

The Case for Coaching: Investing in Leadership

A Look at Coaching and the Return on the Coaching Investment

It seems that every time we open a newspaper or a business magazine, there's yet another article about coaching. As this phenomenon has been going on for some years now, coaching is proving to be more than a flavour-of-the-month development intervention. Ten years ago it was difficult to find any serious research on coaching; today such studies abound, along with a proliferation of coach training courses, graduate studies in coaching and offerings from management consulting companies. Coaches and coaching conferences are everywhere, making choices more difficult.

So everyone's doing it, but what evidence is there that it's actually working? Are the promises of coaching worth the investment? Why do individuals and organizations continue to use and pay for coaching? What does it mean to have a coaching culture? We will look at what coaching is, what it does and doesn't do and how to evaluate and measure its impact.

What we talk about when we talk about coaching

Coaching is often defined by its process. Since we want to look at the results of coaching, let's define coaching in terms of its products or outcomes. In *Coaching: Evoking Excellence in Others*, James Flaherty lists the desired outcomes of coaching as

1. long-term excellent performance
2. self-correction
3. self-generation

Long-term excellent performance means that an individual meets the high objective standards of the environment in which coaching takes place. The objective standards should be clear to any observant person in that environment, and are sometimes documented in performance or promotion criteria. If you aspire to a senior leadership role, for example, you must be seen as a leader who can deal effectively with larger, systemic issues facing the organization. You must be skilled at decision-making, alliance and trust building, influencing others and managing power. To be a long-term excellent performer, it's just as important to be seen to have these capabilities as it is to have them.

To be self-correcting, you must be able to distinguish poor performance from good performance and make necessary adjustments without instruction from the coach. Coaches should strive to help their clients become independent of coaching support over time. To become self-correcting, it's necessary to be aware of your own habits and behavioural patterns and to be able to change them if they are inappropriate or in your way. This means having a high degree of self-awareness. You must be appreciatively self-critical in order to keep learning while maintaining your self-esteem.

Self-generation is the ability to identify and learn ways in which to improve your performance. Skilled coaches help clients learn how to learn new competencies on their own. This could mean observing others, practicing desired behaviours, and acquiring new skills. The ability to self-generate means being able to question your own assumptions about how the world works and how people act and change or discard them if need be. It means being able to renew yourself through your inner resources as well as resources in the organization, your family and your community.

These are over-arching outcomes that should apply to every coaching engagement. Within these general outcomes, each coachee works on specific outcomes, usually refining them during the coaching process. *Coaching outcomes that affect and/or produce observable behaviour can be evaluated and measured.*



When is coaching useful? What are some openings for coaching? What about training programs?

Unlike training programs, which we may attend as part of planned skills or management development schemes, we often don't know that we need or want coaching until something happens. If everything is going along fine, we usually don't think to ask for coaching. But if a job change or a promotion is in the offing, then coaching may sound like a good idea. If the latest performance review did not meet expected standards, then coaching could be helpful. If there is a business need to improve quality or lower costs, then coaching could be a good choice.

Training and coaching aren't in competition with each other. Each serves particular needs at different times in our professional development. Training programs, including high-level leadership development training, provide general knowledge and give people solid grounding in skills required for work at certain levels. People taking on new roles and responsibilities, such as country director or a field operations role, may attend training specifically designed for those roles. Action learning programs give learners a chance to learn by doing and experimenting with newly acquired skills.

While training is intended for a larger, targeted audience, coaching is intended for and tailored to individual needs at a specific point in time. The kind of coaching support you may need now is different from what you may need in five years.

Just the FAQs, please – some myth-busters about coaching

Let's look at some common questions and misperceptions about coaching.

1. Doesn't coaching take a lot of time?

Anything worthwhile takes an investment of time, and time spent with a coach is an investment in yourself. According to a coaching study conducted at Ashridge School of Business, two-hour coaching sessions four to six weeks apart is an effective model for a coaching engagement. If we include activities related to coaching, you would spend about one hour per week in coaching activities. Is that too much time to spend on your own professional development?

