Organizational Change Management in the Public Sector

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EXECUTIVE SUMMARY

Change is embedded in the fabric of organizations, including government agencies. For agencies to remain nimble, there is a critical need for the adoption of a structured organizational change management model. The San Francisco Human Services Agency (HSA) Innovation Office fulfilled that need within their agency by adopting the Lean Process Improvement model while infusing the Human-Centered Design framework within their approach. Balancing these two structures enabled them to approach change and continuous process improvement holistically, focusing on users' experience and quality service delivery.

In this case study, an introduction to the San Francisco HSA Innovation Office's values, approach, and success will be explored. Considering lessons learned during this study, recommendations to adopt a similar change management model and further embed the change management competency into the Sonoma County Human Service Department's management team will be proposed to improve success and efficiency when leading change initiatives within the agency.

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Introduction

The world is everchanging and often government agencies find themselves with limited resources; thus, efficiency and change management skills are critical to remain nimble and ensure that quality services and support continue for both staff and communities. Without this, agencies may find themselves trapped in a cycle of process improvement efforts to address general government infrastructure inefficiencies (such as low recruitment rates, underfunded IT departments, etc.) causing a decreased ability to practice continuous process improvement and improve service delivery.

The San Francisco Human Services Agency (HSA) Innovation Office has successfully provided its agency with a change management model that has a Human-Centered Design framework woven within the process. As a result, the Innovation Office has impacted the agency by improving service delivery and productivity, improving morale, providing change management tools, etc. Despite the closure of the Innovation Office, there are many lessons learned that could assist other agencies to incorporate change management best practices and provide support and transparency to the process.

San Francisco HSA Innovation Office

The San Francisco HSA Innovation Office led by Marc Hebert, director and anthropologist, was tasked with supporting the advancement of the San Francisco HSA's mission and values through the process of organizational change management in areas relating to service and systems design,

visual design, design research, and visual facilitation.

Innovation Office's Approach to Change Management

The Innovation Office conducted change management by employing the use of the Lean Process Improvement model while weaving in the framework of Human-Centered Design (HCD). Balancing these two structures enabled them to approach change and continuous process improvement holistically, focusing on users' experience and quality service delivery. This approach was pivotal and embedded in their definition of innovation. According to the Innovation Office's blog, *Designing Human Services*, innovation is defined as "empathy + experimentation + measurable change to improve service delivery experiences and outcomes." (Hebert, Oct 2, 2014).

Human-Centered Design (HCD)

HCD is a framework that focuses on end users' interaction and experience within a system or product and utilizes methodologies to better understand users' needs, abilities, behaviors, and interests to guide change. It also prioritizes collaboration with users and the public when applicable to co-create systems and processes. Understanding that there is not a "one size fits all" approach, the Innovation Office utilized various methodologies, including Service Design. Service Design utilizes a multidisciplinary team (leadership, staff, and the public) to review processes, identify inefficiencies/pain points, co-create solutions and experiments, and review outcomes to determine successes, failures, and next steps. This critical component of the Innovation Office's approach is also

highlighted as a general best practice by prominent change management thought leaders, such as John P. Kotter. There has also been research conducted within the public sector that supports this idea. In a Public Administration Review titled "Managing Successful Organizational Change in the Public Sector," by Sergio Fernandez and Hal G. Rainey, eight factors to successfully manage change are identified. While referring to two factors, Fernandez and Rainey write:

> …decision making to middle managements and granting frontline workers greater discretion to implement changes… Successful implementation of organizational change, therefore, often resembles a hybrid combining elements of lower-level participation and direction from top management" (Fernandez and Rainey, p.171).

HCD/Service Design is not naturally built into change management, however, it is a best practice to incorporate it into the process of change management in the public sector, when possible.

Lean Process Improvement

Lean Process Improvement is a systematic change management model that focuses on delivering value, identifying inefficiencies, and eliminating waste. It was originally implemented in the American car manufacturing business to manage the flow of production and was later adopted by Toyota to reinvent their manufacturing line and increase efficiency. This model has been continuously adapted to meet the needs of various occupational fields; despite being one of many change management methods, it has been adapted and highly successful within government.

Coupling both HCD and Lean Process Improvement, the Innovation Office adapted the method to approach change through the following steps:

- Clearly define the problem. Identify that the *correct* issue is being addressed.
- Research who the intended users are (i.e.: staff/ clients).
- Complete User Journey Mapping to visualize the process and identify inefficiencies.
- Co-create and implement a Prototype/Experiment with small changes that deliver results.
- Measure results and determine if, and how, anyone is better off.

Success of the Innovation Office

The Innovation Office conducted an array of successful change initiatives resulting in the adoption of more efficient, user-friendly, business processes and tools for employees and clients. The adopted changes ranged from small alterations, such as improvements to a form, to significant changes, such as the change in how data was used and communicated. Regardless of the change, big or small, this successful approach yielded significant impacts within the agency and community.

One project that the Innovation Office led was identifying a process that allowed frontline staff to initiate and actively participate in change within the agency. At its inception, staff were not able to share, test, and replicate ideas for improvement. Through the process of collaboration within a multidisciplinary team (38 colleagues from various programs and job classifications), and research with equity considerations, they co-created a service design toolkit that included a platform for presenting to peers and engaging others to co-create change in the workplace. The service design toolkit resulted in improvements to service delivery

and increased efficiency. Some of these impacts include significant reductions to wait times on the phone (by 66%) and in the lobby (by 25% in one office and 71% in another).

