

EXECUTIVE COACHING TO RESOLVE & PREVENT CONFLICT

Even the most successful company can face internal conflict. Ironically, conflict often is the byproduct of that success. Growth forces change, and change almost always forces people out of their comfort zone. It causes changing roles and expectations of employees, often unsettling changes in operations, and increased pressure to do more: make more products, make more sales, manage more employees. As a result, conflicts develop.

About Roll Forming Corporation

Roll Forming Corporation (RFC), based in Shelbyville, Kentucky, is such an example. Roll forming is a process in which coils of flat metal are formed into custom shapes and cross-sections. RFC creates large and small custom products for a wide range of industries, from aerospace and office equipment to railways and windows.

The company was founded in Louisville in 1947 by Barlow Brooks. It was family-held until 2000 when it was purchased by an Austrian company, voestalpine AG, one of Europe's largest steel producing and processing companies. Although European owned, Roll Forming continues to be predominantly operated locally by a long-term executive team. It has been a good partnership: RFC has quadrupled its growth in ten years, from \$30 million in 2003 to \$125 million in 2014. The company is now one of the largest in the U.S. to design and manufacture custom shapes using the roll forming process. Roll Forming Corporation has 6 plants in 3 states, and 350 employees.

The Challenges

But stressors came with the growth, and RFC recognized them. Through the years, the company has been skillful in identifying problem areas and addressing them before they did untold damage. A long-time partner in this process has been The Oliver Group, which has helped RFC with a range of employee issues for more than 25 years. Ray Leathers, President and CEO of RFC, has worked closely with The Oliver Group since he joined the company 15 years ago as COO. "The Oliver Group knows us, our strengths, our challenges, our opportunities," he said. "For many years, we've used the Predictive Index® (PI®) as a primary recruiting and hiring tool and as a method for creating employee development plans. They have worked with us on sales team development, executive searches, 360 evaluations as well as custom programs that they have designed to meet specific needs." Because of this long-time relationship, RFC was comfortable turning to The Oliver Group to address one of the company's most sensitive issues: internal conflict that had been precipitated by a number of pressure points. The company

"When you have a group of people who are secure working together, it allows you to focus on improving the business instead of spending so much time and energy on relationships, to look externally instead of internally. That drives a lot of things, including sales growth. We also have been able to focus on top priorities such as our continuous improvement and safety programs." Ray Leathers, President and CEO, Roll Forming Corporation.

had to make the transition from a privately-held, local organization to an internationally-owned public corporation. The first president to replace the owner of the newly acquired company was European and was challenged by the American culture of RFC. The company also went through a reorganization and workforce reduction. There have been new product design and technology challenges resulting in operational changes. There were economic pressures due to the recent recession.

“Then there was the transition to my own management style which is different from my predecessor’s,” said Leathers who was named President and CEO in 2007. “I am very team-oriented. No one makes unilateral decisions here, not even me, and that has been difficult adjustment for some of our managers.” With these stressors, it was little wonder that conflicts arose.

The Process

“All organizations experience conflict at some level,” Leathers said, “and conflict isn’t all bad. It allows different ideas to come to the table. But we needed help from The Oliver Group to channel that conflict into positive action for improvement instead of spiraling down into personal attacks. Our initial goal was to improve communications and trust among the senior team.”

Some of the tools to address conflict were already in place. In addition to existing Predictive Index® profiles, The Oliver Group had launched a 360 evaluation program for senior managers in 2007 including creating individual development plans. As a result, The Oliver Group had a good picture of the personalities and individual leadership and communication styles of the senior managers and insight into the areas of conflict. The Performance Requirement Options (PRO) is a behavioral benchmark that Roll Forming uses to identify the behavioral characteristics people need to have. “It’s vital for our technical and management leadership roles, as it helps to propagate our culture of consensus and personal accountability. PI and PRO help us to create the best job fit,” says Leathers.

