Children's Board
HILLSBOROUGH COUNTY
Dreams Worth Growing

Organizational Assessment Report

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Prepared by

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Executive Summary

The Children's Board of Hillsborough County ("CBHC") engaged Invictus HCM, LLC ("Invictus HCM") to complete an organizational assessment as a part of its ongoing efforts to ensure the efficient, effective and responsive delivery of services to Hillsborough County families and children. The CBHC is comprised of highly talented and dedicated professionals committed to enriching the lives of the children of Hillsborough County by helping them achieve their maximum educational potential. Our goal during this assessment was to focus exclusively on evaluating areas where the CBHC is experiencing organizational obstacles that impede its ability to effectively deliver programs and services. To that end, this assessment is focused on factors that are internal to the organization, which impede or contribute to less than optimal performance.

This organizational assessment was designed to provide an objective external review of the CBHC and serves the purpose of documenting the review process and conclusions of the organizational assessment team. This report includes a description of the background, scope, objectives and approach applied in the assessment of the CBHC by Invictus HCM. In addition, the document will offer our findings paired with general strategies and recommendations.

This Executive Summary provides a high-level overview of the Organizational Assessment Report, including the following:

- Scope and Objectives
- Assessment Methodology
- Summary of Key Findings
- Organizational Assessment Report
  - Organizational Culture Assessment
  - Human Resources Compliance Assessment
  - Organizational Structure Assessment
  - Strategies & Recommendations
- C^2S^2™ Roadmap Forward

Scope and Objectives

Since its inception, CBHC has been dedicated to becoming a recognized leader in the delivery of services and programs that promote the well-being of children and families so the whole community can realize its full potential. The vision for the organization is for Hillsborough County to be *"recognized as one of the top places in the nation to raise children."*

To achieve these aims, the CBHC recognizes that it needs a healthy organizational culture. It also recognizes that an operational paradigm shift is required to more effectively and efficiently deliver CBHC programs and services.

The specific scope as articulated in the Request for Qualifications (RFQ) was as follows:

- ✓ To assist the Children's Board of Hillsborough County (CBHC) to develop and implement a new and innovative business model realigning staff resources to the strategic investment plan.

The specific assumptions as articulated in the Request for Qualifications (RFQ) were as follows:

- ✓ The primary purpose of the staff realignment process is to ensure that all resources are positively impacting the results identified in our strategic investment plan;
- ✓ The CBHC realizes that in order to increase its impact on children and families it must continue to improve its processes, develop and grow its employees, and empower its teams to reach increasingly higher levels of performance; and
- ✓ To ensure the organization continues to retain top talent, horizontal job enhancement and enlargement used to promote learning and growth opportunities.
- ✓ Underlying assumptions were:
  - Employees want to do a good job;
  - Employees are happier and more satisfied when they are learning and growing; and
  - Employees do their best when they know what they are expected to do and receive timely and accurate information on how well they are doing.

It must be noted that this organizational assessment process is not an evaluation of the impact of CBHC's services and programs, nor is it designed to substitute for a strategic plan or a comprehensive organizational audit. The purpose of this organizational assessment is to help facilitate a thriving internal environment for CBHC organizational and mission success.

Upon meeting with the Selection Committee, the Invictus HCM assessment team received a more comprehensive overview of the organizational and environmental dynamics that included:

- ✓ An organizational culture marred in crisis and constant barrages of both internal and external distractions;
- ✓ Media articles that suggested a crisis of confidence in Executive leadership[1] and its ability to credibly and effectively lead the CBHC; and
- ✓ Plummeting employee morale and engagement.

[1] For the purposes of this assessment, terms such as *Executive leadership*, *Executive leaders* and *Senior leadership* are used interchangeably and denote Director level and above CBHC employees.

Assessment Methodology

An effective strategic human capital management assessment methodology serves as the cornerstone of any organizational improvement initiative. It must be simple and understandable, and yet provide specific, identifiable and realistic recommendations. It must be systematic yet flexible in order to adequately adapt to a changing internal and external environment. To address targeted organizational challenges of the CBHC, our C^2S^{2TM} business model focuses on four areas that every organization must manage effectively in order to achieve success:

- ✓ Culture- Culture is an observable, powerful force in any organization and is comprised of its shared values, beliefs and behaviors. Every organization must create and sustain a healthy organizational culture in order to achieve its mission objectives.
- ✓ Compliance- Every organization must develop and maintain compliance driven and ethical business practices. Organizational compliance is a way of defining and regulating proper individual and group behaviors by assuring that laws, policies and procedures are understood and followed.
- ✓ Structure- Organizational structure drives how effectively an organization manages resources, communicates, and executes critical mission objectives. Creating an effective organizational structure and developing productive employees are critical to success.
- ✓ Strategy- Any high-performance organization must implement sound strategies for aligning their people, activities and processes. An organization's leaders must ensure that strategy is clearly defined, effectively communicated, monitored and executed throughout all levels of the organization in order to succeed.

This four phased approach forms the basis of our methodology for developing human capital recommendations responsive to the CBHC's need for a new and innovative business model that more effectively aligns its human capital resources to the strategic plan.

Prior to commencing the four phased C^2S^{2TM} methodology, Invictus HCM engaged in the following information-gathering processes:

- Reviewed historical data, documents, policies, procedures and other background materials;
- Conducted one-on-one discussion with all CBHC Board members;
- Distributed an online survey tool to CBHC employees to assess employee attitudes, organizational culture and climate issues;
- Conducted interviews with Executive team members (also known as Senior Management) and managers; and
- Facilitated focus group meetings with randomly selected CBHC employees.

Whether by survey, phone interview or focus group session; Board members, Executive team members, management, and employees provided significant insights about the CBHC's strengths, weaknesses, threats and opportunities.

This information was then aggregated and distilled into a series of key findings, strategies and recommendations which are presented by the major topical areas using the C^2S^{2TM} business model. Invictus HCM provides conclusions which are derived from experience, historical data analysis, extensive interviews, focus groups and human capital management best practices.

