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Hampshire College

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MEMORANDUM

Dayall, Susan A
CD

TO: Hampshire College Community

FM: Gregory S. Prince, Jr.

RE: Workforce Management

As you know, the Budget Task Force and other groups have been working throughout the semester to help the administration find ways for Hampshire to achieve a sustainable budget. One group that has been very helpful in these efforts is SAC, working with Personnel Director Margot Garstka. These individuals have drafted a set of guidelines that will help us implement the kinds of reorganizational changes that would be necessary if we are to achieve savings through attrition and reassignment. They provide incentives for those who are considering retirement or a change of position, and they suggest some specific provisions which can help provide an open, consultative process in determining what mandatory changes should be made if the normal turnover and reorganization do not reach our goal.

I hope that you will take the time to read the guidelines closely and carefully. Should any of the voluntary options interest you, I hope that you will discuss them with your supervisor and your designated budget manager. While this overall document is an outline of a general strategy for achieving the necessary budget reduction, it does not constitute a contract. Any individual agreement, however, that the college negotiates with an employee will become contractual.

I would like to take this public opportunity to thank the SAC members, as well as Margot Garstka, who have worked so long and hard to develop a set of guidelines that are fair and offer a number of positive opportunities for staff members.

GSP/glt

Greg

HAMPSHIRE COLLEGE
WORKFORCE MANAGEMENT PLAN

CONTENTS

HAMPSHIRE COLLEGE

WORKFORCE MANAGEMENT PLAN

I. Introduction

Hampshire College faces a structural deficit of $1,200,000 which must be permanently eliminated from the budget. The recommendations submitted to the president by the budget task force on September 24, 1990 propose a reduction in the faculty and staff/administration compensation budgets by approximately $700,000. The task force further recommended that faculty reductions of 6.0 FTE and staff/administration reductions of 15.0 FTE should equate to $700,000. For the purpose of this proposal, we focus on a dollar goal rather than FTE count since the FTE count varies dependent upon the value of the position reduced or eliminated. These guidelines have been developed to help reduce the college's structural deficit. They do not constitute new legal or contractual rights nor alter pre-existing rights. These guidelines are subject to modification if circumstances warrant including revision and/or elimination if and when the structural deficit no longer exists or when the college deems it necessary to expand programs and services. The staff advocacy committee recommends that the administration develop controls and a process for the creation of any new positions in the future to insure that having once reached the goal of a reduced workforce, new positions are not added back into the budget arbitrarily. A review process which includes the budget and priorities committee is suggested.

For Hampshire College, workforce management provides a standard campus-wide guide for making any significant change or reduction involving personnel. The goal of workforce management is to provide an orderly process for making staffing decisions that correspond with budgetary realities, employee needs and organizational needs.

Through the use of the following guidelines, we can achieve our goal through attrition and reorganization, exhausting every means available to us, considering layoffs of individual employees a last resort.

If layoffs become necessary, workforce management is intended to minimize the impact on the employee and the unit to the extent possible under the circumstances. Utilization of workforce management procedures may reduce the potential negative consequences of layoffs, terminations, and reassignments. The process outlined herein will assist in establishing specific workforce management programs. This plan is instituted on a temporary basis and does not supersede the benefit policies described in the employee handbook.

II. Developing A Workforce Management Program

Upon notification by the president that, due to financial exigencies, a significant change in the workforce is required, the budget supervisor for the affected area(s) will appoint a workforce management coordinator (administrator). The workforce management coordinator should be selected with team leadership and organizational abilities in mind. The coordinator will establish a team consisting of the designated managers of the affected unit(s). A list of designated managers for all units is attached. Where small units are combined by function, a single designated manager has been selected as the responsible person for those units. It will be the coordinator's responsibility to work with managers in the development of a workforce management program that is tailored for each unit and is in concert with the budgetary goals established by the president while maintaining diversity within the workforce. The tables on pages 13 and 14 provide an overview of how salary dollars are distributed, not only throughout specific areas, but among administrators and administrative staff. This tool is meant to assist the administration in determining a dollar or percentage target for the various functional areas.

