"Reframing Organizational Culture to Achieve Operational Success"

HR Executive Alliance Forum
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Rob Croner
SVP, Human Resources
The Children's Hospital of Philadelphia

Agenda

- CHOP Human Resources Model
  - Evolution of the design – the “what” and the “why”
  - The HR model and “Organizational Health”
- Viewing organizational culture as a leadership tool
- Providing a framework for culture change and change management at CHOP
- Case study: The Journey to improved Patient Safety Outcomes at CHOP through culture change

Organization "Architecture" and Alignment

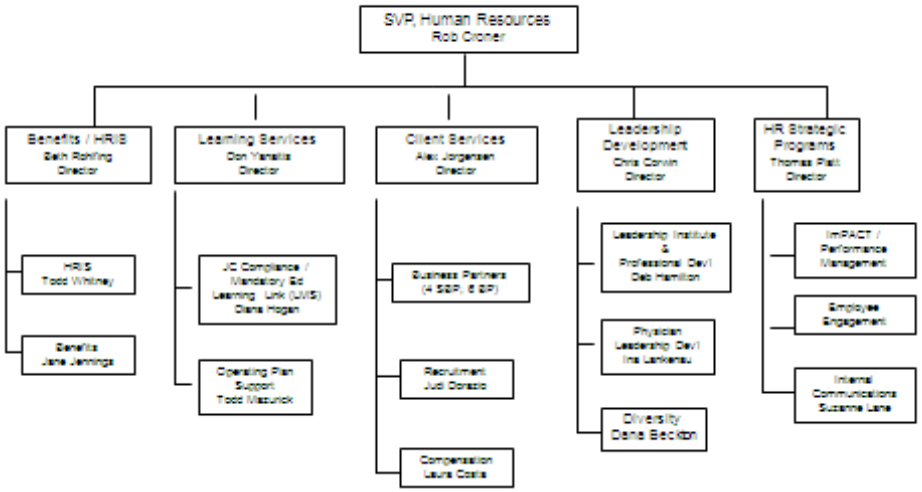
- Organization design – or "architecture" – requires several building blocks:
  - Strategy
  - Structure
  - Processes and systems
  - Skills and knowledge
  - Culture and behaviors

- There is a logic to organization alignment
  - Clarify the organizational mission, goals and strategy
  - Determine the structure needed to support the strategy
  - Assess and revise processes to support the structure/strategy
  - Assess and revise the skill mix to support the structure/strategy

- Processes (systems) enable HR to transform information, data, knowledge and skills into **Value** – in the form of products, services, relationships

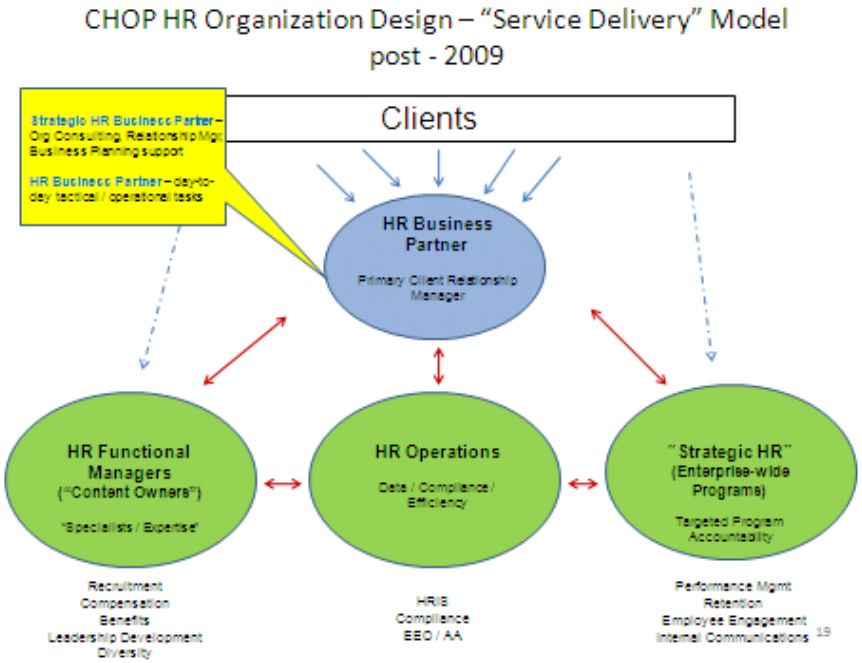
How Do We Get…..

From the “typical” HR org chart?.....



CHOP Human Resources
November 2011

To the “Delivery” Model?.....



What Are We Hoping to Accomplish?

