

Finance Industry— Leadership Development



Facts

Industry
Finance

Diagnostic Tool
Life Styles Inventory™ (LSI)

Total Staff
2,500

Total Assets:
Approximately US \$7 billion

Profit:
Approximately US \$110 million

Note: International currencies have been converted to US dollars.

Challenge

The commercial property bust of the 1990s sent shock waves through many industries and, in particular, the finance industry. One of its victims is the focus of this case study. The following case study outlines the interventions taken by one of Australia's oldest finance companies to "turn around" its worst financial result in history. The measures taken by this organization, which pulled itself back from the brink of financial disaster and is today recording record profits, are presented.

This case study will particularly focus on the behavioral interventions taken to renew this organization's culture, especially the use of the *Life Styles Inventory™* (LSI) in leadership development.

driver for building **Constructive** behaviors within the organization.

The Leadership Membership program commenced with:

1. All 2,200 staff attending a two-day membership workshop that introduced the Essential Membership behaviors:
 - Be communicative
 - Recognize self and others
 - Act with integrity
 - Show a positive attitude
 - Focus on self-development
2. All 400 managers attending an additional one-day leadership program, incorporating the LSI 1 and 2. In this program, managers were introduced to the Essential Leadership behaviors:
 - Build trust
 - Acquire/share wisdom
 - Share the vision
 - Energize
 - Be accountable

PROCESS

1992-1995

A business re-engineering program was adopted to turn around the crisis. This program focused predominantly on structural and system re-engineering, resulting in large staff cuts and coinciding with the divestment of overseas assets.

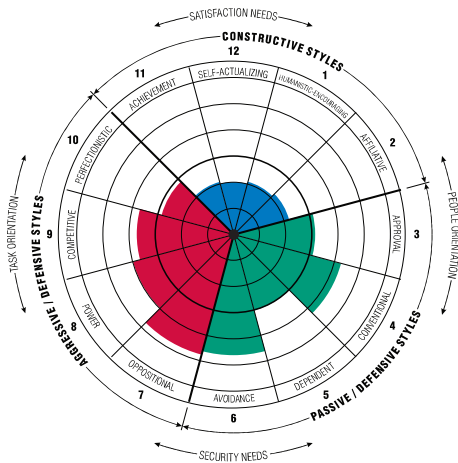
1995-1996

Once the organization was stabilized and again started earning a profit, the leadership group looked to organization renewal.

A "people- and customer-focused" organization was part of a new vision and mission for the organization. Key among the "people" strategies of this new vision was the Leadership Membership initiative. This program remains to the present day as a key

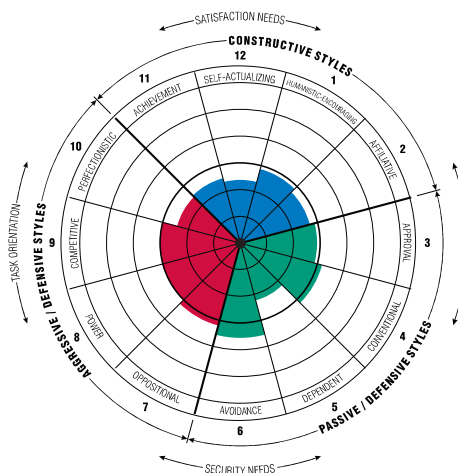
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Figure 1: LSI 2 Profile—1996



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Figure 2: LSI 2 Profile—1997



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Performance Appraisal was also overhauled to make “behaviors” as important as financial performance. Also at this time, measurement of the “people” dimension of the vision was introduced by:

- All staff participating in an annual Staff Perspective Survey
- All managers undertaking individual measurement using the LSI

1997

In 1997, Leadership Membership continued with the following new key strategies:

- A coaching program (two days) was introduced to improve the **Humanistic-Encouraging** skills of managers.
- All staff attended a one-day communication skills session.
- The Leadership Membership principles were introduced to all new staff during a comprehensive induction program. This program also used the *Group Styles Inventory™* (GSI) to introduce the 12 circumplex styles.
- “Zapp Chats” provided managers and their staff a forum to understand their LSI feedback and to create action plans.
- An annual LSI survey was implemented for managers.

