

# National Operations Center Leadership Development Program “Creating World Class Service Leaders”

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## Context and Challenge

The National Operations Center (NOC) is a large insurance service center in the Southeast that was created from the consolidation of four geographically disperse operations. When the leadership work began, over half of the 800 people working there were new to the business in the last two years. There was a cultural “melting pot” comprised of newcomers and people from other service centers with a wide range of company tenure. The organization had undergone major reengineering of its workflow and structure and was implementing an enterprise-wide information system. The span of control had been significantly reduced and the number of new people in mid-level managerial positions had increased.

In addition, the parent company is one of the largest financial services companies in the world. It is looking to this service operation to provide world-class customer service as the linchpin to their overall strategy in the market. Extraordinary competitive pressure and consolidation in the financial services industry also continue to raise the bar and increase the urgency to deliver on service standards.

### The Leadership Challenge

*How do you transform a group of individuals who have traditionally been focused on effectively managing local operations into a strategically focused leadership team capable of creating and sustaining a world class service center?*

## Process and Approach

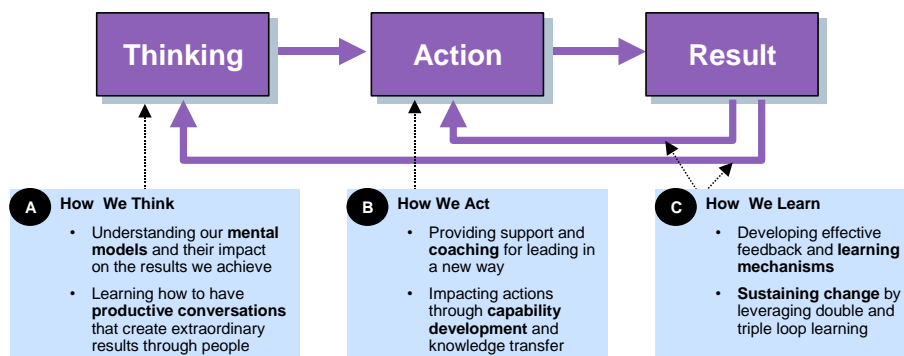
### Leadership Development Levers

The primary objective of the NOC Leadership Development Program was to achieve a fundamental shift in leadership style among the top 30 leaders in the organization. The desired shift was from traditional-management control to a more customer-focused collaborative service leadership approach that would be consistent across the operating center.

The focus of the approach was to make an impact in three primary areas:

1. Understanding and personalization of leadership – thinking
2. Leadership practices and behaviors – actions
3. Business outcomes – results

### Key Levers for Leadership Development



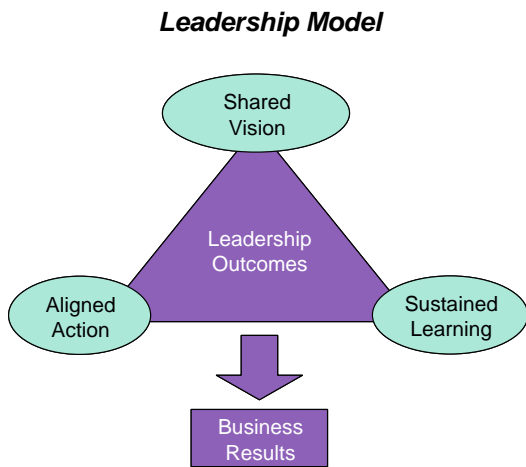
Uncovering mental models and learning how to understand and work with the thoughts and actions of others also increases a leader’s effectiveness. The key levers for leadership development are illustrated in the figure on the previous page.

**Leadership Model**

In order to make leadership understandable and applicable, a customized model was developed to reflect the leadership development needs of the NOC. This model is shown below. It provided the organizing framework for the year-long development program.

The three circles represent three fundamental areas of leadership activities -- Shared Vision, Aligned Action, and Sustained Learning. These gave structure to all of the activities of the program, from workshops to action teams to feedback and development plans.

The Leadership Model and all activities related to the development program were always focused on producing business results.



**Program Components**

The Leadership Development process had many components that were combined to produce results. These are listed below and outlined in the timeline on the next page.

**Core Ideology and Envisioned Future**

In September, the top 30 leaders of the NOC came together to create a shared vision for the

organization. This work was critical for building a foundation for the subsequent leadership development program. The Executive Education Institute, was instrumental in guiding the leadership team through this process.

A series of educational sessions were conducted to define the components of the vision, which included the core ideology (the purpose and values) and the envisioned future (mission, goals and descriptions). The leadership team worked together for the next three months to articulate the core purpose and become aligned around the envisioned future.

At the same time, a bottom-up process was used to discover the values of the organization. Discussions were held with groups of employees to uncover the existing values in the center. This top-down/bottom-up approach involved and started to align the entire organization around a vision and common values.

Working together with the Executive Education Institute as a seamless integrated consulting team throughout the leadership development process was also an important part of achieving the desired results.

