Management Perspective

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Today’s modern business environment is a rapidly changing landscape of challenges and solutions. A prevalent theme throughout this course has been the importance of recognizing the human factors in the workplace that are expressions of biological, psychological, and cultural realities that we as humans powerless to escape. Some would argue that leadership skills are acquired at birth as if being skilled in leadership was a natural talent given by divine right. The class Principles of Management (MGT300), however, shows us that although some personality types may have an advantage when it comes to interpersonal and other soft skills, leadership is a skill set that can be cultivated, developed, and taught. It is important to discern the difference between management and leadership. Manager is a job title that is transferred to a person immediately as they take on a role supervising one or more employees, whereas leadership is a characterization of a person who has followers that will work toward the leader’s strategic vision. A person does not need to have the job title of manager in order to be a leader, and conversely, not all managers are leaders. In this essay, I will be discussing some of the qualities of good leadership, from a management perspective.

**Leadership at USAA**

USAA is a financial services company founded in 1922 by a group of Army officers who found that the traditional insurance companies of the time had the tendency to automatically group members of the armed forces into high-risk insurance pools, if they could even find a company to insure them at all. These men knew they were being treated unfairly by the insurance companies, after all, the seven Army Values are loyalty, duty, respect, selfless service, honor, integrity, and personal courage (U.S. Army, n.d.) all qualities that an insurer would look for in a model customer. The men pooled what would have been their premiums together into a fund to provide mutual insurance on each other’s automobiles should they become damaged. That fund would eventually grow into a Fortune 500 company that serves over 12.8 million members (USAA, 2019) with a wide variety of financial products and services. Since 1922 USAA’s ethical pillars of service, loyalty, honesty, and integrity. Much like the seven Army values, these pillars have remained unchanged over the years since the company’s inception.

USAA’s corporate structure is relatively uncommon in the financial services industry in that it remained a reciprocal intra-insurance exchange, which refers to the fact that the company never incorporated. The effect of this structuring is that USAA does not have shareholders which gives them a greater degree of flexibility in grey-areas to do the right thing ethically. Rather than paying dividends to shareholders like a normal corporation would, USAA pays an annual dividend to its members. The CEO of the company is named Stewart Parker, and he is also a veteran of the United States Air Force where he served for a decade as a flight instructor. The COO of the company is Carl Liebert, a former United States Navy officer. The company branches downward into the major areas of the enterprise including Banking, Property and Casualty (P&C), Investments, and Life Insurance. The area where I work, P&C, gets broken down into its constituent lines of insurance such as auto, property, and watercraft.

**Non-Injury Auto Claims**

The most popular financial product at USAA is automobile insurance. As it is mandated to carry by all 50 states, it is not surprising that so many members carry a personal auto policy to protect their assets from possible liabilities for injury and property damage. Although serious injuries and deaths and do arise from the operation of automobiles, the most common type of car accident is one where there are no injuries. Therefore, most adjusters at USAA are non-injury adjusters who, although they are licensed to settle medical claims, will refer such accident files where there are injuries to adjusters with a more highly developed skill set. I am one of 1,600 non-injury auto claims adjusters who handle a high volume of claims from the first notice of loss, all the way through to settlement. My job consists mostly of analyzing auto accidents for issues of negligence in order to make an informed liability decision, determining how much each party contributed to the cause of the accident. The non-injury adjusters at USAA all work as a team, and any adjuster can work on any file. This can tend to complicate things having so many cooks in the kitchen, but it is a necessary step to handle the high volume of claims and phone calls. This is where I am fortunate to have a manager who is also a leader.

**J. Block - Customer Service Manager**

J. Block is my direct supervisor at USAA. Mr. Block comes from a background in the United States Army, where he served as an officer supporting the coalition of forces in Afghanistan. Mr. Block served as an intelligence analyst starting just a few years after the September 11th, 2001 attacks in New York. The skills he developed abroad have clearly developed him into a strong leader with advanced skills in information analysis, team building, and objective-based strategy execution. It is not surprising that these skills made him well suited for a career in claims as many of these skills translate between the two jobs. Working at USAA, it can be sometimes difficult to set yourself apart from the multitudes of highly talented individuals. Promotions into manager roles are extremely competitive and only the most talented out of a very skilled group of applicants will be promoted. Having myself worked at the company for just short of one year, my curiosity was raised as to what strategies Mr. Block has found to be the most effective on his journey from a claims adjuster to a team manager. One thing about Mr. Block that has always stood out to me is that he, more than any other manager I’ve observed, is always willing to take time to pause what he is doing to help whoever who asks. When I asked him if he would be willing to be interviewed about the topics our class has been learning about in MGT300, and what it means to be a leader, he agreed without hesitation even with a full workload and a newborn child. The first insight of the interview was gleaned before the interview had even begun. Selfless service will instill a feeling of gratitude in employees and motivate them to do their best work.