2. Isn't coaching just for losers, not for successful people?

Coaching helps the good and the best get even better. Coaching works best for motivated performers who want to achieve even more or who may feel "stuck" in certain areas of performance or behaviour. Some of the top leaders in the FTSE 100 and the Fortune 100 have their own coaches. Coaching is often used to support good performers who are facing difficult challenges. Leaders moving into new roles with greater responsibility are avid users of coaching. Coaching is less successful as a last-ditch effort to "save" someone. Poor performers tend not to take coaching seriously and may even resist being coached. They rarely deliver a good return on the coaching investment.

3. Isn't coaching is the same as mentoring?

A mentor is the "sage on the stage," while the coach is the "guide on the side." Mentoring is usually informal, open-ended and intended to provide advice and answers to questions about the organization. Coaching has clearly defined goals, time limits and mutual accountabilities. Coaches don't give you answers or tell you what to do; coaches help you discover answers for yourself.

4. Isn't coaching only for senior managers and leaders?

Coaching is often used to support the development of high potential managers and staff, and as a follow-up to management and leadership training. Coaching for on-boarding new managers and leaders is also becoming a common practice. Managers at all levels of an organisation can benefit from coaching.

5. Isn't coaching very expensive?

Let's compare the costs of training and coaching. If you attend a leadership training program in another country, for example, your costs include travel, accommodation and meals, plus the cost of the program itself. Not to mention the hidden costs of being away from your desk or station for nearly a week including travel time and other meetings. No one is going to do your work whilst you're away, so there's also the personal cost in longer hours after you return from the course. And perhaps a reduction in productivity from the effects of jet lag.

If you work with a coach for several hours each month for 6 months, there's no extra travel (in fact, you rarely have to leave your office), you can continue doing your normal job and the coach will either come to you or talk with you by teleconference or on VOIP (e.g., Skype, Yahoo Chat, etc.). Coaching fees cover the actual contact hours of coaching.

Both training and coaching are valuable when used appropriately, and coaching often proves to be an excellent investment when all costs are factored in.

6. Doesn't it take a long time to see the results of coaching?

While coaching is not intended to be a quick fix, many coachees experience tangible results after one or two coaching sessions. Although human beings tend to change slowly under normal circumstances, coaching for engaged and motivated people who seize the opportunity can lead to some remarkable and rapid changes in thinking and behaviour.

7. Isn't it risky to open up and talk frankly to a coach?

The nature of the coaching relationship is characterized by mutual trust, mutual respect and freedom of expression. Trust implies sincerity and authenticity and requires confidentiality on the part of the coach. Respect is about accepting another person for who they are and who they present themselves to be. In order to have trust, respect and freedom of expression, we need to be comfortable with a coach and believe that the coach can help us achieve our goals. That's why we should choose a coach carefully, looking for someone who can listen, inquire and explore with empathy. Confidentiality is one of the hallmarks of coaching.

8. Isn't coaching too touchy-feely, like therapy?

Unlike therapy, coaching is about the present and the future, not the past. Coaches don't explore your family history, search for unconscious motivations or try to change your personality. A therapist's role is that of a healer, while a coach is a catalyst, helping you develop your potential and improve your performance. The emphasis in a coaching relationship is on action, accountability and follow-through.

9. Is it true that everyone is coachable?

Most people are coachable some of the time, but not everyone is coachable all of the time. An important factor in coaching is the readiness of the coachee. If you really don't want to be coached and aren't engaged in the process, then coaching is not for you right now. Perhaps later, but not now.

10. Will a coach tell me how to run my operation?

Coaches are not qualified to tell you how to run your operation, nor do they wish to be so directive. A coach can help you overcome obstacles and achieve your goals by offering different perspectives and new insights to stimulate your own thinking. A coach can be a sounding board and a mirror to enable you to see yourself and your options in different ways. But you're still in charge of you and your work.

11. To be able to help me, shouldn't the coach have a similar background?

While helpful, having a similar background doesn't guarantee that the coach will be effective. It's more important for the coach to have the skills and abilities to help you transform yourself and acquire the skills you need. The most helpful coach is one who listens to you and helps you reflect on your choices, behaviours, interpretations and judgements.

12. Won't I lose face with my staff and peers if I have a coach?

Most colleagues see their manager receiving coaching as a positive step. They recognize that coaching demonstrates the organisation's commitment to the manager, and they also give credit to the manager who has the courage to accept and act on feedback. You become an even better role model to your staff and you demonstrate your commitment to learning when you let them know that you're being coached.

