PRUDENTIAL’S SOLID ROCK

Building the global insurance provider’s leadership foundation.
PRUDENTIAL’S JOHN HOM:
“The personal touch is really critical.”
John Hom is a numbers guy. He has a college degree in economics, an MBA in finance, and a résumé attesting to his experience in strategic planning, improving performance productivity, and designing compensation structures for salespeople. He admits it’s an unusual background for a vice president of talent consulting (his current role at Prudential), but he sees it as more of an evolution than a contradiction.

“I like the numbers. I like the data. But then there’s that other side of me that’s really interested in how people make an impact on the business and how they contribute. It’s that other side of me that’s won over the latter part of my career.”

Numbers may not be the sole driving force for Hom these days. But that’s not to say that he and his colleagues at Prudential, the multinational insurance and financial services company, aren’t adding value. Partnering with Sharon Wright McMahon, vice president and head of human resources for Prudential’s international insurance division, the two have made a formidable team working to build the organization’s global leadership capability.

What they are doing is bringing together assessment, leadership development, global strategy, local execution, and best practices around partnering and empowerment to help take Prudential’s global leadership capability to a new level.

“We take talent very seriously at Prudential,” Hom says. With its efforts to grow its leaders, Prudential is proving it.

ROCKING THE GLOBE

The Prudential rock is one of the most recognized corporate logos in the world. Three decades ago that fact might not have mattered. Founded in 1875, for more than a century Prudential mainly did business in the U.S. That changed in the late 1970s when it began selling insurance in Japan. Since then, Prudential’s international insurance business has grown steadily to become a high-horsepower engine driving the company’s growth. Today, Prudential’s international insurance business, which, in addition to Japan, includes companies in Argentina, Brazil, India, Italy, Mexico, Poland, South Korea, and Taiwan, employs more than 30,000 people outside the U.S. The Rock has gone global in a big way.
From its headquarters in Newark, N.J., however, a lean staff of only about 100 supports those 30,000-plus people. That’s as it should be because Prudential’s business is driven heavily by the needs of its local markets around the world.

One critical factor in many of those local markets is Prudential’s ability to maintain personal connections with customers. While in the U.S. Prudential sells mainly through independent agents, in markets outside the U.S. many agents are employees of the company who visit customers’ homes.

“The personal touch is really critical,” explains Hom. “It’s important for customers in those countries and cultures to know who they’re buying from, that it’s a relationship, and that they’re buying products based on their true needs.”

The global footprint, and individualized approach that goes with it, proved to be a tremendous advantage to Prudential in the wake of the global recession. While many of its competitors were struggling, Prudential found itself with a strong balance sheet and in position to grow. Given the state of the U.S. economy at that time, the logical avenue for growth was an expansion of Prudential’s global insurance business. But, Wright McMahon says, the organization wasn’t sure it had the leadership capability to drive aggressive growth in its various markets around the world.

“We’re starting to look beyond our proprietary model into other lines of business, other products, and other services, such as selling insurance online. Some of those areas we were looking at required leaders with strong technical expertise, while for others we just needed strong leaders to manage significant change, people who can mobilize teams of people.”

The need to expand its business wasn’t the only driver for Prudential to take a harder look at its leadership capability. Concurrently, in 2008, Prudential’s chairman and CEO, John Strangfeld, unveiled a talent strategy grounded in the recognition that talent is a key differentiator for the organization. The formulation and execution of the strategy entailed setting a desired culture and values, defining a leadership brand, developing a global leadership competency model, and establishing tools and programs to enable and sustain target behaviors.

Wright McMahon says that one of the drivers for Strangfeld’s talent strategy was that Prudential recognized it lacked adequate leadership bench strength depth. The strategy, therefore, became the foundation of a formalized, global succession management process that employed assessment to help gather relevant data about gaps relative to critical roles, identify those leaders with potential, and reveal or confirm individual strengths and development areas.

The assessment data was compiled to provide a snapshot of the international insurance organization’s leadership capability. Hom expected that this snapshot view would be “kind of a random walk” but instead it proved to be an actionable picture.

“There were some pretty clear strengths and development areas that a good percentage of our leaders had in common with each other.”

Hom says that the assessments revealed two deficient skill areas in particular: executing through others, and coaching and developing others.

“We saw those findings and we thought that this is something we needed to address in order to move the businesses forward,” he says, emphasizing that given the significant contribution the global insurance business was making to Prudential’s earnings, the stakes were high for having the most effective leaders possible to take the company to the next level.
A LOCAL SOLUTION

For many organizations, the answer to addressing these leadership skills gaps would have been installing a global leadership development initiative, dictating its required acceptance across the organization, and perhaps customizing or tailoring it where necessary. That course of action would have gone against Prudential’s approach to its global insurance business, which Hom says places a strong emphasis on each country having autonomy. It also would have overlooked the fact that each country had its own operating model and was at a different place on the business maturity continuum.

Says Hom, “Our approach is more that we let the insurance businesses in each country run themselves because they know the market, they know those local customers, and they know how products sell in their country.”

