Transforming HR to drive organizational success

Lessons learned through
Project Home Run
at the New York City
Department of Education

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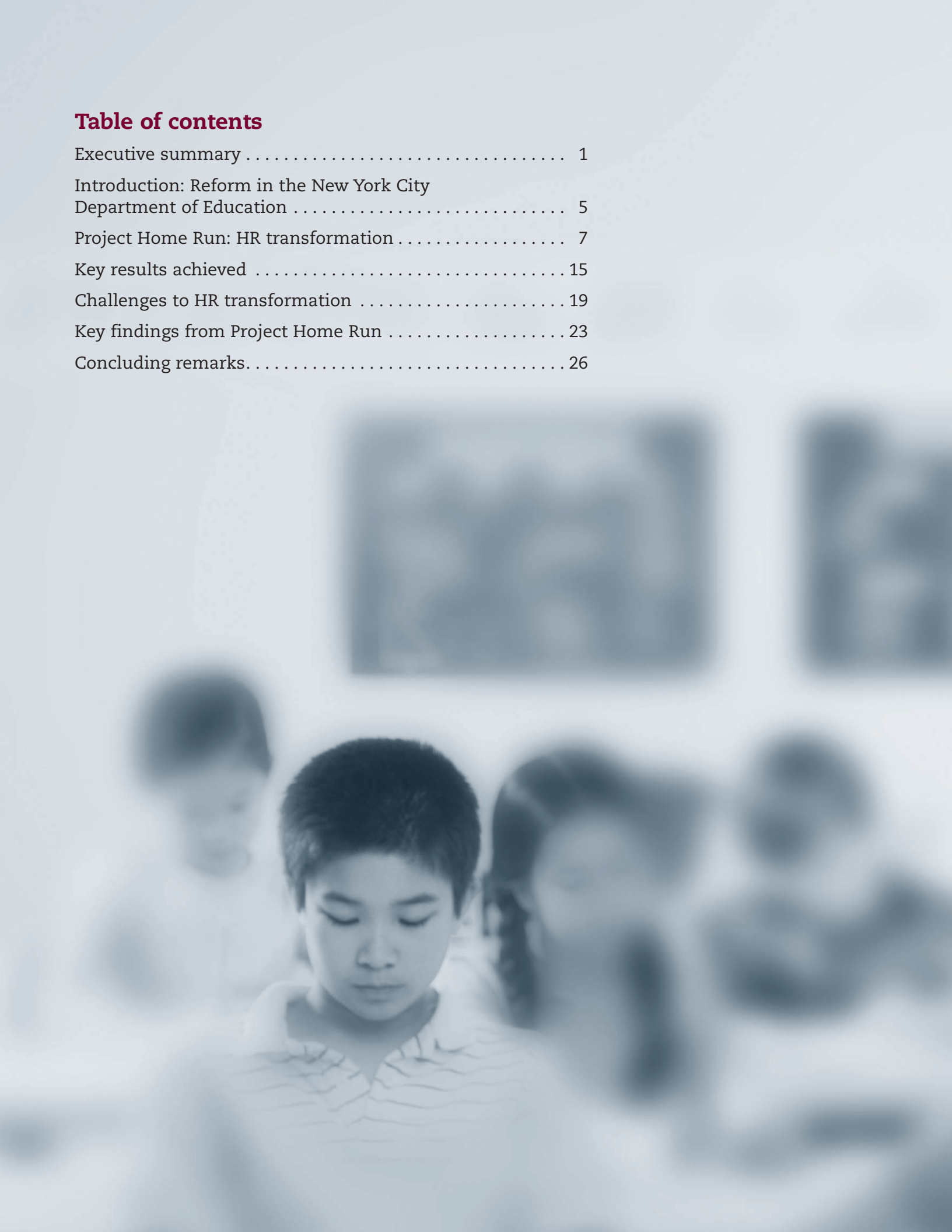
Executive summary

HR transformation is a process of realigning an HR function to the strategy and goals of the organization so that HR can become a true 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.

This paper documents a two-year initiative undertaken by the New York City Department of Education (DOE) to transform its Department of Human Resources (DHR) to enable effective human capital management. Called Project Home Run, the effort was carried out in partnership with Mercer and was funded by a combination of public and private funds from The Eli and Edythe Broad Foundation, Michael & Susan Dell Foundation, Bill & Melinda Gates Foundation, The Robertson Foundation and The Wallace Foundation.

Project Home Run applied leading HR practices and organizational models from the private sector to the largest public school system in the US. The aim of this paper is to document the project approach and results, describe project challenges, and share key findings for those considering HR transformation initiatives for their organizations.

Project Home Run: A new HR service delivery model

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.

Key results for the DOE

Project Home Run yielded a number of big wins for the DOE:

- **Centralizing employee services and HR administration**
  The establishment of an HR service center offering one-stop HR services to DOE employees will be a lasting legacy of Project Home Run. By leveraging the same customer service technology found at many private companies, and by 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.

- **Enhancing 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.

- **Bringing 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 can now shift from "personnel" liaisons into value-added partners who can work closely with principals to help solve people-related issues.

Challenges to HR transformation

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 it 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 decision-making channels and dealing with 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 multiyear 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.

