DESIGN PHASE BUSINESS CASE

OVERVIEW

DESCRIPTION	Comprehensive document summarizing the Design phase findings and Implementation phase recommendations *In some instances, initiatives may be composed of distinct projects that may be proposed before the Design phase is complete. In those cases, a preliminary business case will be required to set the context for the proposal.*
OWNER AND AUDIENCE	Owned by Initiative and Functional Sponsor and presented to the Executive Committee for approval before the Initiative can move into Implementation
TIMING	To be completed by the end of the Design stage

NOTES

- Template includes a PowerPoint file (OE Design Phase Business Case.ppt) and an Excel file (OE Design Phase Business Case Financial Analysis.xls)
- A signed hard copy of the Business Case should be submitted to the OE Program Office with electronic copies of both files
- Additional detail may be included by adding additional slides in each section or in back-up

SPONSORSHIP

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Notes			

SUMMARY OF RECOMMENDATIONS

Our vision is that *UC Berkeley will be a place where all of us can do our best work*—supporting world-class research, teaching, and service with exceptional people, systems, and processes.[1] Berkeley is about people; we will not lose sight of that. At the risk of oversimplifying, we summarize our recommendations around three imperatives:

- **Accountability** at all levels
- **Agility** supported systemically
- **Rewards** linked to performance

All three are much stronger in our faculty scholarship culture than in our operating culture. An outline of each imperative follows; rationales and responsiveness to issues raised are left to the remainder of this document.

Accountability at all levels

What we will achieve:

a) <u>Campus-wide</u>: Develop a definition of "high performance" for UC Berkeley, supported at the top, comprising Berkeley Operating Principles (Berkeley OPs) that support our *campus mission* (teaching, research, and public service), the Chancellor's *strategic imperatives* (access, excellence, and inclusion) and the *goals of Operational Excellence* (reduce

> **OUR RECOMMENDATIONS IN A NUTSHELL**
>
> We envision UC Berkeley as a place where all of us can do our best work, and where the operating culture is grounded in accountability, agility, and performance-based rewards. Five recommendations support this vision.
>
> 1. **Define high performance**. Develop a definition of high performance for UC Berkeley, based on wide-ranging input using a web-based process, and infuse the resulting Operating Principles throughout campus norms, systems and processes.
>
> 2. **Measure outcomes**. Establish sharper methods of measurement ("metrics") for making and implementing the right decisions, including alignment across organizational levels, by implementing new processes of ongoing unit-level assessment.
>
> 3. **Improve communication**. Implement communication tools to enable managers and staff to make faster, better-informed decisions, and to provide mechanisms for service users to give constructive feedback.
>
> 4. **Develop staff strategically**. Focus our learning and development efforts on areas critical to sustaining high performance.
>
> 5. **Improve performance management**. Implement a web-based performance management system that allows for faculty, student, and service-user input about both individuals and groups.
>
> To enable and support these initiatives, we also ask that our senior leaders challenge policies, rules, and practices that obstruct our efforts to adopt a high-performance culture, to take steps proactively to build a culture of mutual trust and accountability, and to seek and support mechanisms to develop meaningful partnerships between faculty and staff.

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[1] Defining the scope of the High Performance Culture (HPC) initiative to include people, systems, and processes means that we are not defining "culture" narrowly to include only attitudes, norms, or values, though we do address those elements. Our focus is on UC Berkeley's operating culture, not its overall culture.

administrative cost and complexity). Infuse the Berkeley OPs throughout business operations and stages of employment[2] so that they meaningfully inform actions and decision-making.

b) <u>Leaders and managers</u>: Establish sharper methods of measurement ("metrics") for making and implementing the right decisions, including alignment across organizational levels. Consistently evaluate variance from adopted metrics as part of unit and individual appraisals.

c) <u>Individual contributors</u>: Execute on individual goals and contribute effectively to high-performing teams.

d) <u>Clients</u>: Provide mechanisms for service users on campus to give constructive feedback; implement mechanisms systematically; and routinely convert feedback into improvement.

How we will achieve it:

1) <u>Berkeley OPs Forum</u>: Refine a set of Berkeley Operating Principles (Berkeley OPs) that will guide decision-making and behavior. To be effective, these principles need to be concrete and practical, with wide support in our community. A candidate might be, "Keep it simple"—it is easy to see how, stated at the right time, these three words could steer a decision or process design.[3] We propose the following process for making the Berkeley OPs work: (a) use survey results and focus-group output, already gathered, to determine candidate OPs to seed the next step; (b) use a proven, web-based process—the Forum—for refining the OPs further, building broad authorship and buy-in, and gathering implementation ideas; (c) based on resulting refinements, recommend a limited set of Berkeley OPs for the Chancellor's consideration; and, (d) launch a wide range of initiatives identified below and from the Forum to embed the Berkeley OPs into campus norms, systems and processes. The coordinating power of the OPs will focus campus resources, and will unify faculty, staff, and student employees around a common set of behavioral expectations.

2) <u>Metrics Package</u>: Implement new processes in support of ongoing unit-level assessment for the Berkeley Campus. Components include: (a) clear expectations from campus leaders that units—including departments and shared services centers—will develop and use metrics for decision-making and evaluation, and (b) templates, examples of best practices, and training to

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[2] Employment stages include recruitment, hiring, orientation, "onboarding," socialization, and performance management.

[3] Conversely, a principle that lacks concreteness and practicality is unlikely to be useful for operations, even if fundamental as a value. For example, one of our campus Principles of Community is, "We are committed to ensuring freedom of expression and dialogue that elicits the full spectrum of views held by our varied communities." This is of utmost importance and describes the campus well; coordinating attention around it is unlikely to make our operations higher-performing, however. Those principles were not designed for that.

support faculty department chairs, appropriate Deans Office staff, and unit managers as they develop metrics and assessment tools. Once established, the metrics provide guidance and direction for daily activity, and clear, specific criteria against which to collect and respond to feedback. Deans, department chairs, and managers at all levels are accountable for meeting the agreed-upon goals.

Agility supported systemically

What we will achieve:

a) Support speed and adaptability in UC Berkeley operations through continual improvement from rapid feedback.
b) Identify and systematically apply Berkeley Operating Principles and target metrics designed to support speed and adaptability.
c) Ensure that information needed for faster, more effective decision-making is not overly dependent on "shadow" systems (work-arounds) or knowing the right person.

How we will achieve it:

2) Metrics Package (continued from above): Include methods and case studies for ensuring that feedback to units—including shared services units—leads to rapid improvements. Since a person's willingness to respond/change is often a function of their understanding of the relevance of the requested action, the metrics package—by clarifying alignment of goals across levels—supports agility.

3) Communications and Collaboration Package: Implement communications tools to enable managers and staff to make faster, better-informed decisions. Includes a new portal and modern Cal messaging system. Also includes a decision-making framework (e.g., RAPID[4]) to define roles and streamline decision processes. Improved information access will support more rapid sharing and dissemination of information and practices, foster cross-departmental collaboration and partnerships, and reinforce the message that we are one interrelated community with a common mission. Equally important, it will enable all staff to focus on higher-

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[4] The RAPID framework requires identifying the following decision-making roles: those who **Recommend** an action, those who must formally **Agree** to the action, those who will **Perform** the action once decided, those whose **Input** must be obtained during the process, and the person who will ultimately **Decide**.

value work and to avoid the laborious information search and retrieval characterizing our current operating environment.