Summary of Key Findings

As part of the organizational assessment process, the Invictus HCM team developed an Executive Summary to provide a high level overview of some of the general themes, findings recommendations and conclusions. The assessment findings are "color coded" in accordance with the organizational performance criteria described below (Table 1).

Tables (2 through 4) summarize Invictus HCM's evaluation of the current state of the CBHC and provides key findings on each of the dimensions in the C^2S^2™ assessment model. A more detailed review and analysis of the findings, as well as related recommendations are captured within the respective sections of the Organizational Assessment Report.

Table 1. Organizational Performance Criteria

Red (Critical Concern)	Systemic gaps requiring immediate, significant, sustained and focused attention to close gaps.
Yellow (Caution Reaching Critical)	Several gaps but cautiously acceptable performance parameters requiring moderate level attention to close gaps.
Green (Stable)	Relatively Stable, no specific or immediate improvement areas noted.

Table 2. Culture

C2S2™	ASSESSMENT METHOD	ORGANIZATION PERFORMANCE	FINDINGS
CULTURE: The first phase of C²S² ™ commenced by identifying and analyzing any organizational cultural attitudes or impediments which prevent effective employee engagement and alignment with the CBHC's strategic plan.	✓ Historical Data Review ✓ Board Discussions ✓ Surveys ✓ Focus Groups ✓ Interviews	**Critical**	◆ **92%** frustrated with work environment ◆ **75%** of employees don't feel leadership equitably handles poor performance or inappropriate behavior ◆ **50%** feel that the organization doesn't operate with values or ethics ◆ **76%** feel Executive leaders don't understand the current state of employee morale ◆ **55%** of non-management and **66%** of management are not satisfied with organization leadership
		Caution Reaching Critical	◆ **65%** Employees experience stress 2-3 times a week do to work climate ◆ **32%** think about quitting weekly
		Stable	◆ **65%** receive information from supervisor to do job effectively ◆ **56%** people are satisfied with job

SUMMARY CONCLUSIONS
The findings strongly suggest that CBHC's climate is plagued by a lack of trust and confidence by employees in key members of the Executive leadership team. The findings strongly suggest that the CBHC Executive leadership is unwilling to make difficult decisions on personnel issues. Executive management's decisions are often in conflict due to systemic discord and lack of trust among the CEO's direct reports. This results in constant frustration among employees due to shifting priorities and decision making bottlenecks. Employees and managers' survey responses confirmed that: 1) Employees feel that they are not heard and 2) Perceptions of unresolved and inequitably managed personnel issues have created a divisive environment. These perceptions have had significant negative impacts on employee morale and engagement. Although employees indicate that they have lost faith in Executive leadership, they deeply believe in and are dedicated to the organization's mission.

SUMMARY STRATEGIES & RECOMMENDATIONS	
CULTURE	1) The CBHC Board should take immediate and decisive action to restore employees' trust and confidence in the credibility of key members of the Executive leadership team. 2) Develop mechanisms to create an organizational climate of consistent treatment, responsibility and accountability for mission accomplishment. 3) Create a leadership and employee development program to enhance cross functional competence, teaming and learning opportunities.

Table 3. Compliance

C²S²TM	ASSESSMENT METHOD	ORGANIZATION PERFORMANCE	FINDINGS
COMPLIANCE: The second phase of C²S²TM commenced with an HR Audit and analysis of organizational policies and procedures to determine compliance.	✓ HR –EPIC™ Review ✓ Surveys ✓ Focus Groups ✓ Interviews	**Critical**	◆ **83%** of managers feel that Executive leadership does not hold employees accountable for poor performance and inappropriate behavior ◆ **65%** of surveyed employees believe that key members of Executive leadership do not adhere to ethical standards of conduct ◆ Some policies were neither up to date nor in compliance with Federal, state and local laws ◆ Lack of clear documentation of mandatory training for all employees in areas such as Title VII, Sexual Harassment, and Conflict Management
		Caution Reaching Critical	◆ **68%** of employees feel that management would misrepresent a situation for personal gain
		Stable	◆ **63%** of employees believe supervisors effectively use company resources

SUMMARY CONCLUSIONS
The foundation for effective compliance is built upon the equitable application of clearly communicated policies and procedures. Executive leaders and managers must develop appropriate policies and procedures and effectively communicate them throughout the organization. All employees must then be held accountable and responsible for following the rules. When a pervasive perception persists that policies are not monitored, consistently applied and enforced by management, organizational compliance becomes severely impaired.

SUMMARY STRATEGIES & RECOMMENDATIONS	
COMPLIANCE	1) Employment policies and procedures should be immediately brought into compliance with prevailing laws, regulations and best practices. 2) Clear and concise work rules should be articulated, documented and enforced consistently by management. 3) The CBHC should consider developing a cross functional organizational compliance committee comprised of members from the Executive team, middle management and front line employees.

Table 4. Structure

C²S²™	ASSESSMENT METHOD	ORGANIZATION PERFORMANCE	FINDINGS
STRUCTURE: The third phase of C²S²™ included analyzing structural impediments which might hinder effective employee performance.	✓ HR –EPIC™ Review ✓ Surveys ✓ Focus Groups ✓ Interviews	**Critical**	◆ **68%** of employees feel that organization performance expectations are not clearly defined ◆ **53%** of employees feel the organization is correctly structured to serve the customer ◆ Consideration should be given to reestablishing a COO position to focus on day- to- day internal operations ◆ The HR function is not structured, staffed, equipped and empowered to effectively manage and enforce policies
		Caution Reaching Critical	◆ There is no meaningful, adequately defined or documented structure for employee mentoring and development.
		Stable	◆ The CBHC as an organization engages in an exceptional amount of data gathering and collection.