Key findings from Project Home Run

- **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 are 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 overcommit**
  Plan milestones and associated deliverables conservatively to ensure that they will be met despite bumps in the road. If project planners overcommit 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.
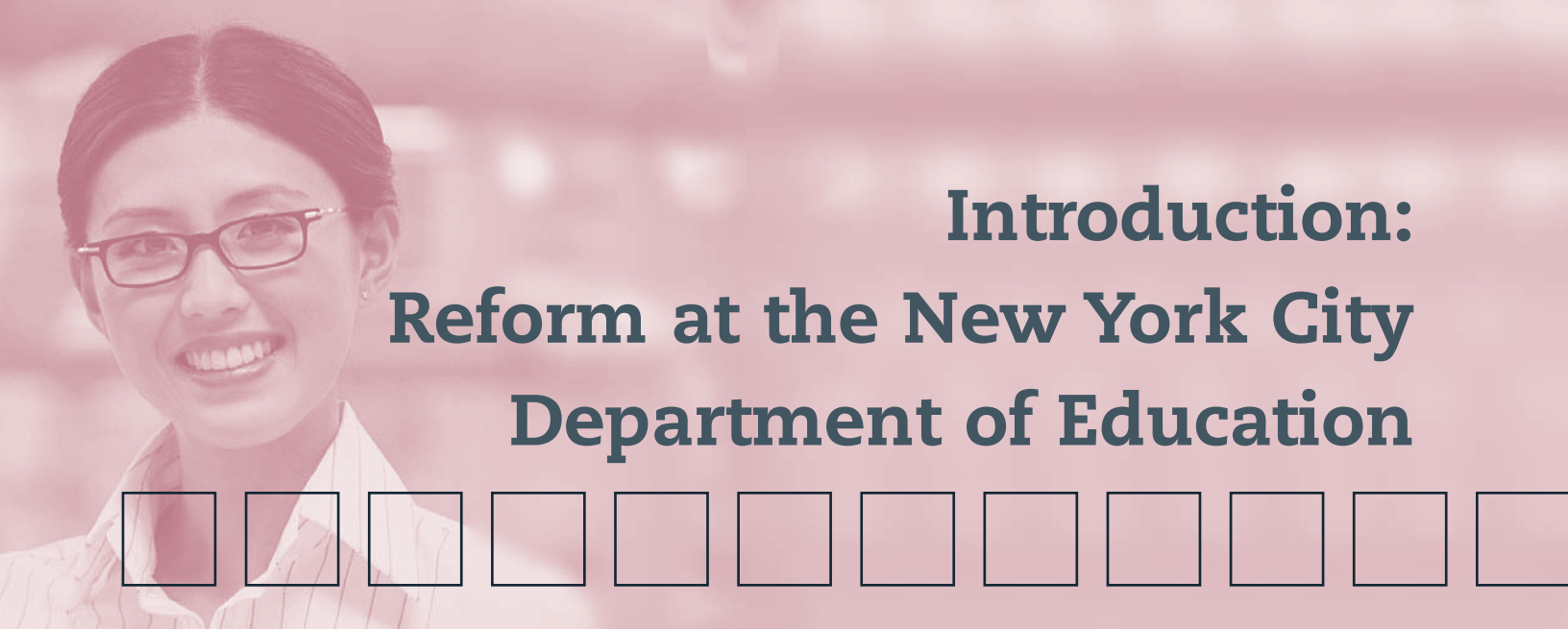
Introduction:
Reform at the New York City Department of Education

2002 was a momentous year for the New York City public school system. At the start of the year, the No Child Left Behind Act of 2001 was signed into law, putting new requirements on states and schools for student achievement. In June 2002, the New York State Legislature granted control of the New York City school system to Mayor Michael Bloomberg, ending more than 30 years of decentralized governance by 32 separate community school boards. Bloomberg then appointed Joel Klein as schools chancellor, charging him with the responsibility for fundamentally transforming a struggling, decentralized school system into a centralized, model system featuring 1,400 excellent schools.

Klein's response to this mandate was to initiate a series of reforms at the Department of Education (DOE) beginning in 2003 under an umbrella program called Children First. Children First 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.

In the second year of Children First, the DOE's attention turned toward improving some of its support functions, technologies and management tools. As a newly centralized system, the DOE had new requirements for centralized services and processes. As part of these year-two reforms, the DOE embarked on Project Home Run, an effort initiated in 2004 under Children First and carried out by the DOE in partnership with Mercer, to reform the DOE's Division of Human Resources (DHR).

Why reform HR?

The DHR had functioned historically as a "personnel" department. Its primary areas of focus were teacher recruitment, compliance and back-office transaction processing rather than HR program design and HR consultative services. DHR's staff of approximately 350, augmented by a large number of temporary workers, was not providing many of the traditional HR services, which were simply missing or were being handled by other divisions within the DOE, such as the recruitment of principals, performance management and compensation for nonteachers.

While DHR's primary role within the DOE was to recruit and hire teaching staff, there were indications that this area also was in need of improvement. For example, DHR converted less than half of subject-shortage area applicants to hires, with the exception of math applicants, with whom they were only marginally more successful. As a result, at times, principals and superintendents worked around DHR or did things for themselves.

DHR was often criticized as a service provider, given its main orientation as a rule enforcer. In working with principals, its staff often emphasized enforcing compliance with benefits rules, labor laws and contractual requirements over finding win-win solutions to human capital problems.

Finally, although the bulk of DHR's day-to-day work was transactional, the technologically deficient, paper-driven organization wasn't particularly effective in handling this work; prior to 2003, DHR managed to get only 50 percent of teachers on payroll by the start of the school year.

"When the new chancellor came aboard, he was getting hundreds of complaints in his email in-box in October from teachers who hadn't gotten paid or hadn't gotten benefits yet. Since there was no one dealing with these issues, the complaints were coming to him. He sent those complaints to me and my boss and said, 'Fix it.'" **(DOE leadership)**

While DHR had functioned at this level for years, the system had tolerated it for several reasons. First, under the decentralized DOE structure, most HR decisions were made at the local level, obviating the need for a strong, centralized HR function. Second, within the realm of education, non-curricular and noninstructional work is not viewed as particularly important, and expectations for the HR function were not high. Third, over the years other institutions, such as the teacher's union, had filled some of the gaps in service. And 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.

"The sexy work in education is in opening new schools, curriculum and teaching. The things that are managerial or administrative are never really seen as exciting or important work." **(DOE leadership)**

With the new centralized governance structure and new leadership at the DOE, however, came a new realization of what DHR's poor performance was costing teachers and students. They saw 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 them to leave the system altogether. As just one example, teachers who needed to change their personal information were required to spend a considerable amount of time at DHR's central office to accomplish this. Leaders began to recognize that lost time for a teacher was also lost instructional time for students. Some began to believe that HR's ability to perform more effectively would ultimately have an impact on student performance.
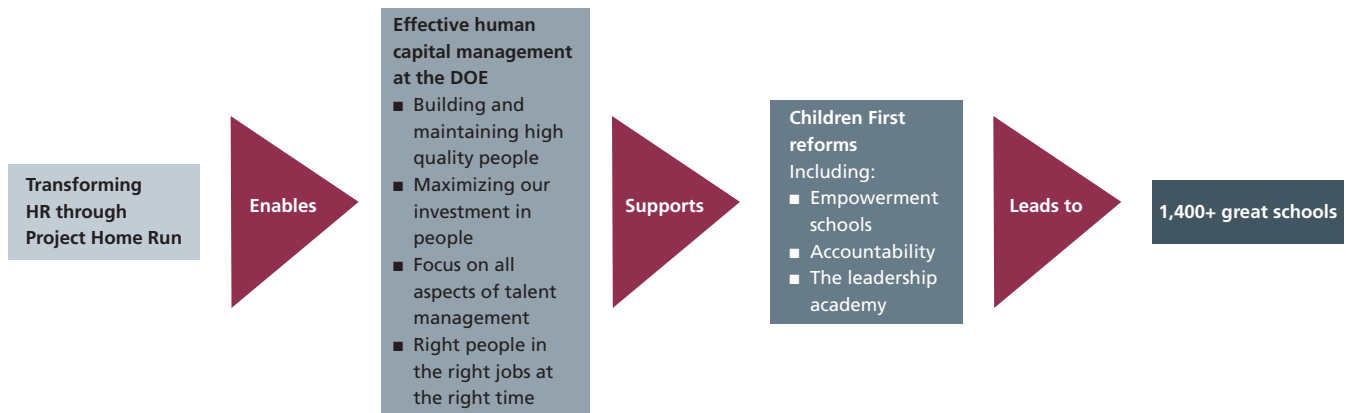
Project Home Run: HR transformation

