



Coaching Our Leaders To Enhance Corporate Productivity

By Roger Evans

The Drivers for Leadership Coaching

Many business leaders have personal experience of coaches brought in by, or chargeable to, their businesses. How much coaching, though, is really aimed at delivering specific and measurable business outcomes or, conversely, how much is conveniently hidden behind a veil of secrecy that services only the individual's agenda?

Across Europe, there is a growing realisation that, in order to be competitive, our companies – and hence our leaders – need to be more efficient and to perform better. The European Commission is reviewing its goal of transforming the European Union into 'the most competitive knowledge-based economy by 2010'. A recent report from Eurochambres, The Association of European Chambers of Commerce and Industry, showed that the EU's economy today is where the US economy was in the late 1980s. Europe's 2003 GDP per worker, for example, was achieved in the US as far back as 1989.

Consequently, the pressure on companies and their leaders will intensify. As workforces



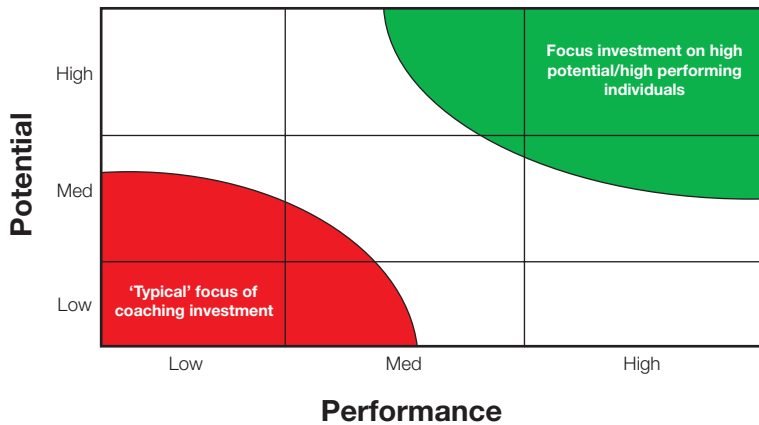


Fig 1. Where to focus investment in coaching?

continue to shrink through demographic change, companies will have to do more with less. Corporate focus on the short term will spread as investors and markets increasingly expect companies to report their financial results on a quarterly basis. The power of the internet will continue to expose more and more organisations to competition on a global scale. Furthermore, directors of public companies will feel a growing burden of scrutiny and responsibility in a post-Enron environment in which corporate governance is focused upon. Already, our board-level leaders are not lasting long. Our own research (*Turnover At The Top*), showed that over fifty per cent of CEOs last less than three years, and that's even though more than two thirds of them came from within the organisation.

The one constant is change. Those companies and leaders who can rise to the challenge of change will prosper. The good news is that organisations whose employees have confidence in their leadership show a strong return on shareholder investment. However, the bad news is that many employees do not value their leaders and are not company-loyal. A recent study by The Institute of Management and DDI, a consultancy, showed a third of managers and nearly half of junior managers believed their company leadership was 'poor'. Interestingly, a third claimed never to have been motivated by a leader, and to have low loyalty to their company.

In the quest to develop business leaders who are able to lead their teams and companies effectively through transition, and to generate ongoing value for employees and shareholders, organisations are increasingly expecting that leadership coaches deliver results in the form of targeted business

outcomes. I expect that the business coaching market will see a considerable shake-out of 'fire-side chat' and 'life' coaches, if they cannot demonstrate clear return on investment for the business that is paying for their services, as well as for the individuals that are receiving them.

ACHIEVING REAL BUSINESS OUTCOMES FROM LEADERSHIP COACHING

So, what are the keys to creating more effective leaders through coaching? The starting point is to identify the key situations for coaching. Our experience shows that coaching is commonly used in the following areas;

- **Leadership Development Coaching:** to enhance the effectiveness of board level executives and divisional heads during major organisational change
- **Team Coaching:** to maximise the synergy of a board or senior team during periods of organisational transition
- **On-Boarding Coaching:** to accelerate the impact and success of a new hire or newly promoted senior executive
- **High Potential/Succession Coaching:** to enable the successful development of identified 'top performers' or 'talent groups'
- **Sales Leadership Coaching:** to support the development of sales leadership skills of senior executives responsible for selling, representing and negotiating on behalf of the organisation to meet challenging customer related targets
- **Middle Management Coaching:** to support those individuals charged with delivering the strategy and business outcomes