SUMMARY CONCLUSIONS

Many of the productivity and performance issues uncovered by this assessment can be attributed to poor organizational design and structure. This has resulted in confusion within roles, a lack of coordination among functions, and failure to share ideas. The Executive leadership team must ensure the creation of structures for employee development and learning opportunities. It must also enforce responsibility and accountability for mission accomplishment. If they fail in this endeavor, no matter what strategy the organization pursues, it will be exceptionally difficult for the organization to pull itself out of the current internal chaos.

SUMMARY STRATEGIES & RECOMMENDATIONS

STRUCTURE	1) The HR Department should be properly empowered and equipped with adequate staff, resources and authority to oversee and manage basic human capital functions, including organizational development and compliance with Federal, state and local laws. 2) CBHC should give strong consideration to outsourcing the organizational development function. This will allow HR to focus on core human resources activities and will allow for the reinvestment of savings back into the organization to help close operational gaps. 3) Reestablish the Chief Operating Officer (COO) position with primary responsibility for day-to-day internal operations.

Executive Summary Conclusion

In order to improve organizational culture and performance the CBHC Board must take immediate action to address the Executive leadership crisis and employees' concerns. The historical and current data demonstrates an erosion of confidence, credibility and trust in Executive leadership which spans nearly a decade. Much of this problem can be directly linked to significant Executive leadership deficiencies such as poor communication, lack of transparency in decision making and inconsistent application of work rules and policies. Simply stated, the majority of employees feel that key leaders of the Executive team lack integrity and ethics. Moreover, one-on-one meetings with Board members also support the need for visible and significant change in order to put the CBHC on a path to improved employee morale, engagement and effectiveness. One employee expressed this sentiment best in the focus group response below;

> *"I really like some of the leaders, but with all the problems it is time for a change so the organization can move forward."*

The danger of the current organizational crisis is the potential for key decision makers to hunker down and try to ride out the storm in hopes that things will improve. This tendency often ends up doing more harm than good to employee morale and mission accomplishment. It also causes leaders to "miss the mark" in terms of implementing effective corrective actions. It is a mistake for leaders facing this type of crisis to employ solutions that are illusory and ineffective under the guise of corrective actions. In fact, such methods risk becoming a series of reactionary measures, none of which are significant enough to correct the downward spiral.

Invictus HCM sees organizational culture as the foundation of how people successfully behave in the workplace. Organizational culture permeates and impacts either positively or negatively virtually every aspect of an organization.

> *Harvard Business School professor Clayton M. Christensen defines organizational culture as "observed behavioral regularities that occur when people interact, the norms that evolve in close working groups, the dominant values espoused by an organization, the philosophy that guides an organization's policy toward employees and customers, the rules of getting along with people in the organization and the feeling or climate of a particular organization."* *(Christensen 2006, The Tools of Cooperation and Change, Harvard Business Review, 84 n. 10)*

For good or for ill, an organization's leaders are primarily responsible for and serve as the dominant force for shaping and maintaining an organization's culture. Most importantly Executive leadership and to a lesser extent, the Board sets the tone for the type of organizational culture that will ultimately be reflected throughout the CBHC. In a Harvard Business Review article, Paul Meehan, Darrell Rigby and Paul Rogers of Bain Consulting noted that, "91% of the 1,200 Senior executives at global companies surveyed agreed that culture is as important as strategy for business." The survey indicated that "81% of executives agreed that a company without a winning culture was doomed to mediocrity." (*Meehan 2008, Creating and Sustaining a Winning Culture, Harvard Business Publishing Newsletter*)

Cultural Assessment Findings and Observations

The findings for our CBHC cultural assessment are derived from a review of CBHC historical data, Board member one-on-one discussions, an Invictus 360 Survey™ employee interviews and focus groups.

CBHC Environmental Climate

In the Executive Summary we indicated that the external and internal climate of the CBHC was contentious and continually operating in crisis mode. After meeting with the RFQ selection team we expanded our scope of work to conduct a historical review of past organizational reports. Similarly, discussions with individual Board members were conducted to confirm our methodology and perceptions about the organization.

Individual Board Member Discussions

We used historical data to guide our discussions with Board members. These discussions were insightful and supported some of our initial observations. For example, Board members continue to feel that employees provide strong community programs and support, yet their efforts have been hampered by the current organizational climate.

◆ FINDING 1: Historical Data Review

Four reports that extending over a 12 year period were reviewed and examined for common themes. This included the 2000 Fisher Report, 2005 & 2009 Sterling Reports and the 2009 Workplace Dynamic Report. The C^2S^{2TM} model was applied to examine key organizational strengths and challenges under each dimension. Table 5 highlights some of the common themes from the various CBHC organizational reports. Many of the same historical themes which have plagued the CBHC for more than a decade continue to erode employee morale and organizational effectiveness today.

Table 5. Historical Data Themes

	2000 Fisher Report	2005 Sterling Report	2009 Sterling Report	2009 Workplace Dynamics Report
Strengths	✓ Community Programs ✓ Mission	✓ Community Engagement ✓ Data Collection ✓ Governance	✓ Community Engagement ✓ Following Sun Shine Law ✓ 2012 Strategic Plan ✓ Use of Outside Resources	✓ Employee Engagement ✓ Employee Benefits ✓ Employee Compensation
Needs Improvement	✖ Communication ✖ Leadership Management ✖ Organization Alignment	✖ Communication ✖ Following Policies ✖ Data Use ✖ Hiring Practices	✖ Communication ✖ Confidence in Leadership ✖ Fairness & Equity ✖ Values & Ethics	✖ Frustration in Workplace ✖ Confidence in Leadership ✖ Organization Management ✖ Lack of Efficiency ✖ Leadership Does Not Understand Employee Issues ✖ Employee Development

FINDING 2: Invictus 360 Survey ™

The Invictus 360 Survey™ assessed key drivers of employee engagement, including strategy alignment, senior leadership effectiveness, manager/employee relationships and organizational buy-in. The survey was designed to reveal trends impacting organizational culture and employee satisfaction and provided actionable data for recommending new strategies to the CBHC.

