



# From Expert to Partner: The Human Resources Journey *Wells Fargo Bank, San Francisco Bay Region*

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**M**arch 18, 2002 marked the 150th anniversary of Wells Fargo — a company that has achieved success through reinvention, customer service, outstanding people and growth through mergers and acquisitions.

In 1852, Henry Wells and William G. Fargo founded Wells Fargo to meet customers' express and banking business needs. Today, Wells Fargo is the fourth largest bank holding company and is recognized as one of North America's premier financial services providers. With \$339 billion in assets, Wells Fargo operates over 5,600 retail stores and 6,735 ATM's in 23 states to serve its 24 million customers. It is the oldest and largest bank headquartered in California.

Wells Fargo has also been recognized as a leader by several financial magazines. Fortune has ranked Wells Fargo among the top 10% of America's "Most Admired" companies for the second consecutive year. Global Finance Magazine has ranked Wells Fargo the best and safest bank in the US for the second consecutive year.

In 1998, Wells Fargo merged with Minneapolis-based Norwest Bank. With the merger of equals, Norwest and Wells Fargo took the best of both companies to create a new culture, vision, and set of core values. Management was no longer driven by the "numbers" alone – they knew their people needed to provide outstanding service to gain a competitive advantage. This massive merger of people and process made it imperative for employees (known as 'team members' internally) to work together consultatively and as business partners. The following provides an overview of the San Francisco Bay Region Human Resources Department's journey to make this cultural shift.

## **THE SAN FRANCISCO BAY REGION HR DEPARTMENT HISTORY**

In the years preceding 2001, the general perception of Human Resources (HR) was a 'behind the curtain' group focused on employee relations and crisis management. Because they were seen as primarily an administrative department, HR was not involved in strategic issues, applying HR knowledge to business challenges, and generally was not considered a key business partner. In addition to these perceptions, the department felt underutilized, unappreciated, and stereotyped as crisis managers.

Aside from internal departmental problems and perceptions, the San Francisco Bay Region was in the midst of working through the details and transition of the merger with Norwest. As a result they experienced difficulty in meeting sales goals, retention issues, and team member engagement issues.

Within the department, team members had been working in silos—there were those who provided general HR support and those who recruited. Due to geography, focus, and time HR support and recruiting did not intertwine. The respective functions were excellent at solving their own problems and developing solutions, however, they did not partner with other shared service groups to reach optimum results and avoid redundancy. Most team members—adept in HR knowledge, employee relations, and / or recruiting--recognized that in order to take the next step to business partner there was a need to develop their consulting skills.

## **THE JOURNEY'S MISSION**

In early 2000, the San Francisco Bay Region HR organization set about on a journey to shift the paradigm of HR. Rolland Kwok, Vice President of HR in the San Francisco Bay Region, was hired to make significant changes in the way HR operated. His marching orders were clear: build your department, take the good people you have and make them great, reduce turnover, increase retention, contribute to the bottom line and do it quickly! In order to embark on this journey, Rolland divided this shift into four major components:

1. Establish a new vision and business case
2. Create a new structure that focused on partnering
3. Develop the skills and knowledge of the HR team
4. Build better relationships with clients to better understand their needs

### **1. Establish A New Vision and Business Case**

To set course on this journey, Rolland realized that a key component would be to create a new vision for the department supported by a business case. The new vision was based on the book, *Human Resource Champions* by Dave Ulrich. In summary, HR would work as consultants and business partners with internal and external clients. The business case to support this vision was clear: line management needed help in solving difficult organizational problems in their businesses. They needed collaborative and proactive problem solving, solution seeking consultative HR professionals. And most importantly, they needed HR professionals that would have efficient processes to help the line manage the people side of the business where people are truly the competitive advantage and to improve the bottom-line.

For the next year, Rolland communicated the new vision for the HR department to all of his key stakeholders. Rolland sought out and gained commitment and buy-in of this vision from every member of his team, Senior Market President, and Store Manager. Throughout the journey, Rolland constantly reinforced this vision in all of his communications to all of his stakeholders.