13. Isn't coaching my staff the same as just giving them feedback?

Giving your staff feedback is part of coaching them. In order to help them develop, you need to let your staff know what they're doing well and what needs change or improvement. As their manager/coach, you want to set them up to succeed. Giving them clear and objective feedback and helping them learn how to improve their performance can inspire and motivate your team members and build their trust in you. Setting specific, high standards and then helping people reach them is part of what it means to be an effective manager. For more information, see **The Coaching Style of Management**, below.

14. Isn't it impossible to measure the outcomes of coaching?

The short answer is no, it isn't impossible to measure the return on investment in coaching. The results of coaching that has clear outcomes, be they qualitative or quantitative, can be measured and evaluated. See below for more on the ROI of coaching.

How can we measure the return on the investment in coaching?

In order to understand how to evaluate coaching, let's first look at some typical coaching scenarios.

Moving to a new role

1. the first 100 days in the new role
2. developing a leadership presence
3. managing personal impact and credibility

Self-Management

1. increasing self-awareness
2. effective communication and negotiation
3. managing conflict
4. managing time and energy

Career management

1. influencing at all levels
2. exploring future possibilities
3. shaping roles
4. recovering from a derailment

Managing people

1. dealing with challenging people
2. providing appropriate leadership
3. managing multicultural teams
4. managing remotely
5. coaching team members
6. managing performance

Managing change

1. preparing for a change in the work
2. the impact of the change on your role
3. the impact on your direct reports
4. being a change agent



Within each scenario are many possible attitudes, approaches and behaviours that can be addressed by the coach and coachee. Merrill Anderson describes a coach's work as "creating insights that lead to meaningful actions that release potential in people and the organisation." Those meaningful actions can be observed, examined and measured.

Some examples of the return on investment in coaching

The CompassPoint Executive Coaching Project – Nonprofit Sector

This project was initiated as a result of two studies on executive leadership in the nonprofit sector: "Leadership Lost: A Study on Executive Director Tenure and Experience" (1999) and "Daring to Lead: Nonprofit Executive Directors and Their Work Experience" (2001). Findings from these studies emphasized the need to develop strategies to support and retain leadership talent in the nonprofit sector. Both studies recommended strengthening and sustaining leadership and management skills as essential assets for nonprofit organisations.

The Executive Coaching Project provided forty hours of one-on-one executive coaching to twenty-four EDs for a year between 2001 and 2002. The program was then evaluated with both quantitative and qualitative methods, using both primary and secondary sources. The full report can be downloaded at the CompassPoint website, www.compasspoint.org.

Overall findings showed six main areas where coaching had an impact on the EDs and their organisations:

1. leadership and management
2. the organisation
3. attitudes and beliefs
4. personal life
5. job satisfaction
6. tenure and turnover

The key findings in the area of leadership were:

1. increased confidence in exercising leadership
2. improved ability to connect with the organisation's vision
3. increased confidence in leading the organisation toward fulfilling the vision

The key findings in the area of management were:

1. increased task completion and productivity
2. improved personnel management skills
3. better relationships with staff and Board of Directors (e.g., communication skills)

Maximizing the Impact of Executive Coaching, The Manchester Review

The findings of this study done in 2003 show that

1. coaching translates into doing
2. doing translates into impacting the business
3. this impact can be quantified and maximized

The Coaching Style of Management

A coaching style of management means that, instead of being directive and telling others what to do, managers enable staff to become resourceful and self-directed by asking perceptive questions, providing clear feedback and empowering people to think for themselves. The most successful organisations have the skills of listening, inquiry and exploration embedded in their cultures. These skills are characteristic of managers who treat others with respect and who lead and learn at the same time.



The coaching style of management is the result of an evolution in management thinking, leading more organisations to take coaching seriously as a way to increase accountability, retain talent and promote innovation.

The coaching style of management assumes that employees are adults who are responsible for their actions, not children to be controlled or scolded. At times, managers may need to provide more direction to some staff than to others, but most motivated staff will want the freedom to find their own way. As with most things, there needs to be a balance between control and autonomy.