HR, fundamentally, should be an integrating and facilitative mechanism within the organization… allowing us to achieve:

- Client Relationship management
- Movement within the HR "mindset"
  - from silo/functional orientation → to a "system"/holistic view
- Collaborative behaviors…. which leads to….
- Integration of HR programs and services
- Ultimately, an enhanced ability to influence **"organizational health"**
  - At the local / client level
  - And, at the enterprise / institutional level

AT A MACRO LEVEL. . .MOST HR DEPARTMENTS SPLIT

TRANSACTIONAL WORK : performed by combination of Service centers, e-HR, outsourcing

TRANSFORMATIONAL / DELIVERY WORK : strategic, differentiated work, focused on delivery to business units

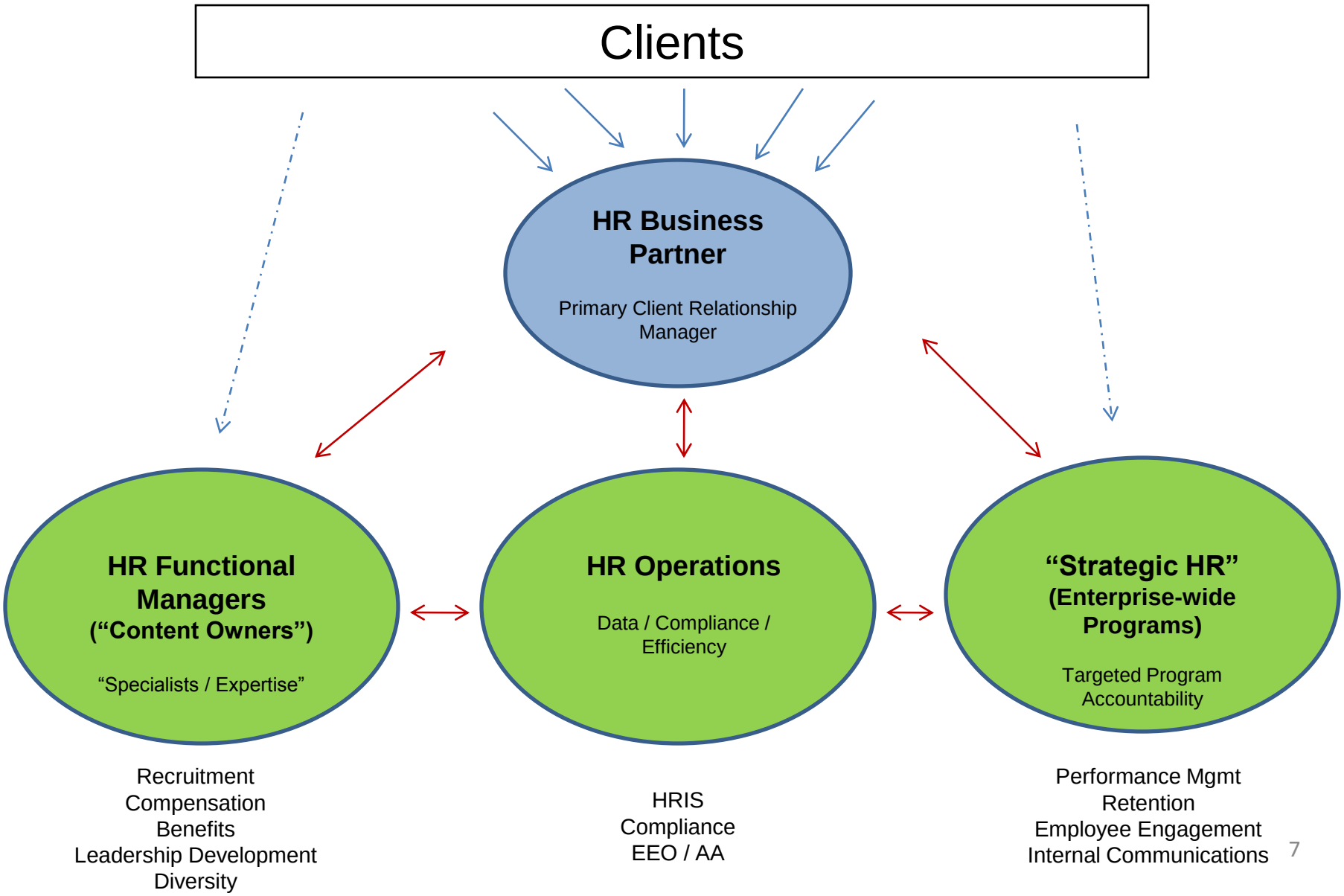
5 Distinct Roles Are Emerging:

Corporate HR	• Create consistent culture face and identity to serve customers • Ensure all HR work is aligned to organizational business goals
Transactional / Operations	• Routine operations and administrative activities • Most efficiently done in centralized, standardized way
"Embedded HR" (HR Delivery)	• Work directly with line managers in designated units to align HR services to support strategy • Select/implement appropriate HR services; manage delivery of HR services
"Centers of Expertise" (Functional)	• Possess technical/design skills to create HR programs (i.e., Benefits, Development, etc.) • Collaborate with HR Delivery (BPs) in selecting and implementing the right services to address a business issue
HR "Operational Executors"	• Emerging role – purpose is to provide support to HR BPs – handle volume/operational work that bogs down HR BP. • Companies exploring different ways to create this role

David Ulrich

CHOP HR Organization Design – "Service Delivery" Model

post - 2009



What is Organizational Health?