- | <b>Leadership Development Program Components</b> |                                     |
|--|-------------------------------------|
| ➤  | Core Ideology and Envisioned Future |
| ➤  | Leadership Development Workshops    |
| ➤  | Two-Day Retreat                     |
| ➤  | Leadership Clinics                  |
| ➤  | 360° Feedback Process               |
| ➤  | Group Development Plan              |
| ➤  | Action Team Participation           |

**Leadership Development Workshops**

A series of three one-day workshops began in February of the following year. Each workshop introduced a different aspect of the leadership model. The curriculum focused on reflection, experiential learning and practice of new skills and ideas.

**Two-Day Retreat**

A leadership retreat followed the workshops and was designed and led by the participants. This retreat enabled the leadership team to own and apply the concepts of the leadership model -- Shared Vision, Aligned Action, and Sustained Learning. Participants had time to reflect on the

values for the NOC and use them to assess their progress as an organization. It also gave people a chance to get to know each other better and to begin working together as a team.

**Leadership Clinics**

Monthly half-day clinics were held to get support and coaching on new leadership practices and challenges. Participants brought their own leadership challenges to these clinics and received feedback and support from other leadership team members. This increased the ability to work cross-functionally and to see themselves as leaders of the whole organization, not just their own department.

**360° Feedback Process**

A sub-group of the leadership team worked together to create a set of leadership practices that reflected the organizational needs of the NOC. They helped to build an instrument and set of practices that reflected their leadership challenges. Participants distributed surveys to their peers, reports and managers. When they received their individual reports they each had individual coaching sessions to help them create a leadership development plan.

**Group Development Plan**

The leadership team also worked together to address the practices that were the biggest gap for them as a group. They found that “trust” and “listening” were the two leadership practices that their constituents most wanted them to improve. They explored the root causes of these gaps and created a plan to address them.

**Action Team Participation**

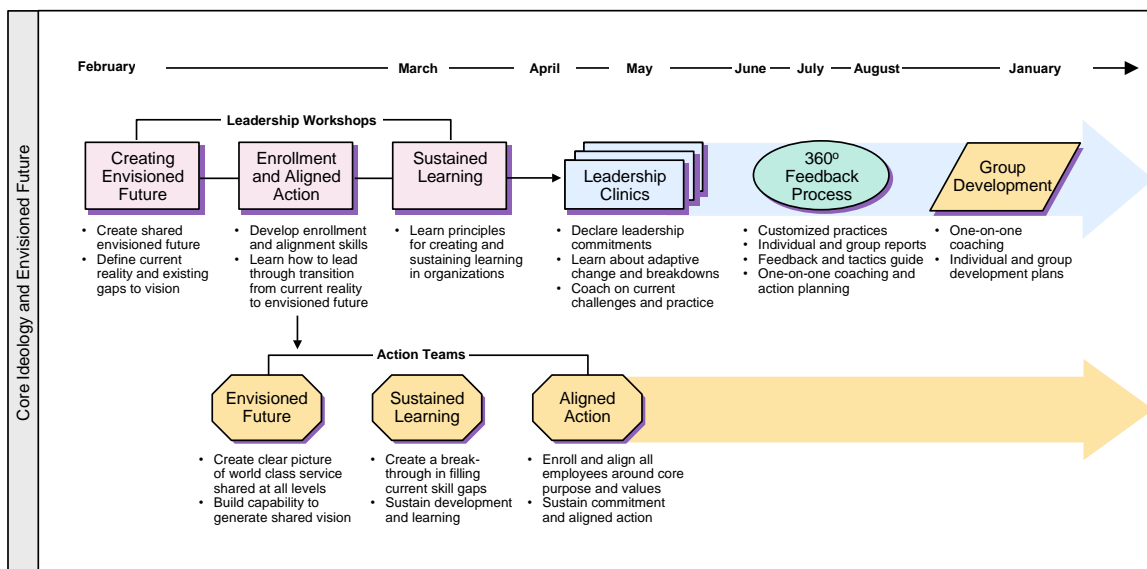
All members of the leadership team also participated on one of three Action Teams that worked together throughout the year. These teams focused on:

- Shared Vision: Creation of a shared vision for world class service throughout the organization
- Aligned Action: Enrollment of all 800 employees around the core values through facilitated discussions and dialogue
- Sustained Learning: Design and implementation of knowledge sharing and learning mechanisms for the all levels

**Results Achieved**

As a result of the development process, the collective capabilities of the leadership team have been significantly improved and many systemic structures are in place to ensure shared vision, aligned action, and sustained learning at the NOC. Below is a summary of key outcomes:

- All 800 employees enrolled in and practicing the core values
- Top 30 managers thinking more globally and leading the NOC as a unified team
- 100% ownership for mobilizing the organization through action teams



- Strong network of committed champions at the next level of the organization
- Individual and group development plans based on real-time feedback data
- Shared understanding of common leadership model and customized set of practices
- Ability to constructively identify, articulate, and confront challenges and breakdowns

**Focus and Purpose.** One of the biggest benefits of the work was the development and incorporation of vision and values at all levels of the organization. The value discussions that were held with all employees deepened understanding and created shared meaning. As a result, communication has opened between levels and people are holding each other accountable for living the values and pursuing the vision.

