



Best Practice: Strengthening Human Resources in Public School Systems

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CITY: NEW YORK CITY

POLICY AREA: EDUCATION

BEST PRACTICE

Project Home Run was a two-year initiative undertaken by the New York City Department of Education (DOE) to transform its Division of Human Resources (DHR) to enable more effective human capital management. This effort was carried out in partnership with Mercer, a human resources consulting firm.

ISSUE

At the launch of New York City Schools Chancellor Joel Klein's *Children First* initiative, attention was drawn to the fact that inefficient processes were causing teachers to be absent from the classroom in order to deal with paperwork at the central office and, in many cases, causing teachers to leave the system altogether. In 2003, the Children First Initiative began with a reorganization of the management structure at the DOE, the implementation of core reading and math curricula for the entire system, a new formal structure for parent engagement and a principal recruitment and training institute called the Leadership Academy.

As a newly centralized system, the DOE had new requirements for services and processes that DHR could not accommodate through its outdated, largely paper-driven structure. This structure had worked in the past for a few reasons. Namely, under the decentralized DOE, most human resources (HR) decisions were made at the local level, obviating the need for a strong, centralized HR function. Secondly, within the realm of education, non-curricular and non-instructional work was not viewed as particularly important, and expectations for the HR function were not high. Moreover, over the years other institutions, such as the teacher's union, had filled some of the gaps in service. Finally, as frustrating as the system was for individual teachers and principals, it was not clear to previous leadership that reforming HR would have any impact on student achievement.

GOALS AND OBJECTIVES

DHR, in partnership with Mercer, a private human resources consulting group, launched Project Home Run (PHR) in 2004. The primary goal of PHR was to create a HR function aligned with *Children First* and with the strategic direction of the DOE. By investing in the project, the DOE wanted to transform its HR function into a more effective service provider to the DOE's 135,000 employees, a more strategic partner to principals, and a full-service organization capable of moving beyond recruitment and hiring to the design and delivery of other best-practice HR programs such as compensation management, performance management, and workforce planning.

Process redesign was a critical component of PHR. The goal was to develop business processes that would reduce the administrative burden on DOE employees, better leverage technology, improve customer service, improve reporting capabilities and support effective human capital management.

IMPLEMENTATION

HR transformation is a process of realigning an HR function to the strategy and goals of the organization so that HR can become a real partner in success. The goal of HR transformation is not simply to improve the efficiency of processes within the HR function, but to improve the function's effectiveness. It addresses all elements of the HR organization, including how it is structured, how people are deployed, how technology is used, how processes are designed and how services are delivered.



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PHR was carried out in two major phases. During Phase I, which ran from September 2004 through March 2005, the team assessed the current HR function, defined goals for the transformation, and developed a high-level design for the new DHR.

As a first step in the project, the project team assessed current DHR operations by mapping the function and its operations against HR best practices. The team analyzed:

How work and information flow across the organization

- Are there effective quality controls in place?
- Is decision making distributed appropriately?

How the function is organized

- Does the structure enable effective collaboration, strategic services, administration and programs?

The technologies used by the division

- Are they appropriate for delivering the needed services?
- Is DHR optimizing its technology investments?

DHR's talent

- Does DHR have the right skill sets, competencies, resource levels and deployment of its staff?

The findings of the Phase I assessment, coupled with Mercer's expertise and research of industry best practices, led to the development of DHR's new service delivery model – one that would address the short-comings of the existing organization and would better align the function to DOE's driving goals.

The HR service delivery model implemented at the DOE is based on best practices and designed to better align the HR function with the DOE's goals. The model has three key components:

HR Service Center

- A centralized administrative transactions center that provides a single point of contact for all routine, transactional HR services, including HR inquiries, on-boarding, benefits, leave and employee information changes.

HR Centers of Expertise

- Small cadres of dedicated experts focused on the design, development, execution and measurement of HR programs and policies across a number of critical HR functions.

HR Partners

- A school-facing network of consultative HR staff positioned to partner with principals and other DOE leadership to address their human capital needs.

Implementation of the new DHR model (Phase 2) spanned two years, from September 2005 to September 2007, and focused on three key priorities:

- Design and rollout of the new HR organizational structure
- Redesign of HR processes
- Management of required change

Design and rollout of the new HR organizational structure



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At the start of the implementation, the team created detailed organizational structures to support the new service delivery model for DHR. Because PHR was a total transformation and not a reorganization project, at the top level all new HR leadership jobs were created, along with detailed role profiles. Further into the organization, some jobs remained the same, others changed in a number of ways, and some were newly created.

