Education
  • Context of workforce/people challenges in higher education
  • HR and Finance: the relationship and work
  • An HR Systems Model
• Block (2): “Total Compensation”
  • Salaries, compensation, markets, and the impact of searching for experience
  • “Health care 101”
  • Retirement: the traditional direction of higher education and possibilities for the future
• Block (3): “Engagement of Talent”
  • Developing a talent management strategy including: the search process, “1st year experience”, and a workforce plan
  • Feedback and expectations: management/leadership development, performance reviews, and link of rewards.
  • Diversity and inclusion

Let’s get started: Your own perspectives on HR
• Think about your interactions with HR/workforce/people “things” at your institution:
  • As an individual employee
  • As a business officer
  • As a supervisor/leader
• Some questions to think about with a partner:
  1. What was the last topic/issue/area, etc. that you had direct interaction with HR?
  2. What is your current organizational relationship to HR at your institution? Do you like it? Why or why not?
  3. From your point of view – what is the most critical HR/workforce/people issue on your campus right now? Why?
What would you like to make sure we touch on this week about HR?

Organizations Need Key Strategies for Success

Marketing Strategy
- Identify markets.
- Provide value.
- Identify what constituents want.

Finance Strategy
- Provide sufficient, low-cost capital when needed.

Operating Strategy
- Have a lower delivered cost than competitors.

People Strategy
- Right people in right jobs with right competencies doing things right in an environment that supports their cost-effective utilization.

People Strategy Links Human Resources to the Organizational Strategies for Success

- Identify HR roles, structures, and competencies.
- Align policies, programs, and practices.
- Define organizational strategies.
- Optimize organizational evolution.
- Align people strategies.
- Define organizational strategies.

People Strategy:
- The “People Strategy” is often the missing component of the Organizational Strategy for success.
- HR policies, practices, and programs should have a clear “tie of right” to business strategies.
- Phase 1: People Strategy alignment.
- Phase 2: People Strategy implementation.
Developing people strategies

• Identify approaches to fill gaps/address surpluses in organizational capabilities.
• Profile current and future employee demographics and address their implications for the organizational strategies.
• Evaluate how to maximize return on investment in people.
• Develop a people strategy that is aligned with the organizational strategies.
• Develop a framework for analyzing HR policies, practices, and programs.
• Develop an employment philosophy/relationship - balance employee needs and employer expectations.

The “mutually beneficial relationship”

When the relationship works – there is a “balanced tension” between the circles

People Strategies “shape” the organization
HR Systems Model

- **Rewards**
  - Pay market prices - be competitive
  - Recognize performance
  - Reward and celebrate individual, group, and organizational success

- **Selection**
  - Develop relationships with sources
  - Recruit the workforce
  - Create opportunities for advancement

- **Development**
  - Job expectations linked to growth and advancement
  - Individual development
  - Management practices training

- **Relations**
  - Improve communications
  - Become an “employer of choice”
  - Market the organization to potential employees

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HR and costs to the institution

- Let me reinforce the obvious to you (the business officer): the people/workforce/HR costs represent 60-70% of the total budget!
- The Education Advisory Board (EAB) shares many ideas and perspectives – here are two:
  1. 100 Tactics for Immediate Labor savings
  2. The Periodic Table of Budget Model Elements
- At your institution right now – what is the biggest HR/workforce/people cost you are the most concerned with? Why?

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Block 2: “Total Compensation”
**Elements of total compensation**

- **Base Compensation**: The fixed pay an employee receives on a regular basis – the salary you earn in your paycheck each week/month.

- **Indirect Compensation Benefits**: Programs designed to reward employees for good performance.

- **Pay Incentives**: Encompasses a wide variety of programs including health insurance, vacations, and unemployment compensation.

