

EMPLOYEE AND LABOR RELATIONS

STUDENT WORKBOOK



Hudson College

Scenario B: Employee Engagement

By Steve Riccio, Ed.D., SPHR

PROJECT TEAM

Author: Steve Riccio, Ed.D., SPHR
SHRM project contributor: Bill Schaefer, CEBS, SPHR
External contributor: Sharon H. Leonard
Copy editing: Katya Scanlan, copy editor
Design: Terry Biddle, senior design specialist

© 2014 Society for Human Resource Management. Steve Riccio, Ed.D., SPHR

Please note: All company and individual names in this case are fictional.

For more information, please contact:
SHRM Academic Initiatives
1800 Duke Street Alexandria, VA 22314 USA
Phone: (800) 283-7476
Fax: (703) 535-6432

Hudson College: Overview

Founded in 1881, Hudson College is a private liberal arts institution located in Beacon, New York. Hudson is a four-year undergraduate institution accredited through the Middle States Association of Colleges and Schools. Nestled in the Hudson River Valley in Dutchess County between New York City and Albany, Hudson College prides itself in its core values of creativity, collaboration and civility. One of its strengths is its strong partnership with the vibrant Beacon community. Many of Hudson's employees serve on boards of local nonprofit organizations. Three years ago, the college helped improve the local transit system to provide better access to transportation for students and college employees. The college's presence in the downtown region is evident with the recent construction of the college bookstore, a coffee house and three student housing complexes along the Hudson River waterfront. Students choose Hudson for a variety of reasons, but most often they point to the low faculty-to-student ratio (12:1), the variety of academic programming and the proximity to New York City (approximately a one-hour drive).

Dr. Sara Richards became the 13th president of the college last year. She replaced the popular Dr. Robert McNulty, who retired after a 12-year tenure, which included a 20 percent increase in student applications, the addition of 15 academic programs, a strong emphasis on global education (the college now offers eight study abroad programs), and an increase in the enrollment of international students from 3 to 7 percent of the total enrollment.

Richards came to Hudson after serving as the provost at a similar liberal arts institution in the Midwestern region of the country. The transition from McNulty to Richards has been viewed as positive, but for many, it is too soon to tell. There is a small number of students and employees who feel the college lacks the necessary leadership to take Hudson to the next level. Richards reports directly to the board of trustees.

Edward Coburn has served as the board chair for the past three years. He retired in 2011 after a long, successful career at Appalachian Trust Bank in Poughkeepsie, New York, where he was the chief executive officer during the last 11 years of his career. The board of trustees, who traditionally have not meddled in human resource (HR) operations, are deeply concerned about the rise in health care costs and have focused their attention on this and other financial challenges facing the college.

Like so many colleges and universities, Hudson has been challenged by the difficult economic climate, increased competition among schools within and outside its peer group, and external pressure from its key stakeholders. The college's current strategic plan, now in its fourth year, outlined an ambitious agenda focused on diversity and inclusion, a reenergized commitment to increasing the school's affinity among its

alumni, and a multiyear capital project initiative that includes new construction and renovations to support the academic and residential experiences for students.

Hudson's endowment, despite losing 16 percent between 2008 and 2010 due to market conditions, has now reached \$350 million for the first time in the college's history. Despite serving as a positive performance measurement, most of this growth can be attributed to a rebound in the market. Large donations from alumni have been difficult to secure, making it a challenge to keep up with competitors.

David Bridges, vice president of human resources and risk management, has been in his current role for six years. He came to Hudson College from a university in New York City, where he was the director of human resources. Bridges has been described by his colleagues as a visionary who has led several key initiatives since coming to Hudson, including increasing efficiencies through technology enhancements and offering a more competitive compensation model compared to the local market and its peer institutions. Bridges reports directly to Richards.

Janet Mullins, director of human resources, has worked in the human resources and risk management division for 19 years. She started her career as a benefits analyst and moved into her current role shortly after Bridges' arrival. She reports directly to Bridges.

Elizabeth Guthry, director of organizational development, recently transitioned to higher education after six years as a corporate trainer for a *Fortune* 500 company. She has struggled with the cultural differences and has found it difficult to produce positive change in her short time at Hudson. She also reports directly to Bridges.

Hudson College has been named one of the "Top 100 Best Organizations to Work For in the State of New York" for four years in a row. Many attribute this ranking to the college's strong sense of teamwork and employee loyalty to the institution. The human resources and risk management division has also been recognized by local surveys for its care for employees and family-friendly benefits. Despite these recognitions, some faculty and administrative staff believe recent retirements and resignations of individuals in key positions have affected employee morale and the college's reputation of providing outstanding service to its students. Most of the open positions created by these departures were filled by external candidates, causing employees to question the college's commitment to its own people.

