

Regional Wholesale Bank

Client

A Federal Home Loan Bank that provides discounted mortgage lending to community banks. One of twelve government sponsored FHLB banks in the nation. 12 BB in Assets and 150 employees.

Background

Because it is a government sponsored organization, the bank's culture had a low emphasis on the profit motive and a relaxed culture with a strong emphasis on customer satisfaction. The new CEO believed it was necessary to strengthen the balance sheet to ensure the bank would be in a position to support their client members when times got tough.

Initiative

The CEO established a business strategy with an emphasis on managed profitable growth. He recognized that to achieve the bank's strategic goals, he would need to create conditions where people could do their best work.

Assignment

The Institute was asked to lead a culture transformation that would result in a higher level of employee engagement. The bank's leadership team agreed that the overarching purpose would be to develop a culture of Partnership.

During the first eighteen months the core elements of the Framework for the Future™ were implemented. These consisted of a culture survey to establish a baseline and to identify areas for improvement, a set of performance ScoreCards for each department to create focus and understanding, an incentive pay plan linked to ScoreCard improvement to motivate and engage the workforce, and a Department Action Planning process where employees could engage by using information from the survey and ScoreCards to identify and act on opportunities for improvement.

During an 18 month period the Department Action Teams (DATs) implemented over 250 Action Plans.

Improved Business Outcomes

Year 1: Net Income improved by 26.4%

Year 2: Net Income improved by 13.0%

Year 3: Net Income improved by 22.1%

Sustained Engagement Outcomes

	Baseline	18 mo	36 mo
Educate			
1. Learning Organization	66.5	79.4	80.6
2. Roles	64.8	73.8	75.5
3. Business Understanding	71.3	77.0	77.3
Enable			
1. Systems/Processes	61.6	72.9	73.2
2. Work Environment	58.2	73.1	72.5
3. Participation	56.5	72.0	71.6
Empower			
1. Authority	55.4	71.6	71.0
2. Customer Satisfaction	80.2	85.2	83.4
3. Results Orientation	69.3	77.7	77.0
Engage			
1. Rewards	59.0	72.7	72.5
2. Employee Satisfaction	59.7	72.0	73.9
3. Goals & Objectives	70.6	76.7	76.5
Overall Score	64.4	75.4	75.2

