

## **Keys to CalHFA's Success – the Employees**

### **The Challenge**

The housing industry is tough these days. In most housing-related companies, you are seeing change and it's not always a positive change for the employees. So it's very important for Agency leaders to promote employee morale, to help them feel appreciated when everything around them is changing and to remind them that they are the Keys to their Agency's Success.

Studies show that management believes their employees value money more than appreciation. However, that same study shows that wage is NOT always the key to an employee's satisfaction. Employees surveyed rank being valued and appreciated higher than wages.

To establish a morale benchmark, CalHFA surveyed its own staff on current agency recognition practices. On a scale of Very Good, Good, Fair, Poor and Very Poor, staff answered with an overwhelming "Fair" response. They felt formal recognition was fair, management recognizing employees was fair, peer to peer recognition was fair, and demonstrating that their work is valued and appreciated – once again they rank "Fair".

Showing recognition and appreciation is simple and inexpensive, so it was time for CalHFA to help staff feel "Very Good" about being a valuable employee.

### **The Solution**

Employee recognition programs are designed to show appreciation for superior employee behavior which the Agency values and desires in their workforce, therefore, reinforcing those traits that you want your employees to maintain. This is a win-win situation; the Agency benefits because you have eager and productive employees. The employee wins because they feel appreciated and valued.

If planned and executed correctly, a recognition program can help an Agency benefit in the following ways: improve morale, enhance productivity, decrease absenteeism, and decrease turnover. The program is most effective when it impacts a large number of employees, is simple and user-friendly, involves employees in the design and implementation process, and enables peer recognition.

### **The Details**

The goal of CalHFA's Employee Recognition Program, "Key to Success," is to provide CalHFA employees with a flexible yet meaningful method of acknowledging their colleagues and staffs for superior performance and outstanding contribution to the Agency's quality and productivity; the end result being a continuous cycle of employee engagement and superior performance.

An Employee Recognition Development Committee, which included management and staff, was tasked to build an effective recognition program for CalHFA. "Key to Success" was designed with three tiers to address various types of recognition; peer to peer, management to employee and an annual achievement award.

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Keys to CalHFA's Success—Employees

- Tier 1 - Peer to Peer
  - A way of saying 'Thank You' to your co-workers. Positive feedback for employees while keeping it simple and clear. Each employee can formally recognize their co-workers by filling out and presenting them with a “Key” (see attached sample).
- Tier 2 - Manager to Employee
  - Formal recognition from supervisors/managers, presented to employees demonstrating exceptional and superior performance. The recognized employee receives a certificate of appreciation from their Manager, a \$10 gift card, a copy of the recognition for their personnel file and is listed on the Agency's Intranet.
- Tier 3 - Annual Achievement Award
  - The highest level of recognition award in which the recipient receives a \$500 prize and formal recognition by the Executive Director at the annual, all-staff meeting, The State of the Agency.

CalHFA kicked off this program in February 2012. In just four short months, managers and supervisors have submitted 33 entries for the Tier 2 Award and over 400 employees have received a “Key” to thank a fellow co-worker from all classification levels. In August 2012, the Employee Recognition Committee, together with CalHFA's Executive Director will review entries and choose Tier 3 Awardees to be presented at the annual, all-staff meeting, The State of the Agency.

These initial numbers show a great deal of interest in the program from employees and management. To measure the program's overall success, CalHFA will survey staff in January, 2013 and compare the results to the original benchmark survey that was concluded prior to the programs launch date in February 2012.

