



HomeStart Finance Case Study

The Situation

Established in 1989, HomeStart is a State Government organisation that is 100% focused on providing home loans for South Australians. While HomeStart are a successful and profitable financial organisation, they are also mindful of their social responsibilities - working on new ways to help more people get into their own home, sooner.

HomeStart had an ambitious strategic plan to improve their financial stability and grow their portfolio in order to make home ownership a reality for more people in more ways in South Australia. To be successful, they knew they needed the right culture. In fact, it was so important that 'Building an Achievement Culture' was named one of the three key priorities for the next three years.

HomeStart conducted the OCI/OEI culture survey to identify what their *aspirational* culture looked like and to understand what their *existing* culture looked like, and to get insights into what actions they could take to close the gap between the two.

Key Insights from Culture Survey

The OCI showed that HomeStart had a people orientated culture and some real positives. This was a place where people were encouraged, developed, and got along well. It could however tend to be passive – where people could at times avoid making tough decisions or taking calculated risks. The downsides of the passive elements in the culture were having an impact on HomeStart. To be successful, HomeStart recognised that they needed to have a strong focus on culture – one where people were confident try new things, set goals, establish clear plans to meet those goals, and pursue them with confidence.

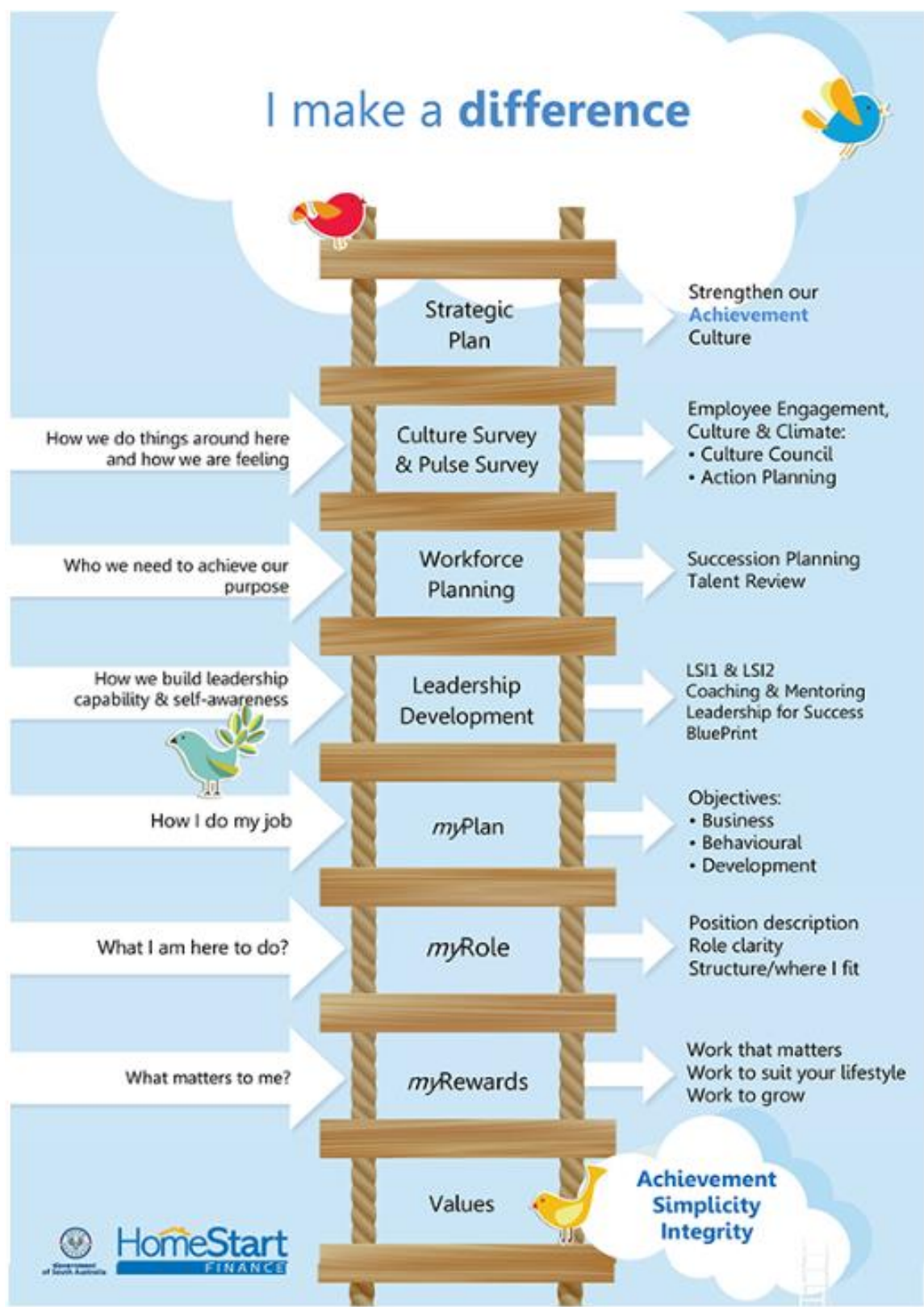
The OEI gave HomeStart insights into how they were going to get to that kind of culture. To change the culture, HomeStart needed to look at how their current leadership/structures/systems/mission were sending messages to people about how they were expected to behave. These factors are shown in the How Culture Works Model (beside).

