**Engaging Excellence**

**Case Study Category: Organizational Design**

**City of Palo Alto**

**James Keene, City Manager**

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*We would appreciate consideration for an Innovation Award.*

*We would appreciate consideration to participate in the Rapid Fire Session.*

**Synopsis**

Background:

In the summer of 2009, City Manager Jim Keene held a series of town hall staff meetings to measure the satisfaction and engagement of the employees. Several organizational change themes emerged from these meetings. In reaction the ideas, City Manager Keene implemented the Design Thinking model developed by Tim Brown, CEO of IDEO. As described by in his book Change by Design, design thinking is a “collaborative process by which the designer’s sensibilities and methods are employed to match people’s needs with what is technically feasible and a viable business strategy. In short, design thinking converts need into demand. It’s a human-centered approach to problem solving that helps people and organizations become more innovative and creative.”

In January 2010, five inter-department cross sectional design teams were created. By June 2010, these teams presented their results to CEO Tim Brown and City Manager Jim Keene at an all hands meeting. At this meeting, two teams were selected as ongoing design teams. The teams were called: Project Speed (Procurement & Purchasing) & Project Culture Shock (Organizational Culture). From August 2010 to May 2011, the city worked with two Leadership ICMA who conducted studies for both project teams. These studies included interviews with staff, research on academic theory and benchmarking/best practices from the public and private sector. In May 2011, the Leadership ICMA team presented 26 recommendations for staff to implement Project Culture Shock. From June to September 2011, the staff on the Project Culture Shock design team reviewed recommendations, created work plan, and re-branded to be known as Engaging Excellence. In September 2011, two formal programs were implemented to initiate an organizational culture change process.

The two formal programs, New Employee Orientation and E2 Forum, were selected for several reasons. Primarily, the ICMA recommendations highlighted the importance of the welcome and entry into an organization as the point where we as an organization would have the most impact in establishing and presenting the culture. Yet, we recognized that we could not welcome and orient new employees only to have them enter a work force that was not aligned with the organization’s new values and worldview. Therefore we decided that the middle of the organization needed to understand our goals and objectives. This led to the creation of the E2 Forum for Management & Professional which exposes mid-level managers and professional employees to new ideas, perspectives and thoughts. We utilize this forum to discuss our programs and ensure they are aware of the organization wide changes. Our goal is to implement programs and activities that define and redefine our culture.

Design Element 1 - New Employee Orientation:

The New Employee Orientation (NEO) was redesigned to welcome employees to both the community and the organization. Our goal is to ensure that our organizational culture is introduced from the beginning of the new employee’s experience. Two major changes occurred to the existing NEO. First, the orientation was changed from a half day event to a two day event occurring once a month. Second, no new employee could begin until they attended NEO. With these changes, the organization productivity increased. Specifically, Human Resources, Information Technology, and Facilities could now plan and prepare for new employees and consolidate the administrative processes associated with onboarding. Rather than preparing paperwork, computer/software, logins, and key card access for multiple employees over multiple days, these departments could now complete these tasks once per month in an organized manner. Additionally, hiring managers were then able to set dates/times following NEO to acclimate the new employee to their department and the specific assignments. The best result was the satisfaction of the new employees.

Under the new program, newly hired employees begin the day with a welcome from the City Manager followed by coffee with their respective department director. After the introductions employees participate in a presentation from the City Historian (a librarian) and a volunteer from the Palo Alto Historical Association. New employees are then introduced to the Executive Leadership Team and learn about the mission of each department. The new employee group then takes a tour of Palo Alto which last about 3 hours. The tour connects the history presentation with the actual sites within the City. Beginning in Downtown Palo Alto, the tour visits our neighbor, Stanford University, reaches the edge of the city boundaries at Foothills Park, and includes the Research Park in South Palo Alto, winds through the Baylands open space preserve, and concludes with drive through Stanford Shopping Center. After the tour the new employees meet with Stanford University’s government relations staff. They learn about the City and Stanford’s mutual interests as well as town and gown relations. As Stanford plays a significant role in the City’s political environment and policy development, it is important for new employees to gain an understanding of the unique relationship from the beginning. After the meeting at Stanford, the group returns to City Hall where they have a discussion with staff from the Economic Development Office and Finance Department. The goal of this meeting is to educate the employees about the City’s financial environment, in essence, how the money comes in and out. Due to the highly educated and engaged nature of the citizen population in Palo Alto, new employees meet with a community member to learn about their perspective on the civic affairs as the last activity of the first day.

The second day of orientation begins with the new employee group meeting with one or two veteran employees. The discussion focuses how to get things done at the City and introduces new employees to seasoned practitioner. The talk is followed up with a discussion about the City Council, Commissions, and organizational priorities. Then the employees met with staff from our Human Resources department. They discuss benefits, workplace safety, and worker’s compensation. These presentations are intentionally scheduled for the second day so as to emphasize factors uniquely affecting Palo Alto’s culture (history, university relations, finances, and civic engagement). By placing administrative processes as a part of the second day, employees are focused on the elements building the City’s culture. The day concludes with a welcome ceremony where the mayor presents a personalized welcome note and City pin. The focus of this ceremony is to give a sense of transmittal of stewardship to our new employees. From this moment forward, employees are bestowed with a sense of ownership over not only their position but also their role and influence within the City. After the ceremony with the Mayor, management employees attend a management specific class that reviews the nuisances of supervising in Palo Alto. Other employees are welcomed at the worksite and begin setting up their individual work station.