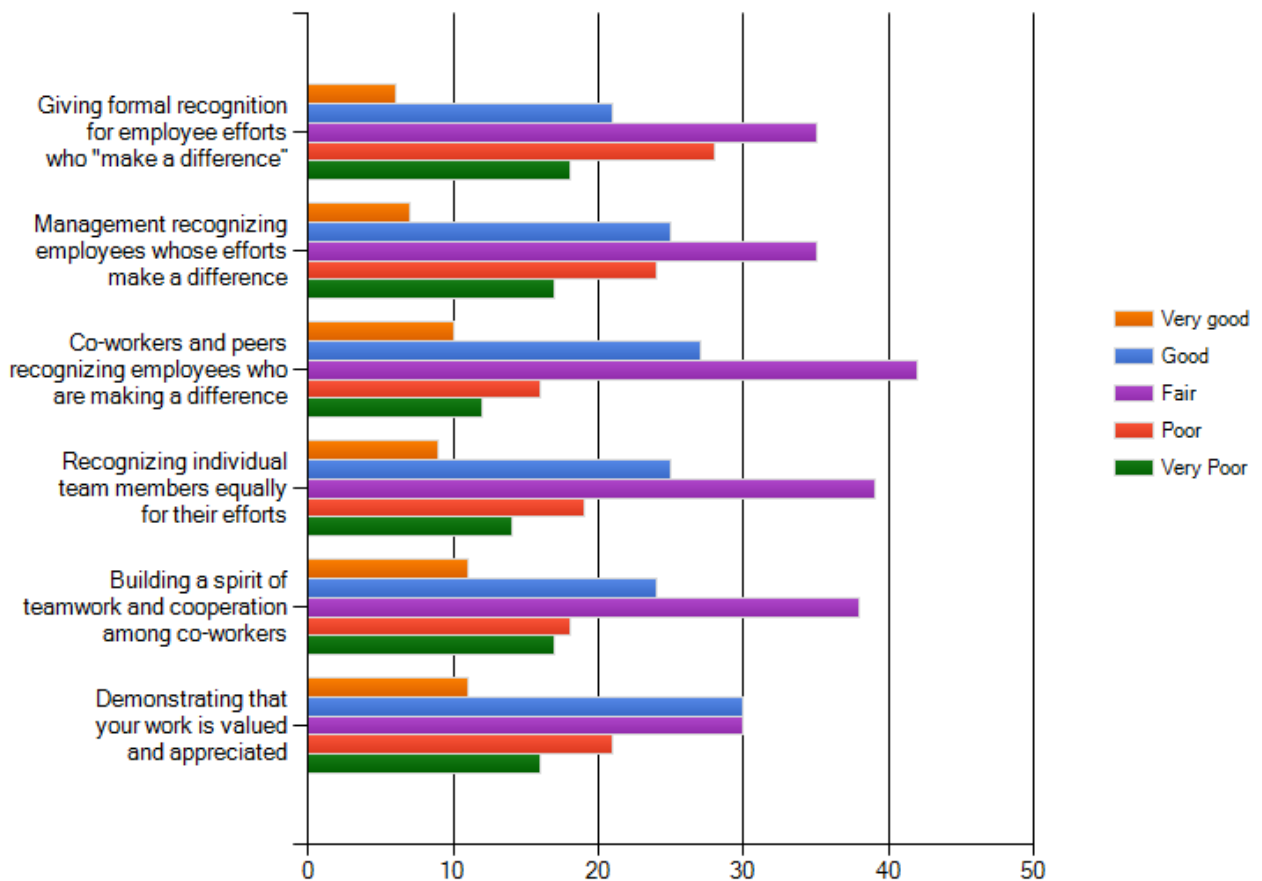
If CalHFA's Employee Recognition Program goes as planned, morale will have improved, production will have increased, staff members will have felt valued and the Agency will have learned a Key factor for achieving success.

