

CASE STUDY: U.S.-BASED INSURANCE PROVIDER

Operational and Cultural Transformation

The Challenge

New CEO charged with operational and cultural transformation

In 2017, after more than 60 years in the business, this U.S.-based insurance provider had the best year in its entire history and paid out some of its biggest bonuses on record. Yet despite its long-time financial stability and committed employees, its new CEO recognized just how quickly that could change. Unless the market remained exactly the same, this traditional, old-line insurance firm, which had done little to alter the status quo through the 1970s and into the 2000s, could easily be pushed out of its dominant position.

The new CEO and certain key executives could see the industry's evolution had already begun and that, at some point, a massive transformation would be required. The company, which had more than 34 million enrollees in close to 20 states, was already experiencing the effects of the shift from group to individual sales along with disruptive technologies, such as automation.

For the company to survive and thrive long term, the CEO had to realign the hierarchical and siloed corporate structure that had stifled innovation

and silenced employees since the company's inception.

It was clear this insurance provider had to evolve from a command-and-control based model to a highly collaborative, interactive leadership structure before it could assess the viability of alternative sales models and customer demographics.

The Solution

Fact-finding identifies the specific leadership capabilities required

Assess, interview, and analyze: In total, RHR International conducted 50+ in-depth, one-on-one interviews with the insurance provider's most senior leaders. Key results indicated the hierarchical, siloed tradition remained a significant barrier to a more open sharing of ideas. In addition, many of the C-suite executives did not understand their impact on employee engagement and innovation and their role in creating a nimbler organization. Both senior managers and front-line employees generally kept their ideas and opinions to themselves rather than speak up in this challenging environment.

In view of the insurance firm's consistently stellar financial

performance, experts would legitimately expect high marks on the culture survey, yet the results revealed the low scores that typically predict poor performance. Although loyal, employees lacked enthusiasm and rarely delivered more than was expected or asked of them. They kept their heads down rather than looking forward to drive change and innovation.

Build and develop new leadership skills to redefine the culture for the future:

Despite the CEO and his colleagues' best intentions, individually and collectively, they lacked the skills required to initiate and model the transformation. One-on-one coaching allowed the senior leaders to address the weaknesses that had been identified through assessments, further developing existing strengths and leveraging their newly discovered potential. It also fostered a self-awareness that helped them see what change was required of them and when.

Collaboration for tangible change: RHR worked with executives to identify and implement the guidelines, management, and governance structure and finally the actions that would lead to innovation and change.

The Results

Newly acquired knowledge and skills as well as tangible restructuring encourage and enable operational and cultural transformation

Operational: The CEO took carefully considered risks, a first, and invested in new opportunities beyond the firm's traditional business. The board was supportive and fully onboard with the hiring of new executives who brought a fresh perspective plus broad wisdom and experience. In addition, a chief strategy officer was hired to focus on the external business environment and generate business that was new to the insurer.

As a component of that outward-looking commitment, the company also established a customer experience group that strengthened their connection with customers and the changing needs.

Cultural: The C-suite now understood what was required of them, their teams, and employees in order to implement and drive change.

Employees saw their senior leaders' evolution firsthand, which served as real proof of their commitment to change, and as a result, the company culture gradually became more collaborative. Slowly but surely, employees adjusted and learned to trust senior leaders who regularly asked, "What do you think we should do?" instead of declaring, "Do this now!"

Employees began to feel supported and safe. RHR coached executives, letting them know that change requires time and practice. Coaches also helped executives manage and address their change-related fears. As a result,

senior leaders were far more receptive to the changes required of them.

RHR's support allowed top-level executives and managers to acquire new information, wisdom, skills, and strategies designed to encourage initiative and innovation as well as the necessary interaction, open communication, and sharing of ideas. Today, robust, passionate discussions and even disagreements are a regular occurrence, thanks to a culture that publicly values and encourages employees' contributions.

As a result of the more open and receptive communications and cultural shift, the company and its employees are more flexible and proactive and better prepared for any challenges and disruptions their industry may present now and in the future.

ABOUT RHR INTERNATIONAL

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