

How we transformed our culture in 100 days: the story behind an intensive culture change program at HSBC Argentina

Antonio Losada and Javier Bajer



Antonio Losada is based at HSBC Argentina, Ciudad de Buenos Aires, Argentina. Javier Bajer is based at The Talent Foundation, Godalming, Surrey, UK.

Abstract

Purpose – This paper aims to inspire and support leaders wanting to change the culture of large and complex organizations by sharing what HSBC experienced in Argentina, describing how and why an entire organization recently went through 100 days of intense activity, significantly changing the culture of over 6,000 employees.

Design/methodology/approach – Details of this case study are given using two different “voices” and perspectives: one from the CEO and the other one from a program implementation angle. The connection between the people and business perspectives runs throughout, describing the major elements of the culture change program used and the results achieved.

Findings – The experience provides evidence that it is possible to change the culture of an organization in about three months, regardless of how challenging it might seem at the start. Most importantly, the new culture can be sustained over time when a tipping point is reached across the organization.

Originality/value – The program described here challenges traditional culture change approaches, presenting a concrete and proven method that does not rely on communication campaigns or rewards strategies to drive real change in record time.

Keywords Organizational change, Leadership, Change management

Paper type Case study

Javier Bajer (JB): It was 8:00 a.m. on a Saturday morning in early 2009 in downtown Buenos Aires, Argentina. Streets that witness extreme buzzing during the working week were completely calm except for thousands of HSBC employees who were voluntarily walking into one of the largest Tango theatres in the world. At the same time, spread around 12 regions across the country, from the high-up northern city of Salta to the southernmost city in the world, Ushuaia, hundreds of additional local HSBC employees were gathering in hotels around large satellite videoconference screens. They were participating remotely in what was about to happen in probably the most European-like capital in South America. What was it all about?

Antonio Losada (AL): As CEO I would agree that it is paramount that organizations have the right cultures in order to serve clients with the promised quality, to achieve high performance and to attract talent. However, developing cultures is something that we often leave for others to do or simply assume that there is little we can change during our tenure, as this sort of change would take too long to show returns. We often shrug our shoulders when someone, at a board meeting, magically explains that everything would work out if we only managed to change the culture of our organization. Unfortunately, many attempts at producing these sorts of changes fall short of showing results when these are needed.

We had the right ideas, but they felt too disperse. As an organization we talked about quality, client centricity, efficiency, being a good place to work, attracting and retaining talent, etc. The actual challenge was to connect all these objectives, addressing them at the same time

as achieving financial results, growing in a competitive market, completing a merger with a recently acquired organization and finalizing a massive system migration.

We had a few other elements that defined our context: our company was still being affected by a recent downsize and we clearly had two very different cultures, a recently formed leadership team, a very bureaucratic and inward looking structure and a tangible global crisis that was starting to affect us.

JB: The event began with a warm welcome to the Leadership Development Program given by Antonio Losada, CEO and chairman of HSBC Argentina. The program was openly offered to all 6,000 employees of the group in that country and, from board members to security personnel, most of them were there. Branch managers, java programmers, call center operators, regional directors, secretaries, fund managers, lawyers and credit controllers were all about to share a personal development journey that would connect their own growth with that of clients and of the business.

AL: I had two reasons to offer this program openly to the entire organization. Firstly, having initially taken this program (myself and the board), I believe in the personal benefit that it brings to someone's quality of life. Secondly, I do not believe that true change can be done by a small group of people, regardless of their level of commitment or insight. There was no time for change to "cascade down" through internal communication campaigns. What we needed was something that would quickly reach everyone in an action-driven way. If the Monday following the kick-off event was not going to feel different for a client, we were just going to be wasting our time.

JB: An introduction choreographed by a couple of tango dancers, provided an illustration of the fact that, rather than presentation slides with bullet points, this Saturday was going to be somewhat different. The following act defined leadership as something that we all have to exercise, everywhere, all the time. From this point onwards, leadership was only referred to as "the ability to create change and add value" – regardless of job descriptions, rewards, metrics, hierarchies or even visibility.