**Elements of an organizational compensation plan**

1. Internal vs. External Equity: perceived fairness
2. Fixed vs. Variable Pay: paid at fixed times via base salary or fluctuate based on criteria
3. Performance vs. Membership: tie pay to individual or group contributions
4. Job vs. Individual Pay: based on job or skill/knowledge
5. Egalitarianism vs. Elitism: all have same plan or establish different plans
7. Monetary vs. Non-monetary Awards: motivate via money or job security
8. Open vs. Secret Pay: know what others are paid or not
9. Centralization vs. Decentralization: made in central location or delegated to unit managers

**Other key things to consider when thinking about compensation/salaries**

- Local, regional, and national markets – know when to use them most appropriately.
- Understand, appreciate, and work through experience and longevity on your campus.
- Know that the external “market” will create compression – the “floor” is raised:
  - Example: 2016 effort to raise the Fair Labor Standards Act (FLSA) salary test for being “exempt” to $47,476.
- What is the value of experience for all roles on your campus?
- Are people meant to stay in roles for extended periods of time? Have we designed it this way?
- The search process and experience – should it be the #1 factor in every search?
- How can we make attrition work for us as part of our Workforce/Staff Planning efforts?
- College and University Professional Association for Human Resources (CUPA-HR) market data: “Data-on-Demand” tool
**Job Performer System**

- Input: What do I need to do to perform the task? Does the task provide all information and tools? Do I have the skills or knowledge to perform the task? Are the performance standards achievable?

- Performer: Can I easily recognize the input requiring action? Can the task be done without interference from other tasks? Are the job procedures and work flow logical? Are adequate resources available for performance (time, tools)?

- Output: Do performance standards exist? Do performers know the desired output and performance standards? Do performers consider the standards attainable?

- Consequences: Are consequences aligned to support desired performance? Are consequences meaningful from a performer’s viewpoint? Are consequences timely?


**Healthcare “101”**

- Fringe rate – what do you budget? (35%?)
- Example – a break down for the total benefits budget for a medium sized private (6000 stud. & 1500 ees.) with app. $23 million annual spend:
  - 27% FICA
  - 26% health care costs
  - 25% retirement (403B)
  - 12% education – both remitted tuition for employees and dependents
  - 5% post retirement
  - 3% worker’s compensation
  - 1% long term disability
  - 1% unemployment

- Different kinds of health care offerings provide different things.
- There are multiple roles:
  - Provider of the services
  - Third party administrators (TPAs)
  - Payer of the services (Aetna, Blue Cross/Blue Shield, CIGNA, etc.)
- Comprehensive/cafeteria plans – learn what is covered and to what %.
- High Deductible Health Plans (HDHP):
  - You (employee) pay a large deductible out of your pocket before you gain the coverage.
  - Most preventative coverage is totally covered (100%).
- Health Savings Account (HSA) that you and employer can contribute into to cover expenses (like the deductible costs) – HSAs “roll over” to the next year (Flexible Spending Accounts do not – “use it or lose it”).
Healthcare 101 (cont.)

- Employers want you to be good consumers and help with the costs.
- Employers offer wellness programs and discounts/incentives if you participate—what’s next may be how healthy you are?
  - Biometric screening (know your numbers)
  - Health Risk Assessments (HRA) – know the risks in your lifestyle
  - Prescription plans – co-pays, mail order, generics, tiered plans, etc.
  - What to do about retiree health plans – can you afford the future costs? Have you talked with your friendly actuary lately?
- As costs for benefits continue to rise, institutions may have to look at a variety of strategies including:
  - Cost savings in the current benefit plan design.
  - Different cost sharing between employer and employees for benefits (ex – 80%/20%).
  - Possible reallocation of resources.

Healthcare 101 (cont.)

