HUMAN CAPITAL

A focus on communication and relationship management helped ITU AbsorbTech achieve its strategic growth plan.

Team Play

BY ANNE D. GEBERT AND KURT MEYER

[•] TU AbsorbTech is an industrial laundry service company with 14 locations, owned and operated by the Leef family. For more than 80 years, the comf L pany has provided sustainable business practices, including managed service programs for launderable, reusable textile products in support of cleaner, safer, and more productive work environments. Our environmentally preferred services include mats, garments, absorbents, towels, mops, gloves, and first aid.



The opportunity

The company's culture and values are central to who we are and how we go to market. They permeate our hiring, promotional, and retention practices, and determine the value proposition we take to the marketplace. Serving as the foundation for this entire go-to-market strategy is one essential element: team play. This means knowing your role and executing it at the highest level, clear and direct interpersonal communication, internal and external relationship management, and a commitment to respect and support team members. These behaviors needed to occur across a wide range of geographies and improve both internal and external relationships.

The solution

We identified several key issues central to our people strategy and tied those to our business objectives. For example, the business development team was not consistently hitting its sales objectives. If we did not find methodologies to reverse this, our strategic growth objectives would not be realized. We also considered employee retention rates and succession planning activities required to support our strategic growth plan.

The company needed something that would support its go-to-market requirement for strong team play practices. Many of the shortfalls in team play resulted from interpersonal conflict and a failure to understand the organizational impact these gaps had on business. We decided to introduce the new effort across the entire organization because if employees understand communication skills and reduce organizational conflict, it would support every critical initiative.

By making significant inroads in communication and understanding unique behavioral styles, the team play results would be closer to ideal. From this perspective, we knew that all three variables in our performance shortfall were interdependent. If we fixed the interpersonal communication issue, team play, new business, customer retention, and employee retention was sure to improve. To accomplish this, we used Extended DISC.

HR assembled a subject matter expert team to assess, design, develop, and implement the program. To properly design and teach this curriculum, SMEs (and classroom facilitators) were certified by Extended DISC. This organization is the service provider through which we administer and provide DISC inventory assessments. We required instructors to have the ability to speak Extended DISC terminology fluently to ensure we were interpreting profile report materials accurately.

After content was developed, we outlined a focused rollout plan that would take nine months to reach 100 percent of our employees:

- Host a 30-minute, SME-led "Intro to DISC" meeting for all employees that would introduce the concept of DISC, how it would help each employee, and what employees could expect in the next two to six months as we rolled out the instructor-led curriculum. We wanted everyone at the location to be exposed at the same time so all employees were on the same page and could begin "working on their new language" together.
- Leadership at each location took a DISC for Leadership course directly following the introductory course. Content reinforced the initial concepts taught and expanded on how to apply them to goal setting, performance management, and motivating and hiring employees.

WE EXPERIENCED A NOTICEABLE DECREASE IN EMPLOYEE RELATIONS ISSUES THAT REQUIRE HR INTERVENTION.

• We introduced DISC for Business Development throughout the company for all sales personnel, which focused on identifying and adjusting to customers' natural behavioral styles.

Results and lessons learned

In the three-plus years since we implemented the program, the company has seen phenomenal improvement across the intended areas of impact. Improved team play. We experienced a noticeable decrease in employee relations issues that require HR intervention, a subjective marker measurable by the internal process of having a centralized HR function. **Employee retention.** The company saw a decrease in overall unwanted emplovee turnover. Retention has risen from a 50 percent annualized 12-month retention rate of hires made in 2013 to a 65 percent annualized 12-month retention rate of hires made in 2014. Our annualized rate for hires made in 2015 is trending currently at 86 percent. Further validation of our culture is the fact that our Glassdoor.com performance has skyrocketed, with an average of 4.8 out of 5.0 rating on 50 employee reviews.

Succession planning. There was an increase in employee participation in voluntary "elective" leadership preparatory and professional development activities offered through our internal corporate college. Between 2013 and 2015, more than 180 employees have voluntarily participated in one or more LEAD courses. And there was a 266

percent increase in employee promotions between 2012 and 2015. Sales performance. As we had assumed. customer retention rates and new business development performance also have dramatically accelerated as a result of improved communication skills and increased tenure with trained employees. Customer retention rates improved from 85.1 percent in 2012, to 86 percent in 2013, to 87.8 percent in 2015. Top-line (annualized) new business sales performance improved from \$1.3 million in 2012, to \$1.9 million in 2013, to \$2.4 million in 2014. And, astoundingly, we reached an annualized \$2.5 million through August 2015. Additional validation is evident in our Net Promoter Score, which stands in the 94 percent range for "intend to renew contract"nearly six points above our 2012 scores, and nearly 30 points above our industry benchmark standards.

We designed the Extended DISC courses to be a part of our perpetual certification programs, meaning all employees are exposed to the concepts and materials on a biannual basis. The courses are updated annually as a part



of our audit process, which ensures the materials, examples, and content are most suited for transfer and current business trends. We audit the postcourse assessments annually to provide fresh scenario-based evaluations of our employees' ability to correctly apply the DISC concepts.

Further, we have integrated the concepts into the other certification courses for customer service, sales, talent selection, and employee relations and HR. The repetition of material and new application methods (by topic) have proved effective in changing on-the-job behaviors and thinking patterns. We've also intertwined DISC with performance management cycles.

With the integration through so many vital performance management and developmental practices, DISC has been adopted fully and is observable in daily use within our facilities.

There is a much larger lesson that we learned from this process. People argue and disagree because they do not understand why people say what they say. For example, why do some people gloss over the details when the person they are talking with requires great detail to help them evaluate or understand? Why do some people bristle at direct communicators while others want and expect that type of communication? This opened up a whole new world where employees began to understand the reasons people behave the way they do. The unique thing about the curriculum is that it is easy to understand and makes sense when effectively explained.

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