

**OFFICE OF HUMAN RESOURCES  
ANNUAL REPORT ON THE STATUS OF SERVICE EMPLOYEES  
JUNE 2003**

## **INTRODUCTION**

This report summarizes actions taken by the University during academic year 2002-2003 to improve working conditions for service employees on the Harvard campus, despite a poor economy, in the areas of wages and benefits, workplace values, training and development, communication, and measurement. Substantial progress been made in many areas, and actions in certain areas—such as management training, the development of University values, and the creation of a University Ombuds Office—signal improvements not just for service employees, but for all Harvard employees. Appendices document in detail actions taken in specific areas.

### Highlights

#### **1. Wages and Benefits**

- As a result of wage negotiations between Harvard and the Hotel Employees, Restaurant Employees International Union (HEREIU), Local 26 that were completed in June 2002, the separate “retail” wage and classification structure was eliminated; retail employees received wage increases identical to those paid to employees in residential operations; and cumulative wage increases for retail employees over the life of the five-year contract range from 22% to 36%, depending on job classification and length of service.
- The University has continued to increase total compensation for service employees in a time when the economy has been going in the other direction. Total compensation for the members of the University’s three service unions, Service Employees’ International Union (SEIU) Local 254, HEREIU Local 26, and Harvard University Security Parking and Museum Guards Union (HUSPMGU), continued to increase in accordance with the new collective bargaining agreements. Between September 2001 and April 2003, total compensation for custodians increased by 45.7%; compensation for security and museum guards and parking attendants increased by 20.6%; and compensation for the dining service employees in the former “retail” category increased by 11.3%.
- Participation in health care benefits by eligible Harvard service workers increased from 63% to 71% between April 1, 2002 and April 1, 2003.
- Approximately 97% of all contract employees working on campus are employed by contractors that offer health plans. Steps are being taken to ensure all have access to Harvard comparable plans or be paid additional wages in lieu of health plan coverage.

#### **2. Workplace Values**

- In August 2002, the University issued a “Statement of Values,” endorsed by the President, Provost, and Deans of the Faculties.
- On February 1, 2003, the University opened an Ombuds Office to assist individuals concerned with workplace conditions and the academic environment

in finding solutions to problems that they have been unable to resolve using existing channels.

- An “Orientation to Harvard Values” was developed by the Center for Training and Development and has been offered six times since November 2002 for Harvard managers, supervisors working for service contractors on campus, and Harvard employees who manage those contracts.
- An exit interview program to be piloted in summer 2003 in Central Administration, the Faculty of Arts and Sciences, the Kennedy School of Government, and the Harvard School of Public Health will include values-specific questions to help determine the most common reasons why employees voluntarily leave University employment.

### **3. Training and Development**

- The Bridge to Learning and Literacy program has expanded its offerings to include academic reading and writing courses, a student resource center, and conversational Spanish for managers of Bridge participants. The program has also expanded its volunteer tutor program.
- The University has completed an assessment of the Bridge Program that documents the academic advancement of program students.
- In FY03, approximately 270 managers and supervisors attended management-training programs that directly addressed issues critical to service employees.

### **4. Communication**

- Harvard has translated printed materials and held multilingual benefits information sessions, so that employees whose native language is not English have access to information in their primary language about the benefits and services to which they are entitled, and to inform them that translation services are available to help with other work-related needs.
- As in past years, the Harvard community has continued to be informed about issues related to service employees via the *Gazette*, the *Harvard Community Resource*, and the atwork@Harvard website.

### **5. Measurement**

- In the spring 2002 Great Place to Work® survey, ratings by University service employees improved between 10% and 20% in the areas of credibility, respect, fairness, pride, camaraderie, and in the overall rating.
- Termination rates for University custodians and guards have steadily decreased over the past five years.

## **I. WAGES AND BENEFITS**

### **Hotel Employees, Restaurant Employees International Union (HEREIU) Local 26:**

At the time of our last report in May 2002, wage discussions with HEREIU Local 26 were in progress (negotiations with the other two service unions had been completed). An agreement was reached on June 7, 2002, which includes the following important changes:

- Elimination of separate “retail” wage and classification structure.
- Retail employees received the same wage increases as those paid to employees in residential operations for the first time since retail rates were established in 1992.
- The lowest wage rate paid to retail employees under the new agreement represents a 21% increase over the previously existing rate. Cumulative wage increases for retail employees over the life of the five-year contract will range from 22% to 36%, depending on job classification and length of service.