Refocusing Change Management Efforts

During the COVID-19 pandemic, the Innovation Office was closed as a result of many factors despite its overall success. In a meeting with some of San Francisco HSA's Deputy Directors, they acknowledged the successes of the Innovation Office and highlighted some of the larger footprints that this office created, beyond the results of individual projects. These footprints include establishing a streamlined process for change management within the agency, increased morale, and an increased feeling of empowerment for line staff. Acknowledging these successes, and with the interest of continuing this work, the agency was driven to focus on capacity building within the management team in areas relating to change management. Focusing on teaching management about the established change management model, best practices, and available tools, managers would be able to efficiently lead change with a consistent approach, regardless of project size.

Key Findings

Organizational change is deeply rooted in the everyday culture of government agencies and is experienced when there are changes to programs, policies, procedures, technology, culture, etc. For agencies to efficiently manage change, the adoption of a single consistent and systematic approach, coupled with a working knowledge of change management processes and practices amongst managerial teams, is critical.

Having a single office, or entity, focused on leading change management with an agency has its benefits. Of these benefits, a few advantages that rise to the top are:

- *Consistency.* A single office functioning as a change leader results in a consistent approach and application to change.

- *Focus.* Given that this office's purpose is to provide/support change management, there is space to focus and progressively lead projects forward as they may not experience the same distractions that other managers encounter in the day-to-day operation.

- *Foreshadowing.* With the office's ability to focus on change, they can conduct continuous process improvement efforts and look for areas of improvement that may lead to more urgent issues in the future, if not addressed.

- *Innovation.* Being a standalone office supports creativity in the process of change management. Having some disconnect to the everyday operations and pressures of divisions allows for innovative, out-of-the-box, thinking.

Although a dedicated office leading change management efforts has benefits, it could also present challenges. Some challenges are:

- *Lack of resources.* With lack of resources being a theme within government agencies, finding sufficient funding/positions to dedicate to leading change management efforts, agency-wide, could be difficult. This could be a major challenge, especially in times where major system upgrades

are on the horizon, requiring hands-on preparation from management and frontline staff.

- *Time.* If the staff, who are leading change efforts, are unfamiliar with the division/ program and its history, additional time may need to be dedicated to research.

If dedicating an office, or staff, to innovation and change management is not possible, according to the Lean Process Improvement method, there are smaller changes that could be implemented that would lead to significant impacts in areas relating to change management.

Change Management at Sonoma County Human Services Department

In the Sonoma County Human Services Department (HSD), change is prevalent and various efforts are being made to successfully lead change initiatives. Below are two current efforts:

- CalSAWS - With the state-wide upgrade to CalSAWS (eligibility and case maintenance system) on the horizon, change management efforts are ubiquitous. On a large scale, various multidisciplinary workgroups actively prepare for this upgrade by focusing on a multitude of initiatives to ensure a smooth transition. Some workgroups focus on function, usability, technology, training, etc.

- Business Process Redesign - To cope with change and increase efficiency, divisions within HSD have been going through the process of redesigning business processes to eliminate backlogs and improve service delivery.

The approach in this effort is similar to that of the Innovation Office as an external entity has partnered with divisions to lead the effort. This process also includes the use of multidisciplinary workgroups, process mapping, and co-created experiments and implementation.

While only two examples are listed above, they are multi-faceted. Other change management initiatives also have multidisciplinary groups working together to spearhead the efforts for change; two additional efforts include promoting racial equity within the department and re-envisioning the vision, mission, and values of the HSD multi-services center located in Petaluma, CA.

The current change management efforts in Sonoma County embody parts of the Innovation Office's change management model; however, the processes vary between initiatives.

Recommendations

The first recommendation for the Sonoma County HSD is to adopt a single, consistent and systematic, change management approach. This would provide a solid and consistent foundation when facing change management initiatives; this increases efficiency as it jump-starts the process by eliminating time, resources, and effort dedicated toward identifying starting points, and planning how to address the change. It also creates a space of shared understanding of the change management structure and fundamentals enabling teams to dive right into the project itself. Based on the success, the Lean Process Improvement method, within the HCD framework, is recommended. Key pieces of this process are to engage multidisciplinary workgroups,

conduct process mapping, co-create experiments, assess results collaboratively, and incorporate incremental changes that yield positive results. Additionally, Sonoma County promotes the usage of Results-Based Accountability (RBA) as a method of performance measurement. Within this RBA model is a process to "Turn the Curve" if results are in a negative trajectory. Lean Process Improvement could be used in conjunction with RBA to create business processes and lead "Turn the Curve" efforts.

The second recommendation is to provide change management trainings and tools to all managers department-wide. This would provide a working knowledge of the adopted change management model enabling managers to efficiently lead change management initiatives. Regarding tools, access to change management cheat sheets and templates, similar to the San Francisco City Performance Lean Program Toolbox, is recommended. Although this recommendation is for HSD managers, ideally, this would be scaled up to be county-wide and include supervisors.

Acknowledgments

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