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HEAD ON

A looming takeover inspired one company to make positive change its mantra.

By Sonia Hickey

In October 2006, in response to market speculation that insurance giant Suncorp was likely to make a bid for the Promina Group, its subsidiary insurance company Vero felt it had two choices: manage change or be managed by it.

At the company's annual planning forum—held at the end of October—Vero's then CEO Duncan West and his leadership team decided to roll out a communications and change management program. Although it was unclear precisely what changes lay ahead, the company wanted to support its 1,000 staff. "The company's goal was to enable people to cope and adapt, as opposed to lead or implement change," says Tracey Keene, a change consultant with Alison Group, who was brought in to help. "We needed to provide people with tools to deal with uncertainty."

A change readiness workshop and toolkit were developed focusing on three areas: managing self, managing others and managing the business. Keene trained the HR team, and the HR team trained business unit leaders, who would go on to run sessions for employees.

The program had visible endorsement from the CEO and was positioned as an integral part of what was happening with the business at that time, rather than as an event in its own right. Using business unit leaders to lead the program, with HR in a support role, was also critical. "We wanted people to have a level of acceptance for this in much the same way as they would the implementation of any new policy or procedure," says Vero organisational development manager Kath Starzyk, who led

the project. "Something to be adapted to, without causing a major distraction from the day-to-day functions of the business."

IN 100 SESSIONS run for employees in February and March, a range of potential scenarios were explored so people could get a realistic sense of any likely changes. With Vero based in Sydney and Suncorp based in Brisbane, the overriding concerns were job security and the implications of joining with Suncorp, says Starzyk. "We couldn't provide definitive answers. We encouraged people to talk to their friends, colleagues and families and to accept fear, anxiety and anger as a natural part of the process."

Vero wanted to keep its people focused on 'business as usual'. "With the program we reiterated the fact that, regardless of the sale, there was still work to be done," says Starzyk. "Everyone was important to that work so the business could continue to meet its deadlines and milestones. It was also necessary for our people to understand and feel that they were still major contributors to the success of our business."

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STAYING ON

Vero also analysed its staff retention statistics and data from exit interviews over a 12-month period, and found no significant change despite the uncertainty of the takeover. "There has been nominal movement out of the business on a week-to-week basis since the announcement," says Vero HR head Brad Griffiths. The immediate post-bonus period—when people often resign—also showed no significant change.

change and uncertainty, it's hard to know how people will respond, says Keene. "It's crucial to get the appropriate balance between addressing emotive issues and providing practical tools."

The program also aimed to help people understand their own appetite for risk and change, to distinguish what was and wasn't within their own control, and to concentrate on things they could control, says Keene. "We reminded people that one area of individual control is individual performance."

By the time the program roll-out was completed, shareholders had voted for the sale. Two weeks later, Vero's CEO Duncan West announced he would leave—and this high-profile departure put the change management program to the test. Importantly, there was little disruption. "People spent a couple of days in a kind of mourning phase. The atmosphere was quiet," says Staryzk. However, the company's financial performance stayed in line with expectations—despite difficult market conditions, says Vero HR head Brad Griffiths.

The minimal distraction to the business in this time reflects the program's influence, say Staryzk and Keene. "In my experience, if major change is not addressed, people tend to lose focus," says Keene. "This can end up fuelling negativity which impacts on productivity, retention and being recognised as a good company to work for."

Staryzk says they avoided the kind of derailment that comes with employee uncertainty—people spending enormous amounts of time hanging around water coolers gossiping and feeding the rumour mill. It has been a "very clean process," she says. "Whatever happens next, our people are ready."

Sonia Hickey is a freelance writer.

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