

June 12, 2013

Many Schools, One Platform

How does a company with 190 different locations create a consistent employee experience? DeVry Inc. provides a unique answer to this.

by Andrew R. McIlvaine

DeVry Inc. is one of the largest and rapidly growing for-profit education providers in the world, with more than 25,000 full-time and temporary employees at schools and colleges in more than a dozen countries around the world. The institutions under its umbrella include DeVry University, the Keller Graduate School of Management, Ross University School of Medicine, Becker Professional Education and Chamberlain College of Nursing, among many others.

Yet, until fairly recently, the mammoth organization lacked a human resource information system.

"Most of our processes were primarily paper-driven," says Deb Maher, the Downers Grove, Ill.-based company's senior director of HRIS and shared services. "When we were a smaller organization with just a few dozen campuses, most of our employees had access to an HR person, or as many as three at one location. But that changed as we expanded."

DeVry Inc.'s growth during the past decade has been impressive -- it acquired additional schools in the United States, a medical school in the Caribbean and five institutions in Brazil that, together, serve more than 27,000 students there. However, this expansion has also led to a big change in the employee experience at DeVry: By 2011, for example, 73 percent of its employees in the United States did not have access to an on-site HR representative.

DeVry's leadership was also concerned about a lack of connection felt toward the parent organization among the employees of the numerous small campuses acquired by the company, says Maher.

Concerns such as these are no small matter when it comes to mergers and acquisitions, experts say.

"All of our research to date in this area shows that the biggest cause of failure is the lack of attention paid to cultural integration," says Gareth Williams, an M&A consultant at New York-based Mercer.

The acquiring organization needs to understand the potential implications of changing the acquired entity's culture, he says. In some cases, Williams adds, the acquirer may want to retain the culture that made the acquired organization desirable in the first place.

"With certain companies, you very much want to let the organization thrive independently within the larger group, having the acquirer be more like a holding company," says Williams.

HR should never underestimate the potential complexity of an acquisition -- even a small one, says Jonathan Goldin, associate principal in the HR transformation practice at the Hackett Group in New York.

"That's the worst thing you can do," he says. "Approach it with the same rigor that you would for a large acquisition."

At DeVry, Maher and her bosses knew that forging a tighter link between the parent company and its far-flung associates at its existing and newly acquired campuses was key. It also wanted to ensure that newly hired employees felt properly integrated into the organization -- while, at the same time, allowing the smaller schools to retain their own unique cultures.

Getting to Know Each Other

Research by CEB, the Arlington, Va.-based consulting firm formerly known as the Corporate Executive Board, suggests that overcoming human capital-related challenges is the most important factor for a merger to be successful. Surveys by CEB reveal that 44 percent of senior executives cite integration as the greatest source of errors in mergers and acquisitions, while only 15 percent of CHROs rate their organizations as effective in managing human capital risks during integrations.

Companies that are good at M&As tend to have a very clear understanding of their own organization's culture and business mission, and take a very programmatic, disciplined approach to assessing a target organization's culture relative to their own, says Goldin. They also tend to carefully consider whether to fully integrate the acquired organization, partially integrate it or keep the entity separate for a certain amount of time, he adds.

At DeVry Inc., the cultural aspects of an acquisition are taken very seriously, says Maher. One of the things the company looks at prior to acquiring a school is whether it shares the same values as DeVry Inc. in order to ensure there's a cultural fit.

However, commonality is also important, says Maher.

"Each one of the institutions we acquire has its own student base, its own culture, its own school structure, but we share a lot of things in common," she says.

"We don't want people to have 190 different experiences at those 190 different locations," she says. "We want to ensure a consistent employee experience at all of [them]."

The main vehicle for accomplishing this is a technology platform called DeVry Commons, which was launched several years ago and built for the company by Saskatoon, Canada-based [cfactor Works Inc.](#) The new platform replaces the paper-based processes and disparate systems the company had been relying on before and reflects DeVry Inc.'s shift to a centralized approach to HR via a shared-services model.

One of the primary goals is to ensure that new hires and the employees of newly acquired schools can get up to speed within a week, says Maher.

"Everyone in DeVry Commons can see org charts, give peer-to-peer recognition, upload their photo and create a profile, read other profiles, join communities such as Get Fit DeVry -- you can, within a week, start to have the same experience as all our other employees," she says.

When it comes to integration, speed is of the essence, says Goldin.

"One of the areas we see organizations getting very aggressive about with respect to integration is getting a handle on the fundamental employee data and getting it into their HRIS as soon as possible," he says. Few things are more disruptive for new employees than to be told to migrate to a new system only to be unable to find needed information within it, he adds.

At DeVry, employees took to the new system quickly, says Maher. Within a month of the launch, 85 percent of employees had logged in, 1,331 peer endorsements were given and 16,553 employee transactions were generated.

"On DeVry Commons, employees can live-chat with HR; it lets us reach out proactively to employees who haven't turned in their time cards or filled out a development plan and it lets us reach out to new managers," she says.

Centralization to a shared-services center has allowed the company to realize \$1.4 million in annual savings, partly by eliminating some HR positions, but mostly by bringing previously outsourced functions back in-house, says Maher.

"We didn't centralize because of the cost savings; we did it because we thought it gave better service to our colleagues -- and, it turned out to be a better way for us to be organized," she says.

The company is encouraging its employees to post information about themselves on DeVry Commons -- not just their jobs and skills, but also personal information so like-minded employees can find each other and network, says Maher. Employees are also encouraged to post their career plans to the system -- "where they might see themselves five years from now within this organization," she says.

The talent charts on DeVry Commons are automatically updated whenever someone is promoted or transferred. For individual teams, it uses color codes to describe strengths and weaknesses based on performance ratings, says Maher.

The talent profiles can be synchronized with LinkedIn so, when employees update their LinkedIn profiles, their DeVry talent profiles are automatically updated and they don't have to enter the information a second time, says Maher.

"That's important, because a great HRIS should tell you more about your colleagues than your competitors know," she says. "Synchronization of this information is just one more tool that lets our colleagues get great data into the organization while making it easier for our talent-management people to find talent when they need it."

The talent profiles help the company fill positions from within, she says.

"We have a goal that 70 percent of our positions be filled internally -- we may not always hit that goal, but employees know we're working toward it," says Maher.

Newly acquired employees also complete pulse surveys in week four of their employ, to help determine whether they feel a part of the company, feel valued and understand the values of DeVry, says Maher.

"The response rate for our engagement surveys has always exceeded 92 percent, which I understand is insanely high," she says.

The bottom line, says Maher, is that every DeVry Inc. employee -- whether in Canada, the United States or Brazil -- feels tightly connected to a larger mission while being able to easily reach out to others with like-minded interests.

"We want everyone to feel they're working at a place that's making a difference," she says.