The workforce management coordinator and the managers of the affected units will review the units in view of their mission, the relationship between functions and other units, and the overall purpose of the unit. The coordinator and the team will identify appropriate procedures for workforce reorganization and reduction by investigating the following options:

1. Voluntary <u>Indefinite</u> Cost Saving Alternatives:

   A. Early Retirement;
   B. Voluntary Resignation;
   C. Voluntary Reduction in Contract Year;
   D. Voluntary Reduction in Work Week.

2. Voluntary <u>Temporary</u> Cost Saving Alternatives:

   A. Voluntary Unpaid Leave of Absence;
   B. Intermittent Time Off Without Pay;
   C. Job Sharing;

3. Reorganization and Targeting Positions For Elimination

   A. Reassignment
   B. Job Recombination Policy

4. Transition Assistance:
   A. Job Matching Component;
   B. Outplacement Component;
   C. Rumor Control Unit.

When considering any reduction or reorganization within a unit, particular interest must be paid to the effect the reduction may have on other necessary functions within the institution but outside of the unit.

The manager will discuss with employees in the unit all available options as well as reorganization and redistribution of work load. It should be made clear to all employees in the unit that any proposals involving voluntary reduction of time or FTE must be reviewed for feasibility based on the operational design of the unit and may or may not be approved dependent upon organizational need.

A report (including specific plans and recommendations) and a completed workforce management plan profile will be prepared by the manager, and will be forwarded to a review committee by January 31, 1991. The committee will consist of a School Dean, a Budget Supervisor, a staff member from Budget & Priorities, two members of SAC, the Personnel Director and the Affirmative Action Officer. The participating dean and budget supervisor may vary dependent upon the area being discussed.

It will be the committee's responsibility to review the reports and recommendations for procedural compliance and general feasibility. The committee will provide a commentary for the president on each report submitted. The manager's report along with the commentary will be forwarded to the budget supervisor for final review and discussion with the president. The proposal will be either approved, returned for revision, or denied with a written explanation from the budget supervisor to the coordinator and manager. The president and/or executive branch of the college must reserve the right to determine, based on long term institutional goals, where current staffing levels need to be maintained, and where reorganization is needed.

1. Voluntary Indefinite Cost Saving Alternatives

In anticipation of the probable reduction in force of Hampshire College employees, the college elects to make available to administrators and members of the administrative staff the options listed below as a means of achieving savings that could remove the necessity of the reduction in force or limit its extent. Employees should be aware that these choices are entirely voluntary and electing or choosing not to elect one will not affect the likelihood of an individual being chosen for involuntary action. The options are available from January 1, 1991 to June 30, 1991, for fiscal year '92. Any employee who wishes to propose one of these options should forward a written proposal to his/her manager by January 15, 1991. The manager will consider these voluntary measures a priority in their reorganization and reduction proposal. These alternatives shall be included in the manager's proposal for a reduction in workforce. All of these options are indefinite changes in FTE status. These strategies are intended to create vacancies of full or partial FTE's.

A. Early Retirement - Age 58 or Older With Ten Years of Service

Any employee 58 years of age or older who has completed ten full years of service may apply for early retirement effective on or before June 30, 1991. Any employee 60 years of age or older who chooses this option will be awarded a retirement incentive bonus of 20% of his/her current salary. The retirement bonus may be paid in a lump sum directly to TIAA/CREF or paid in a lump sum to the employee. The employee can expect continuation in our group health insurance plan up to age 65.

Any employee between age 58 and 60 who has completed ten full years of service may apply for early retirement effective on or before June 30, 1991. Any employee in this category who chooses this option can expect continuation in our group health insurance plan up to age 65.