4) <u>Targeted Development Programs</u>: Expand the Workforce Strategy Group[5] (WSG) and charge it to: (a) manage workforce talent, ensuring we have the right trained talent in-house, ready to step up to new opportunities for professional growth, especially in areas related to OE initiatives, as they become available; (b) evaluate, analyze and identify campus needs three to five years in advance; and, (c) develop a written work plan with metrics that will measure WSG progress and inform University constituents (leaders, managers, department chairs, etc.) on a regular basis.

Rewards linked to performance

What we will achieve:

a) Monetary and non-monetary rewards linked to performance
b) More opportunities for targeted professional growth and development
c) New methods and training to address underperformance and strong norms for doing so
d) Efficient, "360-degree"[6] methods for measuring performance of staff and administrative faculty (includes input from managers, peers, direct reports, faculty and other sources)

How we will achieve it:

4. <u>Targeted Development Programs (continued from above)</u>: Target our learning and development efforts to add talent in areas critical to sustaining a high-performance culture for UC Berkeley. There are four elements. (a) Focus on job areas that are increasingly critical to our University's future, especially those involved in other OE initiatives, such as developing our pool of financial analysts. Our ability to forecast future workforce needs as they evolve will be a key component in creating an organization that is agile enough to adapt quickly to change. (b) Target skills-based learning to support high-performance characteristics—such as Berkeley

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[5] The Workforce Strategy Group is convened by Assistant Vice Chancellor (VC) of HR and currently comprises the Director of COrWE, the Directors of Compensation and Labor Relations, and the Manager of Employment Services. In addition, several key stakeholders have participated previously, including the Assistant VC of Research, the VC of Student Affairs, and the Director of Staff Diversity. Regular membership should be expanded to include the areas of finance, development, facilities, and academic staffing.

[6] "360-degree" refers to the process of gathering input from peers, clients, and subordinates that is typically summarized for inclusion in an annual performance appraisal. The broad feedback is useful in assessing contributions and areas for improvement from a variety of perspectives.

OPs (e.g., workshops on *Hiring for Cultural Fit*), metrics (e.g., *Using Metrics to Direct Your Unit*), communications (e.g., *Conducting Difficult Conversations*), and supervisory competencies (e.g., the KEYS supervisory training). (c) Provide a rigorous development program for our Senior Leadership, in order to build a shared appreciation that high-performance culture is a leadership responsibility, and to provide tools for leaders to develop high-performance culture in their organizations. (d) Provide training for academic supervisors (Deans, Department Chairs, Principal Investigators) in the skills needed to develop staff and address underperformance.

5. Automated, "360-degree" Performance System: Implement a web-based performance-management system that allows for faculty, student, and service-user input about both individuals and groups (e.g., a department staff or shared services team). This would be a purchased system, with flexibility to accommodate UC Berkeley's needs. An important element is that evaluation of individuals allows for input of peers, direct reports, and service users, as well as supervisors, facilitating the comparison of results from different levels and sources (e.g., departments other than one's own). Supports greater service orientation because input comes from all angles. Provides a stronger basis for rewarding performance and making difficult compensation choices, for identifying and supporting high-potential employees, and for documenting and remedying underperformance.

The 21st century is global, knowledge-based, and intensely competitive—a world where education, research, and innovation are the drivers for success. Berkeley's success will depend on our ability to utilize our resources as effectively as possible, and on the ability of the faculty and staff to partner in meeting the challenges of the future.

FINANCIAL ANALYSIS

Total Cost for HPC Recommendations

One-time: $4,485,000

Ongoing: $ 502,000

Cost by Recommended Action

Berkeley OPs Forum

$35,000 one-time cost; $290,000 per year ongoing costs.

Metrics Package

$280,000 one-time cost; $60,000 per year ongoing costs.

Communications and Collaboration Package

$470,000 one-time cost; $33,000 per year ongoing costs.

Targeted Development Programs

$2.6 million one-time cost (spread over two years); ongoing costs determined by advisory group.

Automated, 360-Degree Performance System

$1.1 million one-time cost; $119,000 per year ongoing costs.

Framing Points

1) HPC is Enabling: Like the OE Finance initiative, the HPC Initiative will help support all of the other Operational Excellence Initiatives.

2) Resource Sharing: Investments in the HPC Initiative will involve some redirecting of existing budgets (e.g., HR, COrWe, IT).[7]

3) Cost Savings: Our recommendations will result in cost savings in other areas. More robust feedback (through automated "360-degree" evaluation and metrics) that is scalable to the campus will save time and increase the completion rate for annual evaluations. A campus-wide set of Berkeley OPs enables more focused use of resources during the implementation of each OE initiative.

4) HPC and Jobs: The HPC initiative is not intended to create or eliminate jobs.

Key Assumptions

1) Berkeley OPs Forum: Consulting from experienced vendor will be provided pro bono. (little uncertainty)

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[7] COrWe is our Center for Organizational and Workforce Effectiveness (http://hrweb.berkeley.edu/learning/corwe).

2) <u>Metrics Package</u>: We envision a solid but not "high end" system and set of supporting services and tools will achieve our goal of enabling continuous, meaningful assessment. Training costs are heavily dependent on how deeply we extend the training. (moderate uncertainty)

3) <u>Communications and Collaboration Package</u>: We envision a solid but not "high end" system and set of supporting services and tools that will help us achieve our goal of enabling staff to make faster, better-informed decisions. (moderate uncertainty)

4) <u>Targeted Development Programs</u>: We have assumed that we can deliver to an allocated budget. There is funding for development of non-represented staff available from another source (i.e., Staff Recognition and Development Program funds). Demand for targeted, OE-related learning in some areas may overrun that budget. (moderate uncertainty) Current funding for learning and development is contingent on UCOP funding policies for this activity.

5) <u>360-Degree Performance System</u>: We have considerable confidence about the cost of purchasing a system that will meet our needs. This will need to be aligned with UCOP efforts to secure an HR information system.

PROBLEM STATEMENT/NEEDS ASSESSMENT [8]

<u>Objectives</u>. In our vision of the future, *UC Berkeley will be a place where all of us can do our best work*—supporting world-class research, teaching and service with exceptional people, systems, and processes. The campus environment will be characterized by:

> *"I'm proud to help change the world through Berkeley's work…" (CCS)*
>
> *"We are part of something BIG." (FG)*

- <u>People</u>: Berkeley consistently recruits and retains a diverse and exceptional staff. The campus is an employer of choice—offering meaningful opportunities for professional growth and recognition rivaling those of any Bay Area employer, public or private.

- <u>Alignment</u>: Staff, faculty, and campus leadership are aligned around a common set of shared practices, expectations, and behavioral norms that support mutual trust, accountability, and high performance across organizational boundaries.

- <u>Work Environment</u>: Efficient and effective use of financial, physical and human resources creates a work environment that rewards innovation, promotes continual improvement, and delivers the

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[8] Call-out boxes throughout the remainder of the document display quotes from the community. The sources are: Campus Climate Survey (CCS), OE Open House (OH), High Performance Culture (HPC) initiative focus group sessions (FG), and other correspondence with the HPC team (other).

highest quality service to faculty and students.

