

BUILDING ORGANIZATIONAL EXCELLENCE TASK FORCE REPORT

###### July 29, 2021

Building Organizational Excellence Task Force Report

# Task Force Membership

## Organizational Excellence Sponsor: Nicholas P. Jones, Executive Vice President and Provost

##  iBuilding Organizational Excellence Steering Committee Chairs: Ann H. Taylor, Assistant Dean for Distance Learning, Director, John A. Dutton e-Education Institute Teaching Professor, College of Earth and Mineral Sciences; Chris Lucas, Associate Vice President, User Success, Penn State IT

## Organizational Excellence Task Force Chairs: Sheri Matter, Assistant Teaching Professor, Director of Online MSN Programs, College of Nursing; Peter L. Moran, Associate Dean for Policy & Planning, Assistant Teaching Professor, Penn State Altoona

## Task Force Members:

|  |  |  |
| --- | --- | --- |
| **Name** | **Title** | **Area** |
| Jeremy Bean | Senior Organizational Change Consultant | Finance and Business |
| Jackie Bortiatynski | Director, Center for Excellence in Science Education | Eberly College of Science |
| Ozgun Demirag | Associate Director, Black School of Business;Associate Professor of Operations and Supply Chain Management | Penn State Behrend |
| Lindsey Droz | Project Manager | University Budget Office |
| Christy Helms | Senior Director of Talent Management | Human Resources |
| Stephanie Kozel | Director of Process Improvement | Penn State IT |
| Gretchen Paules | Analysis & Planning Consultant | Penn State IT |
| Michelle Stine | Analysis & Planning Consultant | Office of Planning, Assessment Institutional Research (OPAIR) |

# Executive Summary

In November 2020, the Organizational Excellence (OE) Steering Committee invited key stakeholders to serve on the Building Organizational Excellence Capacity Task Force (Building OE Task Force). The ten-member task force is comprised of faculty, staff, and administrators. The purpose of the task force is to develop recommendations for building organizational excellence capacity across Penn State.

Per the charge, the Building OE Task Force met bimonthly throughout the Spring 2021 term, focusing primarily on the following activities:

1. Preparing an inventory of existing OE resources available at Penn State
2. Identifying the best practices and models that other colleges and universities have adopted to enhance institution-wide OE skill sets
3. Developing recommendations for an approach to grow University-wide OE capacity at Penn State.

During the University’s strategic planning process, OE emerged as a priority and a unifying framework to empower innovative and transformational solutions that address the myriad challenges and forces of change sweeping higher education. The wide-ranging disciplines of OE, e.g., change management, business analysis, project management, process improvement, portfolio management, etc., help drive effective and efficient delivery of services, leading to several successful organizational outcomes, such as, increased revenue, cost reduction, and enhanced quality and productivity improvement. Therefore, efforts to build institution-wide capacity for OE will improve the overall quality of Penn State’s programs and services, strengthen the University’s ability to respond to the escalating demands of our varied stakeholders, and advance a culture committed to academic and administrative excellence.

The work of the Building OE Task Force is particularly timely as the University continues to develop and implement initiatives associated with Penn State’s 2020-25 strategic plan. The charge identifies several University-wide projects and processes that stand to benefit from enhanced OE support, but also notes the limited resources currently dedicated to OE and the lack of a formalized and coordinated strategy to grow OE skill sets across the University.

The Building OE Task Force urges Penn State to leverage, enhance, and strengthen the resources dedicated to OE toward the development of a University-wide Organizational Excellence Program. As part of the OE Program, we recommend that Penn State:

1. Establish a centralized pilot OE for 3-5 years to support the implementation and portfolio management of strategic initiatives
2. Create a Council on Organizational Excellence to provide leadership to the OE Program and monitor the pilot unit to assess the capability of existing OE resources to evaluate capacity and capability requirements to support University wide OE efforts long term
3. Foster a partnership between Penn State HR and Council on OE to amplify efforts to grow OE skills and knowledge across the University

# Task Force Charge

In November 2020, the Organizational Excellence (OE) Steering Committee invited key stakeholders to serve on the Building Organizational Excellence Capacity Task Force (Building OE Task Force). The purpose of the task force is to develop a proposal with recommendations for building organizational excellence capacity across Penn State. According to the charge, the members of the Building OE Task Force would conduct the following activities:

1. Prepare an inventory of existing OE resources at the University
2. Identify the best practices and models that other colleges and universities have adopted to enhance institution-wide OE skill sets and
3. Develop a recommendation for an approach to grow University-wide OE capacity at Penn State.

The work of the Building OE Task Force is particularly timely as the University continues to identify and implement transformational initiatives associated with Penn State’s 2020-25 strategic plan. The charge identifies several University-wide projects and processes that stand to benefit from enhanced OE support, but also notes the limited resources currently dedicated to OE and the lack of a formalized and coordinated strategy to grow OE skill sets across the University. The OE Steering Committee asked the Building OE Task Force to develop recommendations to address Penn State’s OE needs with multiple options, articulating the benefits, constraints, and scenarios in which each would be an advantageous capacity-building strategy for the University.

# Background

Over the next decade, Penn State will continue to confront profound economic, political, social, and technological forces of change that carry significant implications for the University and the fulfillment of our tripartite mission of teaching, research, and service. Declining enrollments, intensifying competition, evolving student demands, weakening state support, and changing societal expectations have created internal and external pressures on the University to develop new sources of revenue, control costs, streamline business processes, and transform decision-making structures, while also maintaining our Land Grant commitment to access and affordability.[[1]](#footnote-2) To thrive amid the current volatile and unpredictable environmental context of higher education, Penn State must have the agility to detect and respond proactively to changes in conditions, capitalize on opportunities to generate new sources of revenue, and strengthen the efficiency and effectiveness of its academic and administrative operations and processes. The charge of the Building OE Task Force identifies organizational excellence as the unifying framework to implement institution-wide initiatives that further the mission of the University and improve our effectiveness and efficiency capabilities.

Throughout the 1990’s and early 2000’s, Penn State was considered a trailblazer for organizational excellence in higher education.[[2]](#footnote-3) In 1992, Penn State was one of the first colleges and universities to establish a continuous quality unit, the Center for Quality Improvement, under the leadership of former director, Louise Sandmeyer. The University was among only a handful of R1 institutions that sustained its quality and quality improvement program throughout the 1990’s and aughts. The Center for Quality Improvement later merged with the University’s Office of Planning and Analysis, and eventually became the unit known today as the Office of Planning, Assessment, and Institutional Research (OPAIR). Following the retirement of Louise Sandmeyer in 2011, the unit shifted its focus from quality improvement to strategic planning, assessment, and institutional research.

# Current Context

In recent years, other units at Penn State began to gradually add OE resources to support the work of their respective units. The task force’s Skills Inventory Team found that Penn State has a concentration of OE skill sets in a select number of units, namely, the College of Medicine, Finance and Business, Penn State IT, World Campus/Outreach, and the University’s research enterprise. Most of the positions in these areas serve in project management or business analyst roles and are almost exclusively committed to unit projects.

In addition, the Talent Management team in Penn State Human Resources (HR) has 11 personnel who focus primarily on capacity building related to OE, and the team offers a robust catalogue of training opportunities in organizational development; leadership coaching, training, and development; performance management; and onboarding. The recommendations of the Building OE Task Force aim to build on existing OE resources and leverage the OE training capabilities of Penn State HR as part of a broader strategy to support University-wide initiatives and enhance OE skill sets across the University.

During the Spring 2020 semester, Executive Vice President and Provost Nicholas Jones and Lance Kennedy-Phillips, Vice Provost for Planning, Assessment, and Institutional Research, held roundtable discussions to explore how best to incorporate the Supporting Elements (i.e., Organizational Processes, Infrastructure and Support, and Constituent Feedback and Engagement) into the strategic planning process. After gathering feedback from the then-chairs of the Supporting Elements steering committees, Provost Jones decided to merge their efforts under one banner, Organizational Excellence, to elevate and maximize the impact of their work. The committees for the three supporting elements were combined into a single committee structure that focuses solely on Organizational Excellence, which the plan defines as, “our efforts to establish a consistent framework for the delivery of initiatives related to moving the University forward.”[[3]](#footnote-4) This framework includes a task force structure to oversee, support, and evaluate task forces formed to facilitate initiatives related to strategic planning. The Building OE Task Force was the first task force created under this new structure and has been charged with developing a proposal with recommendations to build OE capacity across Penn State.