Out of 56 employees, 50 completed the survey. This figure represents 89% of all CBHC employees. The first 16 questions of the survey highlighted the perceptions of all employees. The following set of questions were branched off by Employee non-management (n = 39), Employee management (supervisory managers) [n=6] and Employee Senior managers (directors and above) [n=5]. To illustrate (Table 7, Key Survey Responses) employee perceptions (Red = Concerns, Green = Possible Strengths), we listed key organizational items that scored 65% or higher. Below in Table 6 is a list of Likert scales associated with Table 7.

Table 6. Historical Data Themes

Likert Scales			
• Strongly Agree • Agree • Disagree • Strongly Disagree	• Extremely well • Very well • Moderately well • Slightly well • Not at all well	• Extremely effective • Very effective • Moderately effective • Slightly effective • Not at all effective	• Extremely satisfied • Very satisfied • Moderately satisfied • Neither satisfied nor dissatisfied • Moderately dissatisfied • Very dissatisfied • Extremely dissatisfied

Table 7. Key Survey Responses

Item #	Number Responded	Question	% Responded
All Employees who completed survey n = 50			
5	n=47	Leadership (Management and Senior Management) adheres to the highest standards of ethical behavior throughout the organization.	66% Disagree
6	n=48	In my organization, no one would consider misrepresenting a situation for personal gain.	68% Disagree
14	n=48	My organization's performance expectations and measures are clearly defined.	68% Disagree
15	n=50	There is NOT a lot of frustration at my workplace.	92% Disagree
Employees Non-Management n=39			
20	n=38	How well does leadership (Management and Senior Management) explain why organization plans, projects and objectives change?	65% Slightly to Not well
23	n=38	Senior Managers understand what is really happening in this organization related to employee morale.	76% Slightly to Not well
27	n=39	I have confidence in the Senior Management's leadership in this organization.	66% Slightly to Not Confident
28	n=37	Does leadership (Managers and Senior Managers) equitably hold employees accountable for poor performance and inappropriate behavior?	75% Disagree
32	n=39	I receive the information I need from my supervisor to do my job effectively.	65% Agree
Employees Management (Supervising Managers) n=6			
36	n=6	How well does leadership (Senior Management) explain why organization plans, projects and objectives change?	66% Slightly to Not well
39	n=6	How knowledgeable is your supervisor about company policies and procedures?	66% Very knowledgeable
44	n=6	I have confidence in the Senior Management's leadership in this organization.	66% Slightly to not confident
45	n=6	Do Senior Managers equitably hold employees accountable for poor performance and inappropriate behavior?	83% Disagree
46	n=6	How effectively does your supervisor use company resources?	83 % Effectively
49	n=5	I receive the information I need from my supervisor to do my job effectively.	80% Agree
52	n=6	Overall, are you satisfied with the organization's leadership (Senior Management)?	66% Dissatisfied

FINDING 3: Employee Interviews and Focus Groups

Invictus HCM used data from the surveys to guide focus group and interview discussions. Qualitative themes were reported from three open ended questions on the survey:

1) Perceptions about employee frustrations,
2) What supervisors can do to improve performance, and
3) General thoughts about the organization.

Focus group selections were based on a pool of 45 non-management employees. Sixteen individuals were randomly selected for two focus groups (eight each).

The goals of the focus groups and interviews included the following:

- ✓ Develop a clear understanding of organizational trends, perceptions and realities;
- ✓ Stronger employee/manager partnerships focused on mutual success and empowerment; and
- ✓ Employee ownership of success and satisfaction.

Eight primary themes emerged from the qualitative data from employee responses. They included: 1) Integrity, 2) Effective Communication, 3) Consistency, 4) Fairness & Equity, 5) Accountability, 6) Change Leadership, 7) Belief in Mission, and 8) Reward Good Work. These eight themes are consistent with the survey data and reflect similar themes from the Fisher, Sterling and Workplace Dynamics reports.

Values CBHC Employees Want Most From Their Leaders And Organization

Integrity
~
Effective Communication
~
Consistency
~
Fairness & Equity
~
Accountability
~
Belief in Mission
~
Reward Good Work

Cultural Assessment
Strategies and Recommendations

The findings strongly suggest that CBHC's climate is plagued by a lack of trust and confidence by employees in key members of the Executive leadership team. If leaders do not maintain a positive and productive culture and climate, the organization will suffer demonstrably in the delivery of services to Hillsborough County families and children.

- **REC 1-** The CBHC Board should take immediate and decisive action to restore employees' trust and confidence in the credibility of key members of the Executive leadership team. To reestablish a positive organizational culture we recommended that the organization clearly define and communicate core operational values *"An Organizational Identity"* and hold leadership and employees accountable for adhering to those values.

- **REC 2-** CBHC's organizational culture is being adversely impacted due to a pervasive loss of trust and confidence by employees in the integrity of Executive Leadership. CBHC must develop mechanisms such as an employee-led task force empowered to develop realistic recommendations and strategies for creating an organizational climate of consistent treatment, responsibility and accountability for mission accomplishment.

- **REC 3-** Develop a four to six month organizational development plan to rebuild integrity, trust, communication and transparency in order to reduce the impact of operational and communications silos.

- **REC 4-** Establish a recognition and rewards program which adequately recognizes and rewards employees for significant contributions to the organization and its mission.

Conclusion

One of the CBHC's greatest strengths is its employees' dedication and commitment to the organization's mission. Employees underscored their belief in the work they do to support the community and they continue to work tirelessly to uphold the mission of the organization. However, our assessment findings illustrate that CBHC faces significant challenges to rehabilitating the current organizational culture.