IN DAVID'S OFFICE

Bridges has been putting together a summary document he planned on giving Richards to prepare for their annual meeting about the division's goals for the upcoming year. As Bridges reflects on the past year, he notes a number of significant accomplishments that were made in the division. Despite these successes, he admits that it has been the most challenging year since he joined Hudson College.

REFERENCES

Balzer, W. (2010). *Lean Higher Education: Increasing the Value and Performance of University Processes*. Boca Raton, FL: CRC Press.

INSTITUTIONAL DATA	
Category	Figures
Enrollment	2,641 undergraduate students
Percentage of international students	7%
Percentage of students of color	13%
Acceptance rate*	46.1%
Discount rate**	44.8%
Retention rate	92%
Endowment (current)	\$354,106,198
Fundraising (fiscal year)	\$9,828,637

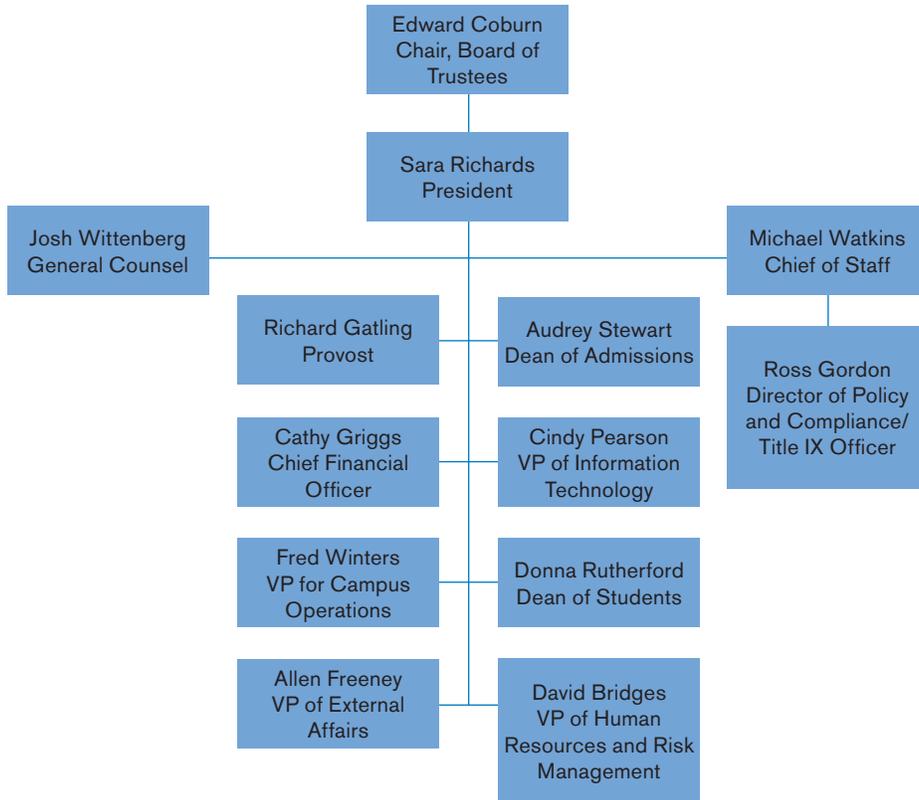
* Acceptance rate: The percentage of student applicants the college accepts.

** Discount rate: Institutional grant aid awarded to undergraduates as a percentage of the institution's gross tuition revenue.

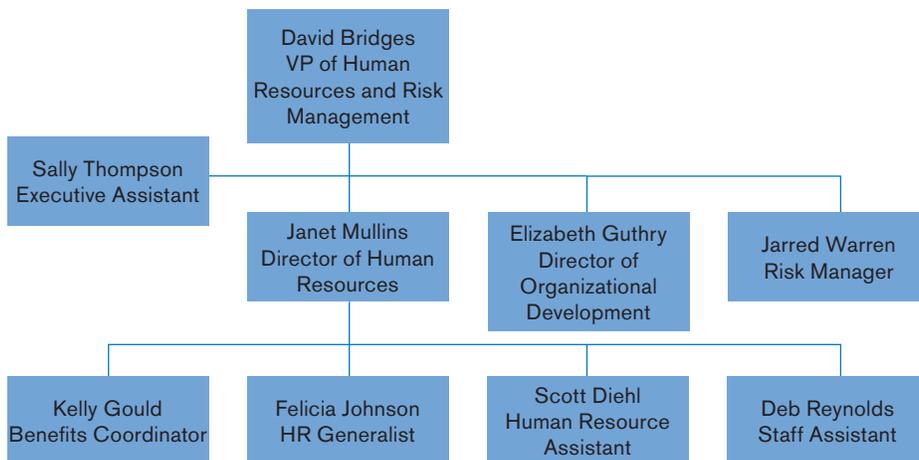
NUMBER OF FULL-TIME EMPLOYEES BY GENDER			
Number of Full-Time Employees	Male	Female	Total
Faculty	113	93	206
Administrative	109	141	250
Hourly	106	167	273
Total	328	401	729

