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Rethinking the Corporate Workplace: Case Managers at Mutual Benefit Life

Introduction

Newark, New Jersey was not the first place one might expect to find innovation, and Mutual Benefit Life—a mid-sized insurance company headquartered both there and in Kansas City—was probably not the first place in the city one might be tempted to look. Located in the shadow of New York City, Newark had a reputation more as a locus of poverty and decay than as the site of managerial innovation. Yet to see Mutual Benefit Life (MBL) in action told a different story entirely. To enter the building was to discover a startling dynamism: the building was steeped in contemporary art, employees (many of them Newark residents) received free educational and health club benefits, and—if one looked closely—one could see posters for lunchtime poetry readings and string quartets. Executives talked enthusiastically about change and empowerment, and generally behaved as if the company was on the frontier of a whole new era of management. At the center of this enthusiasm was the recent changes in MBL's new business area, where a group of approximately 30 people known as case managers worked with powerful computer workstations to achieve in hours what had formerly taken a bloated bureaucracy days or weeks to accomplish.

In early 1991, an unmistakable spirit of innovation and organizational change was in the air at Mutual Benefit Life, with the success of the case manager program perhaps its most concrete manifestation. Whereas applications for new life insurance policies had typically come in from regional sales offices and been set free in a complex bureaucratic process to meet with either approval or rejection, case managers had been given the resources to manage most of this process on their own. By means of sophisticated computer workstations, case managers could see applications through from start to finish, and many had even been given the authority to act as underwriters, or guarantors, for the policies they handled. As the case manager program proved itself successful both in financial and organizational terms, however, it had fast become clear that the organization would be challenged in new ways. As more areas in the company followed the

This case was prepared by Research Associate James D. Berkley under the supervision of Professor Robert G. Eccles as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

lead of the pioneer case manager program, the company would need to find ways to manage the change process that it was doing its utmost to encourage.

Industry and Company Background

Traditionally, the insurance business had been more renowned for its sleepiness than for its cutting-edge practices in management and technology. MBL had been founded in 1845 and for most of its life tended—in the words of one executive—to look like "every other big old insurance company." For most of its existence, the company offered a limited array of life insurance products and was separated into functional divisions (new business, policy-holder service, claims, actuarial, and, eventually, systems) that tended to grow ever further apart. A large bureaucracy grew to manage the intricate processes involved with the insurance business, and—as in most insurance companies—the functional areas tended to behave as rigid fiefdoms. "The twain didn't meet very often between these functions," recalled one executive, "since people just went about and did their thing." (In 1990, MBL had approximately 4700 employees and assets valued at nearly $12 billion.)

Historically, the insurance business was clubby, at times almost incestuous, with a reputation for not competing on price. "If you wanted to know what the competition was doing," recalled Senior Vice President of Corporate Services Charles (Chuck) McCaig, "you just called them up and asked them. In a conservative and protected market, Mutual Benefit was a conservative and protected environment." By the middle 1950s, with the industry-wide introduction of group insurance and pension products, such traits became slightly less prominent, but it would not be until the 1970s and 1980s that both the industry and Mutual Benefit Life as a company would face substantial change.

A new president, Robert Van Fossan, arrived in 1972 with the stated intentions of "waking the sleeping giant" that was Mutual Benefit. Van Fossan felt that the company was ossifying. Large computer systems had been implemented in the 1950s and 1960s and had lived far beyond their useful life. In addition, the company's non-employee distribution system, in which independent sales agents agents held exclusive relationships with MBL, had become a burden on the company. Van Fossan was to make two decisions that would be crucial to MBL's future. A few years after his appointment, he hired a man named Marshall Clary as head of Information Systems. In addition, he later switched the company to an employee distribution system by bringing many of the general agents into the MBL fold.

The actions of Van Fossan and Clary, along with industry-wide trends, were catalysts in setting the stage for the "new" MBL of the 1990s. During the 1970s and 80s, the insurance industry witnessed an unprecedented set of challenges. Within a short period of time, noted Chuck McCaig, the business went from "genteel to very rough and tumble." The emergence of a popular new product known as universal life—which relied upon sophisticated computer programs to allow the separation of the investment and risk portions of a policy—led to a tumbling of margins across the entire industry. At the same time, Clary plunged the company into a crisis by missing his own target date for the introduction of a new computer system by several months, an incident which essentially paralyzed the company and led to the bankruptcy of several agents. The crisis drove the information systems function and the systems users even further apart, creating what McCaig termed "a survival environment." In late 1981, Clary left the company and was replaced by McCaig.

