
January 28, 2013

President’s Request

President Teresa Sullivan chartered our group to consider these questions:

“Are there opportunities to simplify or improve practices at the University in ways that will clear the path to excellence? What are the systemic barriers to achievement? Do we have redundancies in the way we do business that can be streamlined? Are there policies that should be developed to ensure that we use best practices and are efficient in all of our work? For example, what is the ideal student-faculty ratio here and why? Should we routinize and facilitate more joint appointments for faculty between Schools with memoranda of understanding?”

Response of the Work Group

We assert that “streamlining” amounts to a fundamental transformation from good to great in the way that organizations conduct their affairs—this may entail a change in culture, values, collaborative practices, resource allocation, and the delegation of authority and responsibility, all with the aim of strengthening the enterprise in a strategic fashion. Streamlining improves processes. Streamlining may save money, but it can also raise the quality of operations, products or services; provide better feedback to decision-makers; afford faster or more agile response to opportunities and challenges; focus the use of scarce resources; sharpen the accountability for decisions; increase employee and student satisfaction and dedication; and stimulate innovation. Streamlining is not a one-time effort. The best organizations are focused on ongoing improvement. In short, streamlining is and should be about more than simply cutting costs--it should be about the continuous pursuit of excellence.

We embarked on research motivated by one over-arching question: “What are the barriers to excellence in your work and life at UVA?” Our work solicited insights from the range of stakeholders through an online survey that attracted 1,925 respondents; a large forum meeting that drew over 70 participants; a review of the Faculty Senate’s faculty satisfaction survey; focus group meetings with members of University staff; interviews with over 30 University administrators; outreach to groups of students; assessment of administrative costs at UVA and other AAU schools; and a detailed review of streamlining initiatives at three peer institutions.

This research yielded a wealth of insights and suggestions for action. Our report today summarizes the top three “big ideas” that we believe deserve priority
consideration as the University prepares its strategy: initiatives on operational excellence to increase quality and reduce cost; on mission, vision, values, and culture to provide overarching principles for all streamlining; and on academic excellence to enhance responsiveness and flexibility for the students we serve.

We view these priorities as mutually-reinforcing and recommend that they be chartered simultaneously in this way:

A. Overseen by a council of senior faculty members and administrators.
B. Led by one senior academic leader with a very small staff.
C. Fact-based and data-driven. Oriented toward metrics, rather than opinions.
D. Narrowly drawing on external consultants, i.e., for specific expertise rather than for comprehensive direction.
E. Multi-year focus.
F. Capitalized to fund investments that yield future savings.

Big Idea #1: Initiative on Operational Excellence

The University of Virginia should adopt a multi-year operational excellence initiative, sponsored by the President and led by an advisory board of faculty and administrative leaders. The focus of this initiative should be to achieve any and all of the benefits of streamlining (such as quality, speed, feedback, accountability, savings, and innovation) in the administrative and support services of the University. Our research suggests that such benefits are latent in areas as diverse as:

- **Human Resources**: processes of recruiting, hiring, evaluating, developing, and/or terminating employees are “incredibly ponderous” and frustrate our aspiration to be a high-performance organization.
- **Information systems**: information currently available to administrators, faculty and staff is not meaningful or timely. Systems require significant manual data-entry work. This results in many “workarounds” in specific units. We heard numerous criticisms of Oracle, SIS, CIS, Collab, email, phone, and calendaring. There were also conversations on the lack of business intelligence and a central data warehouse. Rapid changes in technology and the proliferation of technology platforms confound service providers and users. The complexity in information systems spawns bureaucratic complexity. Financial reports and analyses are virtually always historical when what decision-makers need is forward-looking multi-year forecasts.
- **Purchasing and procurement**: health benefits, energy efficiency, and strategic outsourcing should all take advantage of UVA’s scale and scope.
Management of physical capacity: space reservations and facilities management. Many stakeholders suggest that we should be managing the space we have more efficiently.

In general, we note the relatively rapid increase in administrative costs over time, the declining ratio of staff members to supervisors, possible duplication of services, and the fact that UVA’s administrative costs account for 30% of its budget, the eleventh-highest among 58 AAU schools. Thus, a first glance suggests a trend toward “administrative bloat,” a phrase that surfaced in our survey and interviews many times.

We have learned that the University is already working on many of these issues. Good and earnest colleagues in the support units are said to be out front. And some units of the University who have invented their own high-quality “fixes” to streamlining problems may view a comprehensive initiative with suspicion. If all of this is true, why should we embark on this initiative?

