

## Goal 5. Transform the Way HUD Does Business

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### Problem Statement

For too long, HUD has been viewed by both its employees and external partners as lacking in its ability to provide the support needed to fully deliver on its mission.

- HUD ranked 24th out of 30 large agencies in the 2009 *Best Places to Work in the Federal Government* report produced by the Partnership for Public Service and American University's Institute for the Study of Public Policy Implementation, based on a survey of HUD employees in 2008.<sup>31</sup>
- HUD ranked last or second-to-last in 7 of the 14 categories evaluated in the *Best Places to Work in the Federal Government* report, ranging from “employee skills/mission match” to “teamwork” and “effective leadership.”<sup>32</sup>
- Internal challenges are manifested in how local partners perceive HUD's ability to make decisions in a timely manner. Only 53 percent of partners surveyed in the 2005 *Partner Satisfaction with HUD's Performance* survey were “satisfied” or “very satisfied” with the timeliness of HUD's decisionmaking.<sup>33</sup>

## Transformation Goal

HUD is in the midst of a reinvention that is leveraging technology and a new way of doing business to respond to the need for increased transparency and improved service delivery. The current economic and housing crisis; the structural affordability challenges facing low-income homeowners and renters; and the new, multidimensional challenges facing our urban, suburban, and rural communities all require an agency in which the fundamentals matter and the basics function. HUD is committed to an investment in transformation that will be implemented persistently over time. The following subgoals provide a roadmap for accomplishing this goal:

**Subgoal 5A:** Build capacity—create a flexible and high-performing learning organization with a motivated, skilled workforce.

**Subgoal 5B:** Focus on results—create an empowered organization that is customer centered, place based, collaborative, and responsive to employee and stakeholder feedback.

**Subgoal 5C:** Bureaucracy busting—create flexible, modern rules and systems that promote responsiveness, openness, and transparency.

**Subgoal 5D:** Culture change—create a healthy, open, flexible work environment that reflects the values of HUD’s mission.

*The bottom line is that we can't help transform our communities if we don't transform HUD.*

—HUD Secretary  
Shaun Donovan  
January 22, 2010

## Measures of Success

- Work toward making HUD the “Most Improved Large Agency” in the *Best Places to Work in the Federal Government* report.
- Increase the percentage of HUD partners that are “satisfied” or “very satisfied” with the “Timeliness of Decision-Making at HUD.”
- Increase the percentage of HUD partners that are “satisfied” or “very satisfied” with “Employee’s Knowledge, Skill, and Ability.”
- Increase the percentage of employees that “agree” or “strongly agree” they are given a real opportunity to improve their skills in their organization.
- Increase the number of decisions delegated to field offices.
- Reduce the number of burdensome regulations and reports.
- Reduce end-to-end hiring time.



### **Subgoal 5A: Build capacity—create a flexible and high-performing learning organization with a motivated, skilled workforce**

When employees attain skills and are motivated to use those skills to help their organization reach goals, the capacity of the organization grows and employees in the organization grow as well. HUD will create training and leadership development opportunities for employees, managers, and leaders and conduct succession planning.

#### **Strategies:**

1. Enhance knowledge sharing and create learning opportunities by increasing access to training; cross-training; job rotations; details; career ladders; reassignments within and among program offices, field, and headquarters; and externships and by requiring managerial training.
2. Create and sustain a program to continually identify future vacancies and required skill sets arising from retirements, develop and hire the best qualified new leaders, and capture and transfer knowledge.
3. Set high performance expectations and create mechanisms to identify and address poor performance early through training, reassignment, or corrective action.
4. Develop a comprehensive and equitable recruiting strategy to identify, attract, and hire staff from inside and outside the Department.

### **Subgoal 5B: Focus on results—create an empowered organization that is customer centered, place based, collaborative, and responsive to employee and stakeholder feedback**

Empowered employees who receive rewards for their focus on the customer and their success as team players bring improved results to an organization. HUD will measure performance, reward strong performance, and use performance data to improve results.

#### **Strategies:**

1. Delegate authority and accountability and remove layers of hierarchy, within headquarters and from headquarters to field offices, to make programmatic decisions and provide the resources and structure to support the new structure.
2. Collaborate across programs to develop place-based decisions.
3. Incorporate field and regional staff knowledge and customer input into policy decisions and implementation strategies.
4. Develop tracking and reporting tools to hold leadership and teams accountable to commitments related to mission accomplishment, customer satisfaction, employee engagement, cost-effectiveness, and cross-silo collaboration.
5. Develop a process to analyze performance data and guide problemsolving and decisionmaking.
6. Enhance the performance evaluation and rewards structure to deliver meaningful performance feedback from multiple stakeholders and encourage thoughtful risktaking.

### **Subgoal 5C: Bureaucracy busting—create flexible, modern rules and systems that promote responsiveness, openness, and transparency**

Over time, the rules and regulations that develop within an organization become hurdles instead of the helpful pathways they were intended to be. HUD will simplify and combine programs, streamline regulations, and eliminate rules and constraints. In addition, the Department will reform information technology, human resources, procurement, and other internal support functions to give more authority to managers and provide better service to HUD customers.

#### **Strategies:**

1. Streamline and improve the hiring process to hire the best qualified staff and minimize the time it takes to bring them on board.
2. Define clear, customer-focused information technology, acquisition, and human capital service delivery policies, processes, roles, and responsibilities and develop the tools, staff, and organizational structure to execute them effectively.
3. Simplify HUD's internal and external rules, regulations, and reporting requirements to make them more efficient, effective, and focused on the essential information the Department needs.
4. Consolidate and streamline programs and program delivery that serve similar functions.
5. Refine the budget structure to increase spending flexibility.
6. Increase transparency, encourage stakeholder engagement, and promote collaboration in accordance with HUD's Open Government Plan.