EEO STATUS (FULL-TIME)		
Classification	Number of Employees	% of Total Employees
African American, Black	133	18.2%
Asian American	34	4.7%
Hispanic, Latino	103	14.1%
Multiethnic	6	0.8%
Native American, Alaskan Native	5	0.6%
White or Caucasian	448	61.4%

ORGANIZATIONAL CHART: EXECUTIVE TEAM



ORGANIZATIONAL CHART: DIVISION OF HUMAN RESOURCES AND RISK MANAGEMENT



Scenario B: Employee Engagement

PLAYERS

- David Bridges, vice president of human resources and risk management
- Janet Mullins, director of human resources
- Elizabeth Guthry, director of organizational development

IN BRIDGES' OFFICE

Bridges scanned an e-mail listing the “Top 100 Organizations in the State of New York” for this year. To his amazement, Hudson College was not on the list for the first time in five years. After reflecting on the results a moment, he thought, “This really isn’t a surprise after the year that we’ve had.” David’s first instinct was to call Janet Mullins, director of human resources, who had submitted the application each of the last eight years Hudson had participated in the survey. While being named to this distinguished list was an excellent employee recruiting tool for Hudson College, the overall results were valuable because they provided the aggregate data of employees’ responses to the application’s cultural assessment survey. The HR division had worked with the mathematics department for the past five years to interpret the survey results when they were received from the vendor and before the results were published to employees with specific action steps identified. The top 100 organizations across all industries were chosen based on the survey results. Last year, Hudson was one of only four higher education institutions to make the list. The HR division has not identified performance metrics to determine employee engagement levels beyond the survey data that the college received each year for its participation.

Bridges called Mullins, who answered immediately. “I guess you saw the e-mail,” said Bridges.

“I did,” replied Mullins.

“This should give us plenty to talk about at lunch today.” Bridges and Mullins had lunch once a month to discuss current issues and future initiatives. Today, as they did on most occasions, they chose to eat at the Valley Deli, located in Beacon’s business district, just a couple of blocks away from the campus.

For the past four years, Mullins held a celebratory event during the winter break to thank employees for their hard work in helping earn the distinction. Mullins partnered with the communications and marketing department to help generate enthusiasm for the event. Bridges and Richards (and McNulty in the past) would offer a few appreciative remarks to employees during the event. A large banner was hung in the banquet room during the event, listing each of the years in which the

award was received. It then was rehung inside the Student Union Building for the rest of the year because it was the area that received the most foot traffic.

AT THE VALLEY DELI

As they sat down for lunch, Mullins said, “I’m not so sure I really want to eat anything. I’m still in disbelief that we were not on the list this year.”

Bridges had called the vendor for the preliminary results from the survey just before lunch and gave a copy to Mullins. After a few minutes of quiet review of the data, Bridges thought he knew the biggest issues, but he wanted to first hear from Mullins.

“Well, to start, I’m noticing a much lower score than in previous years related to collaboration across the campus,” said Mullins. “The working relationship between supervisors and employees has always been a point of discussion, but it seems to be of great concern, particularly in the area of career development.”

Bridges agreed with Mullins. “The statement, ‘Performance issues are dealt with in an appropriate and timely manner’ is another area of concern. I’m identifying a theme based on these results,” he said.

“What’s that?” asked Mullins.

“As a college, we are not engaging in enough conversation,” said Bridges.

“I’m not sure I understand. Sometimes I think we engage in too much conversation and not enough execution,” responded Mullins.

Without pause, Bridges said, “It’s the fact that we aren’t having the conversations we need to have.”

Mullins nodded in agreement without saying a word. She recalled a number of conversations she has had with employees and supervisors. “They seem comfortable in talking with us, but not with colleagues in their own departments,” she said.

Bridges agreed, replying, “That’s right, and it’s beginning to take its toll on morale.”

After the waiter took their orders, Bridges said, “I need to have a conversation with Elizabeth to get her reaction. She’s definitely going to be upset. She came on board shortly after we published last year’s results. I felt she could address some of the key areas that needed help. Unfortunately, we are going in the opposite direction.” He continued, “She is the eyes and ears for our division in meeting with employee groups around campus. Janet, I’d like you to meet with Elizabeth given your history with the survey. I think your perspective will be helpful to her. I just wish we would have done it sooner.”