The mid-1980s saw yet another round of crises. Clary's systems, it turned out, were unable to handle the increasingly popular universal life product, meaning that the finally-installed "great leap forward" was unable to handle the hottest product in the industry. People weren't used to working with computer terminals, and the $40 million investment made in the new systems seemed increasingly difficult to justify. On the organizational front, a 1978 decision to establish a regional home office in Kansas City also fared poorly, and it was finally decided in 1983 to centralize all group operations in Kansas City and individual operations in Newark. With two home offices, management overhead had almost doubled, while the insurance business became ever more complicated. "Transactions became so complex that it was impossible to do any accounting," recalled Keith Glover. "Money was literally moving at the speed of light." Mutual Benefit had to quickly adapt to become the kind of lightening-fast company it was not used to being.

Hank Kates

In 1989, tragedy struck Mutual Benefit when Van Fossan died unexpectedly just as the company appeared to be emerging successfully from some of its most tumultuous years. Appointed to succeed him was Henry (Hank) Kates, who had gotten his start as a general agent in Colorado before moving to head an MBL sales office in Providence, Rhode Island. In 1985, Van Fossan had brought Kates to Newark as chief operating officer and executive vice president for individual insurance.

Perhaps due to the fact that he had come from "the field," Kates's perspective and disposition was very different from earlier leaders of MBL. Whereas Van Fossan had maintained a largely adversarial role with the company's general agents ("Van Fossan hated the field," commented one exec), Kates had a natural understanding for the concerns of agents and their staffs. As a result, one of Kates's first efforts in Newark had been to improve the relationship between home and field. As someone who had spent many years as a general agent, Kates understood the frustrations of field employees who "often felt as if they were sending things to a big black hole." There had been no common language between home and sales, and no way for someone on either side even to know with whom to communicate.

Yet it was not just the relationship between home and field that Kates wanted to change. In effect, he wanted to give the entire company the entrepreneurial, anti-bureaucratic feel that had normally been antithetical to the workings of Mutual Benefit. Kates recalled:

> I wanted to change the whole concept of communication, to transform what was perceived as a single large company into a whole set of small companies. The way I really like to think of Mutual Benefit is as something like a feudal society, with little businesses all working for the benefit of the town.

Rather than being consumed by the MBL bureaucracy, Kates succeeded in initiating changes that would make the company less like a bureaucracy and more like a society. Kates tried to radically change the concept of ownership at Mutual Benefit, and sought to make each employee feel more like a contributor and less like a cog in a wheel. He championed the use of personal computers in the workplace, as he believed they allowed employees to work more creatively and efficiently. His vision for the company was distinctly entrepreneurial, and he encouraged people to think of MBL in the smallest units possible. (The reception desk, for example, was restructured along the lines of a small business, and was now staffed by an exceptionally capable and personable staff as opposed to a contracted security company.) In his new role as CEO, Kates—a board member of several important non-profit arts organizations—championed the role of culture to a degree practically unheard of in corporate America. Employees could attend lunchtime readings and recitals, and new human resources policies encouraged employees to further their educations and to participate in volunteer work.

According to Kates, the prominence given to culture and education within the company was much more than mere corporate froth. Rather, he saw it as vital to building the kind of knowledgeable, creative organization new times were demanding. (In late 1990, Kates even sent his top executives to an Atlantic City seminar which offered personality tests to determine their relative degrees of left- and right-brain dominance, so that they might be more aware of their creative and analytic dispositions.) In this new environment, a seemingly innocuous thing like art or music played a major role: "Culture drags people up," he explained, "and gives people different attitudes about themselves, something that's especially important in a town like Newark."

Kates had quickly become an undeniable presence at MBL. Although he had been Van Fossan's protege, the two men had entirely different styles. According to June Drewry, Senior Vice President of Corporate Planning and Systems Development:

> With Van Fossan, information was very filtered. Hank, however, can't keep a secret to save his life. He's a great communicator, and he wants to bounce things off of everybody.