The interview itself was recorded with permission via a telephone conversation. It began by asking general questions about his history with the company and progressively the scope of the interview shifted to topics that were covered in MGT300. Some theories of Social Learning such as Agile Methodologies (S.C.R.U.M.), McClelland’s Three Needs, Goal Setting Theory, and Equity Theory were briefly described, and I asked if he has been effective in using any of them in his capacity as a leader. He replied that Goal Setting Theory was the subject that he believed had the most useful impact on day to day work behaviors. (J. Block, personal communication, July 6, 2019)

**Goal Setting Theory**

Goal Setting Theory is a theory of motivation which can be summarized as the idea that developing a specific set of goals tends to lead to increased performance. Also that if more difficult challenges are selected and accepted, that they will lead to more benefit for the individual than if he or she had selected easy goals. What this means to the manager-leader is that one’s employees can be motivated, that is to be given a boost in energy, by setting personal goals and so long as they are in fact achievable, more challenging goals work better than easy ones. Jason excels helping his employees set realistic goals that challenge them to work outside their comfort zone and help them grow professionally. His selfless service makes employees want to “do their best”, but what Goal Setting Theory teaches us is that perhaps it would be more effective to have specific targets that can stimulate our motivation to “do our best” to achieve those specific goals. Feedback is an important part of Goal Setting Theory, a point that we touched on during the interview. Mr. Block finds that giving feedback on behaviors and habits that can add structure to the employee’s day to be the most efficient and effective use of feedback. (J. Block, personal communication, July 6, 2019) He finds that if employees are able to keep an open mind during coaching that challenging behaviors can be learned and adopted that will set the stage for success in professional development. (J. Block, personal communication, July 6, 2019)

It may seem obvious, but the achievement of a goal is an accomplishment that needs to be rewarded in order to really freeze-in the beneficial change in behavior. Mr. Block, along with many other managers at USAA find that food is often the best reward for this purpose. Pizza meetings are sometimes held during the regularly scheduled team meetings, which the employees really like. Food is a power biochemical motivator that has evolved in animals since prehistoric times. The possibility of a tasty reward rapidly releases dopamine into our brain’s synapses causing increased focus and resolve. (Alonso-Alonso et al, 2015)

**Short Versus Long Term Goals**

Another factor he and I spoke about is the importance of short term goals and long term goals. His views on this subject focused on the importance of setting goals that are of the appropriate level of challenge so that having to revise one’s stated goals is minimized. (J. Block, personal communication, July 6, 2019) This resonates with me as we have learned about strategic goal selection in MGT300. The acronym S.M.A.R.T.E.R. was coined by Doran, (1981) as it applies to goal setting in that we want our goals to be “specific, measurable, attainable, relevant, time-bound, evaluated, and re-evaluated.” (Doran, 1981) Another study by Donovan & Williams (2003) found that track and field athletes were more prone to having to revise their long term goals in the event that their proximal goals were not achieved. A major factor that was implicated in the decision to revise goals was the temporal location of the failure in relation to the timeframe in which the the goal was expected to be completed. The study found that failure to achieve goals early or late in the season had the highest impact on whether the athlete would revise their goals with failures occurring mid-season having the least impact. Another study by Locke and Latham (2003) examined the effectiveness of setting goals that were differentiated by whether they were set by the employee or the organization. The study found that among other factors, an individual’s personality had influences on the goals he or she chose to set and for this reason, it is important to have both personal goals, as well as ones that are set by the organization.

USAA incorporates both types of goals in the professional development of its employees. The phone and survey metrics that adjusters are required to meet are goals that are set by the company, but USAA strongly encourages its employees to develop personal goals for the near and far term as well. For example, my personal goals include completing my bachelor's degree and passing the Series 7 set of evaluations to become a stockbroker as long term goals, as well as saving up enough for a down payment on a new car as a short term goal. I have found that by having a short term goal that I constantly remind myself of, I do draw energy from the desire to achieve it. After taking the Myers-Briggs personality survey, I scored INTP which represents people who tend to be introverted and independent by nature. Because of this, it is useful that USAA also sets goals that get me outside of my comfort zone and require me to interact with my co-workers more, improving my own emotional intelligence. One way USAA encourages me to set goals to improve my social and emotional intelligence is thru the rich variety of volunteering opportunities provided. The most rewarding volunteering experience for me was passing out food to residents of Pueblo CO, which was hit with a massive hail storm last year. I met teammates from other departments and although I was new to the company, I felt welcomed and needed which is an important step in Maslow’s Theory of Hierarchal Needs.

