

Case Study

Company

PHH Arval Canada

Industry

Fleet Services

Location

Canadian Division with
Headquarters in Mississauga,
Ontario

Employees

175

Developing Coaching Skills to Improve Employee Engagement and Retention

Overview

PHH Arval is the premier provider of innovative fleet management solutions for corporations and businesses throughout the U.S. and Canada. Their services are designed to reduce costs and increase productivity for vehicle fleets that include all classes of vehicles - from cars and light trucks to heavy trucks and equipment.

PHH was founded in 1946 and is the second-largest provider of commercial fleet management services in North America.

Situation

In 2006, the Canadian division located in Mississauga Ontario, targeted leadership practices and leadership development as a critical business issue, important to facilitate differentiation and change in an industry that is moving towards commoditization of its products and services.

Employee opinion survey and anecdotal data convinced PHH that its managers and leaders lacked the pre-requisite skills to lead staff for the future business. Additionally, PHH realized that there were insufficiently prepared candidates to move into management positions and more senior leadership positions.

Rita Ennis, PHH Arval's North American SVP Human Resources gave some background: "At PHH, we've been administering employee surveys for over a decade. The number one purpose of these surveys is to give a clear picture of the employment experience for PHH employees -- what's strong and positive, and what needs to be improved. We survey, we analyze results, and we act on results. We also look for other information that either supports or contradicts the survey results. In this case, all experiences correlated with what employees told us in the 2006 survey results -- we needed to substantially upgrade the people-management knowledge and skills of our managers. We approached this as both an "internal" need, and one that had many external ramifications as well. We'd be far better positioned to motivate employees to embrace change, to implement market-differentiating products and service, and to stay with PHH while working to develop their talents to the maximum -- a key need for the client-facing consulting we provide -- if our managers were exceptional in their people management skills."

PHH assessed a number of potential partners and then asked TRACOM Group to analyze their situation and make recommendations to address their critical business issues. While PHH's survey and anecdotal data gave clear messages, it didn't sufficiently identify specific practices, jobs and incumbents that would be needed to develop and implement effective training. TRACOM Group designed and administered a custom multi-rater leadership 360° assessment to get a better understanding of how employees viewed the company's 32 people managers and leaders. The assessment was designed based on the twelve most important dimensions of successful performance across all levels of management in the company. These dimensions were created from a rigorous process conducted by TRACOM based on significant input and deliberation from the PHH management team. The dimensions were:

1. Business Awareness
2. Coaching / Development
3. Communication
4. Creativity & Innovation
5. Customer Focus & Partnering
6. Decisiveness
7. Determination to Succeed
8. Driving Change / Resilience
9. Individual & Team Motivation
10. Initiative
11. Setting Direction
12. Strategic Thinking

The survey consisted of 58 items across the 12 dimensions. The results of the 360° assessment showed that employees saw managerial performance to be lowest in three dimensions; Coaching/Development, Creativity & Innovation, and Strategic Thinking. These deficiencies were most prevalent for supervisor and team leader job roles. PHH scored high in 'Price of Admission' competencies and low in 'Competitive Edge' competencies. Price of Admission competencies are traits and skills that most incumbents at all levels of leadership do well. Thus, a company should hire for these traits and skills, and they should not be the focal point for development priorities. Conversely, Competitive Edge competencies are those traits and skills that most incumbents do less well but really make a real difference in company performance. These should be the top priorities for development.

Solution

In response to the results of the 360° assessment, PHH chose to focus initially on developing coaching skills given the following:

1. Coaching creates 1:1 relationships with staff, enhancing the ability for direct and robust conversations that lead to higher performance.
2. Coaching significantly improves morale and directly impacts retention.
3. Coaching, in combination with challenging job assignments, is one of the most effective development strategies.

TRACOM then created a program designed to equip PHH leaders to conduct performance-based coaching discussions, which would result in enhanced business results. This would be accomplished through a four-stage process designed to build coaching skills through learning, demonstration, feedback from direct reports, and practice using real on-the-job situations. An important component of the process was to conduct checkpoint assessments during the latter stages providing proof of coaching effectiveness.