To serve as executive vice president, however, Kates had hired Steve Carlotti, a person whose style was in fact closer to that of Van Fossan than his own. Carlotti, a former managing partner of a large Providence law firm, was known around MBL as a "left-brainer," as a person whose rational, analytical side tended to dominate the creative and holistic traits that were Kates's forte. The two worked together closely, and many felt that Carlotti would soon be promoted to the role of chief operating officer.

The Case Manager Idea

The idea of having case managers handle incoming business from the agents was born of Hank Kates' vision of MBL as a society of small companies, but it was a younger MBL executive named Keith Glover who developed and implemented the idea on a practical level. Keith—a self-described ex-college radical—had joined the Mutual Benefit Life establishment after graduating from college and had slowly worked up the ranks of the company. "For twenty years," he reflected, "I felt like I was swimming upstream in this company. And then came Hank." Kates offered Glover a job as an internal consultant, a position from which he was able to get some critical distance from the MBL organization and to begin thinking about the kinds of changes that could be introduced. Later, Glover became Senior Vice President of Individual Insurance Administration. Both he and Kates agreed that the administration of policies was the organization's "achilles heel," and that something had to be done about the way new business was handled when it came into the home office.

The process that had evolved for the handling of insurance applications in the new business area was complex and not always rational. Customer applications—once they were received by mail from the field—were routed among a large group of specialized clerks in the open area of the building's sixth floor, and each clerk handled a particular aspect of the credit checking, quoting, rating, and underwriting process. There were so many discrete procedures scattered throughout the new business area that new applications could often take upwards of twenty days to meet with definitive approval or rejection, even though the total time spent on any one application could usually be measured in minutes or hours. Most of the time was simply spent shuffling the papers from one clerk to the next, or in trying to track down where certain documents or information were to be found. Sales agents, concerned about the status of their customers' applications, found it nearly impossible to determine the status of an application once it was inside the system.

The vision shared by Kates and Glover was of a world in which sales agents did not have to trouble themselves with the messiness of the home office bureaucracy. Kates reflected:

> We decided that what we needed was to have one person—or what *looked* like one person—responsible to the agent. We need to have one person who could shepherd an entire stream of business through, who could take an agent's business from soup to nuts.

Glover concurred, and believed that there needed to be a group of people who would serve as "front ends" for the administration process:

> For the sales agents in the field to be comfortable, there had to be a person who had responsibility and awareness of the business generated by sales agents.

Toward this end, in 1986 Mutual Benefit conscripted some of the brightest and most "high-touch" people from among its functional areas and placed them as "case managers" in the new business area. Each case manager received responsibility for handling the incoming business of a particular MBL agency, and served as the agency's contact person and the expediter of the agency's applications within the home office.

Quickly, however, what had initially seemed to be such a good idea began to meet with frustration and exasperation. Over the course of its first year, it became clear that the case manager program had really only served, in Glover's words, to "shift the pain from the field offices to the case managers themselves." While sales agents were generally overjoyed that there existed someone in the home office who could oversee the entire process for them, nothing had really been done to ensure that the process worked any smoother in the first place. Instead of feeling empowered, case managers simply felt trapped and ineffective. Susan Malone, one of the original case managers, reflected on the situation she had faced:

> At first, being a case manager was really interesting; it was a chance to something really new. Then it just got boring. We weren't doing any thinking, and we had no decision-making authority. We felt like yo-yos, going back and forth on the phone between the agents and the people who were allowed to make the decisions.

Glover bluntly admitted what occurred: "Case managers were starting to hate their job." He mused about the unforeseen frustrations:

> We got a lot of things right, but also a lot of things wrong. Case managers were constantly getting bounced around. We had created a group of human ping-pong balls who were always in transit between the field and the home staffs.

Personalized Computing and the Empowered Case Manager

Rethinking Process and Technology

Glover realized that case managers were fighting a losing battle against the traditional way of doing things at MBL. While sales agents were happy, case managers had neither the tools nor the authority to make things work any differently on the home front. The systems and processes in the new business area were simply too archaic and too inefficient. While time and tradition had lent an air of permanence to both the new business organization and its systems, there was in fact little to recommend them. Glover recalled:

> The processes used in the new business area were things that had evolved over years of time and years of different people, and our systems had grown to mimic and reinforce them.