According to renowned leadership and organizational development expert Stephen Covey:

- In a work environment of low trust, people's unseen agendas or motivations generate suspicion and ultimately hinder getting things done.
- At the organizational level, trust-related problems such as ineffective communication, redundancy, bureaucracy, conflicts of interest, and turnover bog down productivity, divert resources, and squander opportunities.
- When individuals and their leaders trust each other and are trusted by others communication improves, morale is enhanced and productivity accelerates as attention is redirected toward team objectives and mission accomplishment.

Trusted and credible leaders are absolutely essential in order for any organization to create and maintain a healthy organizational culture and climate. Many of the problems which adversely impact the organizational climate at CBHC can be directly linked to significant Executive leadership deficiencies. Organizational challenges such as poor communication, lack of transparency in decision making and inconsistent application of work rules and policies by key members of the Executive team have significantly eroded employee morale.

Phase II focused on reviewing and assessing the CBHC's compliance and ethics reporting mechanisms and processes. When an organization has a strong ethical culture, employees are not only more likely to act in a legally compliant and ethical manner, but are also more trusting of their leaders and each other. They are also more likely to report any improper behaviors they observe.

Every organization must develop and maintain compliance driven and ethical business practices. Organizational compliance is a way of defining and regulating proper individual and group behaviors by assuring that laws, policies and procedures are understood and followed.

- When done correctly, organizational compliance involves a continuous and routine series of activities and processes.

- Compliance also means managers must effectively communicate these policies throughout the organization, along with clear expectations for adherence and the consequences for non-adherence. The latter requires thorough investigative procedures and consistent disciplinary practices.

Our HR-Ethical Practices Invictus Compliance (HR-EPIC™) review consisted of evaluating CBHC's HR function to identify compliance exposure and other potential areas of concern. This objective review of the CBHC's policies and procedures allowed us to determine if specific compliance systems and businesses practices are adequate, effective and compliant with prevailing laws and statutes. Our findings are then followed by strategies and recommendations to reduce risk and compliance related exposure.

Compliance Assessment
Findings and Observations

The compliance observation and findings are segmented in to two primary areas:

- Equal Employment & Equity (Findings 1-6)
- Policies & Procedures (Findings 7-11)

Equal Employment & Equity

- **FINDING 1- T**here appears to be no clear documented record of consistent, mandatory and reoccurring agency training for all employees on topics such as: Title VII Discrimination; Americans with Disabilities Act (ADA), Sexual Harassment; Diversity Awareness and Inclusion, Conflict Management and Resolution.

- **FINDING 2-** There is no internal mechanism for the independent investigation of EEO complaints, particularly those involving allegations against the CEO or other Senior Executives. Prior to being filed with outside agencies, all reviewed complaints were investigated in-house by employees with a direct or secondary reporting relationship to the CEO. Given the nature of current employee mistrust of the Executive leadership team as determined during our assessment, employees are more likely to bypass internal resolution mechanisms and seek amends through outside agencies such as the Equal Employment Opportunity Commission (EEOC) or the Department of Labor (DOL).

- **FINDING 3-** There appears to be the potential for a conflict of interest in instances where the Board Attorney serves simultaneously in a dual capacity as Board Counsel and CBHC defense counsel regarding employment claims against the agency. This is particularly true in cases where the CEO or members of Executive management are alleged to have engaged in discriminatory/ illegal conduct.

- **FINDING 4-** There is a strong perception by management and employees that work rules and policies are not enforced equitably which substantially increases the potential for claims of discriminatory and disparate treatment.

- **FINDING 5-** Based on responses gathered from surveys, focus groups and interviews, there is a strong perception that certain members of the Executive management team enforce adherence through autocratic, retaliatory, passive aggressive and outright bullying tactics.

- **FINDING 6-** There is no clear internal mechanisms for employees to anonymously report allegations of discrimination, retaliation or other inappropriate conduct or wrong doing. Thus employees are more inclined to use external channels which minimize the ability for the issue to be resolved in-house at the lowest possible remedial level.

Policies & Procedures

- **FINDING 7-** Our assessment revealed numerous compliance policy lapses and deficiencies. Several policies were neither up to date nor in compliance with the changes in various Federal, state and local statutes. In several instances, policies did not exist in areas where there is a significant possibility of unwitting violations of Federal or state law. Failure to comply with prevailing compliance obligations could expose the CBHC to significant monetary judgments, fines and penalties. Moreover, non-compliant policies increase the risks that employees (and former employees) will seek resolution outside of the organization.

- **FINDING 8-** Sick Leave Verification Policy and Form - The policy fails to provide clear or concrete guidance as to when managers must use the verification form. As a result, the form is inconsistently used by managers and employees. Moreover, the language on the form, "A pattern of absences that is unusual", is extremely subjective and substantially increases the risk of claims of disparate treatment due to inconsistent application. The policy and verification form also requests disclosure of the nature of an employee's illness or injury. This request exposes the CBHC to several levels of liability involving the disclosure of certain types of protected health information (PHI) and potentially promotes violation of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

- **FINDING 9-** Employee complaint policies and procedures are cumbersome and difficult for many employees to understand. The intent and concrete expectations are lost in explanations and numerous steps that are not regarded as sufficiently transparent to enhance an expectation of prompt and remedial action. For example, the procedure attempts to draw a meaningful distinction between a "Complaint" versus a "Concern" with little success.
  - Many of the policies leave the final decision to substantiate alleged violations of employment policies to the CEO. This is particularly problematic in cases where allegations are made against the HR Manager or CEO.
  - Complaint policies do not provide an avenue for "Unclassified" employees to appeal the decision of the CEO or HR Manager to the Board of Directors or any other internal resolution mechanism.
  - For example, the current complaint policy expressly states "Unclassified" employees do not have access to the Civil Service Process (but will have an appeals process to be proposed/developed involving a Board level committee.) A statement of this nature should not be included in a published complaint policy or procedure. Moreover, our review and inquiry suggests that such a process has not been implemented and communicated to employees to date.
  - The lack of an appeal process for Unclassified employees exposes the CBHC to multiple levels of liability including claims of disparate impact/treatment.
  - The absence of an internal system of appeal forces Unclassified employees to seek relief and amends for complaints through external agencies such as the EEOC, DOL or through litigation. This is particularly true in cases where allegations are made against the HR Manager or CEO.

