

**Little Hoover Commission Hearing
Governor's Reorganization Plan to for Cal HR
Dr. Rich Callahan, USC Clinical Professor and Director, Leadership Programs**

- Emphasis of Report is on *Organizational Structure*. Research shows the importance of developing organizational culture and organizational strategy. Organizational performance is driven by organizational culture. Organizational culture is shaped by the conversations in the organizations- for example Dave Logan's TED Talk. *How to develop a high performing organizational culture in Cal HR ?*
- Organizational performance is also driven by strategy. Effective strategy brings clarity on measureable outcomes, the assets needed to generate those outcomes, and the behaviors needed to leverage assets into outcomes. *How to add strategy discussions into work plan (pp. 21 and 22) to connect stated outcomes into leveraged assets?*
- Organizational culture and strategy can embrace Performance Management that in turn can advance state outcomes and accountability- *the goal of merit selection*. Research of Professor Don Moynihan: *How do we create conditions that will foster use - through incentives, leadership, commitment of elected officials, on changing organizational routines? How to advance management training and leadership development? More than standardization of e-learning*

The conversations about choosing performance measures matter as much as the metrics chosen- a key insight from Jim Collins' research. *How to draw on experiences of HR MOD and research outside of state government?*

Potential for *organizational learning* in examples from California state government:

The report of the Performance Measurement Council, October, 2010. A powerful example of state department, divisions, and agencies, talking across silos, engaging and stimulating organizational learning, and voluntarily creating an organizational culture driven by conversations on performance.

The work the Department of Toxic Substance Control under former Acting Director, Maziar Movassaghi, Aaron Robertson and Denzil Verardo.

Outside of California: recommendations from John Kamensky, IBM Center for the Business of Government: State legislative use of performance info:
<http://www.businessofgovernment.org/report/five-actions-enhance-state-legislative-use-performance-information> and
Performance-Stat approach: <http://www.businessofgovernment.org/report/what-all-mayors-would-know-about-baltimore%E2%80%99s-citistat-performance-strategy>
(this is being adapted for use at federal and state levels)

Conclusion: consider the developing organizational culture through strategy that advances performance management