

CULTURAL REVOLUTION

WORDS: NIGEL ADLAM. PHOTO: GLENN CAMPBELL.

Richard Harding had a daunting task when he took over as boss of the Territory Insurance Office six years ago.

There were many “challenges” – TIO was Australia’s last government-owned insurer, Territorians felt a fierce sense of ownership over the company and the team was still shell-shocked after an acrimonious public debate about whether it should be privatised.

A confidential survey showed that two in every three employees were “disengaged”.

“In other words, they didn’t really want to be here,” says Richard.

Not surprisingly, employee turnover figures were horrific – up to 48 per cent in some departments.

The new chief executive set about changing the whole culture of the place – from public service mentality to the customer service creed of private enterprise.

And it had to be done from the top down.

There was intense training to help the team connect with the community base of TIO, to get everyone, from managers to front-counter assistants, to focus on serving the most important person in their work world: the customer.

And it all began just as the global financial crisis began to bite.

The effect of TIO’s cultural revolution has been dramatic: employee turnover is down to 18 per cent, which is low in a part of the world where there are many more jobs than workers; employee engagement has soared; customer satisfaction is at 85 per cent; customers are staying with the insurer and buying more products; profits are healthy and dividends to the sole shareholder, the NT Government, are at record levels.

“It’s been a long journey,” says Richard. “We put an enormous effort into training – getting people to understand our expectations, rewarding them when they do well, giving constructive feedback when they don’t.

“It’s been about applying a customer focus right through the organisation. The key is to make our people aware that they are doing something useful: helping customers.”

The low turnover shows that employees are happier at work, that they feel they are doing something worthwhile.

TIO has worked hard on a “shared values” initiative and building what it calls “community resilience” – demonstrating to the community that their interests are often best shared by working together.

“My favourite example is Humpty Doo, which has one of the highest rates of lightning strike in the Southern Hemisphere,” says Richard.

“We try to educate people about how to reduce the risks – that if they use power surge devices or put their electrical equipment in safer places they will suffer less damage and inconvenience, and we’ll have to pay out fewer claims.”

The insurer is a big part of the Territory community.

It runs road safety campaigns covering speeding and drink driving; sponsors the CareFlight rescue helicopter; and funds a registration-recognition device for police.

TIO also runs cyclone briefings for the public and works with the City of Darwin council to help people clean up their properties before each cyclone season.

“It has been shown that a barbecue kettle flying through the air at 200km/h can easily go straight through the outside wall of a house,” says Richard.

“The hole that creates allows in wind and water – and the pressure can blow off the entire roof.

“That means a \$200 barbecue kettle left in the yard can almost wreck your house.”

TIO’s battlecry nowadays is: We’re for Territorians.

Profits last year were \$106 million before tax with a \$10.5 million dividend paid to the NT Government.

They would have been about the same for the 2013-14 financial year. But the Territory has signed up to the National Disability Insurance Scheme, which has meant \$62 million in extra payments to victims who have suffered “catastrophic” injury in motor accidents.

“But our Motor Accident Scheme is still the most solvent scheme in the country.”

The banking arm of TIO is growing strongly and is expected to make a \$2 million profit.

The insurance division is tipped to make \$23 million.


Richard worked for a large insurance company for 17 years and spent the final four years before moving to Darwin as the head of the firm’s China division.

After being his own boss in Beijing and Shanghai, he didn’t relish the prospect of going back to Sydney.

The TIO job was perfect: taking over an unusual business in desperate need of reinvigoration in a fast growing and unique location.

“Darwin didn’t scare me after China,” he says. “I thought if the family can live in China we can live in Darwin.”

Richard, his wife Deborah and two children, Isabella, 14, and 12-year-old Jessica enjoy life in the Top End and are happy to call Darwin home. **TQ**

A man with a receding hairline, wearing a white long-sleeved button-down shirt, is seated at a light-colored wooden desk. He is looking directly at the camera with a slight smile. His hands are clasped on the desk. Behind him is a wall covered in a grid of square panels, each containing a complex, concentric square pattern in shades of brown and gold. The lighting is soft, coming from the side, highlighting the texture of his shirt and the wall.

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