From this data, HomeStart could see that there were several key causal factors to change in order to convey expectations of Achievement behaviour. Based on these insights, HomeStart identified which causal factors they would work on. Their development plan illustrated in the 'I Make a Difference' ladder:

The ladder got its name because the fundamental belief at the heart of the Achievement Style is that 'my effort makes a difference'. HomeStart structured their development plan around this key concept. At the top of the ladder was delivering their strategic plan and focus on culture. At the foundation of the ladder were their values of Achievement, Simplicity, and Integrity. The rungs in between were the key actions and steps they would take to deliver on their strategic objective of building an Achievement Culture.



HomeStart Finance "I Make a Difference" Ladder





Key Actions

Established the Culture Council

Culture Causal Factor: Structures – Employee Involvement and Influence: Passive Organisations tend to reinforce members reliance on superiors, rules and procedures, and are largely disinterested in member’s ideas. Constructive organisations encourage people to think for themselves, make their own decisions, and get involved in improving the organisation.

What HomeStart did: Culture might fall under HR’s remit, but to be successful, responsibility for it needs to be owned throughout the organisation. HomeStart created a Culture Council which was made up of members from different functions and levels of the organisation. The Council is responsible for driving the culture roadmap and action plan. People serve on the Culture Council for a 2 year term to coincide with re-measurements of the culture. Once the term is up a new council is formed. The refresh of the council keeps the people, ideas and enthusiasm strong. When their culture journey first started there were individuals who were sceptical about the Culture initiatives... now those same people are members of the council and are some of its strongest advocates.



Workforce Planning

Culture Causal Factor: Systems - Training and Development: When training provided to members is inadequate, it reinforces their reliance on their managers and processes. Constructive organisations look to develop all people to fulfil their potential. Training is determined by need, not by favouritism or reward.

What HomeStart did: HomeStart are firmly committed to growing and developing their people. The challenge is that they have a fairly flat structure which means there can be limited opportunities for promotion. As a result of this employees understand that as part of their career growth if they aspire to an opportunity which may result in greater responsibility and remuneration, the transition to this type of opportunity may be outside of HomeStart. Cross-skilling opportunities were introduced where people could gain experience in other parts of the organisation. Employee turnover went up... not because people were unhappy, but because they were being developed into the next step in their career. Rather than a downside, HomeStart benefit from motivated, enthusiastic, and ambitious people who do a fantastic job while they are there. It also means there are lots of high calibre applicants eager to work for a company that develops its people.



HomeStart Finance Employee Email

From: [REDACTED]
Sent: [REDACTED]
Subject: [REDACTED]

Hi all

It doesn't feel real yet, but it seems that my last day is coming to an end in a very few short hours.

I had lunch with my team earlier and was asked to reflect on the highs and lows since coming back in 2014. You'll be happy to know that the lows have been non-existent, and the highs happen every single day I walk into this building – and it's all because of you. I've learned so much across the business, worked on interesting projects and initiatives, and had some really wonderful experiences – the most growth since the growth spurt of 1999 (it totally happened, there is photographic evidence).

There are very few organisations that are brave enough to let their people question if 'this is all there is' - and there is no way I'd be taking this leap if I hadn't been given the vast array of opportunities to develop here at HomeStart.

