

the **HRDIRECTOR**

THE ONLY **INDEPENDENT HR STRATEGIC** PUBLICATION IN THE UK

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the **HRDIRECTOR INTERVIEW:**

David Smith – People director, ASDA

FORUM: ORGANISATIONAL CHANGE

Bringing everyone with you

RISK MANAGEMENT

Personal safety and company survival

CHRISTMAS EMPLOYMENT ISSUES

Avoiding festive conflict

H&S: ACCIDENTS AT WORK

Creating a safety culture

EMPLOYMENT TRIBUNALS

Preventing costly claims

CASE STUDIES THIS MONTH

Mandy Rutter - Clinical manager, ICAS

Richard Ward – CEO, Lloyd's

Tom White – CEO, Siemens UK

BAA

Baillie Gifford

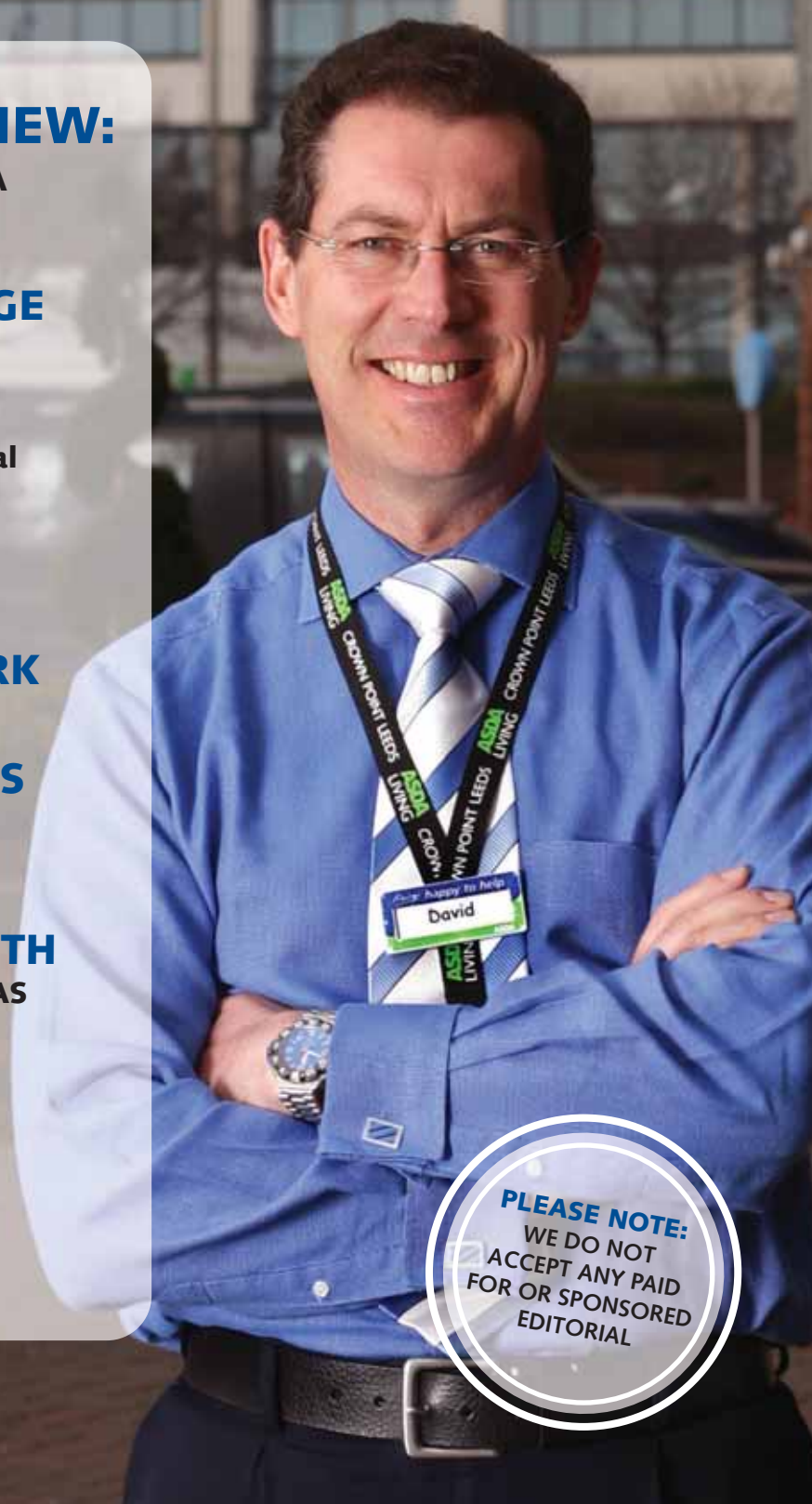
Birmingham City Council

Caparo Merchant Bar

National Grid Wireless

Production Services Network

Pictured: David Smith - People director, ASDA



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DON'T MISS NEXT MONTH'S ISSUE WHERE WE LOOK AT: FORUM – RECRUITMENT; QUALIFICATIONS; INCENTIVES & MOTIVATION; SOCIAL NETWORKING SITES ...AND A SPECIAL FOCUS ON OUR EDITORIAL ADVISORY PANEL