Further details about the HEREIU Local 26 agreement can be found in Appendix A.

**Wages:** Wages for all three service unions, Service Employees' International Union (SEIU) Local 254, HEREIU Local 26, and Harvard University Security Parking and Museum Guards Union (HUSPMGU), have increased in accordance with the applicable collective bargaining agreements. Median wages for custodial employees increased by 21.6% between September 2001 and April 2003; total compensation increased by 45.7% over the same period. Harvard security and museum guards' and parking attendants' median wages increased by 13.6% between September 2001 and April 2003; total compensation increased by 20.6% over the same period. Median wages for the dining service employees in the former “retail” category, the group of dining service employees the HCECP was particularly concerned about, increased by 11.2% since their wage renegotiations were completed, and total compensation increased by 11.3%.

Additional wage data for custodial, security, and dining service employees is included in Appendix B.

**Benefits Participation of Service Employees Directly Employed by Harvard:** Service employee participation in Harvard benefits increased over the past year. As of April 1, 2003, 953 service employees were benefits-eligible and were invited to enroll in Harvard-sponsored medical plans. Of this group, 71% elected enrollment, up from 63% at the same time last year. This includes 87 Harvard custodians who have enrolled in the SEIU health plan. As part of its agreement with the SEIU Local 254, the University agreed to pay the costs of this plan, after ensuring that its coverage was equivalent to that provided by the Harvard plans.

**Benefits Participation of Contract Employees:** As of May 2003, approximately 97% of all contract employees working on campus are employed by contractors that offer health plans. Four-fifths of these employees are covered by plans that are comparable to those offered by Harvard. The remaining plans are scheduled for review.

**Wage and Benefits Parity Policy (WBPP):** WBPP requires contractors that provide security, custodial, or dining services to Harvard departments to pay their on-campus, non-management employees wages that are no less than those Harvard has negotiated with its unions, and to certify that their total compensation is comparable to that received by Harvard employees performing the same work.

The new policy, which subsumed the recommendation by the 1999 Mills Committee that health benefits should be extended to service employees who work a minimum of 16 hours per week, guaranteed a level playing field for Harvard service departments competing with outside service contractors. It also resulted in increased costs for the University:

- The total annual costs for wages and benefits in all three service sectors will grow from approximately \$26.5M in FY02 to approximately \$33M in FY06.
- The five-year increase of \$6.5M dollars represents a 4.9% increase in costs per year.
- The WBPP portion of the increased costs equals approximately \$2M in FY02, \$3M in FY03, \$3.8M in FY04, \$4.2M in FY05 and \$4.9M in FY06.

In April 2003, Risk Management and Audit Services (RMAS) began audits of contractors' practices to ensure that each vendor is in compliance with the terms of the Harvard policy that was distributed to vendors December 23, 2002. Specifically, RMAS sought to establish:

- That the wages paid to vendor's employees are at least equal to those paid to Harvard employees in the corresponding service sector; and
- That vendor employees receive benefits and paid time that are equivalent to those of directly employed Harvard University employees in the corresponding service sector.

To test for compliance RMAS selected five contractors of varying sizes in different sectors for a sampling audit. They found that all are paying wages that meet or exceed the Harvard-negotiated minimum wages. However, several did not understand that they must comply with the University's seniority based wage rates in the respective service collective bargaining agreements. Once this was pointed out, contractors have come into compliance.

WBPP is unique in its requirement that contractors must provide health/dental and pension benefits equivalent to Harvard benefits and must match Harvard's provision of holidays, vacation days, and sick time. If a contractor does not offer health or pension plans to its service employees, it must increase the hourly compensation by the value of the benefits. The policy's purpose is to eliminate the possibility that Harvard departments will seek to save money by outsourcing service jobs with contractors who pay workers less or provide inferior benefits. Although communication about the policy and its implementation has been extensive, the RMAS audit shows that some contractors still do not understand the requirements and not surprisingly compliance appears more difficult for small companies than for large ones. The Office of Labor and Employee Relations, in conjunction with RMAS, is in the process of meeting with contractors identified as non-

compliant with the WBPP obligations to discuss ways that they must come into compliance. In the event that they fail to comply after a reasonable cure period, they will be given notice of the termination of their respective service contracts.

