

## ***BENEFICIAL FINANCIAL GROUP - TRENT RHODES***

Life-health insurance company, Beneficial Financial Group (also recognized as Beneficial) reacted swiftly to internal and external competitive pressures working to weaken its organizational stability. Holding over \$3 Billion dollars in assets, management realized its power position would not remain if it refused to act; analysis showed an increase in turnover and decreased job satisfaction. In order to create an environment, which fostered stronger motivation to action and productivity, Beneficial's Human Resource Department was charged with implementing a four-phase initiative to increase employee, attain higher performance and maximize profitability by applying improved customer service operations. The acquisition and retention of talent would work to achieve these goals.

Beneficial worked with a smaller HR structure up to the year 1996. As technology advanced and the world turned towards globalization, the needs and demands of customers, as well as the demands of a higher educated workforce prompted the need for Beneficial to reevaluate its HR systems; utilizing primitive systems would not be able to retain their highest qualified employees. The initial phase of transformation involved a catch-up; extensive analyses of job designs and descriptions along with the compensation structure took place. An HR Committee of the Board of the Directors was created, recruiting processes were improved, and an HR Information System was initialized.

Beneficial's second phase regarded effectiveness of people management. Avoiding the pitfalls of departmental segregation, department members were placed into cross-functional teams, providing each the opportunity to develop within their own specialties with the added value of knowledge from their coworkers in differing sectors. This community of practice

worked to strengthen commitment among the departments; they understood each other's craft in more depth, and how each contributed to the total organization. An additional method of strengthening morale included defining line leaders who served as examples of high achievement and leadership capability.

Working with a "Build the Team" strategy, Beneficial "identified two areas where training was especially important: Customer Service and Leadership" (People & Strategy, p. 27). To tackle business processes deemed inconsistent and rising turnover, HR incorporated subject matter experts, or SMEs, to provide guidance and facilitate training sessions on customer relations, personal effectiveness and how to function within a team. A prime motivator for the success of completing these voluntary training sessions was the opportunity to achieve internal certifications. According to People & Strategy, turnover in the department decreased from 18.5% to 0% within its first year, pre and post-training evaluations demonstrated an increase in critical skills by 102%, and 90% satisfaction was indicated by employees surveyed.

Once employees were developed to optimum performance levels, the final phase focused on the retention of valuable employees. A Career Resource Team was created, which met monthly and consisted of voluntary employees who shared ideas, principles and exchanged feedback about their organization. The self-directedness of this team demonstrated the initiative taken by employees who felt empowered to affect change.

Beneficial Life-health insurance's HR transformation provides an effective model for Riordan Manufacturing, which is currently experiencing internal people issues. The company would benefit from reallocating the powers and responsibilities of Human Resources to the department; its current position is that of surrogate to the Chief Financial Officer. Once this

change takes place, programs can be put in place to alleviate the high turnover and ease compensation challenges. Establishing a focus group similar to the Career Resource Team would enable employees at Riordan to express their concerns, developments and interests with this medium of communication. Finally, providing internal certifications would stimulate the employees' drives to excel in an environment they believed offered little growth opportunities.

*Iceland Foods – Trent A. Rhodes*

Iceland Foods is a conglomerate housing a chain of 17,000 stores. The company admitted to having challenges in the development of its staff. Susan Yell, Director of Human Resources stated, “the training department used to have a large encyclopedia of courses, but they were picking from a set menu that was very far removed from the needs of the business” (June 2008). Yell believed the number and type of courses possessed too broad a focus and sought to narrow down the sessions by creating “bite-sized” training seminars that developed individual skills. The approach assumed the value of separating skill sets, analyzing them and then working on the elements; ideally, Iceland Foods believed, the parts would maximize in efficiency and affect the whole significantly.

Rather than offer a large schema of training subjects and content at a time, training sessions were broken down into smaller development experiences. Iceland Foods' understanding was the minds of its employees would retain and absorb information to more depth if presented in spurts rather than in drawn-out meetings.

More focused training courses revolved around leadership analysis for employees on a fast track to management. The company offered 160 head office and local area managers in-depth coaching on leadership. As an incentive, they would be presented as members of an

academy for high flyers, where compensation rose 15% for supervisors and 25% for managers. Supported by Yell she stated, “Our HR strategy is based on the concept of ‘get, grow and keep’—ie, getting the best people, growing their skills and keeping them motivated in their jobs” (June 2008).

The development of individual skills was an essential part of Iceland Food’s HR strategy, which Riordan Manufacturing can benefit from modeling. Their external consultant showed via presentation the comments of several employees who expressed their dissatisfaction at having little opportunity for growth. Using assessments to determine which skills require improvement for existing employees, Riordan’s management would raise their morale and motivation through the use of focused, single-skill development.

#### References

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- Driving Sustainable Growth Through Talent at Beneficial Financial Group. (2008, July). *People & Strategy*, Retrieved April 17, 2009, from Business Source Complete database.