

Remodeling our Culture

California Housing Finance Agency

Management Innovation: Human Resources

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At the California Housing Finance Agency, our Homeownership and Multifamily production numbers, as well as our financial strength, have been on the rise for five consecutive years. CalHFA leadership attributes a good portion of that success to strategic planning along with revamping our programs and examining our processes from top to bottom with an honest and critical eye.

With production humming along, management then looked to other areas of the agency that could use a similar examination, and our agency culture stood out as one of those. It was the view of CalHFA leadership that a positive culture is as important as financial stability, both for the good of the Agency, and for the Californians it aims to help. Culture affects production, defines employee engagement and increases the ability to attract and retain the most qualified people.

Improving a hard-to-quantify area such as culture is challenging in many ways, however, and perhaps the largest challenge was figuring out a way to create a system of accountability not only for staff, but also for management.

Building a Foundation: The Pacific Institute

Once the idea for the initiative was in place, in May of 2018 CalHFA hired The Pacific Institute (TPI), a cultural transformation consultant that has worked with more than half of the Fortune 1000 companies. TPI's guidance and training provided the foundation as we developed a plan to improve CalHFA's culture through enhanced communication, increased accountability and the creation of a leadership vision statement that aligned priorities for management and staff.

The leadership vision statement is now visible throughout the office on table tents and signs (*Media 1*) constructed by the marketing and communications team, on the CalHFA intranet site and incorporated into day-to-day decision-making by the leadership team. The statement is:

“Under our leadership, by June 1, 2019, **CalHFA** will be a highly productive model HFA with an innovative, cohesive **leadership team** that drives success by acknowledging our interdependence, actively communicating and implementing this shared vision, leading by example, and is supportive of a **workforce** that embodies professionalism, is proactive, engaged, empowered, and accountable to one another.”

The consultant provided training to CalHFA's 20-person leadership staff for four days in total (two at the beginning of the initiative and two more near the end).

Additionally, more than half of the Agency's staff (90 employees) met with the consultant in groups of 30, each for two days. In these meetings, staff was trained on strategies for enhanced communication and accountability. These conversations were especially valuable because the TPI representative had done her homework, and her insight into CalHFA-specific issues allowed for targeted discussions around these issues.

The cost of contracting with TPI was relatively affordable at about \$600 per employee.

While TPI's fingers were all over the planning for the entire initiative, CalHFA also had its specific parts to play in the execution of the plan.

Building the Structure: Enhanced Communication

Outside of the days spent planning and training with TPI, CalHFA management and staff worked together to implement the cultural improvements informed by that training into day-to-day workflow.

There are several specific procedures and cultural changes that were implemented, but the frame that held it all together was communication.

To improve communication at CalHFA, management and staff went to their toolbelt for some tools that were provided in their TPI training, such as 50-50 Communication and Explaining the Why.

50-50 Communication is the idea that in each conversation exchange, 50 percent of the communication is done by the person passing along the information and 50 percent is done by the person receiving the information. This helps ensure information is both presented and received as effectively as possible and, most notably, puts the responsibility on both parties to make sure the message is clear.

Explaining the Why, not just the what, relates mostly to the leadership side. On a micro level, this helps staff complete the tasks assigned more effectively, because they know why the work is being done. Similarly, on a macro scale, staff is motivated by the knowledge of which part of the CalHFA house is being built because of their work, which leads to more buy-in and engagement in the Agency's shared mission.

Finishing the Interior: New Procedures

CalHFA, with some planning assistance from TPI, instituted some specific procedures to help complete the cultural remodel. Three key procedures included a new goal-setting initiative, meeting reform and brown bag lunches.

The **goal-setting** initiative required working with employees' unions to get approval.

Once the unions approved, the leadership team developed a plan that calls for all supervisors to work with each employee to create 3-5 goals that will be agreed upon by both parties, then evaluated at regular check-ins throughout the year. These check-ins serve the purpose of evaluating success and updating expectations for each goal as needed, but also provide a structured way for supervisor and staff to interface in an environment that fosters healthy communication.

One final benefit of the goal-setting is that it creates an improved evaluation system for each employee, which not only helps supervisors manage better, but helps employees have concrete evidence as they explore their growth trajectory. This is no small point, as a one of the over-arching goals of the entire cultural improvement initiative was to create a more definable process for employee advancement.

When working to finalize employee goals, supervisors used the SMART (Specific, Measurable, Achievable, Relevant and Timely) format.

In addition, goals were tied to the employee's duty statements, which were revised and updated as part of the process, and also aligned with CalHFA's business plan. This alignment, like the communication component of telling the why, reinforces the importance and impact of staff's work on CalHFA's mission: *to finance progressive housing solutions so more Californians have a place to call home.*

Another key procedure was the introduction of **meeting guidelines**, designed to facilitate more efficient and effective communication, as well as using these collaborative settings to increase morale by

including celebrations at the beginning each meeting. Celebrations, where each person in the meeting mentions a personal or work-related success so that the group can celebrate with them, sets a positive tone for the meeting.

An additional new procedure is the **monthly brown bag lunch**, where two or more members of the leadership team breaks bread with staff and answers questions they may have, thus providing an open line of communication (*Media 2*).

[The Listing: Outcomes](#)

CalHFA's leadership team invested considerable time and resources into this initiative, with the idea of sending its organizational culture on a similar trajectory as its successful production numbers.

These resources went to good use, as the improvement is clear both in hard-to-measure and measurable ways. Supervisors have provided positive feedback that meeting reform, the new communication style and the goal setting has not only resulted in a constructive openness with their staff, but also has improved workflow efficiency.

Staff meanwhile, has also reported appreciation of the goal setting, especially the structured mechanism for evaluation of what's working and what isn't with supervisors.

From a measurable standpoint, a benchmark survey was given around the time the initiative began in and another was given in April of 2019. The results show definitively that staff sees an improvement in CalHFA's Culture.

The second survey showed an increase in staff agreement with each of the following statements:

- I have a clear understanding of my career or promotion path (13% increase)
- I have the tools and resources I need to do my job (11% increase up to 86%)
- I feel valued at work (11% increase)
- I receive recognition or encouragement from my manager at least once a month (14% increase)
- My manager is an effective leader (14% increase)
- My manager clearly communicates the priorities of my unit (13% increase up to 85%)
- I believe my manager respects my feedback (9% increase)

[Conclusion](#)

The investment in improving CalHFA cultural was a success from each different angle and the innovative techniques can be replicable at other agencies with similar cultural concerns.

Media 1



Media 2



HOW DO I
MORE?
WHEN CAN I
PRO
WHO DO WE
WITH?
WHY DO WE
DO WHAT WE DO?

BROWN BAG LUNCH

12:00-1:00PM
14th Floor Main Conf. Room

ON THESE DATES:

TUESDAY
APRIL 30TH

WEDNESDAY
MAY 22ND

TUESDAY
JUNE 18TH

Bring your lunch and ask management team members questions on any subject.