Coaching or people development management

Here the manager is interested in helping the employee take the initiative for problem-solving and decision-making, perhaps independently from the manager. He or she will clarify desired outcomes with employees, and then leave them alone to do their jobs. If an employee asks for assistance, the manager will respond by referring the employee to relevant resources and guiding the employee to work through the problem. The manager will rarely step in and make the decisions for the employee.

This style works well when employees and/or teams know what is expected of them, are experts in their own field, are skilled and experienced, and show good initiative. It has the benefits of freeing the manager's time to focus on creating the right climate and framework for staff, and developing employees to take full responsibility for the outcomes of the work. It's a good style to use when grooming employees to take on higher responsibilities. It won't work well when the work is compliance-based or safety related, nor in emergency situations that call for command and control. It also doesn't work well when employees really don't know what to do.

From a cultural perspective, though there may be examples of this style in community and family life, it may not be a familiar style in organisational settings. If this is the case, a manager wishing to use this style should communicate his/her intentions clearly with the employee and have patience and discipline in using the approach.

What are the advantages of the coaching style of management? For most of us, it's far more motivating and fulfilling to come up with our own answers and solutions than to be told what to do and what to think. Being empowered in this way increases productivity and releases our creativity and initiative.

Organisations that adopt this style of management demonstrate good business sense by creating a work environment where managers support and challenge their colleagues to manage themselves and to be accountable for their own work. It also reduces the practice of micromanagement and makes better use of the manager's time.

For organisations that have been traditionally managed in the so-called command and control style, moving to a coaching style of management takes time, training and selective recruiting.

Next Steps: How to Use Coaching in Your Organisation

If you would like to use coaching in your organisation, how do you go about it?

Selecting a Coach

Coaching, like other helping professions, attracts people whose work satisfaction comes through helping others grow and develop. Coaches help people find their own solutions. Unlike mentors and friends, coaches don't give advice or tell their clients what they should do.

A coach should have the experience, insight and interpersonal skills to create a trusting relationship with the coachee. The coachee must believe in the coach for the coaching to be



effective. For example, the coach for a senior manager should have sufficient work and life experience to inspire the manager's trust and confidence.

When selecting a coach, look for someone who demonstrates empathy, approachability and respect. Look for good listening skills, intercultural experience and the capacity to be non-judgemental.

Not every coach can coach every potential client – fit and chemistry are important. It's good to have a shortlist of potential coaches in case a manager doesn't feel comfortable with the first choice of coach. The coach's age, language skills and work experience may also be important factors for some clients. Coaches use different coaching methods, which enables you to choose the best coach and the best method for the individual manager in your organisation.

A good way to start is to interview potential coaches to get a broad view of who is out there, what they offer and which coaches best fit the profile of your organisation. Then you can narrow the field to several coaches whom you feel are the best match for your managers and their development needs.

A responsible coach will make the coaching process as transparent as possible, communicating regularly with the coaching sponsor and/or human resources staff without violating the confidentiality of the coachee. You should expect the coach and coachee to establish some clear outcomes for the coaching and keep you informed of progress. This is known as contracting and is best done formally in writing.

Coaching certification with one of the many professional organisations may help you to narrow the field of potential coaches but is not a guarantee of quality work or results. As with many selection processes, a personal or professional referral is usually a more reliable guide to effectiveness and value for investment.

Positioning Coaching in your Organisation

Coaching is an activity that has traditionally been provided to individuals. Increasingly, organisations are adopting group coaching processes to both reduce costs and to make coaching more accessible. Examples include group coaching programs that aim to increase self-awareness and proactive problem-solving (see Oxfam Australia's Personal Leadership Program), and those that seek to embed consistent management practices across the organisation by coaching groups of front-line managers. Group coaching can be an excellent support for managers and staff who want to work on real-life problem-solving. It can also be an excellent support to change management initiatives.

In some organisations, singling out individuals for coaching is seen as a negative and perhaps even as a sign of trouble or failure. Whether you employ an individual or group coaching model, try to create a positive view of coaching as another form of management and leadership development. If coaching is seen as a desirable, more people will be willing to try it. In fact, the best way to promote a positive view of coaching is for the director of the organisation to participate and tell the staff about the coaching.



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