- What else?
  - What are key challenges on your campus regarding healthcare costs?
  - What are things you can do to lower costs?
  - Have you invested in wellness?
    - What have been the results?
    - How do you know?
  - What are things that can tell you if you are gaining a return on investment?
  - The Ithaca College wellness story: “Mind/Body/Me”

Retirement

- State pension plans
- 403B plans and providers (TIAA, Fidelity, Voya, etc.)
- 457F plans – deferred salary plans before taxes (taxed later)
- Fiduciary responsibilities– do you have an investment committee?
- What do you think about retirement incentive programs?
  - Do they work?
  - Are they strategic?
  - How could they be structured to gain an organizational advantage?
Block 3: Engagement of Talent

Talent management strategies
- Strategic planning
- Sourcing & recruitment
- Performance management/feedback/expectations
- Learning and development – being a “learning organization”
- Leadership pipeline – many refer to as “succession planning”
- Structured leadership development process
- Compensation & rewards
Recruitment and the search process

• Open positions, open searches, “hiring freezes”, and getting a handle on headcount.
• Institutional diversity & inclusion strategies connected to recruitment.
• Applicant tracking systems – plus/minus for products – have one you like?
• Search process efficiencies – time to fill, who is in the workflow, visibility, etc.
• Do you require a search plan? Treat it like a project plan and back into it.
• Education for search committees and hiring managers.
• Higher Education Recruitment Consortiums (HERCs).
• Using search firms – do you manage them well and get your money’s worth?
• Does the “faculty hire the faculty”?

The “1st year experience”

• Taking a cue from our student affairs colleagues – from the time of an offer through their very first performance review/evaluation.
• What would be in the ideal onboarding experience?
• This is a process that is worth an investment – how to use technology (most applicant tracking systems offer a module) to “push” information to candidates – the 75% estimate.
• Making sure of health care eligibility/choice and retirement eligibility/choice.
• Face to face orientations: what should actually happen there?
• Creating multiple “touch points” during the first year.
• Administrative involvement in new faculty orientation – should we go there?
• This year is the number one factor to impact retention of highly sought after (and compensated) talent at your institution.

What is a learning organization?

• Term given to an organization that facilitates the learning of its members and continuously transforms itself.
• Concept from the work and research of Peter Senge, (The Fifth Discipline)
  • Systems thinking
  • Personal mastery
  • Mental models
  • Shared vision
  • Team learning
• We are an institution of higher education …. should we be a learning organization by default?
• Think again – it needs to be intentional and structured.
How can your institution create the right culture to be a learning organization?

- Culture that is successful has the look and feel of something organic and uncontrived – something that just exists.
- Culture must be led, nurtured, constantly monitored, and adjusted.
- Combination of the right ingredients, in the right way to match what you intend.
- A “learning organization culture” pays attention to the “learning process” as much as the importance of the learning.

The role of the leader/supervisor

- Leader/supervisors should expect all of their folks to constantly develop and grow in their roles.
- They model the importance:
  - How they ask questions
  - How they provide feedback
  - How they approach problem solving - and “fire-fighting”
- They hire, promote, and reward growth and development.

Individual development plans: investing in learning management systems

- Should be an annual process for all leaders with their direct reports.
- All employees should have individual development plans (IDPs) as part of their performance programs – a learning management process/system can be the center.
- Don’t focus on the evaluation – focus on the goals and the development plan.
- Key aspect around competencies (knowledge, skills, attribute/behaviors).
- Identify key development/learning experiences:
  - Workshops, conferences, certification courses, etc.
  - Key projects in functional areas – also cross-functional efforts.
  - Serve on committees, volunteer organizations, professional organizations (local, regional, national levels).
Analytics and Workforce Planning

- What HR data do you have available for your leadership to review?
- Key views include:
  - Accurate and up to date "snapshot" headcount data
  - Department level reports with security to who is appropriate to see them.
  - Trends – at least a 3-year window.
  - Agree upon definitions – the whole "data governance" conversation – ex. Define "faculty" at your institution.
- Connect to your payroll costing department – follow the funding for all lines.
- Staffing ideas/planning handout questions:
  - "Strategic"
  - "Core"
  - "Currently utilized"
  - Efficiencies, capabilities, capacities, workload, etc.
  - Utilizing attrition strategically – a discipline to workforce planning.

