

# Westfund Uses the MBTI® Instrument to Align Strategy and Culture

## A Case Study of Westfund Health Insurance, Australia



### CASE STUDY AT A GLANCE

#### BUSINESS OVERVIEW

- Westfund is a private health insurer and provider of eye-wear and dental clinic services to members.
- It was established in 1929 and services members largely in regional areas of New South Wales and Queensland.
- Rapid growth in last 10 years from \$9 million to \$100 million turnover.
- Employs 130 staff.
- One of Australia's most financially sound health funds with a history of consistently offering members insurance premiums below market rates.

#### CHALLENGES

Aligning Westfund's organisational culture with the business strategy to achieve a competitive advantage. Westfund was seeking to help management and staff understand the culture of the organisation and factors influencing customer satisfaction. The objective was to help Westfund management and staff use knowledge of personality types and differences between work teams in a constructive way and improve business performance.

#### SOLUTION

To develop an understanding of Westfund's culture and the psychological drivers of its customers' expectations for sales and service by using the theory of psychological type and the MBTI® instrument.

#### RESULTS

With the majority of Westfund's staff undertaking the instrument, the organisation has a clearer understanding of how different work teams prefer to communicate, make decisions and interact with each other. By using the MBTI instrument, staff better understand the personality types of customers and how to effectively manage sales and service interactions. Westfund's management has a deeper understanding of how the organisation's structure and culture align with the business strategy. Westfund has achieved positive results in staff retention, growth and profitability.

Grahame Danaher, CEO of Westfund, a health insurance company, which has operated in Australia for over 79 years, knows how crucial it is to align the people and culture of an organisation with the business strategy. 'Success in business strategy usually comes down to how effective you can be in aligning your customer's needs to your staff skills, capabilities and largely their passion for the business. The better you get at alignment, the more you differentiate from competitors, which allows your staff to operate more efficiently and comfortably,' Danaher explains.

'Business management that develops staff by supporting and recognising those staff development needs will maintain staff because they feel well treated, respected and feel part of the organisation. Contented staff lead to contented customers,' states Danaher. To meet these needs, Westfund has used the *Myers-Briggs Type Indicator*® (MBTI®) instrument for staff development over several years under the guidance of Danaher.

The MBTI instrument, distributed in Australia by CPP Asia Pacific, is the most widely used personality measure in the world. With over twenty years of application in Australia, organisations continue to use the MBTI instrument as a core tool for improving individual, team, leadership and organisational performance.

The primary purpose of the MBTI® instrument is to help individuals determine their personality preferences on four dichotomies comprising preferences for Extraversion (E)



The people development people.

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or Introversive (I), Sensing (S) or Intuition (N), Thinking (T) or Feeling (F) and Judging (J) or Perceiving (P). When all eight preferences are combined in all their possible combinations, they produce 16 distinct personality profiles. Under the guidance of a qualified MBTI practitioner, individuals use their results from the assessment and additional information to self-select their MBTI type.

Danaher first encountered the MBTI instrument while attending Harvard Business School in the late 1990s. During a course on organisational change, Danaher learnt that the instrument could enable organisations to understand their customers and their buying preferences. Danaher says, 'The *Myers-Briggs Type Indicator* instrument allowed you to understand individual customer psychological preferences and their preference for products from companies in the same industry. It then occurred to me that we needed to understand the company's psychological preferences in how staff operated and match those preferences with customer needs. It became clear to me that if we achieved alignment of buyer preferences for our product and the preferences that our staff had, we would have a significant competitive advantage, something that all CEOs should be seeking to achieve.'

Danaher and his HR manager subsequently completed a certification program to become MBTI® Certified Practitioners. To date, over 80% of Westfund's staff have undertaken the instrument.

### UNDERSTANDING THE ORGANISATION'S CULTURE

To build an effective culture, organisations need first to be aware of the characteristics of their own culture. Danaher says, 'Companies often refer to their culture; however, when you ask businesses to define culture most find this difficult.'

Identifying the characteristics of an organisation's culture from the inside is extremely difficult, as many of the cultural expectations are not easily articulated or obvious to staff. The framework of psychological type, as measured by the MBTI instrument, enables staff to develop a common language for understanding cultural expectations of the organisation and also identify the degree of alignment between strategy and organisational culture.