Once the design was complete, the team began the staffing process, conducting both internal and external recruiting for DHR leadership and managerial positions. The staffing plan involved both transferring incumbents to jobs requiring similar skill sets and conducting an application process for jobs with skills not previously required. The team developed a skills inventory to assist with this process.

A second element of the rollout involved designing and building the facility, and procuring and implementing the technology needed to support the new HR Service Center. The HR service center team spearheaded these efforts, overseeing the design and construction of the new service center facility within the DOE's central office and the procurement and implementation of the call management, case management, and knowledge management technologies.

Redesign of HR processes

The process team designed and documented the new HR processes and validated them with key stakeholders to ensure that they would be appropriately supported by and embedded in the new DHR organization. They developed specifications for the technology that would be required to support the new processes, made recommendations for changing DHR and DOE policies to better support the redesigned processes, and recommended training for DHR staff.

Between 25 and 40 DHR staff members participated in process redesign sessions, providing their subject matter knowledge to validate new designs and identify key dependencies and potential change challenges. This staff involvement both enhanced the overall process redesign and enabled and facilitated an increased DHR commitment to PHR.

Among the processes redesigned were: maintaining personal and tax data; copying/shredding, fulfillment, mail handling, records management (for redesigned processes), leave of absence administration, educational leadership recruitment and selection; scholarships, incentives and special programs, teacher recruitment and selection, and criminal investigations.

Management of required change

Supporting HR transformation through communication, training and activities designed to encourage engagement in the project was a third critical component of implementation. The change management team sought to provide to the DHR community the information necessary to build awareness and understanding of the goals of PHR as well as its expected outcomes and impact. They also worked to increase DHR involvement in PHR and help employees transition to new responsibilities. Change management initiatives included:

Working with DHR leadership

- The PHR change management team initiated a process of conducting DHR leadership retreats to engage the new group of leaders and firmly establish them as a high-performing team. During those retreats, DHR leadership described a future vision of the DOE that inspired their work, committed to key initiatives designed to help DHR contribute to that vision, and agreed on specific outcomes DHR wanted to realize over the next three years.

Supporting the Staffing Process

- After the people team designed the new HR organizational structure with new job descriptions and requirements, leadership level staff needed to apply for the new jobs. In addition, many other new jobs were created and HR staff members at all levels were encouraged to apply for them. The change management team provided ongoing information about the staffing process, job posting and associated requirements. The team also sponsored resume building and interviewing workshops and an education expo to encourage DHR staff to expand their skills and credentials.



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Training

- The change management team developed and ran several training sessions for DHR employees and new hires. Most critically, the team focused its support to help transition the role of the HR Partners from transactional to consultative. This was accomplished through a multi-event curriculum including a one day session on the strategic role of the HR partner, a 3-week orientation program, and three days of customer service, problem solving, communication and consulting skill development.

Communication

- While the change management team leveraged existing DOE and DHR communication mechanisms, they also created a new newsletter about PHR for DHR staff, facilitated the branding of the HR service center, and supported the launch of HR Connect in September of 2007. Through the project, the change management team was challenged to balance the need for communication with the risk of over communicating given broader DOE environment.

COST

The cost of Project Home Run was \$30 million of which \$6 million was provided from private sources, including the Broad Foundation, Michael & Susan Dell Foundation, Bill & Melinda Gates Foundation, Robertson Foundation, and The Wallace Foundation.

RESULTS AND EVALUATION

Project Home Run yielded the following positive outcomes:

Centralized employee services and HR administration

- The establishment of a HR service center offering one-stop HR services to DOE employees is a core component of Project Home Run. By leveraging the same customer service technology found at many private companies, and creating a platform to further centralize and improve HR administration, the HR service center enables the rest of DHR to spend more time on recruiting the most qualified candidates and developing new ways to support them in their jobs.

Enhanced skills of DHR leadership and staff

- Through both capacity-building work with DHR leadership and skills training for HR staff, Project Home Run helped to significantly enhance the capabilities of the DHR team.

New talent to DHR

- In staffing the transformed HR organization, the Project Home Run team recruited externally as well as internally to fill senior leadership and managerial positions. This included bringing expertise in areas that had not formerly existed within DHR.

Refocusing HR on program design to support human capital initiatives

- In creating HR Centers of Expertise, the DOE now has the capacity to focus on HR program design and talent management issues without the heavy administrative responsibilities assumed by the HR service center.