To operationalize this vision based on our research, we sharpened our objective around three imperatives:

- **Accountability** at all levels
- **Agility** supported systemically
- **Rewards** linked to performance

Current Situation. Few people on our campus today believe that we have a high performance operating culture. Ask someone what comes to mind when you say, "*UC Berkeley … research*." Now ask them what comes to mind when you say, "*UC Berkeley … operations*." The gap in reactions is real and significant. It is supported in the data as well: results from the Bain Culture Survey highlight our lack of automation, duplication of effort, unnecessary complexity, and misalignment of incentives.[9] Tellingly, only 40% of Bain survey respondents agree that Berkeley is a highly effective organization,[10] and only 35% of Campus Climate survey respondents can claim that they've had an opportunity *in the past three years* (!) to provide excellent user service.[11] Even great people working very hard will perform far below their potential if operating in a dysfunctional environment.

So, what characterizes a high-performance culture? Organizational scholars and consultants have been asking this question for more than 20 years, resulting in numerous book and journal publications. While no single agreed-upon definition has yet emerged, the literature regularly cites the following characteristics: [12]

> *"Coming from another University before working here, it amazes me how outdated and unorganized things are here." (CCS)*
>
> *"The bureaucracy at Berkeley slows down so much potential progress and interferes with the ability to be creative and innovative." (CCS)*
>
> *"Often there is not a clear sense of who is responsible for something, which departments need to be contacted, or what steps are necessary to achieve a given goal. Which leads to spending a lot of time on not supporting research." (CCS)*

- **Alignment** of decisions guided by organizational goals and strategy[13]
- **Decisiveness**, including clarity in problem statements, decision criteria, roles and feedback

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[9] One of the most influential articles on the practical significance of getting incentives right is by Steve Kerr, "On the Folly of Rewarding A, While Hoping for B," Academy of Management Journal, 1975.

[10] January 2010, OE Capacity for Change and Organizational Effectiveness Survey. N = 311.

[11] November 2008-March 2009, UC Career Non-academic Staff Climate and Career Development Survey. N ~ 3500.

[12] See resources list at end of document..

[13] "Aligning employees' values, goals, and aspirations with those of the organization is the best method for achieving the sustainable employee engagement required for an organization to thrive … Engaged employees plan to stay for what they can give; the Disengaged stay for what they get." BlessingWhite, 2001 Employee Engagement Report.

- **Effective leaders** who set clear directions and "walk the talk"
- **Engaged employees** with clear career paths and tools and opportunities to do what they do best
- **Innovation**, including continual improvement and adaptability
- **Knowledge sharing**, including openness, authenticity, inclusion, and collaboration
- **Long-term focus** on key drivers of success, such as quality or user service

> *"It would help to have a culture of goals, assessment, achievement, accountability. This has been largely lacking." (CCS)*

Considering the literature, our campus survey results, and the comments we received from focus groups and other engagements during the course of our work, we distilled our focus to the three imperatives noted above: **accountability, agility,** and **rewards**, each of which relate to several of the above characteristics.

In our judgment, these three imperatives not only focus our work but also help mitigate concern that the HPC initiative might introduce an "alien" or "corporate" culture. **Accountability** is familiar territory to our ladder-rank faculty, who face regular, intensive reviews, with clear expectations, and critical input from colleagues, both on and off campus. Most faculty view this performance system as *the* fundamental source of our enduring excellence. **Rewards** within various academic disciplines are tightly tied to performance, both on the upside and the downside.

> *"Accountability for performance as measured in real-world, results-oriented terms [would make me a more effective manager]. (CCS)*
>
> *"…I find many units have developed low tolerance for change and innovation." (CCS)*
>
> *"There are too few mechanisms for acknowledging staff who do a great job." (FG)*

Agility within the academic sphere is essential to a great research university, taking the form of continual improvement of scholarly work through colleagues' rapid feedback, free-flowing ideas and information, and systemic support for rapid progress.

Opportunity. If the Bain Survey, Staff Climate Survey, OE Open House comments, and focus group conversations are any indicator, then faculty and staff are truly hungry for positive change in Berkeley's operating environment. Although cultural change is a significant and time consuming enterprise, there is also a great deal of low-hanging fruit. For example, most high performing organizations around the world, including many universities, have already moved to automated, "360-degree" evaluation of all their people, whereas 360-degree evaluations are rarely conducted for staff and administrative faculty on this campus—largely due to the manual nature of the process and the lack of clear norms that this is a valuable practice. We can and should change this.

To calibrate our opportunities for improvement, and to determine which ones provide the best benefit-to-cost ratio, we identified a set of selection criteria. The investments we propose were prioritized according to their potential to:

1) Have the greatest immediate impact on changing behaviors
2) Reach the broadest audience
3) Have a clear implementation path
4) Reduce costs where possible
5) Contribute to the success of other Operational Excellence initiatives

Our resulting recommendations all focus on changing behaviors.

RECOMMENDATIONS (Extended; summary above.)

Deliverables. The High Performance Culture (HPC) initiative proposes five main deliverables, all of which focus on changing behaviors. Two of our five main recommendations will change behaviors directly, while the other three are investments in tools aimed at changing behaviors.

Direct Behavioral Change	Imperative(s) Addressed
Berkeley OPs Forum	Accountability
Targeted Development Programs	Agility Rewards
Tools to Change Behaviors	**Imperative(s) Addressed**
Metrics Package	Accountability Agility
Communications & Collaboration Package	Agility
Automated Performance System	Rewards

Action #1: Berkeley OPs Forum. We will use proven methods to conduct a campus-wide web dialogue to shape a set of concrete Berkeley Operating Principles (Berkeley OPs) that define high performance for Berkeley's operations and clarify our expectations for operating behaviors. The Berkeley OPs must support our *campus mission* (teaching, research, and public service), the Chancellor's *strategic imperatives* (access,

excellence, and inclusion) and the *goals of Operational Excellence* (reduce administrative cost and complexity).

The Berkeley OPs will be developed through a campus-wide conversation, conducted in partnership with CSC, a global firm offering technology-enabled solutions to a wide array of business problems.[14] We propose to use an online communications process that CSC calls "ideation," utilizing their proprietary web-based software and the professional expertise of their staff. Both the software and the advice have been offered to Berkeley free of charge. We propose that the Chancellor invites a representative cross-section of campus faculty and staff to participate in this crowd-sourced conversation, which will be well-advertised and would remain live for perhaps three days. CSC reports that actual participation rates range from 1-9% of all invitees, which means we can anticipate participation of up to 2,400 members of the campus community.[15] The web dialogue will be moderated and channeled in real time by a small group broadly representative of faculty and staff—both to respond to particular queries and to guide distinct conversation tracks as they unfold.

The web-based event will be "seeded" with a draft set of Berkeley Operating Principles that are being developed by the HPC team based on the results of campus surveys, the advice we received during the OE Open House in January 2011, and the participation of about 120 staff members in focus group conversations held in February and March 2011.[16] The current draft Berkeley OPs that will be used for the seeding include the following five:

Berkeley Operating Principle	Berkeley Operating Principles in Action
One campus, one Cal — excellence through collaboration	• We seek meaningful partnerships where they will help us accomplish our work. • We are not limited by organizational silos, nor by unwarranted distinctions between functions, titles, or roles. • We are open to a variety of perspectives and opinions, knowing the "right" solution might come from anyone, anywhere.

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[14] See http://www.csc.com/casestudies and http://www.csc.com/about_us/ds/29505-company_profile for examples of CSC work. IBM is the leader in this field, having built a whole service business around it. They use the word "Jam" to describe the process, as in "Values Jam," rather than "ideation." A fine article on how IBM developed this "crowd-sourced" method of refining an organization's culture and gaining buy-in is "Leading Change When Business is Good: An Interview with Samuel J. Palmisano," Harvard Business Review, December 2004.

[15] This figure will depend on the ultimate size of the representative cross-section.

