

Setting the Stage for a Renaissance at Trustmark

By Terri Armstrong Welch

Cultural change and renewal is never easy, but as one company learned, beginning by developing great leaders is a step in the right direction.



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Headquartered just north of Chicago in Lake Forest, Illinois, Trustmark is one of those heartland organizations that exemplifies the corporate values that are often missing from today's business headlines. Founded in 1913 by four railroad workers to provide benefits for fellow employees who are injured on the job, Trustmark has grown to more than 6,200 full- and part-time employees working in 25 locations nationwide.

Through its subsidiaries and operating divisions, Trustmark provides access to a full spectrum of employee benefits, providing more than 2 million people with flexible medical, life, and disability benefits, as well as fitness and wellness-related services.

Trustmark's dedication to its customers and employees resulted in quiet and steady growth until the mid-1990s, when the company faced unprecedented business challenges. Consolidation in the health insurance industry put new constraints

on growth and profitability, while other financial pressures forced the company to reassess its operations and competitive value proposition in the marketplace.

The mantra became “focus...focus... focus,” and employees were asked to adopt an almost military mentality. Trustmark concentrated on core competencies, sold off noncore businesses, and made generating capital a top priority.

While Trustmark leadership knew that this approach was necessary in the short term, it was not the strategy that would carry the business to long-term growth and prosperity. With the company on firm footing again, it needed to create a culture that would be open to innovation and opportunity.

The Trustmark Renaissance

Throughout decades of partnership-building with clients, Trustmark was trusted by its customers for its flexibility and the caring service its people provided. When it came time to initiate the fundamental culture change the business needed, the company’s senior leadership decided to build on those attributes that helped the company thrive for nearly a century. The result is what became known as “The Trustmark Renaissance”—a change initiative that, at its core, required a radical change in employee mindset.

“It was difficult at first,” says Kate Martiné, senior vice president of human resources and corporate communications at Trustmark. “Culture change is hard. Business transformation is hard. And the renaissance at Trustmark meant that people had to think differently about how they approached their work.”

For some, the challenge was daunting. Others saw an opportunity to help shape the company’s second-century legacy. As one Trustmark executive described it, the challenge was to find a way to turn a command-and-control style army into a community where everyone felt supported in challenging the status quo and seeking new opportunities.

“We knew we needed to launch out into new venues. And that meant taking risks,” explains Martiné. “It was only through effective leadership—trust, confidence, and credibility—that people felt that it was okay to take those risks. The leadership development that supported those tenets soon became a central component of our business and cultural revival, where innovation and open communication would thrive.”

A leadership development program to support radical culture change

Trustmark knew that it must effectively build leadership capacity throughout the ranks, from seasoned senior leaders and new managers to individual contributors. Shying away from “flavor of the month” programs and generic course offerings, Martiné searched for a leadership program with a proven, time-tested track record; a core model grounded in research and evidence-based results; and flexible and customizable delivery options that aligned with the renaissance strategy.

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A valid and reliable 360-degree feedback tool was also a must-have component. Martiné and other senior executives wanted leaders to receive the feedback needed to gain a deeper understanding of their own specific development needs.

Through a long-standing relationship with Third Eye Leadership and its two principals, Jo Bell and Renee Harness, Martiné discovered and eventually

chose “The Leadership Challenge” program, created by James M. Kouzes and Barry Z. Posner. The authors’ fundamental belief, that leadership is a measurable and learnable set of behaviors, resonated at Trustmark.

For the Trustmark Renaissance to succeed, more employees would need leadership skills—an understanding of the importance of trust and credibility in motivating others to achieve shared goals. This aligned perfectly with Kouzes and Posner’s field-tested leadership model, “The Five Practices of Exemplary Leadership” (model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart).

With guidance from Bell and Harness, who are also Leadership Challenge Certified Master Facilitators, Trustmark began to focus on long-term implementation using several components of The Leadership Challenge Workshop and the 360-degree feedback tool, the “Leadership Practices Inventory” (LPI).

The practice of leadership development

At the outset, Trustmark leadership knew that it was important for the company’s most visible senior leaders to “model the way” before asking others to follow. As a result, this initiative began with a small pilot group of senior leaders and then quickly spread to all of the organization’s directors and managers.

The initial structure of The Leadership Challenge Program consisted of five components:

- A half-day introductory session in which participants learned the basics of the five practices and received feedback reports generated from the LPI Online (completed prior to this first meeting).
- A one-to-one coaching session by Bell and Harness, in which participants could discuss their leadership challenges and LPI feedback. Participants also identified and made notes on key development areas to focus on during the workshop.

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- An intense two-day workshop in which participants learned more about the five practices and how to address development areas identified in their LPI feedback. All participants left the workshop with a plan of action for improving their effectiveness as leaders.
- A pairing of participants, called commitment partners, who provide postworkshop support and encouragement, exchange action plans, and make commitments to follow-up at specific periods to help ensure success in implementation.
- A second LPI, a second coaching session one year later, and another half-day session to discuss what was learned.

“What distinguishes Trustmark is the conviction its leaders have about the meaning of their work. More than 160 Trustmark leaders have experienced The Leadership Challenge and have taken what really matters to them to heart in creating a vision of their future. This has had an effect on the engagement and motivation of employees as well as on bottom-line results,” explains Harness.

Going forward, Trustmark is actively integrating its leadership development program into various areas of its business. As part of its new strategic direction, for example, Trustmark acquired HealthFitness Corporation in early 2010 and is introducing The Leadership Challenge to new employees to help ensure a smooth integration and make the most of the new opportunities the acquisition affords both organizations.

Recently, frontline supervisors and team leaders began participating in The Leadership Challenge e-learning program—a self-directed, asynchronous course that enables Trustmark to easily and flexibly introduce The Five Practices model and The Leadership Challenge philosophy where it is difficult for employees to participate in traditional classroom workshops.

According to Donna Hirsch, second vice president of organization development at Trustmark, “The Leadership Challenge E-Learning Program uses a variety of interactive activities to engage participants and enhance their learning. The modules are chunked into 15- to 30-minute sessions. That’s short enough to fit into anyone’s schedule!

“I also really like that participants are prompted to think about a real business challenge and work on that challenge throughout the program. With most e-learning courses receiving poor completion and satisfaction ratings, we were quite pleased with our initial marks: 86.4 percent of participants found the course to have good or excellent relevance to their jobs, and 86.3 percent of participants rated the overall quality of the course as good or excellent.”

Results that matter

More than ever, people at Trustmark have a say in how the company works and the direction it's going, and those efforts are recognized and rewarded. From inspiring messages displayed on walls throughout the office to celebratory events and “Ask, ‘What If?’” board games, employees are committed, energized, and active participants in

ensuring the success of their teams and the organization.

“When we gave employees freedom to participate in shaping Trustmark’s strategy, we were, in effect, inviting everyone to take a leadership role,” says Trustmark CEO Dave McDonough. “That can be intimidating. The Leadership Challenge has been invaluable in building a culture where employees have the courage to step forward as leaders.”

Today at Trustmark, employees have a much better understanding of how they contribute to Trustmark’s success.

“I’m thrilled with Trustmark’s results,” comments Lisa Shannon, associate publisher at Pfeiffer, the publisher of The Leadership Challenge and LPI materials. “They are living proof that values matter, and developing leaders at all levels is an extremely effective path toward transformative change. With the current economic difficulties, the companies that invest in more leaders will be the ones that solve the complex problems, find the next growth strategy, and discover the next innovation. Leadership development is no longer an optional investment for organizations that are looking to thrive in today’s business climate.”

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