This proposal builds on the knowledge and resources produced by the antecedent Supporting Elements committees, particularly, the Organizational Processes Steering Committee. The Organizational Processes Steering Committee previously explored issues related to building University-wide capacity for organizational excellence through benchmarking[[4]](#footnote-5) and a consultancy engagement with Maury Cotter, former Director of the Office of Quality Improvement at the University of Wisconsin-Madison and co-founder of the Network for Change and Continuous Innovation (NCCI), a professional association of change leaders in higher education. The following reports from Organizational Processes Steering Committee helped inform the deliberations of the Building OE Task Force:

* **Benchmarking Report of Change Management Units** at the University of Colorado – Boulder, Northwestern University, University of Notre Dame, and California State University, Sacramento
* **Benchmarking Report of OE Capacity Building Initiatives** at the University of California – San Diego, University of Colorado – Boulder, Cornell University, Northwestern University, University of Notre Dame, Rutgers University, University of Texas – Austin, University of Washington, and University of Waterloo
* **Maury Cotter’s Consulting Report** based on 2.5 day visit to Penn State where she conducted 2 OE workshops and interviewed over 30 faculty, staff, executives, and administrators with responsibility for academic, strategic planning, and business functions on the OE needs of the University

The Building OE Task Force formed toward the end of the Fall 2020 term and carried out the bulk of its work throughout the spring of 2021. The task force organized the following three teams to conduct the tasks included in the charge:

* **Skills Inventory Team:** compiled inventory of OE resources available at Penn State
* **Educational Opportunities Team:** developed strategies to enhance educational opportunities at the University around OE skill sets
* **Models and Best Practices Team:** benchmarked colleges and universities with leading OE units to identify best practices and models for expanding OE skill sets

The reports from the three sub-teams of the Building OE Task Force are included as appendices to this proposal.

# Definition of Organizational Excellence

The Building OE Task Force defines **organizational excellence** as,

“systematic efforts to establish a framework of standards, processes, and discipline mastery to advance strategic priorities and initiatives, and promote a culture of quality and continuous improvement, toward the outcome of increasing organizational effectiveness and efficiency capabilities at Penn State.”

The task force determined that the following services would be included in an OE program at Penn State**: process improvement, change management, project and portfolio management, facilitation, and business analysis.** However, this list is not intended to be exhaustive, and we urge the University to continuously update the listing of disciplines for the Penn State context and determine OE skill set gaps and needs through surveys, 360 reviews, and other assessment methods.

# Approaches to Build OE Capacity

As highlighted in the task force charge, the University currently lacks centralized and integrated resources dedicated to organizational excellence. The OE resources of the University currently reside in a limited number of units, and to effectively navigate the complex challenges and rapid pace of change in higher education, Penn State must enhance the OE skills sets and capabilities of all units and employees. The failure to do so would threatens to undermine Penn State’s capacity to implement institution-wide efforts, and adapt and thrive amid the rapidly changing landscape of higher education. Fortunately, Penn State is well-situated to build on the existing energy and momentum surrounding OE in individual units of the University. To that end, the Building OE Task Force presents the following recommendation for a capacity building strategy to strengthen support for strategic initiatives, amplify efforts to grow institution-wide OE skill sets, and foster a vibrant, sustainable community around Organizational Excellence.

Our task force recommends that Penn State establish an institution-wide Organizational Excellence program consisting of:

1. **Pilot Unit:** A centralized pilot OE unit to facilitate the implementation and portfolio management of University-wide initiatives (strategic initiatives)
2. **Council on OE:** An advisory committee to provide ongoing leadership to OE efforts and help determine long-term OE needs
3. **OE Learning and Development:** A strategy consisting of informal and formal educational opportunities to build the OE capacity of all employees of the University

Per the task force charge, our recommendation includes multiple options for establishing an OE program at Penn State. The options are categorized under three broad resource-based approaches that cover a spectrum of strategies to establish the foundations of an OE program. Each approach contains strategies for building institution-wide capacity for OE and providing OE support to strategic initiatives. The three resource-based scenarios reflect the varying maturity of the models and programs we observed in benchmarking institutions with leading OE operations.

For example, the Blue Sky approach contains elements of the OE program at the University of Wisconsin – Madison, which several members of the Network for Change and Continuous Improvement, a professional association of change leaders in higher education, cited as a leading institution in the field. Similarly, the Hybrid Approach is modeled after the OE Program at the University of Virginia, which several OE leaders identified as a guiding example for OE practitioners and shares similarities with the OE program at Rutgers, a pioneer of Excellence in Higher Education.[[5]](#footnote-6)

The three approaches offer University decision-makers a variety of options to build institution-wide OE capacity at Penn State:

1. Blue Sky Approach: the most comprehensive and resource-intensive approach to building institution-wide OE capacity, centralizing OE services, professional development, and leadership within one unit
2. Hybrid Approach: the middle ground between Blue Sky and Existing Resources, adjusting the scope and resource demands of OE program to maximize impact and feasibility
3. Existing Resources Approach: the least resource-intensive approach to building OE capacity, relying exclusively on existing resources to advance OE across Penn State

Table I. summarizes the three approaches for building OE capacity and supporting the strategic initiatives of the University. The following key features are identified under each approach:

* **OE Unit:** identifies existence of OE unit, unit type, and unit size
* **Services:** describes types of OE services provided
* **Levels of Institution:** lists levels of institution eligible to receive OE support
* **Strategic Initiative Support:** delineates OE support available for strategic initiatives
* **OE Support for Individual Units:** indicates whether individual units of institution receive OE support and by whom
* **Professional Development & Training:** assigns responsibility for developing and delivering professional development and training related to OE
* **Community of Practice:** identifies existence of OE CoP to support capacity building efforts at the institution
* **Knowledge & Skill Transfer Strategy:** describes strategy for disseminating OE knowledge and skills across the University

Table I. Overview of Blue Sky, Hybrid, and Existing Resource Approaches to Build OE Capacity

|  |  |  |  |
| --- | --- | --- | --- |
| **OE Program** **Elements** | Blue Sky | Hybrid | Existing Resources |
| **OE Unit** | Permanent unit, ~30 Standing FTE | Pilot unit, ~5 FTE for 5 years | No unit, rely on existing inventory of OE specialists on per-project basis |
| **Services** | Broad Range of OE support, including, Process Improvement, Change Management, Project and Portfolio Management, Facilitation, etc.  | Limited to OE disciplines required to support execution of Strategic Initiatives | OE disciplines of existing specialists |
| **Levels of Institution** | University, Unit/College/Campus, Department  | University | Contingent on expertise and availability of existing resources |
| Strategic Initiative Support | Full support by OE Unit | Partial by OE Unit under guidance of OE Council | Existing resources, e.g., OE strategic planning committees, OPAIR, etc. |
| OE Support for Individual Units | Full support by OE Unit | Limited support by OE Unit  | Shared internal network of existing OE specialists |
| Professional Development & Training | In-house by OE unit | Penn State HR-led collaboration with OE Unit and OE Council | Utilize existing resources to develop OE learning pathways  |
| Community of Practice | n/a | Resources to incentivize OE Intentional Communities of Practice (ICoP) | Encourage formation of ICoPs, No incentives |
| Knowledge and Skill Transfer Strategy | Formal education & training by OE Unit | Formal ed & training, short-and long-term mentorship, ICoPs | ICoPs, off-the-shelf curated pathways w/ existing resources, e.g. LinkedInLearning  |

# Recommendation #1: Establish a centralized pilot OE for 3-5 years to support the implementation and portfolio management of strategic initiatives

The Building OE Task Force recommends establishing a centralized OE pilot unit to support strategic initiatives for 3-5 years. This recommendation addresses a need identified in the charge, supports the maximization of existing OE resources at Penn State, and serves as a catalyst for OE capacity building efforts across the University. The aspirant OE units interviewed by the Building OE Task Force and the former Organizational Processes Steering Committee provide OE support to strategic initiatives and consider that support to be a crucial ingredient to establishing legitimacy and obtaining buy-in for OE from University stakeholders.

Institution-wide initiatives offer OE units a high-profile opportunity to achieve efficiency and effectiveness outcomes and demonstrate their value to a variety of stakeholders. Survey participants considered these big wins to be fundamental to their efforts to obtain buy-in from campus stakeholders. Through their successful work on institution-wide projects, the aspirant units also expanded their customer bases to administrative and academic units.

We propose the establishment of a 3-5 year pilot project, similar to the [Office of University Strategy pilot](https://www.rutgers.edu/strategy/about-the-office) at Rutgers, which will exclusively support the implementation of strategic initiatives related to the strategic plan, e.g., projects in support of One Penn State 2025.[[6]](#footnote-7) The pilot unit would consist of 5 full time OE specialist limited to OE disciplines required to support execution of Strategic Initiatives. This recommendation represents the middle ground between the Blue Sky Approach, which establishes permanent support for strategic initiatives, and the Existing Resources Approach, which relies on units to share a portion of existing OE FTEs. The pilot project is a less resource intensive strategy than the Blue Sky Approach and mitigates against the risks associated with strained resources under the Existing Resources Approach.

The pilot unit will free existing OE resources, which are currently pulled from other units, e.g., Penn State IT, to work on institution-wide initiatives, and enable them to focus on projects in their home units and provide leadership to other elements of the OE Program. The pilot project aligns with our view of OE as a specified discipline, with specific processes, methodologies, and approaches, which delivers the ability and capacity for a large organization to tackle complex problems and deploy appropriate solutions efficiently and effectively to minimize disruptions and maximize outcomes.