DHR, in partnership with Mercer, launched Project Home Run in 2004. The primary goal of the project was to create an 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. The strategic context for Project Home Run is depicted below in Exhibit 1.

Exhibit 1:
The strategic context

| Transforming HR through Project Home Run | **Enables** | **Effective human capital management at the DOE**
■ Building and maintaining high quality people
■ Maximizing our investment in people
■ Focus on all aspects of talent management
■ Right people in the right jobs at the right time | **Supports** | **Children First reforms**
Including:
■ Empowerment schools
■ Accountability
■ The leadership academy | **Leads to** | 1,400+ great schools |

Benefits:
For our students: Strong school leadership and high quality teachers
For our employees: Career planning and development to ensure that employees have increasingly successful and effective careers at the DOE
For our principals: Multifunctional support from a dedicated group of HR partners
For the DOE: Effectively meeting the evolving school and organizational human capital needs

What is HR transformation?

Although the project was initially viewed by project sponsors as a process re-engineering project – one designed to improve the *efficiency* of DHR – Mercer recommended a broader approach – one that would address the organizational structure, technology and people of DHR to improve the function's overall *effectiveness*.

This approach, called HR transformation, required project sponsors to first answer "What does the DOE need from HR?" before diving into process redesign or any other design or implementation efforts. With that understanding, *all* elements of HR – how it is structured, how people are deployed, how technology is used, how processes are designed and how services are delivered – could be realigned with the goals of DOE's ambitious Children First program, making HR an effective ally in improving teaching and learning.

Project Home Run Phase I: Assessment and high-level design

Project Home Run 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.

Mapping existing operations
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?

Findings
Based on the Phase I assessment, the team found that:

- DHR's focus on paper-based, transactional services results in limited opportunities to provide other HR services that could more directly impact student achievement. While DHR spends 50 percent more time on transactional services compared to national benchmarks, it spends only about a third of the time that other organizations do on strategic planning and program design. (See Exhibit 2.)

- HR work in the field was focused largely on administrative processes that added little value to outcomes, rather than on providing "high touch" services to principals as key customers.

- Major talent management programs and processes were limited or missing. The organization was neither focused on nor had the resources to provide talent management services encompassing much more than recruitment and hiring.

- HR systems and processes were inadequate to control and measure adherence to HR standards and protocols. DHR did not have integrated HR technology to perform transactions and instead relied on manually intensive processes. DHR also lacked standards and protocols that are linked to valued behaviors and performance.

- Common administrative HR activities were being performed in several departments across the DOE, resulting in inefficiencies and data redundancy and inaccuracy.

Exhibit 2:
Percentage of time spent on HR roles

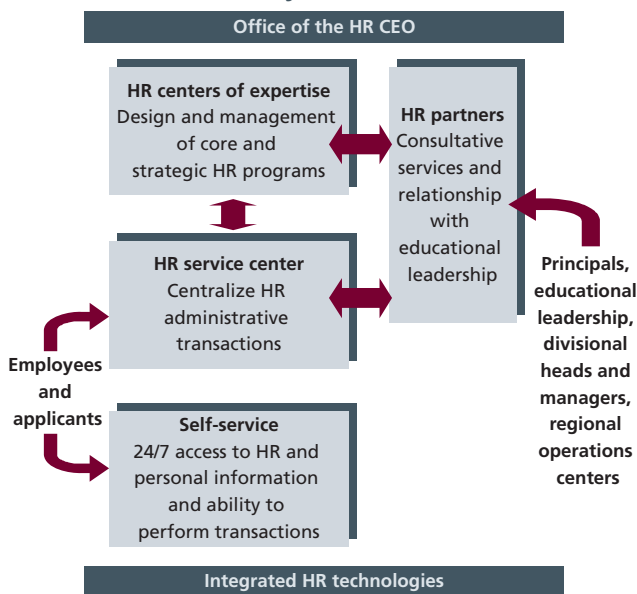| HR role	National benchmark (% of staff time)	DOE
Strategic partnering	15%	5%
Designing HR programs	13%	5%
Delivering services	36%	43%
Compliance/auditing	11%	8%
Transacting/recordkeeping	25%	38%

New HR service delivery model

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 shortcomings of the existing organization and would better align the function to DOE's driving goals. The model is based on a different way of thinking about service delivery to employees, to principals, and to the DOE leadership and management, and it is designed to be flexible so that it can meet the DOE's needs as the organization evolves. The new service delivery model includes three critical elements. (See Exhibit 3.)

New HR service delivery model

Office of the HR CEO

HR centers of expertise
Design and management of core and strategic HR programs

HR partners
Consultative services and relationship with educational leadership

HR service center
Centralize HR administrative transactions

Employees and applicants

Self-service
24/7 access to HR and personal information and ability to perform transactions

Principals, educational leadership, divisional heads and managers, regional operations centers

Integrated HR technologies

HR service center

A centralized administrative transactions center available to all DOE employees and applicants, the HR service center provides a single point of contact for all routine, transactional HR services, including HR inquiries, on-boarding, benefits, leave and employee information changes. By consolidating administrative and transactional work, the organization can become both more adept and efficient at handling this work and can free resources to focus on other HR strategy, program design and consultative services.

The model calls for "tiered" service delivery within the HR service center:

- **Tier 0:** A web-based portal through which employees can get general information and handle certain transactions on a self-service basis 24/7.

- **Tier 1:** A call center staffed by trained customer service representatives able to answer general HR inquiries and requests and conduct basic research.

- **Tier 2:** Customer support specialists able to administer policy, conduct in-depth research, provide complex solutions, resolve issues and process transactions.

- **HR service center operations:** A group responsible for developing and maintaining HR service center technology and knowledgebase, data management, employee records, mail and fulfillment, and the training of service center staff.

