

A Case Study: The integration of Australian Central and Savings & Loans



In December 2009, Savings & Loans Credit Union officially merged with Australian Central Credit Union. Both were significant players in the South Australian financial services market.

The integrated entity, keen to ensure that best practice was adhered to in regard to the integration process, commissioned Quantum in January 2010 to develop a dual purpose survey.

The first purpose of the survey was to provide an assessment of the current organisational climate. How were employees generally feeling about the integration? What stage of change were teams around the organisation currently at? Had communication regarding the integration been adequate in terms of frequency, detail, relevance and timeliness? Do employees have any suggestions as to how they could be better supported through the integration process? How has the integration affected Employee Engagement? Did the answers to these questions differ for each organisation and specific divisions within each organisation?

The second purpose of the survey was to provide an “as is” assessment of the culture and practices that existed within both credit unions. According to Darlene Mattiske-Wood, General Manager Organisational Development and Julie Wood, Manager Culture Programs at Australian Central, the purpose behind this cultural diagnostic was to gain an understanding of the similarities and differences that existed between both credit unions in order to identify potential barriers to integration. In addition to understanding the levers that need to be pulled in order to effectively integrate the two cultures.

The cultural diagnostic component of the survey asked employees from both credit unions to indicate the extent to which a series of cultural attributes and leadership styles adequately described “the way things were done” in their work area.

The resulting analysis revealed that both credit unions shared remarkably similar cultures with day to day behaviour in both credit unions being characterised by the values of Respect, Member Focus and Accountability. However, advanced statistical analysis of the survey results revealed that there were significant differences between the two credit unions in regard to the behaviours which constituted being Respectful, Member Focused and Accountable.

In addition to the overall organisational results, a Summary Report was provided for each General Manager which detailed the Values / Leadership styles that best described the way things were done within their particular workgroup, the major points of differentiation between their area and the Organisation Overall and the major points of differentiation between Australian Central and Savings & Loans employees in their area.

The survey results have provided valuable information to better understand the cultural dynamics and to identify any potential barriers to integration that might exist as a result of cultural differences between Australian Central and Savings & Loans employees. This will assist leaders in considering what strategies need to be put in place when establishing new teams made up of staff from both heritage credit unions, and developing new processes and practices.

Regression analysis of the combined data for both credit unions also identified the major five Key Levers for effective integration of the two cultures. As the integration progresses, strategies will be implemented to pull these levers and help develop a new organisational culture that is aligned to the vision for the new credit union.