[16] Invitations were sent to all 1600 individuals on the OE_update@lists.berkeley.edu mail list.

Berkeley Operating Principle	Berkeley Operating Principles in Action
A purpose-driven organization	• Every project and decision has a clear alignment with our mission, strategic imperatives, or OE goals. • Every project has a single sponsor and a single project manager; every decision has a single decision-maker. Roles for all other participants are clearly defined at the start of the project. • Projects and decisions are well structured—includes a well-defined problem/charge, articulated assumptions, delineated resources and constraints, a timeline, an implementation plan and a communications plan. • The process exists to serve the outcome—when the deliberations have concluded, we act.
Keep it simple	• Standardization is the norm, customization is the exception. • Information is easy to find and easy to use—policies, processes and data are all easily accessed. • Processes are efficient and effective—we focus on higher-value work and eliminate redundant work.
Always learning and improving	• We embrace continual improvement and nimbly adapt to change. • We value purpose-driven creativity (wider problem framing) and innovation (building a better mousetrap) with purpose. • We have well-defined goals for all projects and processes, and we use the results of immediate/frequent feedback to improve continually our processes, service delivery, and individual performance.
Open, honest, and frequent communication	• We share information widely and willingly. • We listen actively and speak with candor. • We provide immediate feedback on group and individual performance, reinforcing high performance and addressing underperformance. • We celebrate successes, publicly and often.

Before launching the campus-wide OPs Forum, the draft OPs above will be further refined through a pilot forum conducted as a follow-up with only the 120 participants in our HPC focus groups. At the end of the final campus-wide web conversation, a short list of proposed Berkeley OPs will be provided to the Chancellor for his consideration and ultimate selection.[17]

The "how" of firmly establishing the Berkeley OPs in our operating culture is at least as important as the "what" of determining the OPs. Indeed, for people less familiar with the importance of strong operating cultures, without a sense for the "how," the "what" can seem rather fruitless. The resulting OPs will need to be embedded in as many of our operating processes as possible. There is a whole category of processes, for example, that surround how we select people to join UC Berkeley as employees. The OPs will need to become part of these processes: how we advertise jobs, how we interview for them, how we make a formal

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[17] We have been asked how the Berkeley OPs differ from the existing Principles of Community, and why we need both. As noted, the Principles of Community (http://www.berkeley.edu/about/principles.shtml) are not intended to guide administrative operations. Many in our community believe that we do indeed live by our Principles of Community, and at the same time, that we are operationally ineffective.

offer, how we evaluate during the probationary period, among others. Another category of processes surround how we introduce people to how we work, so-called "onboarding": pre-arrival communications, first-day orientations, initial-period communications for senior campus leaders, among others. A third category of processes addresses ongoing incentives and socialization: performance evaluation systems, awards and recognitions, ongoing communications from the top, training, among others. All of these processes can link explicitly to a set of OPs in an appropriate way.[18]

Rationale. Until now, Berkeley has not defined "high-performance culture" as it relates to our institutional mission, strategy, and goals. While certain individuals, teams, or entire units are already excellent in operations, we will be unable to create and sustain a campus-wide culture of high-performance operations without an articulated consensus about what that means. The result of the OPs forum will be a small set of Berkeley Operating Principles that define a high-performance culture in support of Berkeley's mission, strategic imperative, and OE goals—i.e., they will enable us to shape our culture intentionally and redefine "the Berkeley way."

Costs. $35,000 one-time cost for the Berkeley OPs Forum; $290,000 per year ongoing costs to maintain integration of the Berkeley OPs into all facets of our operations. The costs associated with the Berkeley OPs Forum are minimal because CSC has offered the software and professional support *pro bono*.

Benefits. The immediate benefit is a concise definition of high-performance operating culture for the Berkeley campus. Significant benefits will unfold over time as the Berkeley OPs are infused throughout our work environment and employee life cycles—the Berkeley OPs implementation team will launch a wide range of initiatives that have already been identified to embed the OPs into our campus systems, processes, and norms. Success in embedding the OPs would be characterized by

> *"[We should] hire, assess, develop, and select leaders at all levels of the organization—from supervisors and managers to senior leaders—who champion and model our core principles." (FG)*

virtually all staff and faculty knowing they exist and knowing where to find their exact articulations, and most staff and faculty knowing from memory at least some of them (e.g., "Keep it simple"). Berkeley's OPs will help focus campus resources, and will unify faculty, staff, and student employees around a common set of behavioral expectations to which we hold one another accountable. Managers and individual contributors alike will benefit from knowing exactly what

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[18] For several examples of such links, see the implementation pages for Ohio State University's *Excellence to Eminence* project, at http://www.osu.edu/eminence , particularly under the following tabs: our values, news & communication, and resources.

Berkeley OPs and associated behaviors the campus prizes, and how they support the overall campus mission and OE goals. Expectations will be clear, and rewards aligned, at every stage: recruitment, hiring, orientation, training, development, goal-setting, recognition, career advancement.

Risks. The major risk is that campus personnel may be skeptical about the benefits of implementing a set of Berkeley OPs, considering them too "soft" to exert meaningful or significant change. If it exists, this skepticism might affect the project through: (a) low participation rates in the Berkeley OPs forum, (b) insufficient endorsement and support from the senior leadership to fully implement the OPs,[19] or (c) insufficient allocation of staff resources to mainstream the OPs throughout our work processes. This risk can be mitigated by obtaining an early and firm commitment from the Chancellor and the Cabinet, which would then be utilized to counteract the remaining risks.

Key Assumptions. Former MIT Professor Edgar Schein wrote, "*Organizational cultures are created by leaders, and one of the most decisive functions of leadership may well be the creation, the management, and—if and when that may become necessary—the destruction of culture.*"[20] Similarly, Haas School Professor Jennifer Chatman, a world expert in this area and with whom our HPC team consulted on several occasions, observes, "*One thing is guaranteed: A culture will form in an organization, a department, a work group. The question is whether the culture that forms is one that helps or hinders the organization's ability to execute its strategic objectives. Organizational culture is too important to leave to chance; organizations must use their culture to fully execute their strategy and inspire innovation. It is a leader's primary role to develop and maintain an effective culture.*"[21] Our agreement with these scholars constitutes our core (and intellectually well-grounded) assumption for the Berkeley OPs Forum project.

Action #2: Metrics Package: Implement new processes in support of ongoing unit-level assessment for the Berkeley Campus. Components include: (a) clear expectations from campus leaders that units, including departments and shared services centers, will develop and use metrics for decision-making and evaluation, and (b) templates, examples of best practices, and training to support faculty department

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[19] BlessingWhite found in their 2001 Employee Engagement Report that, "Engagement surveys without visible follow-up action may actually decrease engagement levels."

[20] Schein, Edgar, Organizational Culture and Leadership, 1985, page 2.

[21] Chatman, Jennifer A. and Cha, Sandra Eunyoung, "Leading by Leveraging Culture," California Management Review, Summer 2003.

chairs, appropriate Deans Office staff, and unit managers as they develop metrics and assessment tools. Once established, the metrics provide guidance and direction for daily activity, and clear, specific criteria against which to collect and respond to feedback. Deans, department chairs, and managers at all levels are accountable for meeting the agreed-upon goals.

