

Creating a Customer-Driven Culture Using Project Teams in the Insurance Industry



Facts

Industry

Life Insurance

Size

700 employees

Operating Profit

Approximately US \$60 million

Assets

Approximately US \$6 billion

Premium Sales

Approximately US \$630 million

Note: International currencies have been converted to US dollars.

Lessons Learned

- Culture and people are critical success factors for the entire life of the strategy.
- Background research on relevant culture change work in the industry was helpful, as was a comprehensive risk assessment on business process restructure and culture.
- More strategic HR involvement is needed during the visioning phase of the project.
- Design of appropriate implementation methodology is crucial.
- Participation and support of senior management and other critical players must be gained to drive accountability downward.
- A values-based leadership program focusing on core values and holding managers accountable for behavior against a values “benchmark” is of great importance.

Challenge

A large, multi-national insurance organization identified the need to move into the expanding retirement savings market. This decision was forced by three occurrences: the presence of a mature and declining share in the bonds and premium sector; the introduction of government charges; and the entry of new competitors.

The challenge was to initiate and create the shift toward a more customer-focused and quality-driven culture that rewards quality, innovation, and continuous improvement in a motivating environment.

GOAL

The key business objective was identified as follows:

“To develop and deliver innovative products, solutions, and services to meet changing client financial security needs.”

Prior to launching the culture and climate assessment phase, the company developed a strategic document outlining its new direction.

PROCESS

To design the most effective change methodology, the company completed a comprehensive background search on successful culture change projects. After months of research, the company selected Human Synergistics International’s

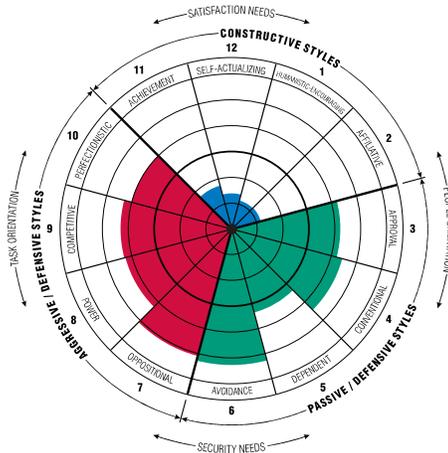
(HSI) *Organizational Culture Inventory*[®] (OCI[®]) on the basis of its psychometric rigor (i.e., reliability, validity, and question structure) and re-test capabilities.

The focus of the change initiative was to align the identified values and behaviors with the company’s overall business strategy. Senior management personnel recognized the importance of both culture and leadership in this endeavor, and committed themselves to supporting the design and development of a customized culture and climate survey. The company used the OCI to assess organizational performance as well as employee attitudes toward current HR policies, the company’s vision and goals, and its overall leadership effectiveness.

A key factor in promoting the change was the need for congruency between proposed initiatives at the job, unit, and organizational levels. To foster this congruency, the company chose to adopt Human Synergistics’ *Life Styles Inventory*[™] (LSI) to develop senior- and middle-level managers. The combined

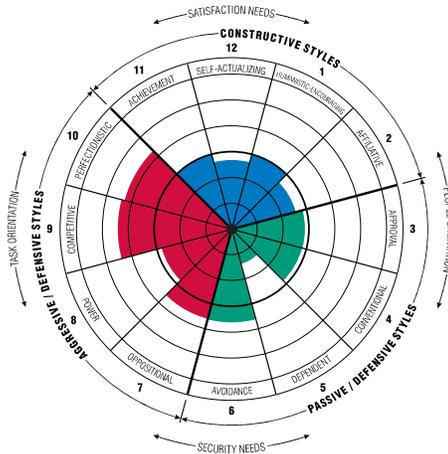
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Figure 1: Year 1 OCI Profile—Culture



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Figure 2: Year 2 OCI Profile—Culture



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use of the LSI and OCI provided the company with an organizational development system that incorporated the espoused values and behaviors for optimal organizational performance and success in a changing market. Further, the company developed value “benchmarks” to be used as a guideline for the design and implementation of all proposed interventions.

SURVEY RESULTS: CULTURE

The OCI provided the company with the ability to diagnose its existing culture, as well as define the direction toward a culture that would maximize its effectiveness in this new market (Figures 1 and 2).

The company’s “current” OCI results revealed an organization that rewards and encourages the development of self-protective interactions and behaviors among employees. In addition, the tendency to follow rules (**Conventional Style**) and defer decisions (**Avoidance Style**) was indicative of the company’s internal and external environments. Historically, the financial and insurance industry has been highly regulated and has had very little international (i.e., external) competition. This has led the company to focus its efforts on maintaining the current situation based on the assumption that clients would remain loyal regardless of changes in services and solutions. Thus, the OCI results indicated that a reactive (leadership) and inactive (employee response) orientation motivated interactions between the company’s employees—instead of the proactive and accountable responses of those in successful organizations.