1998

Key new initiatives in 1998 included:

- Zapp Goal Clarity to enhance the **Achievement** style (see the sidebar on the next page)
- Team Leader development (three days), which included the six-hour business simulation, *Turnaround™*
- Targeted LSI briefing sessions for all managers following the annual LSI survey

1999

A further evolution of the program in 1999 was a road show to all staff revitalizing the vision and reinforcing the culture. The road show was supported by Paul Hanna, noted motivational speaker, to lift self-awareness and individual contribution to the corporate culture.

2000 and Beyond

Key initiatives undertaken or being planned for the future include:

- *Moving Forward* and *Who Moved the Cheese?* workshops to assist staff adjustment to changes following further re-engineering
- Use of Human Synergistics’ *Leadership/Impact®* for the National Management team
- Implementation of a comprehensive leadership program for team leaders through senior management

SURVEY RESULTS

The 1996 LSI 2 results (Figure 1) show a management style characterized by low **Constructive** behaviors and high **Defensive** behaviors. In particular, **Oppositional**, **Avoidance**, and **Conventional** styles extended into the high range.

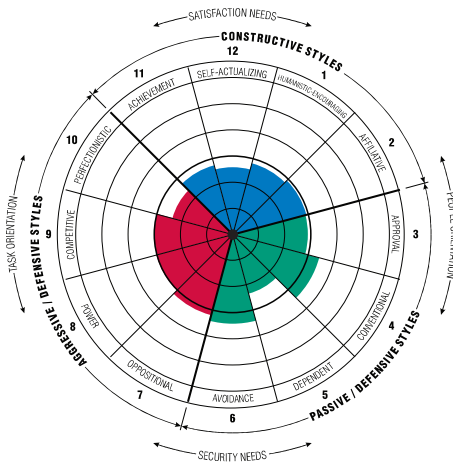
A dramatic improvement is shown in the 1997 LSI 2 results (Figure 2). Management style along all 12 styles were improved upon, in particular, **Oppositional** and **Avoidance**. The increase in **Humanistic-Encouraging** is worthy of note given the focus on coaching skills.

The 1998 LSI 2 results (Figure 3, on next page) show further improvement in three of the four **Constructive** styles: **Achievement**, **Self-Actualizing** and **Affiliative**. Of particular note is the improved **Achievement** scores in response to the Zapp Goal Clarity initiative. The **Defensive** styles, however, remained at levels similar to the previous year.

The LSI 2 results from 1999 (Figure 4, on next page) illustrate a decline in the **Defensive** styles: **Oppositional**, **Competitive**, and **Perfectionistic**. **Constructive** styles, however, showed no improvement, with **Self-Actualizing** in a slight decline.

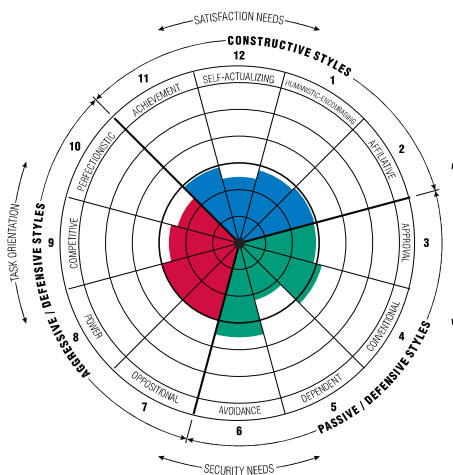
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Figure 3: LSI 2 Profile—1998



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Figure 4: LSI 2 Profile—1999



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OUTCOMES

The most significant outcome is the dramatic financial turnaround of this organization. While dramatic structural and system changes were essential to this result, the significant effort to align staff and management behavior with the new vision and mission was also a significant contributor to this success.

Significant measurable outcomes from these activities include:

- The organization as a whole uses a more sophisticated, behaviorally-based language.
- The annual staff satisfaction index has demonstrated consistent improvements.
- Management behaviors have consistently improved over four years of measurement using the *Life Styles Inventory*™. Results are presented in Figures 1-4.

CONCLUSION

This case study demonstrates how organizations can implement programs that produce measurable changes in organizational behavior.