During the rest of the program, thousands of participants organically worked on making changes to add value everywhere they could – with or without "permission." They might one day review and adapt processes that felt too bureaucratic and another day trigger grown-up conversations with their bosses, teams, clients or relatives around what was truly important for them. Participants started to conduct meetings in a different way, making them much shorter as a consequence.

Most travelers in this journey actively improved their relationships at work and at home – the web of building blocks that defines and influences the culture of any organization. When every employee makes changes – even small ones – in a coherent direction, there is a clear, unstoppable and rapid impact on the collective culture.

AL: Stories about these changes are all over my organization. An IT project leader recently shared an example of this with me – at a meeting between a business area and IT, somebody tried to give excuses about a delay and immediately the other participants at the meeting laughed, declaring "this is victimship" (one of the distinctions that we learned during the program). The person immediately changed his attitude and accepted his responsibility, building a new commitment around that situation. He concluded that meetings are now more effective and to the point, concentrating on getting better results and not on debating excuses.

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JB: The introductory training session was followed by 99 days of intensive application of new leadership skills in people's day-to-day professional and personal lives. This period of time was required to solidify individual learning and to produce the "stickiness" of new behaviors. According to recent brain sciences research, 100 days of sustained coherent practice significantly increase the likelihood of behaviors becoming second nature. The greatest challenge when wanting to develop new behaviors at scale is what is called "transfer of training." Enthusiasm and skills will begin to erode in contact with reality, seriously diluting the impact of most training efforts, leaving people with just a conceptual recollection of the training, instead of developing a concrete set of relevant behaviors that they can put to use.

To structure and manage the 99-day practice period, a web-enabled platform was introduced to all participants. They had a chance to plan their journey, identify areas where they wanted to continue to develop and capture "leadership actions" that they would soon be taking for real. Through the use of this tool, participants were guided to "unpack" personal current situations, analyzing them as opportunities for leadership, bringing out the related costs to them and others, and "realigning" themselves through specific and immediate actions. Similar to the use of training wheels on a bike, this platform was used for the rest of the practice period, driving new behaviors until these became spontaneous and the platform was no longer needed (as it had already fulfilled its purpose of creating stickiness of the learning).

Every participant was also randomly assigned to a newly formed team, supported by a more senior member of the organization, previously trained in the coaching methodology of the program. At the same time, these "coaches" were supported by 12 master coaches, a group of employees who were extensively trained to play a strategic role through the duration of the program.

AL: For us it was important to have our own leaders train our leaders. Graduates from a smaller and earlier version of this program were invited to become coaches; from the pool of volunteers we selected 300 people from across our business to help others take advantage of the practice period. It not only built coaching skills in many of us, which are now being used in how we manage our own teams, but it also helped connect people across our organization, making it much easier to spread the changes we want to implement.

JB: The online platform connected coaches with their assigned participants, particularly as they returned to geographically dispersed workplaces. Based on the specific activity of each participant, the system provided tailored advice to his or her corresponding coach so they could adapt their interventions to improve each participant's experience.

AL: The board frequently reviewed the statistics of the program to monitor progress in each large coaching family – linked to a member of the board as a coaching "grandfather." It was common to see board members having lunch with their "family" of coaches, analyzing each group's situation and helping them continue to encourage people to take actions that create value. Having statistics as part the program helped drive the right behaviors – in all of us.

JB: A few weeks into the program and a new language started to emerge surrounding new behaviors and new ways of working – all of which could be experienced through everyday interactions. There were neither posters nor brown bag lunches campaigning for a change in the way employees should behave. People naturally sought collaboration through each interaction and the place already felt different.

After 100 days of intense activity across the organization, the program was complete. The online platform was no longer active, the coaching relationships were no longer encouraged (of course, many will naturally last for a very long time) and program statistics were no longer produced nor analyzed. The area within the intranet used for communicating progress and achievements of the program has been replaced with information about how the organization is making a difference in the lives of its clients.