## II. WORKPLACE VALUES

**University Statement of Values:** The University Statement of Values, endorsed by the President, Provost, and Deans of the Faculties, was distributed to all faculty and staff in August 2002 (see Appendix C). Each faculty, school, and department has kept the Office of Human Resources (OHR) informed of its progress toward integrating the University values into various systems and processes. Units have communicated the values in several ways—by discussing the values in staff meetings, translating the statement into several languages, and putting the statement in newsletters and on local websites; incorporated University values into orientation and performance management systems; and established committees and holding focus groups to determine how to adjust the statement to meet the culture of a local unit and address implementation issues.

To augment local efforts, the Center for Training and Development (CTD) created a course for new supervisors that includes a half-day “Orientation to Harvard Values.” The program has been offered every other month since fall 2002, reached about 90 participants through May 2003. A similar overview of Harvard values was developed and presented in March and April 2003 to more than 50 supervisors working for service contractors on campus, as well as Harvard employees who manage those contracts.

**University Ombuds Office:** The University Ombuds Office, which opened February 1, 2003, was established to assist individuals concerned with workplace conditions and the academic environment in finding solutions to problems that they have been unable to resolve using existing channels. An Ombuds Council<sup>1</sup> was established in October 2002 to provide advice to those serving local ombuds roles.

The confidential University Ombuds Office supplements existing mechanisms for addressing grievances within the various faculties or unions. When appropriate it refers its visitors to conflict resolution offices in the various schools after carefully assessing the nature of the complaint. The office has no power to adjudicate, arbitrate or make formal investigations. Its general activities are summarized statistically in an annual report to the Provost that also identifies trends that require the attention of the Office of the President. The intent of this information is to uphold and improve the basic values of the Harvard

---

<sup>1</sup> Ombuds Council Members: Angela Crispi, Associate Dean for Administration and Senior Executive Officer, Harvard Business School; Lydia Cummings, Ombudsperson; Henry Ehrenreich, University Ombudsperson, Clowes Research Professor of Science (Chair); John Fox, Secretary of the Faculty, Faculty of Arts and Sciences; Georgene Herschbach, Associate Dean of the College, Faculty of Arts and Sciences; Polly Price, Associate Vice-President for Human Resources; Beata Panagopoulos, Head of Library Technical Services, Harvard Kennedy School of Government; Frank Sander, Bussey Professor of Law, Harvard Law School; Linda Wilcox, Ombudsperson for Harvard Medical School, Dental School, and School of Public Health

community. The office will prepare its first report to the Provost at the end of this fiscal year.

**Exit Interview Pilot:** OHR has contracted with Spherion Assessment Group to conduct exit interviews with staff who voluntarily leave the University. FAS, SPH, KSG, and Central Administration will participate in a 6-month pilot of this program to begin summer 2003. This phone-based survey will ask about a wide variety of work and workplace-related issues, including issues related to wages, benefits, professional development, and respect and fairness. Spherion Assessment Group will collect and analyze data, and report in the aggregate (thus assuring confidentiality for participants). The survey will be translated into Spanish, Portuguese, Haitian Creole, and Mandarin Chinese. After the pilot is assessed, and any necessary changes made, other schools will be invited to participate.

### III. TRAINING AND DEVELOPMENT

Harvard is a learning community and, as such, provides educational and training opportunities for its employees. Although responsibility for employee training rests primarily with the schools and departments, a number of OHR programs supplement local offerings. Selected programs are discussed below.

**The Harvard Bridge to Learning and Literacy:** The Bridge program, now in its fourth year, is a worker education program to increase the skills, and consequently, the employment opportunities, of Harvard's lowest-paid workers. It is available to all hourly employees, HUCTW members, and employees of outside vendors who provide custodial, security, or dining services on the Harvard campus. The free classes are offered on campus during work hours, and participants in the academic classes are paid for their time in class. In two-hour classes held twice a week, workers can learn English as a Second Language, speaking and listening, basic English literacy, GED/academic preparation, and computer literacy. Bridge participants may also request one-on-one tutorial sessions from tutors who work with them on campus before or after work hours. This year nearly 500 workers participated each semester from the Cambridge, Business School and Longwood campuses.