### **2. Create a New Structure Focused on Partnering**

Realizing that the current HR structure—one of silos where HR was on one side and recruiters on other—was not creating optimal results, Rolland re-engineered the structure. Because there was no Recruiting Manager, Rolland appointed a fulltime Staffing

Manager. The Staffing Manager was chartered to sort through the recruiting and administrative processes that were inefficient. Her charter was to represent the SF Bay Region to the California Banking Group and to work with the team that was reengineering and restructuring Wells Fargo's staffing procedures. She then took the newly designed, California-wide staffing approach and shaped it to fit the SF Bay Region's requirements and needs.

During this period, Rolland's time was focused on the HR side of business. He was focused on getting the team trained and focused. His next step was to relocate the team out of their offices and into the Client Manager's office. Rolland realized that for the HRCs to be effective consultants, they needed to be in the field. No longer were they located in a centralized office—they were now active in five markets including San Francisco, Santa Clara Valley, the Peninsula, the East Bay and Contra Costa.

After one year, the Staffing Manager role became obsolete and was eliminated. During the next twelve months, Recruiters and Recruiting Administrators were phased into the Client Manager's office and reported directly to the HR consultants. By the thirteenth month, the HRCs, Recruiters and Recruiting Administrators were working as an integrated team—supporting each of the five markets and working with the Client Manager on a regular basis. This new, team-based structure effectively removed the silos.

During this time, Rolland also created mini-shared services within HR for administrative activities. By compartmentalizing these administrative activities, with one subject expert, the group became more efficient. With this new structure, HR Consultants had time available to truly consult. They spent less time on clerical tasks and had more time available to meet with clients and be involved in business meetings, strategic planning sessions, and other meetings focused on engagement and retention.

In addition to changing the structure, it was important to assess the group to see who had potential, abilities and the willingness to grow with the new model. Rolland shifted positions around for some, found others new jobs, and hired new HR professionals with the new HR model in mind. The key was finding everyone the right seat on the bus.

### **3. Develop the Skills and Knowledge of the HR Team**

Once the new structure was in place, it was time to develop the skills and knowledge of the department. Given a skillful group of HR professionals, it was realized that training on consulting skills and business partnering would accelerate the team's ability to provide added value quickly. They needed a common language, confidence, tools, and management support. Once these factors were in place, they would be ready to fly.

Specifically, the HR consultants needed models, tools, techniques and new skills that were easy to remember, user friendly and would make a difference quickly. The goal was to enhance the confidence and competence of HR professionals to work as internal consultants and business partners – making a difference to the client's bottom line and their own goals. To accomplish this goal, Rolland engaged Advance Consulting, Inc. in a process of training and coaching consultative skills. The training and coaching focused

on increasing the skill level of HR professionals to work as consultants and value-added business partners. It focused on increasing the knowledge of HR professionals to understand the business, their issues, needs, wants, desires, and ways of working-- which included a better understanding of information from their business partners, e.g. financial information. To keep the momentum going, the HR department committed to ongoing professional development and made sure that new members of the team were trained with the same methodology and tools.

The training curriculum began with a two-day workshop, entitled The Consultative Approach<sup>®</sup> by Advance Consulting, Inc. The entire team was introduced to a "tool box" of consulting skills they readily integrated back on the job. The Consultative Approach Workshop provided the newly minted consultants with an expanded view of themselves and the roles they play in order to broaden business relationships and turn them into mutually beneficial long-term partnerships. They were no longer just technical experts but also played the role of problem solver, coach, facilitator, administrator, influencer, strategist and most of all partner.

The skills, tools, and processes helped them to focus on strategically working with their clients as well as dealing with their "in the moment" interactions. HR professionals were soon able to influence their clients with new skills and tools that brought comments similar to the following from their clients. "I knew you knew HR, but now you know how to apply your expertise to our business issues. What a difference it makes!"

Now the HR professionals have embraced Advance Consulting's consulting process into everything they do with great success both with their internal teams and their clients. Work agreements, identifying issues, making recommendations that meet business needs, and successfully implementing new initiatives are everyday occurrences.

Following the initial workshop consultants focused on action learning projects, met in peer teams, discussed the concepts and ideas in their monthly meetings and received coaching from Advance Consulting. Approximately every 9-12 months the team comes together to go deeper and learn new skills that will take them to the next level. This combined with coaching, feedback, and great support from management has made a dramatic shift in the way the HR team works.