So, with that I say thank you (thank you a million times) and farewell. I'll be cheering you all on from the sidelines.

[REDACTED]
[REDACTED]

Leadership Development

Culture Causal Factor: Skills/Qualities – Leadership: How leaders behave sends powerful messages about what behaviour is expected in their team or organisation. In Passive/Defensive organisations, conflicts and disagreements tend to be addressed indirectly rather than directly. Members are generally encouraged to 'give in' or drop the issues entirely. When leaders take time to assist their team members to overcome barriers and to do their jobs more effectively, more constructive norms will be developed – especially Achievement.

What HomeStart did: Developing a constructive culture starts with constructive leaders. HomeStart conducted leadership development training based on the Life Styles Inventory® (LSI). The LSI raises individual's awareness of how their own thinking and behaviour impacts their personal effectiveness and satisfaction. The LSI and OCI use a common language and common metrics which makes it easy to draw links between individual development and organisation development. One on one coaching based on the LSI 1&2 is provided to all People Leaders across the organisation with a remeasure every 2 years.



myPlan

Culture Causal Factor: Systems – Appraisals and Rewards: The fairness of appraisals and the criteria on which they are based communicate what is valued in the organisation. When appraisals are based on ranking or comparative – the message people hear is that they should compete with rather than cooperate with their peers. Constructive organisations base appraisals on real measures of performance and take into account both the results and how it was attained.



What HomeStart did: – Performance appraisals were re-worked to be based 50% on business KPIs, and 50% on behaviour. How things get done is as just as important as what gets done. Attaining outstanding results at the expense of your teammates or customers doesn't get rewarded. To get a solid performance review, employees have to deliver strong results in the right way. HomeStart use the four constructive behaviours in the Circumplex as the basis for these appraisals.

myRole

Culture Causal Factor: Mission & Philosophy - Articulation of Mission: Passive organisations often have unclear missions, and therefore people believe they are not responsible for achieving it or satisfying customer needs. Constructive organisations make sure everyone is clear on what the organisation is trying to achieve and how they each contribute to it.

What HomeStart did: People often lose sight of how they fit in to the bigger picture and what their contribution actually delivers for the customer and the organisation. HomeStart ensure that their people have up to date position descriptions, clear roles and responsibilities, objectives that link what they do to the business strategy, and structures that enable people to make decisions at the right level.

myRewards

Culture Causal Factor: Systems – Rewards and Recognition: Passive/Defensive cultures tend to emerge in organisations where excellent performance goes unrecognised. Aggressive Cultures are encouraged when mistakes are criticised and punished (and sometimes when 'results' are highly rewarded). Constructive organisations reward and recognise success, and mistakes and shortcomings are met with open discussion and problem solving.

What HomeStart did: Being a Public Sector organisation, HomeStart have clear parameters around how they can reward their people compared to other financial institutions. So they supplemented this with other forms of reward and recognition. 'You've made a difference' cards were created to facilitate all employees within HomeStart having the ability to recognise great work done by others. The chocolate frog might not be worth so much, but the recognition of a job or an interaction done well is.

