



## Agenda Item 6

March 18, 2014

**ITEM NAME:** Organizational Health Index (OHI) Survey Update

**PROGRAM:** Human Resources Division

**ITEM TYPE:** Information

### **EXECUTIVE SUMMARY**

The purpose of this agenda item is to provide an update on the action planning efforts that resulted from the 2013 OHI survey and the recommendations from the Accountability Team and Innovation Team.

### **STRATEGIC PLAN**

The OHI survey supports Goal B in the Strategic Plan to “Cultivate a high-performing, risk-intelligent and innovative organization.” The recommendations from the action planning teams will be used to develop new business plan initiatives.

### **BACKGROUND**

In September staff provided this committee with an update of the OHI survey results and planned next steps including the creation of two action planning teams. The OHI survey results were reviewed and analyzed by Executive staff who identified three areas in need of improvement throughout the enterprise:

- **Accountability:** We will increase our focus on providing employees with clarity on their roles and decision-making authority within day-to-day practices.
- **Capabilities:** We will work together to make sure our business processes are well documented within the organization.
- **Innovation:** Our employees are our greatest asset and together we can work on innovation and creativity from within, to better serve our diverse range of customers.

In order to address the areas of focus from the survey, two cross-functional action planning teams were formed to develop recommended strategies and tactics to help improve in these areas. Our Accountability Team was led by Executive Sponsor, Cheryl Eason and consisted of front-line managers up to the senior manager and Executive levels. This team addressed the areas of “role clarity” and “process-based capabilities.” Our Innovation Team was led by Executive Sponsor, Ann Boynton and consisted of staff at all levels, from rank and file to Executive. This team focused on the practices of “employee-based innovation.” Each team held several meetings in September and October to develop their recommended improvement strategies and

activities. On January 6th both teams presented their recommendations to Executive staff and a summary of these recommendations are provided in this agenda item.

## **ANALYSIS**

The OHI action planning teams developed multiple recommendations designed to improve our organization in the areas of focus identified by Executive staff. The following is a summary of the recommended strategies from each of the teams.

### Accountability Team Recommendations

The Accountability Team recommends the following strategies to improve leadership practices critical to providing employees with “role clarity” and ensuring “process-based capabilities” throughout the enterprise. The strategies will include training opportunities for all levels of staff and will ensure our processes and procedures are well documented throughout the enterprise. The recommendations include some new initiatives but will also capitalize on current initiatives which are already underway.

In the area of training the Accountability Team recommends the following:

- Offer the Supervisory Skills Enhancement Series as outlined in the Workforce Strategic Plan and Business Plan. One of the workshops under development is a module on “Performance Management and Coaching.” The curriculum originates from our LEADER series, and is meant as a “refresher” training course for managers/supervisors who may not have gone through the series, or who took the course many years ago. We will ensure this curriculum focuses on the importance of communicating job expectations, delegating to staff, ensuring they have the training and tools needed to do their jobs and strategies of fostering a culture of responsibility.
- Offer training to all employees on “Business Process Innovation” or “End-to-End Process Training.” This training would integrate with the Innovation Team initiatives and give employees the opportunity to bring to life some of the innovative new ideas and programs, while providing the tools needed to improve existing processes and achieve efficiencies.

In the area of documenting processes and procedures the Accountability Team recommends the following:

- The policy management initiative outlined under Goal B of the Strategic Plan establishes enterprise-level oversight for policies and procedures, and establishes protocols for writing and tracking policies and procedures and a central online policy and procedures repository. The team recommends communication of this project to the enterprise in further support of our “role

clarity”, and “process-based capability” efforts. The communication strategy should include provisions to require all positions to have current desk manuals and that critical business processes and procedures are documented.

The Accountability Team also recommends leveraging several current Human Resource programs to support “role clarity” and “process-based capabilities”:

- **Career Services:** Incorporating the specific recommendation from the OHI workgroup of “Boss do the Job Day or Week” into the Informal Mentoring initiative.
- **Recognition:** Utilizing the new Sunspark recognition tool to reinforce critical thinking, and reinforce desired behaviors like proactively sharing ideas and collaborating.
- **Training:** Focusing on highlighting existing courses available in CalPERS curriculum catalog that will help support critical thinking and “process-based capabilities” such as: Visio, Information Mapping, and Critical Thinking.
- **Onboarding:** A review of CalPERS existing onboarding tools is planned in the next year, and we will incorporate the specific recommendation of assigning an onboarding buddy for all new employees.

In order to ensure these recommendations are successful the final recommendation of the Accountability Team is to add a new objective to managers and supervisors performance evaluations and leadership’s annual performance plans. This new objective will evaluate the work they are doing to foster a culture of accountability within CalPERS.

#### Innovation Team Recommendations

The Innovation Team was asked to develop desired future states, strategies and potential tactics for each of the following innovation subject areas extracted from the OHI survey results:

- **Culture of Innovation:** Encourage and promote a robust culture of innovation.
- **Idea Generation:** Freely generate and communicate innovative ideas from all employees.
- **Idea Screening and Evaluation:** Effectively screen and evaluate innovative ideas from all employees.

- Idea Implementation and Diffusion: Readily implement and adopt employee-driven innovations.

The team conducted research applicable to these innovation subjects and discussed how they apply to CalPERS to develop desired future states, strategies and potential tactics.

The subject areas explored by the Innovation Team are critical to the process of employee-driven innovation. Each of the desired future states, strategies, potential tactics and success factors were synthesized from best-practices research and work performed during the sessions. Although various stages of the Innovation Team recommendations can be facilitated by tools, processes and systems, these tools, processes and systems are most effective in an organization with a robust culture of employee-driven innovation.

The desired future states, strategies, and potential tactics will be transitioned to the project team responsible for the 2013-15 Business Plan Initiative: *Enterprise Internal Innovation*. This project team will consider the Innovation Team recommendations as they develop a responsive employee-driven innovation program that inspires staff to share innovative solutions that improve performance and service.

#### **BUDGET AND FISCAL IMPACTS**

Budget and Fiscal impacts associated with this item are currently being analyzed by staff.

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