The service center model is designed to significantly improve the speed, consistency and accuracy with which inquiries and transactions are processed; reduce the amount of time teachers and other DOE employees need to spend to resolve HR questions and initiate and complete processes; enhance recruitment efforts by making the DOE more user-friendly to applicants; and reduce the total time spent by DHR on transactional services.

> *"The service center is all about servicing employees well so they can focus more on what's happening in the classroom."*
> **(Project Home Run project manager)**

HR centers of expertise

The HR centers of expertise allow a relatively small number of dedicated staff to focus on high-impact strategic and programmatic work. The centers of expertise may:

- Define teacher quality indicators
- Design employee reward and retention programs
- Develop professional development programs for administrative employees
- Develop programs and policies related to employee benefits
- Design leadership recruitment programs and selection criteria

The centers of expertise are designed to give DHR the capacity to become more proactive in best-practice measurement work. For example, a center of expertise might study the correlation between recruiting policies/procedures and candidate acceptance rates, or between compensation and development and principal retention.

"Because we didn't have streamlined processes, we were embroiled in the transaction rather than focused on strategy. The COEs [centers of expertise] are smaller groups that can think about what's working, policy- and program-wise." **(Project Home Run project manager)**

HR partners

The third element of the model is a school-facing network of HR staff positioned to partner with principals and other DOE leaders to address their human capital needs. As primary point-of-contact for principals, HR partners enhance the ability of principals to solve their human capital issues – from workforce planning to recruitment to performance management – so that they can become more effective leaders in their schools.

For this element of the model to succeed, HR partners must be relieved of much of the transactional, paper-based work that the field staff traditionally has handled. Thus the success of this component is dependent on the success of the HR service center.

"This administration is making a bet on principals. They believe that principals are the key that will enable the DOE to significantly impact student achievement. HR partners are intended to help principals have this impact." **(Project Home Run project manager)**

Project Home Run Phase II: Team mobilization and implementation

Phase II of Project Home Run kicked off in July 2005. During the first two months of the project, implementation teams were formed and a project management structure was put in place. These proved critical to the completion of this long and complex project.

Team structure

The team structure developed for Project Home Run at the start of Phase II provided the framework for implementation and was a major factor in managing the resources assigned to the project, reporting on project status, developing and validating the key project deliverables, and raising and resolving project issues.

■ **Joint Mercer/DOE team**
Because knowledge transfer and capacity building were seen as critical to the success of Project Home Run, much thought was put into the formation of this project team. DOE leadership did not want the project to be solely managed and executed by Mercer, but wanted a major project output to be the development of internal capabilities in many aspects of large-scale transformation. The dedicated project team included DHR staff hired specifically for Project Home Run, current DHR staff, members of the DHR leadership team and a team of Mercer consultants. All deliverables were owned jointly by the DOE and Mercer.

> *"You need a lot of people with a lot of particular skills to pull off this type of transformation. DHR had been a back-office organization without the required capabilities."* **(DOE leadership)**

■ **Project leadership team**
The project leadership team was the primary decision-making body during Phase II. The leadership team was led by the executive sponsor for Project Home Run and included members from DOE headquarters, DHR senior leadership and the Project Home Run project management office. The leadership team met weekly throughout the project to review/validate major project deliverables and address a broad range of issues that arose during the project. The team was a key component of project governance and supported the Project Home Run team in achieving their goals.

■ **Program management office**
The program management office (PMO) ran the project on a day-to-day basis. All Project Home Run work-team leads reported to the PMO, and the PMO was the primary point of integration between the Project Home Run work teams and between Project Home Run and other key DOE initiatives. The project management office was co-led by a DOE project manager and a Mercer consultant.

■ **Work teams**
Project Home Run's Phase II efforts were carried out by five work teams, each responsible for a specific piece of the HR transformation. Each work team was co-led and staffed by a combination of Mercer and DOE resources.

The five work teams included:

– **People team** (four to five team members), which focused on organization design, job descriptions, staffing levels, and recruitment and staffing of the new HR function.

– **Process team** (five to six team members), which focused on redesigning HR processes.

– **HR service center team** (originally four to five team members but grew as service center organizational structure was defined and staffed), which was primarily responsible for designing and implementing the HR service center, including technology procurement, design and implementation; facility design and construction; process implementation; and hiring the service center staff.

– **Change management team** (three to four team members), which was charged with understanding how stakeholders would be affected by the transformation and developing the required interventions (such as communication within and outside of DHR and capability building within the current HR staff) to support transformation.

– **Knowledge and training team** (originally one member but grew substantially as service center processes/services were defined), which was a subset of the HR service center team that focused on capturing information about HR policies and procedures and populating a knowledge repository for use by DHR staff. In addition, this team was responsible for developing and delivering training for DHR staff.

Implementation

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

1. Design and rollout of the new HR organizational structure
2. Redesign of HR processes
3. Management of required change

1. Organizational design and rollout

One element of the organizational rollout, spearheaded by the people team, encompassed organizational design, job design and staffing. At the start of the implementation, the team created detailed organizational structures to support the new service delivery model for DHR. Because Project Home Run 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. Lower in 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, and developing a staffing plan for staff positions including those under union contract. 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/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 (see Exhibit 4) and the procurement and implementation of the call management, case management and knowledge management technologies.