# Recommendation #2: Create a Council on Organizational Excellence to provide leadership to OE Program

The Building OE Task Force recommends that Penn State establish a Council on Organizational Excellence to provide leadership and guidance to the University’s OE program. The Council on OE would assist the pilot unit in identifying and prioritizing OE initiatives and would also scan the University and look for opportunities to scale local initiatives for institution-wide impact. Co-sponsored by academic and administrative leadership, the membership of the Council on OE would comprise of academic administrators and executive unit leaders. The diverse range of perspectives represented on the Council on OE would bolster the group’s ability to identify, prioritize, and monitor strategic initiatives.

The Building OE Task Force envisions the Council on OE operating in a similar fashion to the [OE Leadership at Council (OELC)](https://organizationalexcellence.virginia.edu/people) at the University of Virginia (UVA). The membership of the OELC consists of academic administrators and executive unit leaders that span the institution. The OELC provides guidance to UVA’s OE unit by offering varied perspectives on UVA services and processes, assisting in the identification of institution-wide OE needs, promoting OE initiatives and programs, and suggesting strategies to optimize resources.

With the recent consolidation of the Supporting Elements in Penn State’s strategic plan, the University already has a committee structure in place that could immediately assume the duties and responsibilities of the proposed Council on OE. The Organizational Excellence Executive Committee consists of academic and administrative leaders from across the University. Further, with a formal connection to the strategic plan, the committee already has insight into Penn State’s needs and gaps related to strategic initiatives and organizational excellence.

Recommendation #3: Establish and execute strategy to disseminate OE skills and knowledge across the University

The Building OE Task Force recommends that Penn State take a multifaceted approach to disseminate OE skills and knowledge across the University. As part of that approach, the task force suggests the establishment of a formal working group, comprised of representatives from Talent Management and the Council on OE, to curate existing and develop new OE learning pathways for Penn State faculty, staff, administrators, and executives. The Council on OE will monitor University-wide OE efforts and share information on OE gaps and potential learning and development needs. In addition, the Council on OE will promote existing OE training and professional development opportunities made available by Talent Management in Penn State HR.

The group may also explore formalized opportunities to train cross-functional OE specialists to support the pilot and other units as well as opportunities to build a community around OE, such as:

* Establishing a program similar to the University of California – San Diego’s [Lean Bench Program](https://blink.ucsd.edu/technology/initiatives/lean-bench/index.html) that offers current University employees and budding OE specialists with intensive training and cross-institutional experience on institution-wide projects
* Cultivating intentionally-designed communities of practice (ICoPs) around OE disciplines and fostering collaborations between OE ICoPs, the pilot OE unit, and Penn State HR on the sharing and development of knowledge, norms, tools, techniques, and methods of evaluation

# Appendix A

Charge for Building Organizational Excellence Skill Capacity Across Penn State

**October 21, 2020**

Task Force Purpose

The charge for the Organizational Excellence Steering Committee states, “The group will execute and implement an agenda at the direction of the OE executive committee and build capacity for OE work across all of Penn State.”

The purpose of this task force is to develop a proposal that recommends options to build organizational change management, process improvement, business analysis, data analysis, data science, and project management capacity across Penn State, optimizing efficient use and training of existing resources.

Problem Statement

There are several initiatives underway that will require support from staff with various levels of expertise in organizational excellence skills. Ensuring we have enough capacity across Penn State to provide this support will be essential.

* One Penn State 2025 consists of five Guiding Principles: Provide a Seamless Student Experience, Achieve Curricular Coherence, Design Relevant and Responsive Programs, Engage Learners Throughout their Lifetimes, and Achieve the Highest Level of Efficiency of University Resources. Each of these will lead to multiple university wide projects and initiatives that will impact business processes and how people work.

* All Penn State units are finalizing their strategic plans for 2025. Initial drafts of these plans indicate the need for multiple task forces and projects within each unit, requiring organizational excellence support such as project management, organizational change management (including change assessment and readiness, communications, and knowledge and skill development), data analysis, data science, and business process improvement.

* The University has numerous academic and administrative processes that directly impact our key constituencies, including students, parents, faculty, staff, and administrators. Penn State has an opportunity to grow process improvement skills among our staff to enable them to actively identify and mitigate potential issues and inefficiencies while continuously improving unit and University-wide processes.

* The University currently has limited resources dedicated to organizational excellence, which creates a risk for supporting current and future strategic initiatives.

Task Force Charge

The task force should conduct the following activities:

1. Conduct an inventory of all Penn State organizational excellence resources that are centrally available. This work should include the types of support provided, the audience(s) they serve, and how their assistance may be requested.

1. Identify any existing formal and informal learning opportunities, such as communities of practice and LinkedIn Learning, related to organizational excellence.

1. Leveraging the work done by the former Organizational Process Steering Committee, identify best practices and models other institutions have utilized for growing organizational change management, process improvement, business analysis, data analysis, data science, and project management skill sets.

1. Write a recommendation for the approach that Penn State should take to grow organizational excellence skill capacity. Where multiple options are possible, include the benefits and constraints of each and the circumstances where each option would yield positive results. The recommendation will include considerations for successful implementation and stakeholder feedback to identify challenges or barriers and any suggestions to mitigate them.

Timeline

* Official appointment of Working Group Co-Chairs – November 2020
* Working Group Team Selection – November 2020
* Kick-Off Meeting – December 2020
* Initial Work Plan & Timeline – January 2021

Presentation to Organizational Excellence Executive Committee by Summer 2021.

Membership

1. Chris Lucas (co-chair) – Associate Vice President, Penn State IT *(liaison role rather than co-chair of both steering and taskforce)*
2. Peter Moran (co-chair) – Associate Dean for Policy and Planning, Academic Affairs
3. Experience Needed: Process improvement experience (e.g. Lean or similar methodology)
4. Experience Needed: Project management
5. Experience Needed: Organizational change management
6. Experience Needed: Consulting experience with Fortune 500 companies and/or Higher Education institutions in Organizational Excellence
7. Experience Needed: Developing and implementing university-wide professional development strategies
8. Experience Needed: Learning pedagogy for teaching skill sets

Task Force Support Needed:

1. Project management
2. Data analysis

Stakeholders

The following is an initial list of stakeholders to be engaged as part of this effort. This list will be updated as additional groups are identified.

* Existing Project Management and Business Analysis communities of practice
* Guiding Principle 5 Working Group: Achieve the Highest Level of Efficiency of University Resources.
* Faculty Senate
* University Staff Advisory Council
* Human Resources
* University IT Leadership
* Finance and Business (e.g. AB&S, OPP,)
* Office of Planning, Assessment, and Institutional Research
* Outreach and Online Education
* University Budget Office
* University Libraries
* Alumni Relations & Development
* ALC
* Student Academic Support Services
* Commonwealth Campuses
* Students/Student organizations
* Penn State Online Coordinating Council
* Schreyer Institute for Teaching Excellence
* Diversity, Equity, and Inclusion
* University Research Council

# Appendix B

# Building Organizational Excellence Capacity Task Force – Skills Inventory Working Group

# Introduction

# In order to derive a sound recommendation around Organizational Excellence (OE) it was deemed necessary to research what current capacity we have in this area and where that capacity is located.   The following was the official charge for this portion of the working group; *Conduct an inventory of all Penn State organizational excellence resources that are centrally available. This work should include the types of support provided, the audience(s) they serve, and how their assistance may be requested.*

# Because of a lack of centrally available resources the working group pivoted to focusing specifically on resources located in various units.  Below we outline how we defined the resources, how we researched and located these resources, what gaps we may have left in the research, and the general outcome and conclusion of the work.

# Identifying OE skills at Penn State is important for evaluating the current capacity for OE efforts, detecting gaps or overlaps in critical skills/resources for OE, providing information that can be used to plan and evaluate options for building internal capacity for OE, and facilitating collaborative engagements between various units. By identifying OE skills, the question of who provides what OE services and in what capacity can be answered, which may also reveal if there is any overdependence on a particular resource of if it is underutilized. If the research identifies a gap in the OE skills and competencies, this information can be useful to support recruitment and employee learning/development efforts. It is worth noting that identifying OE skills should not be a one-time exercise but rather a dynamic one that is regularly updated to reflect changes in OE skills and organization’s needs.