Rationale. To date, campus leadership has neither expected nor implemented a regular process of goal setting, feedback, assessment, and improvement at either central or local levels. As a result, unit responses to a series of budget cuts often have been more reactive than strategic, in many

> *"We need to become less lovers of process and more lovers of outcomes." (FG)*
>
> *"Accountability is key. The rules should be clear. Everyone should play by the same rules. There should be consequences [for both success and failure to meet goals]." (FG)*

cases resulting in a steady deterioration of services to students and faculty, with deleterious effects on satisfaction and retention. Implementation of the metrics package will enable us, campus-wide, to set strategic goals and corresponding metrics, conduct meaningful assessments, take corrective action where needed, and recognize good work.[22] We expect the campus's cultural shift to include: (a) a Berkeley Operating Principle related to this notion of knowledge-based continual improvement (such as "always learning and improving" in the draft Berkeley OPs above); a communication campaign on the importance of continual improvement (which would be part of the Berkeley OPs implementation); and a commitment from *all* leaders and managers to participate in annual 360-degree reviews and be held accountable for meeting their goals.

Costs. $280,000 one-time cost; $60,000 per year ongoing costs.

Benefits. We anticipate benefits in three areas. (a) Best practices and templates: A set of best practices and templates enabling managers (of units and services) to develop mission-appropriate assessments.[23] (b) Workshops: A training series to help units – including OE shared-services units – design their assessment practices. In the 2011-12 academic year, 8 workshops for 25 people each will be carried out for initial training of unit managers, department chairs, deans, and appropriate

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[22] UCSD has developed analytic tools to help managers and staff administer their business operations more effectively, and since 1993 has used a balanced scorecard to support managerial efforts. To create the scorecard, VC for Business Affairs, Steve Relyea, developed a 9-point strategic plan that links the university's mission and the scorecard. For more information see, "University of California, San Diego: Increasing Operational Efficiencies Through Business Process Redesign and Analytics", a report of the Educause Center for Applied Research, 2005, by J. Pirani and B. Albrecht.

[23] Additional content was developed by the OE Program Office, *Metrics in OE: Measuring Success*, 1/13/11.

dean's staff.[24] (c) <u>Technological Systems</u>: Develop (or purchase) software tools that offer systems to measure, report, and reference performance at the unit level. Tools must access reliable data and be commonly used across campus.

In the area of metrics best practices and templates, we have already begun preparing these in the form of case studies we conducted, one on the Engineering Research Support Organization (ERSO) and one on the current system of metrics used at the Haas School of Business. The former is particularly relevant given that it is a shared-services operation, albeit within a single college. Lessons learned from the ERSO case include: (a) Balance central and local needs—build a structure and measurement system that accommodates the university's needs and creates opportunities for customization, (b) Think integration—use common data, share projects, and communicate regularly, and (c) Turn beta-testing into training—involve users in the testing process and in determining performance metrics, and build processes for quick response to user input.

Risks. The proposed solution is a collaborative effort across the campus and must involve behavior changes at the leadership level, as well as among faculty and staff.[25] New technological systems must be tied to reliable data sources and be broadly accessible. Administrative structures likely need to change to meet changing demands

> *"Leadership, at the highest level, must have metrics and accountability applied to them." (OH)*

and allow for continual improvement—e.g., workloads must enable managers to have sufficient time to meet and plan; staff must be able to deliver quality service vs. quantity.[26]

Key Assumptions. Our primary assumption is that developing and sustaining a culture of continual improvement will be difficult or impossible without concrete measures of success and

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[24] We anticipate that COrWE will oversee this training, though additional staff may be needed.

[25] For example, UCSD has developed the following approach to financial reconciliations: All transactions above $2,500 are reconciled, but only 16% of those between $500-2,500, 5% of those between $100-500, and 5% of those under $100. The time freed up from reconciling 100% of all transactions has enabled research administrators to spend more time working with PIs on projections and advising them on financial management or proposal preparation. Departments are able to establish their own profiles to reconcile specific risk areas. And, the VC indemnified the department on project close-outs—if an item not examined under the sampling process was questioned, the VC would cover it.

[26] See *Academic Analytics: the Uses of Management Information and Technology in Higher Education*, by Philip J. Goldstein, December 2005. This summary of key findings from a study by the Educause Center for Applied Research concludes, "We found three factors that had significant relationships to the advanced application of analytics across all the functional areas. These factors were the effectiveness of an institution's training program, the commitment of leaderships to evidence-based decision-making, and the presence of staff skilled at analytics."

progress.[27] Our secondary assumption is that such concrete measures will include both campus-wide and unit/process-specific metrics—i.e., that a "one size fits all" approach will not suffice—and that we must therefore equip managers with the tools that enable them to construct metrics and feedback loops appropriate to the work of their units.[28]

Action #3: Communications and Collaboration Package. Replace Blu with an open, standards-based portal and collaboration environment built on the Sakai 3.0 OAE (Open Academic Environment), leveraging the campus investment in bSpace and the myBerkeley student portal.[29] Replace CalMessages with a messaging system that supports targeted audiences, communication design, and tagging and retrieval functionality. The communications tools will enable staff to make faster, better-informed decisions, manage tasks and projects, and collaborate across organizational units. Improved information access will support more rapid sharing and dissemination of information and practices.

Rationale. The campus faces communications challenges in four broad areas: systems, standards, skills, and faculty/staff collaboration. These shortcomings hamper our effectiveness and preclude excellence in our operations.

"Fix the communication system on campus. It seems the information flow is really imbalanced. Some people get too much, others not enough" (OH)

Systems. Communication through the campus is disjointed, sporadic, and not integrated into our daily work lives. Information is difficult to find and interpret. The communication path is unclear; we have no assurance that the communication reaches the target audience. While staff members have access to calendaring and collaboration systems, they are not integrated, and in some cases are provided only on a recharge basis.

"On campus the communications are very academic in style, rather than being appealing or informative… Style, tone and appearance mean a lot, help convey a lot of information; some of the most official and important campus communications are the least effective." (CCS)

Standards. No standard format exists for administrative information. It is difficult for users to identify key messages that are relevant to them, their work, or to their direct reports. There is no

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[27] UCSD Vice Chancellor Relyea notes, "The balanced scorecard is so ingrained in our culture, we can't imagine not doing it, because it represents our strategic thinking… the basic vision remains the same, though we constantly tweak the strategy and objectives to keep it relevant."

[28] UCSD uses a dashboard tool (MyDashboard) that enables local metrics data to be incorporated into reports with central data, can be updated easily, and is sharable, and customizable. When UCSD's Physics Department held a day long workshop for people in other departments who were interested in developing their own customized dashboards, over 90 people attended.

[29] This will be aligned with similar efforts at the systemwide level to develop an employee portal.

consistent practice regarding multilingual communications or communicating with staff who do not interact with computers as part of their jobs.

Skills. Managers lack skill and sometimes authority to communicate clearly, authentically, and credibly. Managers have difficulty with "difficult" conversations. Meetings often lack clear purpose, and person in charge lacks skills in focusing discussion and reaching conclusions and action items. (The skills issue is addressed in Action #4, *Targeted Development Programs*.)

> *"[We need more] training regarding communication, particularly communication with staff supervised by others [and] supervisor-to-supervisor communication." (CCS)*

Faculty/staff understanding. Most staff do not have an opportunity to see or hear about what the faculty do that is the foundation of Berkeley's excellence, nor do most faculty see examples of excellence from the staff who provide daily support to our mission of research, teaching, and public service. We do not have a systematic way for either constituency to fully understand and appreciate the contributions of the other.[30]

These communications weaknesses must be addressed if a high-performance operating culture is to take root and thrive.