Exhibit 4:
Designing a facility to enable HR service delivery goals
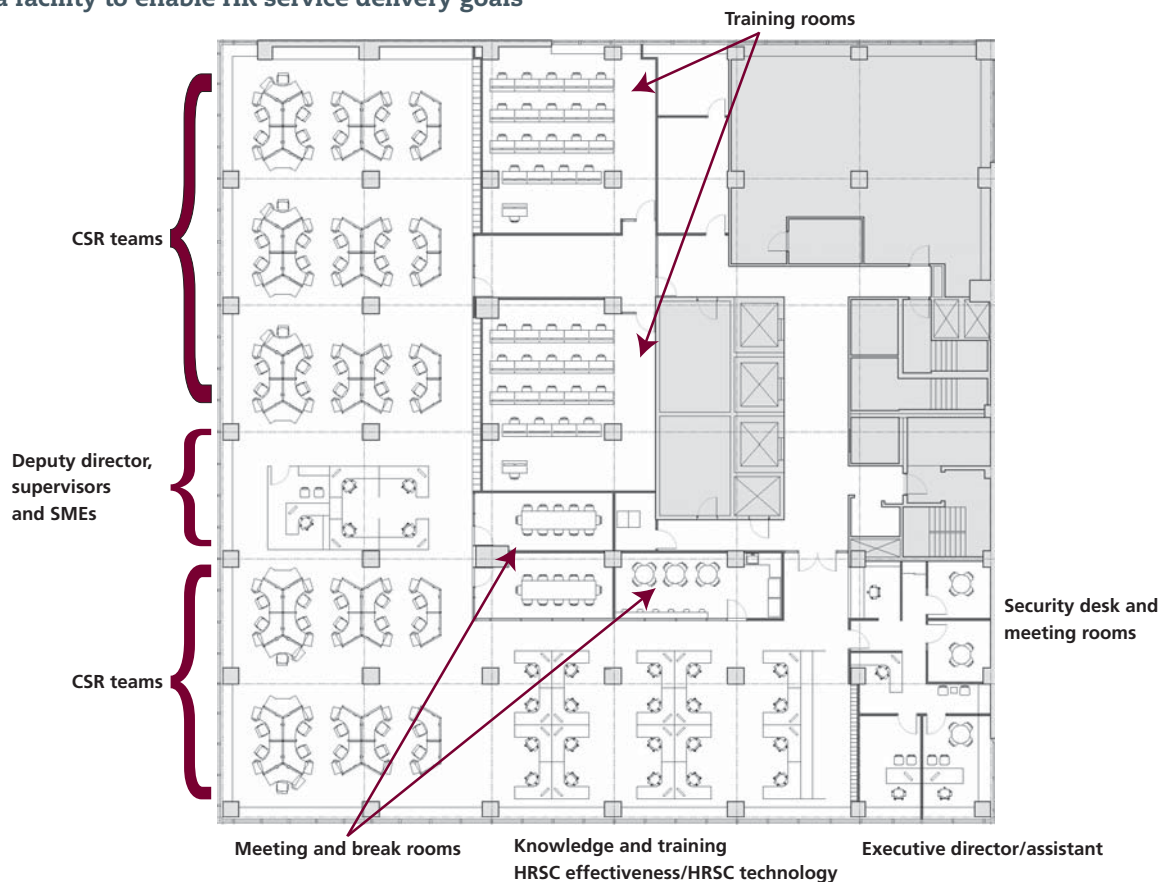
Source: Garrison Architects, New York, NY

2. Redesign of HR processes

Process redesign was a critical component of Project Home Run. 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. 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 Project Home Run.

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.

The table below provides an example of some of the process improvement opportunities for leave of absence administration:

What is broken/can be improved?	How is it improved in the new process?
Limited central control over leaves administration: Approval for HR activities is given by operations/payroll, with limited visibility into resulting impact on organizational effectiveness.	■ Majority of leave activities, including approvals, monitoring and return to work, will be transitioned from the regional operations center into the HR service center to be conducted by a team of dedicated case workers with in-depth leaves knowledge.
Multiple touch points: Many handoffs between medical/leaves/benefits department and regional operations centers throughout the leave approval process can delay processing time and result in misplaced paperwork, unclear data entry ownership and communication lags.	■ Leave activities will be standardized and clearly defined and will have dedicated owners. ■ HR service center will leverage the case management tool to enter, track and report on all leave activities.
Lack of knowledge: DOE does not have a centralized repository of knowledge that outlines leaves policies and processes.	■ HR service center staff will have access to a robust knowledgebase with up-to-date content on processes, procedures and policies.
Ineffective eligibility determinations: The decentralized nature of the current leaves process results in inconsistent application of policies and procedures across regional operations centers/Central HR.	■ Leaves case workers will access the central knowledgebase and detailed leave policies and procedures to determine eligibility rules and policies regarding specific types of leaves by employee group.
Inability to make informed staffing decisions: Lack of notification requirements for employees on leave impairs ability of principals and DHR to project vacancies and staff schools.	■ HR service center will proactively monitor returns from leave via communication with employees in advance of their leave end dates.
Delayed requests for leave: Current leave of absence request point occurs after accrued time/grace period is drained, resulting in benefits coverage lapses and insufficient time for eligibility decisions.	■ New policy to initiate leave of absence requests earlier with no change to existing borrowed time/grace period rules will prevent benefits lapses and allow timely eligibility determinations.
Limited reporting and quality assurance: Current decentralized process inhibits ability to report on key leaves metrics, including cost and adherence to program policies and procedures.	■ Centralized leaves tracking will improve reporting capabilities, provide better information about program costs, and help to drive centers of expertise program design and modifications.

3. Change management

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 Project Home Run as well as its expected outcomes and impact. They also worked to increase DHR involvement in the project and help employees transition to new responsibilities. Change management initiatives included:

■ **Working with DHR leadership**
The Project Home Run 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 wants 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.

■ **Training**
The change management team developed and ran several training sessions for DHR employees and new hires. Among the most popular were training sessions offered on Microsoft programs such as Word, Access and Excel, in which more than 150 DHR employees participated. 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 three-week orientation program, and three days of customer service, problem solving, communication and consulting skill development.

■ **Communication**
While the change management team leveraged some existing DOE and DHR communication mechanisms, they also initiated a newsletter about Project Home Run 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 overcommunicating, given the broader DOE environment.

"We had an uphill battle on the communication front. Very few formal communications go out to employees." **(Project Home Run project leader)**

Key results achieved

The results achieved through Project Home Run have positioned DHR – through its structures, processes and people – to make a much more substantial contribution to the DOE's ability to deliver on its mission. These results are best summarized via the following "wins" for the DOE:

1. Centralizing employee services and HR administration
2. Enhancing the skills of DHR leadership and staff
3. Bringing new talent to DHR
4. Refocusing HR on program design to support human capital initiatives
5. Redefining the HR partner role

1. Centralizing employee services and HR administration

One of the biggest legacies of Project Home Run is the creation of the HR service center, called HR Connect. Following a soft launch in June 2007 and gradual ramp-up during the summer, HR Connect officially opened on September 19, 2007. At that time, HR Connect already had handled over 50,000 calls from employees and applicants.

"Effectively supporting staff is one way that we can improve job satisfaction and retain talented educators. Streamlining the customer service arm of the HR department also enables it to spend more time focused on recruiting the most qualified candidates and developing new ways to support them on the job." **(DOE leadership)**

Creating HR Connect required the capture and institutionalization of an enormous amount of organizational knowledge. For the first time, DHR processes, policies and procedures are electronically stored (via knowledge management software) and can be accessed by any one of the service center representatives charged with answering calls from DOE employees. This "knowledgebase" allows the HR Connect staff to easily respond to questions, determine how a particular transaction should get processed or find out what forms are needed. Employees calling HR Connect can get consistent answers to their questions regardless of who answers the phone.

