



## Management Today article

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### Grooming Elite Managers

*Five experts explain how executive coaching works, where it is of most value, and what can happen when things go wrong. By **Mark Story**.*

Executive coaching, a relatively new game in Australia, is becoming increasingly customised to cater for a growing range of corporate appetites. It's progressively evolving from a fashionable, one-size-fits-all approach to cure wayward executive behaviour, to an executive tool capable of upskilling key staff and future leaders.

By anticipating staff promotions, through customised coaching, employers are paving the way for good succession planning while ensuring their high-flyers are 'job ready' for the next step upwards.

In the light of these changing dynamics, Management Today interviewed a range of experts to explain what executive coaching looks like today, how it works, the value it offers, and why it sometimes fails.

Psychology-trained sole traders, often with little business experience, still dominate the ranks of Australia's executive coaching line-up, which has doubled in the past five years.

However, Hugh Davies, a specialist in career development with Macfarlan Lane, says that we are witnessing a transition. The two notable changes he has observed are one, the number of 'semi-retired' senior executives now offering their experience and wisdom as coaches and mentors, and two, the practice of coaches working within groups.

Davies says while coaching is moving from being remedial - do this and you'll see these outcomes - to developmental - especially by executives aiming to transition to new roles - employer exceptions are still paying most of the coach's bills.

"Ten years ago executive coaching was a knee-jerk reaction to perceived gaps in executive abilities," says Davies. "Today, it's being deployed by organisations to improve the return on their investment in human capital by developing talent and broadening the capabilities of key staff."

As a result, he says employers also want to see a beginning, middle, and an end in coaching programs to ensure coaching doesn't become an endless continuum without specific outcomes.

The way coaching is delivered has changed little over the years. It remains a one-on-one process where individuals are matched with skilled and experienced people to help explore and develop capabilities. Nevertheless, Davies says there's now a much richer menu than less sophisticated coaching techniques popularised 15 years ago.

He says while cognitive behavioural theory still underpins coaching practice, today there's much more focus on effective listening, action learning, extensive materials to support the dialogue, and individuals discovering a reality that works for them.

"Coaching often provides a balanced space to ventilate, rebalance priorities, and steadily adopt more constructive personal behaviours and practices both in personal life and work," says Davies.

Having become more discerning in the selection of coaches, Davies is seeing that employers are moving beyond those who trade in personal charisma, with little substance behind their work.

As a result, he says that there's a growing divide between motivation and goal setting, now the domain of life coaching, and an executive coach's preoccupation with developing workplace capabilities. These capabilities typically include:

- leadership
- communications
- team building
- performance development
- building collaboration across functions and groups
- flexing/modifying behaviour to suit situations.

"Good coaches agree on outcomes and criteria to measure success with an organisation before the assignment begins," says Davies. "Then they meet with the organisation at the end of the assignment, even though much of the journey with the individual takes place in a private and confidential setting. Confidences aren't broken, but the organisation wants to see some result or outcome for their outlay."

### **What you get**

Facilitator, groomer, problem-solver, inspirer, and confidence builder: all these attributes describe the qualities good coaches possess. But their main goal, says Bruce Gregory, Senior Consultant with C-F-S Career Management, is to help change an executive's workplace performance by modifying behaviours.

While coaching can last anywhere between nine weeks to 36 months, research by the Australian Human Resources Institute (AHRI) suggests the average program costs \$12,600 per executive for nine sessions over seven months. According to AHRI's findings, session durations ranged from 50 minutes to two hours, with a per-hour cost of \$150 to \$1650.

Once an executive coach has been commissioned, step one, advises Gregory, is a one to five-hour initial consultation, depending on the executive's seniority and needs. Through this initial 'meet and assess', he says the coach will typically go through a pre-evaluation form to establish the right foundation on which coaching will proceed.

"This initial face-to-face assessment enables the coach to build a road-map designed to get an executive to where they want to go."

Gregory says that executives who approach coaches in order to facilitate transition into a new role are typically more motivated subjects than those who have been told to seek coaching by their bosses to improve shortcomings.

"Either way, it's the coach's job to hold that person's hand while moving from point A to point B," says Gregory. "It's also the coach's job to assess whether stated outcomes can be delivered through the coaching process."

If the goal is to find a more senior role, Gregory's team asks the executive to select nine job ads and then prioritise them in order of interest. By getting them to benchmark these jobs against key criteria, he says it becomes clear where weaknesses lie and what behavioural changes need improving.

The next four meetings, advises Gregory, are typically spent determining the tactical plan they will implement to deliver on stated outcomes. For example, if an executive has repeatedly been overlooked for promotion, Gregory will work on closing the perception gaps of their peers and managers and, if necessary, start preparing a transition. "By week five a coach should be working on recommendations to deliver on specific outcomes," adds Gregory.