Feedback and expectations

- Reframing the whole performance management debate.
- The focus is not on the review – it should be on the goal setting and expectations process:
  - Match it up to the fiscal year/academic year – all goals/plans finalized by August 15th of each cycle.
  - All "looks" or reviews should happen between May 15th and July 30th.
  - If you set goals and provide feedback on an anniversary date – you are making it more challenging to
    connect individual AND organizational result, right?
- Feedback is a natural part of the budget cycle – so build off of that.
- Simplify the capturing of expectations/feedback – 3 essential elements:
  1. Significant work/accomplishments
  2. Connection to job/role expectations
  3. Individual development plan

“Diversity Wheel”
Intent – Behavior – Impact

- How or what a person “means” by behaving in a certain way with an individual or group.
- Action actually taken – what a person or an organization says or does.
- How that action affects a person, a group of people, or an organization.

Behaviors can lead to misperceptions

- Words – what you say.
  - The choice of words is critical when you want your behavior to follow your intention.
  - Some words are “loaded”.
  - Based on your position at work – some words are very open to interpretation.
  - Clarity, clarity, clarity!
- Actions – what you do.
  - Where, when, how – all key to your behavior being linked to your intent.
- Physical action/format for your message – how you say it in medium, movement, and tone.
  - What do you “look like” when you deliver a message?
  - How does your body language follow words and ultimately your intent?
- How is the “vehicle” other than face-to-face impact the interpretation?

Misperception and interpretation

- Perception is key – it breaks down into three parts:
  1. Expectations.
  2. Recognition.
  3. INTERPRETATION!
- Situation:
  - “Everything is a situation”.
  - Can you recognize what is going on and place everything in context?
  - People:
    - Recognize who you are interacting with – they may not be able to follow your behavior – and ultimately follow your intent.
    - Your role/history with the individual/group.
More on the I-B-I model

• Intentions:
  – Why would someone do/say something?
  – What someone might be feeling or thinking.
  – How can we actually interpret this effectively?

• Behaviors:
  – These are words and actions that can be observed by individuals, groups, communities, etc.
  – This is immediate; the reaction right after the behavior.
  – This is "WHAT" happens; "WHY" is not the first thing the receiver experiences.
  – The sender is hopeful that their intentions match the reaction to their behaviors.

• Impact:
  – How individuals feel as a result of the behavior.
  – "As a result of the behavior, ..."
  – Measured by those who experience/feel it (positive/negative, short/long term) – NOT by anyone else!
  – Determination if your intention matches the impact: through observation, reactions, ask!
  – If you make a mistake: APOLOGIZE!

The criticality of a focus on diversity & inclusion

• It is a value connected directly to your institutional mission.
• If you have a chief diversity officer: how do you interact with them in your role as the business officer?
• What is your individual comfort level with leading in this area?
• What are examples of "leading on campus" for business officers regarding diversity and inclusion?

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Areas to analyze to look at the Academic Staffing Model:

- Identify the current “mix” for instruction that is delivered (% of capacity in SIRI) – mix for faculty would start with the number of credit hours provided and students served through the various faculty descriptors:
  - Full time faculty: tenured
  - Full time faculty: non-tenured
  - Part time faculty
  - Graduate/Teaching Assistant delivery of instruction and lab coverage
  - Non-salaried/volunteer delivery of instruction
- Identify possible opportunities for increased capacity:
  - Number of faculty members (FT & PT) that could increase % capacity
  - Number of adjunct instructional hours delivered: best “balanced” model
  - Remaining credit hours covered by alternate means (non-salaried)
- Identify total research dollars generated for unit
- Identify total release time scheduled for faculty research/service (non-instruction)
- Identify total extra service hours/dollars paid to faculty
- Enrollment targets for students and credit hours: ability to cover targets with current mix?
- Utilization of adjuncts and part-time faculty: appropriate overall % of delivery of instructional services?

