



Today's Topic:

The CEO, President / VP HR relationship's impact on company culture

Guest Speakers:

Ben Salzmann, CEO, Acuity
John Signer, VP Human Resources, Acuity
Hank Orme, President, Lincoln Plating
Dan Krick, VP Human Resources, Lincoln Plating

Facilitator:

Hal Adler, Senior Consultant, Great Place to Work® Institute, Inc.

In organizations striving to create a great workplace, relationships are the key to success. In particular, the relationship between the CEO or President and the VP of Human Resources can make or break the efforts to build and/or improve a company's culture. On December 15th, 2005, leaders of two of the best medium-sized companies in America shared their stories of the successes and challenges that they have faced on the journey to becoming a great place to work® and how their respective relationships have impacted the culture of the organization.

Acuity

A property and casualty insurance company founded in 1925, Acuity is made up of 750 employees and is located in Sheboygan, Wisconsin. For Acuity, keeping an eye on the prize means meeting its customers' insurance needs. The company has been recognized as a best medium-sized company by Great Place to Work® Institute, Inc. for the past two years in HR Magazine and continues to strive to create an even better place to work for its employees. At the heart of the company is Ben Salzmann, CEO, and John Signer, VP of Human Resources. It is their ability to work effectively together that drives much of the success of this initiative.

The duo credits the success of their relationship to authentic communication and mutual support. They work very closely together to come up with ideas and develop programs. It is not a one-way relationship and they realize that what they are set out to do is hard work. As they state, the key word in "Great Place to Work®" is "WORK!" In their eyes, creating a great workplace requires hard work, hard play, innovation, recognition, and a drive for excellence. The two echo and support each other in front of employees and strive to stay on the same page. John is in a unique situation with Ben as the CEO of Acuity. Obtaining his buy-in was never a challenge; Ben is always asking what else they can be doing and has an incredibly contagious energy about him.

Just over seven years ago, Acuity was experiencing a voluntary turnover rate of 26.2% before it underwent a dramatic organizational change where seven senior leaders were replaced. It was a "tough place to work" under the prior administration and when the current management took over, they very quickly realized the cost and impact of a disenfranchised employee base. This group was in the unique position of being some of those unhappy employees themselves, so knowing what it felt like to work for Acuity at the time, they were determined to make a change. Ben and John have spent the last seven years working to improve the culture at Acuity along with their senior team, and hold their managers accountable to the company standards by way of positive feedback.

After much hard work and improvement in the workplace, John approached Ben about participating in Fortune's *100 Best Companies to Work For*[®] list competition because he strongly believed that Acuity was one of the best. They were promptly recognized as one of the Best Companies that year and also appeared on the list of the best medium-sized companies in the year of its inception (2004). In 2005, Acuity leaders and managers used the survey results from the competition to institute change. Some immediate changes employees saw as a result of their feedback of not feeling connected and talked to by management were:

- “Lunches of 12” which allow each employee an opportunity at least one time per year to have lunch and informal discussion with the company's officers.
- “Ben's Gossip Line” where each week, CEO Ben Salzmann records a two to three minute voicemail that is sent to all employees covering current events, and company or industry news. At the end of each message he includes a catch phrase or tag line and two days after the message is sent, randomly chooses an employee to call on to deliver that catch phrase. If that employee can report it, he/she receives a \$50 gift card to a local restaurant or retailer as an incentive and encouragement of participation.
- All-company Town Hall meetings held four times per year include a departmental update from each officer, information sharing about the company, and an opportunity for Q&A.