The college will continue to pay health insurance premiums for a single or family policy in accordance with its policies for active employees. For the period from early retirement until age 65 the retiring employee will receive from the college the same health insurance benefit s/he would have received had s/he remained an active employee. If a retiree accepts employment elsewhere and health insurance is included in that employment as an available benefit, the retiree will be required to terminate the insurance coverage provided by Hampshire College.

A final payment for remaining vacation, personal days, holidays not used, and hours worked, but not yet paid will be paid upon retirement. Life insurance may be purchased through a conversion option that allows continuation of the life policy at an affordable group rate. Proposals for early retirement should be submitted to the manager by January 15, 1991.

B. Voluntary Resignation

Any member of the administration or the administrative staff may volunteer to resign. This policy specifically addresses those individuals who intend to leave the college between January 1, 1991 and June 30, 1991. In exchange for early written notification of resignation (by March 1, 1991) the employee may choose one of the following:

1. Payment of current health insurance benefit for three (3) months following the date of termination according to the current premium payment schedule;

2. Bonus of 2 weeks salary payable upon termination. In addition, the employee is entitled to payment for all awarded but unused vacation, holiday, personal days, and hours worked but not yet paid. The college may adjust the date of termination insuring that monies paid out under these circumstances do not impact the FY'92 budget.

Employees who submit their resignation by March 1, 1991 give up rights to their position, and it will become part of the job match program. Should some unforseen event occur that causes the employee to request a withdrawal of the resignation, the following standards will apply:

1. If the position has not been targeted for elimination or promised to another employee through the job match program, the resigning employee may rescind his/her resignation;

2. If the position has been targeted or promised to another employee, the resigning employee may request placement elsewhere on campus through the job match program. If this attempt fails, the resignation will take effect by June 30, 1991. The personnel director will make every effort to accommodate both employees and the unit involved in such an unlikely set of circumstances.

C. Voluntary Indefinite Reduction in Contract Year

Members of the administration and administrative staff may propose an indefinite reduction in their contract year from 12 months to 11, 10 or 9 months with salary paid over a 12 month period (if desired) and continuation of health benefits at the same method of payment offered 12 month employees. All other benefits will be prorated. The unit, the college and the employee shall mutually agree upon the period of responsibility. That period of responsibility will not vary from one year to the next. A proposal for voluntary reduction in the contract year must be submitted in writing to the manager by January 15, 1991.

D. Voluntary Indefinite Reduction in Work Week

Administrators and administrative staff may propose a reduced work week. For the purpose of this policy, a "reduced work week schedule" shall consist of a schedule of less than full time (forty (40) hours or thirty-five (35) hours), but at least 20 hours of work per week. A reduction in work week is an indefinite reduction in position FTE. The proposal for a reduced work week shall specify the arrangement desired (the number of days to be worked each week, for example, or the number of hours worked each day, and the proposed schedule for such an arrangement). Any employee who takes this option shall continue to receive his/her current health insurance benefit. All other benefits shall be proportionately prorated. This change in benefit policy applies only to employees voluntarily reducing in time. Employees currently holding positions which are less than full time and are not reducing in time will continue to receive all benefits on a prorated basis. New employees hired for positions that are less than full time will receive all benefits on a prorated basis. A proposal for voluntary reduction in work week must be submitted in writing to the manager by January 15, 1991.

2. Voluntary Temporary Cost Saving Alternatives

Temporary cost saving alternatives offered to employees are intended to reduce the salary expenditure in the current year, but have no permanent effect on the salary base.

A. Voluntary Unpaid Leave of Absence

An employee may propose taking an unpaid leave of absence for a period of one to six months. Under this option, the employee is not required to propose a specific purpose for the leave, other than to provide the opportunity for the college to achieve cost savings.

An employee on such a voluntary leave without pay shall have health benefits continued according to the same rate payment schedule during this leave and the college will continue life and disability benefits. At the end of the agreed upon leave, the employee shall return to his/her position. This proposal must be submitted in writing to the manager by January 15, 1991.