Westfund used the MBTI instrument to help staff understand their organisational culture and achieve alignment with the business strategy. In asking Westfund's staff about their culture Danaher says, 'A typical response from staff is

Culture, based on years of research by Geert Hofstede, has been defined as 'learned patterns of thinking feeling and acting' or more commonly 'the way we do things around here.'

(Hofstede, 1991)

that the people in the back office tend to be quiet, keep to themselves and are hard to get anything out of. They are busy, they value efficiency, they get a lot done and they are tough minded. When we administered the MBTI assessment to back office staff the dominant culture was INTJ, which reflects people who generally are a very "do you see the picture" type of influence.' Danaher has found staff in other areas of Westfund's business can differ in their perceptions of their colleagues and the purpose of their roles in the business.

Within each organisation, 'sub-cultures' often emerge in groups and teams that work closely together. Different sub-cultures in an organisation can result in competing views between different work groups. These competing views can lead to misunderstandings between coworkers and ultimately result in intra-organisational conflict and under-performance.

Danaher explains, 'When you ask how does back office relate to service, support and sales, people tend to say it is hard to get anything out of back office—they don't appreciate what is needed to support customers. They get things done but it is not what we need to be done.' Danaher adds, 'You then ask are the behaviours you have with the back office getting things done appropriately; they say yes they do, but they are critical of the sales, service and support staff who need empathy.'

### THE BENEFITS OF DIFFERENCE

As expected, the results from the MBTI assessments with Westfund's staff highlighted the origin of the perceived differences between the staff in different areas of the business. 'For our front office service, support and sales staff, the dominant culture indicated by the MBTI results was ESFJ and ISTJ,' Danaher explains. 'When we did the MBTI assessments with management it was an INTP culture. We then did research on our customers' MBTI preferences and found they

reflected expectations of ISTJ preferences for sales with ISFJ for service predominately.'

Westfund used the MBTI results to help staff identify where differences in personality type occurred within the organisation and with customers and then capitalised on using the differences in a constructive way to achieve business outcomes. According to Danaher, 'When staff understood their MBTI results they saw that people had different ways of communicating, collecting and using information, making decisions on the way they operate day to day.'

### CONSTRUCTIVE USE OF DIFFERENCE TO IMPROVE PERFORMANCE

Isabel Briggs Myers and Katharine Cook Briggs designed the MBTI instrument to make the theory of psychological types, proposed by Carl Jung, understandable and useful to people in everyday life. By undertaking an MBTI assessment individuals can identify naturally occurring valuable differences between people which can otherwise be the source of misunderstanding and miscommunication (Myers, 1998). Knowledge of and constructive use of these differences in the workplace has repeatedly been found to enable organisations to understand and maximise the talents of staff and build an effective culture.

Explaining his insights about Westfund's culture using the MBTI instrument, Danaher says, 'So culture can be defined by the dominant MBTI type in the various group's behaviour preferences. We found that an ISTJ approach sold best into our market. In particular, our sales process requires staff to listen, identify price, apply logic and with a clear process to close. An ENFP approach was best for supporting people between back office and front office. INTJ and INTP approaches were very good for complex problem solving, while ESTJ and ESFJ approaches worked best for people managers.'

He adds, 'It has also allowed us to develop our people to positions that suited their preference.'

Drawing on over 50 years of research and decades of application in organisations, the MBTI instrument used by qualified practitioners continues to give business leaders, like

Understanding our culture using the MBTI® process allowed us to define various behaviour groups and how we could align our approach for improved communication on the basis of a better understanding of preference of the various groups' behaviour. )

Grahame Danaher,  
CEO, Westfund

Danaher, the knowledge, skills and tools to develop their staff and business. Danaher reflects, 'Most problems in business are not your competitors but what happens within your organisation. Alignment of your business to customers' preferences for sales and service styles allows you to ensure everything is running smoothly.'

Grahame Danaher and Westfund continue to build on their knowledge of psychological type and how it applies to the performance of staff and the business. Danaher concludes, 'The customers like us, staff like working here and the Board likes the results in growth, retention and profitability.'

### REFERENCES AND FURTHER READING

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