- The complaint procedure limits complaints only to those directly impacting the employee. This language does not effectively provide for third party complaints which are also actionable under statute and case law.

- **FINDING 10-** The Family Medical Leave Act of 1992 (FMLA) policy is not in compliance with Federal law and must be updated. There is no provision in the current policy for Domestic Violence Leave, Military Leave, Exigent Circumstances or Next of Kin.

- **FINDING 11-** The employee policy manual does not effectively address the Genetic Information Nondiscrimination Act GINA of 2008 (GINA) and creates potential risk for violation of Federal law.

Organizational Compliance Recommendations and Strategies

- **REC 1-** It is essential that all employees understand that compliance is everyone's business and responsibility. The impact that compliance gaps have on the work environment and mission accomplishment is evident. The CBHC should develop a cross functional organizational compliance team comprised of members from the Executive team, middle managers and employees. The team should be primarily responsible for the development and implementation of compliance related training and programs for all employees. This program should at a minimum include the following elements:

  - Mandatory consistently scheduled training covering: Title VII Discrimination; Americans with Disabilities Act (ADA), Sexual Harassment; Diversity Awareness and Inclusion, Conflict Management and Resolution.
  - The training program should be well documented, published and expectations should be clearly communicated to all employees.
  - The policy should make it expressly clear that employees and managers alike share responsibility and accountability for organizational compliance.
  - The program should also include some of the following metrics to track training effectiveness:
    - Number of employees trained as a percentage of the overall workforce:
    - Evaluative criteria to assess training content and trainer effectiveness;
    - The number, type and final disposition of employee complaints; and
    - Periodic reports on compliance training program effectiveness should be made to the Board of Directors.

- **REC 2-** Serious allegations such as retaliation, Title VII discrimination or harassment should be outsourced and conducted by experienced and impartial subject matter experts.
  - The CBHC is currently suffering from a compliance crisis directly related to a lack of confidence and trust by employees in many of the organization's Executive leaders. Until that confidence gap is effectively addressed, a strong belief will persist among

employees that investigations of serious allegations such retaliation, Title VII discrimination and harassment will not be conducted fairly or impartially.

- **REC 3-** Impartial outside counsel should be retained to defend the agency against alleged employment practices violations and compliance related claims as they arise. This will mitigate the potential conflicts of interest due to dual representation by the Board Attorney. This will also assist in reducing the perception by employees that the Executive team and the Board do not fairly or impartially review and address serious employment and compliance allegations made against the agency or CBHC management.
  - The most efficient and cost-effective mechanism to retain outside counsel would be for the CBHC to purchase employment practices liability insurance through a reputable carrier.

- **REC 4-** Clear and concise work rules should be articulated documented and enforced consistently by management.

- **REC 5-** A mechanism and structure should be established, which allows employees to anonymously report serious employment and compliance related issues. Compliance reporting platforms such as Ethics Point™ can be effectively leveraged to allow employees and clients to report issues either anonymously or by self identifying.
  - The compliance reporting mechanism should also automatically notify the CEO, Human Resources Manager, the Board Chair or his or her designee when serious ethics, employment practices allegations or significant compliance claims are made.
  - If serious allegations are made, alleging ethical or compliance related misconduct by the CEO, HR Manager or designated Board Member, those complaints should be promptly routed to an outside agency or designated subject matter expert for review or investigation.

- **REC 6-** Complaint policies and procedures should be revised to provide for a review and appeal mechanism for serious adverse employment decisions and determinations. An effective complaint mechanism can (1) help detect compliance problems and manage them at a level that can be addressed by in-house remedies; and, (2) prevent problems from developing into formal external complaints.

- **REC 7-** Employment policies and procedures should be immediately brought into compliance with prevailing laws, regulations and best practices. This assessment was limited in scope and primarily focused on reviewing key HR compliance oriented policies and procedures to determine compliance oriented risks and exposure.
  - A comprehensive agency wide audit should be conducted in all areas which present the most operational and financial compliance exposure to the organization; and

- The audit should be conducted by external subject matter where possible. This will help reduce the strain on CBHC employees and resources and will provide an independent assessment of areas which present significant compliance risks.

- **REC 8-** Periodic reviews of some of the following key employee-oriented compliance structures and mechanisms should be planned and conducted on a routine and periodic basis to ensure consistency and compliance throughout their life cycle:
  - The Employee Handbook;
  - Performance Appraisals tools to ensure consistent goals and performance expectations;
  - Routine and established training for managers and supervisors on compliance with the Employee Handbook;
  - Periodic review of Job Descriptions for compliance with FLSA; and
  - Periodic review of salaries to determine competitiveness to other organizations.

According to estimates by the Society for Human Resources Management (SHRM), costs to investigate and defend against EEO related allegations range on average from $15,000-$20,000 per incident.

Conclusion

Employment practices and compliance oriented claims can be extremely expensive and have a debilitating effect on an organization's morale and mission. Employee training and effective compliance management systems play an important part in detecting, mitigating and preventing unnecessary organizational compliance risk and exposure. Without effective and consistent enforcement by Executive leadership, any attempts to reduce compliance oriented risks will be minimally effective.

Executive management must strive to create an environment where employees feel that problems and opinions can be discussed freely. Executive management must also ensure that managers and supervisors understand the importance of treating all employees with the same level of respect and consideration that they themselves expect. If they do so, the organization is well on its way to limiting its exposure to employment and compliance related claims. However, if the Board and Executive leaders do not take swift, prudent and focused action, the agency will continue to be marred by allegations which will adversely impact its organizational climate, culture, external reputation and financial integrity.