Glover staged two dramatic demonstrations to underscore just how illogical MBL's means of handling new business had become. For McCaig, he collected all the various computer terminals used in different parts of the new business area and had them heaped onto the same desk. June Drewry was treated to a still more theatrical presentation. Keith brought June to the new business area and announced to her: "You are an application. We are going to process you." He then proceeded to lead Drewry around the area in the kind of haphazard trajectory that was typical for the standard insurance application. It was unclear which was more ridiculous: the inefficiency of the present division of labor or the astounding number of different computer systems needed to support it.

During the summer of 1986, Glover, McCaig, and Drewry met to discuss the feasibility of producing a semi-intelligent front-end system for the various terminals, but the prototypes they created were too slow to be truly effective. Soon, however, there were strong reasons to pursue such an idea in a more aggressive fashion: Kates—believing that the edge in the business was increasingly a matter of service and technology as opposed to product differentiation—demanded a 40% gain in sales productivity with a 40% cut in home office costs. True improvements in productivity and service, he believed, could only come from a radical change in way MBL thought about technology.

Personalized Computing and the PIN Network

It fell to Chuck McCaig to decide how such changes could be made. Since new systems had been installed between 1982 and 1984, it was difficult to argue that MBL start all over again with new ones. McCaig spent three to four months thinking about MBL's dilemma and decided that the solution was not so much to use the newest, flashiest technology but to use already existing technology in novel ways. Most of the new technology that had been introduced at MBL had served only to reinforce the company's bureaucracy and its specialized division of labor. Yet, reasoned McCaig, "if we were truly to be an information processing organization, it made sense to move from the division of labor to the integration of information—to give people access to as much information as they needed."

Hence was born the idea of Personalized Computing. With personalized computing, the idea was not so much to automate existing processes with a computer but to give people their own personal computers that would allow them to do as broad and as efficient a range of tasks as possible. In the past, noted McCaig, personal computers tended to be used only for things not considered central to MBL's business:

> Professional production work was done exclusively off of mainframes. PC work was used for little things, personal productivity kind of stuff. Anything that had real impact was taken over by the IS function and made into a mainframe application.

If people were entrusted with personal computers that had access to various corporate information resources and applications, however, the personal computer could be used as a powerful "window" onto all the various types of information the existing bureaucracy required. If this were to happen, a single person could effectively handle the range of tasks typically spread out among different clerks and departments.

On the promise that such a system could actually work and that Glover would be able to cut his $7 million budget by $1 million per year, Kates was easily convinced to sponsor the development of a personalized computing environment for the beleaguered case managers. The three did research into the existing technology and met with representatives of other insurance companies to see what sort of options were being taken by other members of the industry. "A lot of companies were willing to meet with us," noted Drewry. "Even today, there's a kind of camaraderie in the industry that can be phenomenal." By the end of 1988, the group had developed a plan to tie all the existing information systems into a local area network called the Policy Issue Network, or PIN. (See **Appendix A** for MBL's 1988 "mission statement" regarding personal computing.)

The Empowered Case Manager

Developing a new technological platform for the case managers was not all that was required, however. To cut down service times and to increase the case manager's sense of ownership, Glover did what many considered unthinkable: he decided to have case managers trained to do underwriting themselves. Allowing the case managers to act as underwriters would eliminate much of the relaying of applications and would allow case managers to turn around many of the applications without recourse to anyone else in the organization. Merging underwriting responsibilities into the general responsibilities of the case manager initially made a great deal of people nervous, including the case managers themselves. Yet the idea of giving such increased responsibilities to the case managers immediately appealed to Glover, and was consistent with his ideas of where the organization should be heading. Beginning in 1988, many of the case managers were enrolled in underwriting classes to train them to underwrite universal life policies, with an eye to training them to underwrite other kinds of policies as time went on.

With access to the PIN network and the authority to underwrite certain policies themselves, case managers finally became a viable and powerful addition to the new business area. The approximately thirty case managers were arranged in units commonly referred to as "pods." The typical pod was supervised by a senior case manager (such as Susan Malone) and contained five to six case managers along with four to five "new business specialists," essentially administrative assistants who were often preparing to be case managers themselves. With the phase of the PIN network in use in late 1990, only universal life policies could be handled entirely within the pod, while other policies (such as traditional whole life and term policies) needed to be sent out to underwriters and clerks at certain junctures. By April 1991, a second release of the PIN Network was planned that would cover all products.

