

## Coaching Culture Study

Engagement increased 50%

Staff turnover halved

5% operating loss to 7.6% profit

### About the Initiative

IAG (Insurance Australia Group) NZ is the largest general insurer in New Zealand, with more than 2,000 staff servicing a network of nationwide call centres, 28 sales centres and 8 branches.

In 2008, IAG NZ decided to invest in a coaching culture initiative. Culture transformation had been identified as a priority for the organisation due to lower than expected business results and a decrease in overall engagement scores, jeopardizing IAG NZ's ability to achieve their growth strategy.

Implementing a coaching framework across IAG NZ was seen as a priority and the development of a coaching capability was positioned as a key component within the Senior Leadership Development program.

Results Coaching Systems was selected as the coaching partner. Several surveys have been conducted to determine changes in engagement, retention, performance and business outcomes since the start of the initiative.

### Significant findings

1. Coaching has significantly impacted engagement (from 51% to 76%) and retention (decrease of staff turnover from 19.72 to 9.97) across the business over two years
2. Integrating coaching into other initiatives and systems has resulted in enhanced performance and business outcomes.
3. Coaching is now 'what we do around here' and forms part of Business As Usual with 94% of people managers using coaching skills every week.

### Coach leader feedback

*"The Coach Leader program has given me some new skills that I think make me a much better coach, specifically when it comes to helping others think through a problem or an issue and arrive at their own self directed outcome. The great thing is that you get to see people empower themselves when they figure out how to approach something they have been struggling with. I've seen people achieve much more than they thought possible."*

Dean MacGregor  
 National State Insurance  
 Claims Manager

*"This program is one of the best programs I have ever been involved in. It has taught me to take the time to listen, it has provided me with a structure to use, it has provided me with some great questions to ask to gain insights and taught me that I do not have to have all the answers. The Coach Leader Program has inspired me to be a better leader and help grow and develop other leaders."*

Bart Taylor  
 Head of Lantern Insurance

### Coachee feedback

*"Achieving the challenging goals that I have set myself and tackling things that I've typically avoided both at work and at home. I'm much happier as a result."*

*"I'm enjoying being challenged around my thinking and the results I'm capable of."*

*"An awareness that even my best thoughts/ideas can be stretched to deliver a better result."*

*"I'm communicating more effectively with others."*

## About the intervention

This coaching culture initiative involved a number of phases including:

### Consulting

Consulting took place throughout the intervention. The initial phase included getting clear on the program objectives, linking coaching to the business strategy and identifying measures for success. The theoretical models and frameworks including definitions related to coaching were clarified upfront. This was followed by tailoring of the training and branding of the program components and communication media. A website and LAN were set up for coaching information and as a forum for internal coaches. Multiple IAG internal communication channels were used to inform around coaching, the benefits and success stories. Rollout and implementation process and timing were organized. From the start, there was a project manager, sponsor (Executive GM of HR) and a core group of committed stakeholders from Organisational Development and from within the business.

### Delivery

Two different programs were delivered:

#### *A coaching skills program for all people managers*

This comprised a one and a half day plus 2 telecall program for 260 people managers and 40 influential specialists. The first program in September 2008 had 16 senior leaders. A further 20 programs have been run with 12 to 24 participants per program.

#### *Internal coach training*

A further training program for internal coaches (Coach Leader Program) was offered to selected and invited participants, to deepen coaching skills and provide more structure for formal coaching engagements. The program involved 36 hours of training for 3 groups of around 16 coach leaders each. This program included an external coaching session for each participant, training using face to face and telecall methods, group mentoring, a formal assessment process, and each coach being matched with 2 coachees. Two business goals and one personal goal were set with each coachee.

### Integration

A key to the success of this program was aligning coaching with other systems, process and initiatives so that it was not another 'stand alone' HR initiative. It was strongly integrated into frameworks such as remuneration and reward; performance management and job descriptions. Strong links were also created with culture transformation, values, learning and development, and leadership development initiatives.

### Measurement

Several tools were used to measure the success of the initiative including using levels 1–4 of the Kirkpatrick scale. Reaction and learning were measured using post-training surveys. Direct reports and participants were also surveyed 6 months later to determine transfer of learning into behavioural shifts. Business outcomes were measured using independent sources as well as through coaching surveys of participants, direct reports and coachees.

### Sustainability

In order to maintain and grow coaching within IAG, coaching now forms part of all people manager job descriptions. Coaching is integrated into all initiatives (as above). Coaching is promoted within the organization and is already an attractor for new staff. All new managers are informed of the coaching culture within IAG NZ and all go on a coaching skills program. Keeping coaching top of mind is done through visual aids and ongoing messaging around the benefits of coaching and being coached, status related to coaching, success stories and testimonials. Coaching clinics have been set up for refreshing and practising coaching skills. Mentor groups and communities of practice are being set up as well as further development for coaches so that they can upskill to the next level of certification. Annual minimum requirements have been set for coaches as well as systems to ensure maintenance of coaching standards.

## Key findings

Engagement Scores	Hewitt's Survey 2008	<b>51%</b> (Benchmark 79%)	JRA BWP Survey Nov 2009	<b>76%</b> (Benchmark 76.9%)
Absenteeism	Feb 2008	<b>3.91%</b>	Feb 2010	<b>3.4%</b>
Staff Turnover	Feb 2008	<b>19.72%</b>	Feb 2010	<b>9.97%</b>
Combined Operating Ratio	Dec 2008	<b>105.0%</b>	Dec 2009	<b>92.3%</b>

A wide scale cultural survey (OCI done by Human Synergistics, before and after the whole intervention), showed a marked shift from more aggressive/defensive and passive/defensive styles in 2008, to more constructive styles in 2010.

Survey results show that 94% of people managers were using coaching every week and that this initiative has impacted all 2,000 employees in some way.