Attachments:

1. Employee Benchmark Survey – shows how employees felt about CalHFA's performance in various recognition scenarios
2. Employee Recognition Description & Budget – lays out the planning, methods and details that were put together by the Employee Recognition Development Committee
3. Employee Recognition Program Committee Charter – identifies the Committee's purpose and goals
4. CalHFA Key to Success “Thank You Key” – is the “Tier 1” token of appreciation that one employee gives to another employee
5. Meritorious Service and Accomplishment Award – is the “Tier 2” formal recognition certificate that is presented to the recipient by their manager or supervisor

## Employee Benchmark Survey

In your experience, please rate CalHFA's performance in delivering each of the following:



# Employee Recognition Program – Tier 1, 2 and 3 Descriptions & Budget (FY 2011-12)

The goal of the Employee Recognition Program is to provide CalHFA employees with a flexible yet meaningful method of acknowledging their colleagues and staffs for superior performance and outstanding contribution to the Agency's quality and productivity; the end result being a continuous cycle of employee engagement and superior performance.

Level	Description	Criteria	Explanation	Award	Procedural Guidelines
<b>Tier 1</b> Colleague to Colleague	A way of saying 'Thank You' to your co-workers. Positive feedback for employees while keeping it simple and clear.	<ul style="list-style-type: none"> <li>o Exceptional level of customer service</li> <li>o Taking ownership</li> <li>o Setting superior examples</li> <li>o Demonstrate a steady willingness to improve work situations</li> <li>o Exceptional team member</li> <li>o Stepping up to help a department in a time of need</li> <li>o Proactive – taking the initiative</li> <li>o Voluntarily mentors other colleagues</li> </ul>	Genuine recognition of performance is something people really appreciate. People really don't work for money. They go to work for it, but once the salary has been established, their concern is appreciation. CalHFA would like to recognize their contribution publicly, yet not demean them by applying a price tag to everything.	No monetary award	<p><u>Eligibility:</u> Any employee may nominate an employee that meets the Tier 1 criteria guidelines; includes temporary staff, contract employees, and retired annuitants</p> <p><u>Process:</u> <u>Who can acknowledge an employee:</u> anyone working at CalHFA. You cannot nominate yourself or family member/relative.</p> <p><u>When can an employee receive recognition:</u> anytime</p> <p><u>How do I make a nomination:</u> Thank you notes (paper) filled out by the nominating employee and delivered to the recipient.</p> <p>Additional Key pads can be ordered through Marketing, Attn: Gail Tateyama Fill out tabs at end of the Keys and sent to Marketing, Attn: Gail Tateyama to be entered into a drawing at next year's State of the Agency.</p>
<b>Tier 2</b> Manager to Employee	Formal recognition presented to employees from supervisors/managers/directors.	<ul style="list-style-type: none"> <li>o Takes on additional duties whenever asked</li> <li>o Exceptional performance with measurable outcome</li> <li>o Provides money saving ideas</li> <li>o Demonstrate a contribution of measurable significance to agency's mission or strategic plans</li> <li>o Volunteering in the community</li> <li>o Consistently provides superior customer service</li> </ul>	The Employee Recognition Program is designed to acknowledge and express appreciation for outstanding accomplishments that do not fall entirely within the scope of normal duties, but are in the nature of a major contribution reflecting credit on the person. The meritorious service or accomplishment is so singular or group outstanding that special recognition is justified.	<p>Monetary award: \$10 gift card</p> <p>Only permanent employees eligible for monetary awards.</p> <p>Budget = \$1,100</p>	<p><u>Eligibility:</u> An employee's supervisor may nominate any permanent employee that meets the Tier 2 criteria guidelines; excludes Exempt positions (Governor appointees).</p> <p><u>Process:</u> <u>When can an employee receive recognition:</u> anytime</p> <p><u>Who can make a nomination:</u> Employee's Supervisor*/Manager/Director to draft nomination certificate and obtain gift card with Division Director's approval.</p> <p>Certificates can be ordered through Marketing, Attn: Gail Tateyama</p> <p><u>Recognition:</u> Director/Manager/Supervisor* to submit electronic copy of certificate to Insider Web Master for publishing on Recognition Bulletin Board and present the certificate to employee in public forum (e.g. staff meeting) with employee approval. Additionally a copy of the nomination and certificate will be placed in the employee's official personnel file.</p> <p>* Leads should work through their Supervisor for their nominations.</p>