1. Build buy-in and socialization around the spirit of a high-performance operational culture.
2. Get the facts. The data we have do not permit rigorous conclusions about supposed “bloat”; there are various hypotheses to explain the level and trends of administrative costs. Any streamlining effort must be better-informed than we are at present.
3. Identify potential major savings opportunities from a more comprehensive review, recognizing that these may require significant up-front investment.
4. Set goals and frame a multi-year strategy. Many of the current initiatives seem short-range.
5. Manage complexity and side-effects. Streamlining in one unit or service may create problems elsewhere. Many decisions and processes should be decentralized. A coordinating team, such as we propose, should aim to mediate and manage these issues.
6. Promote the transfer of best practices - both internal and external - and thereby raise quality of services across the University.
7. Drive persistently to realize measurable, material and continuous annual benefits of streamlining. Ultimately, a comprehensive effort should raise quality, eliminate waste, and redirect resources to the core mission of teaching and research.

Big Idea #2: Articulate the University’s Mission, Vision, Values, and Essential Culture to Guide Decision Making at UVa

The University of Virginia should articulate a clear and concise statement of its mission, its vision for the next 5-10 years, the values that define it as an institution, and the culture that makes it unique among institutions of higher education. Ironically, the University does have a published mission statement. But our engagement with UVA’s constituents raises questions about the statement’s recency, relevance, input/buy-in across multiple stakeholders, disciplines and
levels, and their commitment to implement the mission in practical circumstances. Once developed, fresh statements of the University’s mission, vision, values and culture should be operationalized into principles that will guide work on the other two initiatives as well as routine policies, procedures, and decision-making processes. These statements should also be framed as a “bill of rights and responsibilities” for students, faculty, staff, and alumni. This bill will clearly state the commitment to operational excellence the University is making to key stakeholders as they engage in their teaching, scholarship, studies, and service at the University. Such statements serve as a vital social contract that will frame the expectations of UVA’s constituents and the standards of performance for delivery of academic and administrative services.

We conclude that the absence of clear direction and guidance about mission, vision, values, and culture are the root cause of waste, inefficiency, and poor performance. For this reason, the Streamlining Work Group chooses to distinguish this initiative from the other two. Excellence in operational or academic spheres is unlikely to be sustained without alignment around our principles. Accordingly our research suggests that clear articulation of the University’s mission, vision, etc., if genuine, and if noticeably present in communications and operations of the University, would improve trust. Without a clear articulation of these things, it cannot be clear what or who guides decisions, leading schools to distrust central administrators and vice versa, and schools to distrust each other. This lack of collaboration leads to the following operational impediments that regularly erode the quality of faculty and staff work and the student experience at UVa:

- **Duplication of effort:** Schools and central administration duplicate functions because services they have relied upon in the past do not meet the quality and timeliness required.
- **Barriers to collaboration:** Schools become internally focused and erect organizational barriers that make it difficult for faculty to work together, and for students to derive the full benefit of attending an excellent institution of higher education.
- **Inappropriately low tolerance for risk:** A culture of risk aversion compels administrators to adopt the most conservative approaches to compliance, and to avoid embracing change and engaging new opportunity, both of which cost the University dearly.
- **Acceptance of mediocrity and dysfunction** in our administrative processes: Those stewarding the University’s administrative processes do not seek, or are not provided with, a full understanding of the needs of individuals served by those processes. Accordingly decisions often do not meet needs. In turn, users of those administrative processes fail to engage administrators in finding solutions to their unmet needs.
- **Lack of engagement in and awareness of decision-making processes:** Too frequently, individuals and administrative units disclaim their obligation to understand processes that lead to decisions in which they have a significant stake. Some truly have no knowledge of who makes decisions that affect their
interests or their work on behalf of the University. Such passivity and lack of awareness leads to greater distrust, passivity, and acceptance of mediocrity and dysfunction.

It goes without saying that any organization benefits from a clear, genuine, and ongoing articulation of mission, vision, values, and culture. Such an articulation must be derived from wide engagement throughout the University, communicated in all media, espoused by leadership from the top on down, regularly repeated, and validated in the actions of decision-makers. Without a clear expression such as we propose, individuals, departments, and schools cannot align their priorities and decisions with intended directionality of the University; strategic opportunities and threats are missed or mismanaged; and the University is not able to respond nimbly or strategically to change or existential threats. Still, we find the benefits associated with the immediate and ongoing improvement in the community of trust at the University to be the most compelling reason for this initiative.