Structure dictates the relationship of roles in an organization and therefore, how effectively people and organizations function. Having a clear and comprehensive understanding of organizational mission, strategic objectives, as well as employees' wants, needs and skills is vital to creating a sustainable organizational structure.

- An inadequate organizational structure can result in unnecessary ambiguity, confusion and often a lack of accountability.
- Poor organizational design and structure results in internal contradictions, confusion within roles, a lack of coordination among functions, failure to share ideas, slow decision-making and lack of accountability.
- The result is unproductive activities, inefficient use of limited fiscal resources, unnecessary complexity, and employee stress and conflict.

Often those at the top of an organization are oblivious to these problems or worse, pass them off as challenges for the organization to overcome.

Our assessment evaluated the current workforce structure and organizational systems. During the assessment we focused on those key roles and processes impacting organizational communication, alignment, performance and human capital activities.

Structural Assessment Key Findings and Observations

The Structural findings and observation are segmented in to three primary areas:

- Communication (Findings 1-3)
- Performance Management (Findings 4-8)
- Organizational Alignment (Findings 9-13)

Communication

- **FINDING 1-** The CBHC is lacking clear organizational structures which effectively promote organizational identity, teamwork and engagement. There appears to be no solid orientation program which indoctrinates or effectively on-boards new employees.
- **FINDING 2-** Effective structures for cross departmental coordination, communication and collaboration have not been fully identified and deployed. The net result is that many departments operate in information silos.

- **FINDING 3-** There is no structure which effectively allows the Board of Directors to receive feedback and input from employees regarding issues impacting employee morale or the execution of organizational objectives without the filter of the Executive management team. This impairs the Board's ability to receive unvarnished input directly from employees who are charged with carrying out the day-to-day mission of the organization. The net result is the potential loss of vital information and perspective from employees who are on the frontline.

Performance Management

- **FINDING 4–** There is no uniform mechanism to consistently communicate or measure employee performance expectations, goals and accomplishments. During our review we determined that the current performance management tool the organization uses is not consistently used throughout the organization and by all levels of employees. Our interviews and focus groups revealed that that in many instances, there were no consequences or accountability for employees who elected not to participate or complete performance management reviews.

- **FINDING 5-** Employees clearly articulated and recognized the need for a defined competency model and associated leadership and employee development programs. Interviews, focus groups and survey strongly indicated that there is no meaningful, adequately defined or documented structure for employee mentoring and development currently present within the organization. Moreover, CHBC does not have a leadership competency model and no formalized leadership development programs currently exist; As a result:
  - There is an absence of a clearly defined strategy and shared understanding of the desired organizational competencies.
  - It is difficult to conduct an employee skills gap analysis in the absence of defined competencies and standards to which the CBHC expects its employees to develop.
  - This has resulted in limited to no progress in creating organizational structures focused on actively developing leaders and employees.

- **FINDING 6-** The CBHC as an organization engages in an exceptional amount of data gathering and collection. Notwithstanding the abundance of data, the organization lacks robust systems and workflows to process and effectively share this data across the organization or distill it into useful and actionable information. Employees indicate that the result is often wasted time simply for the purposes of collecting data which is often never used.

- **FINDING 7-** There appears to be no meaningful structure for Board member orientation and indoctrination which serves to provide Board members with a clear understanding of their roles and responsibilities or provides adequate familiarization with the various roles, responsibilities and activities of the CBHC.

- **FINDING 8-** There is no independent exit interview structure to capture information and data on why employees choose to leave the organization. Currently, exit interviews are conducted in-house. Due to the strong current of mistrust employees are reluctant to provide candid exit interview information.

Organizational Alignment

- **FINDING 9-** During the course of our review, we determined that a significant portion of the CEO's time has been focused on external programs and partnerships.
  - The elimination of the Chief Operating Officer (COO) has left the organization without a clear leader who possesses both responsibility and accountability for day-to-day internal operations.
  - This has resulted in bottleneck decision-making at the Chief Executive level and has significantly enhanced discord between members of the executive leadership team.

- **FINDING 10-** Review of the most recent CBHC organizational chart indicates that out of approximately 56 employees, roughly 50% are titled as manager, program manager or assistant manager. The ratio of "management" related job titles in a relatively small organization such as the CBHC is highly irregular and should be reviewed for compliance with the Fair Labor Standards Act (FLSA)

- **FINDING 11-** The HR function is not structured, staffed, equipped and empowered to effectively manage and enforce policies or procedures related to critical human capital matters. On the 2012 organizational chart, HR is comprised of a single person. Other positions appear to be HR support positions, however, according to the organizational chart, they do not report to the HR Manager. Lack of an appropriately staffed and empowered HR function has resulted in delayed development and implementation of critical organizational programs, policies and procedures.

- **FINDING 12-** We determined through our review and assessment that there appeared to be several key members of management who have been out of the workforce for extended periods of time for various reasons and with limited or no temporary backfill to cover the work that those individuals performed. In addition to the compliance-related issues attendant to employee leave policies, this further begs the question regarding the criticality of those positions to the organization and its mission.

- **FINDING 13-** There is no independent internal role or structured process which is perceived as impartial for the purposes of receiving and investigating employee complaints. This is particularly evident with respect to complaints involving protected class issues. There is a pervasive lack of trust and confidence in the fair and equitable application of employment policies and disciplinary action by management and particularly certain members of the Executive leadership team. The absence of a perceived impartial investigative role or confidential process enhances the perceptions by employees that serious complaints are not kept confidential, taken seriously or reviewed impartially.

Organizational Structure Recommendations and Strategies

- **REC 1-** Develop competency models for Executive leaders, managers, professionals and support staff and align Human Resources processes such as selection, compensation, evaluation, development and performance management to the desired competencies.

- **REC 2-** Develop programs to provide technical, job specific training within functional areas and cross-training with groups performing complimentary functions or serving a similar customer base. Ensure that all customer-facing staff have the knowledge, skills and abilities to communicate effectively with both internal and external customers.