"HR Connect has been a tremendous step forward. I can't emphasize enough how important this is and will be to our organization." **(DOE leadership)**

HR Connect's case management system (Siebel Customer Relationship Management) provides key customer service metrics and helps to automate the flow of work within the HR Connect team. For the first time, DHR has information about employee requests and how well DHR is responding to those requests. Access to this type of information will help DHR identify opportunities to continually improve its service delivery capabilities.

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HR Connect is part of a cultural shift within DHR toward better servicing customers. For teachers and other school-based employees, HR Connect is making it easier for them to take care of their HR-related needs so they can focus their energies on teaching and learning. Since the launch, HR Connect has received very positive feedback from the employees and applicants that it has served.

"We've instituted a process so that if we don't have the answer for a caller, we find the answer and call that person back. The first few times we did this, people were falling out of their chairs, saying, 'HR is calling back!'" **(HR Connect executive director)**

The feedback received from employees who have called HR Connect has been very positive. Here are a few examples:

■ A customer called HR Connect to report the "wonderful" way in which the customer service representative "made his life easy" when he called. He said she had a "great voice representing human resources."

■ Another caller described a customer service representative as excellent, patient, sweet and kind, and said it was "not what I expected when calling the Board of Education."

■ An HR Connect customer described a customer service representative as "outstanding, helpful, informative and professional" and said that of all his calls to the DOE, this was by far his best experience.

■ A payroll secretary called HR Connect and, after speaking with a customer service representative, told her supervisor that she was very impressed with the level of professionalism and concern she was shown, and said that the customer service representative made the HR Connect experience an enjoyable one.

In an article in the United Federation of Teachers newsletter *New York Teacher,* UFT President Randi Weingarten stated, "The most important resource an education system can provide students is its employees. Anything that makes it easier for employees to get information that is essential to them is a big step forward. HR Connect holds that promise."

2. Enhancing the skills of DHR leadership and staff

Public sector organizations tend not to invest in developing the skills of support staff to the extent that is common in the private sector. This relates to reluctance to allocate funds toward areas not seen as directly relating to the mission; the constraints of the civil service system; and incentives that don't necessarily reward efficiency and customer satisfaction. At the start of Project Home Run, basic skills in commonly used software programs such as Microsoft Word and Excel were largely missing from much of the DHR support staff. This was compounded by the fact that full-time DHR staff is often supplemented with temporary workers and low-skilled public assistance recipients who participate in a workfare program in order to receive benefits.

Project Home Run was responsible for significantly enhancing the skills of DHR leadership and DHR staff in a number of ways. First, the project provided professional development opportunities and specific skill training to DHR employees in the areas of computer skills, customer service and communication.

Perhaps more important, the project also gave DHR leadership a window into a new way of managing major change initiatives. The Mercer team transferred their knowledge and expertise in the areas of project management, change management and process redesign. This skill enhancement should provide many future benefits to DHR.

Finally, Project Home Run created internal capacity that DHR will be able to leverage in other ways. For example, DHR now has a team of trainers within the HR Connect staff that can be leveraged in a number of different areas.

"At the DOE, just writing down all of our processes on paper took us into the 19th century. The technology of the service center puts the DOE in the 20th century. But when you start to look at the people doing the work, that's 21st-century stuff."
(Project Home Run team member)

3. Bringing new talent to DHR

Another major win for the DOE was in the new talent the project brought to the DHR leadership team. In staffing the new DHR, the team developed detailed role profiles and then recruited externally as well as internally to fill senior leadership and managerial positions. Several of the DOE Project Home Run team members themselves were hired specifically for this project. In addition, several center of expertise directors and deputy directors and 17 of the 60 HR partners assigned to the field were hired for their deep experience in HR program design and service delivery. The Project Home Run team also hired an executive director for the HR service center who has private sector experience in launching and running a service center. As a result of strategic new hiring, DHR's current leadership team has a much stronger background in HR than it had had prior to Project Home Run.

> *"We were hiring for a number of positions that didn't previously exist in DHR. We hired external talent for some of the core HR leadership positions and for the service center because these skill sets did not exist at the DOE. We hired a fair number of people with private sector experience who blew us away with their aptitude and experience."*
>
> **(Project Home Run team member)**

4. Refocusing HR on program design to support human capital initiatives

The new operating model implemented through Project Home Run gave DHR the capacity to focus on key talent management issues facing the DOE. This capability primarily resides in the HR centers of expertise.

As part of Project Home Run, each center of expertise went through a strategic planning process and identified strategic human capital issues around which they have developed initiatives and action plans. In addition to program design, the centers of expertise also will do breakthrough work in measuring the efficacy of human capital programs, allowing the DOE to be proactive in improving its talent management.

This ability to focus on program design is expected to have a major impact on the DOE's ability to maximize the value of its human capital – indisputably the most critical element in achieving its mission.

For example, in 2007–2008, DHR spearheaded an organization-wide performance management system whereby each of the top 100 managers submitted specific, measurable goals aligned to the chancellor's priorities. Each manager now has a quarterly check-in with his or her supervisor as well as an annual performance appraisal based on the accomplishment of these goals.

5. Redefining the HR partner role

Prior to Project Home Run, the school-facing HR staff was almost exclusively concerned with the transactional aspects of staffing schools for school opening. As "personnel liaisons," this part of DHR saw its role as enforcing the rules and regulations associated with staffing school-based positions and handling the transactional paperwork. Rather than working toward "win-win" solutions, they were often seen as an impediment and not as partners in helping the principals resolve human capital-related issues.

The vision for the new HR partner is a skilled, HR strategic problem-solver whose role is to work closely with principals to find the best solutions. Through selective hiring and training, the orientation and skill set of the new HR partner is geared toward supporting principals rather than just enforcing the rules.

The key roles and responsibilities that were defined for the HR partner include:

- Establishing strong relationships with principals and local instructional superintendents through regular meetings, visits and other contact

- Supporting local instructional superintendents and principals in identifying vacancies, developing staffing plans and developing staffing budgets

- Acting as point of contact for principals and local instructional superintendents on HR issues

- Translating and implementing regional staffing plan for each assigned school and updating throughout the year

- Acting as advocate for assigned customers to ensure that HR services meet or exceed expectations

- Assuming accountability (with assistance from recruitment and selection centers of expertise) for placement within networks and for meeting placement targets by month

- Establishing clear interview and on-boarding protocols for local instructional superintendents and principals to follow when making a hire

- Participating in the interview/evaluation and on-boarding process when necessary

- Providing information and analysis and consulting with principals to make data-driven human capital decisions about their organizations

- Working closely with the centers of expertise to drive the development of strategies and programs that address the specific needs of designated schools/regions

- Providing high value-added HR expertise, coaching, advice and execution support to local instructional superintendents and principals (such as developing explicit strategies to address top and bottom performers)

- Providing feedback to HR service center based on comments from its customer base

- Directing employees to HR service center (including self-service) for appropriate administrative services/requests

Challenges to HR transformation

Looking back, there were a number of challenges associated with undertaking an HR transformation initiative such as Project Home Run. A few of the key challenges are described below and would most likely be present in other large complex institutions, public or private, undergoing transformational change.