Redefinition of the HR Partner role

- Through selective hiring and retraining, coupled with the shifting of transactional work to the HR service center, the DOE's school-facing HR staff shifted from "personnel" liaisons into value added partners who can work closely with principals to help solve people-related issues.



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The major challenges for Project Home Run included:

Limited consensus on what the HR function should/could be

- It is difficult for many to see the connection between the fulfillment of their mission and the efficiency and effectiveness of the HR function. The HR value proposition and associated HR best practices are more broadly understood and adopted within the private sector, yet the results of Project Home Run indicate that state-of-the-art HR practices such as implementing call centers, streamlining transactional work to focus on strategic work, improving customer service, and introducing employee self-service can successfully be applied within the public sector.

Overcoming barriers inherent in public education institutions

- Certain features of public education systems pose special, although not unique, challenges for HR transformation initiatives including the cyclical nature of key HR activities such as recruiting, hiring, and leaves of absence; teacher certification requirements; the unique managerial role of principals; and tenure and civil service job protection.

Winning the hearts and minds of HR stakeholders to achieve lasting change

- Helping stakeholders understand and embrace change is critical to project success, yet is hindered by a number of factors: a lack of understanding among leaders of the value of a strategic HR department; a culture that is unaccustomed to thinking of its work in terms of serving customers and solving problems as opposed to completing tasks; a desire to protect special knowledge to preserve one's position in the organization; profound skepticism toward change programs; environmental impediments to effective communication; and a tendency to underestimate the importance of change management.

Navigating unclear channels for decision-making and unwieldy processes

- Many large public organizations have indeterminate decision-making channels that are difficult to chart. The lack of standard operating procedures and the diffusion of responsibilities make it difficult to know what is required and whose authorization is needed to accomplish certain tasks. This confusion, coupled with the unwieldiness of some processes, can add significantly to the length of the project.

Coping with constant change in the environment

- Public education institutions are subject to frequent change given swings in the larger political and policy environments. HR transformation, meanwhile, is typically a multi-year endeavor. It requires a significant investment of time and money before results are achieved, during which time key sponsors may leave, structural reforms may be introduced, or other high-profile initiatives may take priority. These changes can put an HR transformation project in jeopardy.

TIMELINE

2003: New York City Schools Chancellor Joel Klein launches *Children First*

Early 2004: The DOE begins to apply *Children First* to support functions, technologies, and management tools

September 2004 – March 2005: Project Home Run Phase I (Assessment of current function; defining of goals for transformation; high-level design for new DHR)

September 2005 – September 2007: PHR Phase 2 (Implementation of new DHR model)

September 2007: Launch of HR Connect (One-stop HR service center)



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LEGISLATION

N/A

LESSONS LEARNED

Some of the key lessons learned through Project Home Run include:

Obtain commitment from leadership

- Commitment from leadership within HR and at senior levels within the organization is critical to the timely and successful completion of an HR transformation project.

Establish strong project management office

- A sound project management structure and good documentation of the project plan with clearly defined work streams, expectations/accountabilities, and milestones is essential, particularly given the large number of interdependencies and the potential for changes in direction.

Engage critical stakeholders as early as possible

- Project leaders should take the initiative to meet informally with all potential project stakeholders as early in the process as possible rather than waiting to work through official channels. In this way, project leaders can gain a better understanding of factors that may have an impact on the HR transformation project and also begin to build understanding and support for the project.

Don't over-commit

- Plan milestones and associated deliverables conservatively to ensure that they will be met despite bumps in the road. If project planners over-commit and fail to deliver, they are likely to lose critical project support.

Demonstrate early wins and create momentum

- HR transformation projects must demonstrate wins early in the process in order to embed organizational change and create the momentum necessary for full implementation. The project should be set up to run on several tracks simultaneously, and project work plans should be designed in phases with frequent milestones along the way.

Maintain flexibility

- HR Transformation is a long term, iterative process requiring the project team and the associated HR operating model to maintain the flexibility to adapt to the changes occurring within the broader enterprise.

Construct the project to transfer knowledge to internal resources

- Project teams should be designed to facilitate capacity building within the organization and knowledge transfer from consulting partners to leadership and staff.

Invest in HR technology infrastructure during early stages of HR transformation

- Where possible, organizations should have a robust HR management system in place to support/enable HR transformation goals.



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TRANSFERABILITY

Project Home Run is a model that can be replicated across content fields. Many of the questions asked and the lessons learned are applicable to any business environment.

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