INTERVIEW

SETTING THE PACE FOR CHANGE

RICHARD WARD, CEO OF LLOYD'S, EXPLAINS THE MAJOR ORGANISATIONAL CHANGE STRATEGY BEING IMPLEMENTED AT THE COMPANY.



WHAT PROMPTED YOU TO INSTIGATE CULTURAL CHANGES WITHIN LLOYD'S WHEN YOU WERE FIRST APPOINTED? When I became CEO in April 2006, Lloyd's was already going through a change process. The Corporation had moved from being a regulator to a commercial business partner and had instigated a change programme through the launch of a strategic plan. What I found when I arrived was that we simply needed to accelerate the pace of change, build more momentum and increase engagement. We were faced with a number of challenges, not least the realities of a highly competitive marketplace, the mobility of capital, people and business and developments in technology. I recognised that for us to maintain our position in the global insurance marketplace and to remain competitive to other developing markets such as Bermuda, we needed to change the way we operated and responded to challenges.

CAN YOU EXPLAIN MORE ABOUT THE STRATEGY? It is not a new strategy per se; it is building on the direction that Lloyd's had taken in 2004 and reinforced in 2006 with the launch of the Three-Year Plan. The strategy is about building a culture that recognises where we are and what we need to do to remain competitive. It is about changing working practices and the way in which the market does its business, adapting to technological advancements and replacing some of our manual antiquated processes. To achieve this and to accelerate the behavioural change, we have developed various programmes to help people think and work differently with their colleagues in the Corporation and marketplace.

These include: a PaceSetter Programme open to all staff, which incorporates leadership training and employee involvement in organisational initiatives and behavioural changes; a Leadership Development Programme, run in conjunction with London Business School, to help develop the company's leaders of the future; and a programme around our working environment, which has included a move to an open plan floor environment in order to encourage a culture of transparency and team-working.

WHAT HAS YOUR ROLE BEEN WITHIN THIS? I would like to think I've been the catalyst for change. When I joined I came from outside the Lloyd's market and from outside the insurance industry, so I was able to throw a fresh perspective on the challenges and how to address them. I was also lucky to join a vibrant, financially secure business that was really changing the way it operated, but just needed to quicken the pace. We had a lot of talented individuals in the Corporation, doing a great job, but there was a risk that we were losing sight of what was happening around us and becoming conditioned to our own environment.

WHAT REACTION HAVE YOU HAD FROM EMPLOYEES TO THE CHANGES? There have been staff who have welcomed the changes and see them as an opportunity to do things differently and those who prefer things to stay as they are. A year in, we now have overwhelming support for the change programme.

WHAT IMPACT HAVE THE CHANGES HAD ON THE BUSINESS AS A WHOLE, AND ITS POSITION WITHIN THE MARKET PLACE? We are still in the early stages of the change programme but when talking to the market the feedback is that the staff in the Corporation are more flexible, commercial and customer focused, and that we are more willing to engage with the market and more receptive to their ideas. Of course these things are not just the result of the change programme and have been happening for some time within the Corporation, but initiatives like PaceSetter have certainly accelerated that pace of change. Questions of Difference, the external consultants that designed and delivered the initial phases of that programme, have worked with a number of staff to develop their facilitation skills, so that we can run and develop these programmes internally.

WHAT HAVE BEEN THE KEY LEARNING POINTS? That first and foremost we must engage with people. You cannot come along with a pre-conceived change programme, run people through it like a sausage factory and at the end say everyone is a better person for it. You must engage very early on with the staff to understand what their concerns and issues are, and what they feel needs to be done.

We have also found that you need to create a safe environment where people have the opportunity to do things and think about things differently. It is about giving people a safety net where if they don't succeed they are not punished for it, but rather see it as part of a learning experience and have an opportunity to try again.

HOW DO YOU ENVISAGE THESE CHANGES DEVELOPING WITHIN LLOYD'S OVER THE COMING MONTHS? I hope to see the new practices embedding in and then to design the next phase of the programme. We need to be flexible and ensure that we continue to adapt our plans to meet changing circumstances and that we modify what we do depending on how our staff respond. It is not just about leading from the top. It is about empowering staff at all levels so we see change being driven from the sides and the bottom up.

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