B. Intermittent Time Off Without Pay

An employee may propose taking intermittent time off without pay. In making such a proposal, the employee shall specify the number of days to be taken over a specific period of time. The total number of days off under this option may not exceed 30 days in any fiscal year. The employee shall submit a plan to the manager by January 15, 1991. The plan may identify specific times up to 30 days unpaid leave with advance approval, or may be a request for blanket authorization to use up to 30 days unpaid leave with a minimum of five days notice of request to the supervisor required. In any case, the supervisor may deny use of a specific day or time period based on departmental need. The employee shall continue to receive all benefits of his/her position during this unpaid leave.

C. Job Sharing

Two employees from the same unit may propose sharing a single full time position. Each employee shall work 17.5 or 20 hours per week (dependent upon work week of position) (50% time) and shall continue to receive current health insurance benefits. All other benefits shall be prorated. This change in benefit policy applies only to employees voluntarily reducing in time through job sharing. Employees currently holding positions which are less than full time and are not reducing in time as a result of job sharing will continue to receive all benefits on a prorated basis. Two employees may share a single full time position on a basis other than fifty percent time, provided that the person at less than fifty percent time understands that s/he will cease to have benefits other than retirement. Employees who propose to share a position shall do so for a minimum of one year. A proposal for job sharing must be submitted to the manager by January 15, 1990.

3. Reorganization and Targeting Positions for Elimination

When, and if, voluntary cost saving alternatives do not yield the necessary salary savings within a unit or area, the next step in the workforce management program will be the targeting of positions or portions of positions for elimination. This will require managers to develop a plan and method for reorganization within each unit. The manager shall review positions and functions rather than the individual incumbent except where particular attention must be paid to maintaining diversity in the workforce. Employees holding positions targeted for elimination will be reassigned to comparable positions vacated elsewhere on campus whenever possible (see Reassignment). Managers are required to include positions targeted for elimination in their workforce management proposal. Employees holding targeted positions will be notified after the plan has been approved. Formal notification to the employee will be generated by the Personnel Office through the manager by March 1, 1991. Positions targeted will be eliminated by June 30, 1991. It may not be the case that a position vacated within the unit through normal attrition will be eliminated if that position is critical to the operations of the unit. Positions targeted for elimination will be permanently removed from the budget.

Reassignment

When the manager recommends the elimination of position(s), the employee currently filling that position will be eligible for reassignment to positions elsewhere vacated through voluntary options and attrition and slated for retention, provided the employee meets the qualifications required to perform the duties and responsibilities of the position. This reassignment will be accomplished through a job match program administered by the director of personnel and may include some limited training to enhance existing skills and abilities. This training may occur at the job site or at some off campus facility selected by the personnel director. Skills such as typing, word processing, other computer use skills and training in general office procedures are examples of the types of training that will be made available. Some on-the-job training may be necessary for certain types of positions. If an employee is reassigned to a position of the same grade level as the currently held position, there will be no change in the current salary. If the employee is reassigned to a position of a higher grade level, the normal promotional formula will be used to determine salary level. If an employee is reassigned to a position which is a lower grade than the current position, the employee's salary will not be reduced unless it exceeds the maximum salary level of the lower grade. Under these circumstances the maximum salary of the new grade will be the employee's new salary.

Employees holding positions targeted for elimination will be notified by March 1, 1991 that their position will not be refunded for the fiscal'92 year. This should allow effected employees ample time to review all options available internally and externally. Through a job match program the personnel director will review available vacancies and evaluate skills, experience and qualifications of employees opting for reassignment. Working with each individual and managers, the director will make every effort to place the employees in positions best suited to their abilities while considering the needs of the unit. When several employees qualify for the same position, they will be referred to the manager in order of seniority. After interviewing the candidates, the manager may offer the position to any one of the referred employees. If the college is unable to reassign employees(s) holding targeted positions by June 30, 1991, the employee(s) will be laid off. Under these circumstances the employee(s) is eligible to file for unemployment compensation. Letters of reference from the appropriate supervisor(s) will be made available upon request to employee(s) who terminate in good standing.

