

The Shared Business of People

Partnership Opportunities Abound for
HR and the Business Office



In the next few issues of *The Higher Education Workplace* magazine, we'll be exploring partnerships between human resources and other offices across campus – why you need them, how to form them and what benefits can be realized. First up: the business office. What do chief human resources officers (CHROs) and chief business officers (CBOs) stand to gain by collaborating? How do their paths cross?

How can one contribute to the other's bottom line? What competencies, skills and abilities do CHROs and CBOs need to best work together?

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to getting a budget enacted and so many other examples, the bottom line for us should be 'how does this impact our people?' And the leaders of HR and the

How Can We Partner?

So how exactly should the work of the CHRO and the CBO intersect? In many ways, says Mayher. "Every decision an institution makes in some way, shape or form impacts its people, and the CHRO and the CBO need to work together to manage that impact. From facility moves to downsizing to putting in place a compensation structure

business office are in a prime position to flesh out that impact together."

Adds Betsy Rodriguez, vice president for human resources at the University of Missouri System, "Our work often intersects on institutional strategic initiatives that require funding and people. It's important that we work together to impact those discussions and to provide guidance and help set realistic expectations."

Says Mark Coldren, head of human resources at Ithaca College, "We've just begun a workforce study on my campus where we're trying to get a snapshot of what our workforce looks like today and what it might look like five years from now. I've engaged the CBO in this endeavor so that I can get a complete picture of both financial trends and trends related to talent. Without this collaboration and the CBO's insight, I'd only have half the picture."

Another area in which CHROs and CBOs would be well served to pool their expertise and resources is in compensation and benefits. Not only can the CHRO help the CBO predict workforce issues related to salary and benefits costs, but HR can benefit from the expertise on the finance side of the house. For example, the

Closing the Divide

In many large organizations, HR and finance have long been siloed, and there often is a perceived power differential between the two. But several factors as of late, including ballooning healthcare costs, the uncertainty surrounding healthcare reform and anticipated mass retirements have created both the need and the opportunity for the two offices to work together in ways they never have before.

As Michael Mayher, senior vice president for administrative services and treasurer at Lakeland Community College, puts it, "Collaboration and communication between the head of HR and the head of the business office needs to be constant and ongoing. We need to recognize the impact each has on the other's core roles and understand how we can contribute to one another's work. When it comes right down to it, both offices' business is all about people, and people are the largest resource in an institution. If our paths are not crossing and our work is not intersecting, there's no way we're doing our jobs effectively."

CUPA-HR has partnered with the National Association of College and University Business Officers (NACUBO) to form a task force to look at the challenges and opportunities facing CHROs and CBOs in higher ed today. The group meets on a regular basis to discuss how these leaders can partner on workforce and workplace issues. The group has also presented at CUPA-HR's annual conference and NACUBO's annual meeting. Stay tuned for more information on this partnership and outcomes from the task force's work!

administration at the University of Missouri System has been working for the past four years to put in place a new compensation structure. “We knew we were going to be below market in certain positions, so we worked closely with the CBO to determine the exact financial impact by funding source,” says Rodriguez. “We’ve also made some changes to our benefits program to try and better control costs, and we invited the chief financial officer and the controller to be a part of the benefits redesign committee.”

As for the work of the business office, Mayher says it’s essential for CBOs to engage CHROs in budget talks. “The chief business officer is responsible for creating a balanced budget for the institution. If there’s a mandate to, say, decrease expenditures by 5 percent, and 70 to 80 percent of costs are tied to people, most likely there will be an impact on people. So we need HR to help us determine what that impact may be. We need to engage the CHRO in crafting a strategy for cost cutting.”

Know Your Stuff

In short, for any given strategy, the CBO can help the CHRO better understand cost implications, and the CHRO can help the CBO better understand workforce implications. But only if each side does its homework. “In order for me as a CHRO to be an effective and value-added partner to my college’s chief business officer, I have to do my homework,” says Coldren. “I need to learn about the issues and challenges that are keeping my CBO up at night. I need to have a firm grasp on finance issues, on the business of higher ed, on emerging issues and trends that affect how our business office goes about its work. And I need to show how my contributions can help him get his job done.”

“And as a chief business officer, I need to make sure that I continually tap my CHRO for advice, hard data and brainstorming as to how financial decisions impact the workforce,” adds Mayher. 

A Recipe for Productive Partnerships

What knowledge, skills and abilities do chief business officers need their chief human resources officers to possess? What competencies do heads of HR want to see in chief business officers? Members of the CUPA-HR/NACUBO task force weighed in on these questions, as did participants in a session on HR/business office partnerships at last year’s CUPA-HR annual conference.

According to the chief business officers with which we spoke, the ideal chief human resources officer will have:

- Financial acumen – able to understand the business of education and the broad short-term and long-term financial impact of decisions
- A willingness to help educate finance on HR issues, challenges and opportunities
- An understanding of the specific strategic and tactical challenges that the CBO faces
- The ability to think strategically about the broad view of the institution, not just HR needs

And according to the CHROs who weighed in, the ideal chief business officer will have:

- A firm understanding of how the budget impacts the workforce
- An understanding of the Academy and how higher ed differs from other sectors
- A recognition of the importance of supporting talent
- An open mind to HR issues and a willingness to work with and learn from their HR counterpart

Attend the concurrent session “Collaborating With the Business Office: Future Challenges and Opportunities” at the CUPA-HR Annual Conference and Expo 2014 in San Antonio this fall to learn how to strengthen the relationship between your institution’s HR organization and business office. Visit www.cupahr.org/conference2014.

Unable to attend the conference? No worries! We’ll be live tweeting and blogging from sessions and events, so be sure to follow along! The conference Twitter handle is [#cupahr14](https://twitter.com/cupahr14), and you can find The Higher Ed Workplace blog at blog.cupahr.org.