Respecting that autonomy, Hom, Wright McMahon, and their colleagues took a different approach. They started by sharing the assessment data with the country presidents, letting them react to it as it applied to the growth plans for their specific business. This opened the door to discussions about the leadership capability each country required and created an atmosphere of partnership for addressing the identified leadership development gaps.

“People went back to their individual countries and talked to their senior team and their HR people and said, look at this information, we’re strong in this area but we clearly need some development around this other area, particularly as our business is changing,” said Hom. “For many of them the takeaways were that they needed to better empower teams, focus more on talent development, lead change in their business, and then have their people embrace that change.”

The senior HR leader for each country was empowered to come up with a plan for addressing talent gaps and was positioned to act as a strategic advisor to the businesses on talent issues. This highlighted HR’s unique perspective and ability to help sort through the complex issues associated with finding new markets and executing business strategy.

The next step in the process was to map the capability gaps to specific behaviors at various leadership levels, to help guide talent acquisition and high-potential programs, and to identify what could be addressed through development.

Again, in partnership with the individual countries, Hom and Wright McMahon then created development frameworks for each leadership level to address the identified skill gaps.

“We ended up creating a development pyramid that brought together the frameworks. We could then present that to each of the countries and say, these are your employees, and this is their leadership training and development roadmap,” says Wright McMahon. “We wanted to make sure that we had an umbrella approach that would ensure promotion of the Prudential brand. So it had to talk about Prudential’s competencies, several of
which we had just put in place, and we also had to have our core values, which are extremely important to our international insurance businesses.”

The frameworks for developing senior leaders employ subject matter experts and proprietary Prudential programs. The frameworks for both frontline leaders and mid-level leaders, meanwhile, include curriculums of courses from DDI’s Interaction Management® leadership development system. These courses were selected based on the results of the assessment data. Courses in the frontline curriculum include Getting Started as a New Leader, Coaching for Success, Delegating for Results, Motivating Others, and Leading High-Performance Teams.

“At the frontline level we wanted to really focus leaders on being better at delegating and coaching others. Because if the organization needed managers to drive execution through their teams, the frontline managers really had to be very good at empowering their staff,” says Hom. “You could only do that through a more sophisticated ability to delegate to others, and to give people the type of feedback and coaching they need to feel empowered to take on more and different types of work, particularly as the organization fulfills its strategies.”

For the mid-level leader framework, the curriculum includes the courses Leading Change, Influential Leadership, Essentials of Leadership, Adaptive Leadership, and Resolving Conflict. Hom says these courses were selected to emphasize the need for Prudential’s mid-level leaders to manage change and build talent capability.

The courses for each framework are delivered as classroom training directly by DDI facilitators and in each country’s native language—none of the training is delivered in English.

“We didn’t want it to be a one-time classroom event,” says Hom. “We see training as a multi-stage journey so we broke up the training into two phases. The first phase will typically be two days long, and then the second phase will be another day-and-a-half.”

The most important feature of the frameworks, however, is their flexibility, which enables the individual countries to adapt the development to their specific needs and business strategy, including adding or substituting courses to fit their country’s needs.

“It’s our philosophy that we don’t want to be heavy-handed,” says Hom. “Our focus is on building the capability in-country, so my role was not to put something out there and say this is what everybody is going to do.”

**GAINING TRACTION**

Launched in 2011 and 2012, the frameworks have paved the way for many of Prudential’s individual countries to begin building their own leadership capability. And while the frameworks haven’t been universally accepted and implemented in all countries, an important critical mass of countries has gotten on board and several hundred leaders were developed in the initiative’s first year.

“Not every single country adopted this, but a lot of them did,” says Hom. “The bigger countries, such as Japan, Korea, Taiwan, and Brazil did. And the fact that they own it and run it is such an important factor. It’s part of their DNA now.”

And once they have adopted the frameworks, the option to make refinements and changes remains on the table.

Says Hom, “When a country tells me they’re going to make some changes, I always tell them to go for it. The adoption and the commitment to making the development happen, and the fact that they’re doing it on their own, that’s how we really measure success.”

He also sees the value in the hands-off approach and the hard work that went into selling the program to the individual countries and securing their buy-in.

“It takes a lot more work to build relationships, influence people, and listen to their opinions. The amount of time it took to do it this way was much longer than if we had just told them they had to do it and how they had to do it. But I think the payoff is bigger.”

*To learn more about Prudential’s approach to talent management, and about Interaction Management® visit www.ddiworld.com/GO.*
ABOUT DEVELOPMENT DIMENSIONS INTERNATIONAL:

For over 40 years, DDI has helped the most successful companies around the world close the gap between where their businesses need to go and the talent required to take them there.

Our areas of expertise span every level, from individual contributors to the executive suite:

- Success Profile Management
- Selection & Assessment
- Leadership & Workforce Development
- Succession Management
- Performance Management

DDI’s comprehensive, yet practical approach to talent management starts by ensuring a close connection of our solutions to your business strategies, and ends only when we produce the results you require.

You’ll find that DDI is an essential partner wherever you are on your journey to building extraordinary talent.

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