December 15, 2010: *Fortune* magazine - *By Colin Price, contributor*

- We're at the end of an eight-year period, which was marked in the beginning by the demise of Enron and marked at the end by the demise of Lehman Brothers. During that near decade, the quasi-religious mantra of business was shareholder value: Focus on performance and on performance alone. That's what real managers did. Everything else was stuff that needed to be done to run the machine.
- We now know what that philosophy of management produced: an apparent growth in global GDP followed by an even larger decline in global GDP. It produced unsustainable corporate earnings. The same is true in the public sector. Focusing exclusively on performance simply does not produce long-term shareholder value, sustainable competitive advantage, or an ability to achieve organizational mandates in the public sector.
- So, how can we focus instead on longer term organizational health?
- For me, health is the capacity of the organization to compete not only today, but tomorrow. I think of it as having three elements:
  - **Organization alignment.** Does the organization know where it's going? Are the people within that organization aligned about that direction? That may sound simplistic, but in many organizations it's not the case. There isn't a deep level of alignment around purpose and mandate from the leaders all the way to the frontline employees that make a difference to customers.
  - **Capacity for execution.** This is the ability to turn ideas into action. How much interference is there? How much complexity slows a company's metabolic rate?
  - **Capacity for renewal.** Is the organization changing at or just above the rate at which it's changed in the past? Or is the organization really focusing on changing at the rate required by the industry?
- So, if you think of that as health, it's the ability to get aligned, to execute at a world-class level, and to renew. This is so much more important now than in the past because returns for organizational health are far greater than they have been in the past. Focusing exclusively on performance is now just table stakes.
- Today, competitive advantage doesn't go to the company with the best widget. It goes to the organization that can reinvent itself and defend itself from attackers -- wherever they may come from -- better than anyone else. It's impossible to get a defendable, sustainable advantage unless you can adapt rapidly. That is why having a healthy organization is more important now than it's ever been.

Colin Price is a director in McKinsey's London office and leads McKinsey's Global Organization Practice. He is also a contributor to the Management Innovation Exchange (The MIX).

"Working the HR Model"….

Applying Organizational Development activities…..to achieve Organizational "Health"

- **Organizational Health** is a concept – not a function – this is a key aspect of the model

- Best achieved by integrating:

1. Client relationship management
2. Problem diagnosis
3. Solution identification
4. Program / content response
5. Delivery / implementation of response
6. Monitoring results / feedback

Components of classic Organization Development

May be done at client/unit level, or at institutional level, across enterprise

- When done functionally – ie, separate, non-integrated BP, CLI, OD/OE teams – response tends to be too narrow/siloed, and role and client confusion emerge

- Goal – an integrated view – achieving "organization health" through the combination/integration of BP Services, CLI and HR Strategic Programs