A separation bonus equal to one week's salary for each year of employment, not to exceed ten weeks salary, will be paid to employees who terminate under these circumstances. This separation bonus does not apply to anyone who resigns for any reason other than the elimination of their position.

In addition to the above separation bonus, employees are entitled to all terminal pay due for awarded vacation, personal days, holidays not utilized, and for hours worked, but not yet paid. Any employee terminating employment from the college who does so in good standing will have first consideration for positions that become available and will be entitled to retain their seniority for a period of six months. If the employee returns to Hampshire College employment within six months of his/her official separation date, prior years of service will determine step levels and benefit award rates.

Employees who do not wish to be considered for reassignment through the job match program will receive the appropriate letters of reference if they terminate employment in good standing and are entitled to the same separation bonus described above. The college will not support a claim for unemployment compensation under these circumstances.

Job Recombination Policy

When, as a result of position reductions or the need for departmental reorganization, the duties and responsibilities of positions must be combined, the employees who will assume these variances to their current job description can expect that managers and the administration will follow standard procedures to insure that the employee is well informed. Employees will be informed of the process, changes to their current job descriptions, and any additional compensation due them as a result of the combination of two or more functions. If the organizational change is deemed to be unsatisfactory, after a reasonable assessment period, the employee will be informed of the effect this decision will have on his/her status.

Certain procedures will be in effect for the employee's benefit. Above all, managers will inform employees affected by organizational change as soon as such decisions are reached to provide ample time and opportunity for an employee and manager to determine the feasibility of the reorganization.

Once it has been determined what the new job responsibilities will be, a formal letter outlining these responsibilities including any special training required and means for accomplishing same along with the manager's expectations will be forwarded to the employee for review and signature of agreement. This letter will include specifications for an organizational review of the position within and up to six months. A mandatory review will take place at the half way point of the assessment period. This will provide ample opportunity for both the employee and manager to discuss if the revision of duties is workable.

When recombination occurs and an employee is not in agreement with the addition of duties and responsibilities to his/her current ones, the employee may elect to resign. In such cases, the employee will be eligible for the same separation benefits outlined in "Reassignment." The college will not support a claim for unemployment compensation under these circumstances.

Additional compensation equal to 2.5% of the employee's current salary will be awarded to employees taking on additional duties and responsibilities as a result of job combinations during the first six months of the organizational change. Within three to six months, the manager and employee will determine whether or not this organizational change will be a permanent one. If it is decided that the change is permanent, a new job description and request for re-evaluation of the position will be forwarded to the personnel director for consideration. The personnel director will classify the position appropriately.

If the position is upgraded to a higher level, the employee will receive the regular promotional increase for the new grade less the amount awarded when the position was first recombined. If there is no change in classification, the employee will not relinquish the additional compensation awarded.

If, after the three to six months, it is determined that the recombination is not organizationally effective or that the employee is unable to perform the duties of the position as defined, it will be the manager's responsibility to review the position, assess the duties, responsibilities and expectations, and provide an equitable solution to the problem. (This paragraph is currently under review by SAC.)

4. Transition Assistance

Departmental transition assistance will vary depending on the particular set of organizational circumstances. It is a transition management process that includes procedures for:

a. Organizational, group, and individual communication;
b. Emotional support;
c. Leadership;
d. Unit restructuring;
e. Team building.

The goals for organizational transition assistance include:

a. Insuring an understanding of the workforce management, and transition process and guidelines;
b. Clarifying roles and responsibilities;
c. Delivering appropriate messages to employees;
d. Insuring an understanding of the effects of change on Hampshire College units and employees;
e. Insuring an understanding of personal transition management;
f. Supporting all employees during transition;
g. Developing action plans.

A. Job Matching Component

Goal: To reduce potential layoffs or terminations by fully utilizing existing staff prior to initiating off campus searches.