A complicated relationship developed between pod members and the people who continued to work in a more traditional capacity in the new business area. Even before case managers added underwriting to their repertoire of skills, many underwriters in the new business area saw case managers as a disturbance in the way MBL did things; now that case managers could do underwriting, their worries appeared to be justified. Likewise, the relationship between case managers and the clerks who remained in the new business area could prove equally delicate, since it was clear that MBL's future would reside more with case managers than with clerks. By early 1991, there were plans to stop hiring college graduates directly into the pods so that the pods could begin to absorb employees from elsewhere in the new business area.

In early 1991, Susan Brown—the case manager for the Los Angeles sales office, one of MBL's largest—followed essentially two different routines for the applications she handled: one for adjustable (universal) life policies that could be totally handled by the PIN Network, and one for other types of policies which were not yet fully supported by PIN. With adjustable life cases, a new business specialist would usually enter the agent-submitted data into the PIN system, after which Susan, in her cubicle, could pull up the case on her PC workstation and scrutinize it for information pertaining to things such as premiums, health statistics, and the like. Her workstation allowed her access to a nationwide database known as the Medical Information Bureau, thus permitting her to inquire about medical conditions unreported by applicants. Once all of the approximately ten different workstation steps were completed—and this could sometimes require significant analysis, not to mention numerous phone calls to the sales agency—Brown could officially approve, or release, the case. A typical case took only hours or days to reach completion, and any cases still unreleased at the end of sixty days were filed as incomplete. Brown estimated she released between twenty and thirty cases per month. Once per year, Brown made a yearly visit to her sales office in order to build a face-to-face relationship with her co-workers there.

Human Resources

Conflict and Resolution

Not long after the case manager system was implemented, Chuck McCaig realized that something was again amiss. The case manager idea was now meeting or exceeding its objectives, yet an unforseen form of resistance had developed on the part of MBL's human resources (HR) function. Human resources was accustomed to every job consisting of a single easily defined activity, but the case manager position incorporated a broad range of tasks that were seen as mutually exclusive. Because the case manager position still had elements of clerical work, the human resources department refused to grant the job a high rating. At the same time, the compensation system maintained by HR refused to reward case managers by performance, which limited the entrepreneurial aspect of the case manager position.

In McCaig's eyes, the human resources function was acting as an obstacle to the organizational changes promised by the advent of Personalized Computing. Kates agreed, and made McCaig a startling offer: he offered to give McCaig control of human resources in addition to his job as head of MIS. For McCaig, the connection was logical:

> There needed to be a way for the new technological perspective to be aligned with human resources. What you find out is that you've got to do everything on

> the HR side that you do on the systems side. You need to collapse everything into one function.

McCaig referred to MBL's existing HR system as a "mega-Hayes system." There were at least 57 different job levels which contained over 1800 discrete jobs. There was no true bonus system, yet nearly everyone was guaranteed of annual salary increases and occasional promotions. HR took it as its duty to pigeon-hole each job into a single "box," and was thrown off by the emergence of the case manager job, which really didn't fit any of them.

As head of HR, McCaig was willing to let the Hayes system become "fuzzy." The case manager position was allowed to exist as a kind of exception to the norm, and the myriad rules for how other jobs were handled were treated in a more flexible fashion. Between late 1988 and 1990, McCaig did little obvious tampering with the system, and sought rather to communicate the idea that organizational change was both acceptable and desirable. He found it ironic that the part of the organization most directly concerned with organizational change had been allowed to develop into a defender of the status quo. McCaig commented:

> People wouldn't dare to make any changes, because to do so meant to fight a bureaucracy that just wore you out. After a while, I think, people just decided to leave the organization the way it was because otherwise HR would simply drive you crazy.

As head of both HR and MIS, McCaig was interested in overcoming this tradition, and in turning HR into a "legitimator of change."

Rethinking Human Resources

By 1991, McCaig and Glover felt that it was time to implement a complete overhaul of MBL's HR practices. If the case manager was to be a model for the way MBL wanted to do business, they reasoned, simply softening up the old system was not enough: it was time to start anew. McCaig proposed a system in which the 57 different job levels would be reduced to six, or possibly even four. Under this model, everyone who worked for the company would be considered either an associate, a principal, an officer, or some minor variation thereof. At the same time, McCaig advocated that other systems that had normally been in the domain of human resources—such as evaluation and training—be put more in the control of line management.

