Taking HR to the Next Level: A Case Study of Organizational Transformation

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Agenda

- Business Case/Need
- Transformation Overview
- Element 1: Organization Assessment
- Element 2: Organization Redesign
- Element 3: Change Management
- Takeaways
- Q&A
Table Discussion

- What is your experience with large-scale transformation efforts?
- What worked well?
- What challenges did you face?
Business Case

- The business environment for defense companies is changing
- External changes are driving the need to operate more effectively and efficiently
- Newly selected HR VP had a desire to understand the current state of the organization, bring about significant improvements, and to role model effective organization transformation efforts
- Progression from tactical, reactionary HR function to strategic business partner reflects the current trend in HR evolution
Transformation Overview

- Contracting Begins: July 2010
- Strategic Planning Begins: Aug 2010
- Redesign Begins: Oct 2010
- Org Structure Finalized: Nov 2010
- Metrics Identified: May 2011
- Change Structure Disbanded: Aug 2011

- HR VP Selection: May 2010
- Org Assessment: Aug 2010
- Guiding Team Formed: Sept 2010
- Change Teams Formed: Oct 2010
- Org Structure Implemented: Jan 2011
- Plan for Sustainment: May 2011
Organization Assessment

- **Purpose/Objectives**
  - An independent/objective diagnosis of the current state (people, processes, strategy, structure, culture) to:
  - Uncover underlying concerns / root causes
  - Look for evidence to validate the need for change
  - Identify common themes and prioritize issues
  - Make recommendations to address core issues
  - Increase a sense of urgency and gain commitment

- **Key Characteristics**
  - Led by OE professionals
  - Focused on diagnosing organizational issues (vs. technical)
  - Involves cross-functional / business collaboration
  - Engages the entire organization
  - Conducted onsite
  - Minimal disruption to the organization
  - Provides a comprehensive “snapshot” of the organization along with prioritized recommendations and detailed next steps

- **Tools**
  - Galbraith Star Model
  - Surveys
  - Focus Groups
  - Interviews
  - Artifacts

- **Findings**
  - Internal partners desired HRBPs to act in a more strategic role
  - HR Strategy unclear
  - HR employees found it difficult to collaborate across the HR organization
  - HR employees lacked confidence in their leaders
Strategic Planning Process

**Situational Analysis**
- Economic Trends
- Industry Dynamics
- Impact of Globalization and Demographics
- Customers and Competitors
- Organization Realities

**Some Possible Sources for Input:**
- SWOT Analysis
- OE Organization Analysis Results
- Audit Results
- LGI, Survey, Focus Group Data
- Team 360

**Execute and Evaluate**
- Action planning and reporting
- Measurement
- “Lessons Learned” and Best Practices
- Re-planning as needed

**Strategic Choices and Vision**
- Which customers will we serve?
- What is the hierarchy of their needs?
- What will we offer them?
- What are the top (few) priorities that will make the biggest difference to business success?

**Implementation Plan**
- Actions and Milestones
- Measures
- Rewards
- Structures and Processes
- Culture and Behaviors

Some Possible Sources for Input:
## Purpose
- Evolve organization to address assessment findings, align with strategy, and improve customer satisfaction
- Consolidate HRBP population to increase collaboration
- Redefine HRBP role
- Form Employee Relations function to offset tactical HRBP work
- Reduce management layers

## Key Characteristics
- Design criteria mapped back to assessment findings
- Opportunity for leaders to participate in the re-design process
- Elements of the three structure alternatives represented in final org structure
- Final decision making authority resided with HR VP

## Tools
- Galbraith Star Model
- Benchmarking

## Process
- Define the HR Strategy
- Obtain agreement on the need to complete a strategic redesign
- Establish clear design criteria
- Benchmark best practices
- Conduct a workshop with HR leaders to explore design alternatives
Raytheon Change Model

- Clear, urgent reasons for changing
- Get understanding and buy-in from stakeholders
- Embeds the results of the change project in the standard way of doing business
- Desired state that gives everyone a clear common purpose and direction
- A risk/readiness assessment focusing on stakeholder positions, resistance, and support

Focus on institutionalizing through measurement, rewards, celebration and ongoing communication
Methodologies for engaging stakeholders and managing participation in the project to ensure that everyone has the opportunity to contribute
Framework for collaboration, quick wins and building the change story
Strategy that ensures the special communication needs of people involved in change are addressed
Change Management

### Purpose
- Assist organizations and employees with more effectively planning for and adapting to change by dealing with the common challenges and resistance that normally occur
- Clearly articulate burning platform and vision
- Identify and involve stakeholders
- Engage employees
- Identify and overcome resistance
- Identify success metrics
- Plan for sustainment

### Key Characteristics
- Formalized Change Structure with clearly defined roles and responsibilities; business rhythm
- Launch and termination dates
- Integrated other improvement efforts (ex. Employee Survey)
- Transformation Communication branding
- Professional project management assistance

### Tools
- Raytheon Change Methodology
- Case for Change/Change Vision
- Stakeholder Analysis
- Change Communication Plan
- Surveys
- Interviews

### Key Metrics
- Percentage of HR employees involved in improvement efforts
- Improvement in employee pre- and post survey responses
- Improvements in customer satisfaction
- Efficiencies in time or monetary savings gained from transformation efforts (ex. reduction in time to complete ADR, reduction in number of ADRs/investigations)
Org Implementation
Change Team

Role of Change Teams
- Ensures task are completed and on time
- Measures results
- Takes a major role in the deployment of the change

People Change Team

HR Values and Behaviors
Change Team

Employee Relations
Change Team

Change Comm Team

Executive Sponsor
HR VP

HRLT

- Develops the vision for change
- Looks for disconnects with other initiatives
- Removes roadblocks & obstacles

Guiding Team

- Provides executive direction and support
- Provides resources to drive the transformation

HRLT Team Development

- Engages and guides the organization through change
- Actively involved in developing and implementing change strategies
- Rolls out the change strategy
- Manages communications and metrics
- Links to other HR initiatives
Communication Plan and Transformation Branding

Communication Goals:

- Engage HR employees and stakeholders in being effective communicators during change
- Maintain employee engagement levels during time of change

Communication Tools:

- Branded the change initiative within HR using an icon/tag line combination
- Used weekly or bi-weekly emails with status updates during initial transformation activities
- Drew existing teams into the transformation process to eliminate duplicity - communicated the unions
- Utilized HR Knowledge Cafe – via Sametime media - to share information and provide opportunities for live Q&A
- Staff Meetings
- All Hands
- Skip Levels
- Job Aides were used to show results of teams' work when appropriate
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Takeaways

- Leadership commitment/sponsorship is critical
- Importance of identifying roles and responsibilities, creating structure and adhering to a business rhythm
- Early identification of metrics; utilize existing metrics when possible
- Importance of gathering baseline data
- Identify communication resources/expertise early
- Seize opportunities provided through leadership transitions
- Persistence, commitment throughout the process is essential
- Project management support was a key advantage
Table Discussion

- What are your takeaways from today’s discussion?
- What suggestions do you have for us for future transformation efforts?
Questions?