INVEST IN SUCCESSFUL PEOPLE

A significant key to success is to focus on those with a track record of delivering, whereas the tendency *has* been that coaching is used on a 'remedial' basis directed towards improving poor performers. In our experience, the people most likely to make the difference between success and failure in times of transition, and those to whom their peer group and colleagues will look for inspiration and motivation, are those that have already demonstrated considerable success so far. (see **Figure 1.**)

Coaching individuals who have been successful to date, however, can be challenging as their past behaviours can be a barrier to future success. This is particularly the case if an individual has been





Fig 2. Coaching Spectrum

VERY OFTEN, INDIVIDUALS CAN FEEL OUT OF CONTROL IN THE FRENZY OF CORPORATE LIFE. COACHING ALLOWS THEM TO TAKE A MORE OBJECTIVE VIEW OF THEIR CAREERS, SKILLS AND ASPIRATIONS AND, IN SO DOING CAN RE-ENERGISE AND RE-FOCUS THEM

promoted within their function, or to a new role, for these kinds of transitions often require the individual to develop and prioritise leadership behaviours quite different from those that have led to their success so far. Many people incorrectly assume that the same behaviours that have made them successful to date will be core to their future success. This is especially true with individuals who have historically been renowned for their technical expertise. One such example was of a successful technical person who, on her promotion, was rewarded with an increase in salary, an improved car allowance, a new title and a coach. Her immediate focus of intention with the coach was to achieve greater success with her day-to-day job. Specifically, she wanted to improve her direction, management and the commitment to outcomes of meetings. By considering her own personal priorities, the coachee was able to ask herself: why I am even at these meetings now and who in my team should be rising to this challenge?

A key part of the coach's role is therefore to help successful people understand the

new position they are moving into, the new challenges of that role, how it will be different from their previous experiences, and what priorities will produce the targeted business outcomes (see **Figure 2**).

I once worked with someone in a professional services firm who was promoted to senior partner level. He had been the strongest player in the firm on tax, but in his new role had to delegate the technical problem solving, and focus on strategic issues including developing people and creating a new line of business. My client had limited experience in these areas, and it was difficult for him to leave behind his old skill set. Coaching helped him step-out of his technical comfort zone, shift his approach to his new role, and develop the strategic skills required to transform him from a 'doer' to a 'creator' and leader.

COACHING MUST BENEFIT THE BUSINESS AS WELL AS THE INDIVIDUAL

The coaching agenda should be based on three core questions: what are the business results that need to be achieved by the individual?; by when?; and, what is it about



how they will be achieved that will add the greatest value to the business going forward?

Typical business objectives that need to be achieved may be: implementing a global IT project by a specific date; growing revenues to hit a target; moving a company into a new market; breaking into a new role by a specific date, often as successor to a boss that is moving on; and, in the public sector, meeting the comprehensive performance rating (CPA).

However, long-term potential can only be fully realised if the coach taps into the personal and career motivations of their clients, and this is key to sustained behavioural change; through the process, the clients themselves realise not only what their greatest motivators are, but understand those behaviours they need to embrace to meet their business objectives. This process also means that it is less likely that clients will slip back to previous behaviours.

What often surprises many senior people is that the coaching process represents the first time in their lives when they have thought seriously about what motivates them. What is equally surprising to most people, and to their bosses, is how cash and remuneration is low on the list of key motivators, assuming they feel they are reasonably paid. Factors far more likely to trigger the appetite for change are: proving to themselves that they can master a particular challenge; achieving status and influence in a new position; and creating a greater sense of control and ownership of their career. The last point can be a particularly strong realisation during coaching. Very often, individuals can feel out of control in the frenzy of corporate life. Coaching allows them to take a more objective view of their careers, skills and aspirations and, in so doing, can re-energise and re-focus them.