To begin to address conflict, The Oliver Group first worked with team members to expand their development plans. They identified specific action steps to improve relationships and performance and discussed positive ways to express conflicting opinions and ideas. As conflicts began to be resolved in more positive ways, RFC expanded the program to include mid-level managers and their teams. “Once employees go through the 360, they know they can call The Oliver Group whenever needed,” Leathers said.

Today, managers continue to meet individually and privately with The Oliver Group’s consultants to review progress. They talk openly about how they are doing, discuss what else is going on within the team, and identify any new areas of conflict. Internally, the senior team meets regularly to iron out new problems. “Our management team now meets weekly to work through any issues. We only walk away when we have reached consensus,” Leathers said.

Roll Forming Corporation also worked to develop the skills of its managers, sending 6 leaders, including Leathers to the Leadership Transition Programs (Leading Others and Leading Leaders) at Oliver Group.

The training allowed our managers to “realize the differences among leading themselves, others and leaders, so they could become more effective with their teams and step up their abilities,” said Leathers.

Because The Oliver Group talks on a regular basis with so many employees, they can spot potentially harmful trends. Without divulging confidences, they can advise Leathers about general problem areas to be addressed. The Oliver Group also now provides one-on-one mentoring and executive coaching for more than a dozen executives within the company.

“There is real trust between our managers and The Oliver Group,” Leathers said. “They provide us with an objective view of things. Often they can see from the outside what we on the inside miss because we are too close to it.” Leathers meets with his Oliver Group mentor at least monthly, as do most of the senior team members. “He provides me with an invaluable perspective. I can share my challenges and concerns and know that he’ll help me work out solutions that make sense.”

The Results

RFC is a different place these days, according to Leathers. “When you have a group of people who are secure working together, it allows you to focus on improving the business instead of spending so much time and energy on relationships, to look externally instead of internally,” he said. “That drives a lot of things, including sales growth. We also have been able to focus on top priorities such as our continuous improvement and safety programs.”

The results are impressive: RFC has led their division in profitability, quadrupling its growth in 10 years. There has been a marked decrease in turnover of senior staff—the only turnover in 10 years has been due to retirement. Over the last three years RFC has averaged a salaried staff of 90 personnel. Turnover has averaged less than 6% which includes several retirements. This low turnover rate has been achieved by embracing a culture of internal promotions. During 2014, 28 salaried personnel were promoted to a new position of increased responsibilities, more than a 30% internal promotion rate.

The Safety and Health Achievement Recognition Program (SHARP) was designed by the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) to encourage and recognize excellence in occupational safety and health among smaller employers. During their preparation for SHARP eligibility, employers have the opportunity to learn how to maintain safe and healthy workplaces through the development and implementation of proven and effective safety and health management systems. Assistance and training are provided by qualified consultants who are experienced in helping employers develop safety and health management plans. Employers who receive their first SHARP designation or initial renewal are exempt from programmed inspections for two years. Subsequent renewal of SHARP may result in three-year exemptions from programmed inspections.

The company has set records in their safety program. In 2010 and 2013, they were awarded the Kentucky Governor's Award for Safety and Health and have applied for a special designation by Kentucky OSHA that has been achieved only by a handful of companies. And they have created an internal Leadership Academy, a year-long program which focuses on 12 characteristics of leadership. RFC has also been awarded its SHARP certification and recertified for the program, which recognizes its excellence in occupation safety and health.

"Our team is stronger today because of the coaching, conflict resolution work and other leader development programs which The Oliver Group has designed for us. Our communication skills have improved, and we now communicate in ways that reflect trust and respect," Leathers said. But he realizes that conflicts are a natural by-product of working within a group of people. "We know that this process is ongoing. It is a journey, not a destination," Leathers said. "We have built a special, delicate relationship that doesn't exist in many organizations. But it is fragile, and we constantly have to work on it. It is challenged every day."

PI Worldwide® is a global management consulting organization that helps companies be more successful by focusing on their most important asset-their people. Praendex Incorporated, the parent company of PI Worldwide, is publisher of the Predictive Index®, the Selling Skills Assessment Tool™ and Customer-Focused Selling™.