Among McCaig, Glover, and Drewry, there was the sense that the traditional human resource function might have outlived its usefulness. June Drewry even commented:

> Do we need what a human resources department has done historically at Mutual Benefit? No. If we really thought about it, we could do all our own training, salary policy, hiring, and so on within the individual areas.

Yet what might from one perspective have looked like the withering away of the human resource function was in fact closer in spirit to a radical transformation. In some ways, human resources—having lost its role as naysayer—was becoming more visible than ever, as a host a different programs and policies were put into effect with the aim of improving the corporate workplace. True to Hank Kates' vision of the company as society, human resources now oversaw a range of educational, cultural, and health-related programs, and was very much involved with developing new ways of encouraging excellence among MBL employees.

In early 1991, the final form that the new HR system would take was still unclear. Glover commented:

> All we've basically committed ourselves to is saying that it's going to look radically different than it does today. We need a new currency to reward, recognize, and stimulate people—things that the old system never truly did anyway. The old system had reached a point where it was bankrupt.

Compensation, Performance, and Control

One key issue in rethinking MBL's treatment of its employees was the role that performance would have in determining compensation. Hank Kates mentioned that he would like to see MBL employees have up to 30% of their total pay determined by performance considerations.

In the new business area, there were plans to develop a compensation system that would reflect not only performance, but the case manager's knowledge base as well. Both factors, however, were difficult to quantify. Typically, the performance of case managers had been measured by the success and satisfaction of the sales office they served. Recently, however, MBL was turning to the idea of measuring "time service," that is, how quickly a case manager was capable of turning applications around. While such a metric was perhaps more useful, not all case managers were convinced of its fairness. One case manager noted:

> The problem with measuring time service is that *my* time service personally is not that bad, but I'm also being judged on things that are out of my control. For instance, I'm not sure it's my job to be responsible for things that the agents might have messed up on.

The idea of paying according to knowledge base was generally more accepted, if just as ambiguous. Keith felt that, in the future, the greatest growth potential for case managers would come in the opportunity to learn new things. Over time, for example, a case manager could choose to learn how to underwrite the entire range of life insurance products, and could be compensated in proportion to the amount of products he or she was able to handle.

Along with the turn to innovative compensation practices, MBL was exploring the development of less obtrusive control systems. Glover, in particular, was adamant that employees—and case managers in particular—should be trusted to manage themselves without the need for constant interference or permission from superiors. In theory, of course, everything a case manager ever did was open for review: a group of experienced underwriters known as the technical team conducted yearly audits of the cases handled by each of the case managers, so it was impossible for mistakes and deficiencies to ever go wholly undetected. On a day to day basis, however, there was increasingly little direct control over how the case managers did their job. Glover was interested in pushing the approval limits of case managers (the limit to the size of the policy they were permitted to underwrite) to high levels, as he felt that increasing the accountability of qualified case managers would lead to higher job satisfaction and better job performance. While most case managers had approval limits of between $100,000 and $200,000, some of the more experienced case managers were permitted to underwrite policies of several million dollars without recourse to the technical team.

While he aimed to minimize the intrusiveness of control systems, Glover stressed that he had no utopian ideas about getting rid of control altogether. To the contrary, he realized that in some ways, the era of Personalized Computing had created a whole new set of possibilities in regard to control. Some of these, he acknowledged, could be almost frightening:

> What we have to find is new and different controls. I'm not an anarchist. We know that everyone who works with a computer leaves a footprint, and we're sure that there are ways to monitor people that we've never even dreamed of.

Mutual Benefit Life in 1991

Looking ahead to the future, Glover could see that there was no turning back, a condition which suited him just fine. By April 1991, case manager pods would finally be able to process all the various life insurance products through the PIN system, and his organization would begin the process of bringing the remnants of the old bureaucracy into the new structure pioneered just over five years ago. The case manager model being used in the new business area was spreading to other parts of the organization, and was generally meeting with success. As he saw it, the transformations were far from over:

> We've opened a Pandora's box, and once you've done that you can't stuff everything back in again. If we're truly flattening the organization, then we can't just do it partially or half-way.

