

Office of the President

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA:

DISCUSSION ITEM

For Meeting of September 19, 2024

STATE OF STAFF AT THE UNIVERSITY OF CALIFORNIA

EXECUTIVE SUMMARY

The University of California system stands as a cornerstone of California's economy, not just through its renowned academic achievements, but also as the State's third largest employer. This item explores the significant role UC plays in California's workforce landscape, examining its employee base, economic impact and broader community contributions; the challenges UC faces in recruitment, retention, and the cost of employee turnover; as well as the framework UC is building to be an employer of choice in California.

This report provides valuable resources for the Regents and other leaders as they assess the current state of the UC work force and its effectiveness and impact on UC's fulfillment of its mission and future success.

BACKGROUND

UC Staff Employee Context: California Impact and Reach

UC employs a vast and diverse staff of over 140,384¹ individuals, who play a crucial role in supporting students, faculty, and research across its campuses, medical centers, National Laboratories, Agriculture and Natural Resources, and reserves. This substantial work force makes UC a vital contributor to the state's job market and economic stability.

1. **Economic Impact:** UC's payroll and operational spending generate \$82 billion annually, supporting local businesses, stimulating economic activity, and fostering tax revenue.
2. **Community Contributions:** UC employees actively participate in their communities, volunteering, making local purchases, and contributing to the overall social and cultural fabric of California. Similarly, local communities take invaluable pride in their local UC campuses.

¹ This number does not include academic employees, Faculty, Postdocs, Student Teaching Assistants/Research Assistants, or undergraduate student employees.

3. Healthcare Services: Through the health systems, the University's work force delivers essential healthcare services to residents and provides over ten million outpatient visits a year, thereby improving public health outcomes and enhancing the overall quality of life. This, in turn, contributes to a healthier and more productive work force, which is essential for economic stability and growth.

Challenges and Risks for UC

At each location, staff are the heart and backbone of the system—the people students and patients see most often and the people that support faculty, researchers, and administrators. However, UC is not immune to employee recruitment, retention, and turnover challenges that can impact its operations, reputation, and overall effectiveness. The 2021-2022 Annual Report, Ethics, Compliance and Audit Services noted that several campuses have had “difficulty attracting and retaining sufficient numbers of qualified staff, especially for positions requiring specialized skills, and not all campuses had undertaken sufficient succession planning efforts.” Ethics, Compliance and Audit Services identified this as a potential risk for the University as a campus’ inability to hire and retain staff could result in deficiencies in internal controls and lack of knowledge transfer. It is important to note that this report partially relied on pandemic employment data – data that, for most employers, was unique and reflected unprecedented pandemic-related challenges.

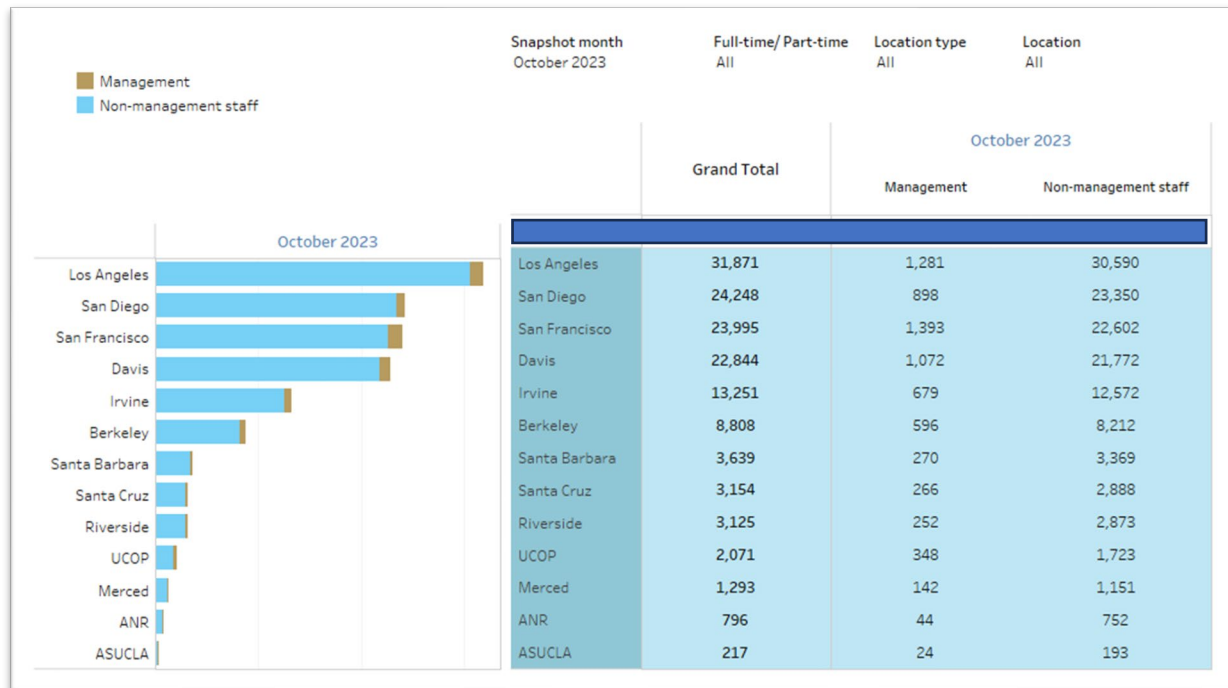
UC health systems are experiencing workforce challenges in recruitment and retention as well. For example, a significant number of nurses leaving the workforce were under the age of 35, and most were employed in hospitals.