Throughout the process, Rolland supported the HR team by providing feedback, guidance, coaching, focus and confidence to let them grow as business partners. Rolland constantly communicated to the regional management team that they should be listening to the HRC's and including them in their conversations. Given the opportunity they would be amazed at what value HR added. Rolland also removed obstacles that were getting in the HRC's way. An example of this was the removal of many administrative tasks to a centralized group. This freed up the HR team to focus on their clients. Rolland was a strong consistent advocate, which was the key to HR's success.

#### 4. Build Relationships with Clients to Better Understand Their Needs

After participating in Advance Consulting's Consultative Approach workshop, HR consultants were ready to use their newly acquired consulting skills to truly understand their client's needs. They were now more effectively able to add value to their client's bottom line.

One example that demonstrates the HR department's ability to make a difference was their development of a new hire orientation process appropriately named, "StageCoaching". The focus was to revamp the new hire orientation so that it freed managers to focus on their goals--sales, operations, customer service, and team member retention. They also wanted to provide new employees with a great experience and reduce errors in paperwork.

The StageCoaching initiative was the first major project HR engaged in as they were shifting to a consulting and business partnering mindset. As a result, they took time to truly understand business issues more from a broader perspective. After careful diagnosis, HR proposed solutions to management. Their goal was to involve management in every step of the way and to demonstrate the HR team was able to help meet business needs. As a result of this collaborative effort, the HR department created a centralized new hire orientation process that alleviated the pains of the old process and brought great benefit to the business, HR, and team members. This new centralized process resulted in a more efficient method for bringing new hires on board that directly impacted Wells Fargo's bottom-line in a variety of positive ways.

Specifically, the new structure effectively reduced the processing time of new hire paperwork from 14 days to seven, which allowed new team members to gain access to the company's computer systems and to become productive sooner. It also improved the integrity of the data collected on the forms by 97.1%. Store managers were freed from the administrative burden of processing new hire paperwork and were therefore more focused on the day-to-day operation of the business. By creating a centralized orientation program and method for processing new hire paperwork, the HR department was able to renew credibility with line management and create a value added process that saved the company almost \$1 million. Finally, the centralized orientation contributed to a 19% reduction in employee turnover from December 2001 to December 2002 and reduced pay problems by 99%. The project was an overall success and added tremendous value to the organization.

A second example of how the HR team got closer to the clients is through redefining the recruiter's role. The role itself was redefined as a staffing consultant to include not just bringing in candidates, but developing overall staffing plans with the business in order for them to achieve their goals. This required a revamping of the entire process, consulting with the store and market managers regularly, talking about planning and movement, and focusing on the larger goal of retention, rerecruiting team members, and finding "great people."

## RESULTS FROM THE JOURNEY

### Specific Skills and Knowledge that Made a Significant Difference

In January of 2003, Advance Consulting met with the HR team and asked them what truly made a difference in their ability to make such great leaps in how they worked and added value to their clients. Here is what they said:

#### 1. A New Way Of Thinking

- Broadening one's perspective. The training incorporated knowledge, skills, techniques and tools from a host of fields: psychology, project management, sales, communication, neuro-linguistic programming, anthropology, coaching, management, and more.
- Playing a variety of consultative roles. We are now able to serve in a variety of different roles from technical expert, coach, and facilitator to problem solver, administrator, influencer, strategist, and partner. We are skilled and flexible enough to operate in all of these roles at any given time and also use team members to play specific roles as needed.
- Not solving the problem for our clients. Slowing down and having a conversation in which we asked a lot of probing "WHAT " questions instead of solving the problem for them. If our inquiring strategy were on target, our clients would often solve the problem themselves. As a result they saw us in a new light and the value we added to their business challenges.
- We are our own worse enemy. We realized we were giving the clients fish to eat every day instead of teaching them to fish for themselves. We now coach and teach our clients to use company tools and resources to solve problems (e.g. hotline for benefit questions, contacting appropriate parties for information). The difference allows HR to provide more added value and enables us to be a better strategic business partner.

#### 2. Skills In Managing Client Interactions

- Ask versus tell. By focusing on asking versus telling we are able to determine what the client's needs are and how we can help them vs. telling them something they don't want to hear.
- Question to understand their needs and opinions/ frame of reference. We now ask value-based questions – WHAT versus WHY and peel the onion to get to the real need.
- Listen to the answers and ASK again. Listening has shifted dramatically from using that time to think of a response to truly listening to what they have to say.