This approach was further enhanced by creating a "feedback-rich" setting by including TRACOM's Coaching360 and SOCIAL STYLE interpersonal behavior multi-rater feedback assessments, use of an action learning process for coaching practice and feedback, and one-on-one peer coaching.

Stage	Workshop & Content	Assessments
I	<ul style="list-style-type: none"> Talent audit Leadership Assessment 	<ul style="list-style-type: none"> Focus Groups Custom Leadership 360
II	<ul style="list-style-type: none"> Understanding and Using Interpersonal Behavior Effective Leadership Coaching Process & Skills 	<ul style="list-style-type: none"> SOCIAL STYLE Profile Coaching360
III	<ul style="list-style-type: none"> Coaching Skills Checkpoints (three sessions) 	<ul style="list-style-type: none"> Coaching360
IV	<ul style="list-style-type: none"> Coaching Skills Refresher & Small Group Skill Practice 	<ul style="list-style-type: none"> Coaching360

In **Stage I**, TRACOM conducted a Talent Audit, to assess the current environment for developing managers. The audit included focus groups to hear first-hand from senior leaders, managers and staff. Additionally, the development processes were examined. After the audit, the leadership competencies were recommended and confirmed. A custom multi-rater leadership 360 was then designed and administered for all managers and leaders. The final output of Stage I was interpretation of the company-wide results and design of the remaining stages.

Jim Halliday, President of PHH Arval's Canada business, began championing the need for improvement in people leadership practices before his promotion to President, when his responsibilities were focused on sales and client relations. "My constant exposure to many other businesses made it obvious to me while PHH was – and is – a great place to work, we had a big gap between where our leadership practices were and where they should have been. Our aspiration and commitment is to be an employer of choice. Being that, and achieving the employee satisfaction, retention, engagement and professional growth that come with it, is a key part of our business model. We count on it for differentiation from our competitors. Many companies I know would have been thrilled with the employee survey and 360° assessment scores we saw. But PHH couldn't be. As I saw it, it was imperative that we act. TRACOM gave us tremendous confidence with their experience and skilful direction of the process. But already, many of our people leaders were catching the picture of the gaps in their performance and that of the company as a whole, and the vision of what we could be."

In **Stage II**, participants learned their behavioral tendencies using the multi-rater SOCIAL STYLE profile and the way their direct reports perceived them. Additionally, they learned how to improve relationships with direct reports through application of the concept of Versatility, a measure for a person's ability to work effectively with others. In the second part of this stage, participants learned a common framework for conducting coaching conversations and essential skills for coaching effectively, then applied them to situations they were dealing with back on the job.

One participant, a manager in the Vehicle Accident Services department noted, "I gained a better understanding of the different STYLES and learned to adapt to better fit my employees. It also gave me tools to be more prepared going into an employee meeting -- listen actively and keeping the goal of the meeting in mind."

In **Stage III**, during a series of three Checkpoint Sessions, participants brought a summary of a challenging coaching situations dealt with since the Stage II workshops. The participants also asked the employee to fill out an evaluation on the effectiveness of the coaching process. Participants used the summary and the evaluation as a case study to share best practices and demonstrate how to conduct effective coaching conversations. The Coaching360 multi-

rater assessment was re-administered during the last phase of this stage to determine what improvement occurred since the Stage II workshops.

Another participant, the national manager of Client Relations noted, “I think the most important and rewarding feedback from these checkpoint sessions was an improvement from the first time we conducted the survey of my employees to the second time. I believe the strategies that I learned from our Stage 2 workshops had a direct impact on the feedback I received from my staff. The case studies and role playing exercises, although at times were difficult and uncomfortable, were necessary for me to walk through how I would handle some of the difficult conversations that we all need to deal with. I now invest more time in the preparation and practice with my coaching sessions.”

In **Stage IV**, participants received a refresher on the SOCIAL STYLE Model, the coaching process and the essential coaching skills. For the last portion of the workshop, participants formed groups of four to role-play specific coaching situations being dealt with on the job. Each role-play was videotaped to provide the participant with a first hand view of his/her coaching behaviors. Stage IV also included a third iteration of the Coaching360 multi-rater assessment so that participants could see where improvement occurred and discuss future development plans with a peer in the workshop.

