

Culture Change the Key to Success at SaskCentral Financial Services Co-op

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SaskCentral provides a way for credit unions to help their customers build their lives and meet their goals. Currently, the company operates 61 credit unions that serve 272 communities in Saskatchewan. The company offers credit unions an opportunity to combine and focus their resources. They provide six key services: assistance with compliance with legislation and regulations, strategic investment management, governance support, advocacy, and research and initiative development. The key to their successful growth, even during volatile times, has been the company's emphasis on measuring their culture and encouraging behaviors that lead to effectiveness.

The commitment to developing a Constructive organizational culture took SaskCentral on a five-year journey that resulted in the company becoming an award-winning, nationally-recognized banker and employer of choice. Current CEO Ken Anderson's commitment to increasing organizational effectiveness paid off. Since rising to the challenge of culture change, SaskCentral has consistently ranked as one of the best companies to work for in Canada, and as the best workplace for women, and Lane, attributes this to creating lasting culture change.

An explosion of choices became available to banking consumers in the mid-1990s. The expansion of the global market and the rise of Internet banking changed discussions about strategies for long-term success in the financial services sector. "In uncertain times, limiting human resources is often seen as a wise choice. But actually, that's when HR is needed more than ever," Debbie Lane, Executive Vice President, Market Solutions, at SaskCentral, said.

At this critical time in the industry, Sid Bildfell, SaskCentral's new CEO, arrived. He understood that long-term sustainability meant taking a critical look at their operations and spending while becoming a role model for other credit unions and the community.

Research showed that organizational culture is a critical factor in performance. Ken Curtis, Partner and Practice Leader at MNP Consulting, who helped SaskCentral align their values and behavior, said, "Culture is the shared values we embrace, and those haven't really changed much over the years. What has changed is how organizations are getting there."

Bildfell understood that the key to sustainable, long-term culture change is to measure it with an assessment that is credible, easy to administer, and reliable. Human Synergistics' *Organizational Culture Inventory*® (OCI) was chosen for these reasons. "The OCI provided guidance around areas that needed to be addressed in order to improve our culture," Lane said. "The history, stability, and proven effectiveness of the

tool and the process were also very important. They also provided ways to measure the success of the investments we made over time.”

The OCI measures the behaviors that people believe are required to fit in as a member of an organization and presents them on a circular graph. It provides a snapshot of the Current Culture. Twelve styles are measured and grouped into three clusters: Constructive, Passive-Defensive, and Aggressive-Defensive. Some of these styles promote effectiveness, and some do not. The OCI Ideal is used to assess the behaviors that organizational members think should be encouraged to foster organizational effectiveness. Differences between the Ideal Culture and the Current Culture illuminate gaps between behaviors that should be encouraged and those that are. The *Organizational Effectiveness Inventory*[™] (OEI) measures organizational outcomes and provides levers for change that can improve organizational culture. The OEI was used to assess which levers SaskCentral should be moving to affect lasting change.

Around 500 SaskCentral employees filled out the OCI Ideal, including senior leadership. Just like at many other organizations, there were critical gaps between the Ideal Culture and the Current Culture. A “here for life” mentality among older employees impeded professional development and accountability. “Some people thought if they stayed long enough, they would advance. That’s not always a fair assessment of people-job fit. But our newer employees had a different attitude. Their attitude was ‘I’m here as long as there are challenges and advancement opportunities,’” Lane said. “At the same time, the organization was facing problems of internal competition and a lack of trust. “The internal competition went all the way to senior management,” Lane said. Also, the Constructive styles, which are related to effectiveness, were below the levels identified in the OCI Ideal. “We were below industry norms and we had a lot of work to do,” Curtis said.

The OCI results led to a major reorganization strategy. The executive team undertook a review of the Ideal Culture and senior management completed another OCI Ideal to envision the future of SaskCentral. It was consistent with the previous results. “Since then, the Ideal Culture hasn’t really changed much,” Lane said. “Over time, we reorganized our corporate structure to support the Ideal Culture.” At the individual contributor level, training was conducted to help employees change, and culture became part of performance management.