### **Subgoal 5D: Culture change—create a healthy, open, flexible work environment that reflects the values of HUD's mission**

To improve the culture of the Department, HUD will build an environment that promotes and enables creativity, innovation, and collaboration.

#### **Strategies:**

1. Change HUD's workspace, both at headquarters and in the field, to create environments that support a flexible, collaborative, and high-performing organization.
2. Develop and implement policies and programs that foster improved health and well-being of all employees.
3. Manage business operations of HUD in a way that supports the values of our mission (for example, sustainability, inclusivity) and assures quality administration free from fraud, waste, and abuse.

## Examples of Themes for Goal 5

### New Partners

Recognizing the need for fast, thoughtful input on critical housing policy issues, HUD formed the **What Works Collaborative**. The Collaborative consists of researchers from the **Brookings Institution's Metropolitan Policy Program, Harvard University's Joint Center for Housing Studies, New York University's Furman Center for Real Estate and Urban Policy, and the Urban Institute's Center for Metropolitan Housing and Communities**, as well as other experts from practice, policy, and academia. Support for the Collaborative comes from The Annie E. Casey Foundation, the Ford Foundation, The John D. and Catherine T. MacArthur Foundation, The Kresge Foundation, The Rockefeller Foundation, and the Surdna Foundation.

### New Geography

With an Administration-wide focus on place-based policymaking that recognizes the interconnected economic and social needs of urban, suburban, and rural communities, HUD must become a more place-based partner. Unfortunately, many of the decisionmaking processes at HUD are highly centralized, slow, and narrowly focused on specific programs without regard to the broader community context. To address these issues, the **Place-Based Decisionmaking initiative** will delegate decisions wherever possible and build capacity of HUD staff to be more responsive to the challenges faced by the new geography of our country's metropolitan areas.

### New Business Model

One primary value of open government is using the ingenuity and creativity of the public to generate ideas that can help HUD accomplish its mission. Through online tools, social media, and other technology, HUD is engaging our staff and partners to help solve problems. An example of this new type of engagement is an interactive suggestion box HUD launched in November 2009, called **HUD Ideas in Action** ([www.hud.gov/ideasinaction](http://www.hud.gov/ideasinaction)). The site encourages users to submit ideas, which are voted on, rated, and then sent to the appropriate decisionmaking authority to assess implementation. If an idea is approved, the relevant program or support area becomes the 'owner' and is tasked with realization.



## Signature Initiatives—

### Ensuring Place-Based Decisionmaking

Over time, the decisionmaking processes at HUD have become centralized at headquarters, compartmentalized within program areas, variable across different geographies, and disconnected from a place-based approach. This lack of coordination has diminished customer service and led to significantly slow response times on requests. The Place-Based Decisionmaking initiative will—

- Improve response time and consistency to efficiently meet our customers' needs.
- Delegate more authority within headquarters and to the field for decisions that need to be more place based and that can be decentralized; escalate to headquarters only those decisions that require more centralized control.

### Reforming the Hiring Process

The federal hiring process needs to be reformed, and HUD plans to be a model for this transformation. The current hiring process is lengthy, slowed down by burdensome requirements, bureaucratic processes, and outdated technology systems. In 2008, the Office of Personnel Management developed, in concert with Chief Human Capital Officers, an End-to-End Hiring Roadmap that focuses

on reducing the time it takes to hire and on making the application process easier and more readily understood by potential applicants. Our goal is to build on these initial steps to make hiring reform a reality at HUD. The hiring reform initiative plans to focus on four areas of hiring—timeliness, plain language and streamlined announcements, communication with applicants, and involvement of hiring managers to ensure we hire the best quality people. The Hiring Reform initiative will—

- Ensure top-quality talent and streamline the approval processes to reduce end-to-end hiring time to 79 days.
- Invest in technology, improve recruiting and assessment tools, and establish tracking and reporting mechanisms to ensure customer service accountability.

### Eliminating and Simplifying HUD Rules and Reports

HUD and its partners often operate in a straightjacket environment in which managers and partners spend energy coping with the complex rules and processes that have accreted over several decades at the expense of investing in mission activities. The Eliminate and Simplify HUD Rules and Reports initiative will—

- Improve efficiency, transparency, and service delivery and reduce administrative burden on staff and partners.
- Solicit input from HUD partners on the most counterproductive rules and reporting requirements, create a SWAT team to redesign those rules, and report back to HUD partners on what we have changed to get their feedback on how well the simplified approach is working.

### Creating Upward Mobility and Internal Placement Opportunities for HUD Staff

Many HUD employees do not have the opportunity to fully use their talents or gain broader professional development experiences outside their immediate role, resulting in lost opportunities for HUD to develop staff. The Create Upward Mobility and Internal Placement Opportunities for HUD Staff initiative will—

- Develop greater institutional knowledge, increase workforce flexibility and cross-training, retain employees, and potentially lower the cost of personnel disputes.
- Create a mobility program with lateral reassignments, details, and rotations within and among silos, bridge positions, and career advancement.

Place-based policies leverage investments by focusing resources in targeted places and drawing on the compounding effect of well-coordinated action. Effective place-based policies can influence how rural and metropolitan areas develop, how well they function as places to live, work, operate a business, preserve heritage, and more. Such policies can also streamline otherwise redundant and disconnected programs.

—Peter Orszag, Office of Management and Budget  
August 11, 2009