#### Additional Program Features

- **Tutorial Assistance:** A robust volunteer tutor program assists employees who are taking classes at the Bridge, who have completed four semesters and wish to continue their studies, who need one-on-one help before entering a course, or who are on a waiting list for a course. Tutors work with students on campus before and after regular work hours. Currently, approximately 60 students work with Bridge tutors.
- **Resource Center:** A resource center in the Bridge Program office contains computers for student use, career information, higher education information, and skill and interest inventories. Staff members are available to help workers explore job possibilities, career options, Harvard policies and benefits, and additional educational opportunities.

- **Spanish courses:** This spring, the program piloted four conversational Spanish classes for supervisors of service employees (two of which are taught by former Bridge students). Plans for continuing Spanish courses will be determined after an assessment of pilot.

The National Center for the Study of Adult Learning and Literacy (NCSALL) at the Graduate School of Education, along with the Bridge staff, recently completed a program assessment that demonstrated significant academic progress of Bridge students. Each semester, greater numbers of students move from the three basic-literacy classes to the Institute of English Language (IEL) classes at the Extension School; move from the lower to higher-level Extension School classes; and pass their GED examinations. In spring 2001, the first Bridge student progressed from a Bridge curriculum class to an IEL class. In fall 2001, ten students advanced; in spring 2002, 28 progressed; and in fall 2002, 30 moved up to IEL classes. Since the program's inception, five students have passed GED exams.

For a detailed list of Bridge participation by Harvard department and contractor and the complete program assessment, see Appendix D.

**Training for Harvard's Managers:** In March 2002, OHR established a Training Advisory Group (TAG) for guidance to enhance and further develop supervisory training programs offered by CTD. The group, which included faculty members, union representatives, senior managers, and adult learning experts, met regularly from March through July 2002. Based on input from the TAG, and from focus groups held with service union members, a new program was developed and an existing one enhanced.

The new program is a three-session program for managers and supervisors to attend within their first three months of employment. It covers an overview of Harvard Values, key employment laws and policies, and how to manage in a union environment (including specific information for each union at Harvard). The first session on the overview of Harvard Values has been modified for presentation to managers who work for service contractors. In FY03 nearly 90 Harvard managers participated in the three-session program and over 50 supervisors employed by contractors participated in the overview of Harvard Values.

The enhanced training program addresses in six one-day sessions communication, performance management, developing your staff, mediation and problem solving, and valuing diversity. It includes a 360° assessment of each participating manager<sup>2</sup>. The program is designed for managers and supervisors with at least a year of Harvard experience. In FY03, 130 Harvard managers participated in this program.

---

<sup>2</sup> A 360° assessment is one in which a participant receives feedback (in this case, data from a questionnaire) from his/her manager, peers, and direct reports, as well as from him/herself.

## IV. COMMUNICATION

**Multilingual Communication with the Service Population:** In response to the recommendation of the HCECP that non-English speaking service workers be given better access to information concerning benefits and employment opportunities, OHR hired a multilingual outreach coordinator in July 2002. After assessing which languages were spoken by Harvard's service employees, the coordinator took steps to ensure that these employees have access to information in their primary language about the benefits and services to which they are entitled, and that they know they can secure translation assistance when signing up for these benefits or when they have other workplace concerns.

During 2002-03, OHR developed and delivered translated information about the 2002 payroll schedule changes, the new University Values Statement, new guides to benefits and services for service workers, and the fall benefits Open Enrollment process. Documents were translated into the four primary languages spoken by Harvard's service employees: Spanish, Portuguese, Haitian Creole, and Mandarin Chinese.

In addition, on-site translators helped present Open Enrollment information based on the new benefits guides for each union. Nearly 300 service employees attended 21 sessions that were scheduled to accommodate their shifts. Many service employees sought help from benefits coordinators as they signed up for their benefits.