In contrast, the company’s cultural “benchmark” (i.e., “ideal” culture) reflected

the **Constructive Styles**, where quality over quantity is the norm, creativity is valued above conformity, and cooperation is expected and encouraged over competition.

A thorough analysis of the company’s OCI results led to the development of an implementation strategy that appointed project teams to drive the change process in the following areas:

- Leadership and people development
- Internal communications
- Business planning
- Values and communication

The defined values and behaviors were used as benchmarks for all proposed business plans and initiatives. In addition, the senior management group provided a dedicated resource of over 40 employees for a one-year period. Working together with external consultants to facilitate the necessary changes, the project teams collectively became known as the “Culture Club.”

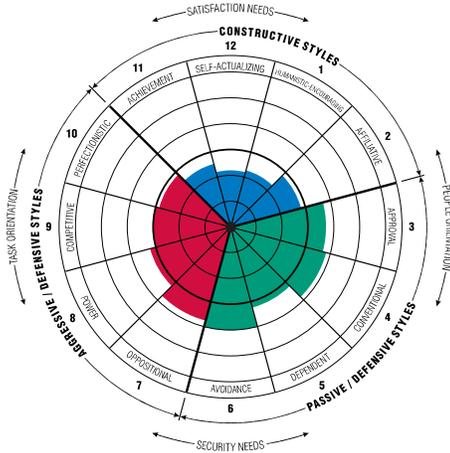
SURVEY RESULTS: LEADERSHIP

Use of both the LSI and OCI provided the company with the opportunity to determine the impact of improved leadership capabilities on culture change. Thus, the company highlighted its Leadership Program as the primary driver in the culture change process. To this end, key senior- and middle-level managers were selected based on their ability and influence as leaders to mobilize and motivate employees in their respective business units.

The objective of the Leadership Program workshops (which used the LSI as a benchmarking instrument for the

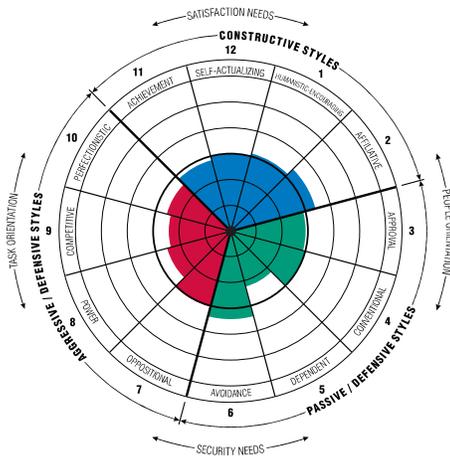
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Figure 3: Year 1 LSI Profile—Leadership



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Figure 4: Year 2 LSI Profile—Leadership



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personal development process) was to create the awareness and acceptance necessary for changing and strengthening individual beliefs and behaviors in alignment with corporate values. The message was clear: As leaders, these individuals had the inherent potential to implement essential changes to “the way we do things around here”—for the benefit of stakeholders (Figures 3 and 4).

One year later, the company reassessed its culture and leadership group. Results indicated movement toward **Constructive** norms and behaviors at both the unit (Figure 4) and organizational (Figure 2) levels. In particular, the company’s leadership experienced a significant reduction in the **Aggressive/Defensive** norms and behaviors, indicating a more supportive, team-oriented (i.e., **Humanistic-Encouraging** and **Affiliative**) management style. Employees indicated that they viewed managers as more proactive, and described them as encouraging creativity (rather than conformity) in a friendly, supportive working environment.

OUTCOMES

Since the company initiated its change program in conjunction with its business plan, internal client satisfaction surveys indicate the recognition that employee behaviors are aligned with corporate values.

The following summarizes other outcomes:

- **Worldwide recognition.** Due to the successful change program implementation and mid-term results, the company received support from the parent company to purchase an international business.

- **Increase in operating profit.** In 1997, the operating profit from regional businesses more than doubled.
- **Successful integration of technology and people systems.** Six months after implementing the culture change program, the company launched one of its most innovative products. Following the launch, the sales team received over 10,000 inquiries, 90% of which were from new clients. Furthermore, an independent survey of the company’s service with regard to this product rated the company ahead of many other financial services in this particular product service area.

