

Culture, Service, and Data

With more than 30 years of experience in the insurance industry, ReturnToWorkSA CEO Greg McCarthy knows insurance.

Images courtesy of ReturnToWorkSA

ReturnToWorkSA (previously known as WorkCoverSA) provides work-injury insurance to around 50,000 South Australian businesses covering approximately 500,000 workers. On 1 July 2015, the South Australian Government introduced the biggest workers compensation reforms in the state in 27 years. Greg McCarthy has been at the helm during this transformation, which has seen record-breaking improvements in the scheme's financial performance and return-to-work results.

Greg McCarthy was appointed CEO in December 2012 and was tasked with two priorities: improve the performance of the scheme and transform the organisation's service culture. Over the past two years, the scheme's financial performance improvements are, to use its independent actuary's words, "unprecedented". Greg has also delivered a new 'How can I help you?' service culture that he hopes will become what the new corporation is known for: helping businesses through providing cost-effective insurance services

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and enabling them to better manage their health and safety and injury-management risks, as well as supporting people to recover and return to work following an injury.

Greg McCarthy for most of his career has worked in the insurance industry. "My background is predominantly insurance, in CTP and workers compensation in both public and privately underwritten schemes," Greg explains. "I started out in general insurance before I made a career-defining move into workers compensation, where I have worked for some of the country's biggest insurance companies. In the 90s, I was national general manager for both CTP and workers compensation insurance, where I gained valuable experience working in jurisdictions all around Australia."

In the mid 90s, Greg left the insurance industry and set up his own workplace rehabilitation business, which became one of Australia's largest rehabilitation providers employing nearly 200 staff. After selling the business in 2003, a non-compete clause allowed Greg to travel the world

for a while taking surfing photos, before coming back to insurance.

Then for about 10 years from 2003, Greg was the chairman of the WorkCover authority in New South Wales and chairman of the home warranty insurance scheme in New South Wales as well as a number of other board positions relating to insurance schemes.

"So I've had a lot of experience in this space, and I saw the South Australian scheme as an opportunity to turn around a scheme that had been underperforming for many years."

When Greg came to ReturnToWorkSA in December 2012, there was a lot of work to be done. South Australia had the highest average premium rate, some of the lowest return-to-work results, and the worst comparative funding ratio.

"My first priority was to move our scheme management style from a very passive hands-off approach to a much more active footing. We needed to take far greater responsibility for the way the >





scheme was running,” Greg says. “I was very fortunate to be able to recruit some key managers into the organisation when I came. The first step was to get a clear delineation in the organisation between our regulatory function and our role as an insurance entity.

“The second critical part was to transform the way in which we do business, which I call our service culture transformation. What we have done—I think very successfully in a short time—is shift our culture from one of hiding behind the legislation to a service-first culture of supporting businesses and people who have been injured at work. The phrase ‘How can I help you?’ has become our catchery.

“One of the things that we did was start to actively manage the relationship between the customer and the case manager. We went from having claims officers at our claims agents sitting behind a computer screen in an office in Adelaide, to becoming a face-to-face case manager who visits the workplace to meet with the injured worker and the employer. This early intervention support is a whole new dynamic and for us a whole new way of doing things.”

This much more active management has been critical in turning the scheme’s performance around, while also delivering more personalised services and support to workers with an injury and their employers.

Another key element in the successful turnaround of the scheme’s performance has been the use of data. “In the last two years, we have used data in a more effective way to track improvements in the scheme. For example, our early intervention approach is a different way of doing things, and it’s a costly way of doing things. But what we have been able to do with the data is to monitor the

improvements in return-to-work rates so that we could put a business case together to justify the investment to the board.

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“We have gone from people that were data rich but didn’t do a lot with it, to being one of the leading users of data and analytics of any insurance business in Australia, according to our actuary. The use of data is what enables us to really home in on where our issues are and then to develop strategies to actually tackle that, and also, most importantly, to track how successful we have been.”

This new service culture, and making better use of resources available like data, encapsulates the values Greg is trying to instil in the staff of the organisation. To ensure his vision was realised, Greg spoke openly and honestly about what he was trying to do. “I think the key values we tried to instil comes back to this concept of service,” Greg says. “We ran a number of workshops with our customers to find out what it was that people were expecting from us, where we were falling short. We then worked hard on instilling this concept of service throughout everything we do.

“You have got to realise that you can’t change culture overnight. You can get up there and talk about what you are going to do, but the reality is people ultimately only trust in what you do, not what you say.”

This focus on a service culture and working together as a team sums up Greg’s approach to leadership. Not concerned with being in the limelight, Greg is more focused on being a hands-on leader. “I like to lead from the front,” Greg explains. “I won’t ask people to do



something I wouldn’t do, and I’d like to think that if I’m in the trenches and the whistle blows and I’m going over the top, everyone is coming over with me.

“I’m happy to be the captain of the winning team, but I don’t need to score all the tries.”

While the past two and a half years have been challenging, Greg is very proud of what he and his team have been able to achieve. Since he implemented new strategies and initiated a cultural change, the organisation’s liability has gone from being \$1.3 billion in the red to \$20 million in the black in just 18 months, and the improvements are set to continue when the June financial figures are released. The scheme’s average premium rate has dropped below 2 per cent for the first time in the scheme’s history. It is now fully funded for only the second time in its history.

For the future, Greg hopes to continue with his changes and see ReturnToWorkSA do its job in the most efficient and effective way possible. “We were very passive in the way that we managed the scheme before. Being responsible and actively managing the scheme is what has seen us achieve a \$500-million release in claims liability from the scheme.

“We were a scheme that was \$1.3 billion underfunded and now we’re fully funded. But just as important as the financial figures, I want our success to be measured through the services and support we provide to South Australian employers and workers to recover and return to work after an injury in the safest, fastest, and most durable way.” ●

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“Employers Mutual has developed a strong working relationship with ReturnToWorkSA. We are proud to have worked together in a successful and innovative change program focused on making the scheme more affordable and providing a greater level of service to employers and their injured workers.” - Employers Mutual