AL: As an organization we measure employee engagement every year. After the first phase of this program, we achieved one of the highest increases in employee engagement of the

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entire HSBC global network. Of course we are very pleased with this, despite the fact that it only tells a small part of the story when we look at our business.

The question I am often asked is the one about measuring the ROI of this program. Most people expect to see a line in my P&L reports where they can see a clear difference, before and after this investment. The ROI for us is obvious, although, in such a complex world, there are many drivers that influence every line of our business metrics.

However, I ask the following to those who question value:

1. Is there value in having an organization understand how economic cycles drive concrete actions in individuals, instead of them hoping that their “good luck” will avoid them getting laid off?
2. Is there value, for an organization, in being truly closer to clients, and not just having this as a slogan?
3. Is there value in improving relationships between people, especially in areas where their interaction drives improvements in the service we give to our customers?
4. Is there value in being part of a team, which feels proud of the impact that it is having on society through the delivery of its products and services to clients?
5. Is there value in attracting talent because of the ways the organization works everyday?

If you do not believe in these as key metrics, I would suggest you do not engage with a change of this kind. You would agree, however, that the best ROI is found inside an increase in sales (you will definitively increase sales when you get closer to your customers) and in a reduction of costs, driven by the efficiencies that result from working better together. In my experience, and that of my board, the return on investment for this program was fast and unquestionable.

JB: Instead of focusing energy and resources on theories, models and labels, HSBC Argentina engaged the entire organization in changing its culture through the application of tens of thousands of specific and individual actions (our theories, models and labels were kept to ourselves and only shared with a few curious members of the team). This program is part of a wider People Plan, designed to achieve coherence between the new behaviors and those driven by the areas of communication, rewards, career, mentoring and other people-related areas. In the organization there is now a clear level of readiness among employees that will help them accept new challenges, beyond those that have already taken place.

AL: Today we are starting to feel like a high-performing organization, which accepts the new challenges of an industry under pressure. We are starting to seriously put our clients at the center and feeling proud of the impact we are having in their lives. We feel that we can make a lasting difference when it comes to our role in society, helping individuals and businesses grow, realizing their dreams and feeling safe in doing so. Our results exceed our expectations and we are able to attract great people to join our teams.

JB: Changing a culture does not need to take more than 100 days, even when the challenge is often compared with that of turning a transatlantic ship around while still in full motion. When enough individuals of an organization start to talk and behave in a coherent way, a tipping point is reached after which it is difficult for others to ignore a new mainstream conversation. Even those who did not join in at the initial call have now unknowingly borrowed the language of the majority and are sharing the benefits of living in a new culture.

AL: A key factor for the success of the program was partnering with people who knew what they were doing and would bring not only a platform for change but relentless integrity to its implementation.

JB: When asked to implement our program for the first time in South America we had our doubts about the team's ability to take the challenge, as the organization was undergoing significant changes that seemed to take any available attention. However, the commitment of the CEO, his board and that of the entire organization was the cornerstone of the success of the program.

AL: I did not commit to this program because of its attractiveness or because of it being so different. I did commit because I saw it as a powerful way to continue to deliver shareholder results in the long run, while looking after our clients and colleagues. Using the language I learned during the program, I now feel "aligned" and in a much better place to lead an organization through uncertain times for all.

Highlights of this program can be viewed online at www.youtube.com (search for HSBC culture change program).

About the authors

Antonio Losada became the CEO and chairman of HSBC Argentina in 2007. He began his career in 1973, working as a cashier in one of the bank's branches. Antonio Losada is the corresponding author and can be contacted at: antonio.losada@hsbc.com.ar

Javier Bajer works closely with the boards of global organizations such as Shell, Accenture, Hewlett-Packard, *The Economist* and HSBC, helping them develop leadership at scale and re-engaging their workforces. In 1998 he also became the founding CEO of The Talent Foundation, the international network of businesses and academia created to find concrete answers to the challenge of unlocking human talent at scale.

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