Building an HR Model for the Future

Agenda

- The University of California, Davis: Our story and strategy
- Future state model
- Understanding the change
- Merging cultures and aligning visions
- Communication
- The real future state
- Closing thoughts
University Campus – Davis, CA

Medical Center Campus – Sacramento, CA
Spring 2013: Engaged Towers Watson to conduct a strategic review of Human Resources across the UC Davis Campus and the Health System to:

- Understand the perspectives of leaders, other HR customers, and HR staff on the current quality of HR services delivered and the relevancy of those services.

- Develop a recommended future state HR structure and service delivery
Data Collection and Review Process

- Distributed UC Davis HR Assessment survey to 1,027 staff and faculty.
- Collected responses for two weeks with a 52% response rate.
- Conducted 25 interviews with senior leaders on both campuses.
- Collected and analyzed various items available within HR: organizational structure, common processes, mission and value statements.
- Developed a current state findings report in May 2013.
“Worry that the right hand doesn’t know what the left hand is doing.”
“There is no system wide or local compensation strategy. Represented titles get pay increases that are bargained by the Office of the President, while non-represented titles’ compensation lags.”
“Opposing goals of reducing costs and providing excellent patient care make workforce planning very difficult. It is extremely important to the system, but I don’t think HR is able to effectively conduct workforce planning due to the limitations/constraints.”

Current-State Assessment
May 2013
In Their Words

“HR IT is terrible. To get a full picture of one employee requires access to many, many databases, and oftentimes the person needing the information only has permissions to view one or two of the databases. This means multiple phone calls to multiple divisions of HR, which is time-consuming and wasteful.”

Current-State Assessment
May 2013
Case for Change

- Lack of cohesive strategy linking HR to the University’s mission and values
- The highly decentralized service model impairs effectiveness, is inefficient and operates as silos, so we miss opportunities to leverage resources and programs
- Customers recognize the importance of many HR activities, yet believe several are not performed very effectively
- HR customers have not experienced HR as a strategic partner
21st Century Administrative Model

- Customer Centric
- Change Ready
- Continuous Improvement
Recommended Future State Model

COE (Center of Expertise), *n.* specialist team that focuses on the strategic operational priorities of its campus partners.
Recommended Future State Model

Senior Strategic Leaders

- Executive Director, Senior HR Strategic Partner UCDHS
- Executive Director, Senior HR Strategic Partner UCD Campus

Client Focus

- Strategic partners assisting campus and Health System leaders to manage HR needs within their respective school, college or administrative department.
- Help Deans and unit leads with HR strategy development, interpretation and implementation of programs, policies and procedures.
- Provide expert HR counsel and guidance for all projects and initiatives, and ensure continuity and consistency in HR service delivery across all units.
- Determine unique needs that justify deviation from the central HR service delivery model.
Recommended Future State Model

Centers of Expertise (COE)

- Employee & Labor Relations
- Talent Management
- Staff Recruitment
- Total Compensation
- HR Operations

**HR Programs, Design and Execution Focus**

Collaborative teams of HR specialists, subject matter experts, and skilled managers.

**COE Managers:**
- Understand complex issues quickly, organize and motivate resources in response to pressing issues, and deliver exceptional customer service.
- Skilled in developing and managing strategic work plans that are specific, measurable, achievable, realistic and timely.
- Ensure HR policies and procedures are developed and implemented for the benefit of all HR customers within One UC Davis.

**COE specialists and subject matter experts:**
- Consistently deliver customer service that exceeds expectations.
- Provide a subject-specific one-stop solution for customers in need of transactions or guidance.

**HR Operations Focus**

- Collaborates with the Shared Services Center to perform transactional services efficiently and effectively.
- HR technology, communications, change management, records and metrics.
- Primary HR liaison with UC systems.
Additions to Future State Model

Subject Matter Experts

Organizational Excellence

Diversity & Inclusion

Institution Focus

• Specialists with the skills, expertise, relationships and resources available to first assist HR to optimize service delivery; second, to take the lessons learned and best practices within HR and introduce them to the full university.
Governance Model

- Executive Steering Committee
- Implementation Advisory Committee
- HR Leadership Team
Phase II – Planning and Implementation

- Begin strategic planning process
- Committed to the process: five months of activities dedicated to strategic planning. All staff participated throughout the process, together by units.
- High engagement: response rates to online surveys were regularly between 82-87%.
Phase II – Recruit and Operationalize

- Recruit the new leadership team
- Operationalize the new leadership team – expectations for communications and decisions making across the COEs.
- Define short and long term metrics
- Take advantage of the easy wins
- Communicate early and communicate often
Exceed Customer Expectations

Plan

Achieve excellence in customer service by being proactive, responsive, consistent, innovative, and compassionate about all we do.
Build One HR Community

People

As One HR, advance and excel as a valued and strategic partner in a world-class university.
Optimize Strategic Capability

Technology

Leverage resources to build cutting edge technology, infrastructure, and a diverse, talented and engaged workforce.
Understanding the Change
## Types of Change

- **Developmental**
  - Improvement in organization’s current operation

- **Transitional**
  - The design and implementation of something different from what currently exists; fixing a problem

- **Transformational**
  - A change so significant that it requires a shift of culture, behavior and mindsets to be successful and sustainable over time
Does your organization need to begin its change process before its destination is fully defined?