- **REC 3-** Consideration should be given to reestablishing a COO position to reduce the CEO's direct span of control in order to reduce decision making bottlenecks at the CEO level.
  - This would also allow for greater focus on the organizational strategic plan and strengthening external provider partnerships.
  - The COO would be provided with both responsibility and accountability for day-to-day internal agency operations.

- **REC 4-** A full classification and workforce analysis should be conducted by external subject matter experts on all CBHC positions to determine whether the appropriate mix of people, skills, roles and responsibilities exists within the organization to best execute the organizational strategic plan. This analysis should also focus on determining whether employees are appropriately classified under the Fair Labor Standards Act (FLSA).

- **REC 5-** The HR manager should be properly empowered and equipped with adequate staff, resources, and the authority to oversee and manage basic human capital functions.
  - In the current configuration HR reports to the Organizational Development Director. This is somewhat unusual given the fact that organizational development is normally a subset of the human resources function.
  - CBHC should give strong consideration to outsourcing the organizational development function. This will allow HR to focus on core human resources activities and will allow for the reinvestment of savings to help close HR operational gaps.

- **REC 6-** Cross functional teams should be established for the purposes of enhancing learning and development opportunities and facilitating the efficient flow of information across the organization.

- **REC 7-** The current structure is marked by decision making bottlenecks at the CEO level. The Executive Leadership team should be structured as a fully functional Executive Committee and tasked to not only effectively manage and direct their core areas of responsibilities but must also be empowered to manage the overall health of the organization.

- **REC 8-** A structure should be established, which allows the Board or a Board subcommittee to hold periodic "skip-level" meetings. The meeting would be led by front-line employees with Board member participation. The purpose would be to provide Board members with greater awareness of organizational wide employee concerns and operational issues.

- **REC 9-** Develop succession planning, leadership development and talent management structures to ensure continuity and availability of essential skills and competencies.
  - HR should identify employees with essential subject matter knowledge and mission critical expertise and develop a retention plan, along with a method for capturing and transferring knowledge, prior to critical roles leaving the organization; and
  - HR should identify retirement eligible and critical skill employees and project voluntary turnover through 2015.

- **REC 10-** An external exit interview structure should be established which would allow the CBHC to gather candid information from employees who voluntarily leave the organization.

Conclusion

Many of the productivity and performance issues uncovered by this assessment can be attributed to poor organizational design and structure. This has resulted in, among other things, confusion within roles, a lack of coordination among functions, and failure to share ideas. An organization such as CBHC can have a compelling and clear mission, dedicated and talented people and still not perform well because of poor organizational design.

To be effective, the overall organization design must be aligned with the business strategy and the environment in which operates. It must also have the right business controls, the right flexibility, the right incentives, the right people and the right resources. The Executive leadership team must ensure the creation of structures which adequately develop employees and enforce responsibility and accountability for mission accomplishment. If they fail in this endeavor, no matter what strategy the organization pursues, it will be exceptionally difficult to pull itself out of internal chaos.

C²S²™ Roadmap Forward

There is no one-size-fits-all solution to improving the CBHC's organizational culture and performance. However, recognition by the Board of the magnitude of the organizational challenges cited in this assessment, coupled with the resolve to take decisive action, is the first and most crucial step to effectively address these issues. Attempting to find short-term fixes that simply address the symptoms of the crisis will ensure the organization will continue to be ensnared by debilitating distractions.

The issues imperiling the ability of the CBHC to function effectively are not recent manifestations. The historical and current data demonstrates an erosion of confidence, credibility and trust in Executive leadership over time which spans nearly a decade. Many of the organizational issues detailed in this assessment can be directly linked to significant Executive leadership deficiencies such as poor communication, lack of transparency in decision making and inconsistent application of work rules and policies. In order to improve organizational culture and performance the CBHC Board must take immediate action to address the Executive leadership crisis and employees' concerns.

The danger of the current organizational crisis is the tendency for key decision makers to hunker down and try to ride out the storm in hopes that things will improve. This tendency often ends up doing more harm than good to employee morale and mission accomplishment. It also causes leaders to "miss the mark" in terms of implementing effective corrective actions. As a consequence, they wind up taking a series of steps, none of which are significant enough to correct the downward spiral.

Implementation Priorities

We believe that the items below are of immediate importance and were taken from the recommendations sections of the C²S²™ organizational assessment. Though not all inclusive, these seven (7) priority items will effectively start the process towards improvement.

Step 1- The CBHC Board should take immediate and decisive action to restore employees' trust and confidence in the credibility of key members of the Executive leadership team. To reestablish a positive organizational culture we recommended that the organization clearly define and communicate core operational values and hold leadership and employees accountable for adhering to those values.

Step 2- Implement an organizational restart for all employees. Clear and concise work rules should be articulated, documented, republished and consistently enforced by management.

Step 3- CBHC must develop mechanisms such as employee led task force empowered to develop realistic recommendations and strategies for creating an organizational climate of consistent treatment, responsibility and accountability for mission accomplishment.

Step 4- Develop a four to six month organizational development plan to rebuild organizational integrity, trust, communication and transparency.

Step 5- Policies and procedures should be immediately reviewed and brought into compliance. Employee complaint policies and procedures should be revised to provide for a review and appeal mechanism for serious adverse employment decisions and determinations. An effective complaint mechanism can (1) help detect problems and manage them at a level that can be addressed by in-house remedies and (2) prevent problems from developing into formal external complaints.

Step 6- Reestablishing a COO position to reduce the CEO's direct span of control in order to allow the CEO role to better focus on reestablishing trust, confidence and credibility in the Executive leadership team.

Step 7- The HR manager should be properly empowered and equipped with adequate staff, resources, and the authority to oversee and manage basic human capital functions. CBHC should give strong consideration to outsourcing the organizational development function. This will allow HR to focus on core human resources activities and will allow for the reinvestment of savings into the organization to help close operational gaps.

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