Key findings during the first year

- Language issues are not limited to the University's custodians, dining service workers and guards. Some workers in other departments also lack English language skills.
- The need for translation assistance extends beyond the need for explanations of the University benefits. Now that service employees know they can get help in their native languages, many new immigrants are bringing a host of non-work-related problems to their multi-lingual co-workers and teachers.
- Beyond language differences, cultural differences may affect employee performance and a manager's assessment of that performance. OHR is working with managers to heighten their sensitivity to cultural issues and is creating a list of consultants who can help departments address cultural issues in the workplace and help managers deal successfully with multi-cultural work teams.

### **Building Stronger Relationships between the University and SEIU Local 254:**

During their negotiations last year, the University and SEIU Local 254 agreed to hold regular labor/management meetings as a step toward building a more positive relationship. As a result, the University and SEIU Local 254 formed a Joint Labor Management Committee, which is composed of Harvard employed custodians, contract custodians who provide services on the Harvard campus, union representatives, managers of custodians, human resources directors, and LER staff. The group met six



times during the year and members report improved communication between the University and the union.

**Communication to the Greater Harvard Community:** The Harvard community continues to be informed about issues related to service employees, primarily via the *Gazette*, the *Harvard Community Resource*, and the [atwork@harvard](mailto:atwork@harvard) website. For specific communications, and additional related articles, see Appendix E.

## V. MEASUREMENT AND RESOURCES

**The Great Place to Work® Survey:** The Great Place to Work® Survey was conducted in the spring 2002 in the Central Administration, the Dental School, the Divinity School, the Graduate School of Education, Harvard University Art Museums, Harvard University Credit Union, the Kennedy School of Government, the Radcliffe Institute for Advanced Study, and the School of Public Health. Harvard Medical School employees completed the same survey in April 2003. Dental School employees repeated the survey in April 2003. Results of the 2003 surveys will be available in summer 2003.

Positive findings of the spring 2002 survey results showed that employees are generally proud to be associated with the University; management is generally perceived as competent, honest, and ethical; the many special and unique benefits offered by University are appreciated; the work environment is perceived as physically safe and friendly; employees believe many training and development opportunities are provided; and the University is seen as a “just” place where people are treated fairly regardless of their personal characteristics. Findings in the "needs improvement" category revealed a desire for increased two-way communication between employees and management; concerns about management reliability; desire for more management/employee collaboration; and increased opportunities for employee recognition.

Results also showed that ratings by University service employees (custodians, security, parking and museum guards and dining service workers), although still lower than those of other employee groups, improved between 10% and 20% in the areas of credibility, respect, fairness, pride, camaraderie, and in the overall rating.

**Employee Satisfaction Survey Tool:** To measure employee satisfaction in a consistent manner across the University, a University-wide committee was assembled to choose a common survey instrument. The committee, which consists of faculty and administrators from across the University, has evaluated several instruments and will make a decision in early summer 2003.

**Central Archive of Grievance Data:** The Office of Labor and Employee Relations established a central grievance database to record and analyze grievances filed by service and trades union bargaining unit employees. Each month, human resource departments in the schools are required to submit formal grievance data to LER.

The grievance procedure for service and trades bargaining unit employees is a four-step procedure; Step 1 grievances are heard at the immediate supervisor level, Step 2 grievances are heard by a neutral arbitrator. The database focuses on tracking Step 2 grievances, those heard at the department level; Step 3 grievances, those heard by the Office of Labor and Employee Relations; and arbitrations that are heard by an external neutral party.

From May 2002 to April 2003, a total of 53 Step 2 grievances were filed. These affected 4% of the total service and trades bargaining unit employees. During the same period, 29 Step 3 grievances were filed, affecting 2% of the total service and trades bargaining unit employees. The University averages four Step 2 grievances per month and two Step 3 grievances per month. Of the 29 Step 3 grievances, only five have moved to arbitration, the final step in the problem resolution process.

**Service Employee Data:** Data on service employees, including broad demographics, wage and benefits levels, termination rates, and participation in training programs, will continue to be collected, reviewed, and reported periodically to ensure progress in areas identified as needing improvement and to guard against unintended negative consequences of various efforts. These data are included in Appendix B. Termination rates for service employees over the past five years have steadily decreased for SEIU and HUSPMGU employees. Dining service employee turnover has slightly increased every year over the past five years; OHR is looking into possible causes. The demographic make-up of service employees has remained relatively unchanged in the past two years.