Initial Focus Areas for Organizational Capabilities

- Identify current mix for non-instructional services provided by staff:
  - Full-time staff
  - Part-time staff
  - Temporary staff
  - Extra service hours paid to staff
- Scope of control: based on supervisory hierarchy identified in the organization chart – develop the ratio of supervisors and direct reports
- Identify criticality of staff positions into three categories:

  (1) Strategic – these positions are essential to the department, and play a major role in setting direction and significantly enhance the opportunity for departmental success

  (2) Core – these positions are key in delivering services and producing results, they are the "Engine of the Enterprise", overall functionality and the duties and responsibilities are essential to meet the goals, mission, and vision of the department

  (3) Currently utilized – these positions provide needed services, however, choice can be made to deliver services through alternative means
• Key questions to ask about “criticality”:
  - Position key in achieving operational and strategic goals
  - Essential in meeting legislative/regulatory requirements
  - Extent to which mistakes are costly to department/UB
  - Key that primary duties and responsibilities can not be reassigned or absorbed
  - Level of risk if position is discontinued
  - Management/supervision requirement of other positions
  - Position key to relationships with external entities
  - Influences the performance of other roles
  - Role works across organizational/functional boundaries
  - Role uses wide range of skills and/or unique skills
  - Challenging to attract top talent to role (internal and external)

• Number of staff to perform key processes: (initial read on effectiveness & efficiency)
  - Financial processes
  - HR related processes
  - Student services
  - Faculty administrative support services
  - Support services (space/technology/key department systems/etc.)

• Number of funded positions (staff and faculty) open (include current/planned searches)

• Other factors to consider that may impact capabilities:
  - Performance reviews indicating concern
  - Grievances open to impact area work
  - Current individuals utilizing leave/absences

Questions for Discussion:

• What services are in your unit that could possibly be met by a CENTRAL UB unit?
  (Examples include: Information Technology, Human Resources, Finance, etc.)
• When a role comes open – could a central unit provide the services?
• What is your anticipated attrition?
• Can work be absorbed – and remaining team provided with new roles/responsibilities and compensation?
• Are there promotional opportunities?
<table>
<thead>
<tr>
<th>Employee</th>
<th>Performance Rating</th>
<th>Years of Service</th>
<th>Current Job Category</th>
<th>Current Salary</th>
<th>Years in current role</th>
<th>Age</th>
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<tbody>
<tr>
<td>John Smith (driver)</td>
<td>NI</td>
<td>6</td>
<td>hourly</td>
<td>$ 22,500.00</td>
<td>3</td>
<td>29</td>
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<td>Mary Jones (warehouse)</td>
<td>C</td>
<td>14</td>
<td>salaried</td>
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<td>1</td>
<td>hourly</td>
<td>$ 15,000.00</td>
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<td>22</td>
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<tr>
<td>Lisa Johnson (warehouse)</td>
<td>C</td>
<td>5</td>
<td>hourly</td>
<td>$ 18,500.00</td>
<td>5</td>
<td>28</td>
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<td>Jim Rodman (sales)</td>
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<td>11</td>
<td>salaried</td>
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<tr>
<td>Bill Gilmore (supervisor)</td>
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<td>7</td>
<td>salaried</td>
<td>$ 23,500.00</td>
<td>7</td>
<td>49</td>
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<tr>
<td>Ed Bowers (warehouse)</td>
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<td>23</td>
<td>hourly</td>
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<td>47</td>
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<td>9</td>
<td>hourly</td>
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<tr>
<td>Larry Geevers (sales)</td>
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<td>12</td>
<td>salaried</td>
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<tr>
<td>Melanie Hampton (sales)</td>
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<td>2</td>
<td>salaried</td>
<td>$ 54,500.00</td>
<td>2</td>
<td>29</td>
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<tr>
<td><strong>Total Salaries</strong></td>
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<td></td>
<td></td>
<td><strong>$ 286,500.00</strong></td>
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</tbody>
</table>