# Identified areas of focus

# Below are all the areas the larger task force identified as potential components of Organizational Excellence.

# Portfolio/Project management

# Organizational change management

# Data analysis

# Data science

# Business process improvement

# Strategic planning & implementation

# Facilitation

# Leadership development

# Academic & administrative assessment

# Organizational design

# Due to the complexity of the research and a much narrower focus on Organizational Excellence currently in the University, the working group focused on the following areas;

# Project Management

# Business Process Analysis

# Process Improvement

# Change Management

# Training

# Organizational Development

#

# Methodology

# Culling WorkDay data

# The team started with report CR10474\_All Position and Position Details in Workday, removing irrelevant and confidential information. We used the following key words to represent the targeted OE functions defined above:

# Project = Project Management

# Analysis = Business Process Analysis/Improvement

# Change = Change Management

# Training = Training and Development

# Process = Process Improvement

#

# We filtered the data to see headcount by these OE components by business area and further refined the content by removing business titles that were clearly not related to OE component work (example: “Strength Trainer” and “Athletic Trainer” were removed). Using this filtered view we were able to identify admin/business areas with the largest pool of resources in each of the OE component areas (see Figure 1 in Appendix 1 of this subteam report).

#

# Interviews with units of focus

# Based on this data, we conducted short informational interviews with the following six business areas:

# College of Engineering

# Finance and Business Central

# Human Resources

# World Campus/Outreach

# Penn State IT

# Undergraduate Education

#

# The intention of the interviews was to gather additional information regarding the capability these areas have in the identified OE competencies and discuss their thoughts on opportunities to leverage resources at the University level. Appendix B shows the list of questions used to guide the discussions.

#

# Risks to our approach

# Risk – using only 1 methodology

# This analysis of organizational excellence capacity isn’t without risk.  One University-wide canonical skills inventory source does not exist at Penn State.  In the absence of a central source, the working group performed an initial analysis of readily available Workday data, as noted above.  Using one source of data to identify skills opens the organization up to selecting the wrong data, administering the wrong approach to data analysis, or making incorrect assumptions about the totality of skills an employee possesses based solely on job title.

# Other risks

# Looking at the wrong data or an incomplete data set can greatly impact how the University chooses to close the skill gap.  A misinterpretation of data can lead to the University being inefficient with training, development, and operational resources.

# Summary

# A more accurate skill capacity can be attained by using at least three of the below methodologies.  The use of multiple data sources allows the organization to cross-validate and confirm analysis results to more accurately identify areas of skill excellence and opportunity.

# Additional recommended methodologies

# Employee assessments – The use of tests, quizzes, practical assessments, and role-playing activities can help uncover skills that a job title might not identify.

# 360-degree reviews – Feedback solicited from peers, managers, direct reports, clients, and vendors, as well as the employees themselves, is another method of collecting qualitative skill data for comparison.

# Observations – By spending time working with and observing employees, management is able to put context around situations where the practical application of desirable skills is more complex.

# Performance benchmarks – Identification of the University’s exemplars of top performers that embody organizational excellence can be examined to create a desirable skill set minimum viable product against which other employee skills can be measured.

# Employee/Manager surveys – Employing the use of a survey to capture self-identified skills is a way to complement other methodologies and uncover areas where a job title or other method may have fallen short.  Capturing the employee’s interest in applying the skill would also be beneficial.

# KPI achievement – Identification of times when an employee used a desirable skill to meet performance allows the organization to quantify skill capacity.

# Rank them with a feasibility/strength matrix

# The strength and feasibility matrix below outlines how comprehensive the method is for identifying skills and how practical it is to apply this method in Penn State’s current environment.  Strength and feasibility are rated 1-5 with 1 being the lowest indicator and 5 being the greatest indicator.

|  |  |  |
| --- | --- | --- |
| Method  | Strength  | Feasibility  |
| Employee Assessments  | 4  | 2  |
| 360-Degree Reviews  | 3  | 3  |
| Observations  | 3  | 2  |
| Performance Benchmarks  | 4  | 3  |
| KPI Achievement  | 4  | 3  |
| Culling Workday Data  | 2  | 4  |
| Employee/Manager Surveys  | 3 | 4  |

# Suggest additional investment of time to uncover capabilities

# The recommendation from this group is for the University to invest additional time and resources to adequately uncover skills from multiple perspectives.

# Conclusion

# The data conclusively points to the lack of Organizational Excellence resources being available for central use.  All of the resources currently reside in individual units, and those resources are almost exclusively dedicated to unit projects.  The summary table in Appendix A is a snapshot of total resources we were able to locate in regards to OE.

#

# The table illustrates that the vast majority of positions are in either Project Management roles, or Business Analyst roles.  Further evaluation also shows that the vast majority of Project Managers exist in different research related areas, and therefore are dedicated to very specific projects and should likely be excluded from any OE inventory where we may be looking for talent share resources centrally.  Business analysts seem to be fairly wide spread in very small numbers, except for in World Campus.  Anecdotally we believe these positions play a variety of roles in their home units and it may be difficult to quantify the exact skill sets of these employees.

# There are a total of only 18 other positions in the University that fall outside Project Management and Business Analysis.  Keeping in mind the gaps we identified in our methodology above.

# In addition to the data obtained through job positions we were able to review certain units where we know OE skills are currently being deployed.

# Finance and Business Central (F&B) – Currently has an Organizational Change Management office that includes 1 Director, 1 Change Consultant, ½ time Data Analysis, 1 Project Manager, and 1 Communications Specialist

# Supports some central projects on an adhoc basis, often in a charge back model for employee time

# Projects are determined internally on a by need basis with senior F&B leadership

# Penn State IT – Project Management Office that includes 1 Director, 8 Project Managers, 4 Business Analysts and 2 Organizational Change Management staff.  Also, a newly formed process improvement office with 1 director and 1 process improvement specialist with plans to expand

# Human Resources – Talent Management office that has 1 OD Specialist, 1 instructional designer, 6 specialists and 3 associates focused on organizational development, leadership coaching, training and development (business skills and leadership/management/supervisor training), performance management and new employee onboarding activity.

#

# The University Strategic planning efforts are also currently underway and we were given access to search current submitted plans which are not necessarily finalized.

#  However, we did find a few specific goals, objectives, and action items directly referencing Organizational Excellence or direct components of OE.  We also believe once finalized plans exist there is an opportunity to identify other goals, objectives, and action items where OE is not explicitly mentioned but could play a role in the successful completion of strategic plans.

# In conclusion we believe this data and information points to a lack of Organizational Excellence capacity and capability throughout the University.  If future work is to be done on a central office or standardized OE practice, additional research should be done to ascertain what positions and people may have been missed in this effort.  This will likely require a more precise definition of what Organizational Excellence is at Penn State, and a number of interviews to identify hidden skill sets and job

# roles.  In addition an effort to better classify these positions and roles through the HR Modernization project would assist in better identification of gaps and needs.

# Appendix 1: View of Summary Workday Data

Figure 1. Summary Workday Data

#  Appendix 2: List of Interview Questions

# Functionally what do the roles we’ve identified do in your area, do they specifically do any of these competencies listed below?

# Strategic Planning and Implementation

# Process Improvement

# Change Management

# Portfolio and Project Management

# Institutional Research/Data Analytics

# Facilitation

# Leadership Development

# Academic and Administrative Assessment

# Organizational Design

# Do you have roles that fulfill these competencies but may be listed as something different in job name or business title?

# Appendix C

# Educational Opportunities Subgroup

Purpose

This document focuses on educational needs surrounding various OE initiatives. At the time of this report, a central Organizational Excellence office (OE Office) is expected to be formed as OE discussions at Penn State continue. Corresponding to this group, an overarching council  with representative from all administrative units should also be created.

* The Central OE Group would take leadership on university-wide initiatives. Among other responsibilities beyond the scope of this subgroup, the Central OE group will create an organizational map for all stakeholders to understand the overall structure PSU systems, the units responsible for them, whom to contact for help, and any downstream dependencies.
* The council members would be responsible for assessment planning and education strategy for system wide communication.  This would include effective bi-directional communication of strategic planning, selection process of initiatives and products/tools, and initiative roll out as well as periodic feedback from the units for evaluation purposes.

Assessment/Decision Making for Procedures:

The council member assigned to the overarching council will work with their unit to communicate the needs to the OE group and can help facilitate the delivery of education opportunities. The council member role goes beyond the superuser role as the council member must have an understanding of local culture and connectivity within the unit.

The council member will identify what each unit has in place with regards to professional development/training, and also who in the unit has OE training or if OE training is operating at any level.  They will create and complete a delivery of self-inventoried skills for participants to understand the needs of the unit (inventory tool will be created by OE central)

University level decisions impacting the stakeholders will be transparent connecting the “Why” to organizational decisions ie. TopHat

Roll-Out of Education

*All processes should be vetted through the Council prior to roll-out*

OE Central body would identify teams to create the learning modules, keeping in mind that the modules may need some translation to meet the needs of the unit.  It would provide both online asynchronous and synchronous contact for any learning modules.  An administrative unit will not necessarily use the same language as an educational unit, so council members would provide perspective and feedback on needs for the learning modules.

OE Central body would identify types of delivery tools most commonly used by units to ensure participants do not need to learn a series of new digital tools to access training.  Training should be informed from office and individual experiences.  For example, how can offices benefit by using various office 365 tools?  How can faculty use Activity Insight for their own purposes? need a roadmap on how the tool is to be used in each unit.

