

DEVELOPING COACHING CULTURES FOR BUSINESS IMPACT

Jubilee
INSURANCE

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About FSD Africa

Based in Nairobi, FSDA is a non-profit company, funded by the UK’s DFID, which promotes financial sector development across sub-Saharan Africa.

FSD Africa sees itself as a catalyst for change, working with partners to build financial markets that are robust, efficient and, above all, inclusive. It uses funding, research and technical expertise to identify market failures and strengthen the capacity of its partners to improve access to financial services and drive economic growth.

FSD Africa is also a regional platform. It fosters collaboration, best practice transfer, economies of scale and coherence between development agencies, donors, financial institutions, practitioners and government entities with a role in financial market development in sub-Saharan Africa. In particular, FSD Africa provides strategic and operational support to the FSD Network.

FSD Africa believes strong and responsive financial markets will be central to Africa’s emerging growth story and the prosperity of its people.

About Creative Metier

Creative Metier is a consultancy specialising in Executive Coaching and Mentoring, Senior Leadership Development, Strategic HR and Organisational Development. We support senior leaders and their organisations, often operating in highly complex environments, to develop the capacity to deliver on their strategic objectives, and to resolve the most challenging issues they face.

Creative Metier delivers executive coaching for senior leaders committed to delivering institutional results and challenging objectives. Creative Metier’s international team of professional executive coaches have coached 246 leaders in 41 countries worldwide, with over 100 of these CEOs and senior leaders working in the financial services sector globally.

Executive coaching is carefully customised to meet individual leaders’ needs and schedules, supporting them to implement or respond to discontinuous change, resolve complex problems and address serious strategic issues. Creative Metier coaches provide structured support to cover all aspects of change management including stakeholder management, institutional structure, team capacity, organisational culture and performance. An executive coaching programme is framed by specific goals and aims to support the identification and building of wide and sustainable support networks for the future.

Written By

Creative Metier on behalf of FSD Africa as part of the ‘Building the market for executive coaching in the financial sector in Sub-Saharan Africa’ initiative.



1.0 INTRODUCTION

Leaders in the financial sector are under constant pressure and scrutiny to ensure the sustainability and profitability of their institutions. Executive coaching is fast becoming a critical tool globally to support leaders to achieve impact on business performance.

Executive coaching is the delivery of structured one-to-one support, usually by conversation, by professional Executive Coaches to enable leaders to achieve specific organisational or leadership objectives over a defined period; and it closes the gap between potential and performance and enables the individual to optimise their contribution to the organisation.

This publication presents the case of The Jubilee Insurance Company of Kenya that has made the strategic decision to invest intentionally in the development of a coaching culture through a three-phased leadership development programme. Jubilee Kenya's leadership is determined to cultivate a coaching culture that will enhance employee productivity and commitment, and contribute to business performance.

FSD Africa's Investment to Stimulate the Executive Coaching Market in Africa

FSD Africa has partnered with Creative Metier and Strathmore Business School in an initiative aimed at stimulating the growth of the executive coaching market across the financial sector in sub-Saharan Africa and at raising awareness of the business case for executive coaching for senior leaders in the sector. As part of this initiative, several executive coaching related activities have been hosted in Kenya, Uganda, Zambia and Nigeria including:

- Promotional events to make the business case for executive coaching to leaders in the financial sector in Kenya, Zambia and Uganda
- Roundtable discussions with key representatives of the coaching community in Kenya and Zambia to address how coaches can extend their reach to the financial sector
- An advanced coach programme workshop for accredited Executive Coaches to orient them to the needs of the financial sector in the region
- A workshop for leaders in the financial sector on how to build a coaching culture within their institutions
- Six months of executive coaching from professional, accredited coaches from across the region for 10 selected CEOs in East Africa

FSD Africa and Creative Metier have produced case studies featuring African financial institutions that have invested in developing a coaching culture and can demonstrate early-stage impact. These studies illustrate the business case for coaching in the dynamic financial sector in Africa, and will arm those seeking to make a case for this type of investment with evidence of impact on the bottom line.

2.0 JUBILEE HOLDINGS LIMITED

Jubilee Holdings Limited is a financial services holding company with its headquarters in Nairobi, Kenya. It has been in operation since 1937 and consists of eight insurance companies operating in seven countries in Central Asia, South Asia and East Africa.

The Jubilee Insurance Company of Kenya, is the company's Kenya subsidiary and the largest insurance company in the country consistently winning various awards for recognition of its

leadership in innovation in insurance solutions and company management.