Costs. $470,000 one-time cost; $33,000 per year ongoing costs. Assumes funding of the Academic Commons (see report of the OE Student Services Initiative) and Bedework CalAgenda replacement.[31]

Benefits. A robust and easily utilized communications package will enable and foster cross-departmental collaboration and partnerships, and reinforce the message that we are one interrelated community with a common mission. As importantly, it will enable all staff to focus on higher-value work and avoid the laborious information search and retrieval characterizing today's operating environment.[32] The request for a robust staff portal has been articulated by staff committees going back as far as 2003.[33]

> *"We should be able to customize what we receive, much like we customize our Google homepage. … I know it's a pipe dream, but what we have now is a mess of information and no nice way to either view or search for what we want." (CCS)*

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[30] See "Berkeley Excellence in Action" recommendation, under "Other Considerations" below.
[31] Costs may be influenced by support at the systemwide level for development of an employee portal.

Risks. A risk is that staff will not use the portal; it will be just a hoop to jump through to get to administrative systems, much as Blu is today. This risk can be mitigated by undertaking a careful design process in the first project year to identify all essential user requirements. We benefit, as well, from the work already completed on the student portal (Academic Commons), which was developed with the deep involvement of student affairs staff. In addition, the proposed technology is an open-source platform upon which developers, including student developers, can build "widgets" to meet more localized needs.

> *"Information is critical and all too often very difficult to find." (CCS)*
>
> *"…often the only way to find out necessary information is 'through the grapevine,' which has problems all its own." (CCS)*

We believe that we can't afford *not* to move ahead. Without the communications and collaboration tools, faculty and staff will continue to waste countless hours searching for information they need to do their jobs. When information is unnecessarily difficult to find, staff must develop a complex network of "go-to" colleagues and cumbersome retrieval systems of their own design. This, in turn, makes staff turnover and restructuring in our environment even more costly than in most organizations—and perhaps makes managers too hesitant to address underperformance—because the learning curve required for new employees to reconstruct this network is aberrantly steep.[34]

Key Assumptions. Being able to locate and share information easily is a critical enabler of performance. Further, we assume that a portal will provide a bigger "bang for the buck" than other approaches (such as an improved search engine) because of its single point of

> *"I was surprised when I arrived on campus at how much technology is lacking compared to the other college that I worked at previously." (CCS)*

entry, the incorporation of multiple productivity tools (e.g., calendaring, messaging, assignments, to do's, collaboration with groups, campus news feeds, direct access to BearBuy) and its synergies with the existing student/advisor portal.

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[32] One focus group participant reported that she no longer utilizes the search engine on Berkeley's web page when she is looking for a UC policy or related information; rather, she finds it faster using Google.

[33] See the 2003 CSAC report to the Chancellor, and the 2006 assessment of campus administrative communications report, prepared for the Vice Chancellor of Administration by Public Affairs, Administrative Communications Network, and COrWE.

[34] One manager described a conversation wherein a direct report, when asked whether she found our complex information environment to be unduly frustrating, replied, "No, I just consider it to be job security."

Action #4: Targeted Development Programs. Target our training efforts to develop talent in areas

critical to sustaining a high-performance culture for UC Berkeley, especially in areas that support other OE initiatives. There are four elements: (a) Focus on job areas that are increasingly critical to our University's future, such as developing our pool of financial analysts, since our ability to forecast future workforce needs as they evolve will be a key component in creating an organization that is agile enough to adapt quickly to change.[35] (b)

> *"Listen and take action when a high performer tells you they're ready for more responsibility." (OH)*
>
> *"[Develop a] talent database for employment to capture the talent across campus and create career mobility and promote employee retention and talent." (OH)*
>
> *"[a best practice would be] an organizational commitment to providing opportunity for advancement and recognition for high performers; a wide range of well understood rewards and opportunities for those who are high contributors; and well defined and understood means for career development." (Other)*

Target skills-based learning to support high-performance characteristics, such as Berkeley OPs (e.g., workshops in *Hiring for Cultural Fit*), metrics (e.g., *Using Metrics to Direct Your Unit*), communications (e.g., *Conducting Difficult Conversations*), and supervisory competencies (e.g., the KEYS supervisory training). (c) Provide a rigorous management development program for our Senior Leaders to build a shared appreciation that culture is a leadership responsibility, and to provide tools for leaders to develop a high-performance operating culture in their part of UC Berkeley.[36] (d) Provide training for academic supervisors (Deans, Chairs, PIs) in the skills needed to develop staff and address underperformance.

> **Rationale**. Two critical shortcomings are addressed in this deliverable: preparing the workforce to meet Berkeley's future needs, and equipping leaders and managers for their responsibilities in a sustained culture of operational excellence.
>
> Currently, the campus lacks a systematic means for timely identification and development of the talent required in future years. Based on anticipated retirements in key core functions and the emergence of new operational requirements, the campus Workforce Strategy Group (WSG) has identified five job areas where the campus will need additional people in the next 3-5 years: IT (particularly business analysts), finance, student services, academic personnel, and research

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[35] We recommend that the Assistant VC for Administration and Finance ask the WSG to: (1) expand membership to include managers from additional workforce segments, (2) ensure that workforce information necessary for strategic planning is available to senior leadership, and (3) align the skill needs identified by the managers with development options identified by COrWE, and prioritize the use of development resources.

[36] One of the best articles on leadership is John Kotter's, "What Leaders Really Do," Harvard Business Review, May-June 1990. Simplifying, leaders do three things: 1) they set direction, 2) they build alignment around/commitment to that direction, and 3) they motivate/inspire people to execute on that direction. In this view, leaders who are not setting direction are not leading.

administration. The campus portfolio of training and development programs has improved steadily, but they are largely open to all interested parties rather than a targeted match between future needs and current high performers who could fill those needs if they were equipped with the appropriate skills.

As well, Operational Excellence has resulted in changed expectations of our managers, and increased pressure on campus executives to provide consistent and sustained direction-setting and leadership. Focus group participants often expressed skepticism that our managers and leaders are sufficiently prepared for these new roles, and concern that OE will fail without strong management and leadership.

Costs. $2.6 million per year ongoing costs.[37]

Benefits. Leaders and managers will strengthen their skills in strategic thinking, direction-setting, and decision making, consistent with Berkeley's desire for operational excellence to support our teaching, research, and service mission. Managers

> *"[We need to] develop & train supervisors & managers who can … utilize the full potential of their teams—managers should receive training in management." (FG)*
>
> *"Give management responsibility [only to] those who are trained and skilled at it." (FG)*

and supervisors (academic and administrative) will learn how to lead their staff through a period of transformational change, with an understanding of what drives high-performing cultures; and, they will develop the expertise to recruit, hire, develop retain, and evaluate staff to support a high-performance culture. Functional owners will help define the skills staff need to advance along career paths in those fields.

Risks. Managers may not attend training, or they may attend but not implement; or they attempt to implement, but the larger organizational system works against them.

Key Assumptions. Learning must begin with our senior leadership and managers. For the next 18 months, the focus should be on developing those individuals. Simultaneously, we should be developing more targeted programs for each high-need occupational area in collaboration with the

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[37] Currently, UC Berkeley spends approximately 0.4% of staff payroll on learning activities—contrasted with 2009 national average learning expenditures of 1.9%. Similarly, the national average ratio of employees to learning-staff members in 2009 was 240, contrasted with 810 at Berkeley. Source for averages: "2010 State of the Industry Report," American Society of Training & Development.

functional owners. Specific areas for skill development should be identified, and programs made available to staff within 12 months. Some are already under way, while others need to be designed.