I once coached someone in the pharmaceutical industry who was challenged to step-up to his promotion. It was strategically important to his company and he was concerned that failure could result in redundancy. Analysing and getting to the heart of what personally motivated him was like peeling an onion. He lived in a beautiful and remote part of the country where major employers didn't exist. So, the potential pain of

settling elsewhere to find employment, uprooting his family, and, in particular, finding new schools for his children, was very deep. But after much discussion, my client discovered that the core motivator behind his employment with this particular company was that if he didn't continue to apply his unique, specialist knowledge and expertise within this organisation then he would no longer go on impacting lives in the developing world. This motivated him to step out of his comfort zone and rise to the challenge of a new role which in itself was key to delivering the organisation's desired outcomes.

BECOMING SELF-AWARE

One of the greatest benefits coaches can provide to their clients is a far stronger sense of how they impact others around them. The prevalent 360-degree assessment process is one way of measuring this impact. But, in spite of good intentions, my experience is that in some organisations the 360 has become little more than a box ticking exercise that adds minimal business value. The problem is that organisations immediately assume that the low score areas should be the issues to fix. I have often started coaching someone who wants to work on a 'laundry list' of observations arising from a 360 assessment, but when it comes down to their targeted business outcomes many of those focus areas have almost been a complete waste of time.

A coach who is truly focused on business outcomes should use 360 assessment feedback in service of the three question areas outlined above: what are the business results that need to be achieved by the individual?; by when?; and what is it about *how* they will be achieved that will add the greatest value to the business going forward?

For example, one client had just completed a company programme for a group of 'high potentials'. The programme included a 360 assessment that concluded that he was below average in his peer group in 36 out of 38 key leadership competency ratings. His key business target was to increase revenue by 30% year-on-year in his area of responsibility.

OUR RESEARCH SHOWED THAT 17% OF COMPANIES HAVE NO PLANS WHATSOEVER FOR LEADERSHIP DEVELOPMENT AND A FURTHER 29% HAD YET TO DEVELOP ANY FORMALISED PLANS.



A MAJOR BARRIER TO INDIVIDUALS MEETING BUSINESS OBJECTIVES IS UNDERSTANDING WHAT THEIR OBJECTIVES ARE IN THE FIRST PLACE

Through working closely with him, he realised that to do this he needed to focus on three points, none of which featured in the 360: developing a greater physical presence in the field; communicating with his team more in person and less by e-mail; and upping his pace and energy.

When the high potential group met again six months later and repeated the 360 process, my client was above average in 36 out of the 38 leadership competency ratings. Not only did he meet his business target, but his leadership ratings were up by an average of 1.1 on a scale of 5 for all ratings, despite the fact that we hadn't worked on any of the identified competencies specifically!

INVOLVE THE BOSS

A major barrier to individuals meeting business objectives is understanding what their objectives are in the first place. It can be very common for senior executives new to a position to receive a very sketchy job role and target, or in the worst cases, merely assume what is expected of them.

Part of the coach's role should be to ensure their client communicates with their boss at the outset to get a very clear understanding of those objectives. This process is important for ensuring the boss is fully supportive of the coaching. The coach should also ensure they understand how their client is viewed by their boss. This in itself can be highly motivating for the individual being coached, as it's very common for management not to feedback on an individual basis how they value their people.

I once went with a Chief Operating Officer to meet his CEO for some personal feedback. The COO came out of the meeting with a massive smile, never previously having realised just how much his CEO valued him. That five minutes was invaluable.

BUSINESS MUSTN'T WAIT

There is no doubt that in this climate of constant change, Europe needs to improve the performance of its businesses to increase its productivity. Current and future senior leaders play an unquestionably vital role. We must continue to invest in their development.

Our own research, undertaken in 2004, shows broadly, that new and aspiring leaders need to be better at strategic thinking, delegation and internal communications. Leadership coaching, closely aligned to business targets, will play an important part in achieving these aims and yet, our research showed that 17% of companies have no plans whatsoever for leadership development and a further 29% had yet to develop any formalised plans. This is concerning.

Clearly, many organisations are recognising that leadership coaching is critical for individual and team development. However, in many cases the coaching agenda is conveniently hidden behind a veil of secrecy. This is a missed opportunity. Effective leadership coaching should be aimed at benefiting both the individual – through enhanced leadership competencies, and the organisation – through achieved business outcomes. This can only be accomplished by bringing the development agenda out from behind the closed door and aligning it with the business agenda.



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