

Building a World-Class Learning Organization at NovaStar Financial

The Business of People at Their Best

A rising star in the ultra-competitive financial services industry, NovaStar has distinguished itself with remarkable levels of customer satisfaction. Through a partnership with CPP and its respected collection of assessments and tools, this ambitious company has created a collaborative culture that fosters innovation and superior service—to fellow employees and customers alike—and has quickly become a competitive “employer of choice.” In just over two years, this financial institution has also achieved an extraordinary 93% job satisfaction rating among workers from Maryland to California, across all divisions, and at every level of the organization.

Dedicated to developing the company’s workforce, from executive leaders to frontline staff, NovaStar’s Training and Performance Development group came together formally in 2003 to take the lead in creating a first-rate learning organization that celebrates diversity and respects differences. Guided by the company’s core values—meritocracy, approachability, commitment, integrity, and innovation—this highly skilled team of organization development specialists, instructional designers, operational experts, and trainers has since created a solid foundation of customized training programs, leadership development courses through NovaStar University, a Web-based learning management system, an annual NovaPulse employee feedback survey, and executive coaching.

CPP has been at the forefront from the beginning, delivering the assessments, tools, and expertise needed to help NovaStar establish a workplace that considers *how* the work gets done and the quality of relationships between coworkers, employees, and customers equal in importance to bottom-line financial results. Within teams and business units, as well as in one-to-one coaching sessions, CPP’s *Myers-Briggs Type Indicator*® (MBTI®) assessment has become the driving force in NovaStar’s efforts to generate

fresh dialogue about an individual’s unique type and help everyone understand why people do what they do. This essential tool has helped NovaStar open channels of communication, create a new awareness and appreciation of differences, and improve the overall effectiveness of its powerful performance development initiatives.

“ In just over two years, NovaStar has achieved what many other companies only dream of: an extraordinary 93% job satisfaction rating among workers across all divisions and levels of the organization. ”

Lainey Hess,
Senior Vice President of Human Resources

BUILDING COLLABORATION

One work group within NovaStar’s Operations Division found its unique moment of awareness with the help of the MBTI assessment. Scattered in offices across the country, this 20-person group of disparate teammates faced significant yet all-too-common challenges as they tried to get their teamwork off the ground: different skill sets, levels of experience, styles of working and making decisions—and no clear way of understanding and benefiting from those



“ According to 2005 survey results, 95% of NovaStar employees are always thinking about ways to do their jobs better, 85% enjoy their work, and 90% feel loyal to their team or work group. ”

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differences. With the help of the MBTI instrument and a variety of reports and exercise tools, NovaStar’s performance development professionals helped move the team from conflict to collaboration.

Coming together in one location with a profile of each member’s type helped the team break through barriers of mistrust and frustration and discover how its members could communicate and work more effectively with each other. “It was just one big ‘aha!’ for the whole group,” according to Erin Goodell, vice president of training and development at NovaStar. “Since then, this team has become truly collaborative. They recently had to pull themselves through more changes at the company, and they worked it through much more effectively. Now that they’ve gone through the MBTI assessment experience and have gotten to know one another, they are well on their way to becoming a truly high-performing team.”

BRIDGING DISTANCE

To cut across geographic barriers and ensure easy access to NovaStar’s full range of professional development services and tools, the company set up a site-specific training center on CPP’s SkillsOne.com Web site. “SkillsOne.com affords us the opportunity to make the MBTI instrument available to anyone, at any of our locations,” says organization development specialist Jo Ruona. “And employees are very receptive. They complete the assessment online, we download the results, and then follow up with an introductory workshop where we talk through each of the different preferences and help participants determine their ‘best-fit’ type. All of that takes place over a span of about two weeks. Streamlined as it is, it works very well.”

After the employees experience working with the knowledge of their preferences and learn how they can benefit from the differences of others, teams reunite for additional team-building activities that explore specific ways to further improve communication and deal more effectively with stress and change, based on type preferences. “Whenever individuals or teams seek help from HR,” Ruona adds, “the MBTI assessment is one of the first tools we offer. At every opportunity, we use it to develop and grow our employees. And people reach out for it—it’s nothing we require, of course, but they come to us requesting it. And there is a lot of positive feedback.”