KEY STRATEGIES

- Regularly review and redesign performance management system.
- Redesign HR policies and practices with entire focus on culture and corporate values.
- “Benchmark” change initiatives against corporate values.
- Use project teams to drive initiatives (i.e., cultural levers) over a one-year period.
- Introduce reward/recognition program.
- Encourage participant commitment to new, congruent, and successful corporate behaviors.
- Recognize leadership as key to successful culture change and enhanced organizational effectiveness.

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About the Circumplex

Human Synergistics International's Circumplex provides a way to "see" what drives the performance of individual contributors, leaders, work teams and, in short, the entire organization. It illustrates the factors underlying performance in terms of 12 styles of thinking and behaving. Some styles lead to effectiveness and productivity; some do not. Regardless of their impact, they all describe what's happening inside the organization and provide a direction for change and development.

Effective individuals in groups and organizations show **STRONGER** tendencies along the **Constructive styles**.

12

Members are expected to gain enjoyment from their work and produce high-quality products/services

1

Members are expected to be supportive, constructive, and open to influence in their dealings with each other

11

Members are expected to set challenging but realistic goals and solve problems effectively

2

Members are expected to be friendly, open, and sensitive to the satisfaction of the work group

10

Members are expected to avoid making mistakes, work long hours, and keep "on top" of everything

3

Members are expected to agree with, gain the approval of, and be liked by others

9

Members are expected to operate in a "win-lose" framework and work against their peers to be noticed

4

Members are expected to conform, follow the rules, and make a good impression

8

Members are expected to take charge and "control" others, and make decisions automatically

5

Members are expected to do what they are told and clear all decisions with superiors

7

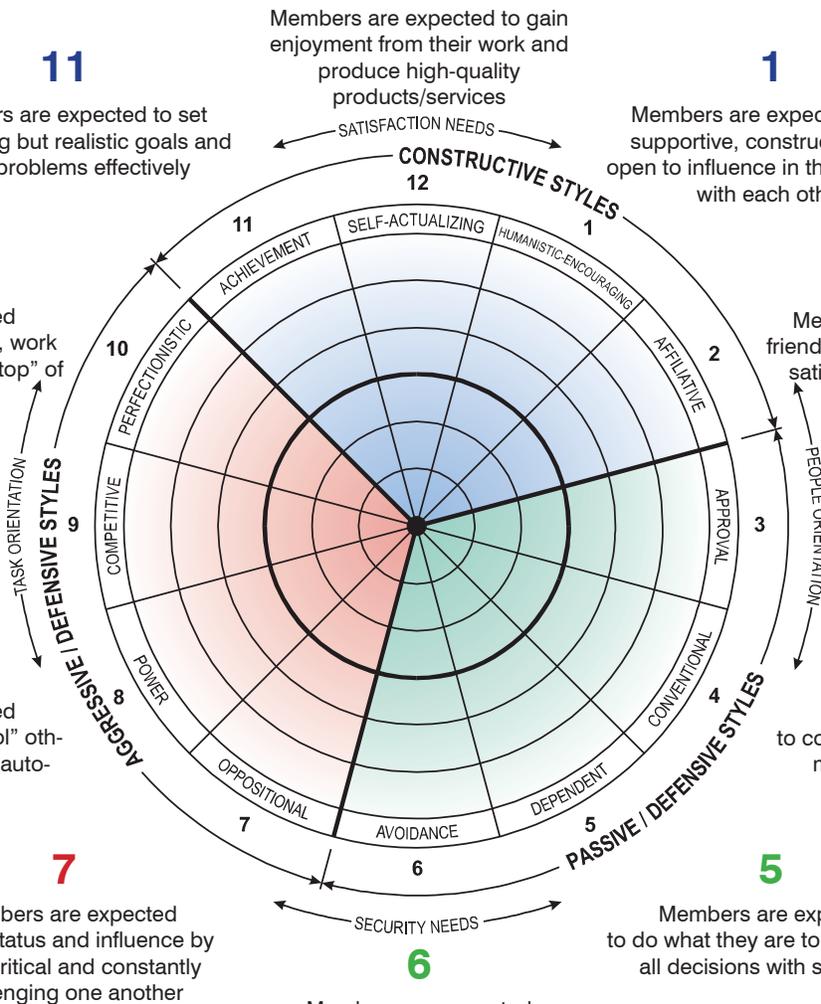
Members are expected to gain status and influence by being critical and constantly challenging one another

6

Members are expected to shift responsibilities to others and avoid being blamed for mistakes

Effective individuals in groups and organizations show **WEAKER** tendencies along the **Aggressive/Defensive styles**.

Effective individuals in groups and organizations show **WEAKER** tendencies along the **Passive/Defensive styles**.



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Creators of the *Organizational Culture Inventory*®, *Desert Survival Situation*™, *Life Styles Inventory*™ and *Leadership/Impact*®.

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