Is the scope of the change so significant that requires a shift in organizational culture and people’s behavior and mindsets in order to succeed?
Now, for the hard part…

Mindset
Values, beliefs, thoughts, emotions, levels of commitment

Behavior
Work styles, skills and actions

Culture
Norms, collective ways of being, working and relating

Systems
Strategy, structures, systems, processes and technology

Change Management

Internal
Collective
Individual
External
What we hope for
What we experience
Transformational Change is Messy

- The future state is being discovered during the change implementation
- Requires forging into the unknown
- There is no way of *really* knowing in advance the actual scope of work required
How can we “manage” a transformational change?

- Give up the expectation that you will have total control
- Actively pursue information and feedback
- Use the information and feedback for learning
- Use the learning for course corrections
Requires significant personal awareness

- Fundamental assumptions and mental models about reality
- Ways of being, working, and relating
- Behavior and style
- Level of personal empowerment and effectiveness at supporting change in the organization
Achieving extraordinary results requires change leadership competence

- Increased understanding of change
- Expanded awareness
- Understanding that we must attend to both internal human dynamics and external dynamics at multi-dimensional levels (i.e. individual, relationship, team, organization)
Establish *Change Leadership* as a Strategic Discipline

- Organizational change capability is no longer a “nice to have”
- It is an ongoing, critical function for the 21\textsuperscript{st} Century success
- Developing change leadership capability is essential
Transition Never Really Ends

- In a learning organization, we never really “arrive”
- We are always looking for and adopting better ways to do business
What about those cultures?
Culture: Support or Sabotage?

- **What is culture?**
  - *noun* culture \( 'kəl-chər \)
    - the beliefs, customs, arts, etc., of a particular society, group, place, or time
    - a particular society that has its own beliefs, ways of life, art, etc.
    - a way of thinking, behaving, or working that exists in a place or organization (such as a business)

Merriam-Webster
When two organizations have different beliefs and behaviors about:

- How to make decisions
- How to organize resources
- How to supervise people
- and so on...
For example…

• Top-down vs. Collaborative Decision-making
• Risk Avoiders vs. Risk Takers
• Hierarchical vs. Empowered
• Incentive-Based vs. Zero-Base budget models
• Technology-based vs. Paper-based
Culture: Support or Sabotage?
Merging Cultures

- The goal is not to necessarily diminish differences, but to allow *space* for them while putting focused energy towards identifying and exploiting the *commonalities*.

- Emphasize the similarities in such a way that they are recognized across the organization

- Capitalize on differences
Leading a Culture Merge

- Must understand your own culture well enough to be able to detect potential incompatibilities with the other organization’s culture
- Must be able to engage in the kinds of activities that will reveal both organization’s assumptions
- Must be able to articulate the potential synergies or incompatibilities so that others can understand and deal with the cultural realities
- Must take cultural issues seriously

*Organizational Culture and Leadership*, Edgar H. Schein
Finding Synergies

Common Practices when Practical

Combined Capabilities
Activity
Aligning Our Visions
Aligning our visions

- Goal is to create a common vision based on two divergent cultures
  - Culture #1 = Culture of *Imagination*
  - Culture #2 = Culture of *Accuracy*
Aligning our visions

Based on the instructions (communication) on your respective sheets…

- Draw the “vision” you think we’re trying to achieve
Share Your Visions
Aligning our visions

Based on the new instructions (communication)…

- Draw the “vision” you think we’re trying to achieve
Share Your Visions
What did you notice?
A Little Experiment
Perform a Little Experiment

On the next slide, you will see a list of words.

In 15 seconds, memorize as many of them as you can.
Bed
Rest
Awake
Night
Dream
Eat
Snooze
Nap
Relax
Sound
Slumber
Snore
Bed
Rest
Awake
Night
Dream
Eat
Snooze
Nap
Relax
Sound
Slumber
Snore
IN THE ABSENCE OF INFORMATION, WE JUMP TO THE WORST CONCLUSIONS.

~ Myra Kassim
Communicating the Message

- Explain the **WHY**
- Describe the **WHAT**
- Lay out the **HOW**
- Allocate the **WHO**
Why Leaders Don’t Communicate

- Believe that announcing the change is sufficient
- Are waiting until they have definitive answers
- Assume internal communications are keeping people informed
- Don’t want to set unrealistic expectations
- Feel badly about those affected
Struggling with own emotions about the change
Fear of painting themselves in a corner….no room to change later
Fail to understand the correlation between the emotions around change and performance
Expect employees to “deal with it!”
Haven’t perfected their communication plan
What now?
Recommended Future State Model

**Associate Vice Chancellor Human Resources**

**Senior Strategic Leaders**
- Executive Director, UCDHS
- Executive Director, UCD Campus

**Centers of Expertise (COE)**
- Employee & Labor Relations
- Total Compensation
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- Staff Recruitment
- HR Operations

**Subject Matter Experts**
- Diversity & Inclusion
- Organizational Excellence

**COE (Center of Expertise), n.** specialist team that focuses on the strategic operational priorities of its campus partners
Closing thoughts…
Leading a Transformational Change

- Engage staff in learning about change; managers and supervisors about managing change.
- Keep all actions purposeful and integrated to create momentum.
- Communicate through multiple media; using a variety of language.
- Remember, in the absence of information, we are bound to create our own stories.
- Don’t be “married” to a certain outcome; Understand and expect that best laid plans will be constantly adjusted to realities that occur at all levels of the organization.
Overcoming the Challenges

- Have compassion and empathy for your employees and colleagues
- Be open to criticism and be honest in your self evaluation
- Ask for help when you need it
- Celebrate milestones
- Don’t take yourself too seriously
- Don’t take the difficult times personally
Questions or Thoughts?
Thank You

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