*“The big difference in the leadership team today is that we have a common focus, which centers around our core purpose and the values...It has become more ingrained in our daily work lives, which has put us all on a path toward success in achieving our world class mission”*  
– Vice President

*“Now that we have discovered our core purpose and values, it is very clear what roles we the leadership team of the NOC have to play.”*  
– AVP Call Center

**Leading vs. Managing.** One of the primary challenges facing the NOC was how to shift the practices of the top level from managing to leading. Given the nature of the operation, the majority of the senior people was still focused on the details of the business and had difficulty delegating and removing themselves from the day-to-day firefighting. As a result, leaders were being overwhelmed with work, unable to keep up with customer demand, and the next level was not being developed or learning the business. Furthermore, few people were thinking strategically about the operation. Through the leadership program there was a notable shift in individual practice from managing to leading. More people were coaching and empowering others and modeling leadership behaviors.

*“I’m more aware of the leadership role versus the manager role. As a result, I’m no longer as*

*hands on or directly involved in the day to day operation and responsibility of running the Service area”.* – Division Manager

*“I find I am coaching more and directing less. I have utilized tools such as “breakdown” and “mental models” with good results. The “creative tension” and “leading changes” experiences have helped me personally, in that the uneasy or out-of-control feelings are no longer overwhelming, but I realize these are part of the growing process.”* – AVP Training

**Enterprise-Level Accountability.** Another major benefit was the shift from individual accountability for a unit or division to shared accountability for the success of the NOC. Given the merged nature of the operation, many people did not have strong relationships across the various divisions. As a result, people operated fairly independently from each other.

*“I see the leadership group coming together more as a team and cohesive unit working together towards common goals to improve the NOC rather than individual concerns and goals. I believe that we as a group are stretching our goals more and considering the overall benefit to the whole operation and how they support our vision and values.”* – AVP Legal

**Collaboration and Support.** In addition to shifting the accountability, the leadership program resulted in strengthened relationships among the leadership team. People were more willing to share resources, collaborate, and solve problems together.

*“There is more of a willingness to work together to make the entire organization successful, realizing that none can be successful unless we are all successful.”* – AVP Collections

*“Understanding that we have to set the example for the entire organization, we are challenging each other to work together in a more cohesive manner”* – AVP Call Center

**Improved Performance.** Many leaders are experiencing improved performance in their specific areas of the business. One leader noted, “Our business results as a division have been substantial in so far as training, production, quality and relationship building are concerned”.

“...I see positive attitudes, a sense of ownership, lots of energy and strategies to do a good job and become successful, among managers and analysts. I can already see a positive impact in the reduction of our backlogs, [which is] a direct result of increased productivity by the Insurance Analysts.” – Division Manager

In some other areas tangible results have been slower to emerge, but the need for continued development is apparent. A Senior Vice President commented, “Concurrently with the leadership practices work, we have been confronted with workflow processing obstacles which are testing everyone. There are pockets of improvement due to our senior team’s persistent focus and communication of our values, but several of our mid-level still cling to approaches that they are comfortable with from their past. This will need to be our next focus.”

In addition to team results, there has also been a reported shift in individual practices. Some examples are outlined in the box below.

- Shifts in Individual Practices**
- Daily practice of recognizing people
  - Demonstrating confidence in others
  - Commitment to listening to other people’s thinking
  - Taking ownership for results vs. being a victim and just reacting
  - Creating more self-direction and ownership of the strategy
  - Raising thinking to a strategic level
  - Personal introspection and insights that lead to improved performance

**Critical Success Factors**

The most important factor for success was the commitment and ownership by the top executive and her team. She consistently demonstrated her belief in and commitment to development of the leadership team over time.

Relentless focus on and modeling of the new leadership behaviors was also critical to integrating the practices into daily operations. The action teams were an ideal mechanism to give leaders opportunities to practice the new behaviors and take responsibility for

incorporating them more widely in the organization.

The key factors that enabled the success of the leadership development process include:

- Commitment from the top executive and leadership team of the organization
- Challenging business situation that required all leaders to learn and apply new practices
- Actions teams which increased ownership and put new behaviors quickly into practice
- Short frequent workshops and clinics to reinforce new practices over time
- Focus on building relationships among the senior leadership team members
- Feedback process and customized leadership practices focused on current challenges
- Individual and team coaching to help integrate changes in thought and behavior

**What’s Next?**

Leadership development takes time and dedication. The NOC has demonstrated a significant commitment to developing its leaders and becoming a world-class service center. Building on the foundation that has been created will be important to continued success. Some alternatives for deepening the level of mastery in the organization include:

- Using creative ways to reinforce and integrate the leadership distinctions into daily life
- Cascading the leadership concepts and practices to the next level in the organization
- Taking on a specific business result that requires breakthrough thinking
- Deepening the level of understanding and personalization of leadership practices through ongoing teaching and coaching