Performance Ratings
Excellent performance (E)
Good performance (G)
Competent/satisfactory. (C)
Needs improvement. (NI)
Developing employee. (DE)

3% merit pool
Total $$ available $ 8,595.00

Bonus - 1 time money
Available - total $$ $ 5,000.00

Task: Identify raises and any bonus money for the group.
THE Periodic Table OF Budget Model Elements

ALIGNING RESOURCES WITH INSTITUTIONAL GOALS

What Is a Budget Model?
As institutions recognize the limits of the typical incremental approach to budgeting, they are looking at new budget models designed to incentivize revenue growth, control costs, set performance targets, and invest in strategic priorities. Beneath the sometimes confusing nomenclature of responsibility-centered management (RCM), activity-based budgeting (ABB), zero-based budgeting (ZBB), and others is a set of "budget model elements" specifying how revenues and costs are allocated. Each element creates incentives for certain activities and disincentives for other activities to better align unit-level decisions and resources with broader institutional objectives.

Is RCM the Answer?
Many large universities have switched to or are considering an RCM budget model that allocates most resources to deans. RCM, however, does not automatically solve an institution's budget problems.

RCM covers dozens of different models, each with different mechanisms for resource allocation. Focusing on specific activities to be encouraged or discouraged is more useful than debating the overall merits of RCM.

RCM does create incentives for deans to grow revenue, but RCM institutions do not necessarily grow revenue faster than non-RCM institutions.

RCM does create incentives for deans to manage costs, but it also requires additional (and more expensive) administrative support staff to manage.

RCM focuses resources at the unit-level and often makes it harder to accumulate funds for strategic or centralized investments.

REVENUE ALLOCATION
[Table showing revenue allocation methods and units]

COST ALLOCATION
[Table showing cost allocation methods and expenses]

PERFORMANCE TARGETS
[Table showing performance targets and indicators]

STRATEGIC FUNDING
[Table showing strategic funding and alternative objectives]

Navigating the Model
1. Locate the elements of your budget model that do not support your institutional goals.
2. Choose the mechanism for each element that creates the right incentives for your campus.
3. Integrate new elements and mechanisms into your budget model to impact your top priorities.

The Education Advisory Board

Learn when and how to use each budget element
web.com/2018/budgetmodels
"Costing Out the Campus" 1st Edition 2013
100 TACTICS for Immediate Labor Savings

Finding Principled and Sustainable Ways to Reduce Costs

Because labor costs comprise 60% to 70% of operating budgets, few institutions can significantly impact costs without addressing labor. However, too many institutions have resorted to indiscriminate and often across-the-board labor cuts, which can harm staff morale, disrupt work processes, and draw negative press. Moreover, labor cuts often backfire, as the scramble to repair self-inflicted damage costs more to quickly return to previous levels. Rather than enacting painful and ineffective cuts, institutions should pursue immediate savings through cost rebasing. Unlike labor cuts, this approach does not hinder work process or damage staff morale, so savings can be sustained over time.

This compendium offers 100 rebasing tactics across nine categories. Not every tactic is applicable for each institution because of unique logistical, cultural, or legal hurdles. So, to help executives evaluate and choose the tactics best suited for their institutions, each tactic is evaluated on three factors:
- Savings potential
- Employee tolerance
- Whether the tactic is outside the scope of most collective bargaining agreements (CBAs)