Strong human resource programs systemwide and at each location serve as a proactive defense against employment separations and litigation by promoting a healthy workplace culture, legal compliance, identifying and proactively addressing potential risks, facilitating conflict resolution, maintaining thorough documentation, and providing education and training to employees and managers. By investing in a robust human resources infrastructure, the University reduces the likelihood of costly separations and legal disputes and protects the University’s reputation and financial resources.

Who are UC Staff?

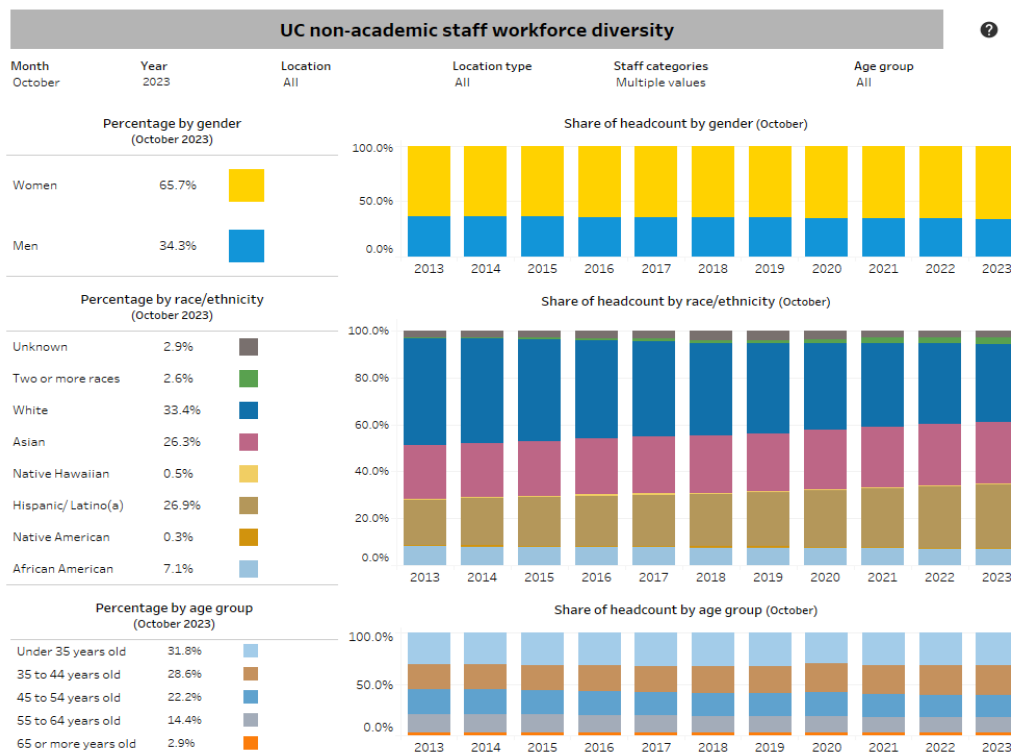
The staff work force at UC is made up of a diverse group of employees in executive, management, clerical/administrative, clinical, technical, maintenance, and other occupational areas located primarily at or around UC locations.

Figure 1. UC Employee Headcount across Locations, October 2023



Note: This specific overview does not include academic appointees such as faculty, professional researchers, graduate student appointees, and postdoctoral scholars.