In addition to closing notable skill gaps, he says they may also need to work on how behavioural traits impact an executive's ability to effectively communicate across the organisation.

"If communication skills are poor, we role-play specific workplace situations. Psychometric profiling may also be used to provide greater insight into the real drivers behind their behaviour," Gregory says.

At the very senior level, he says it's not uncommon for coaches to help groom an executive who's assuming their first C-level appointment. In these cases, Gregory says the primary objective might be helping them modify their style of management.

"In addition to making them feel comfortable in that role, it may also include grooming them to deal with the press, the board, plus myriad new stakeholders," says Gregory.

### **Achieving tangible results**

Companies that pay for their executives to be coached understandably expect tangible results.

Andrew Dawson, Performance Coach and Program Developer at Deakin University, says the trouble is that when you expect a transformation within an individual's behaviour to deliver certain outcomes, the benefits (by definition) are more about human qualities than the bottom line.

Interestingly, recent research commissioned by the Institute of Executive Coaching Australia (IECA) revealed that the most value people gained from coaching was the ability to conduct effective workplace conversations. "One of the keys to effective people skills is listening, without prejudice, and communicating effectively," says Dawson.

In the research, executives cited the four key areas of benefit as: self-awareness, developing communication skills, improving work organisation and planning, and understanding the context and strategy of the business.

According to Dawson, it's critical that the executive, their coach and the employer mutually align themselves over perceived value gains before coaching begins. While the net value of coaching always remains somewhat subjective, he says employers can still correlate the indirect impact on their bottom line through more generic workplace outcomes. These include:

- higher employee satisfaction levels
- reduced staff turnover
- happier customers
- better cross-functional work groups.

But beyond these indicators, he says the real power and value within the coaching process comes from the individual coach's ability to adapt to the unique learning styles and personality of each executive, and help modify entrenched patterns of behaviour. But he says the role of coaches is diluted if the participant and management don't see value in the process.

"Coaching will seldom deliver on any value matrix without a high level of confidentiality and respect between coach and client," advises Dawson. "To avoid conflicts of interest, it's always better if the coach is external to the organisation."

To Dawson, the value a coach adds is in direct proportion to the achievement of stated goals. He says it's the skill of the coach that often helps transform fuzzy vision into specific wants.

"Helping executives deliver on stated goals, like promotion or higher salary, usually increases motivation and satisfaction, and reduces stress by putting them in control of their career development," says Dawson. "But often the bigger value drive is whether an employer is prepared to develop someone, via coaching, even if it means risking losing them."

### **Why things go wrong**

Because executive coaching is fundamentally a process-oriented practice, Dr Laurene Vaughan, Director of Research and Innovation at RMIT, says it's only ever as good (or bad) as the variables underscoring it.

That said, she says good coaching outcomes rely heavily on framing and then aligning desired objectives from the outset by all parties involved. That's especially important when the decision to engage a coach comes from the organisation itself.

Vaughan says there can be varying shades of success around any coaching process where the executive and their employer have differing definitions of what a successful outcome looks like.

"For example, the realisation that they don't want a career in sales may be a successful outcome for a sales manager forced to seek coaching," says Vaughan. "But for their employer looking to remedy obvious faults, this might be a disastrous outcome."

She says the opportunity for failure is heightened when an executive is instructed to seek coaching on an experimental basis in the benign hope that whatever emerges will by default benefit all.

The only time she has ever known coaching not to work is when the executive being coached has refused to engage in the process. On the flipside, she says that a lack of chemistry between coach and executive, or the coach simply lacking expertise, could also cause a coaching program to fail.

By week four of a program, Vaughan says, it should be clear whether the coach and executive have a compatible relationship. If not, either party should have the wisdom to terminate proceedings.

"Coaching just doesn't work without commitment," Vaughan advises. "Outcomes may also disappoint the employer where the executive has hidden objectives that the coach has a duty-of-care not to divulge, even if the company pays the bills."

Coaching can also fail, adds Paul Smith, CEO with the Carnegie Management Group, when executives won't change their mindsets or are too entrenched in a comfort-zone to face tough issues. "Those with most difficulty altering their views are engineers, architects, lawyers and old-school executives who have risen through the ranks," Smith says.

He says employers can unwittingly set executives up for dismal outcomes when they misunderstand the distinction between instructional coaching and mentoring, which is often used as a sounding-board for senior executives to bounce strategy off.

He says executives typically gravitate from how-to type coaching in their 20s and 30s to learning how to modify behaviours to deliver on outcomes in their 40s and beyond.

"Highly paid CEOs should know how to flex their style according to their stakeholders," Smith adds. "Success within a mentoring context is a journey, not a destination, and like any good marriage requires absolute commitment from client and provider."

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