<table>
<thead>
<tr>
<th>HEALTH BENEFITS</th>
<th>Savings Potential</th>
<th>Employee Tolerance</th>
<th>Outside CBA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Raise deductibles</td>
<td>$ $</td>
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<tr>
<td>2 Max out of adjust max</td>
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</tr>
<tr>
<td>3 Max out of adjust max</td>
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<tr>
<td>4 Switch copays to coinsurance</td>
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<tr>
<td>5 Raise deductibles</td>
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<td>6 Offer high-deductible plans</td>
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<tr>
<td>7 Reduce the number of insurance plans</td>
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<tr>
<td>8 Eliminate ineligible plan</td>
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<tr>
<td>9 Shift employees to private insurance exchanges</td>
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<tr>
<td>10 Eliminate early retirement</td>
<td>$</td>
<td>$</td>
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<tr>
<td>11 Offer retiree health coverage only through Medicare Supplement plans</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>12 Offer insurance signed instead of retiree health plan</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<tr>
<td>13 Close retiree plans to new retirees</td>
<td>$</td>
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<td>$</td>
</tr>
<tr>
<td>14 Add charge for working spouses electing institutional health plans</td>
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<tr>
<td>15 Increase spouses to leave health plan</td>
<td>$</td>
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<tr>
<td>16 Offer only secondary Spouse coverage</td>
<td>$</td>
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<tr>
<td>17 Require working spouses to use their employers’ health plan</td>
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<tr>
<td>18 Increase employees to use spouse health benefits</td>
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<tr>
<td>19 Reduce premiums for dependent/family coverage</td>
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<tr>
<td>20 Audit and remove ineligible dependents</td>
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<tr>
<td>21 Increase health benefits’ eligibility based on work</td>
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<tr>
<td>22 Mandate in-network pharmacy use</td>
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<tr>
<td>23 Require mail-order pharmacy use</td>
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<tr>
<td>24 Require generics for costly drugs</td>
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<tr>
<td>25 Reduce short-term disability benefits</td>
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<tr>
<td>26 Reduce long-term disability benefits</td>
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<tr>
<td>27 Reduce duration of paid extended sick leave/short-term disability</td>
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<tr>
<td>28 Reduce duration of paid long-term disability</td>
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<tr>
<td>29 Switch to shared-cost/employee-funded disability plan</td>
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<tr>
<td>30 Add tobacco surcharge</td>
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<table>
<thead>
<tr>
<th>FRINGE BENEFITS</th>
<th>Savings Potential</th>
<th>Employee Tolerance</th>
<th>Outside CBA</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Reduce PTO morale</td>
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<tr>
<td>32 End PTO morale</td>
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<tr>
<td>33 End PTO payroll</td>
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<tr>
<td>34 Reduce PTO payroll</td>
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<tr>
<td>35 Reduce PTO account</td>
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<tr>
<td>36 Reduce PTO account</td>
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<tr>
<td>37 Require PTO draw down</td>
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<tr>
<td>38 Limit PTO/hr leave accrual for part timers</td>
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<tr>
<td>39 Reduce tuition reimbursement</td>
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<tr>
<td>40 Reduce employer contributions to retirement plan</td>
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<tr>
<td>41 Reduce retirement contributions for employees with &lt;20 years service</td>
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<tr>
<td>42 Match retirement contributions only once per year</td>
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<tr>
<td>43 Introduce new retiree benefit for retirement plan</td>
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<tr>
<td>44 Limit income types eligible for retirement contributions</td>
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<thead>
<tr>
<th>BENEFITS VENDOR MANAGEMENT</th>
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<th>Outside CBA</th>
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<tbody>
<tr>
<td>45 Renegotiate vendor premiums</td>
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<tr>
<td>46 Renegotiate vendor contracts</td>
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<tr>
<td>47 Assess pharmacy benefit managers</td>
<td>$</td>
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<tr>
<td>48 Assess TPA/hub network</td>
<td>$</td>
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<tr>
<td>49 Raise stop loss deductibles</td>
<td>$</td>
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<tr>
<td>50 Negotiate shared savings agreements with insurers</td>