Strategy: To match qualified administrators and administrative staff who would be laid off or terminated from a targeted position to vacant positions slated for retention. Involved parties will work with the Affirmative Action Officer to insure attention to equal employment opportunities and on campus career advancement.

Eligibility: 1. All non-academic employees holding positions targeted for elimination are eligible for matching to all existing and future vacancies not targeted for elimination;

2. Positions requiring specific licenses or educational requirements will be exempt from the pool when no existing employee meets those requirements.

B. Outplacement Component

1. Designate outplacement coordinator (Personnel Director) to work in conjunction with an outplacement team consisting of the Affirmative Action Officer and the immediate supervisor of the affected employee;

2. Determine affected employee's outplacement service needs and develop a profile for affected individual that includes, but is not limited to, the following:

   a. Skill area and level;
   b. Educational background;
   c. Length of service;
   d. Work history and experience (internal);
   e. Work history and experience (external);
   f. Current salary and benefit level;
   g. Protected class status.

3. Identify external programs and services for placement assistance:

   a. Career centers;
   b. Division of Employment and Training;
   c. Job match programs;
   d. Employee Assistance Program.

4. Establish method of record keeping, i.e., outplacement file for each individual;

5. Identify potential external employers, list available positions and make appropriate referrals;

6. Develop administrative support (negotiate with affected unit):

   a. Arrange release-time for employee participation in outplacement activities;
   b. Assist in preparation of applications, resumes and other correspondence as necessary.

7. Monitor movement activities, and status of each affected individual;

8. Exit interview.

C. Rumor Control Unit

1. The rumor control unit will meet as frequently as needed and may comprise the following individuals:

   a. Personnel Office Representative;
   b. News Office Representative;
   c. SAC Representative;
   d. Executive Assistant to President.

2. The rumor control unit will be responsible for providing assistance in:

   a. Insuring that information is accurate and timely;
   b. Insuring that confidentiality is maintained at all levels i.e., the typing of correspondence, Personnel Change Notices, etc.
   c. Insuring the continuous flow of accurate information to all interested parties before, during, and after the transition period;
   d. Insuring timely response to instances of misinformation.

III. Emergency Plan

It is the intent of the workforce management plan to provide the means necessary to achieve the needed reduction in the compensation budget without resorting to drastic, more painful measures. However, it is possible that, even when well implemented, this plan will not provide us with a reduction of $700,000, moreover, the assumption that an additional $500,000 can be reduced from the noncompensation budget is questionable. There are measures that can help us to reach our goal if all else fails, for example:

1. Mandatory Reduction in Work Week

There are currently 56 employees whose regularly scheduled work week is 40 hours. A reduction in work week, effective July 1, 1991, to 35 hours will save approximately $149,000. Since we have agreed to maintain the 8% increase to the salary pool for next year, it is possible to reduce these work weeks and still maintain the salaries July 1, 1991 to level funding or perhaps slightly increase them.

2. Revision of Salary Pool Allocation

If by June 30, 1991 we have not met our reduction goal, we could hold in reserve half of the salary pool increase (4%) to be distributed on January 1, 1991 if we have reduced the size of the budget adequately. This will save $17,000 from the FY'92 compensation budget. It may be necessary to reduce the percentage of dollars for distribution by 1% or more.

3. Additional Layoffs

If we do not achieve the required budget reduction, additional layoffs may be necessary. In that event, employees can and will expect the same separation bonus described in page 8, paragraph 3. In addition, all efforts will be made through the outplacement component to place employees laid off in available positions at other institutions and businesses.

In the event we fall short of the $1,200,000 reduction needed, consideration of additional faculty FTE reductions and additional staff reductions may be necessary. We must proceed cautiously when considering additional reductions at that point. The real possibility exists for us to diminish our workforce to the extent that we are no longer able to provide the educational support and services needed to maintain a healthy institution. All segments of the community must collectively work toward the success of this or any plan to achieve our goal.