Once the Ideal Culture was agreed upon, everyone in the organization was involved in making the move toward a more Constructive culture, with human resources a key partner in the process. Key areas for organization-wide work were identified. Then, the divisions within SaskCentral received their own culture profiles. A change enablement team was identified, and “change champions” within the organization were trained in change management and given the task of aligning the Current Culture to the ideal one. Successful division leaders shared their knowledge and experience with other leaders to help the company improve its culture. “Leaders with Constructive cultures were proud

of their accomplishments and of being viewed as role models. Over time, we became more open and transparent. We involved employees in decisions whenever we could and made sure they were the first to know—before our credit unions or the public—when there was change or news about SaskCentral. We shared best practices across divisions and began to establish the infrastructure and policies that would support the Ideal Culture,” Lane said.

Two years into the process, a reassessment of the Current Culture at SaskCentral was encouraging, but change was not happening fast enough. The top three tiers of management were given another Human Synergistics assessment, *Leadership/Impact*[™] to help them understand their specific contributions to culture dynamics. “The results aligned to culture and identified specific leadership styles that were likely enhancing or inhibiting the culture change,” Curtis said. The link between leadership and culture became clearer when the ideal leadership profiles were consistent with the Ideal Culture profiles, which improved buy-in from senior leaders. “Our managers became more thoughtful, consistent, and encouraging,” Lane said. Current leaders were required to create development plans that would increase their Constructive impact, in line with the organization’s vision for a Constructive Ideal Culture. . Prospective senior leaders were also assessed according to their leadership styles and culture fit. “SaskCentral wouldn’t have made the improvements they did without commitment from management and the leadership team to make the vision a reality,” Curtis said. “In order for improvement to continue, there must be support from people management.”

Successful change may begin with leadership, but buy-in from employees is critical, too. “For the most part, employees welcomed the change,” Lane said. “They recognized that the changes were positive and supportive of equity and fairness across the organization. The culture styles measured on the OCI helped employees develop a common language. We started to see more collaboration and synergy.” A Service Excellence Committee was formed to monitor outcomes such as adaptability, service quality, job satisfaction, and teamwork. As often is the case, there were some managers who self-selected out of SaskCentral, but even this change was important to long-term change. “We were left with the managers who truly believed that our employees make us successful and behaved in ways that supported this,” Lane said. In recruitment, attitude became more important than technical competencies.

As the culture became increasingly Constructive, employee attitudes began to change, too. Regardless of age or tenure, employees respond to a Constructive culture. “Older workers and younger workers had higher levels of respect and better cooperation. Over time, even mentoring is working both ways. Both groups are learning from each other,” noted Barbara Murray, Senior Consultant, Human Resources. “As cooperation became a shared value, cross-cultural learning became more prevalent. Teams began drawing on each others’ learning,” Curtis added. “Having a more Constructive culture allowed the company to work on several different initiatives at once as long as the strategies were driven by Constructive culture,” Lane said.

Another critical improvement that came as a result of culture change was improved customer satisfaction. “As our culture became more Constructive, service scores increased,” Lane said. “Our culture allows us to support our employees so they can focus on the customer,” Lane said. The company felt confident it could compete to be named one of the best workplaces in Canada. The process includes a survey of employees’ job satisfaction. Many of the questions asked are embedded in the items on the OCI. SaskCentral has competed in the survey four times, and each time it was ranked in the top 100. “We support our employees’ efforts to be innovative and creative,” Lane said. “We encourage their growth and development, and we trust them, so they feel empowered to take risks and learn from mistakes.” The company is proud of its extremely low turnover and reputation as a preferred employer in the communities it serves.

SaskCentral has also been recognized as the best workplace for women. “Over time, we went from introducing policies that would support the culture we wanted to letting our culture drive our policies,” Lane said. “We recognized that we can’t separate personal life from work life, so the question became ‘How can we make it easier?’” One innovation that helped SaskCentral secure its preferred employer status is a compressed workweek option. The company has also been named one of the best work-life balance companies for employees. “We seek to create policies that are good for everyone by gathering input from employees, which is an achievement in the financial sector,” Murray said. These behaviors are an illustration of the Constructive behavior styles in action.

For Lane, consistency and perseverance are the keys to successful culture change. “The change took five years of steady work, consistent behaviors, and expectations. It has been about never losing sight of the goal, communicating why we’re doing things and what we hope to achieve, along with recognition of progress.” Curtis added, “You’re fooling yourself if you think you have all the answers. Willingness to accept and learn is the key to change. The Current Culture is what it is; use it as a fact basis to move forward.”