The OE Central body would identify appropriate blocks of time to engage stake holders (i.e. do not ask faculty to participate during the regular semester time and if need be then not at that start or the end of the semester)

OE Central body will maintain a trained group of people in each College as a member of the OE Central body council structure.  Council membership would must be part of person’s job responsibilities with the understanding that there would be meeting regularly with the OE Central body.

*The following guidelines may be useful in aiding units to choose their council member.*

Communication Skills and Context

As this person will be key to the bidirectional communication of OE initiatives and feedback, they should have the ability to communicate effectively across a wide range of people, job responsibilities, and technology skill levels.  They should be able to communicate both verbally and through email or other electronic methods.

They must have a line of communication or working relationship with the unit decision maker.  They should not be expected to establish one as part of their council work.  They should also be recognized as an established communicator in their unit.

Formal and Informal Organizational Network

The individual should be at a nexus within their networks. They have contact with a variety of different offices and functions due to the nature of their job responsibilities or because they have become an unofficial “go-to” person due to their knowledge and experience.

Examples of formal networks include (but are not limited to) the positions such as the administrative assistant to someone in leaderships, a director of administrative or business operations, facilities coordinator, or an IT manager or specialist.

Successful members have sponsorship from the executive.

Examples of informal networks include the staff assistant in a subunit who has been in the unit “forever” and whom everyone asks for help; an individual who has worked in multiple subunits; the analysis and planning consultant who must use a network in order to understand the unit’s data quirks; and the project manager of a large grant that already has project management experience.

(Does someone else have a rubric of this kind of network or knowledge that we could use?  Attributes that we could use?)

Unit-Level Knowledge

The individual should have enough experience within the unit to understand the key points of contact, the key business processes, and how the unit operates on a day to day basis.  Although they may not perform operations in all areas, they must know people who do and be in the position to consult with them regarding upcoming changes.  (Related to Networks)

Individuals serving roles such as project manager, business analyst, xxxx are ideal candidates for consideration.

Individuals who may be interested in the Administrative Fellows program may also be good candidates for the council.*Reference the administrative fellows rubric from central administration for attributes to include.*

Participants will see it as attractive if they can get credit for work and continue making connections. (is there a rubric?)

Capacity for Time Commitment

The council member should not already be overtaxed before joining the council. Leaders are also encouraged not to deputize the same person who is already representing the unit in other capacities, as these people likely already have a full plate.  The council member will report directly to existing administrator within the unit.

Council Member Expectations

The council member should be open to learning about aspects of organizational excellence if they do not already have that skill set.

The council member is responsible to work with the unit leader to identify how a plan for initiative rollouts within the unit and communicating that to the central OE office.  They would not be responsible for overseeing the initiative roll out.

(we can get some suggestions from HR as to wording related to job responsibilities and expectations:  The HR people of the other subgroups should be consulted since this is expected to be part of their job responsibilities.)

Council Member Training

Individuals will be coming from a multitude of different organizations and backgrounds.  Baseline training will level-set concepts, roles, and knowledge for all members. If this training is modular and asynchronous, it would also serve newly appointed members when turnover occurs. Training could include the following:

Onboarding

* What is this all about and what is expected of each group.  Define language and vocabulary.
* Progress over Perfection: Incrementally build on existing efforts.
* Variation within Unity:  council recognizes each unit’s culture so rollouts will differ).  (structure of training may be different for each unit).

Discussion of university’s system structure and how systems and business processes interconnect

Professional Development

* Basic project management.  Concepts and overview of common tools.  An existing project put into this context will help those with no background whatsoever.
* Basic business analysis:  how to identify and analyze business processes in their units
* Basic OE concepts:  what is it?  What makes a project or change successful? What is their role in the big picture.  Which other offices are there and what roles do they play?

Could be routed to the certificate program if they are more interested and want to continue.

Other Points to Consider

Council operations

* Council organization must be fluid enough that people/units can opt out if it doesn’t affect them.

Success

* Successful units during a rollout have sponsorship from the executive. When deans and chancellors send out the info, unit members tend to not ignore it as if it were “just another message”.  Message comes down to who delivers the information.

Two levels of training:  one to bring up true OE expertise and another level to bring up users to better understand these concepts.

Appendix D

Report on 2021 Survey of Organizational Development in Higher Education

**Introduction**

The following report contains the results of a survey conducted by Penn State to gain a better understanding of organizational development (OD) units in higher education. This survey, which is largely based on a 2017 version prepared for the Network for Continuous Change and Improvement (NCCI), was distributed to institutions with leading OD units to learn more about their operations, services, and organizational structure. Following the submission of surveys, respondents were invited to participate in follow-up interviews to explore their answers in more detail.

This survey relied on purposive sampling to identify participants with established OD units of varying sizes, structures, services, and maturity levels. OD units with varying attributes were selected to develop a better understanding of the range of models, services, and methods in the field of higher education organizational development. The results of the survey informed the development of recommendations by a Penn State task force for a strategy to build University-wide capacity for organizational excellence.

**Summary Table**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Institution** | **OD Unit** | **Year Established** | **FTE** | **Academic Clients** |
| Boston College | Office of Employee Development, Strategic Services Office | 1998 (OED), 2006 (SS) | 4 (OED), 2 (SS) | 26%-49% |
| Northwestern  | Office of Organizational Strategy & Change | 2000 | 7 | 50%-74% |
| Rutgers | Center for Organizational Leadership | 1993 | 4 | 50%-74% |
| University of California - Berkeley | People & Organization Development | 2009 (current iteration) | 10 | ≤25% |
| University of California - San Diego | Operational Strategic Initiatives | 2014 (current iteration) | 18 | 26%-49% |
| University of California - San Francisco | UCSF Program Management Office | 2004 | 12 | ≤25% |
| University of Virginia | Organizational Excellence | 2013 | 8 | 50%-74% |
| University of Washington | Professional & Organizational Development | 2005 | 11 | 26%-49% |
| University of Wisconsin - Madison | Office of Strategic Consulting | 2017 (current iteration) | 28 | 26%-49% |

**Themes**

**Reporting Lines:** The vast majority of OD units report to administrative executives who are direct reports to the chief executive of the institution, e.g., Executive Vice President/Chief Operating Officer/Chief Financial Officer, etc.

**Project Portfolio:** For a majority of OD units, academic clients account for less than 50% of their client base, and no institutions reported academic client base rates of 75% or higher. The OD units with academic client base rates of 50% or higher either report directly to the Provost or originated under the sponsorship of the Provost. During planning stages, institutions that are creating OD units should consult with stakeholders, assess campus-wide project needs, and determine the expected proportion of academic clients for the unit. Institutions that anticipate establishing OD units that mostly serve academic clients may want to have the units under the sponsorship of or report directly to the Provost.

**Services Offered:** The OD units at reporting institutions provide a wide array of services from leadership development to project portfolio management. All or nearly all the units report offering stakeholder engagement and communication, facilitation, strategic planning, and strategic project implementation. The OD units that report to HR seem to place strong emphasis on leadership development, coaching, and facilitation.[[7]](#footnote-8) OD units with Provost sponsorship or reporting lines appear to strongly emphasize organizational-level services, e.g., organizational design and process improvement, and support, such as portfolio management and prioritization.

**Models:** A few institutions reported using the Prosci framework as a change management model. Multiple institutions also cited Liberating Structures, a method for facilitating productive conversations, and Strategic Doing, an agile strategy for designing and guiding complex collaborations. One respondent noted a preference for transferable, effective skills and a learning mindset over expertise in any particular discipline, emphasizing that the ability to tap into the collective, co-create, and lead collaborations as a critical skill that can be applied in any setting.

**On The Horizon:** Multiple respondents emphasized the need for enhancing OD support for diversity, equity, and inclusion initiatives. A few respondents referenced the challenges and sheer increase in the number of ERP projects to highlight the need for organizational change and project management.

**Starting Over Again:** In follow-up interviews, respondents were asked what they would do differently if they had the opportunity to reestablish an OD unit at their respective institutions. In their answers, multiple institutions mentioned following the examples of a few aspirant institutions, including the University of Wisconsin – Madison, University of Virginia, Georgia Tech. The Office of Strategic Consulting at the University of Wisconsin-Madison, in particular, was commended for its size, scope of services, and entrepreneurial business model, i.e., the inclusion of aspects of consulting arrangements, such as retainers, among funding sources.

Appendix E

**Organizational Processes Steering Committee: Benchmark Training Programs**

John Drake (working group lead)

Sonia DeLuca Fernández

Dale Jones

Peter Moran

**Working group charge**

This particular benchmark study is needed to gain a better understanding of how universities build capacity through training, how those who are trained have the opportunity to apply what they are learning, how they develop leaders with an understanding of how to manage change, and how they evaluate employees who have this skill and expertise. Specific tasks:

a)   Identify a core set of 5-7 benchmark institutions that have a coordinated approach when managing change or implementing process improvements.

b)   Construct a set of questions to ask each institution and proceed to gather the information.

c)   Organize the information to illustrate the type of training, which audiences receive training, the role of the supervisor in performance, etc. Also note if they outsource training, and what professional organizations they find to be valuable.