Figure 2. UC Workforce Diversity, October 2023



UC staff are critical to the University's success and therefore a primary goal for Systemwide Human Resources (SWHR) and location human resource offices is to retain these UC employees who are invaluable and integral to our success. This goal will become more important and more difficult in the coming years as the work force shrinks and ages across the nation.

To achieve UC's goals around retention, SWHR has launched several initiatives focused on gathering data to understand each employee's level of engagement, how they view their current benefits, and why they are leaving the organization, where applicable. This data will allow SWHR to make informed decisions regarding what changes need to be made to increase UC's retention and recruitment efforts. SWHR efforts will complement the work already being done by many human resource offices at the locations to gather this important data. For example, UC San Diego, UC Irvine, UC Davis, and UC San Francisco, in addition to other locations, annually or biannually ask staff for their anonymous feedback and perceptions of their workplace. These surveys provide valuable data and help leadership develop actionable plans for improving the work environment.

Additionally, many locations have launched important employee-focused initiatives. Examples of these efforts include:

1. Wellness Initiatives

Offering wellness programs supporting the mental, physical, and emotional well-being of UC staff. All locations provide employees confidential counseling services, staffed by licensed professionals, as well as other services which help employees deal with the normal stresses of life so that they can be their best selves in the workplace. Examples include financial wellness workshops, coping with aging parents, and assistance finding child/elder care.

2. Flexible Work Arrangements

The Workplace Reimagined initiative at UC Irvine (and other similar initiatives across the system) empowers staff to customize their workspaces, promoting work-life balance, and evolving with employee needs. This program, and others like it, reflect a collaborative and responsive approach to workplace flexibility, allowing staff (and managers) to propose and reconsider work arrangements to best suit both their needs and the University's objectives.

3. Equity in Hiring

Several campus locations have begun integrating trained Equity Advisors into hiring committees for senior staff positions to ensure equitable and inclusive processes, upholding UC's commitment to a diverse and vibrant workplace. This practice has demonstrably increased the representation of various underrepresented groups in UC leadership roles at several campuses, enriching UC's perspectives and decision-making. In addition, each location has implemented a Fair Pay Program to ensure equitable pay regardless of gender, race, and ethnicity.

4. Manager Training and Support

Recognizing the crucial role of leadership, several campuses have implemented

mandatory training programs for managers and supervisors, including faculty. These initiatives equip leaders with effective management skills, ensuring they can support their teams successfully and nurture a positive work environment.

5. **Value-Added Benefits and Support**

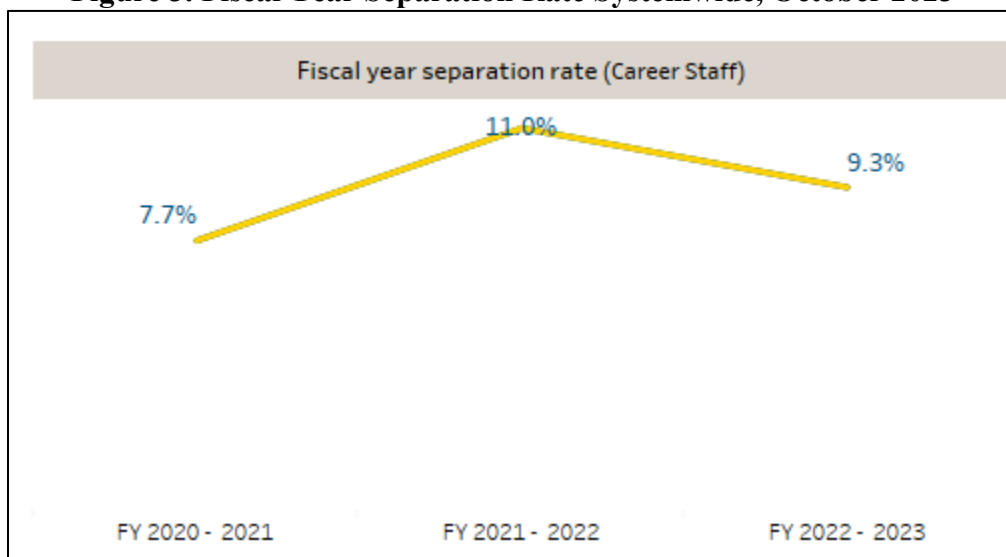
Beyond competitive salaries, UC offers distinctive benefits that enhance the employee experience to all staff. These include emergency loan programs and onsite childcare programs. These unique offerings enrich the employment benefits package and contribute to UC's attractiveness as an employer.