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<thead>
<tr>
<th>LABOR REGULATION</th>
<th>Savings Potential</th>
<th>Employee Tolerance</th>
<th>Outside CBA</th>
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<tbody>
<tr>
<td>51 Freeze hiring</td>
<td>$</td>
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<tr>
<td>52 Create hold period for vacancies</td>
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<tr>
<td>53 Enact targeted layoffs</td>
<td>$</td>
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<tr>
<td>54 Consolidate management layers within departments</td>
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<tr>
<td>55 Expand management oversight to the departments</td>
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<tr>
<td>56 Allow temporary/contract to replace permanent</td>
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<tr>
<td>57 Outsource underperformers</td>
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<tr>
<td>58 Increase early retirement</td>
<td>$</td>
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<tr>
<td>59 Other voluntary separations</td>
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<thead>
<tr>
<th>COMPENSATION</th>
<th>Savings Potential</th>
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<th>Outside CBA</th>
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<tbody>
<tr>
<td>60 Freeze pay raises</td>
<td>$</td>
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<tr>
<td>61 Reduce pay for senior-level leaders</td>
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<tr>
<td>62 Waive management incentives to enrollment targets</td>
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<tr>
<td>63 Eliminate manager incentive pay</td>
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<tr>
<td>64 Reduce staff paid p/b</td>
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<tr>
<td>65 End non-reporting for underperformers</td>
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<tr>
<td>66 Offer lump-sum concessions rather than merit raises</td>
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<tr>
<td>67 Delay annual pay raises</td>
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<tr>
<td>68 Require weeks 9-12</td>
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<thead>
<tr>
<th>OUTSOURCING</th>
<th>Savings Potential</th>
<th>Employee Tolerance</th>
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<tbody>
<tr>
<td>69 Outsource units or departments</td>
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<tr>
<td>70 Outsource processes or functions</td>
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<table>
<thead>
<tr>
<th>SERVICE HOURS</th>
<th>Savings Potential</th>
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<tbody>
<tr>
<td>71 Mandate management layoffs</td>
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<tr>
<td>72 Mandate staff layoffs</td>
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<tr>
<td>73 Offer voluntary precessions for early leave days</td>
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<tr>
<td>74 Offer voluntary seasonal furloughs</td>
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<tr>
<td>75 Offer voluntary reduced hours in exchange for lower benefits</td>
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<tr>
<td>76 Move select employees to seasonal/contracts</td>
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<tr>
<td>77 Shorten service windows hours</td>
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<tr>
<td>78 Shorten work week during off-peak periods</td>
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<thead>
<tr>
<th>ENFORCEMENT AND WORK</th>
<th>Savings Potential</th>
<th>Employee Tolerance</th>
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<tbody>
<tr>
<td>80 Reduce lack of compliance</td>
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<tr>
<td>81 Cap travel expenses</td>
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<tr>
<td>82 Limit conference attendance</td>
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<tr>
<td>83 Limit labor costs to company space</td>
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<tr>
<td>84 Limit professional development spending</td>
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<tr>
<td>85 Limit use of stationery supplies</td>
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<tr>
<td>86 Freeze work-station technology updates</td>
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<tr>
<td>87 Reduce dining subsidies</td>
<td>$</td>
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<td>88 Charge employees for parking</td>
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<tr>
<td>89 Limit cell phone allowances</td>
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<tr>
<td>90 Limit entertainment/food budgets</td>
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<td>91 Controle holiday celebrations</td>
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<thead>
<tr>
<th>OVERTIME</th>
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<th>Outside CBA</th>
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</thead>
<tbody>
<tr>
<td>92 Cap overtime</td>
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<tr>
<td>93 Require &quot;on-call&quot; of after hours shifts</td>
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<tr>
<td>94 Require off-schedule shifts</td>
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<td>95 Target incremental overtime</td>
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| | Savings Potential | Employee Tolerance | Outside CBA |
|--------------------------|-------------------|-------------|
| Find detailed implementation guidance on each tactic | $ | $ | $ |

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