1. Limited consensus on what the HR function should/could be

Interestingly, one of the major challenges in transforming the HR function at the DOE was the perception that the mission, goals and needs of this public sector institution are sufficiently different from those of private business as to make best-practice HR transformation inapplicable. This was overcome through continual discussions of what other organizations have achieved through their HR transformation efforts, but also recognizing the key differences at the DOE and how they might be addressed. Culturally, the DOE is focused on the children in its system rather than on the adults, so that discussions about issues such as efficiency, serving customers and improving returns on human capital investments seem to many in the organization, at best, to miss the point and, at worst, to deflect the organization from its mission. It can be difficult for many in this environment to see the connection between the fulfillment of their mission and the efficiency and effectiveness of their HR organization and HR practices.

But in fact, effective human resources strategy, service delivery and operations are key in enabling any organization to fulfill its mission – whatever that mission may be. Far from turning an organization away from its core mission, a state-of-the-art HR function can be a key ingredient in organizational success.

Mercer's experience is that while there are differences between private and public sector organizations, they are differences that create special challenges for implementation rather than differences that call for a different approach to HR service delivery. Most HR best practices – such as implementing call centers, streamlining transactional work to focus on strategic work, improving customer service and introducing employee self-service – can and are being applied successfully in the public sector.

2. Overcoming barriers inherent in public education institutions

While many HR best practices can and should be transplanted to the public sector to improve organizational effectiveness, there are features of a public education system that pose special, although not unique, challenges for the HR function:

- **The cyclical nature of recruitment, hiring and leaves of absence**
  The school year cycle means that the DOE is hiring and separating a large majority of employees during the summer months. While not unique to education, the cyclical nature of associated HR work does pose special challenges for DHR. For example, most of the DOE's newly hired teachers have the same employment start date. To put this in perspective, if the DOE has a 25 percent annual turnover rate, that amounts to 20,000 new hires needing to be processed and oriented at the same time. The Project Home Run HR transformation time line was built and adjusted to take into account these cyclical events.

- **Teacher certification requirements**
Teacher certification requirements, which are set by each state, add complexity to hiring and school staffing and require DHR to strike a balance between meeting school staffing needs and ensuring that certification requirements, such as continuing education, are met.

- **Tenure, union/civil service job protection**
A civil service/unionized job structure places very real constraints on job redesign and reassignment. For example, as the Project Home Run team identified new positions (such as customer service representatives) in the transformed DHR organization structure, they had to obtain a civil service title before these jobs could be posted. This particular challenge was evident in the design of the customer service representative position and was overcome by identifying the specific and unique requirements of this position when compared to existing jobs.

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

By definition, HR transformation requires enormous change: change in structures, in processes, in workflow, and in the attitudes and behavior of people. Helping stakeholders understand and embrace change is a critical component of any change effort in the private or public sector. This is easy to say and much more difficult to do. For the Project Home Run team, the battle to win the hearts and minds was won through our daily interactions with the HR staff and other key stakeholders, which served as individual opportunities to demonstrate that the change was real, that the end result would improve HR's capabilities to serve the DOE and that those who embraced the change were likely to gain professionally from the experience. Nonetheless, managing this change within the DOE was especially challenging for a host of reasons.

- **Difficult for leaders to understand future vision**
The value of developing a more strategically focused HR department was not well understood by many within the DOE. While there was an understanding of the value of making incremental improvements in processes, there was less of an understanding of the goals associated with transformational change, many of which go beyond improved efficiency.

"One of the challenges we had was to rally people around the project because it is really hard to explain 'human capital.' What does that mean? We didn't do the project just to build a service center; that's just the most visible element. But how do we communicate the bigger goal in language that makes sense?"
(Project Home Run project leader)

- **Unaccustomed to thinking in terms of "customer service"**
The culture of the DOE – as is true of many public sector organizations – emphasizes adherence to the rules and the administration of transactions rather than focusing on improving the customer experience. Moving toward a customer-focused HR service delivery model required a cultural shift for DHR.

"People who work in public service don't think of 'customers,' but think about 'tasks.'" **(DHR leadership)**

- **Protective of fiefdoms**
Large public sector organizations often do not have the same incentive for change and innovation as private businesses do. Often, people are invested in maintaining their place in the organization as the keeper of particular knowledge or a particular process at the expense of greater operational efficiency. This can make it difficult to create an HR function that is transparent and customer-friendly.

"The DOE doesn't have a lot of standard operating procedures (SOPs) written down, I suspect because SOPs are not in people's interests. People receive their satisfaction by being the go-to expert in the organization."
(Project Home Run team member)

- **Skepticism toward change programs**
  While there is skepticism in many organizations toward change initiatives, this was particularly true within certain Project Home Run stakeholders. For some, the prevailing ethos was to simply wait things out rather than fully engage with the change the project was intended to implement.

- **Impediments to effective communication**
  Effective communication is essential in winning hearts and minds so that real change can be effected. However, in public, unionized organizations like the DOE, there is great reluctance to communicate openly for fear that what is communicated will wind up debated in the press or challenged by the union. Consequently, the Project Home Run team was forced to take a somewhat cautious approach to communication that may have hampered its ability to effectively "bring people along."

> *"There was tension about the extent to which we were going to provide communication to stakeholders. One group said, 'Communicate as much information to everyone as often as you can.' Another group said, 'Only communicate on a need-to-know basis.'"*
>
> **(Project Home Run team member)**

4. Navigating unclear decision-making channels and dealing with unwieldy processes

Because of its size and structure, the DOE, like many large public organizations, has indeterminate decision-making channels that are difficult to chart. The lack of clearly understood 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 certain processes at the DOE, became a major challenge for Project Home Run when it came to procuring the required technology for the new HR service center.