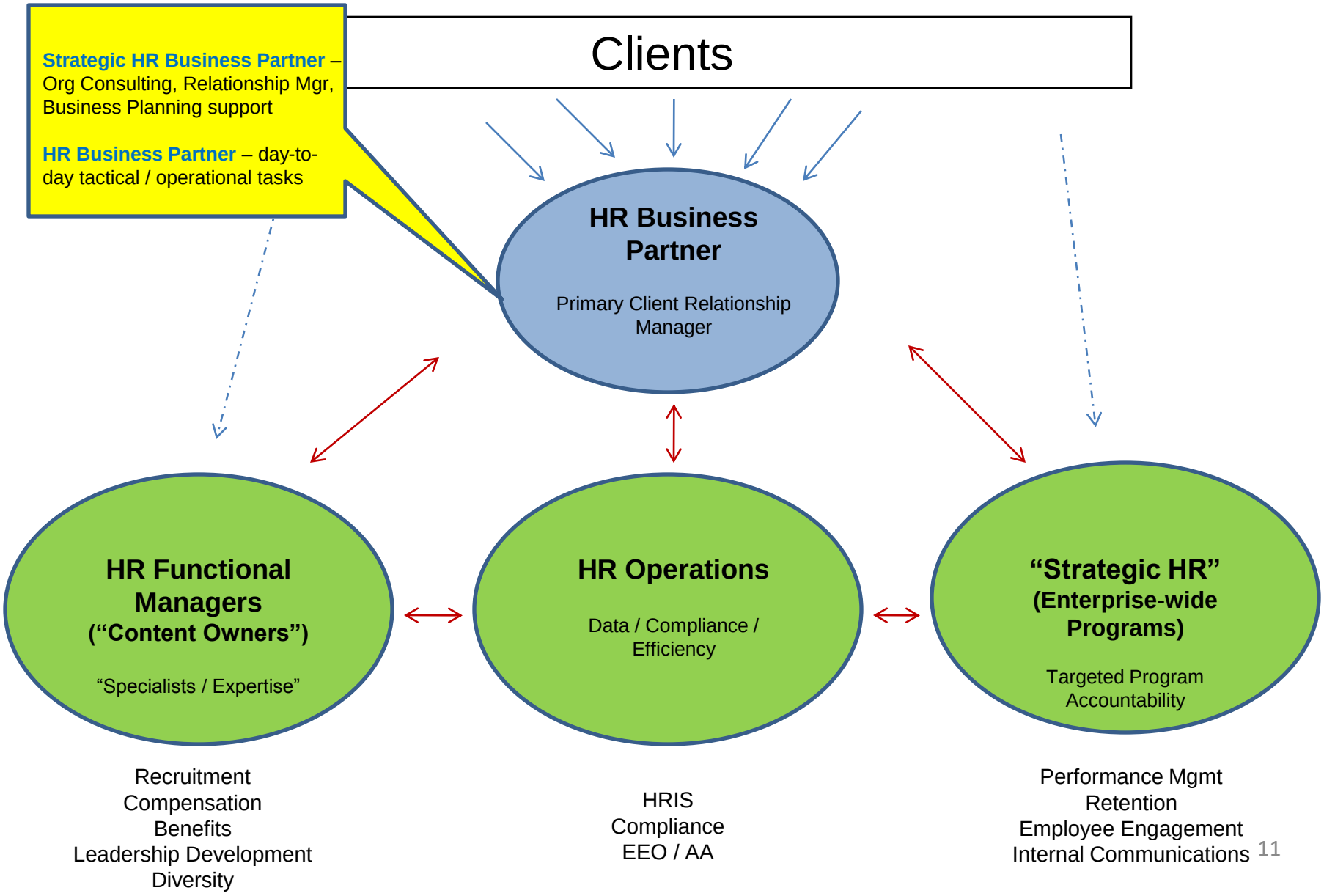
Strategic HR Business Partner Role

- OD work occurs at both "enterprise-level" (e.g., Operating Plan initiatives) and "work-unit level"
- OD Specialists have been integrated into OEIE, supporting Operating Plan; results in OD gap at work-unit level
- Opportunity to integrate "People" support activities (including OE) into the range of services provided through HR Business Partner team
- Creates opportunity for HR BPs to engage clients more proactively and in more structured settings – also provides "single point of contact" approach for client

COMPLEXIYY ↑

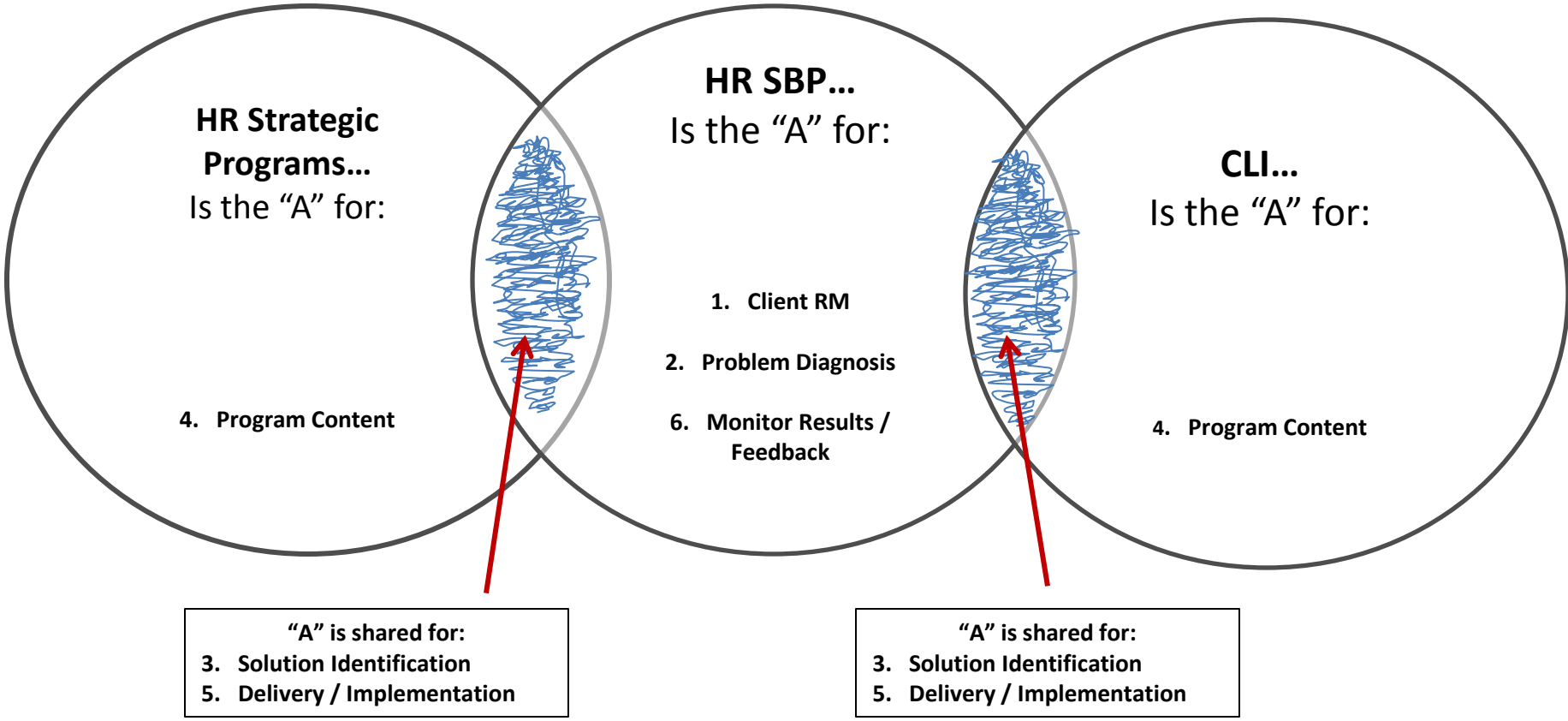
"People" Support Required		
Nature of Support	**How Delivered "Today"**	**How Delivered "Tomorrow"**
Organization Consulting Strategic Business Planning	HR Director	HR Strategic Business Partner
Team Building Meeting Facilitation/"Retreats" Program Design	OD Specialist	HR Strategic Business Partner
Employee Relations Performance Management Investigations Termination Support	HR Business Partner	HR Business Partner
HR Operations support (e.g, CHOP One, etc.)	HR Business Partner	HR Assistant