**Benchmarking institutions**

We identified institutions that had a reputation for change management work by asking higher education change management experts for their recommendations and by “snowball sampling (light)” with the identified institutional representatives. Most of the institutions we approached had some engagement with the Network for Change and Continuous Innovation (NCCI). In our previous benchmarking study on change management units, participants identified the NCCI as an outstanding resource on all matters related to change in higher education.

This work resulted in targeting these universities:

1. University of Texas at Austin
2. Northwestern University
3. University of Waterloo
4. University of Notre Dame
5. Rutgers University
6. University of Washington
7. University of California at San Diego
8. University of Colorado
9. Cornell University

**Semi-structured protocol**

Members of our small working group scheduled meetings with leaders or teams at the above-listed institutions; and, as was possible, facilitated a conversation around building leadership capacity in change management. Having provided these questions in advance of speaking, we were able to make our interest explicit and transparent; and our colleagues were able to engage with forethought.

1. How do you develop leaders with an understanding of how to manage change?
2. What types of training are being conducted?
3. Do you outsource training, and if so, what professional organizations do you find to be valuable?
4. How do you decide on who gets trained – determine audiences?
5. How do those who get trained have the opportunity to apply what they have learned?
6. What is the role of the immediate supervisor in the employee’s performance of their change management efforts and evaluation?
7. How do you evaluate employees who are identified as already having this skill and expertise?

**Summary of interviews**

We have constructed a compilation of all interviews which is included as a supplement at the end of this report. Our team has summarized the findings of the interviews to address the topics noted in the group’s charge.

1. **Types of training**

The majority of the universities examined have multiple offices responsible for developing and administering a wide variety of change management programs and courses. The offices are either independent stand-alone offices, part of Human Resources, or units within other organizations such as Information Technology. The programs have strong capacity for the development of change management skills and competencies in executives, administrative leaders, academic leaders, managers, project managers, supervisors, and front-line employees. Types of training include leadership essentials, leadership foundations, management essentials, management foundations, Lean Six Sigma, organizational change, organizational culture, organizational development, Prosci principles, strategic leadership, and more. Most of the programs incorporate projects as part of their change management curricula. Some of the universities (Rutgers and Texas) do not have separate change management programs. Instead, they provide change management training as part of general leadership development programs and emerging leaders programs.

**2)  Audiences for training**

The most common model employed for change management training integrated in-process projects with professional and leadership development. For this project-based approach, there were formal or informal screening processes for training eligibility or project supports. Supervisors held the greatest power for both project sponsorship and nominations of staff for training experiences. One institution chose projects based on their potential to increase revenue. For training opportunities modeled more typically and strictly as professional development, nominations could be by supervisor, or self, and appeared more accessible.

**3)  The role of the supervisor in the support, performance, and evaluation of an employee’s training**

The strength of supervisory support comes from the leadership (Provosts, VPs, Chancellors, Directors) of the organizations establishing initiatives that create mandates (preferably as an element of the University’s strategic plan) and craft cultures (“Openness to Change”) that compel supervisors to participate in their employees’ development. Most of the change management training is incorporated into leadership training programs (special emphasis on “emerging” leaders) where supervisors nominate employees, or approve self-nominees, and tie the training to an individual’s professional development plan. The majority of these programs incorporate projects that tie to the employee’s department, so the supervisor serves initially as counsel and then as a mentor/coach for the employee’s learning and implementation of the change. Supervisors must set clear goals and benchmarks for the evaluation of the employee’s performance, and the effectiveness of the training program, to be successful. Most of the institutions admitted that they need to do a better job in identifying and evaluating employees who may already have skills and expertise in change management. Human Resources and supervisors would most likely be best positioned for this effort.

**4)Outsourcing Training**

The majority of the institutions examined did not engage external organizations in the development of institution-wide leadership programs. Responses seem to suggest that the relatively high costs of these programs are a major impediment to their broad-scale adoption. However, a few of the institutions have contracted with companies to provide training for specific aspects of leadership, e.g., change management. The level of integration between the external programs and existing leadership training varies widely. At Notre Dame, an external provider has delivered training to just one unit, whereas Cornell has incorporated programs from multiple external entities into an integrated multilevel training framework. Nevertheless, most institutions that hired external providers did so on an ad-hoc, unit-level basis.

**Implications and recommendations**

After speaking with colleagues across the country, we would like to forward a few critical questions to promote development of change management capacity:

1.    How does change management capacity at Penn State contribute to, or thwart, institutional progress and strategic innovation?

2.    How well equipped are institutional leaders and decision makers to engage in strategic planning as it implicates changes necessary for growth and improvement?

The answers to these questions require additional consideration of change management in higher education. In fact, we would argue, there are two organizational foundations that require consideration for advancing capacity for leadership development as it pertains to organizational development and change management. These include context and purpose (see chart).

Organizational development and building capacity for change management requires methods aligned with function and purpose. The success of these methods depends in large part on the extent to which they reflect the industry and local culture. With only one exception, our colleagues at other universities referenced critical cultural consideration unique to higher education as an industry (e.g., shared governance, academic success metrics) or to functions that function uniquely within universities (e.g., IT, administration).

****

Appendix F

Building Capacity for Organizational Excellence at Penn State University

Report from Campus Meetings May 15‐17, 2018

August 6, 2018

Table of Contents

Executive Summary and Recommendations 1

Why Organizational Excellence for Penn State? 2

Penn State ‐ A Trailblazer in OE 2

Defining Organizational Excellence 3

Penn State’s Current Internal Capacity for OE 4

Recommendations 5

Building Capacity for Process Improvement 5

Building Capacity for Strategy 8

Advance Change Management 9

Develop Leaders 9

Structure and Resources for OE 10

Maury Cotter ‐ Bio

Maury Cotter launched and directed an internal consulting office at UW‐Madison, providing expertise in strategy and improvement to academic and administrative units, serving over 150 requests annually. She led and evolved the office’s services over two decades, including responding to requests for assistance from over 200 academic units. Maury has helped build similar internal consulting offices at UC‐Berkeley and the OECD in Paris. She has worked with a number of universities and organizations, public and private, to develop and execute their strategic plans. She was a co‐founder and served as president for the Network for Change and Continuous Innovation in higher education – NCCI. www.ncci‐cu.org

maurycotter@gmail.com +1 608‐335‐4865

Building Capacity for Organizational Excellence at Penn State University

Executive Summary and Recommendations

The Pennsylvania State University (Penn State) has identified Organizational Excellence (OE) as a priority in its strategic plan. This report offers observations and recommendations for building internal capacity to support organizational excellence.

Build Capacity for Process Improvement

Process improvement is the focused aspect of OE outlined in Penn State’s strategic plan. It is a capacity that has great potential for impact, and significant existing capacity, but little in the way of organized capacity.

A. Leverage current expertise

B. Build expertise in process improvement across the institution, including academic processes

C. Choose a common Process Improvement Model

D. Conduct pilot projects

E. Establish system for identifying projects and sponsorship

F. Build momentum: communication, networking, and training

Build Capacity for Strategy

Penn State has a long tradition of a strong, institution‐wide strategic planning. There are indications that it might be a good time to review and update the system. In addition, nbnnproviding expertise in facilitation of strategic plans can enhance their effectiveness, and also help address complex issues and initiatives on a regular basis.

A. Leverage current expertise

B. Review and update institution‐wide strategic planning system

C. Develop capacity for strategy beyond strategic plans, including complex and interdisciplinary efforts

D. Identify and develop talent

Advance Change Management

Expertise is being built currently to help staff implement enterprise systems and other transformative changes

A. Leverage current expertise

B. Consider expanding capacity to support other units or to integrate with process improvement

Develop Leaders

A. Leverage current expertise

B. Benchmark leadership development programs in peer institutions

C. Build capacity to offer leadership development and coaching to department chairs and other leaders

Establish Structure and Resources to Support OE Efforts

A. Develop an office that provides expertise in strategic planning and process improvement. Expand the mission and capacity of the newly forming strategic planning unit in the Office of Planning and Assessment to serve these roles

B. Collaborate and develop experts across the institution to leverage capacity and optimize outcomes

C. Build momentum: communication, networking, and training

Why Organizational Excellence for Penn State?

Organizational Processes are identified as a Supporting Element in Penn State’s Strategic Plan. Supporting elements in the plan are recognized as essential to the pursuit of the thematic priorities, and to support the mission and vision. An Organizational Processes Steering Committee (OPSC) was formed to advance this element of the plan. As part of their efforts, they identified the need to develop a University‐wide, structured approach to organizational excellence. As part of shaping their efforts, committee members benchmarked with several institutions and devoted two days to engaging a cross section of leaders in exploring two case studies and a range of options for building internal capacity for organizational excellence. I was invited to guide this exploration.

