

Argyle Conversations

by Argyle Executive ForumSM

HR Leading the Change

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Katheryn Sillo: You've been with Kaiser since 2012 and held five other positions in HR and health and medical fields. How have those other HR positions equipped you for your position at Kaiser, with over 6,000 employees and over 4,000 consultants and contractors?

David Jones: Well I've been blessed to have had some great experiences through my career, mostly, but not all in health care. I was head of human resources for Ameritrade when they were growing the Internet business there at 15 percent per month. That was a very different foray into a for-profit hyper-growth company, and it was a great experience. I've also been with health care/financial services -- the Blues: Blue Cross and Blue Shield in Illinois, and then Blue Shield here in California. So I've seen the business from a lot of different angles. My early career was spent on the provider side, mostly in hospitals and then in an academic health science center at the University of Nebraska Medical Center. My first chief HR officer role came at the age of 26 at a small hospital in West Virginia, and that started a pretty amazing career path.

So through the years I've held various positions, mostly the chief HR officer role in different organizations. That has really given me a great respect for Kaiser Permanente. The perspective I bring to Kaiser Permanente's integrated delivery system includes the health plan, the hospital and clinics, and the physician management angle. I've also primarily been in organizations that are undergoing large scale change, so that is of huge value to Kaiser Permanente at this point in their journey. My primary expertise is in change management and large scale organization transformation.

At Kaiser Permanente I focus on the IT group. Kaiser Permanente as a whole is approximately 170,000 employees across the country. The IT group which my HR team supports has about a 12,000-total workforce. So it's a big organization and it's a very complicated workforce as well. The other exciting part of this is that the technology group really is developing the applications and the solutions that are changing how health care is delivered. We're probably best known for Kaiser Permanente HealthConnect, our electronic health record, which serves as a model for high-quality care enabled by technology. That's just one aspect of how we're harnessing technology to transform care delivery for our patients no matter where they are. We're also leaders in clinical research, community benefit, service and safety. I'm here to ensure that HR is a true strategic partner that enables our IT organization to stay cutting edge, stay innovative and continue to drive transformation for members and patients and also within our administrative operations. Accomplishing these objectives will help Kaiser Permanente drive affordability as well as quality.

With all of your years of experience, how have your goals working in HR changed, especially from an IT standpoint?

Some goals are the same and some have changed. The ones that have changed have to do with just personal ambition. I have always been a very ambitious person, wanting to rise high in corporations and do things in a way that I build a name for myself. I'm less focused on that at this stage of my career and more focused on making an impact and really raising the standard for HR effectiveness. And that's a goal that I think has stayed the same. I've always been about developing the best possible human resources organization, being connected to the business, driving toward business outcomes and making sure that the HR organization is one of the best-performing organizations within the company. I talk here a lot about world class. To me, world class is about being able to measure yourself against external benchmarks, and to know that you're performing your HR work from a measurable, evidence-based perspective as effectively as top-performing organizations. You know we compete for talent with all of the Bay Area and Silicon Valley tech firms. We compete with the Apples and the HPs and Facebooks and Googles and we're competing for people who are developing devices, cloud computing, mobile and digital and big data, and other innovative applications. We've got to be able to present a value proposition that is attractive and have an organization that really is able to retain and develop the best talent in order to drive the outcomes we're looking for. Pushing HR to be the best we can be and raising our game is one of the main objectives and goals for me that has remained the same throughout my well over 20 years in business.

Is there a particular goal that you've accomplished in an HR department that you've managed that you are particularly proud of?

It is a hard question because there are so many. If I had to pick one, I would pick the work that I did at a Catholic Health System on the East Coast. It was a nine-state organization with 30,000 employees. I was the chief human resources officer and I was there for about 10 years. One of my goals there was to create a human resources organization and Human Capital Strategies that would drive that organization to measurable improvement in clinical quality, engagement, patient satisfaction and overall performance. We focused on employee engagement and when we began we were about at the 35th percentile for all staff, and even lower for our nurses as measured by the engagement tool we were using. That was disturbing to me and to our board, because we knew that if we were trying to drive clinical quality and we had nurses who were disengaged, it wasn't going to work.

For several years I led the engagement effort that eventually pushed our results to world-class levels across all of our facilities and entities. It took a lot of hard work in the trenches to help people understand why it was important to get Employee Engagement on the dashboard, and to build it into the incentive plan. It took lots of training, lots of employee involvement and lots of culture change focusing on really empowering and engaging the workforce to create solutions, and not just look to our leaders and managers to solve their problems. We were able to get our workforce to step up, take accountability for creating the sort of workplace that they wanted to be part of, and demonstrate ownership of our outcomes. It was a very exciting journey. We also documented the business impact the improved engagement had on metrics such as profitability, clinical quality and patient satisfaction. It was written up extensively in the literature and became a model from which others learned. To be part of leading that work is probably, of all the things I've done, the thing of which I'm most proud.

You were mentioning competing for talent. Do you believe that it is more important in HR to develop talent that you already have, or hire new talent? Or is it a true combination of both?

