HOW NOT TO REORGANIZE UC BERKELEY

The University of California faces an ongoing budget shortfall. In response, the Berkeley campus has a plan called Operational Excellence to cut administrative costs, following a year-long study by Bain & Co. consultants. The administration is moving quickly to implement "OE" and claims that it has to eliminate 200 positions this year in order to realize an annual salary saving of $20 million. No one's job is safe, we are told. But is the campus moving *too* quickly? Will these cuts do more harm than good to the university's mission?

SAVE and the Berkeley Faculty Association have already issued a set of principles for judging the implementation of OE.[1] Here we make a set of more specific recommendations for cutting and NOT cutting campus offices and employees. The problem is that the layoffs already made in last year's budget crisis have cut many units to the bone (512 people between January 2009 and May 2010).[2] So where to turn for further *justifiable* efficiencies? The answers require imagination and challenging the status quo, because under the present approach essential services will be lost and loss of essential staff will diminish the university *and* administrative efficiency.

No Firing by Formula. The administration seems to be taking an arbitrary and mechanical approach to cutting staff, in three ways: first, by placing a number on total layoffs before units have done a full assessment of their potential for cuts and organizational change; second, by giving authority for cuts to 27 major administrative units without making public their targets or how cuts are to be distributed across units; and, third, by setting a fixed number of six for the "span of supervision" without regard to the actual work or unit size.[3] No doubt, there will be some flexibility but will it be enough?

What's the Rush? Why must 200 reductions be decided by January? The OE program statement indicates a period of 3-36 months for implementation. Initiative Committees are nowhere near issuing final recommendations, which are the heart of the OE process. How can units be simplified further before the Committee on Organizational Simplification makes its report? Of the other universities using Bain's recommendations, neither the University of North Carolina nor Cornell has adopted the rushed course that Berkeley is taking. UNC has just begun a project to study spans and layers in 50 departments and to make adjustments *over time*.[4] At Cornell 144 out of 191 positions eliminated as part of its spans and layers initiative were achieved through attrition.[5]

Cut from the Top. Bain & Co. indicated that the top ranks of campus administration are as bloated as any other organizational arena. The campus now has 10 Vice-Chancellors/Vice Provosts, when 4 sufficed 25 years ago.[6] Every senior administrator has executive assistants, analysts and support staff. Why is it that each Vice-Chancellor has a Chief of Staff when some teaching and research units don't have any staff left? (In one case a Chief of Staff has an Executive Assistant!).[7] It's a safe bet that the coming firings will be disproportionately small in California Hall. This is widely perceived as unfair, as well as inefficient, and creates unnecessary resentment among staff and faculty. It is

---

[1] http://ucbfa.org/wp-content/uploads/2010/11/Principles-for-OpEx-SAVE-BFA.pdf
[2] According to http://berkeley.edu/news/media/releases/2010/05/28_BSA.shtml
[3] This number appears to be based on corporate benchmarking in top down, for-profit companies: http://www.bain.com/bainweb/PDFs/cms/Public/Capability_Brief_Streamlining_spans_and_layers.pdf
[4] http://carolinacounts.unc.edu/projects/initiatives-projects.
[5] http://www.news.cornell.edu/stories/Oct10/ASPHRForum.html.
[6] http://www.berkeley.edu/admin/pdf/senior.pdf Four is the number cited by a Bain executive in conversation.
[7] And why have a number of staff in California Hall recently received significant salary increases – called "equity adjustments" – and why will several other senior executives be up for big raises when the Regents meet?

time to eliminate high-level sinecures and, even where staffing is not excessive, to ask executives to work with fewer resources, just as those in the lower ranks are doing.

Eliminate Offices Of Limited Use. Hard decisions need to be made at the campus level, not pushed down to lower units, which are being nickel and dimed to death. Offices built on report-to-me functions merely duplicate other units and are unnecessary. The campus has already eliminated the Printing Office, and there may be other areas that are outmoded or duplicative. For example, the Travel Office adds a layer of bureaucracy that impedes people from using extramural funds for legitimate travel purposes. Why can't their functions be handled by local units or outsourced? Similarly, the office of Associate Vice Chancellor for Public Affairs/Communications spends too much time sending out cheerful memos like "What will you do on your furlough days?" and press releases that demonstrate a woeful ignorance of campus operations and politics. We already have an excellent media relations staff who publicize the achievements of the campus and its faculty.

Pay Attention to Staff. Administrators are underestimating the negative impact of the whole OE project on staff and are deluded about the amount of honest feedback they are getting from the ranks. The campus is suffering from widespread demoralization, which is doing irreparable damage to staff dedication and retention of key people. Staff are understandably worried about their futures, but, more than this, they feel disenfranchised, left in the dark, and likely to suffer reprisals if they speak out. This is partly a failure of communication, which must be frequent, person-to-person, and not wrapped in platitudes. Moreover, staff are suffering from overwork and frayed nerves from last year's layoffs and the inepitude of many campus reporting procedures and technological systems. What is being done to reassure staff that they are valued members of the campus community? Finally, the University is in danger of losing hundreds of years of experience from staff who will not be able to pass on their hard-won knowledge, – the equivalent of burning the library at Alexandria. Layoffs are not cheap; they come at great cost.

What about Equity? There has been little acknowledgement from the administration of the possible inequity of layoffs by race and gender. No study of the impacts of the key test case of reorganization, the College of Natural Resources, has yet been done. Speaking of offices that are not working as hoped, the Office of Vice Chancellor for Equity and Inclusion has never released a report on the impact by race, age, gender of last year's layoffs, despite repeated requests to do so, and only just issued guidelines for future layoffs[8] (and will the administration adhere to these?). Nor has that office raised a finger in the egregious attempt to cut back on child-care services.

Provide a Soft Landing. Staff who have been loyal contributors to the campus for years deserve good treatment if their positions are eliminated. There are several ways to do this. One is to make available soft money positions. For example, the Haas Jr. Foundation gave $16M to the campus,[9] yet so far all of the new hires for this initiative have come from outside of UC Berkeley, instead of drawing upon talented, knowledgeable staff at hand. We also wonder why the campus refused to offer VSOs (Voluntary Separation Option) to staff as a way to reduce the workforce. The $11M being paid to Bain Consulting would be more than enough to cover the costs of VSOs for 200 people.[10]

This is a time for vision from campus leaders; we shall now see what they are capable of.

Issued by SAVE the University and the Berkeley Faculty Association, November 1, 2010

---

[8] http://oe.berkeley.edu/news/Staff_EI_Considerations10-12 final.pdf.

[9] http://berkeley.edu/news/media/releases/2010/02/18_haas_jr_fund.shtml

[10] The Bain contract may only be $6M or $3M, but there are indications that over time the cost may rise to $11M.