Mullins replied, “I would be happy to have that conversation.”

IN ELIZABETH GUTHRY'S OFFICE

Bridges walked into Guthry's office after he returned from lunch to share the survey results with her. Guthry previously has expressed her frustration with her transition to Hudson. She admitted that working for higher education, while having its advantages, could be difficult in terms of creating lasting change.

"Elizabeth, do you have a second?" asked Bridges.

"Sure," Guthry replied.

"I just received the results from this year's 'Top 100 Organizations' survey. Unfortunately, we did not make this year's list," said Bridges as he shut the door behind him. "I had lunch with Janet and shared the results with her. Here's a copy for your review."

Guthry, looking deeply concerned, asked, "What more can we do? We've stayed connected with each division and helped them through a variety of initiatives."

Bridges responded, "I know we are meeting each division's expectations. But are we really addressing what they really need?"

"I'm not sure I quite understand," said Guthry.

"Have any specific actions been taken on the previous years' results since your arrival?" asked Bridges.

Guthry hesitated, not being able to recall any specific initiatives taken based on the results from recent years.

"I asked Janet to arrange a meeting with you given her background with the survey process and your expertise in organizational development," Bridges explained. "We need to develop a strategy to address these concerns." He continued somewhat emphatically, "Not being on the list is one thing, but I'm mainly concerned with how this can affect turnover, productivity and service to our students. When I spoke with the vendor before lunch, he said he would be more than happy to help us interpret the survey data."

Guthry acknowledged Bridges' concern as he reached for the door to leave her office. "I'll be sure to work with Janet to identify key priorities," Guthry replied. With that, Bridges left her office, and she began scanning the results from the previous three years while waiting for Mullins' call.

SURVEY RESULTS OF THE TOP 100 ORGANIZATIONS IN THE STATE OF NEW YORK (HUDSON COLLEGE 2011-2013)

The chart below lists the aggregate score from a series of 15 questions asked in the “Top 100 Organizations in the State of New York” assessment. Faculty, administrators and staff were invited to participate in the survey. The overall response rate for the most recent survey was 54 percent, compared with 58 percent in 2012 and 66 percent in 2011.

Survey respondents were asked to rank statements on a scale of 1 to 6, with 1 being the lowest (strongly disagree with the statement) and 6 being the highest (strongly agree with the statement).

The following data represent the percentage of respondents who either agreed or strongly agreed with the statement.

Survey Question	2011	2012	2013
1. My skills and abilities are used effectively.	86%	84%	81%
2. I am recognized for my contributions to the organization.	78%	74%	68%
3. I clearly understand how my role affects the success of the organization.	89%	85%	86%
4. I receive feedback from my immediate supervisor regularly.	87%	81%	77%
5. I have a good working relationship with my immediate supervisor.	86%	86%	82%
6. My immediate supervisor listens to ideas and feedback when offered.	81%	76%	73%
7. My immediate supervisor supports my career development.	78%	78%	71%
8. Our department speaks openly about issues that can affect our work.	74%	68%	63%
9. Performance issues are dealt with in an appropriate and timely manner.	64%	58%	55%
10. Our department works well to support our constituents.	77%	79%	76%
11. Strong communication takes place throughout the organization.	68%	64%	59%
12. The organization's policies and practices provide for a fair and productive work environment.	85%	85%	86%
13. The organization takes an active interest in the work/life balance of employees.	78%	73%	71%
14. I feel a great sense of loyalty to the organization.	87%	85%	82%
15. I enjoy working for this organization.	85%	81%	78%

SCENARIO B: QUESTIONS FOR UNDERGRADUATE STUDENTS

1. Describe the approach Mullins and Guthry should recommend to Bridges.
2. Beyond a cultural assessment, what are some other strategies HR departments can implement to determine employee engagement?
3. What impact will not being named to the “Top 100 Organizations in the State of New York” list have on employee morale? What approaches can human resources take to minimize the impact?

SCENARIO B: QUESTIONS FOR GRADUATE STUDENTS

1. Communicating the news of not being named to this year’s “Top 100 Organizations in the State of New York” list will be a sensitive matter. Outline a communication strategy that is transparent while minimizing the impact the news will have on employee morale.
2. What would you determine to be the key initiatives that human resources and risk management should focus on based on the survey results and institutional data? Explain your rationale.

If you are not a SHRM member and would like to become one, please visit
<http://www.shrm.org/about/membership/pages/default.aspx>.



SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

1800 Duke Street
Alexandria, VA 22314-3499