CELEBRATING DIFFERENCE AND DIVERSITY

For Lainey Hess, senior vice president of human resources, “the MBTI instrument is perhaps the most valuable piece of learning I have had in my career, particularly how it applies to all aspects of life in organizations. Here at NovaStar, it has become a powerful, nonthreatening language that we use to communicate both formally and informally. It has helped us all understand and value each person’s unique ideas, styles, and contributions and serves as a solid foundation upon which to create our corporate culture of learning, innovation, and meritocracy. The bottom-line evidence of its impact is impressive: improved organizational and individual performance, more innovative strategic visioning, and an enhanced work environment where some 93% of employees, in the 2004 annual NovaPulse survey, say that they are proud to be working for NovaStar.”

A strong and vocal advocate of the power of the MBTI assessment, Hess credits another CPP assessment, the *Thomas-Kilmann Conflict Mode Instrument* (TKI), with helping executives, managers, and teams learn how differing conflict-handling styles affect personal and group dynamics. As part of NovaStar University’s leadership program, this powerful conflict management tool complements the company’s customized curriculum on resolving conflict.

“When I meet biweekly with my leadership team, I incorporate members’ individual MBTI and TKI profiles into our discussion. We use this common language to talk about their professional and leadership development. I ask team members to share with me examples of how they are working on specific goals or dealing with challenges using the framework of these assessment tools. For example, we look at where we are on the continuum in terms of our TKI conflict style—which one we use the most, which one we use the least. A couple

of us have shared our stories with the group about how we've learned to use avoidance as a business strategy—not everything has to be confronted immediately,” she says.

“With one of my directors in particular, who is my type opposite, I use the MBTI framework to talk about our communication and to explore our alternative views of the world,” says Hess. “Through shared learning and an intimate knowledge of our unique styles, we help each other identify the defense mechanisms we use to survive workplace conflict and the reactionary modes we go into under stress. For the strong intuitive thinkers on my staff, type is especially useful in helping them explore how they process information and how the needs of their direct reports may require a very different approach.”

From the Servicing Department's 200+ employees to the 60-person Risk Management staff, more than 35% of NovaStar's workforce has completed the MBTI and TKI instruments and participated in follow-up introductory workshops—in just the first two years of this ongoing initiative. “Using the MBTI assessment as a team-building

and leadership development tool has helped employees work together and improved morale among team members. NovaStar has seen a significant increase in team effectiveness and job satisfaction. And we have seen a 4% increase—to an incredible 85%—of our workers who plan to work for NovaStar one year from now and beyond,” says Hess.

Relying on CPP's 50-year history as the leading expert in workforce development solutions with an array of the most trusted and powerful assessments available anywhere in the world, NovaStar has driven company-wide improvements to new heights. While beating all other high-performing companies surveyed by the Hay Group—on issues ranging from company culture to communication, supervision to retention—NovaStar also has beaten its own corporate best from year to year by using such preeminent tools as the MBTI and TKI assessments to open up channels of communication, promote teamwork, build leadership competencies, improve job satisfaction, engender loyalty, reduce conflict, find and develop employees who are destined to succeed, and create a workplace that is challenging, rewarding, and fun.

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At CPP, our only job is to help you be a better HR professional and, in turn, help every employee flourish. While we're best known for our products, like the *Myers-Briggs Type Indicator*® assessment, CPP is also a group of people who can offer you the information, guidance, and support you need.

We offer solutions to help you improve organizational performance and address whatever challenges you face—from team building, leadership and coaching, and conflict management to career development, selection, and retention. Perhaps that's why millions of people in more than 100 countries use our products each year. They include individuals at Fortune 500 companies and businesses of all sizes, as well as educators, government agencies, and training and development consultants.

Since its founding in 1956, CPP, Inc., has been a leading publisher and provider of innovative products and services for individual and organizational development. Available in more than 20 languages, the company's hundreds of products help people and organizations grow and develop by improving performance and increasing understanding. Among CPP's world-renowned brands and services are the *Myers-Briggs Type Indicator*®, *Strong Interest Inventory*®, *Thomas-Kilmann Conflict Mode Instrument* (TKI), *FIRO*®, *CPI 260*®, and *California Psychological Inventory*™ (CPI™) assessments, and CPP Professional Services.

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