



Culture Success Story – Growing Pains Derails Performance Culture

The Issue

After two years of rapid sales growth during initial start-up, a specialty insurance company faced crises on multiple fronts:

- Lack of alignment and teamwork within the senior leadership staff
- Unclear strategy during a major industry shake out,
- Compliance issues in a regulated environment;
- Increasingly fierce competition, which created market pressure for lower prices and scarcity of top talent.

Challenges

The President responded to pressure by increasing performance demands on his top people, which quickly cascaded throughout this relatively small company.

- A well-intentioned and big-hearted leader, he held very high standards. And, he had risked his personal reputation on this venture.
- He was committed to hiring the best, and was proud of it. Unwittingly, his increased pressure on his people was viewed as unfair criticism. The unintended side effect: His energetic but young leadership team became increasingly timid and unfocused.
- Company morale was sinking fast, a deadly poison in his business.
- Significant numbers of employees were abandoning the company with hard feelings. People in the industry were a relatively small circle, and the word soon was “on the street.”
- This image problem led to further problems in retention and recruitment, and the organization’s ability to meet aggressive growth and performance goals was stalled..
- Ironically, the CEO’s response was creating the exact opposite affect of what he intended.

Overarching Goals

- Create a “moment of truth” opportunity around which the CEO can re-align his people;
- Improve company bottom line performance quickly

Corporate Culture Pros Intervention

Corporate Culture Pros began with a series of one-on-one meetings with the CEO, to provide him an objective “look in the mirror” at his blind spots. These meetings helped him see the need to step forward and take public responsibility for the current situation. The second step: Corporate Culture Pros conducted a series of confidential interviews with his direct reports – a critical opportunity for “safe truth-telling” (publicly endorsed by the CEO, in itself a key to rebuilding trust) from the people whose commitment was critical to the company’s future. Their ability to off-load their frustrations and feelings without repercussion was an important step toward being able to do this publicly in leadership staff meetings.

The data from interviews clearly pointed to the need for a clear, shared vision and cohesive strategy. The organization’s divisions were operating too independently, losing opportunities to leverage cross-selling and full-scale solutions for their clients.

Corporate Culture Pros designed and facilitated a two-day off-site leadership development and strategic planning retreat, in which 40 of the company’s managers participated.



In his opening comments at the retreat, the CEO delivered a heartfelt speech taking personal responsibility for the company's troubles. His sincerity and emotion was a catalyzing moment for the company....transforming resentment and fear into hope.

To sustain the momentum, Corporate Culture Pros continued to provide team support via staff meetings and by phone for approximately 6 months following the off-site.

The Payoff

- As a result of the off-site, a group of leaders identified a strategy to make the company a "talent magnet".
- Over the next twelve months, employee turnover reduced by 87% of the previous year's level.
- Additionally, the companies "book of business" was the strongest it had been in the company's history, resulting in their most profitable year ever.
- The following year the parent company absorbed all divisions into its other operating units to maximize economy of scale and cross selling opportunities.

The Moral

One *moment of truth* is worth a thousand hours of "spin-talk."