As one participant, the manager of New Vehicle Acquisition, noted, “I had to come prepared with a real challenge that I was currently facing. I role-played the situation with a peer while being videotaped. I was given the videotape as a souvenir of my lack of and/or of my gained coaching abilities. The lesson I took away from this was extremely valuable because as you watch that videotape of yourself, it clearly displays everything the way others see when you are interacting with them: your facial expression, voice level and tone, it shows body language, your ability to listen and ask questionsthis is how others see you and hear you. It gave me the opportunity to think about how I wanted to come across and find ways to improve my coaching and leadership behaviors.”

As Jim Halliday commented, “At this stage you could see skill development happening before your eyes. You could see people not only changing how they handled a certain matter, but also growing in their understanding of the “why” – that is why what they had done before hadn’t been the most effective, and why the new approach would be better.”

Results

Because quantitative assessment data was collected at three points during the program, TRACOM was able to document the impact the program had for PHH. The effect was quite dramatic.

The PHH leaders were evaluated using the Coaching360 assessment that focused specifically on coaching skills in five areas: conducting the coaching process, developing rapport, providing feedback, planning for development, and providing support and ensuring accountability.

Between the first and third administration, a 15-month span, as a group the leaders improved significantly on each of the five dimensions. The average percent gain across all dimensions was 14%.

Certain improvements were very large and notable for their impact on contributing to meaningful relationships between leaders and staff, and their impact on performance. For example, some of the largest improvements were in areas that directly relate to providing performance feedback in ways that employees can accept and act upon. These included:

- “Accurately assesses employee’s strengths and development needs” (27% gain)
- “Presents feedback by providing specific behaviors and examples” (20% gain)
- “Clearly describes the impact that the employee’s behavior has on others” (25% gain)
- “Adopts coaching approach to fit with employee’s style” (21% gain)
- “Ends coaching sessions with clearly defined objectives and actions steps” (14% gain)

Interestingly, scores on most of the 360 dimensions remained flat between the first and second administrations, which were five months apart. This is often the case when behavioral change is measured in the near term, and it highlights the importance of reinforcing program content and regularly measuring progress over a longer period of time.

Business Impact

The improvement seen across all areas of the Coaching360 indicates that the program had a major impact on PHH. Importantly, the Coaching360 measured the opinions of the leaders’ followers. This means that the program changed the leaders’ behavior to such a degree that it was noticed and influenced their staff.

Further evidence to the impact to the business was the results of the recent employee survey. The chart below provides a comparison of selected questions asked in the 2009 and 2006 employee opinion surveys.

Item	2009 Favorable	2006 Favorable	% Point Δ
How would you rate your immediate manager on each of the following?			
Responding to your problems, ideas and suggestions	77%	55.9%	21.1%
Cooperating with other managers within the business	91%	62.2%	28.8%
Dealing fairly with everyone	75%	59.1%	15.9%
Communicating the business information you need	81%	64.6%	16.4%
Building teamwork	69%	55.1%	13.9%
Creating a positive work atmosphere	77%	61.4%	15.6%

These results attracted the attention of George Kilroy, the CEO of PHH Arval. He stated, “Jim and Rita talked about the leadership training initiative all along the way. But I’m a ‘results not effort’ guy and I really began paying close attention when I heard about some of the results of improved manager performance. In my visits to Canada, employees were talking enthusiastically about the positive changes they were seeing in the practices of company leaders. Then I saw the improvements stated so dramatically in our employee survey data. Among the learning and development initiatives I’ve seen in my career, the dramatic results I’ve seen here are the most prominent. Our challenge now is to sustain the focus and continue to improve manager skills. I’m confident that there’s a strong link between the employee work experience and the service quality those employees provide to clients. So I’m expecting to see client service scores rise. And I’m confident that we are in a better position today in our efforts to grow the next generation of people leaders at PHH.”

For More Information:

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