Action #5: Automated, 360-degree Performance System. A web-based performance-management system that allows for faculty, student, and client input about both individuals and groups (e.g., a shared services team). This would be a purchased, add-on component of the Human Capital Management (HCM) system already in place, with the flexibility to meet the needs of UC Berkeley. An important element is that evaluation of individuals allows for input of peers, direct reports, faculty, and supervisors, facilitating comparison of feedback from different levels and sources (e.g., departments other than one's own).

Rationale. At the moment, Berkeley's performance management system is entirely paper-based, and falls short on several dimensions. It is estimated that only 75% of staff are evaluated annually. Of those, an estimated 40% are evaluated using a process other than the campus standard. Inclusion of peers, staff, and service-users is not typically part of the process because it is so cumbersome to route and collect paper forms.[38] Having only a single appraiser increases the opportunity for bias (in either direction and however unintentional), and is of more limited use to the employee than a more inclusive process would be. Finally, in the current environment we are unable to identify top performers systematically; instead, we rely on anecdotal evidence that may favor those in prominent departments or with more sophisticated or high-profile supervisors.

> *"Feedback should be more regular and specific." (Other)*
>
> *"[we need] performance review of supervisors—a chance to give them feedback." (CCS)*

Costs. $1.1 million one-time costs; $119,000 per year ongoing costs.

Benefits. This supports a deeper service-orientation because input comes from all angles. It also provides a stronger basis for linking rewards to performance, for making difficult compensation choices, for identifying and supporting high-potential employees, and for documenting and remedying underperformance. Automated performance appraisals enable the campus to be more efficient at systematically identifying high performers who may be ready for new challenges, and to identify underperformers systematically and determine whether there are patterns that could be

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[38] One senior administrator reported spending several hours conducting a 360-degree appraisal for a single individual, distributing paper forms, collecting them, and consolidating information from the various respondents. An automated performance appraisal system would reduce that time considerably, enabling managers to focus on the *content* of the evaluation rather than spending unnecessary time managing the appraisal *process*.

addressed through a concerted campus-wide initiative. Utilizing 360-degree feedback for all employees—individual contributors, managers, and leaders—sends a strong signal that accountability applies to everyone, in all units and at all levels. Further, an automated system will enable us to ensure that every employee is evaluated at least once every year—feedback that is critically important to a culture of continual improvement and high performance. Finally, a more robust appraisal system (including 100% of the staff and using 360-degree feedback) will enable the campus to link performance to rewards and make strategic investments in its people through more targeted use of merit pools, achievement awards, professional development funds, and project assignments.

Risks. Implementing an automated system will be an improvement under any circumstance; however, it will be less effective than it might be unless we simultaneously attach specific behaviors to each core competency of a given role, and unless the annual evaluation period is scheduled during a time that facilitates faculty participation.[39]

Key Assumptions. We believe that employees want and deserve to know how they are performing relative to campus expectations. A system that facilitates that will benefit both individual staff and the campus at large, by ensuring that appraisals are conducted frequently and include the perspectives of a

> *"There are too few mechanisms for acknowledging staff who do a great job" (FG)*
>
> *"More varied, abundant and regularized means for rewarding good performance [would be a motivator]. …improved compensation is only one of those means. Expanding and developing things like the SPOT awards program is a good step forward." (Other)*

wide range of stakeholders, providing more robust feedback loops that support a culture of continual improvement. Further, we assume that the campus will provide meaningful merit increases ("pay for performance") as soon as current policy and budgetary constraints are relaxed, and we encourage campus leadership to address these constraints actively.

Other Considerations

Beyond the five main actions outlined above, there are a number of ideas that warrant mention in this business case.

1) Compliance Culture: Many people on campus feel that our current culture is too compliance-

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[39] See "annual evaluation period" under "other considerations" below.

oriented, and that this communicates a lack of mutual trust. Reputation risk is a serious matter for our University. That said, there are areas where reputation risk is less relevant where we still require multiple, often inefficient sign-offs. The five actions outlined above will help on several fronts. For example, moving more toward a measurement (metrics) will allow more of a "trust and verify" approach. In addition, there are examples of how our compliance culture has already begun to shift. A recent example: campus Deans each submitted to the Vice Provost their own list of unnecessary processes and signoffs. A composite was compiled and is being addressed, with periodic reports back to the Deans on progress toward changing each item.

2) <u>Rules of the Game</u>: Many of the practices, systems and policies we aim to change on the UC Berkeley campus are wholly within our control. Some are determined more at the systemwide or State level. The focus of the HPC initiative is on the former. Our suggestions for changes in systemwide or State policies are outside the scope of this report. However, we encourage our leadership to continue to challenge aggressively those policies that detract from our efforts to build an efficient, nimble operational culture.

3) <u>Downloading of Work to Faculty</u>: The goal of OE is to further the University's mission of research, teaching and service. Changes in the way we do administration that inadvertently shift work from staff to faculty on balance may be inconsistent with that goal. Many of the actions recommended here will help to protect against such outcomes, e.g., being more disciplined about measuring the work we do and evaluating the quality of that work.

4) <u>Symptoms vs. Causes</u>: If in addressing high-performance operating culture we fail to address behavior distortion at the underlying sources, it will be difficult or impossible to reach our goals. For example, if the small "spans" (average number of direct reports per supervisor) that characterized UC Berkeley pre-OE resulted primarily from creating supervisors as a way to get people pay increases, then unless we address this, we can expect these practices to continue as an HPC "headwind." Rewards linked more tightly to measured performance will help. So will developing a way of addressing market increases in specific occupational areas.

5) <u>Faculty and Staff Interface</u>: The partnership between faculty leadership and staff leadership is important for our campus. We recommend that our campus implement a communications and recognition program to acknowledge and celebrate those accomplishments of faculty and staff that

embody Berkeley's OPs in action, particularly those that are achieved through their combined efforts. Or, a session where faculty could share examples of their research, and staff could share examples of innovations in services might be something that existing organizations could help coordinate, or fold into current forums. Championed by the Chancellor, such a "Berkeley Excellence in Action" program would support appreciation and mutual respect for our collective contributions to achieving the University's mission.

6) <u>Taking Ownership of One's Professional Development</u>: To emphasize the importance of ongoing staff development that supports future priority needs, some units have required that every staff job description include 5% of the key responsibilities as professional development. The method of development varies depending on the level of the job and the needs of the unit. Examples include but are not limited to: time spent on a stretch assignment, time with a mentor over an extended period receiving guidance or feedback, time for individual learning using online or other resources, or a more traditional approach to learning such as attendance at a professional workshop. The expectation is that people will take the initiative to develop themselves. Requiring all job descriptions to include as a key responsibility 5% for job-related professional development would emphasize the importance of this activity going forward.

7) <u>Holding Managers Accountable for Providing Feedback</u>: Often managers see performance evaluations as an interruption rather than a useful tool for developing staff by providing regular feedback and establishing goals. Rather than direct penalties for failure to complete evaluations, some campuses create contingencies as incentives. For example, managers may only hire staff if they have completed 95% of their evaluations. Conducting evaluations during the same month campus-wide improves our ability to monitor completion rates. Training and informational material can be provided the month prior to evaluations. At the end of the month, summary information can be collected easily for senior managers to evaluate the performance of their unit managers.   Options such as these would be a no-cost way of investing in behavior changes that would go a long way to instilling a high performance culture.