<p>Founded</p> <ul style="list-style-type: none"> • August 1937, as the first locally incorporated Insurance Company
<p>Leadership</p> <ul style="list-style-type: none"> • Governed by Board of Directors Chaired by Mr Nizar Juma • CEO Kenya: Patrick Tumbo
<p>Organisation size</p> <ul style="list-style-type: none"> • 823 employees across the group; 544 employees in Kenya • Over 450,000 clients across the group with over 4,000 sales representatives in 2015
<p>Geographical coverage</p> <ul style="list-style-type: none"> • Kenya, Uganda, Tanzania, Burundi, Mauritius, Kyrgyzstan, and Pakistan
<p>Awards</p> <ul style="list-style-type: none"> • Best Company of the Year in HR, 2013 & 2014; Company of the Year in 2015- COYA Awards by Kenya Institute of Management (KIM) • Overall Winner and various awards, 2010- 2015 - Insurance Awards by Think Business • Overall Winner, 2015 - Agents BIMA Awards

Figure 6 – Jubilee Holdings Ltd institution profile

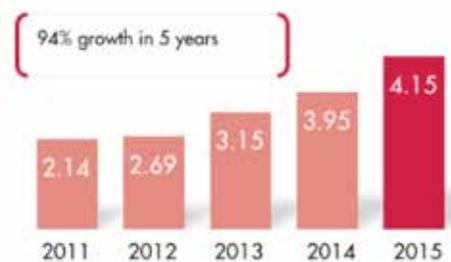


Figure 7 – Jubilee Holdings Ltd profit before tax (in billion KES)

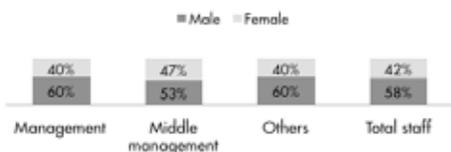


Figure 8 – Jubilee Insurance Company of Kenya Gender Distribution of staff

3.0 BUSINESS CHALLENGE

The insurance industry in Kenya is growing and changing rapidly. According to a survey conducted by AM Best, “Kenya registered the highest growth in insurance in Africa, at 20.4% in 2013”. It also had the second fastest growth globally after Lebanon, at 24%, leading to increasing interest by foreign investors (The Daily Nation, December 2014).

In the last five years, local insurance companies like the Jubilee Insurance Company of Kenya

Limited have been under pressure to keep up with the growing competition. Jubilee has needed to differentiate itself significantly from its competition and identified a powerful way to do this by developing managers to be better equipped to lead teams that can effectively respond to environmental changes.

2013 was a turnaround year for Jubilee. At the time, there was a high level of staff dissatisfaction, low morale, fear, lack of appreciation for the HR function, lack of feedback given to staff on ideas or concerns shared, delays in decision-making, no systematic performance management process and poor communication. It was evident to leadership that things needed to change and a new Group Head of HR was appointed.

The HR team conducted one-on-one interviews with leaders and issued a staff engagement survey in 2014 to identify areas of priority to address these challenges. Some of the key issues that emerged were:

1. Recruitment
2. Compensation
3. Leadership development

In response, Jubilee designed and launched a targeted recruitment strategy and a leadership development programme for high potential young leaders.

"There's an injection of new blood. We have people coming in from other organisations. We also have a Management Trainee programme now encouraging fresh graduates to join us with new ideas. There's a great shift in our culture from what it was before and what it is now. I'm trying to mould a high performance culture where everyone wants to be successful. I want people to strive to be better every day... I am looking forward to a high performing culture where each person wants to do better than ever before and be better than the competition." Patrick Tumbo, CEO Kenya

This "injection of new blood" was the first step to rejuvenating Jubilee's work environment. In tandem with other initiatives, Jubilee has developed a three-phased leadership development programme to address leadership challenges and start the transformation of Jubilee to a higher performing and innovative institution.