> *"There is a procurement department, but not a good systematic process for all procurements. It took us four to five months to figure out who the decision makers are versus who simply had input into the decision."*
>
> **(Project Home Run project leader)**

Once it was determined that a sole-source technology procurement strategy was not going to be possible, the project's plans and associated time lines needed to be modified to allow for a more comprehensive procurement process. This included establishing a request for proposal (RFP) committee; writing the RFP; holding pre-bid conferences; reading through, evaluating and scoring bids; bringing in finalists for demonstrations and oral presentations; conducting site visits; making final evaluations; and managing often-difficult vendor contract negotiations.

5. Coping with constant change in the environment

Public education institutions are subject to frequent change. Buffeted by swings in the political and policy environments, education departments experience frequent changes in leadership and in the priority given to the various initiatives competing for attention.

HR transformation, meanwhile, is typically a multiyear 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.

"Implementation is tricky. We are flying the plane and changing the engine at the same time. The DOE has been reorganizing even as we've been implementing PHR [Project Home Run], and DHR has morphed since we put the first things in place six months ago. We continue to need to align ourselves with the way the DOE is restructuring."

(Project Home Run project leader)

Although the mayoral administration and chancellorship of the DOE remained stable from the inception of the project through completion, other significant personnel and organizational changes affected the project. Most critical, the deputy chancellor, who was the project champion and executive sponsor, left the DOE almost a year before project completion. This was at a critical juncture for the HR service center, the most expensive and visible element of the project. Fortunately, the new deputy chancellor stepped in and provided the support needed to launch HR Connect. Another key organizational change that occurred during Project Home Run was the expansion of school-based empowerment and the creation of school-focused service centers. This was a major systemwide reorganization that altered reporting relationships for the HR partners. Once again, the work of the project team was leveraged by having enhanced the skills of the HR partners to better support principals and by providing a customer focused service delivery model and associated technology (via HR Connect) for the new school-focused service centers.

Key findings from Project Home Run

Project Home Run yielded a number of crucial insights that can guide the work of other school districts and other organizations in transforming their HR functions:

1. Obtain commitment from leadership

Executive sponsorship is critical to the timely and successful completion of an HR transformation project. Because transformation requires change on the part of virtually all HR staff in terms of their roles and the way work gets done, commitment to that change from the top is essential. This type of effort also typically requires the involvement and cooperation of organizations outside the HR function, such as procurement. Without strong sponsorship to push through change, there is a high likelihood of significant delay or even derailment.

> *"Senior leadership is key to weathering changes as the project goes on over time."*
>
> **(Chief executive officer of HR)**

2. Establish strong project management office

It is critical to have a sound project management structure capable of withstanding personnel changes that may occur over the course of the project. Likewise, a well-articulated project plan with clearly defined work streams, expectations, accountability and milestones is essential. Good documentation may be key to a project's survival and completion if key leadership changes midstream.

> *"When the new deputy chancellor came on board two-thirds of the way through the project, he had to make a calculation: 'Should I cut my losses, or can I be assured of project success?' We got his support because we were able to articulate where the project stood, what had been accomplished, and that his ability to remove road blocks to project completion would enable us to deliver promised results."*
>
> **(Project Home Run team member)**

3. Engage critical stakeholders as early as possible

HR transformation typically requires information and cooperation from stakeholders outside the HR function, such as procurement or the information technology function. In large, complex organizations where roles and responsibilities are not necessarily clear, conducting large-scale studies for complete process mapping or setting up fact-finding meetings through official channels may create delays that jeopardize the project. Instead, project leaders and consultants should take the initiative to meet informally with all potential project stakeholders as early in the process as possible. In this way, project leaders can gain a better understanding of procedures and time lines outside of HR that may affect the project schedule.

4. Don't overcommit

HR transformation is a huge undertaking that requires considerable time and resources and, therefore, is likely to face challenges and changes in the environment over which project planners and leaders have little or no control. Therefore, it is essential that milestones and deliverables be planned conservatively to ensure that they will be met despite bumps in the road. If project planners overcommit and fail to deliver, they are more likely to lose the support both of organizational leaders, who most likely have to spend political capital on the effort, and of rank-and-file employees, who will have to implement the new HR organization. Once people have lost faith in the effort, it can be extremely difficult to win them back.

5. Demonstrate early wins and create momentum

HR transformation projects must demonstrate wins early in the process in order to embed organizational change as quickly as possible and create the momentum that will be necessary for full implementation. The project should be set up to run on several tracks simultaneously so that the time frame is condensed as much as possible, reducing the risk of change and allowing multiple wins to be demonstrated within a relatively short time frame. Project work plans should be designed in phases with frequent milestones along the way. Developing milestones in such a way that the project can demonstrate interim progressive success also provides communication opportunities that will help generate buy-in.

6. Maintain flexibility

Pressures and developments in the larger political and policy environment often create constraints that may require project leaders to choose suboptimal means of designing or implementing the project. It is important to be aware of the larger environment surrounding the organization and understand that compromise may be the only way to move forward on the project.

7. Construct the project to transfer knowledge to internal resources

When using outside expertise to aid in HR transformation, the organization should construct project teams staffed by internal as well as external people in order to ensure a transfer of knowledge and skills to the organization. Building this internal capacity will better position the organization to improve HR effectiveness and align HR with its evolving mission and goals over time.

8. Invest in HR technology during the early stages of HR transformation

Enabling technology is a critical component to operating an efficient HR function and provides the foundation for many aspects of the transformation. The DOE was implementing a new human resources information system concurrent with Project Home Run. This added a layer of complexity and in some cases uncertainty regarding if and when enabling technologies would be available to enhance the project's process redesign work. In many cases, multiple iterations of redesigned HR processes needed to be developed (with and without enabling technologies). Where possible, organizations should complete the implementation of human resource information system or other key enabling technologies at the early stages of their HR transformation.

Concluding remarks

Project Home Run represented a major transformational event for the Department of Human Resources and for the entire New York City Department of Education. Although HR Connect is the most visible aspect of Project Home Run, the transformational impact of the project extends well beyond the service center and in some cases beyond DHR. One of the most telling comments was made by a member of the DHR leadership team toward the end of Project Home Run. He said, "Project Home Run has changed the way we think about consultants." Mercer takes great pride in this, and we believe that the work done in partnership with the DOE and the project funders will help improve DHR's contribution to the DOE's educational goals/outcomes and serve as a model for others.

Organizations, including other large school systems, can look at Project Home Run as a vehicle for planning and launching their own HR transformation initiatives. No two transformations are exactly alike, but much can be learned from understanding the successes and challenges experienced by other organizations. We hope this document can help provide a starting point for future HR transformation initiatives.

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