This report is a summary of key findings from that exploration, along with recommendations for building internal capacity for Organizational Excellence at Penn State.

Penn State ‐ A Trailblazer in OE

Beginning in 1992, Penn State was a trailblazer and recognized as a national leader in quality and continuous improvement in higher education, with Louise Sandmeyer leading the Continuous Quality Improvement Center. While many institutions launched efforts in the early 1990’s, many abandoned efforts after a few years. Penn State was among a small handful of R1 institutions that sustained their efforts through the 90’s and beyond. During that time, Penn State was among a small group of institutions that founded a national association for change leaders in higher education – the Network for Change and Continuous Innovation in higher education (NCCI) www.ncci‐cu.org, which is currently thriving with nearly 100 institutional members. The hallmarks of Penn State’s approach included the coordination of institution‐wide strategic planning, which continues today, and the development of a University‐wide continuous quality improvement model (IMPROVE). Further, the office promoted process improvement across Penn State through an annual exposition that highlighted quality improvement projects from several units and campuses of the University. Many institutions have copied this idea, including Wisconsin. As happens with many such efforts, when Louise retired, the office shifted focus from continuous improvement to other areas of concern, namely institutional research and assessment.

While the focus of this office shifted, it was clear in my visit that there is an emerging energy and interest in building internal capacity for OE. Several units are building expertise to serve specific needs, as outlined in this report. These are good efforts to leverage in moving forward.

In short, Penn State was a trailblazer and there is currently energy and momentum on which to build. Penn State is well positioned to build strong internal capacity to advance organizational excellence.

Defining Organizational Excellence

In two national surveys of over 20 institutions engaged in some form of organizational excellence, no two had the same group of functions, no two were named the same, or had leaders with the same title. They reported differently and offer different services. In short, there is no standard definition nor structure for organizational excellence in higher education. In this report, I am calling upon my experience with many institutions, and customizing definitions and recommendations to what I understand as the needs, current situation, and ready commitment of Penn State at this moment in time.

Based on this, I would offer a basic definition of Organizational Excellence for the purposes of this report for Penn State.

* Strategy
	+ Strategic planning at the institution level and unit levels
	+ Strategy development around any major issue or initiative
* Process Improvement
	+ Enterprise systems
	+ Other processes throughout Penn State
* Change management
	+ Help employees through transitions of major change to ensure successful outcomes
	+ Climate and diversity
* Leadership Development
	+ Develop leaders to understand and lead strategy and improvement efforts

Expertise and tools are essential to success. A simplified list includes:

Table A

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Expertise and Tools** | **Strategy** | **Process Improvement** | **Change Management** | **Leadership Development** |
| Facilitation skills |  |  |  |  |
| Process improvement model(s) and skills |  |  |  |  |
| Project management |  |  |  |  |
| Strategy and strategic planning models |  |  |  |  |
| Change mgmt methods/people skills |  |  |  |  |
| Training and coaching |  |  |  |  |
| Climate and diversity |  |  |  |  |

Institutions to Benchmark:

The OPSC and the Finance and Business (F&B) Change Council have both conducted benchmarking as part of their efforts to date. If more would be helpful, here are just a few suggestions for institutions that are particularly strong in various aspects of OE.

* Process improvement – University of Washington, Virginia‐UVA, Georgia Tech
* Leadership Development – Rutgers
* Serving academic units: strategy, interdisciplinary collaboration, re‐structuring – UW‐Madison
* Facilitating/coordinating complex initiatives/project management – Northwestern, UW‐Madison, New York University, University of Colorado – Boulder, Purdue University

Penn State’s Current Internal Capacity for OE

If you take the definition for OE offered above, and plug in the current efforts, you would see a patchwork of good offerings to a few segments of the university community, with significant gaps to be filled. The illustrate below represents this current distributed nature of OE functions and services at Penn State.

Illustration 1: Distributed OE Functions and Services at Penn State

**OPA: Strategic Planning**

**HR:**

Training

**IT**: Process

Improvement &Change mgmt

**F&B:**

Change Mgmt

**University Community**

Moving forward, it’s important to be strategic about how best to build a comprehensive system for Penn State. For instance:

**Process improvement** is a primary aim of the Penn State strategic plan.

* How to develop process improvement expertise that is available across the institution?
* Some of the processes in most need of improvement are on the academic side. Who can serve those needs?
* How to leverage the capacity that is being developed within IT, F&B, and HR?

**Strategy**

* Currently, the strategic planning process is monitored and coordinated. Expertise is not offered to help units develop effective strategic plans and/or execute them.
* Strategy more generally is needed on a regular basis for complex decision making. Expert facilitation could offer committees and units the opportunity to come to better decisions much more quickly, saving time and netting more effective outcomes.

External Expertise and Internal Capacity

* Penn State has engaged external consultants to help with enterprise‐wide transformations. External consultants are valuable for many complex transformational efforts. In addition, there is much that can be done with internal expertise.

Expertise is Critical for Success

A principle well known in the private sector is that it takes 20 satisfied customers to offset one bad experience. As you are building a reputation and confidence across the institution in these newer approaches, the same concept applies. Pilot efforts need to be taken seriously – chosen carefully, defined well, and resourced with expertise, whether it is internal or external. Their successes are critical. It is not sufficient to assign a committee of smart, committed people.

**Recommendations**

Recommendations Building Capacity for Process Improvement

Ideal

Penn State’s strategic plan identifies as a priority the design and implementation of effective and nimble organizational processes that support the mission of our University. To optimize the effectiveness and efficiency of our academic and administrative operations, the plan calls for improvements to the design, implementation, and integration of processes and for the establishment of methods for continual institutional assessment, improvement, and innovation. In addition to enterprise systems, ideally, processes throughout the institution’s campuses, would be optimized.

Current State

There is good momentum on which to build. It was clear throughout my visit that there is energy and interest in building capacity for change across many levels of the institution, as noted from consistently positive discussion and active engagement in all the meetings.

It is also clear that there is momentum in building specific areas of capacity and expertise. Specifically:

• Business and Finance – is building an office of change management, to help guide people through multiple large and small scale transformative initiatives

• The IT office is developing capacity to support process improvement, including the recent hiring of two people with black belts in Lean.

• A new office dedicated to strategic planning is being created within the Office of Planning and Assessment

• HR – Training and coaching are key to capacity building.

All of these are positive efforts to be encouraged and supported. They can provide good momentum toward a broader goal of institution‐wide organizational excellence.

Several complex enterprise systems have recently been installed. External consultants have supported these efforts. Many staff have been stretched and fatigued by the intensity of these efforts. At the same time, they recognize the need and opportunity to be realized by expanding efforts to improve processes.

Evidence of Need for Systemic Approach to Process Improvement

As part of my visit, we experimented with two processes as case studies. For each, we:

* **Choosing a process:** assessed criteria for choosing a process that has the potential for successful improvement
* **Defining a process:** we experimented with a charter template for defining an improvement project
* **Improving a process:** We explored tools/models for improving a process.

These conversations revealed:

* First and foremost, a consistent level of commitment and eagerness to make improvements for the good of the students and the institution.
* Frustration with efforts to try to improve. Specifically, some said there have been efforts for twenty years to improve the Student Petition Process. But it’s not clear who would sponsor it and who can provide the expertise.
* One of the outcomes of frustrations with suboptimal processes is that people develop work arounds, which compound the problems.
* Many academic processes are in need improvement. Processes discussed during my visit included: student petition, curriculum development, content management, process for identifying, using and managing committees.

Recommendations:

A. Leverage current expertise

* Develop a complete inventory of existing services/talent for process improvement
* Engage the leaders of these units together at a strategic level to help plan for the broader capacity building, while also sharing and aligning efforts. This may be accomplished through a Change Council, but other approaches could accomplish this as well. This coordination is important to ensure that the various groups that are developing don’t end up creating gaps, overlaps, and confusion with different models and approaches.
* Engage all people who are part of these efforts in some form of networking and learning together.

**B. Establish expertise to support process improvement across the institution**

While current efforts listed in A are valuable, there is greater need and opportunity for change than these efforts can serve.

* Acquire staff with a high level of expertise, including strong facilitative skills, knowledge in the PI model, project management, data analysis, implementation, and change management. At least 2‐3 staff to begin.
* Place them organizationally to be available to serve any process or unit across the entire institution, including all campuses. See section on Structure
* Work closely with existing units/expertise, collaborating where useful. See A above.
	+ Consider expanding F&B change management services beyond F&B
	+ Consider expanding availability of IT’s process improvement/management, change management, and facilitation expertise.