CHOP HR Organization Design – "Service Delivery" Model post - 2009



Role Clarity – Who Does What?
RACI model

Organizational Health



Key "principles":

- "Shared " "A" (3, 5) may shift, based on specific client and/or organization needs
- "Core" "A" (1, 2, 4, 6) remain constant, as core elements of roles

HR's New "Operating Principles"

Effectiveness within the Model is based on the following:

- Collaboration
  - Thinking and acting in a collaborative manner, across functions
- Communication
  - Sharing information, formally and informally, across functions
- Clarity of roles
  - Clear, shared understanding of each role in the model: Business partner; Functional specialists; HR Service Center
- Consensus on alignment and "ownership" of work / tasks
  - What tasks does each role own? Which people are performing the tasks?
- Constant Attention
  - Ongoing management attention paid to "working the model"

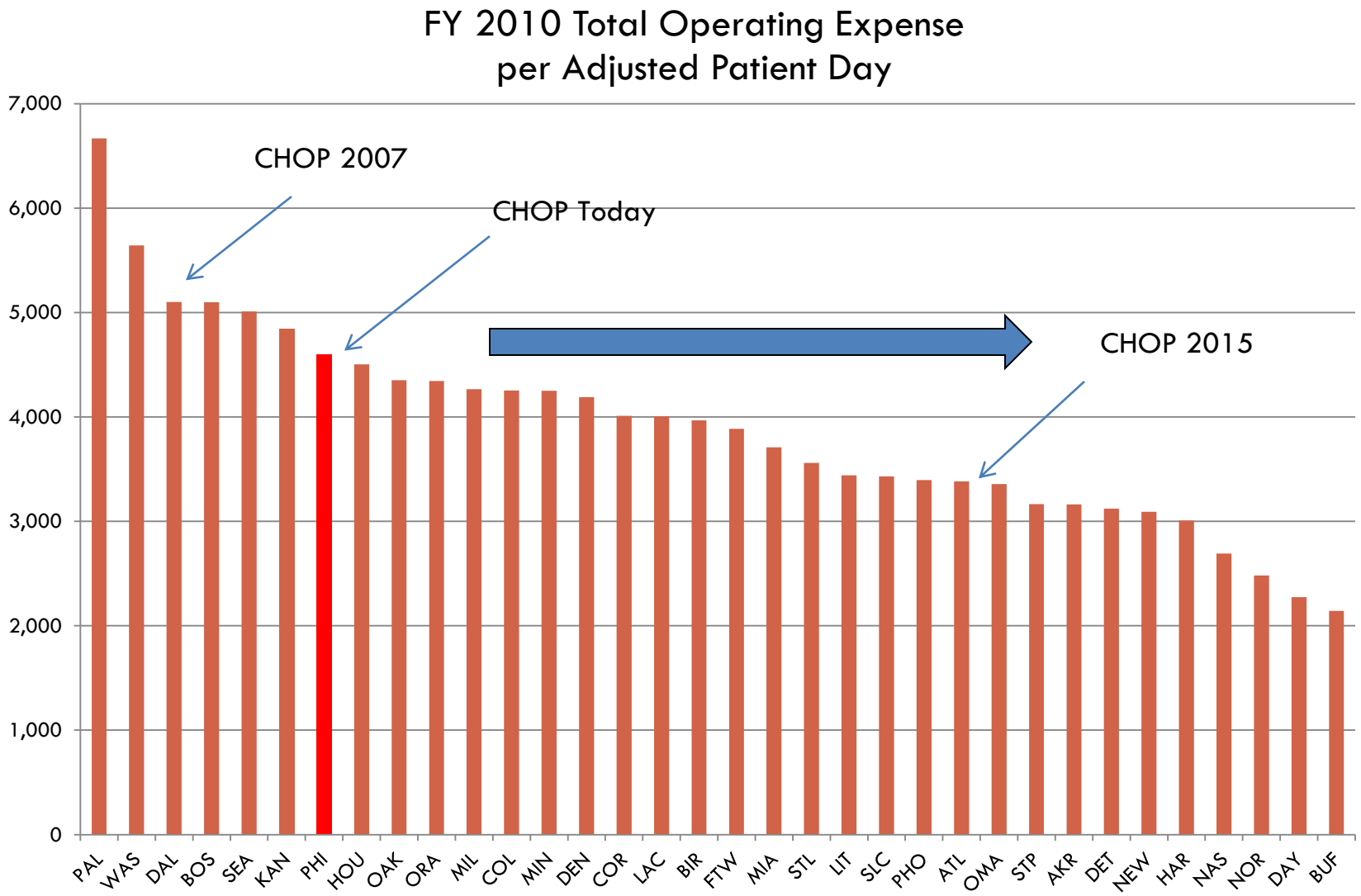
Case Study: "Safe Keeping" at CHOP