This effort should be led by the same advisory board of faculty and administrative leaders that will be leading the initiative on Operational Excellence. The mission effort should be consensus-based, yet focused, easily operationalized into guiding principles and a “bill of rights and responsibilities” that makes clear to members of the University community that the UVA is committed to operational excellence and accountable to them for providing such excellence be an essential part of all policies, plans, procedures, and processes at the University, and be communicated, revisited, updated, and rearticulated on a regular basis.

Big Idea #3: Initiative on Academic and Student-Life Excellence to Enhance Responsiveness, Flexibility and Experience for the Students We Serve

The University of Virginia has a long, distinguished history of being recognized as a top university. Recent accolades include being named 2nd Top Public School, 2nd Best Undergraduate Business Program and 24th Best National University. Equally important as Virginia’s stellar academic reputation is the unique residential student experience it provides. Student life here distinguishes Virginia through its unparalleled combination of a rich sense of history, strong attachment to tradition, learning both inside and outside the classroom, student self-governance, and remarkable community among the faculty, staff and students.

Comprehensive strategic planning must include initiatives and quantifiable measures of success for both academic and student-life excellence. Students are the ultimate beneficiaries of the University's services; accordingly enhancing the quality of their education, their experience and their sense of community should be at the forefront of decision making. Each method of research we conducted (e.g., online faculty/staff survey, open forum with faculty and staff, and interviews with key University personnel) provided significant data regarding perceptions around student life inside and outside the classroom. Throughout the process it was emphasized that maintaining high standards for academic excellence and an
exemplary student experience require a faculty and staff that are empowered with resources and are enabled to be flexible.

Specific examples cited for improvements, greater efficiencies and/or streamlining across all venues included the following:

- **Courses and Curriculum**: while participants in our survey and forums did not express concerns with the existing curriculum it is more than clear that the programs across the University are unable to offer sufficient courses to meet student demand and need. This may be due to lack of appropriate classroom space, a shrinking faculty, a rising number of courses taught by adjuncts, etc. Should this continue the University’s future ranking will be at risk.

- **Interdisciplinary research and teaching**: the University would benefit from faculty and courses being able to cross departments or schools. To carry this out requires the creation of MOUs between units to facilitate interdepartmental and intercollege teaching and research.

- **Space allocation/classroom assignments**: systems for classroom allocation make it difficult to change classrooms on the fly as larger or smaller classrooms become available once courses begin. Basically the system is inflexible.

- **SIS**: system appears out-of-date and is not user friendly.

- **Student Affairs**: as the entity that spear heads student-life initiatives, it is important that Student Affairs has the staffing and resources it needs to accomplish its mission.

- **Student Support Services**: financial aid and academic advising were identified largely by the students as areas in need of simplification and improvement. At present the assignment of first and second year advising is seemingly random.

Aggregating the feedback surrounding student issues, we recommend additional research, external benchmarking and action planning in five areas listed below. Given, however, that much good – although potentially duplicative – work is already underway in these five areas, we recommend that the first step be to catalogue the various research and/or improvement initiatives already underway in each case so that good work product won’t be wasted or replicated and so that there can be a coordination of efforts moving forward.

1) Classes / Enrollment / Teaching Environment
   a. Student course loads
   b. Faculty course loads
   c. Easier enrollment and withdraws
   d. Faculty / Student ratios
   e. Class sizes appropriate for pedagogy
   f. Use of TAs
   g. Ability to enroll in classes outside major
   h. Academic rigor
   i. Interdisciplinary and intercollegiate teaching
   j. Unnecessary duplication of courses across units.
   k. Appreciation, recognition and reward for teaching and innovation.
2) Advising- both Academic and Career
   a. Movement towards interest-based advising
   b. Accountability on both sides
   c. Measures of success
3) Financial Assistance
   a. Simplification of financial aid processes including QuikPay
   b. Simplification of policies and procedures for student groups seeking funding
4) Student Affairs
   a. Residence Life
   b. Student Affairs
   c. Staffing
5) Meaningful Student Access to University Leadership
   a. Systematic and frequent solicitation of student input
   b. Systematic assessment of student engagement and student satisfaction.

The research, benchmarking and action planning should follow the six attributes A through F outlined in the introduction.