To be successful, these interventions must:

- Be comprehensive and integrated to include not only management development but comprehensive staff development, induction, and performance appraisal
- Take a long-term view with consistency of strategy and approach, that is, Leadership Membership
- Receive commitment and support from senior management
- Have adequate resourcing and expert, committed HR staff

ZAPP CHATS

Zapp Chats are an innovative and powerful process adopted by this organization to facilitate managers' reception of direct and specific feedback about their management behavior. This facilitated process significantly contributed to the LSI improvement.

The Zapp process is made up of the following steps:

1. Meetings (generally two) to give LSI feedback and then to clarify results and plan formal Chat with all staff.
2. Zapp Chat with manager and all staff facilitated by HR professional. Three hours are allowed for this workshop:
 - Introductions, agenda, facilitator's role, expectations
 - Key concepts (e.g., comfort zones, learning curves, listening, personal responsibility, "I" statements, change, etc.)
 - Revisit Leadership Membership material including DISC
 - Review of LSI
 - Managers share LSI results with group
 - Group Zapp and issue resolution; Stage One, team-to-manager, Stage Two, manager responds to team as a whole. Discussion focused around behaviors that manager and staff commit to doing "less of" and "more of".

Zapp Chats were designed in-house. The term Zapp!, which became synonymous with the program, came from the book *Zapp! The Lightning of Empowerment* by William Byham and Jeff Cox.

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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

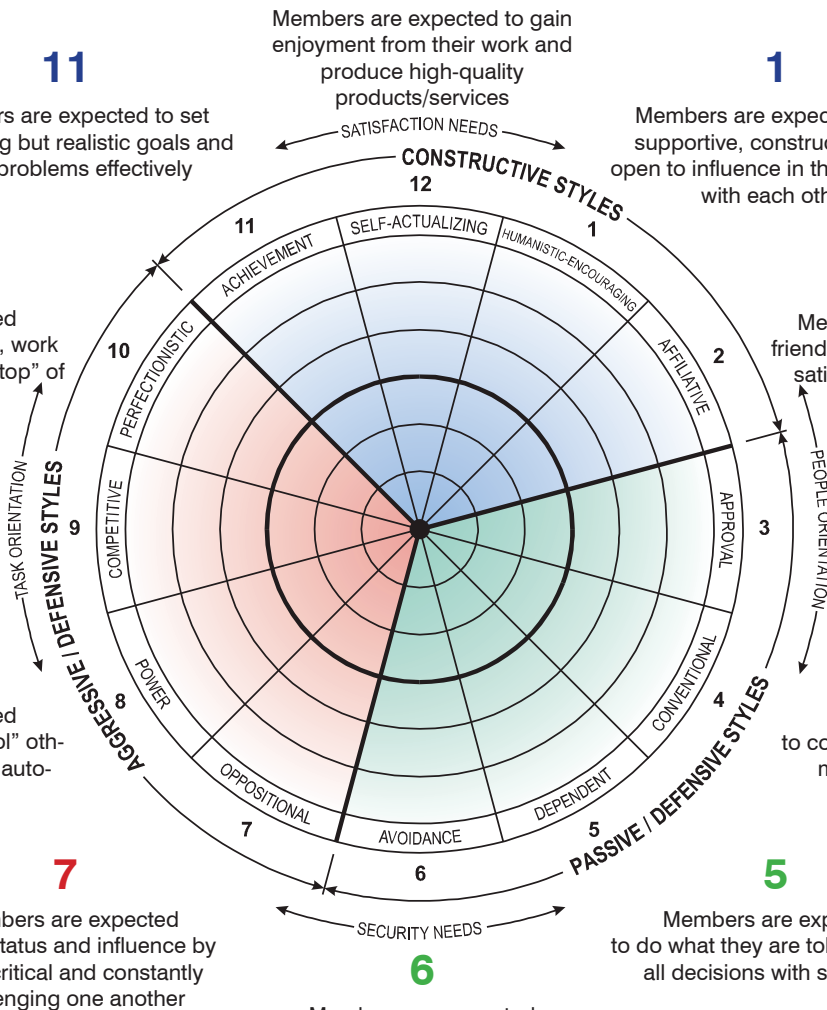
Members are expected to gain status and influence by being critical and constantly challenging one another

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*®.

HSI v. 2.0
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