Reframing Organizational Culture to Achieve Operational Success

Executive Summary

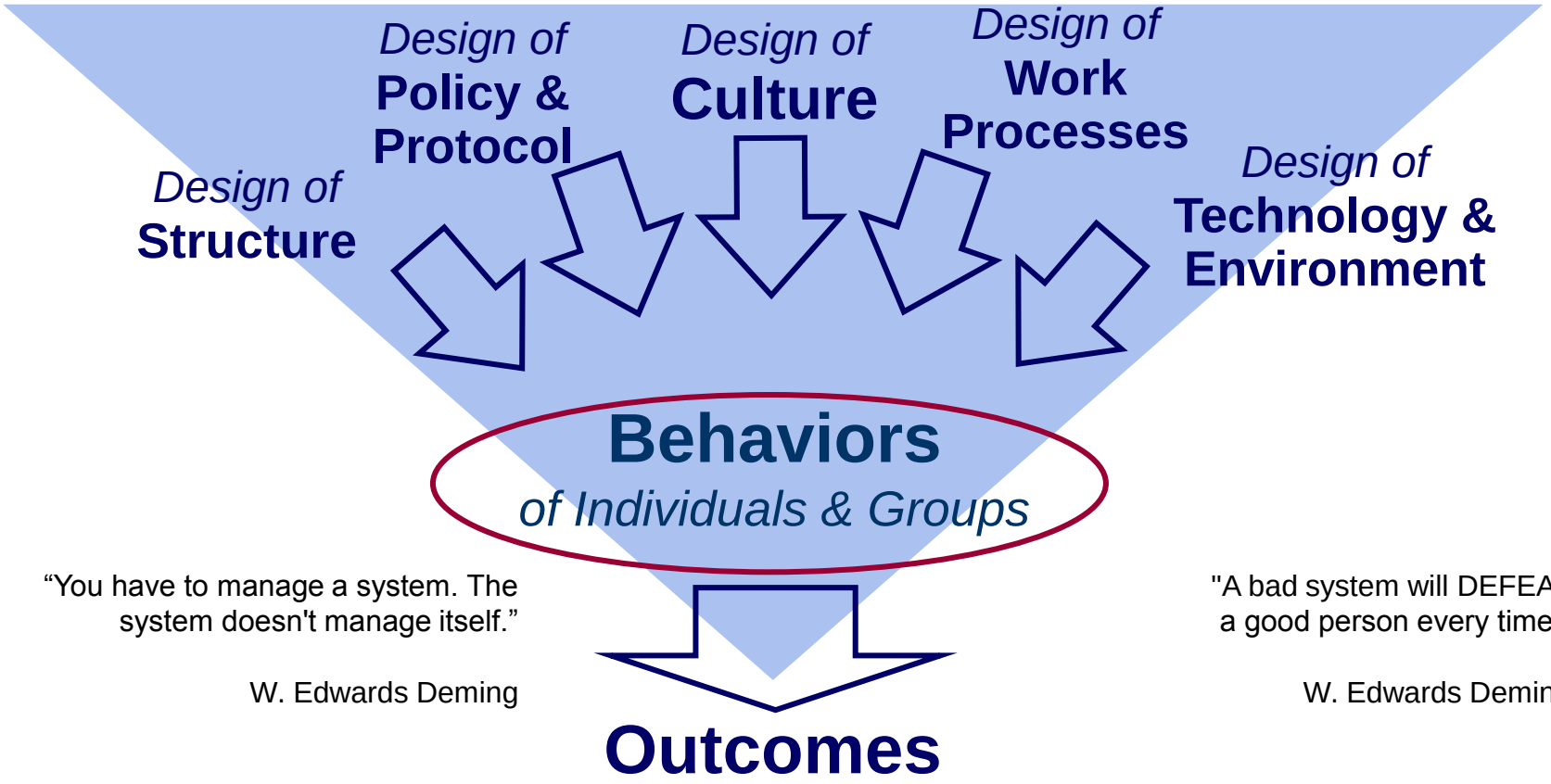
- **S:** CHOP has adopted a strategic goal to achieve zero events of preventable harm by 2015
  - Safe Keeping initiative was launched in FY'10 with a broad objective of shaping/changing CHOP's culture to emphasize safety as a core value
- **B:** multiple interventions – staff education, root cause analysis, "Fair/Just" work environment, etc. – have been introduced as tools to support culture change
  - over 10,000 staff attended Safety Behaviors for Error Prevention course, and over 1,000 leaders attended the Leadership Methods course in FY'10
  - Achieving a culture ("fair/just") that differentiates between a "mistake" and a conscious decision by an employee to "not do the right thing" is a key element
- **A:** Improvement achieved in the Serious Safety Event Rate (SSER) but continued progress is required
- **R:** Safe Keeping "Level 2" (not "version 2") will be part of CHOP Operating plan for FY'13 and FY'14