6. **Supporting Staff Organizations and Affinity Groups**

Leaders at several locations are taking an active role to support and recognize Staff Organizations and Affinity Groups, fostering a strong sense of community and belonging. This includes initiatives like letters of support from the Chancellor to managers, resource allocation tied to campus goals, and monetary and non-monetary recognition for staff organization leaders. These efforts create a welcoming and inclusive environment where staff feel valued and connected.

Although the separation rate has not fallen back to UC's pre-pandemic levels, UC's efforts to date have led to a decrease in UC's separation rate over the last several years.

Figure 3. Fiscal Year Separation Rate Systemwide, October 2023



The changing demographics of the UC workforce pose another challenge. The work force skews slightly older, with the median age around 45 years. As older employees retire, many locations struggle to fill key positions with qualified individuals. Additionally, younger generations entering the workforce often have different expectations regarding work-life balance, professional development, and job flexibility. The 2021 Systemwide Human Resources/Council of UC Staff Assemblies (CUCSA) survey showed that employees placed a high value on factors such as work-life balance, professional development, and a positive workplace culture.

Becoming a place where employees want to work, commonly referred to as being an “employer of choice” will be increasingly important to ensuring that staff stay engaged and unified in supporting the University to achieve its mission and the 2050 Plan outlined by the Regents.

While SWHR and the locations are actively working to gather data and increase UC’s efforts to recruit and retain employees, it is important to understand the unique challenges facing higher education nationwide.

Challenges and Risks for Higher Education Institutions Nationwide

Higher education institutions across the United States are facing significant challenges in both recruiting and retaining their staff. The College and University Professional Association for Human Resources (CUPA-HR) 2023 Higher Education Employee Retention Survey² showed that retention continues to be a problem, with younger employees, men, and people of color more likely to leave. Some key retention challenges highlighted by this report include:

- Work-Life Balance – Heavy workloads and limited flexibility contribute to burnout and drive employees away.
- Lack of Appreciation and Recognition – Feeling undervalued and underappreciated can erode employee morale and engagement, leading to higher turnover rates.
- Shrinking Talent Pool – Competition for skilled professionals is fierce, and the higher education sector often struggles to compete with salaries and benefits offered by private industries.
- Lack of remote work options can also be a significant deterrent.

Systemwide Human Resources (SWHR): What’s Next?

One of the Strategic Objectives in the 2023 UCOP Strategic Framework is to “Strengthen an Inclusive UC Workforce and Community.” SWHR has also established a goal to support the success and well-being of UC staff through a healthy, equitable, and inclusive UC workplace, increasing Human Resources efficiency, consistency and innovation, and support of employee retention and engagement. Some of the key performance indicators to measure in this area are:

1. Employee retention and vacancy rates including career mobility
2. Workforce diversity statistics
3. Employee engagement scores
4. Recognition as an employer of choice

To meet those key performance indicators as highlighted above, SWHR will conduct extensive surveys and a total remuneration study to further understand compensation and the total employee experience at UC. These initiatives will provide valuable data and insights to help identify gaps, opportunities, and targeted interventions for employee well-being and to increase retention and engagement. Understanding the challenges and risks provides valuable insight into

² <https://www.cupahr.org/surveys/research-briefs/higher-ed-employee-retention-survey-findings-september-2023/>

the overall health and stability of the UC work force, crucial for supporting the University's mission and success.

CONCLUSION

The University of California's success is intricately tied to the well-being and satisfaction of its diverse work force. The University does not manufacture anything, but rather serves students, patients, and the world through groundbreaking research and world-class education and patient care services. Because of this, UC employees are the primary vehicle for moving the University's mission forward. By addressing the challenges related to overall well-being, compensation, demographics, recruitment, and retention, UC can create an environment that attracts, retains, and supports the best and most talented employees, and which also fosters a culture of excellence and innovation across all its locations.

KEY TO ACRONYMS

CUCSA	Council of UC Staff Assemblies
CUPA-HR	College and University Professional Association for Human Resources
FSAP	Faculty and Staff Assistance Program
HR	Human Resources
SWHR	Systemwide Human Resources

ATTACHMENTS

1. [2022 Annual Report, Ethics, Compliance and Audit Services](#)
2. [CUPA-HR 2023 Higher Education Employee Retention Survey](#)
3. [2023 UCOP Strategic Framework](#)