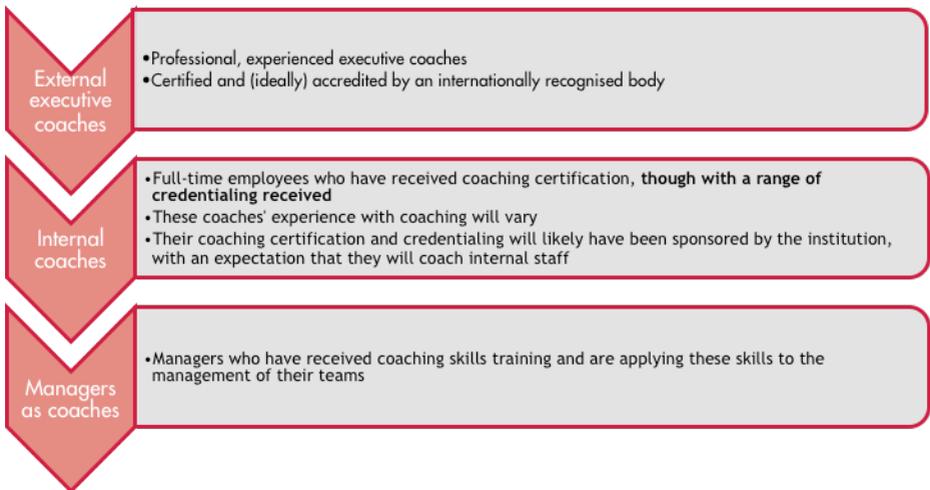
Coaching in institutions

For CEOs and senior managers, it is most common for institutions to seek coaching from external, professional coaches. These senior leaders often need coaching support to tackle strategic challenges and require a high level of confidentiality, needs best met by an external provider. In Creative Metier's experience with coaching senior executives across the world, if leaders experience first-hand the effectiveness of coaching, they are more likely to advocate for further investment in external coaching as well as development of internal coaching capabilities.



Different levels of coaching development – from professional coaches to managers who coach.

In addition to sourcing external coaches for senior executives and potentially other distinct groups (i.e. high potential managers), institutions also look to develop internal coaching capabilities in order to provide a sustainable solution. This internal investment can range from sponsoring select individuals to be trained and credentialed as coaches to developing coaching skills training for managers at all levels.



4.0 THE SOLUTION: THE THREE-PHASED LEADERSHIP DEVELOPMENT PROGRAMME

The three-phased leadership programme was designed and implemented in 2013-14 to span three years in three phases.

“The journey started with baby steps; transformational journey.” Participant

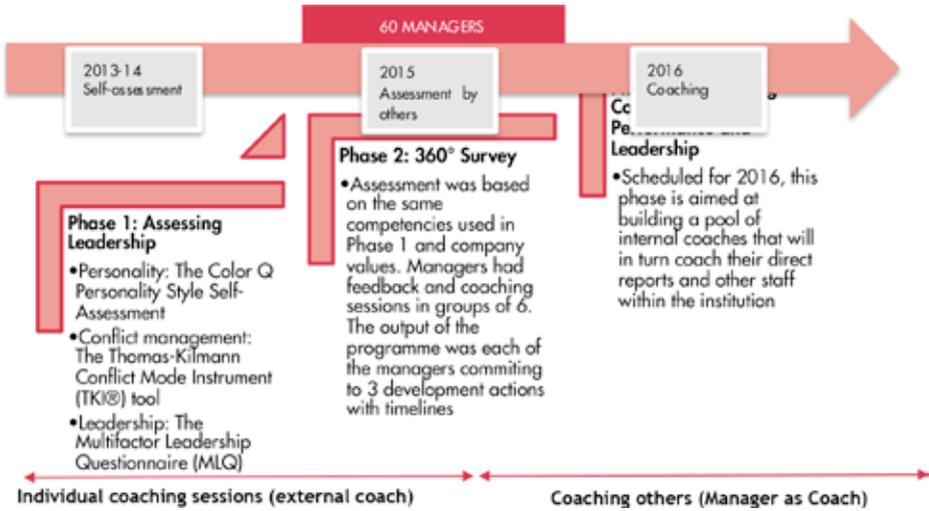


Figure 9 - Jubilee's 3 Phase Leadership Development Programme

The first phase of the programme, already completed, focused on personality assessment of leaders. It was designed to help leaders reflect on themselves, their leadership styles and raise self-awareness. A range of tools were used to understand and address personality, conflict management and leadership competencies as detailed in Figure 9. Managers also participated in individual coaching sessions with an external facilitator to support them in addressing their leadership development needs.

“Eye-opening; the test results were a shock, the ones from the Colour Q test. We had small group feedback sessions after the 360°; I was surprised to see what were described as my strengths and weaknesses.” Participant

The second phase involved a 360° survey. Managers shared their individual reports in groups of six with an external coach providing facilitation. They each committed to at least three development actions out of the sessions.

“The 360° feedback was beneficial and eye opening.” Participant

The third phase, which is set to take place in 2016, will involve building a pool of internal coaches that will in turn be able to coach their direct reports and others within the institution.

5.0 IMPACT

Where does coaching add value?

