

~~NEGATIVITY~~

~~ENMITY~~

Culture Change

Better business through behavioral coaching



POSITIVITY
TEAMWORK
SUPPORTIVE

Neal Electric recently participated in a leadership development program with Simon Vetter of Alexcel Group to improve the company's culture and performance. Here is the case study of the leadership improvement process, including the steps for cultural and behavioral change and how Neal Electric successfully implemented the program.

The Need for Change

Before Clark Thompson became CEO of Neal Electric, the company went through some major changes. Neal Electric was sold to a public company, and immediately after was sold again to an even bigger company.

As a new CEO, Thompson faced several challenges: "I remember the organization went through an awful lot of change. We had transferred complete ownership of the company twice in the previous year, and with that we had a substantial turnover in personnel. The team consisted of many strong individual performers that needed to work together to accomplish bigger goals. We were dealing with very headstrong personalities as well as some negative attitudes."

The existing culture was one in which managers made decisions based on advancing the position of their department or themselves, not the entire company. The objective was to bring them closer together, help them work together as a team, and to unify the managers.

"My challenge was to take the management group and the culture in general, and drive it forward in a positive manner. Although I had some very skilled managers, we didn't always mesh so well as a team," Thompson says. He wanted to build a high-performing

This behavioral change process involved four phases:

- Create a leadership model and define effective behaviors based on the company's values
- Conduct a 360 degree assessment with an individual coaching feedback session for each manager
- Identify a behavior to improve and commit to change that behavior for one year
- Measure behavioral change with a follow-up survey

First, the management team at Neal Electric worked with Vetter to create a leadership framework that consisted of three major values, the 3 R's: Respect, Responsiveness, and Results. Specific behaviors were defined for each of the company values. For example, the following chart details the behaviors that support the third value, result:



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management team with high-performing individuals who were able to learn from each other instead of working against each other. As a result, the company would provide higher-quality customer service and be more successful and competitive.

This required the management team to understand that for the entire company to succeed, the whole company had to function as a high-performing team. The biggest challenge was getting the entire team to commit to this program and to demonstrate a true desire to better oneself, the team, and the company.

The Framework

Thompson realized that a neutral third party with the experience to develop teams would be necessary to drive the cultural change and team-building process. He hired Vetter, a business coach with the Alexcel Group. His organization specializes in helping successful managers become even better.

Vetter, along with two associate business coaches, Linda Shaffer-Vanaria and Bill Hawkins, established a one-year process with the purpose of developing leadership skills and implementing behavioral changes for the managers at Neal Electric.

With the

use of individual

360 degree reports,

each manager received feedback on the identified set of behaviors. Based on those feedback results, each of the 10 managers participating in the leadership coaching program chose one particular behavior to improve and committed to ongoing improvement for one year.

This behavioral coaching approach is based on a method that was invented by Marshall Goldsmith. Each manager reached out to co-workers and asked for help in changing their behavior. At the same time, the co-workers were advised to follow guidelines when supporting the managers in their efforts to change:

- Let go of the past and focus on the future;
- Be helpful and supportive, not cynical or judgmental;
- Tell the truth and let the manager know if she or he has changed over time. >>

Culture Change

After one year, with the use of a follow-up survey, each manager was evaluated and measured by co-workers on how much they had changed their behavior.

The most important improvement was that the quality of communication among people at all levels and among every department significantly increased. This gave new cohesiveness to the organization. For example, Thompson noticed a

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change in the relationship between two of his people and said, “Two of my senior managers had a bit of a rivalry going on, and it wasn’t good for the company. Both of them came to me individually and then to each other to say they were really motivated to try and look for the strengths in the other individual and how to work with them.”

Nick Bernabe, vice president of operations, decided to improve his behavior to hold others accountable for their actions and commitments. With the help of his peers and direct reports, he made visible changes. In the survey that followed, his co-workers noticed his hard work and commitment, and perceived a significant growth in his leadership effectiveness. Bernabe’s experience with this coaching project has been only positive. “I learned to portray a more confident and outgoing attitude. I was working on my confidence and stepping up on important company issues, not in a pompous way but more, ‘I am one of the leaders of this company, and I do what I’ve got to do to make this company more profitable.’”

Results and Business Impact

Coaching for behavioral change is a very useful way to improve leadership behaviors and internal relationships among employees and managers, thereby impacting the culture in a positive way. The managers’ willingness to work on behavioral change has turned Neal Electric into a unique company with leaders who are interested in their employees and work together as a team.

Sam Passanisi, one of Neal Electric’s senior project managers, has seen the benefits of the coaching program and the positive changes that came with it. “I think the productivity has been better. People portray better attitudes and take more initiative to approach things on their own rather than waiting to be told. In the past three years I’ve seen a big change with management and leadership. It’s changed all around; it’s really impressive. It’s more cohesive than it was before and it’s getting better every day. I have enjoyed working here more than ever because of the cohesiveness, the improved teamwork and culture.”

From being coached himself, Bernabe learned some great insights and advice for others who want to change their

company’s culture: “Start at the top. Look at yourself, involve your direct reports, and recognize your key individuals. Understand everyone’s strength and areas for improvements. Also, listen to your employees and understand what they are thinking, and what their opinions are.”

As a consequence of implementing positive behavioral changes, Neal Electric has become more efficient. The company is more profitable and generates more revenue.

When asked about the specific business of the cultural shift, Thompson has seen noticeable improvements as a result of the leadership program. “Specifically, besides getting along better, our numbers improved substantially. Our workforce grew by 10 percent, our revenues have increased by about 50 percent, and our profits have increased by about 300 percent. I attribute a lot of that to making changes in our own behavior, not just the fact that we always had many skilled people. Now we are more skilled in working together as a team.” ■



Simon Vetter is a business coach and trainer specializing in behavioral change, leadership effectiveness, and personal brand management. He has coached and advised managers and teams including 3M, Acushnet, Agilent Technologies, CalPERS, DaimlerChrysler, Johnson & Johnson, REMAX International, Siemens, US Steel, UBS, and many others. His clients engage him because they want more focus, direction, and enjoyment. Vetter can be reached at (858) 793-6279 or simon@simonvetter.com.