Goal Setting theory is not the only subject in MGT300 that USAA leverages to its advantage. The non-injury team also employs an agile methodology known as SCRUM in its daily operations. SCRUM gets its name from a rugby scrimmage where the players huddle up to discuss the strategy before the play. At USAA we call these meetings huddles, and they are based on the types of meetings commonly found in the systems development life cycle of software companies. In these meetings, we stand up for fifteen minutes a day in front of a dry-erase board and discuss three things. What did we do yesterday, what did we do today, and what barriers are preventing us from completing our objectives. (O’Connell, 2017) This quick daily meeting allows teammates to help each other with problems they may be having and coordinate on the constantly changing landscape of non-injury auto claims. More and more companies are incorporating agile methodologies into industries having nothing to do with software systems development. (Agile Aliance, 2019) Although SCRUM is a useful tool some areas such as not having a software product and the role of the product owner need to be modified a bit to work in the insurance industry. It is obvious that USAA is keeping a watchful eye on productivity trends, and this relates to the overall success of the company keeping them from getting left behind other companies that are constantly evolving. In fact, the role of change and the organization's response to it is a make or break factor in nearly every company in the world as even positive changes have shown to cause difficulty in the workplace.

**Change**

It has been said that the only constant in life is change, and life inside the workplace is no exception. When speaking with Mr. Block it was clear that changes in compliance regulations, the proliferation of self-driving vehicles, and changes in the technology we use to process claims all weigh heavily on his mind. For now, drivers have not been replaced by robots, and there is plenty of fraud to go around to warrant a human interaction on every claim. The future is coming quickly though and it is unknown what the auto claims industry will look like in the coming century. One thing that is unlikely to change is a scarcity of resources whether it be energy, capital, or simply the time we have left in our lives. Mr. Block seeks to help his employees adapt to the constant change by being a subject master with an approachable personality. What this is describing is a Change Agent who catalyzes the change process at every step along the way. Mr. Block excels in this arena due to keeping up with emerging trends and staying current with new legislation that impacts compliance requirements. The Lewin (1944) model of Unfreeze, Change, Refreeze has been an effective model to follow whenever behavior modifications need to be made in order to maintain optimal performance in the role. Our department is preparing for major modifications to the way in which claims will be handled, including the integration of the Total Loss Department into non-injury. Non-injury adjusters will soon be expected to settle claims that they have typically referred to specialists in Total Loss. This has caused a certain degree of unease to some adjusters and outright panic to others. Personally, I welcome the opportunity to learn more about the industry as well as the increased control I have over my claim files. Training for this will be presented in a phased release consisting of a series of virtual lectures on Skype. If I could recommend a single idea to the committee implementing this change it would be to hold an optional class in a physical training room complete with a live instructor for the employees who are not as technically literate as other employees. Research has shown that older employees are more prone to this technical illiteracy than other younger employees. (Journal of Protective Coatings and Linings, 2015) This does not make them any less intelligent than their younger counterparts, they simply have not grown up with virtualization software such as Skype and it takes a longer time to get the software to operate as intended. The danger of employees getting left behind for this critical training is very real. With a physical classroom, the employee would be able to stop or slow the class to ask for help should they find themselves falling behind.

Towards the end of the interview, I began to focus on areas that Mr. Block would recommend I pay attention to in order to improve my professional development at USAA. Being coachable was high on the list of recommendations along with obtaining professional designation to go along with my Bachelor’s. (J. Block, personal communication, July 6, 2019) He made it clear that in life it is important to love your career because when you do it makes you curious about things that will improve your professional development. (J. Block, personal communication, July 6, 2019) I find that sentiment to be extremely valuable and agree wholeheartedly. I enjoy my job in claims but I don’t love it. Before USAA I worked as a valet at a high-end hotel. I actively did not like that job but the money was good so I stayed for nearly three years. One day I decided that instead of spending my time on playing video games that I would do something that I could have something to show for my effort. I decided to get my claims adjusters license. This gave me a leg up on my competition at the job interview, as my interviewers had never heard of someone who had gotten their adjuster’s license independently. I am currently following the same template to get into the securities industry. I am independently working thru the exams required to be a licensed stockbroker so that I will be marketable for a promotion when it comes times to upgrade my career. (FINRA, n.d.)While Mr. Block agrees that the Bachelor’s Degree is a useful piece of paper, he stresses that it is the habits and behaviors developed during that time that he has found real value in. (J. Block, personal communication, July 6, 2019) These benefits can be convoluted sometimes as they are happening to you in the first person, but I trust the plan and when I look back on my life I can see how far I have come in the past year alone. USAA’s professional development of their employees is a high priority and it shows.

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