

Leadership for Transformation

Challenge

New mission needed new leadership for effecting change

After dealing with the financial crisis of 2008/2009, RHR International's global financial client struggled to find its footing. Barely surviving, the company's stock plummeted, and its employees labored under the heavy burden of external scrutiny and an uncertain future.

Yet the client was able to use the crisis as an opportunity to review its operations and renew its mission. Under the new leadership of an externally hired CEO, the board of directors and top executive team recognized two critical challenges to future prosperity: 1) widespread and largely independent lines of business needed to come under greater central control, not just to ensure better compliance but to align risks and opportunities with overall corporate strategy; and 2) current technology, an ad hoc collection of tools developed internally or acquired through numerous M&As, was not sufficiently advanced to fulfill both the analytics needs and consumer engagement necessary for future growth.

The client understood that change was imperative, but was not confident it had the leadership in place required to drive transformation. Historically, the company promoted talent from within based on experience, expertise,

and company tenure. Now it needed something different: leaders with the attitude, appetite, and skills to lead company-wide change.

Solution

Turn desirable leadership attributes into actionable behaviors

The company partnered with RHR to develop, coordinate, and implement a leadership initiative that would fulfill the transformation the company needed. Their collaboration included:

Leadership review: RHR interviewed the board of directors and senior management to assess current leadership styles and understand what was expected of leaders over the next nine months to a year, focusing on what needed to be different in order for the company to succeed.

Refine and define Transformation Leadership Behaviors: After the interviews, RHR refined abstract leadership attributes into definable behaviors and skills that could be observed, evaluated, and most importantly, encouraged through coaching. Working with the top leadership team, these characteristics were prioritized then organized into four crucial leadership domains with specific behaviors outlined in each domain.

Assess individual leaders: With the approved Transformation Leadership Behaviors on hand as benchmarks, RHR interviewed the top 50 leaders, engaging them in three-hour conversations that covered each executive's leadership history, uncovering their approaches, strengths, and potential weak areas or gaps.

Conduct executive development plans, administer coaching: By mapping the interview results to the Transformation Leadership Behaviors, RHR consultants tailored development plans intended to leverage current strengths, improve weaker areas, and close potential gaps. Executives received individualized, face-to-face coaching to cultivate targeted capabilities.

Report and review for informed structural change: RHR prepared an aggregate report for the CEO that highlighted the company's collective strengths and weaknesses as well as provided direction for human resources, identifying the capabilities that the company could build through new hires or focused internal development. After several months of coaching, RHR produced more data that allowed the client to make informed decisions on promotions and exits.

Results

Roadmap for change leads to faster than anticipated recovery

Through the coordination of multiple leadership efforts, RHR and its client realized that transformation depended upon one crucial, overarching change: moving the company away from a loosely assembled “holding company” into “One Company,” an integrated, centrally controlled organization with greater capacity for controlling overall risk and aligning global units with corporate strategy.

To facilitate integration, the company created a new Operating Committee, a centralized leadership team responsible for the coordination of all functions under one roadmap for growth. RHR helped the Operating Committee create its Team Charter, its collective statement of purpose and the practical constitution for its work: when it would

meet, how they would make decisions, and most critically, how they would establish jurisdiction—which decisions they would own versus responsibilities that should remain at local levels.

Thanks to the Operating Committee’s roadmap and the cultivation of Transformation Leadership Behaviors, the company was able to coordinate a clear vision for its array of products, measure and manage risk with greater discipline, and leverage corporate data for improved strategic decision making.

The company’s leadership transformation became manifest in its success. Under the new CEO’s direction, the company improved profits 60% year over year.

ABOUT RHR INTERNATIONAL

RHR International LLP is a global firm of management psychologists and consultants who understand the distinctive challenges and pressures that CEOs and senior executives face. Its singular focus on senior leadership and research-based practice sets it apart from other executive and organizational development consultancies. For more than 70 years, RHR has been helping leaders and their teams transform themselves and, in turn, the performance of their organizations. RHR offers Board & CEO Services, Senior Team Effectiveness, Leading Transformational Change, Executive Development, and Executive Assessment.

RHR (rhrinternational.com) works with companies across numerous industry sectors around the world. RHR offers consulting services as RHR International LLP in the United States and through its wholly owned subsidiaries and affiliates including Europe, North America, South America, Asia, and Australia.