<p><b>Tier 3</b> Annual Achievement Award</p>	<p>Highest levels of recognition presented at the State of the Agency by Executive Director.</p>	<ul style="list-style-type: none"> <li>o Personal commitment to the job including exceptional performance</li> <li>o Exemplary work performance</li> <li>o Demonstrates superior leadership</li> <li>o Money saving ideas for the agency</li> <li>o Demonstrate a contribution of measurable significance to the agency's mission and goals</li> </ul>	<p>Recognition is more than just praise or reward. It is a way of motivating employees by endorsing their high quality performance in highly visible programs and ceremonies. Recognition supports self-esteem and helps employees learn which skills and behaviors are of value to the organization. We believe exemplary employees deserve timely and effective recognition by their team members, peers, managers, and Agency. This program outlines our formal recognition procedures. CalHFA also encourages employees to use informal recognition on a regular basis to show their appreciation of work done by others.</p>	<p>\$500 per individual recognition award or team award divided equally among team members</p> <p>Only permanent employees eligible for monetary awards.</p> <p>Budget = \$1,500</p>	<p><u>Eligibility:</u></p> <ul style="list-style-type: none"> <li>o Any permanent CalHFA employee can be nominated that meets the Tier 3 criteria guidelines; excludes Exempt positions (Governor appointees).</li> </ul> <p><u>Process:</u></p> <ul style="list-style-type: none"> <li>o Division Directors with assistance from their Manager/Supervisor can complete the Annual Achievement Award nomination form and submit it to the Employee Recognition Committee (ERC) for review and consideration.</li> <li>o The ERC after reviewing each nomination will make their recommendation(s) to the Executive Director for sign-off.</li> <li>o Awards will be ordered by the ERC through Marketing, Attn: Ken Giebel.</li> </ul> <p><u>Recognition:</u></p> <ul style="list-style-type: none"> <li>o The CalHFA Annual Achievement Award recipient(s) will be recognized and presented their Award at the Annual State of the Agency. A copy of the nomination and award will be placed in the employee's official personnel file.</li> </ul>
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**Budget Explanation**

Tier 1: Excludes any monetary award

Tier 2: Assuming we limit the monetary award to \$10 (*e.g. \$10 Starbucks gift card*) and that approximately 40% of the employees receive a Manager's recognition sometime during the year the total budget based on 275 filled positions is \$1,100. It breaks down as follows by Division:

- Executive \$30
- Admin. \$80
- IT \$70
- Financing \$50
- Fiscal Services \$180
- Loan Servicing \$100
- Legal \$70
- Marketing \$40
- Homeownership \$110
- Multifamily \$120
- MI \$140
- Asset Mgt. \$110

Tier 3: We feel that the prizes should be limited to \$500 per individual recognition award and should a team win the money it should be split equally among the team members.

## **CalHFA Employee Recognition Program Committee Charter**

### **Mission/Vision:**

The goal of the Employee Recognition Program (ERP) is to provide CalHFA employees with a flexible yet meaningful method of acknowledging their colleagues and staffs for superior performance and outstanding contribution to the Agency's quality and productivity; the end result being a continuous cycle of employee engagement and superior performance. The purpose of the Employee Recognition Program Committee (Committee) is to manage CalHFA's Employee Recognition Program (ERP). The Committee's responsibilities include management and the ongoing development of the program's recognition goals, budget, policies and annual awards recommendations.

### **Membership:**

The Committee will consist of seven (7) voting members. Additionally the Committee will hold a non-voting, Senior Staff representative, a non-voting, Administration/Personnel representative, a non-voting administrative assistant and for the first term, a non-voting member of the ERP Development Committee.