Survey results indicate very high satisfaction amongst NEO attendees. The total cost of administration, staff, food and gas is approximately $2,000. This does not included the hourly rate of the new employee group, which can range from $4,000 to $6,000 depending on the number of new employees and their classification.

Design Element 2 - E2 Forum for Management & Professional

The E2 Forum is designed to ensure our managers understand City goals and objectives toward culture change and that they too are being exposed to new ideas, perspectives and thoughts. The one hour forum occurs every other month and includes a unique speaker who introduces new ideas to cause our managers to think differently, very differently. Differently to the point where for several days they might ask themselves why would they hear from that discipline and question the relevance to their job. In essence, the E2 forums strive to jolt management and professionals’ world view. The forum format mirrors ‘Ted’ talks ([www.ted.com](http://www.ted.com)); yet, following the speaker’s presentation, there is a 10-15 minutes question & answer period. The meeting concludes with another 10-15 minutes where the employee group receives updates from the City manager or other leadership staff about new programs focused on defining and redefining the City culture.

To date, we have had three E2 Forums. The first forum was held on December 8, 2011 and City Manager Jim Keene kicked off the series with a presentation about leadership. He discussed concepts such as the leadership diagram by Ron Heifitz and the Hero’s Journey from Joseph Campbell. He placed these concepts in context utilizing a video segment from the movie “Dead Poets Society” and read the poem, “The Pale Blue Dot”. Our second forum was held on February 9, 2012 and the newly appointed Chief Information Officer, Jonathan Reichental spoke about the Six Big Trends shaping our future. He discussed themes such as “four screens and a cloud” and “Everyone gets a voice so it’s gonna get noisy.” Our third forum was held on April 29, 2012. Palo Alto Police Officer and 2012 United States Olympic Badminton Team Coach, Ben Lee spoke about his journey, career and the values that have taken him to the top. Our committee was very fortunate to have our first speakers come from within the organization. Our next forum is scheduled for July 26, 2012 and our speaker is Ari Gesher from Palantir, a corporation that radically changes how groups analyze information. Ari’s presentation will focus on human interaction with technology.

These forums have challenged our employees to evaluate their capacity for leadership and encouraged them to seize opportunities to be leaders in their own way. Employee initiated leadership is exactly the type of culture change the City must experience. There has been no direct cost for the forums to date. An opportunity cost does exist for staff who attend the forum.

Looking Ahead

As our new fiscal year began, the committee held a meeting with the goal of identifying one or two new programs for fiscal year 2012/2013. We conducted an IDEO style brainstorming session and developed several ideas. The first idea is to allow all staff access to segments of NEO, particularly the tour of Palo Alto. Therefore we have added the tour, history presentation and discussion with Stanford into our training schedule. Current employees will soon be able to sign up and participate in key areas of NEO that are the most influential on culture change. Furthermore, the group brainstormed 20-25 additional ideas and is now in process of narrowing down those ideas into viable programs. Some of the ideas generated from the brainstorm session include a job shadow day with another employee or bring your child to work day, or to participate in a benefit run. Our goal is to define and redefine our culture.

**Presentation Style**

The Engaging Excellence Design Team presentation will be conducted with Brenna Rowe and Khashayar “Cash” Alaee. We will use a PowerPoint as the organizational tool to take the audience through our design journey. We will begin the presentation with discussing Design Thinking, which is the mechanism we used to arrive at our culture change initiative. During this activity, we will engage the group to do a rapid fire brainstorming session focused on a new initiative or a community problem. The topic will be selected by having attendees submit their ideas into a hat and will then draw the winning item before the group activity. After the design thinking context has been set, we will quickly review the background and our journey from city wide action teams, to five design teams to the final two ongoing design teams. We will then present our two initial projects: New Employee Orientation and the E2 Forums.

Specifically for the NEO segment, we will discuss the changes and how they have benefited staff. We will show video clips from new employees who have attended and the audience will hear why the orientation is so important. We will then have the audience sketch out their own new employee orientation and advise them on how to overcome the obstacles. After that exercise, we will transition into our second initiative, the E2 Forum. We will take a piece from each of our speakers thus far introduce it to the audience. For example, an audience member would read the Pale Blue Dot reading as well as showing segments of Jonathan and Coach Lee’s presentations. Our intent is to show pieces of the forum so the audience can see the value and visualize how to implement a similar program in their own City. We will then facilitate a brainstorming session where participants can identify speakers in their community and how they can go about organizing their own forum. Finally we will conclude with an open session where the audience can advise us on other ideas that may change our journey’s course.

**Conclusion**

Our committee is really excited about our culture change initiatives. Our two initial programs are low cost and they engage the employees, community and our partners. We have created a positive buzz in our organization and it is contagious. We hope that we can pass this energy on to others throughout the country at TLG. Thank you for your consideration.