

Final Report of the Situation
The Division of Administration and Finance
NMSU
October, 2012

Introduction

The Division of Administration and Finance at New Mexico State University executed an interview process of as many of its roughly 700 employees as possible, between Oct. 1 and 10, 2012. The purpose of these interviews was to gather data to describe the current state of the organization for a strategic planning initiative.

The Division also decided to perform a scan of up to 14 customer groups, in order to gather external data on the Division's performance and opportunities.

This report provides the results of the employee interviews and the customer scan data just for the Division. Work unit specific customer scan data will be reported with each unit.

While an interview and analysis process of this type usually delivers a relatively good snapshot of the non-technical characteristics of an organization, it must be kept in perspective as being only a 'snapshot' in time. The reported results must be integrated with the day-to-day and historical evidence available to the organization. Interview data is credible because we seek patterns of information and do not report stand-alone individual comments, but this data is also one sided. The total picture should be considered before conclusions are drawn or actions taken.

The Division leadership is reminded that employees in the interviews were promised that they would see this report at some time after the interviews and analysis were complete.

Report of the Situation for The Division of Administration and Finance

Overview

The Division of Administration and Finance has grown at a remarkable pace over the past several years. Beginning with the core financial services section, the following organizations have been added:

- HR Services
- Facilities & Services
- Auxiliary Services
- ICT

The AFD (Administration and Finance Division) now has a significant role in virtually all aspects of the institution, including student life, because all aspects of the institution require money and employees in order to do their jobs.

The recent history of the Division would suggest that specific events have led to characteristics that are common across all to most units of the Division. The two specific events were the PPD 'incident' and the national economic crisis. The first led to imposed changes that the Division had to implement. The second forced budgetary decisions that drove reduction of employees and reduced funding for services.

The Division today is still trying to adapt to and adjust the impact of many of the changes driven by these historical factors.

Strengths

Strengths are those characteristics of the organization that can be used as assets to build upon and to utilize in executing a strategic plan. In combination with opportunities, strengths can identify those activities that should be considered as something to be done as part of the strategic plan.

The following strengths are specific to the AFD. They are not offered in any priority order. Prioritization will be the subject of the SWOT workshop on 10/19.

1. There is a designed and intentional performance evaluation system that is in use across the organization and it has been improving as time goes forward. The purpose of this system is to provide annual (at least) feedback to each individual employee, at any level, on their job performance, and to set goals to be reached in the following year. This system is clearly known to virtually all employees, although there are great variations in the effectiveness of its execution.
2. There is a policy known as the Open Door Policy that appears to be well known throughout the Division. This policy has two components and the one that can be an asset in strategic planning is that any employee has the right to ask anyone, at any level, for information or assistance in performing their function. This policy is effectively used in various segments of AFD, but not in all.
3. There is an effort, on a semi-annual basis, to communicate information on direction, issues, big picture things, etc. to all employees. The appreciation and perceived usefulness of this opportunity varies widely, but the fact that it exists is a strength of the Division.
4. There is at least one formal Division-wide recognition/appreciation program known as "We Care". This is unique in that it is employee funded, on a voluntary basis, and the employee to be recognized is nominated by employees and the winner is selected by an employee committee.
5. In addition to the recognition system in #4, employees report receiving emails from Angela and/or D'Anne when they have done something deserving of special recognition. Such recognitions are very cherished and while there should be more of this kind of thing throughout the Division, from all management personnel, the fact that this is happening at the most senior level is a definite signal that employee recognition and appreciation is a value of the organization.

The following strengths are not limited to the Division. They tend to be strengths that are inherent in working at NMSU. Nevertheless, they should be considered as assets to be called upon in the strategic planning exercise. These also are not listed in any priority order.

1. For many employees, to be able to work at a job they enjoy within the environment of an institution of higher learning is, in and of itself, seen as an enormously positive aspect of their work lives. To be able to make a difference in the lives and futures of students and of those who are teaching and guiding the students, or otherwise serving the students and faculty, is an overarching positive attribute for a good number of employees.
2. The natural environment of an institution of higher learning, with the plethora of performing and visual arts events and opportunities, athletic programs, entertainment events, health care facilities, athletic facilities they can use, and the opportunity to take a course free of charge and for their spouses to take a course free of charge, is another enormous positive for employees.
3. Most of the employees say outright that they love their jobs! They may intensely dislike the politics, supervision, policies and perceived excessive management they have to endure to do their jobs, but they have migrated to a type of work they enjoy.
4. The 'benefits' programs - including health insurance, holidays, sick leave, annual leave and retirement - are seen as unbeatable even in the private sector. The benefits offered to people working at NMSU are a major draw to join and to stay in the workforce at the university.
5. For the most part, and there certainly are localized significant exceptions, employees like the people they work with - especially their close associates, their co-workers in any particular work unit. People within AFD tend to get along and work together well, often across work unit lines, but most profoundly within a given work unit.