You have to do both in any business, but I think it's all the more critical in IT. Technology obsolescence happens so quickly; the pace of change and innovation in technology is amazing. Just look at your iPhone 4. I bought an iPhone 4 when they first came out and already there are several new smart phones with better technology available. It's just amazing how fast things move. As a result, your IT workforce has to stay relevant; their skill sets have to stay up to date. They have to continue to be aware of what's going on and help drive that kind of innovation.

This means striking the right balance of bringing in the next generation skill set, while also making sure that our current workforce hears that they're still valuable and knows that we're committed to helping them keep their skills relevant. There's constant retraining, giving people exposure to exciting new projects, encouraging them to educate themselves and do what they need to do to keep their skills current. One of the great benefits of Kaiser Permanente is that we don't have high turnover. People love the organization. We have great benefits. People typically come and stay for a long time. We believe it's important from the perspective of loyalty and retaining our intellectual capital to have people feeling engaged and very excited about the organization. At the same time, sometimes when you don't have turnover you miss opportunities to bring new talent and new ideas into your organization, so we are trying to strike the right balance. We have a very strong new graduate program, and we offer a lot of internships. We do a lot of hiring at local colleges and universities. And so we continue to bring in talent of all ages and new skill sets. When I think about talent development, if you throw all of your focus on one or the other, you're missing some very important ideas. I think you've got to do both effectively.

Medical schools have become extremely competitive and expensive. How has this affected the type of employees that you're seeing? Has there been a shift in what kind of employees are viewed as more desirable?

That's a good question. The main shift that I'm seeing is because of Kaiser Permanente's reputation and because of what we do in terms of clinical quality and member satisfaction, as well as technology innovation. We're pretty much able to get our pick, certainly from many medical schools. We have the best and brightest new physicians wanting to work at Kaiser Permanente. We're able to attract and retain the best talent really across the board. In IT, as we have new positions available, I'm always amazed at the folks who want to come and work for us and what they know about the organization. That's great for us and bodes very well. We have that kind of leverage and reputation, and we certainly utilize it going into a market to find the right talent.

Finally, in your opinion what makes someone a strong HR leader?

I think there are several things. The most important one is just being a good person, having a good personal grounding, a sense of integrity, a sense of what's right, and really being able to in many ways as an HR leader embody what you want your organization to be. When you're in a company like Kaiser Permanente, first and foremost you have to be a person of integrity. A person who thinks about how the decisions you make will affect our members.

I think the next thing that's very important is having the sense of context. I've done a lot of speaking; I've done training with HR folks. I've done a lot of things to push the envelope around what HR should be. Very often people are looking for the next magic bullet, the next best practice. What I try to tell people is that it's really important to know your context, because what has worked one place may not work somewhere else. And just because another company's doing it doesn't mean that particular best practice is going to work that way for your organization.

So knowing your context, knowing your organization and business, knowing what it needs and what levers to pull, are all critical pieces. You have to be seen as a business person first, not an HR person. It's important to be someone who understands the organization's strategy and how it differentiates itself from competitors. At Kaiser Permanente this means really understanding our mission to shape the future of health care while providing high-quality, affordable health care services and improving the health of our members and communities. Being able to leverage all of that enables you to identify which human capital practices will best enable your organization to achieve those strategic outcomes.

Another thing I think is important is demonstrating courage -- being willing to push the envelope, and lead change; not being afraid to take on the difficult issues. So many folks in HR get caught up in protecting the status quo. You're monitoring the polices, you're making sure that people don't do the wrong thing, and sometimes you miss the opportunity to really help the organization move forward and to change, to transform and to grow. It takes courage and confidence.

BIO:

David Jones

David joined Kaiser Permanente in September of 2012. He is responsible for creating a human capital strategy and HR function capability to drive the performance and execution of the IT strategic imperatives. David leads a team of HR professionals who specialize in HR consulting, employee and labor relations, organizational design and effectiveness, workforce planning, and systems/metrics. This team provides day-to-day tactical HR support to IT managers and employees in multiple locations across the U.S.

David has more than 25 years of experience and expertise in human resources in the health care, financial services and e-commerce industries, including executive oversight for human capital strategy development, HR service delivery transformation, organizational and leadership effectiveness, workforce planning, strategic talent management, workforce engagement, and performance management.

David was most recently with Blue Shield of California as vice president, organization and leadership effectiveness. Previously, he was the chief HR officer of Health Care Services Corporation, the parent company for Blue Cross/Blue Shield of Illinois, New Mexico, Texas, and Nebraska, with nearly 20,000 employees in seven states, and more than \$15 billion in annual revenues. Prior to that, David was senior vice president, and chief HR officer for Bon Secours Health System, a nine-state, 30,000-employee Catholic Health System, where he led the creation of an enterprise HR strategy and a national HR service delivery platform. David was also chief HR officer for Ameritrade during its hyper-growth era and led the recruitment of executive leadership and technology talent to support Ameritrade's aggressive e-commerce business strategies.

David holds a master's degree in industrial and labor relations from West Virginia University, and is certified as a senior professional in human resources (SPHR) and as an internal consultant in managing organization change. A popular conference speaker, David has lectured audiences across the country and globally on such topics as human resources strategy, change management, and human resources transformation. He has also written numerous published articles on related topics and is a contributing author of two books.