



Regular Meeting

Item Number 7 – Open Session

Subject: Organizational Change Management Update

Presenter(s): Kristel Turko / Carlos Guzman

Item Type: Information

Date & Time: March 7, 2024 – 20 minutes

Attachment(s): Report on The Current State of OCM at CalSTRS

PowerPoint(s): Building the CalSTRS Way of Managing Change

Item Purpose

The purpose of this item is to provide the board an update on organizational change management (OCM) activities at CalSTRS. This includes an overview of the organizational change maturity assessment completed last year, as well as a progress update toward building an OCM program to support current and future enterprise-wide transitions.

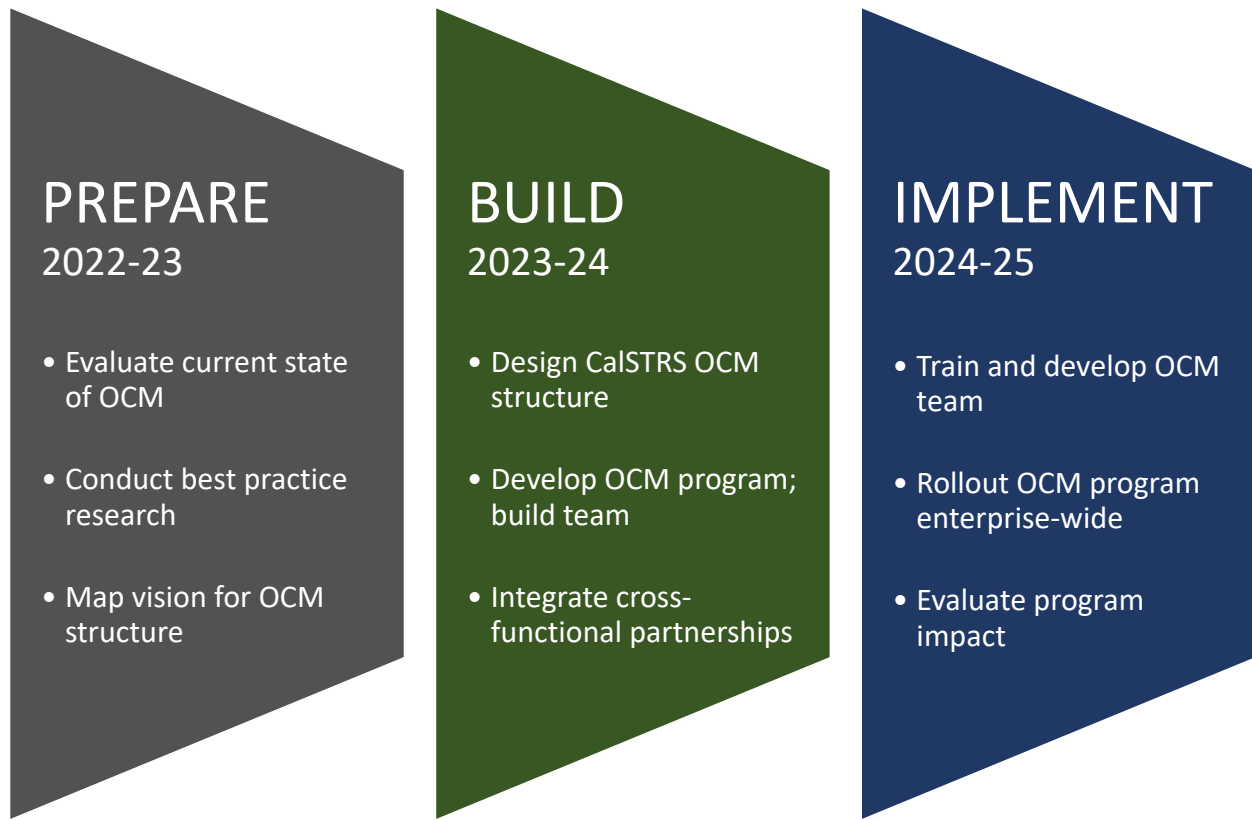
Executive Summary

OCM is a strategic, structured, and sustainable approach that guides organizations and its people with managing change and transitions as proactively as possible. Changes are defined as instances that require organizations and its people to do business differently, and transitions involve the process evolving from a current state through a future state.

In partnership with key internal business stakeholders, OCM equips staff and leaders with the timely information, communication, tools, and resources for employees to implement and adopt organizational changes and evolve their way of work.

As CalSTRS continues to grow, innovate, and evolve in service to our members, it is critical to embrace, manage, and sustain times of ongoing change and transition.

In alignment with CalSTRS strategic goal 2 on leading innovation and managing change, CalSTRS internal staff are working toward executing a three-year plan to build a CalSTRS-customized Organizational Change Management program to proactively manage and sustain changes and transitions that the organization embraces.



Background

In previous years, and especially most recently through the COVID-19 pandemic, CalSTRS has swiftly moved through organizational changes and transitions that impact staff and disrupt their ability to sustain business operations in service to our members. With the resources available, CalSTRS has managed change to the best of its ability, focusing on isolated and multiple projects across the organization with an opportunity to manage change more strategically and holistically.

The Current State of OCM at CalSTRS report (attached) provides a blueprint of opportunities to strengthen and sustain how change is managed enterprise wide. The supplemental assessment report details the organizational standards CalSTRS can aspire to as internal staff develop an OCM program.

The three-year plan aligns with the 2022-25 CalSTRS Strategic Plan, and outlines key program development activities to prepare, build, and implement a formal Organizational Change Management team and program to support enterprise-wise changes and transitional projects.

In the fiscal year 2022-23, CalSTRS staff focused on the prepare phase, which included assessing the current state of OCM, conducting best practice research, and mapping a vision for

OCM with executive input and feedback from key business stakeholders, change partners, and staff from across the organization.

This fiscal year 2023-24, CalSTRS staff are building upon the work from last year’s findings to address gaps and needs by designing and developing a CalSTRS-customized OCM unit. Cross functional partnerships with key business stakeholders will support this collaborative work. This phase includes piloting the CalSTRS OCM framework, tools, strategies and services.

In the next fiscal year 2024-25, the formalized OCM program will be gradually rolled out and made available to the organization to support and sustain future enterprise-wide efforts that involve change and transitions. With that will come opportunities to evaluate the program’s impact, with focused consideration on its potential returns on investment:

1. Sustained organizational resiliency
2. Increased rate of adopting change
3. Agile and adaptable workforce
4. Highly engaged, retained talent

By the end of the current CalSTRS strategic cycle, between now and the end of fiscal year 2024-2025, CalSTRS staff will:

- Focus on integration efforts with CalSTRS internal business partners
- Pilot and refine OCM structure and program components
- Move through recruitment efforts to expand and develop team
- Build and implement an org-wide change management rollout plan
- Evaluate OCM impact and refine program as needed

Next Steps

- In alignment with the board workplan, updates will be provided regarding the maturity of CalSTRS OCM program.
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Strategic Plan Linkage:

- CalSTRS 2022-25 Strategic Plan, *“Goal 2: Leading Innovation and Managing Change”*
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Optional Reference Material:

- Report: *“The Current State of Organizational Change Management at CalSTRS: A Summary of Focus Group Findings”*