- Offer recommendations and options.  
We used to tell clients what to do, now we offer the recommendations and options, lay out the pros and cons and let them know it is their business and they will need to make the decision.
- Treat each client uniquely. Analyze the client's personality, language, opinion/frame of reference, and task approach.

We now take the time to look at each client as a unique person and develop a strategy for working with them. Using Advance Consulting's tools made a huge difference in our ability to do this analysis.

- Influence the client based on what is important and relevant.

Influencing clients using the Expertise Statement model-- What is my experience?, What have I learned from that experience?, and How does it apply to the client and this situation?

The most critical part – How is it relevant to the client?

### **3. The Entire Team Using A Consultative Process That Is Flexible And User Friendly**

- A flexible process that focuses on collaboration, involving customers and partners, and ensuring expectations and success measures are clear. Before we would have been bogged down in the flavor of the month with no measure of effectiveness and no involvement from our clients. Now, we make sure everyone is on board, we have a business goal and are clear about our success criteria.
- Building trust and commitment throughout the HR team.

A sense of real mutual respect, confidentiality, appreciation of our conversations, programs, and new approach has resulted through this process.

### **CLIENT'S AND HR'S ASSESSMENT OF THE CHANGE**

#### **CLIENT'S ASSESSMENT OF THE CHANGE**

Recently, Rolland surveyed senior managers on what behavioral changes they saw within the HR department:

- HR is collaborative and no longer the police.
- HR is business focused and can hold their own in a business conversation.
- HR is always invited to the table and is included in all planning and management meetings.
- HR is flexible and truly is there to help them meet their business goals.
- HR contributes to the overall success of the business.
- HR's approach is more consulting oriented and less telling.
- HR is more proactive in reaching out to the managers and team members.

- Managers are seeking more input from HR on general business and organizational issues.

#### HR'S ASSESSMENT OF THE CHANGE:

The HR team reports the change in the following way:

- We are involved in day-to-day business issues and solutions.
- We increased job satisfaction and feel more valued.
- We increased opportunities to learn as a group and individually
- We moved from living in emotion to be consciously competent and knowing.
- We moved from reacting to a platform that allows them to do great work.

#### FOR ROLLAND, THE LEADER:

- We are truly a team, before we were just a group of people.
- There has been a significant increase in consulting, influencing, and collaboration skills as well as business acumen.
- HR is now the champion of any change initiative versus dragging their feet.
- We now provide value added reports and analysis and we are better able to summarize and offer solutions to solve the issues.
- I can ask anyone on the team to take on any project and it will be successful.
- The team has transformed themselves into the very best.

#### KEY LEARNINGS FROM THE JOURNEY:

In looking back on the San Francisco Bay Region HR Department's journey, the team expressed the following learnings:

1. Do not set expectations too early within the organization. It is important to wait until you are ready. It is also important to implement the four components before you truly commit to a new way of working. Once you are ready to work differently, create a demo project that you can be successful at—e.g. the StageCoach New Hire Orientation Project.
2. Alignment with the vision and values of senior leadership. If you are not aligned with the organization's culture, vision and values, it is a much harder road to travel.
3. Communicate to all other partners. It is important to help your partners, other shared services, vendors, etc. to understand your new vision and value proposition. Influence your partners to collaborate with you on this journey, help them to also work consultatively. In the past our training and development organization told us what training they offered and most did not meet our needs. Now we collaborate with them to set the schedules and training based on the region's needs.
4. Assess, restructure, move out and develop the team. It is critical to assess the team and make sure you have the right people in place. Do not base your structure on the people you have, but take time to assess and restructure and match people to the right positions and develop the team. Continuous development and sharing of

- best practices must be ongoing. And communication throughout the process is paramount.
5. Make the processes for working with you very simple. In the past, a team member was hired and never guaranteed that they would get training on a regular basis. We simplified our process and now immediately schedule them for training during the New Hire Orientation.
  6. Get help from other groups or outside vendors. When changing the way people work, it is important to use your resources. The team received assistance from compensation services, employee relations, employee assistance, the legal department, and Advance Consulting to make their shift happen.
  7. Celebrate successes and continue to build the team. It is important to take the time to acknowledge and recognize our progress and achievements. By celebrating progress we build our team.

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