

Construction Firm Rebuilds Managers to Make Them Softer

Kitchell Embraces Coaching

For 22 Highest Executives;

Controller Plays Dress-Up

By PHRED DVORAK

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PHOENIX -- Two days before Easter, William Judge, controller for construction company Kitchell Corp., tackled Action Item No. 6 on his to-do list. He put on an apron that he had made in seventh grade, taped on a cotton-ball bunny tail and served ice-cream sundaes to co-workers in Kitchell's tree-lined courtyard at its headquarters here.

The accountant admits that doing all that was a bit foreign to him. So was dressing up as a pirate for Halloween. He also took employees on a tour of the Arizona desert and wrote 11 thank-you notes to staffers last month. Mr. Judge, 42 years old, is doing things differently since he started working with an executive coach to discover what Mr. Judge calls "the softer side of Bill."



William Judge

Executive coaching has grown into an estimated \$1 billion business, with executives from [General Electric Co.](#) Chief Executive Jeffrey Immelt to [eBay Inc.](#) Chief Executive Margaret Whitman seeking tips on how to be a better leader. A big part of a coach's job is coaxing determined overachievers to work on such people skills as controlling their temper and recognizing the feelings of others. Management gurus say that helps with everything from influencing the boss to attracting loyal workers.

Companies like [Yahoo Inc.](#) and [Genentech Inc.](#) offer coaches to managers they are grooming for top posts. But few organizations take coaching more seriously than Kitchell, a \$725 million-a-year business that has become a true

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believer in probing inner feelings.

Each of Kitchell's top 22 executives has an outside coach, hired at about \$300 an hour for sessions every two to four weeks. More than 100 of Kitchell's 700 employees have attended a coaching class.

So deeply has coaching penetrated daily life at Kitchell that executives say proudly that they "stay in dialogue" when confronting ticklish personnel problems. Bosses urge subordinates to bare career goals -- even if those goals include getting the boss's job.

Coaching "is touchy feely," says Kitchell Chief Executive William Schubert, 65, a financial expert who says coaching has helped curb his hasty disposition. "It helps you to be more open with each other."

Kitchell's love affair with coaching started in 2001, when Mr. Schubert and his deputies, while working on a 10-year plan, realized that many senior managers would retire soon. With the company growing quickly and given an annual turnover rate of 27%, Kitchell's executives worried about a looming management shortage. Mr. Schubert, who once dressed as a sumo wrestler for a company picnic, also wanted to make sure that future leaders maintain Kitchell's high-spirited and close-knit culture.

Kitchell, an employee-owned company founded in 1950, builds projects like hospitals and government facilities in the Western U.S. It also runs businesses in fields such as real-estate development and air-conditioning sales.



William Schubert

Kitchell executives say the coaching is producing better bosses and more motivated staff. Colleagues of Mr. Schubert's say he has stopped interrupting them in midsentence. Managers say annual turnover is down to 19% overall, and to 4% among younger staffers who are being coached by senior employees.

Mr. Schubert says Kitchell spends about \$200,000 a year on coaching, adding, "Half a million wouldn't be too much."

Coaching alone can't help executives develop strategy, says Stratford Sherman, an executive coach who recently shifted his approach to include more hard-core consulting. He adds that coaches have to be monitored carefully to make sure what they're doing is really working, saying he "became hardened about the amount of nonsense that's mixed in with coaching."

Mr. Judge, a father of three who coaches for his sons' soccer team, came to Kitchell in 2001, lured in part by Mr. Schubert's example that "a finance guy can go to the very top here," Mr. Judge says. When Kitchell started hiring outside coaches, Mr. Judge was among the first executives to get one. He chose a former engineer named Brent Brower, who owns his own coaching practice in Charlotte, N.C.

Mr. Schubert had strong opinions about Mr. Judge's coaching needs. He wanted the controller to work on things like "shooting the bull" more with employees. In Mr. Judge's "360 review" -- a series of interviews with his subordinates, peers and bosses -- he got low marks in accessibility and listening skills.

Mr. Schubert discussed the findings during a December 2004 session with Messrs. Judge and Brower. He asked Mr. Judge, "What are you going to do about it? Are you going to take it to heart?" Mr. Judge recalls. "It was one of those [talks] when you shift around in your seat a bit."

Messrs. Judge and Brower crafted a coaching plan to address the problems. It featured 12 "action items" including scheduling regular staff meetings and distributing rewards to recognize employees' hard work. Under each item, Mr. Judge keeps a tally of what he has done and reports his progress to Mr. Brower at biweekly sessions. Like most other Kitchell executives, Mr. Judge gets his coaching over the phone.

For item No. 6, department events, Mr. Judge helped his staff organize a laser-tag Christmas party, a green-food buffet for St. Patrick's Day, a trip to a baseball game, and a pirate dress-up day for Halloween. Mr. Judge arrived in full buccaneer gear, sporting a red bandanna and gold earring. Mr. Judge admits the activities take up valuable department time. But he says the resulting boost in morale has been worth it. And he says he's pleased with the coaching because it's making him a better leader.

During a coaching session last month, Mr. Judge told Mr. Brower that Mr. Schubert wants him to be more aware of the relationships among Kitchell employees.

"What can you do to increase your social awareness?" asked Mr. Brower.

"I guess I've got to keep my ear on the informal lines of communication," Mr. Judge responded. "I'm not a particularly outgoing individual." Mr. Brower suggested that by the next coaching session, Mr. Judge read a Harvard Business Review article with a section on leadership and social skills.

Mr. Judge's co-workers and staff say the course in people skills is working. Mr. Judge used to stay holed up in his office all day, says Misty Perchal, 31, a senior financial accountant who has worked under Mr. Judge since 2001. Now, he makes a point of greeting each of the department's 19 employees by name every morning, she says.

Staffers say Mr. Judge used to type at his computer while they were talking with him in his office, which made them feel that he wasn't paying attention. Now, Mr. Judge says, he follows hints on the art of listening learned in coaching class, such as making eye contact and summarizing other peoples' points to make sure he's got them right.

Mr. Judge is even starting to show interest in his employees' lives outside work, says Ms. Perchal. Her boss now holds monthly lunches with each of his five deputies at which he talks only about nonwork matters.

At first, the personal chat felt "a little off-balance," says Ms. Perchal. Now, she says, it's nice. The lunches are action item No. 7.

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