Today, Acuity's voluntary turnover is just over 2% as compared to the 15-20% that other community businesses experience, and they are a sought after place to work. For every job opening the company has, they receive 300 applications. In addition, the company's assets have grown from \$350 million to \$1.7 billion over the last seven years. Employees of Acuity are held to very high standards and are expected to work hard. In return, they spend their days in a truly great place to work[®]

Lincoln Plating

Founded in 1952, Lincoln Plating is a metal finishing company located in Lincoln, Nebraska. Currently with 450 employees and still growing, this family-owned business knows that people are at the heart of its success and pays great attention to the efforts of creating a great workplace. President, Hank Orme, and VP of Human Resources, Dan Krick, have a strong working relationship and have been able to leverage the strengths of the organization through this partnership. Hank spends much of his time with the VP of Finance and VP of HR, and reports that 75-80% of what they spend their time on is “the people”. Hank recognizes that in order to be effective, he as the President must have a relationship with the VP of HR, a relationship based on trust and mutual agreement.

Dan accounts his first conversation with Hank as indicative of the relationship they have built with one another. In what was scheduled to be a 90-minute interview, Hank focused his questions more on learning about who Dan is as a person than his qualifications. He asked about his wife, children, parents, and interests, but not about his skills. When Dan's wife asked about the interview, he was not sure how to respond because it did not feel like an interview at all! At Lincoln Plating, the culture fit is the most important aspect of a new hire. The skill set can be trained and tweaked to meet the needs of the company, but if someone does not fit in, it will never work. Interestingly, Hank and Dan are very different types of people. This plays out well for them; where one lacks expertise, the other can fill in. They are able to face issues from different perspectives and in a holistic manner. This is true of their entire management team. Hank recalls a clear description of the uniqueness of the relationship of the senior team at Lincoln Plating as described by the VP of Marketing and Sales, “One of the things we have at the senior level is that everyone on that team would look forward to an eight-hour car ride with another member of that team.”

At the very basis of Lincoln Plating is a set of beliefs and drivers. The beliefs make up the culture of the organization, and the drivers are what push the success of the business. Each meeting begins with a recital of the beliefs and drivers, and employees (referred to as “people” at Lincoln Plating) are measured on them two times per year. The beliefs and drivers are a recurring and very visible element of Lincoln Plating's culture that set high expectations and ensure that the right people are in the right seats to make things happen.

The organization is currently in a period of rapid growth with a goal of “staying small as we get big.” As Lincoln Plating undergoes growth and expansion, the company plans to preserve its culture through the continuation of existing programs, while allowing these initiatives to grow with the company. Some of great things the people of Lincoln Plating currently enjoy are:

- Roundtable discussions with Hank and the executive team where informal conversation and Q&A are encouraged. Each employee is afforded this opportunity one time per year in small settings of 15-20 people at a time.
- “One Company, One Voice” meetings where two times per year, the entire company gathers for an update on “the good, the bad, and the ugly.” The senior team shares their plans and welcomes recommendations.
- Champion lunches where employees on all shifts get a free meal once per month with senior officers. This serves as an opportunity to formally and informally recognize performance, achievement, and behaviors that support the beliefs and drivers.
- Wellness program where each person undergoes a mandatory physical exam four times per year and awards and company-sponsored celebrations are given for high achievement in the area of wellness.

The company recognizes that all of the above could always be done better, and it plans to continue to improve efforts as the company grows. It is all about scalability and the team is ready for the challenge. It will take hard work and creativity, but the bottom line is that the initiatives provide the opportunities to communicate with Lincoln Plating people and gauge how they are feeling. These are priceless opportunities!

Conclusion

Even with very different products, services, locations, and missions, Acuity and Lincoln Plating come together on the matter of building a strong company culture. It all comes down to a shared belief system and a strong relationship between the senior team, especially between the CEO or President and VP of Human Resources. These individuals have key roles in creating a great workplace and must have the ability to work together and support one another to be successful. For Ben Salzman and John Signer of Acuity, and Hank Orme and Dan Krick of Lincoln Plating, there is never a question of alignment. They come up with ideas together, address issues together, and make the necessary calls to foster the culture together. Both teams have created a united front, one that represents well to the company population, supports the goal of becoming a great place to work®, and translates to financial success for the business.



**Building a better society by helping companies
transform their workplaces**

169 11th Street
San Francisco, CA 94103
Phone: (415) 503-1234
Fax: (415) 503-0014
www.greatplacetowork.com