

Connections Newsletter

Eureka! The National Science Foundation Discovers the Art and Science Behind its HR Transformation

When Joe Burt first stepped in to lead HR Management for the National Science Foundation in early 2003, he received a very complimentary note from one of his customer-colleagues. While pleased to hear that this senior executive, one of Joe's biggest customers, had received excellent customer service from his department, Joe had a growing feeling of unease. As he read about the executive's interaction with his staff, "I realized he was describing how he and other customers had to 'shop the model.' To perform a basic HR transaction he had shop three different places and do a lot of footwork," said Joe. While the customer was pleased, Joe was not.



Joe Burt, NSF

Joe realized the traditional functional HR model had some significant limitations. "Sure we might make incremental improvements in some areas, but customer service would never dramatically improve," according to Joe, unless he started asking that most critical of questions: Why?

"Why do we do it that way? Why do customers have to go to all these different places? Why *don't* they have the ability to come to a single point of contact? For the first twelve months on the job, I asked 'why?' a lot," recalled Joe.

At the same time, big changes were afoot within the Foundation itself. At its core, the National Science Foundation (NSF) is a grant-making body operating for the public good. Charged by Congress to oversee disbursement of much of the nation's research support dollars, the Foundation was coming under increasing scrutiny. Where was all that money going? What results could the nation show for the grants it had provided?

Though Congress demanded more accountability, legislators weren't providing more resources. That meant the Foundation needed to find ways of tackling that old challenge: do more with less.

One thing Joe could count on was that additional resources, even if they were available, would not be coming his way. The Foundation needed every spare resource to fulfill its core mission. Joe didn't "grow up" in HR. An NSF-lifer, Joe spent most of his career in the other Divisions and Offices that support the Foundation's mission, and he came to HR with an acute focus on that core mission and business. Joe and his leadership team were determined to make sure HR was set up to succeed in its core mission of supporting the Foundation's work of keeping the US at the forefront of discovery.

Joe retained Federal Management Partners (FMP), a leading public sector HR consultancy, to conduct a workforce efficiency study. "The study revealed that from 2000 to 2004 the Foundation had improved productivity per person largely through automation," recounted Tim Barnhart of FMP. This had allowed the Foundation to consistently do more with less for many years. Unfortunately the technology-driven efficiency hit a wall in 2004. According to Tim, "Workload per person kept increasing, but efficiency remained flat." Technology alone could not continue delivering the level of productivity improvements the Foundation needed to keep pace with its growing workload.



Tim Barnhart,
FMP

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In many ways, the Foundation's story mirrors that of the broader global economy. Alan Greenspan, Chairman of the US Federal Reserve observed that by deploying information technology, organizations steadily increased economic productivity per worker throughout the 1990s and drove one of the longest economic expansions in US history. As the last century drew to a close, though, many organizations, including the National Science Foundation, turned to a broader mix of technology-enabled business process improvement to drive further productivity. This led firms to look at new sourcing strategies, business process automation and outsourcing, and back-office transformation. As Greenspan noted in October 2003 in his remarks to the American Enterprise Institute, "Now, with margins under pressure, businesses effectively have been reorganizing work processes and re-allocating resources so as to use them more productively."

Joe and his leadership team found themselves in a microcosm of the broader economy. To address these challenges, Joe's leadership team put the HR department on a three-phased improvement program:

1. Improve Basic Transaction Processing. To free up "mind space" and focus on the real human capital strategy, Joe said "I needed to put the operational support in place so our folks could step up and become HR consultants for our customers. The biggest problem with the functional model we were operating under was that people spent too much of their time doing the transactional work. That's why we contracted out the transactional work to YRCI." Taking this step freed the HR leadership and staff to focus on providing better service in support of the mission.
2. Establish a Service Team Model. This was the heart of the new vision for HR at NSF. With the transactional processing well in hand, Joe and his team could turn their attention to improving service. Joe specifically avoided a formal reorganization, instead opting to structure work around "service teams" anchored by Customer Account Representatives, or CARs. Leadership decided that rather than worrying about moving boxes around on the org chart, they'd look at how to change the work stream.

Each CAR was assigned to one of the ten major directorates and offices to aid with workforce planning and to serve as conduits for all HR services. Joe noted, "We set up the CARs deliberately as optional single points of contact. Unlike the OPM [Office of Personnel Management] model, we don't mandate customers go through the CARs – that's not service in my opinion. Customers can call any one in HR, but they always have the option of working through their CAR to obtain HR service."

CARs have become truly trusted partners of the directorates they serve. "Soon after we had the CARs up and running I went to a meeting of principals [the deputy heads of the directorates]. The principals were seated around the table with the CARs around the edges of the room. I soon realized the principals were leaning back seeking counsel from the CARs on the issues being discussed. This was unheard of before!" Joe recalled. The CARs truly had become HR consultants with a place at the table with senior management.

According to Tim Barnhart at FMP, "Joe's focus on the CAR concept is what really sets the Foundation apart," in public sector HR transformation projects.

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3. Institutionalize the Change. With the CAR concept fully functioning and the transaction processing running well, Joe could now move to institutionalize the change with a formal reorganization. Later this year he hopes to finalize the new organization structure.

Joe and his team brought to HR the focus that earned them a “seat at the table” in the broader business strategy of the Foundation. “My underlying idea was that people in HR needed to better understand NSF,” said Joe. “One of the greatest values I bring to this job is an understanding of the customer – what they expect, need, and what makes them happy. We’ve pushed down this perspective throughout HR by pairing HR technical experts with our customer-focused CARs.”

In reflecting on what it would take for other organizations to succeed using a similar approach, Joe recommended focusing on five elements:

1. Squaring away transactional support. “We had to make sure we could take care of the basics first. In fact, I’d say I initially underestimated the importance and difficulty of getting this right and finding the right contractor,” said Joe.
2. Business knowledge. “A real focus on the needs of the customer – know what they need to succeed,” according to Joe.
3. Putting the right management team in place. “This was absolutely critical. The right people with the right attitudes,” said Joe.
4. Matrix then reorganize. “Because we weren’t able to reorganize right off the bat, we matrixed our organization first. This allowed us to move quickly, pilot the model, and get the new behaviors in place. Now we can institutionalize around the behavior, instead of trying to force it in reverse. It really reduced the fear and dread that typically come with reorganizations,” noted Joe.
5. Communications. “You have to keep it up. It takes multi-level, simultaneous communications between your organization and the customer organizations – at the executive level, the middle management layer, and the working level,” recommended Joe.

As a result of Joe’s leadership and the vision and commitment of his management team, HR has scored wins on many of its key metrics, including reducing time to hire by 40% and increasing customer satisfaction by approximately 20%. Beyond that, Joe says, “...our HR people now really understand what’s required of them and our customers have greater visibility into HR and understand what HR does for them.”

Though Joe says the rewards are worth it, true HR transformation isn’t for the faint of heart. “It’s been a real struggle the whole three or four years we’ve been at it. I’d encourage anyone who takes this on to know that success isn’t going to happen over night. Just don’t give up. Keep stepping back to see the overall progress. Make sure you can get enough distance and perspective to see that you’re on the right track.”