In a 2012 third-party evaluation of a multi-year, global coaching programme that Creative Metier delivered for an international development network, evaluators confirmed that coaching “enabled concrete action”, and supported participants to “see links between their leadership capacity and their business results.”

“Participants on the coaching programme consistently pointed to links between leadership

and business objectives, such as how increased profit margins would only increase if leaders delegated tasks more efficiently and everyone on the team retained high morale during troubled times, and if everyone made a contribution.”

In this case study series, Creative Metier profiles the impact of coaching interventions using Donald Kirkpatrick’s model of the four levels of learning evaluation from data collected through interviews held with eight managers that were part of the programme. The model captures how an individual’s experience in any learning programme can translate ultimately into business results.



Figure 10 - Donald Kirkpatrick’s four levels of learning model

Though the programme is still in its early stages, some observed changes are already evident within the organisation and measurable results are expected for the future.

5.1 Reactions

Creative Metier conducted interviews with eight managers that participated in the programme. There was a high level of agreement that this programme has set Jubilee on a path to positive change.

“One of the most memorable moments for me has been receiving direct feedback from managers who say the programme has benefited them personally and seeing them take individual responsibility for their personal development.” Emily Kamunde-Osoro, Group Head of Human Resources

Patrick Tumbo, Jubilee Kenya’s CEO, is already observing shifts in his own leadership team, “the senior management team has become more cohesive. There’s more transparency and people are interacting more freely.”

The majority of those interviewed agreed that the coaching element of the programme is shifting the work environment. In the words of one respondent, “it is creating an environment of self-awareness and vulnerability in a safe space”. Interviewees appreciated the opportunity which allowed them to step away from their usual environment and reflect on who they are as an individual and a leader.

“There’s greater understanding of behaviour and people are more receptive to each other.

Both individual and team capacity have improved. People work more as a team now and more is being achieved, I'm getting more support from direct reportees and lower cadre staff have given feedback that the middle managers are changing and handling staff much better." Patrick Tumbo, CEO Kenya.

The respondents felt that the experience of being coached meant they could not only confront issues they had been struggling with, but they had the support to begin to test out new behaviours.

"Before the programme I imagined I was perfect; it showed me areas of weaknesses, areas for support and allowed me to look into my inner self." Participant

5.2 Learning

"The programme was educative; [it] helped me learn how to relate better with my peers and boss." Participant

Three of the eight respondents mentioned that the programme is teaching them skills to improve their relationships with their peers, teams and supervisors. These respondents speak of learning "how to listen", effectively manage their teams, manage their own impatience, and see themselves as a whole person, not compartmentalising their lives. It has taught them that "there's room for improvement and change" and that things can be done differently.

"The programme... taught me how to manage my impatience with people better. I used to believe that if you tell/teach someone to do something once or twice, they should be able to do it. It also taught me to interact with people better, listen more. One-on-one sessions bring out information which ordinarily wouldn't come out of other sessions. It taught me how to deal with my managers." Participant

"The programme helped me to be a better leader, be able to work with the team and get the right skills. I learned how to win as a team, not as an individual." Participant

Additionally, the process allowed participants to broaden their perspective on the business as a whole; shifting from a narrow departmental view to a holistic understanding of Jubilee's operations and products.

"I learnt that I need to learn about the business as a whole; not only focus on my department. I now know more about the other products and have become more of a company representative as a whole." Participant

5.3 On-the-Job Application

Half of the leaders interviewed are beginning to take some practical steps to shift their own and their teams' behaviour within the institution. Having first worked on themselves, the leaders are now taking the time to understand their teams, identifying strengths and weaknesses of individual members and adopting strategies to suit each personality type. They are coaching and mentoring their teams to encourage them to extend their boundaries. They are also creating an environment of open communication, giving room for constant feedback.



Figure 11 – Jubilee Insurance Leadership Development Programme process

Though a formal feedback mechanism has not yet been instituted, two of the eight respondents interviewed mentioned creating their own informal systems to gather feedback. One leader explained that he had tasked his team with holding him accountable for his own shift in behaviour following results from the 360° feedback; asking them to track improvement in areas of weakness that emerged from his 360° report.

“I’m creating a culture of accepting feedback. I encourage the team to take leadership and initiative.” Participant

Leaders are also applying the programme learning to their teams in other ways:

- Four leaders report being more likely to guide their teams to think of solutions to problems and empowering and equipping them to act, rather than providing solutions.
- *“My team has moved to a self-managing team. I don’t have to check-in on them.” Participant*
- There is a deliberate effort by leaders to relate with their team members on an individual level, getting to understand them as a whole person, not just who they are at work
- They feel they relate better with their teams and are more approachable
- Leaders are also beginning to feel less fear, and from their teams, and have a sense of departmental gaps fading and more collaborative work happening

5.4 Business Results

Despite the programme still being in its very early stages, some measures of improvements of business-related factors have been identified which may be partially attributable to the programme.

