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Regulations on Delegation of Responsibility for Classification and Compensation of SPA Personnel to Constituent Institutions

I. Introduction

In August 1997, the University of North Carolina and the Office of State Personnel (OSP) entered into a Partnership Agreement that extended "authority to and establishe[d] responsibility for the President of the University of North Carolina to act on behalf of the State Personnel Director and staff of OSP under terms and conditions described" with the goal of increasing "efficiency and effectiveness in the human resource operations of the University and in the State of North Carolina." The Partnership Agreement further provided that the responsibility and authority for day-to-day management of all human resource functions affecting University employees subject to the State Personnel Act (SPA) would be delegated to the President and that the President could, in turn, delegate some or all of the functions to those constituent institutions which can show their readiness to assume such responsibility. The long-term goal of this agreement is to establish a University component of the State personnel system that provides for the effective and efficient management of State Personnel Act (SPA) human resources across all campuses by further delegating authorities and responsibilities from OSP to the University of North Carolina General Administration (UNCGA). Ultimately, each campus will assume responsibility for managing personnel matters under the guidance of UNCGA. However, while individual institutions work to strengthen their personnel operations, OSP will continue to provide services to those who do not have full delegation.

The Partnership Agreement called for the establishment of a transition team to establish the basic framework for shifting responsibility from OSP to the University. During the 1997-98 academic year, the Transition Team, consisting of representatives from the campuses, the University of North Carolina General Administration (UNCGA), and OSP, worked on a plan of implementation for the Partnership Agreement. That plan was accepted in substance by the director of OSP and the President in September 1998. The Transition Team has now been replaced by the UNC Human Resources Advisory Board for SPA Employees (HRAB-SPA), a permanent representative body responsible for advising the President concerning all aspects of managing the SPA human resources functions within the University.

II. Characteristics of the University Classification System for SPA Personnel

Presently, the constituent institutions have authority for most of the day-to-day management of the SPA personnel functions except in the area of classification and compensation. The purpose of these regulations is to begin outlining the process for decentralizing responsibility for the classification and compensation of SPA employees to those institutions

that can demonstrate their readiness. The current SPA classification and compensation system will be imported and, with the approval of OSP, and the State Personnel Commission, will be changed gradually to meet the needs of the University. Any changes to the current system will be made in an organized and sequential fashion.

The following characteristics have been adopted for the University classification system:

- A. The UNC classification system will be regulated by OSP, administered by UNCGA, and monitored jointly by UNCGA and OSP. These two offices will work together in partnership through the HRAB-SPA, which will be coordinated by a human resource professional appointed by the President.
- B. The UNC classification and pay structure will be based on the current "narrative factors comparison" structure, at least in the beginning, but will offer opportunities for institutions to propose, with HRAB-SPA approval, to try alternative classification and compensation structures as pilot projects. At the end of such a pilot project, the HRAB-SPA will receive a report and will disseminate the results of the project to other campuses. This demonstration and dissemination feature will permit other campuses to emulate successful pilots and prevent campuses from repeating similar unsuccessful pilots. The goal will be to have a menu of tested classification and compensation structures from which institutions may choose one or more to meet the needs of different occupational groups of employees. If pilot projects result in the recommendation of changes to the permanent classification and compensation structures that would entail modification of existing rules and policies, approval by the State Personnel Commission will be required.
- C. New classification titles needed by a constituent institution (e.g., grant-funded research positions) may be proposed for addition to the University classification system at any time. The HRAB-SPA will consider such proposals at their regular meetings or through electronic means in order to assure rapid consideration. An intent of the HRAB-SPA will be to review the current classification and compensation approach, including numbers of classes, ways to simplify the classification structure, and alternative classification and compensation programs.
- D. UNCGA will maintain a data base that will contain a listing of all classifications as well as additional details necessary for generating reports to interested bodies. Each constituent institution may choose to elaborate on these classifications in advertising positions or in their own data system. Constituent institutions will continue to provide data to OSP's Personnel Management Information System (PMIS).

III. General Criteria for Delegation of Classification and Compensation Functions--The Chancellor's Responsibilities

As constituent institutions prepare to request responsibility for managing the day-to-day operations in the area of either current or subsequently approved classification and compensation systems, each institution must recognize that delegation of authority requires that the chancellor assume responsibility for specific functions that will be evaluated on a schedule to be recommended by the HRAB-SPA and approved by the President and the director of state personnel. Specifically, the report of the Transition Team provides that the following criteria must be met in order for constituent institutions to receive delegation of authority for managing classification and compensation. Requests for delegation of such authority will assume that the chancellor is prepared to meet these criteria.

- A. The chancellor of each institution will be responsible for assuring that all programs comply with applicable statutes, rules and regulations.
- B. The chancellor of each institution will, through the human resources director, ensure that a staff is recruited, trained, and retained to manage human resource functions by:
 1. requiring attendance at training programs offered by OSP and other organizations as appropriate to develop and

maintain knowledge, skills and abilities commensurate with job duties; and

2. maintaining staffing levels that are consistent with the size, complexity and resources of the institution.
- C. The chancellor of each institution will, through the human resources director, ensure that appropriate records are kept on each function of the human resource system in accordance with applicable statutes, rules and regulations.
 - D. The chancellor of each institution will, through the human resources director, assure that data are reported consistently to PMIS and to GA.
 - E. The chancellor of each institution, through the human resources director, will establish and maintain internal controls and facilitate monitoring activities in order to assure the quality of the human resource programs and processes.
 - F. The human resources director will regularly engage in dialogue with the chancellor and other University administrators about institutional and University system human resource issues.
 - G. The chancellor of each institution will, through the human resources director, ensure that institutional policies and procedures are written, up-to-date, widely distributed, and accessible. Institutional policies and procedures must comply with those of OSP and UNCGA. Such policies and procedures will be made available to the State Personnel Director for purposes of record keeping.