Cost Containment and Improved Operational Efficiencies
Comparison of Free Standing Children's Hospitals



Influencing Behaviors at the Sharp End

Adapted from R. Cook and D. Woods, *Operating at the Sharp End: The Complexity of Human Error* (1994)



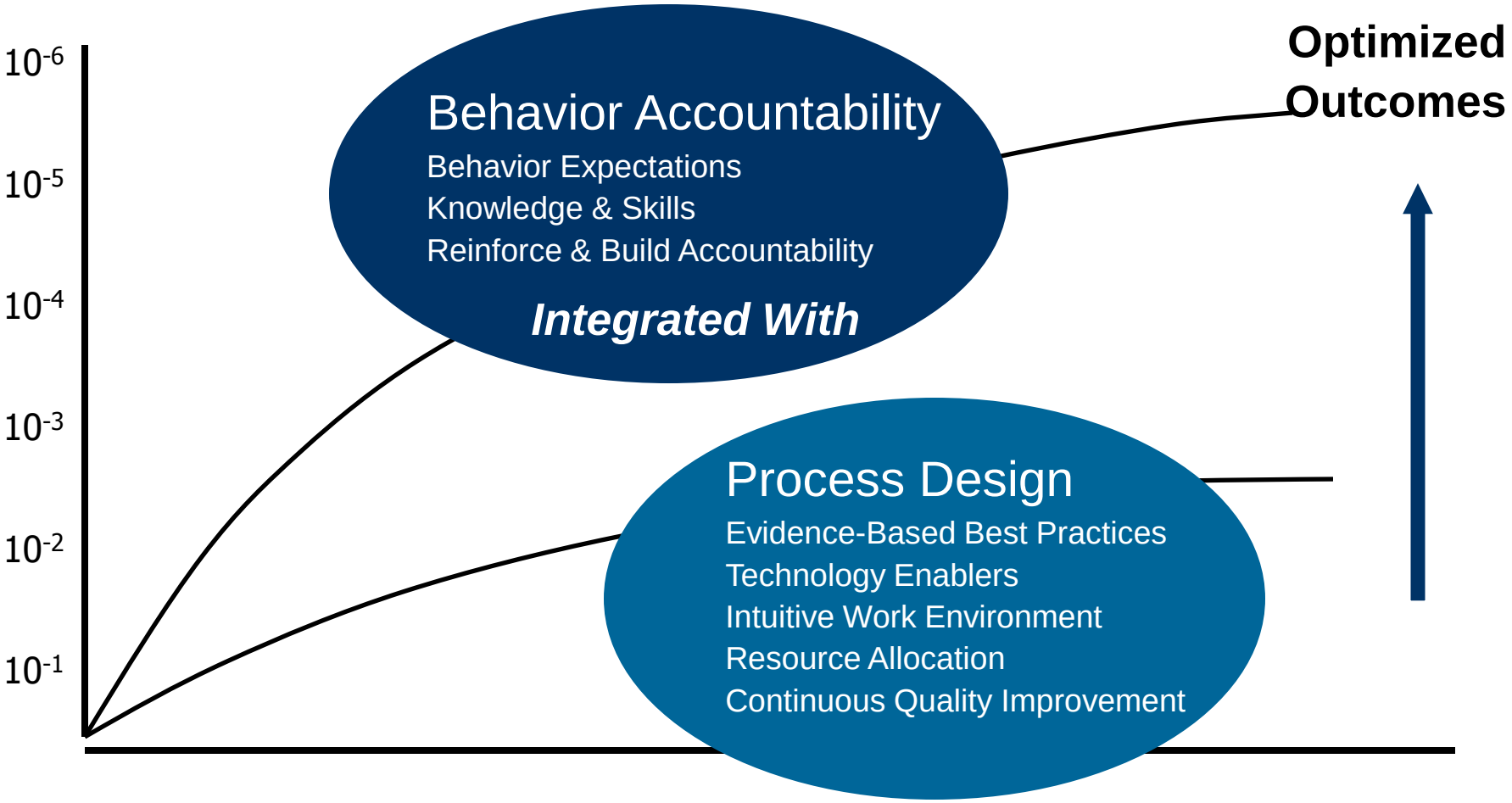
"You have to manage a system. The system doesn't manage itself."

W. Edwards Deming

"A bad system will DEFEAT a good person every time."