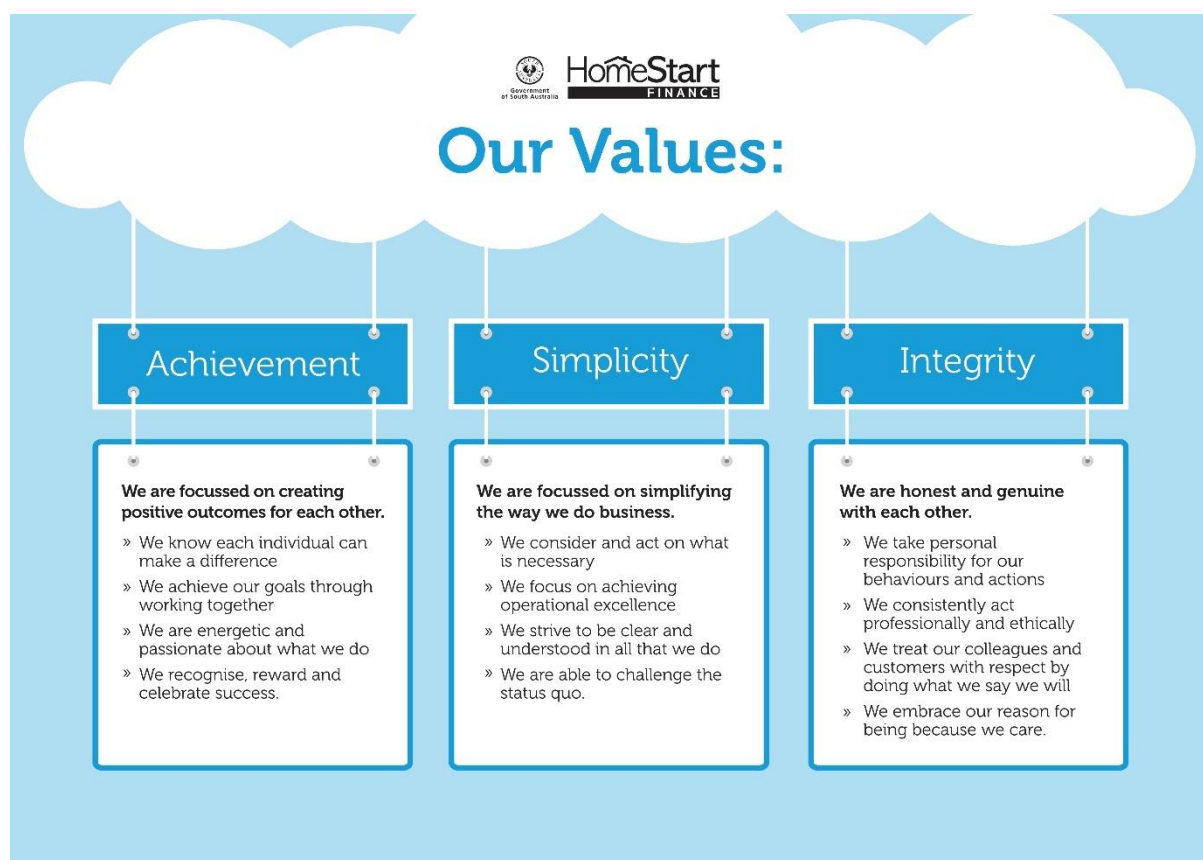




Values

Culture Causal Factor: Mission & Philosophy – Philosophy: How strongly has the organisation defined its values and its ‘way of doing things’. Are the organisation’s values just a poster on the wall or are they lived every day? You can often get a clue from the stories shared in the lunch room about members past and present. Do these stories reflect the stated values, or are they about the time someone made a small mistakes and was punished for it, or the time someone got ahead by competing instead of cooperating?

What HomeStart did: HomeStart defined their aspirational values to match the aspirational culture they were trying to build: Achievement, Simplicity, and Integrity. All the values align to the Constructive Circumplex styles. By having consistency between their values and culture, HomeStart are putting Constructive Thinking and Behaviour at the heart of everything they do.



Well Being

Within Constructive Organisations, the employment relationship is viewed as one that should be mutually satisfying and fulfilling. In 2017 HomeStart incorporated a focus on the Well Being of its employees across five core areas – social, community, financial, physical and career. They recognise that there is a clear link between employee engagement and well-being, with people leaders serving as the conduit between the two. People leaders have been asked to embrace and support this focus across the five elements and help to foster a workplace culture which is both Achievement focussed and dedicated to holistic well-being across the five well-being elements thus making it - *“Part of who we are because it is important to us”*. Over time it is anticipated that employees will experience an increase in their self-awareness and total wellbeing.

Wellbeing Team

Purpose

To proactively support the total wellbeing of our people across five core areas:



Wellbeing Team Members

- Hayley Lawrence • Vanessa Charlesworth • Maree McAuley • Rob Constance •
- Cate Mayer • Mandy Duncan • Scott Kimber • Tricia Margrie • Kathy Del Col •

Wellbeing Team Members will:

- contribute at meetings, events and activities
- assist in developing an annual wellbeing calendar that supports the five core areas
- actively promote wellbeing activities to all HomeStart employees
- participate in wellbeing activities, encourage and support other HomeStart team members to participate
- champion wellbeing and understanding the links between a healthy workforce and employee engagement

Success Measures

Employee satisfaction levels will be measured through the Pulse Survey, with 75% of responses agreeing or strongly agreeing that the focus on overall wellbeing is beneficial.