ALTERNATIVES CONSIDERED (including status quo)

Alternatives to the Berkeley OPs Forum (Operating Principles): The essential product of the Forum is a set of focal points for solving the "coordination problem" that so many of our employees feel. Alternatives

to the Berkeley Operating Principles approach include:

1) <u>Using our existing Principles of Community as our focal points</u>: A decisive downside of this approach is that most people believe that we already do a good job of living by our Principles of Community; this set of principles is not designed for, nor is it particularly useful for, establishing a high-performance operating culture. The Berkeley OPs will need to be sufficiently distinguished and linked to our high-performance imperatives so that UC Berkeley people do not get confused by having multiple "principles lists."

2) <u>Using existing "Job Success Factors" on our Performance Evaluation and Planning Form</u>: A decisive downside of this approach is that these factors were designed to address the effectiveness of individuals, not the systems, processes, work norms, decision-making, and other elements of our work environment. There is little risk in not using them. That said, we will likely need to better align our Job Success Factors with the Berkeley OPs once established.

3) <u>Using a set of focal points determined "from the top," perhaps by the HPC initiative itself</u>: A decisive downside of this approach is buy-in: if people do not feel they have had any hand in shaping our operating principles, we are much less likely to achieve changes in actual behavior.

4) <u>Doing without focal points (status quo)</u>: The downside of this approach is that the coordination problem is not addressed, or not addressed in a disciplined manner. Arguments for going this route are generally based on a view that culture-setting as a means of behavior change is either ineffective or not sufficiently important. This view is more common among people who have never experienced a strong operating culture do its work. We disagree with this view.

Alternatives to the Metrics Package: The essential product of the metrics package is a toolkit for establishing a more purpose-driven administration of UC Berkeley. Alternatives to the Metrics Package include the following:

1) <u>Utilize existing transaction systems (e.g., BFS/BAIRS, HCM, etc.)</u>: There are three downsides to this approach. First, the analysis is limited to the transactional system being utilized—it is not possible to easily incorporate data from other transactional systems that would enhance the analysis, particularly if those systems are "owned" by another unit. Second, the absence of common data

definitions across campus systems can make data analysis challenging and the ability to get consistent data difficult.[40] Third, success depends on the willingness of individuals and units to allocate resources to developing and utilizing metrics.

2) <u>Local operational databases</u>: In the absence of an enterprise-wide data warehouse, some campus units have developed relational databases and similar "shadow systems" of their own. While this works quite well for those units, the campus as a whole does not benefit, and it is difficult to know from a campus perspective whether these local investments have been prudent. Further, it is unknown whether these efforts are scalable to the rest of the campus—although units who have developed local operational databases sometimes share what they have developed and make templates available to others who wish to use them. Such generosity, however, begs several questions, including institutional needs and common data definitions—questions that can best be addressed in developing an enterprise data warehouse.

3) <u>Status Quo</u>: The defining downside to this option is that individuals and teams will continue to make ad-hoc decisions that are neither supported by meaningful data nor aligned with unit or institutional goals.

<u>Alternatives to the Communications and Collaboration Package</u>. The essential product of the information/collaboration package is a set of tools to enable staff to make faster, better-informed decisions. Additionally, the package will enable and foster cross-departmental collaboration and partnerships, reinforce the message that we are one interrelated community with a common mission, and eliminate the laborious information search and retrieval characterizing today's operating environment. We considered alternatives to the proposed staff portal (below). Since we are not recommending a specific vendor/tool to replace CalMessages, we have not considered alternatives other than the status quo.

1) <u>A portal platform other than Sakai 3.0</u>: There are many vendors who provide portal environments, including Oracle/PeopleSoft. The decisive down side to these alternatives is the lack of integration available by using the open source Sakai 3.0 OAE platform. These include (a) having a common collaboration environment for the entire campus learning community (next generation bSpace); (b) utilizing the back-end data integration work being done to map students to student advisors in

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[40] For a thorough analysis of these problems see "Temporary Academic Staff Proof of Concept Project", available on the website of the Institutional Data Management and Governance (IDMG) initiative: http://idmg.berkeley.edu/about.htm.

specific departments and extending that to map the communications flow through the administrative hierarchy; (c) utilizing tools such as "the groups tool" to facilitate communication within job fields (e.g., research administrators), Shared Services teams (e.g., Center 5), or communities of practice (e.g. ,Business Process Analysis Workgroup); (d) integrating with other open-source tools such as the Bedework replacement of Oracle calendar; and (e) having more control and influence in the product because Berkeley is actively contributing to its design and development.

2) <u>Keep Blu (status quo)</u>: The decisive downside to the status quo is the laborious information search and retrieval characterizing our current operating environment. Maintaining the status quo means (a) each individual maintains his or her own bookmarks, which are frequently outdated and not transferable to new staff, (b) we continue to lack integration with campus calendaring and messaging systems, which means our messages can't be targeted to discrete audiences and can't be formatted. The status quo will significantly reduce our ability to be effective in our new environment.

3) <u>CalMessages (status quo)</u>: The implementation team will need to do a competitive analysis of messaging systems versus building our own to determine the most cost-effective approach that will meet Berkeley's requirements. There are a number of vendor products available at reasonable cost.

<u>Alternatives to Targeted Development Programs</u>. The essential product of the talent development programs is a strategic, focused, systematic, and progressive set of training programs providing individual contributors, managers, and leaders with the tools required to develop and sustain a high-performing culture. We considered the following alternatives to the targeted development programs.

1) <u>Department-based development (status quo)</u>: Each manager continues on their current path of identifying learning and development opportunities within their own unit for top performers. This limits the scope of development opportunities, and does not leverage our capacity to reach groups of people with similar needs across campus, developing cohorts in addition to individuals. In addition, we can bring more robust training to our staff if we leverage our purchasing power to bring in vendors with mature development programs.

2) <u>Assigning responsibility for functional development to the functional owners</u>: We do this now, for example, in the finance field. The Controller has a certification program that is run annually. While this meets immediate needs to develop short-term expertise, it is neither long-term nor planned strategically. It does not align formal training with our overall institutional needs, and fails to inform decision-makers on the strategic use of limited funding.

<u>Alternatives to an Automated Performance System</u>. The essential product of the automated performance system is a tool that supports timely and comprehensive feedback on employee and unit performance, providing the following benefits: ability to link performance to rewards, more effectively allocate scarce resources, provide opportunities for talented staff, and systematically address underperformance. We considered the following alternatives:

1) <u>Delay automating our 360 evaluations until UCOP implements a system</u>: It is estimated that the current effort by UCOP to acquire a systemwide solution for a Human Resources Information System (HRIS) that includes performance management will take several years. This element of the larger system is slated to be phased following the successful replacement of the payroll system. It may be 3-4 years before a systemwide solution is ready.

2) <u>Join the UC HCM collaboration to develop this function</u>: Berkeley has an immediate opportunity to work in collaboration with 4 other locations also interested in automating performance management (UCSF-MC, UCI-MC, UCSF, UCSC). Such a joint effort could reduce the cost of such a project although the savings cannot be estimated at this time. If the HCM proposal is approved, we would actively engage in a collaborative effort to reduce redundant use of resources to lower cost.

We note that the bumping for non-represented employees was steamlined as part of the OE process. The OE HR Team working with the Organizational Simplification restructuring effort analyzed the bumping activity over the past year and recommended a change in our campus policy that significantly reduced the workload of campus managers without compromising the rights of employees.

IMPLEMENTATION PLAN

The implementation plans for the five projects described herein, as well as several smaller supporting projects, is attached.

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