### **Committee Member Elections**

Conduct annual elections in January in order to replace Committee members with expiring terms. Staff will vote for members from those who have filed to be elected. Install new Committee members by holding the first meeting of the new Committee before February 1 of each year, at which time Committee officers will be determined by Committee member election.

Existing Committee members, whose terms are expiring, may run for reelection to the Committee to serve for subsequent terms.

Committee must have at least four (4) residing members at all times. If through extraordinary circumstances, less than four members reside on the Committee, the Committee must take immediate action to hold a special election to fill open Committee positions.

If between four (4) and seven (7) members reside on the Committee, the Committee may determine if a special election is necessary.

### **Committee Roles/Responsibilities:**

Oversight of all levels of the program.

Members are not directly representing their own department; they must represent the entire staff.

Ensure communication to staff regarding the program.

Facilitate and promote manager & employee involvement.

Review Tier 2 awards quarterly.

Recommend Tier 3 candidates for annual awards and present recommendations to the Executive Director.

Monitor & review effectiveness of the program by periodically surveying employees.

Prepare and conduct elections for future Committee members.

Committee is responsible for promoting the program to staff & management.

#### Tier 2 Procedural Guidelines:

Employee's supervisor will fill out a Tier 2 Award Form and submit to Marketing.

Marketing will notify the Committee by email that a Tier 2 Award has been requested.

Marketing will process the request by tracking the request, creating the certificate and obtaining a gift card from the Committee Treasurer.

The Committee Treasurer will hold and secure all Gift Cards.

Marketing will deliver certificate and gift card to Supervisor. The Supervisor will hold a special meeting to recognize the employee and deliver their certificate & gift card.

#### Tier 3 Award Guidelines:

Nominations require a simple majority vote to be approved.

In the event of a tie, the Committee President's vote will carry a heavier weight and will be the tie-breaker.

Members may request clarification by supervisors/managers to assist in evaluation of nominations.

Committee members who find themselves in conflict of interest due to having a direct reporting relationship and/or family relation with one of the nominees or is a nominee must make such conflict known to the remaining Committee members. The Committee will determine if the conflicted member(s) should recuse themselves prior to voting.

Committee members are eligible for all ERP awards and recognition.

#### Budget Due Date:

The program budget is due in March; exact date will be set by Administration Department each year.

The approved program budget will be delivered by the Committee's Treasurer to the Committee's Senior Staff representative in advance of the established due dates.

#### Program Revisions:

The program should be evaluated on a regular basis for ways to improve and excel its purpose.

In addition to an approved vote by a simple majority of the Committee, any program revisions will be communicated to the non-voting Sr. Staff member and not be in conflict with State personnel guidelines, collective bargaining agreements, and State Controller's Office awards criteria as determined by the non-voting Personnel representative.

Committee President's vote will carry a heavier weight and will be the tie-breaker. Suggested changes may be made by staff to a Committee member. The member will notify the Committee's President so that it may be added to the next meeting's agenda and to ensure a voting majority of members will be available.

**Senior Staff Representative's Role:**

Liaison between the Committee and other Senior Staff and Executives.

Advises the Committee upon request; does not attend meetings without an invitation by the President and/or at least two members of the Committee.

Updated on Committee activities through meeting minutes, one-on-one meetings with President and attendance at meetings upon invitation.

Committee members, at their own discretion, may seek advice from the Senior Staff representative.

Assist the Committee with budget and other requests.

Representative is appointed solely at the discretion of Executive Director.

**Other Non-voting Member Roles:**

Representatives are appointed/assigned solely at the discretion of Senior Staff.

**Meeting Schedule:**

Quarterly meetings will be held for program Committee.

Meeting Agendas will be prepared by the Committee President and delivered to the Committee members at least 10 calendar days prior to the scheduled meeting.

Additional meetings will be called for special tasks, including but not limited to, preparing Tier 3 candidate submissions, conducting elections, and marketing & promotion activities.

Additional meetings may be called by the President or at the written request of two committee members.