W. Edwards Deming

Reliability: *Not By Process Design Alone*



Our Journey

CHOP Safety Culture Maturation

SSER as a Measure of Organizational Performance

0.00 | 0.20 | 0.40 | 0.60 | 1.00

Organizational Activities

FY09

Safe Keeping on Hospital Operating Plan

Safety Behaviors for Error Prevention delivered to all staff

Leadership Methods delivered to all leaders

Executive WalkRounds established

Safe Keeping site created and promoted on front page of Intranet

AHRQ Safety Culture Survey composite **74.3% @ 13%** participation

FY10

Safe Keeping transitions to operations

Reduction of Central Line Associated Blood Stream Infections and *Medication Safety* on Hospital Operating Plan

Inception of *Departmental Patient Safety Officers* (DPSO)

Inception of *Focus and Simplify*

AHRQ Safety Culture Survey composite at **73.9% @ 45%** participation

FY11

Reduction of Healthcare Acquired Infections and *Reduce Medical Errors* on Hospital Operating Plan

Safe Keeping Core Team re-chartered as *Safe Keeping Advisory Board*

Daily Patient Safety Huddle established

Unit Safety Coaches trained and deployed

Quality and Patient Safety Day established

Advancing Intranet Stories

Apparent Cause Analysis training and support

Fair & Just Culture / PMDG pilot

Safety Behaviors for Error Prevention added to New Employee Orientation

AHRQ Safety Culture Survey composite at **75.8% @ 75%** participation

FY12

Hospital Acquired Infections and Surviving Sepsis and *Reduction of Serious Safety Event Medication Errors* on Hospital Operating Plan

New Employee Orientation expanded to 2 full days – 50% dedicated to "safety"

Leadership Methods offered monthly during New Leader Orientation

Robust support plan for AHRQ Safety Culture Survey results

Fair & Just Culture / PMDG introduced to the organization

Introduction of *Red Rules*

FY13

AHRQ Safety Culture Survey results and other feedback indicate the need for expanded support offerings in the following areas:

- *Creating a Non-Punitive Environment*
- *Fair & Just Culture (PMDG)*
- *Improving Hand-Offs and Transitions*

Time

Satir Change Model

Our Results

SSER Serious Safety Event Rate SM

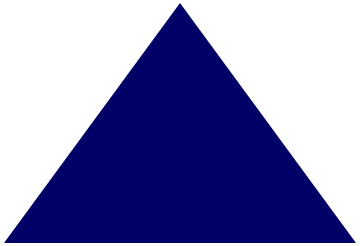
Rolling 12-month rate of Serious Safety Events per 10,000 adjusted patient days

	SSER	Mean Time Between Events
2012	**0.49**	**41 days**
2011	**0.65**	**24 days**
2010	**0.76**	**23 days**
2009	**0.68**	**16.5 days**
2008	**0.40**	**46 days**

Serious Safety Event – reaches the patient; results in moderate to severe harm, or death

Precursor Safety Event – reaches the patient; results in minimal or no detectable harm

Near Miss Safety Event – does not reach patient; error is caught by a detection barrier



Our "Learnings"

- People
  - Culture change is a "journey"
  - Consistent messaging
  - This is a Leadership imperative - not just a clinical project
  - …. And, Leadership Behaviors are hard to change…
- Process
  - Staff needs – wants! – common behavior expectations…
  - …. And tools to support behaviors
  - Sustainability requires structured process and leadership approach
  - Engage Key stakeholders early
  - Realistic Timelines and deliverables
- Data / Benchmarking
  - Learning Curve around SSER metrics….
  - ….. Requires education
  - Root Cause Analysis process refinements
  - Impact on support resources
- Technology
  - Interim tools for reporting can be time consuming to maintain.
  - Acuity Systems
  - Defining requirements/ Implementing systems

Next Steps

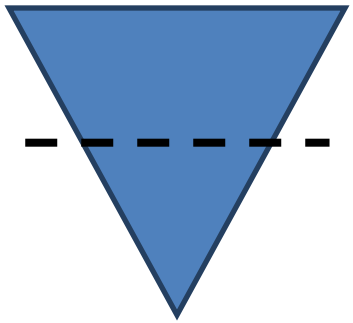
Recommendations: Implement "Safe Keeping 2.0" coordinated across the Hospital's various education and communication functions, focused on:

•Closing the gaps in terms of current skill, attitude and behavior expectations (e.g. hand-offs and transitions, PMDG, etc.)

•Providing additional support for emerging needs (e.g. conflict resolution, teambuilding, problem analysis, etc.)

•Leveraging the Hospital's areas of strength to reinforce key skill, attitude and behavior expectations (e.g. Management Support for Patient Safety, Teamwork Within Units, etc.)

•All should be executed at both the Blunt and Sharp ends.



Blunt End: Culture changing / defining opportunities, delivered hospital-wide (e.g. Safety Behaviors / Leadership Methods 2.0, Executive Town Halls, etc.).

Sharp End: Support the culture of safety by providing and reinforcing individual and team-based skills, attitudes and behaviors (e.g. Common Cause Analysis; Crew Resource Management, etc.).

Discussion Questions

- Multiple choices can be made at the “Blunt End” regarding interventions? How would your organization decide what components to address to influence outcomes?
- “Safety is a core value” vs. “Safety is a priority”…. Is there a difference in these phrases? How might this influence the culture change initiative?
- “Inertia” (ie, “we’ve always done things this way”) is a common factor in resistance to change. How has your organization dealt with this?
- “Education”, “Learning”, “Behaviors”, “new habits”…. all are common terms in culture change. Are you purposeful in choice of language when communicating change initiatives? How?
- Connecting non-clinical (Operations, support functions) to a Patient Safety-related initiative presents unique challenges. How has your organization approached this?

Questions?