C. Choose a Common Process Improvement Model

Models for process improvement have evolved over the years. Here are my thoughts and recommendations:

* Most models address the same fundamental questions.
* It is useful to choose one model and use it consistently across the institution. It can help align and leverage conversations, understanding, and efforts.
* I recommend adopting some version of Lean (or DMAIC, etc) as the model. It has the best developed base of adoption among higher education institutions, as well as adaption to specific higher education culture and processes. That would give you good access to training materials and benchmarking to learn from other institutions. Also, the IT office has hired two people with black belts in Lean, who can help support learning and process improvement efforts.
* Models change. So, remember to understand the fundamental questions and not get tied to the tool. Don’t name your efforts after the tool, or you will be out of date with the next wave.

D. Conduct Pilot Projects

Pilot projects could be conducted soon, but first ensure there is expertise to guide a selected improvement model. Success of the pilots will be critical!

* Choose processes using criteria to help ensure success.
	+ Important: A process that matters. People will feel something important got done
	+ Significant change is possible. Soon
	+ Cost/benefit. ROI
	+ Leaders who will lead and follow through
	+ We have control to make the changes, versus state law or excessive cost
* Processes to consider – many are academic
	+ Content management
	+ Student Petition process
		- * Develop a project charter to define the project and roles, including committed sponsorship and process improvement expertise
			* Use a form of Lean to improve the process
			* Showcase projects to help create awareness and momentum

E. Establish System for Identifying Projects and Sponsorship

There are many ways to generate ideas for improvement projects:

a. Call for proposals

b. Identify from strategic plan

c. Leadership identifies

d. Advisory committee identifies

e. Combination

Whatever system you decide, it’s important to make sure improvement resources are being allocated where there can be the greatest impact.

F. Build Momentum: Communication, Networking, and Training

* See section on Structure and Resources

Ideal

Ideally, an institution would have a strong institution‐wide strategic plan, with cascading plans that are aligned throughout the institution. And priorities in that plan are being implemented effectively.

In addition, strategic thinking is not just every five years. Strategy is imperative for many complex issues on an ongoing basis, both to address problems, but also to seize opportunities. A world‐class, research institution like Penn State has many issues and opportunities that cross institutional units and disciplines. Having expertise available to facilitate strategic discussions and decisions can have significant impact on a regular basis.

Current

Penn State has a long tradition of a strong, institution wide strategic planning system. Units develop their plans first, using basic information from leadership. Those plans are used to create the institution’s strategic plan. And then committees are established to implement priorities in the plan. Units are expected to align their plans and implement within their units as well. This is a highly recognized and admired approach by peer institutions.

Strategic planning is being pulled out of the current office where it is combined with Institutional Research, which will provide a greater focus and capacity to support strategic planning.

Currently, expertise in facilitation of strategic planning is not available to guide the development of these plans, nor for addressing complex issues and opportunities on a regular basis. It’s not clear the extent to which strategy is applied to cross‐unit and interdisciplinary issues and opportunities.

Some comments were shared that having all plans developed on a specific timeline might not align with the realities of major changes happening in some units, sometimes resulting in plans on shelves.

Recommendations

**A. Leverage current expertise**

* Identify expertise in the new SP office and elsewhere
* Connect and optimize

**B. Review and update Institution‐wide Strategic Planning System**. Consider:

* Is the system of all units planning at the same time optimal?
* Would the availability of facilitation expertise result in more effective plans?
* Are there priorities that cross units, where some facilitation could help identify priorities that rise to that level?

C. Develop capacity for strategy beyond strategic plans, including complex and interdisciplinary efforts

* Provide facilitation skills to address:
	+ Complex issues and opportunities
	+ Cross institution or interdisciplinary efforts
	+ Project management for complex initiatives
	+ Action planning and execution

D. Identify and develop talent

* + - Identify people who have interest and talent. Develop their skills and make available.
		- Help develop talent that can serve other campuses.

Advance Change Management

Expertise is being built currently to help staff implement enterprise systems and other transformative changes

**A.** **Leverage current expertise, including the new office in Finance and Business**

B. Consider expanding capacity to support other units or to integrate with process improvement

Develop Leaders

Leadership is key to success for planning and improvement efforts. Higher education often sub‐ optimizes the potential effectiveness of their leaders, especially in rotating department chair positions, where much responsibility lies in our highly distributed systems.

**A. Leverage current expertise, including in Human Resources**

**B. Benchmark leadership development programs in peer institutions**

**C. Build capacity to offer leadership development and coaching to department chairs and other leaders**

Ideal

Structure and resources can make the difference in having effective and aligned planning and improvement efforts. It can help ensure consistency and quality of approaches and help optimize outcomes.

**Current State**

There is a growing realization of the need for these functions, and several separate structures are developing independent of each other. The good news is that there is momentum and willingness. The caution is that this can result in a hodge‐podge of functions that are not aligned, causing confusion and sub‐optimizing potential outcomes. See Table A in Defining Organizational Excellence.

Recommendation for Structure

As noted earlier, peer institutions have approached their OE efforts in a variety of ways, including in how they are structured. It is my observation that those that are most successful report to the provost and/or EVP and serve the whole institution. They are close to the institutional priorities, are positioned to have the most leverage for change, and can have legitimacy with the academic side of the institution.

Given Penn State’s current structure and situation, I recommend:

A. Develop an office that provides expertise in strategic planning and process improvement.

* Expand the mission and capacity of the newly forming strategic planning office in OPA to serve these roles. Currently, a new strategic planning office is being created in OPA, pulling that function from the IR office. Expand the mission and functions of this new office to have a broader OE mission, including process improvement, and to serve the entire institution, including other campuses.
* This office currently reports to the OPA, in the office of the Provost, which is ideal. Consider a dotted line to the VP for F&B – there are pros and cons to this. Keep this office independent enough to ensure decisions benefit the entire university.
* Staff the office to provide expertise in:
	+ Strategic planning
	+ Process improvement
	+ Project management
	+ Change management and leadership development–may be accomplished by HR, F&B, and others
	+ See the list of skills in Table A
* Consider establishing an Advisory Board to identify and prioritize efforts to the benefit of the University as a whole.
* Budget model
	+ Provide services for no charge for at least first 3 years
* Consider introducing a retainer/fee model gradually, but not exceeding 50% of the office’s budget. Ensure that such a model does not impede access by small, non‐revenue generating units.
* Consider including a pool of funds to support implementing change efforts

B. Collaborate and develop other experts across the institution to leverage capacity and optimize outcomes

* Have this office coordinate in partnership with F&B, IT, HR and experts on other campuses to leverage and align OE efforts.
* Inventory and develop talent in facilitation and other skills throughout the institution.
* Establish a network for points of contact and those with expertise to connect, share, and learn together.
* Provide connections to serve campuses in other locations.

C. Build Momentum: Communication, Networking, and Training

* Share successes, recognize those engaged.
* Build a website
* Create informal networking opportunities.
* Provide learning opportunities, including in the process improvement model and strategic thinking. See Table A for skills.
* Consider an annual, institution‐wide event, similar to Quality Expo from Penn State’s earlier efforts.
1. State Higher Education Executive Officers Association (SHEEO), *Investigating the Impacts of State Higher Education Appropriations and Financial Aid* (Washington DC: SHEEO, 2021), https:// <https://sheeo.org/wp-content/uploads/2021/05/SHEEO_ImpactAppropationsFinancialAid.pdf>. Between 2008 and 2019, state general appropriations and state grant aid per FTE for public institutions in Pennsylvania changed by -35.4% and -32.6%, respectively, far outpacing the national averages of -11.8% for general operating per FTE and 23.4% for state grant aid during the same time period. For a discussion of impacts of external and internal challenges on public institutions of higher education in Pennsylvania, see, RAND, *Promoting the Long-Term Sustainability and Volatility of Universities in the Pennsylvania State System of Higher Education* (Santa Monica, CA: RAND Corporation, 2018), 6-36. For additional resources, see Appendix \_\_. [↑](#footnote-ref-2)
2. Maury Cotter, *Building Capacity for Organizational Excellence at Penn State University* (University Park, PA, 2018), 2. [↑](#footnote-ref-3)
3. Penn State Strategic Plan, <https://strategicplan.psu.edu/plan/supporting-elements/>. [↑](#footnote-ref-4)
4. [↑](#footnote-ref-5)
5. The book, *Excellence in Higher Education*, byBrent D. Ruben, former executive director of the Rutgers Center for Organizational Leadership and co-founder of NCCI, is considered a seminal work on continuous improvement and excellence in higher education. [↑](#footnote-ref-6)
6. The Office of University Strategy at Rutgers helps units, “execute plans that move the institution toward a stronger ‘One Rutgers’ position.” [↑](#footnote-ref-7)
7. See, *This is POD Magazine,* University of California – Berkeley, [Grow | People & Culture (berkeley.edu)](https://hr.berkeley.edu/grow) retrieved on April 28, 2021; *Spring 2021 Courses by Category,* [Spring 2021 courses by category | Professional & Organizational Development (uw.edu)](https://ucs.admin.uw.edu/pod/), retrieved on April 28, 2021. [↑](#footnote-ref-8)