IV. Specific Criteria for Delegation of Classification and Compensation Functions--Directors of Human Resources

The following criteria are those that must be met by individual institutions to receive delegated authority in the functional area of classification and compensation. An institution automatically receives salary administration authority for every class for which classification authority is delegated.

- A. The human resources director maintains, trains, and directs a professional, technically-competent classification/compensation staff in order to:
 1. apply accepted principles, procedures, standards, and techniques in allocating positions;
 2. demonstrate understanding of occupational groups, knowledge of class concepts, and application within various program operations;
 3. understand the classification factors and demonstrate understanding through appropriate documentation in data and comparative analysis;
 4. ensure tools and resources are available to aid in the analytical process--current organizational charts, class specifications, appropriate position comparisons and benchmarks, and clearly defined position descriptions; and,
 5. ensure appropriate supporting documentation to justify all classification actions.
- B. Management and the human resources director must develop institution-specific policies and procedures for accountability that will ensure quality decisions consistent with statutes and policies;
- C. The human resources office must transfer or enter data into PMIS and must have a process in place to reconcile discrepancies with OSP;

- D. The human resources office must ensure that a system is maintained for tracking, processing, cross-referencing, and recording position and employee actions;
- E. The human resources director must ensure that all personnel and position actions are administered in accordance with the State Personnel Commission/OSP regulations, procedures and law;
- F. The human resources director must operate the position management program in accordance with OSP standards (e.g., Position Management Operational Standards).

V. **The Process**

The process for assuming classification and compensation delegation involves both a written plan and a campus visit. Although the primary reason for requesting a written plan and conducting an on-site visit is to determine the readiness of each campus to assume additional delegation of classification and compensation authority, the HRAB-SPA is interested in better understanding the full scope of responsibilities of each institutional human resources office.

A. **Written Plan of Operation**

Each constituent institution will submit a plan of operation for its human resources office or division. It is important to note that institutions should not request additional delegation of authority unless they are currently staffed to carry out such functions. Institutions that are currently satisfied with their level of delegation or are not yet ready either a) to increase their current level of delegation or b) to assume full delegation may request additional delegation at any future time. OSP will continue to assist campuses lacking full delegation with their classification function as well as other functions.

Each institution's plan of operation will include the following:

1. A cover letter from the chancellor outlining the current and requested level of delegated authority in the functional area of classification and compensation. This should also include a list of all SPA classifications for which authority is requested, including those currently delegated.
2. An institutional plan of operation containing the following:
 - a. Mission and vision statements of the University;
 - b. Mission and vision statements of the human resources office and a statement showing the linkage between the University's and the human resource office's mission and vision statements;
 - c. A description of the institution including but not limited to: employee population (SPA vs. EPA), number of classes used, number of students, services provided by human resources office, variety of colleges/schools, and geographical dispersion of employees (e.g., the number of counties in which employees work);
 - d. Staffing and functional organizational charts showing all positions in human resources and the organization placement of human resources as well as a discussion of the staffing complement as related to basic human resources programs and services;
 - e. A copy of the general training plan for prospective employees and the plan for enhancing knowledge, skills, and abilities of current employees to the desired level;
 - f. A summary of the professional development activities of the human resources director and functional area

managers for the past two years;

- g. A description of the assessment plan that the human resources office uses to ascertain the quality of its programs and of its service delivery processes; and
- h. A description of human resources director's involvement in institution-wide and University-wide issues and interaction with the chancellor and other University administrators.

B. **Campus Visit**

Following the review of the written plan of operation, representatives of the HRAB-SPA will visit each institution. The purpose of the visit is to meet appropriate staff members and provide the HRAB-SPA with an opportunity to learn about the entire human resources operation. Institutions are encouraged to use these visits to help members of the HRAB-SPA understand both the functions and the needs of each institution. All members of the visiting team will hear all presentations. Individual institutions are encouraged to establish the specific agendas for the campus visits to fit their own organization. However, HRAB-SPA members will be interested in a presentation by human resource division managers concerning their respective areas of responsibility as reflected in the organization chart including:

1. A description of the various personnel processes in each human resource functional area ranging from the establishment of a position and hiring of an individual through separation of the individual. This should include processes involved in classification, compensation, employment, benefits, training and development, etc.;
2. A description of how the human resources office interacts and communicates with all areas of the campus;
3. A discussion of the information management system used and the way in which data are reported to PMIS.

Following receipt of the plan of operation and campus visits, the HRAB-SPA will recommend to the President acceptance or rejection of institutional plans and requested levels of delegation. The decision to delegate partial, full or no authority to constituent institutions will be made by the President based upon the recommendation of the HRAB-SPA and other information, as the President deems appropriate.

The HRAB-SPA expects to have recommendations to the President for delegation for all institutions made during the summer, 1999. In order to do this, written plans should be submitted as soon as possible but not later than May 3, 1999. Your director of human resources will be contacted to set specific dates for site visits.

[This is a rewrite of Administrative Memorandum #394.]

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