These include:

Revenue – Increase in revenue at Jubilee Kenya by 37% in 2014 from Kes. 15.48 billion to Kes. 21.17 billion

Market leadership – Jubilee Kenya maintained market leadership consistently as number one overall in Kenya with the highest market shares; 12.8% in 2013 and 13.4% in 2014

Staff turnover – Improved levels of staff turnover from 15% in 2012, to 13% in 2013 and down to 10.7% in 2015

Productivity - Higher productivity rates per employee in Kenya from \$0.4 million in 2013, to \$0.41m in 2014 and \$ 0.49m in 2015. As the graph below indicates, Jubilee Kenya's productivity rates are highest as compared to all the other Jubilee companies

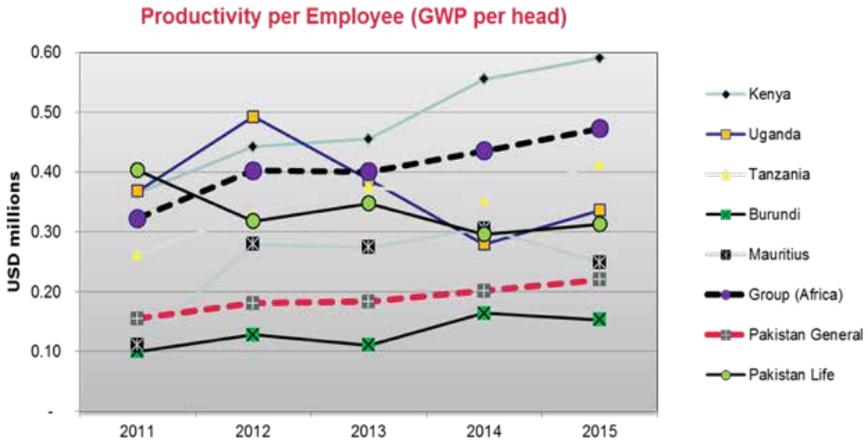


Figure 12 – Productivity per employee at Jubilee companies

Employee engagement - An improved index from 3.4 in 2011, to 3.6 in 2014; leadership has set an ambitious target of 4.0 for 2016

Other interventions to support the culture change

1. The Balanced Scorecard (BSC): for performance management and to build a high performance culture
2. The Town Hall: a monthly informal meeting session for all staff to share information and discuss topics of interest
3. Management Trainee Programme: to groom young and innovative individuals for leadership
4. Innovation Centre: to encourage people to share ideas and think differently
5. The Employee Wellness Programme: to address staff's wellness via an external provider that gives access to a 24-hour counselling service for staff, allowing HR to focus on other core-issues

6.0 CHALLENGES

The programme has not been without challenges. Some of the key themes that emerged from Creative Metier's research include:

- **Time:** Managers feel pressure to deliver their responsibilities and targets, sometimes at the expense of having time to focus on applying their learning. One participant even confessed to it being hard to remember that he is part of a programme. "People dwell too much on business as usual and forget other things; people aren't focusing sufficiently on the programme."
- **Need for more coaches:** There is a feeling that more trained coaches are needed

to support the programme. These would need to be credible coaches with business understanding.

Jubilee is considering how best to adapt the programme design to respond to these challenges.

7.0 WHAT THE FUTURE LOOKS LIKE FOR JUBILEE

"My vision for the organisation is to grow and develop our managers into transformation leaders who will shape the future our company. I look forward to implementing Phase 3 of our leadership development programme in 2016 which will see our managers gain hands-on coaching skills and eventually identify a pool of internal coaches that will enable us embed a coaching culture across the organisation." Emily Kamunde-Osoro, Group Head of Human Resources.

Jubilee's immediate plans are to implement Phase 3 of the leadership development programme, by equipping its managers with coaching skills. Those that demonstrate capacity and potential to coach, will subsequently be taken through professional coach training to serve as an internal pool of coaches, ultimately enabling Jubilee to have coaching taking place at all levels of the institution.

"At the end of the horizon, I want to see more investment on employee development spread at the bottom of the pyramid in the organisation; I want to see Jubilee Insurance become the employer of choice not just through the remuneration package but because it is the most exciting environment to work in and develop their careers."
Nizar Juma, Group Chairman



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