The Apparent Priorities of the Roles of AFD

One can look at AFD as having three primary responsibilities at NMSU:

- Compliance and Protection
 - To assure that financial and regulatory controls are in place and are adhered to throughout the Division and the institution
 - To protect the institution by minimizing the potential for litigation, audits and negative public attention
- Stewardship
 - To assure that the public funds made available to the institution are utilized in the most effective and efficient ways possible
 - To minimize the waste or loss of these funds
- Service and Support

- To provide many of the vital services needed for the operation of the institution, from maintenance and cleaning to hiring and retaining employees
- To support the multitude of organizations throughout the institution so that they can play their roles as effectively and efficiently as possible

Whether resulting from directives at the Regent's level, the instability of Presidential leadership, the "PPD incident" or other factors, the Compliance and Protection role appears to be the paramount concern of the Division. The Stewardship role is seen as almost as important as that of Compliance and Protection. The customers and employees would say that the Service and Support role takes a distant third place in policy making and in the way the Division performs.

If one accepts these apparent priorities of the Division, it must be noted that the Division is performing very well on the first two.

Based on the results of the Situation Analysis reports for the various units of AFD, and based on the input gained from customers, the employees and customers of AFD are clamoring for a partnership relationship in the future. They are looking for an organization that will reach out and assist them in getting their jobs done - one that plays a role in finding creative solutions to the many challenges individuals and organizations face every day.

The reality of these priorities must be addressed as part of Strategic Planning. Serious consideration should be given to increasing the priority and importance of Service and Support, even if it means reducing some time and other resources spent on compliance, protection and stewardship.

One Organization or a Confederacy?

The current state of AFD would suggest that the various major organizational units (FS, AS, ICT and Business/Finance) are not required to work closely together on a daily basis to get their jobs done. They certainly do work together, of course, because they are customers and vendors to each other – of information and services – the same as all the other organizations throughout the University.

It is understood that the decision has already been made by the various components of AFD that they will come together and operate as 'one united organization' relative to strategic planning. That is a laudable decision but one that will require some significant changes in philosophy and behavior. For example, the fact that there exist several standalone IT-like functions within AFD, and across the campus, should raise the question as to why they exist and why they should not be a part of ICT.

One Size Fits All

One of the common threads seen throughout the Division is that there is an attempt to impose common policies in all areas. Many of the challenges reported in the different work units would suggest that the apparent philosophy that 'one size fits all' represents an opportunity for improvement.

AFD consists of revenue generating operations (many of the functions of ICT, AS and FS bring in revenue) and cost centers (most of Business and Finance, for example). Significant obstacles to performance can be set up by imposing some common policies to both types of operations. For example, industry standards in many revenue generating functions allow for up to 1% 'losses' in the collection of these revenues. Compare this to a payroll function where the amount paid to individuals must be accounted for and accurate to the penny. The same accounting policies cannot be necessarily applied to both situations.

Other examples would include those functions that are on call 24/7 – FS, ICT and AS all have such situations. The same policies on 'flex' time may not be as relevant to an office environment where off hours call-ins are rare to non-existent as they are to on-call operations.

Naturally there should be common policies across the Division wherever it is reasonable. It appears that over time there has developed an excessive level of such policies and these are causing considerable frustration and difficulty for various operations and many people. There is an opportunity to create some policies that are specific to the nature of each organization.

Micro-management and Gridlock

There is a level of bureaucracy and gridlock in AFD that should be considered a concern. Processes are complex, policies are relatively rigid, and there are innumerable rules to be followed. Decision making appears to be centralized in a few key individuals, driving the sense of micro-management and enhancing the perception that the organization is gridlocked.

It is highly likely that these conditions are a direct outgrowth of the operating priorities of AFD – Compliance and Protection first and Stewardship a close second. They are also an outgrowth of the historical events.

There is no question that there is considerable opportunity to increase the trust in employees to do their jobs without excess supervision and to reduce the number of approvals and the complexity of processes by recognizing that mistakes are going to occur and that a human-based system cannot reach perfection in its performance. On the whole, the employees are a hard-working and impressive group and will undoubtedly be willing to give far more than they do today if they feel greater trust, respect and freedom to act.

Top Heavy With Management

Taking into account just the number of Director level managers in the Division – it has been reported that there are approximately 42 of these - this means that there are about 18 employees per Director. When one adds in all the lower levels of management, down to the first line supervisor, it would appear on the surface that the Division is a bit top heavy. Given that the number of ‘boots on the ground’ has diminished due to austerity measures, it would appear that there is an opportunity to flatten the organization and change the ratio – adding first level personnel and reducing the number of management personnel.

The Customer Scan for the Division

The Division’s results from the interviews of 14 groups of customers are reported in the following. This report consists primarily of actual customer input – unfiltered or edited.

Administration and Finance Division

These comments were not made without a particular work unit identified or they were intended to be for the Division as a whole.

Strengths

- They do a lot with what they have to work with
- Angela and D’Anne have been very helpful with some recent budget problems
- We have received great support from Angela’s office
- Angela’s office helped us retrieve funds that disappeared from our accounts

Needs for Improvement

- Need to streamline forms throughout the Division
- Communications are a real challenge
 - When trying to reach individuals or some specific work units, you will *always* get a voice mail box. They don’t answer their phones. You must leave a message or send an email.
 - Sometimes they never respond.
 - You may leave a message for someone who is on leave and, if you ever hear from them, it may be a week or more later.
 - The result is that ‘customers’ of AFD are constantly waiting to get an answer so they can move forward on some activity
 - Said one person, “It is like calling the Post Office.”

A common theme underlying many of these comments is the sense that AFD is attempting to impose a ‘one size fits all’ model across a widely diverse institution