Amongst his closest colleagues, Glover liked to share his real dream for the future, his idea of the "one-person insurance company." If Personalized Computing had allowed a single person to absorb all the functions of the new business bureaucracy, what was to keep the process from stopping there? What was to prevent true "one-stop shopping," that is, an organization in which case managers could preside over not just new business, but the whole range of MBL's functions and services? Out of a desire not to scare people, Glover kept the idea primarily to himself, but he was convinced that such was the direction in which MBL should be headed.

Glover, along with the other executives at MBL, also realized that the process of organizational and technological change was forcing people to confront issues that the old bureaucracy had conveniently avoided. One was ambiguity. In the old organization, everyone knew exactly what they were permitted to do and exactly how to do it. Now, however, everything suddenly seemed unclear. There was no clear-cut HR system in sight, and the ethic of empowerment was telling hundreds of workers to do things as they saw fit. It seemed that the introduction of Personalized Computing—rather than serving merely to automate the insurance business—had simply served to introduce more nuance and decision-making than ever.

If such things troubled the top management at MBL, no one was letting it show. Glover, finding a kind of glee in the situation, thought it perfectly natural:

> Ambiguity is part of the price you pay, and everyone's going to have to deal with it from here on out. In the kind of organization we're shooting for, there are only three rules: number one, think; number two, see rule number one; and number three, if the rules don't make sense, don't follow them.

As Steve Carlotti saw it, the new working environment only served to make peripheral considerations such as rhetoric and communication more crucial. As Mutual Benefit Life underwent a transition from being a cohesive bureaucracy to a collection of empowered workstation users, holding the organization together would have to be done less by formal decree and more through innovative and informal gestures. While Personalized Computing allowed the company to be much more robust in its use and interpretation of data, it also somehow created an environment in which non-technical issues came to the fore. He mused:

> As more and more is handled through computers, you need to begin to build lots of less formal kinds of interrelationships. One of the vices of the computer is that it depersonalizes, it shifts the focus from people to data. In that kind of environment, there's a need to build interpersonal relationships in unthreatening ways. So you can use computers in order to achieve a commonality of language, but at the same time you also need to create a richness of communication.

Glover felt that, to a degree, this "richness of communication" was already beginning to be achieved at MBL. But as for what forms this richness would take in the future—and indeed, what amount of explicit planning was demanded—he remained unsure.

Appendix A

MBL Personal Computing Overview (Drafted 12/14/88)

We are in the midst of a major transition from the industrial age to the information age. Our existing organizations, based on hierarchies of jobs, must change to meet this transition.

In such organizations, work is processed by an assembly line of clerks, layered with expediters, coordinators and checkers, all encased in a morass of forms and procedures. Such organizations are ill-suited for today's fast-paced, fast-changing, intensely competitive business environment.

What is needed is a new strategy for how we do work.

Personalized computing is that strategy for Mutual Benefit. It is a vision whose implementation requires full integration and effective utilization of people, organization, technology, and data.

Conceptually, Personalized Computing collapses the hierarchy of jobs for a business function in to a single job; then delivers a single system tailored to the new job.

Collapsing the hierarchy entails replacing the assembly line of clerks with a single knowledge(able) worker. With a knowledge worker handling the whole job, management leadership, knowledge worker's judgement, and technical innovation replace the need for the morass of forms, procedures, expediters, coordinators, and checkers.

But collapsing the organization hierarchy is not enough. People must change to become knowledge workers. This is a significant personal challenge, as well as a challenge to management in terms of education, business focus, and rewards.

A single system tailored for the new knowledge worker integrates business data, communications, and application programs. Personal computer technology is the key to the integration. The new generation of personal computers now offers a technical platform powerful enough to make Personalized Computing a reality.

Personalized Computing has significant ramifications:

— People needed are adaptive, not structured.
— Career development is horizontal, not vertical.
— Job design is broad, not narrow.
— Work standards are based on judgement, not procedures.
— Proficiency is through education, not in hard skills training
— Management practice is one of leadership, not supervision.
— Organization structure is flat, not layered.

Personalized Computing is a management challenge, a technical challenge, and a personal challenge. It is change. It is the way we will do work at Mutual Benefit Life.