HomeStart employees will experience an increase in their self awareness and total wellbeing.

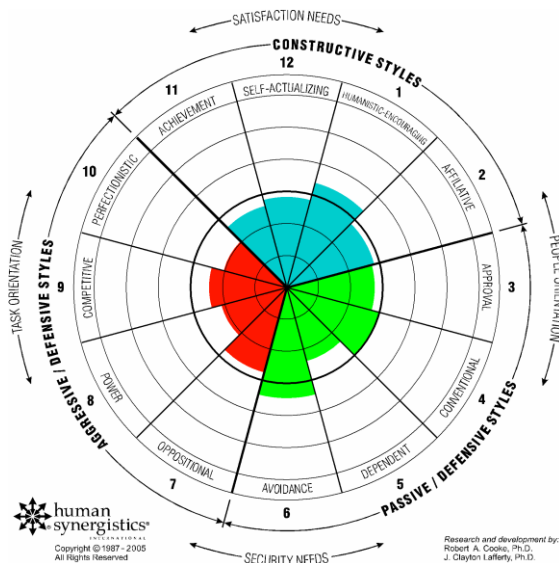
Outcomes

HomeStart have successfully shifted all of their Constructive Culture styles to be above the 50th percentile and all of their defensive styles to be below. This change has enabled improved business results and achievement of HomeStart’s purpose to help more people get into their own home, sooner. In 2010 at the start of HomeStart’s cultural development, they returned \$35M to the state government. In 2016 that return had grown to \$59.5M. This increase is a reflection of the increased number of people they have helped into home ownership. The mark of a constructive organisation is that HomeStart have been able to increase their operating profit from \$16.8M to \$20.3M while also increasing net interest margin and return on equity.

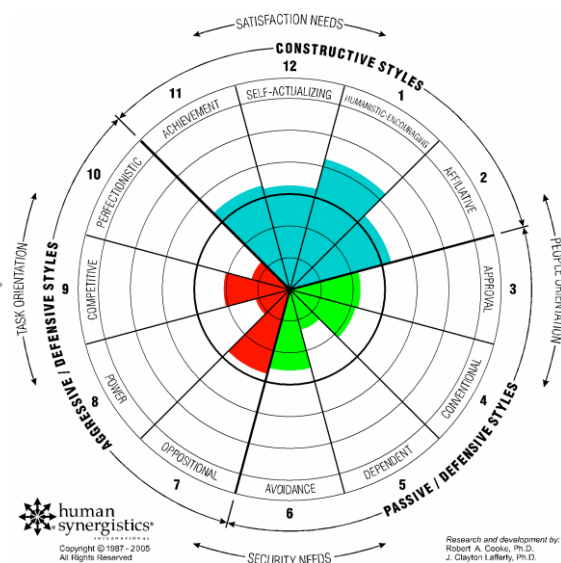
Internally, the focus on culture has also resulted in a more engaged team. The most recent PULSE employee engagement survey conducted by HomeStart in November 2017 achieved an employee engagement score of 83% with a participation rate of 94% compared to an employee engagement score of 71% and a participation rate of 68% in October 2013.



2010 MEASURE



2016 LAST RE-MEASURE



BUSINESS METRICS

	2010	2017
Operating Profit	16.8 M	20.3 M
R.O.E	11.41 %	12.57 %
Net Interest Margin	0.94 %	1.32 %
Net Promoter Score	31.6 %	63 %
Employee Turnover	9.92 %	13.13 %



“Our people are driven by a very strong sense of purpose as everyone strives to achieve our reason for being, “making home ownership a reality for more people in more ways”. We continue to focus on making HomeStart an enjoyable and attractive place to work, where we strive to create an achievement culture and where our people bring the best of themselves to work each day.



Our culture is integral to how we continue to perform as an organisation, but it does not just happen and requires ongoing focus to continue to thrive. The formation of our second Culture Council, made up of advocates from across the business, will play an important role in helping achieve this. This past year saw us continue to measure our culture through the Human Synergistics OCI/OEI circumplex and it is pleasing to report the continued shift to the ‘blue’ constructive styles of achievement, self-actualising, humanistic-encouraging and affiliative behaviours”.

- John Oliver, CEO, HomeStart Finance

Learn more about [HomeStart Finance](#) or watch their great commercials below:

