



# THE LEADERSHIP ROOM

Real Business Issues • New Perspectives • Lasting Results

## How to Think About Executive Coaching

Nobody really knows the size of the executive coaching industry, but some estimates put it at the \$1Billion mark annually. The importance of this point is twofold: first, we have to remember that coaching is indeed an industry. Second, part of the reason for not having a better estimate of the money spent each year is that it is a fragmented and unregulated industry, with many different kinds of provider-coaches. This makes it almost impossible to gather statistics that are meaningful. It gets dicier when we look for definitive studies on the efficacy of coaching, since many articles report only subjective impressions from company spokespeople who responded to various surveys on the subject. Typically, they rarely report having spent large amounts on coaching with low degrees of satisfaction, but it is impossible to know coaching's true impact on their organizations.

We believe that buyers should give close scrutiny to both the specific needs of executives that are to be coached, and to the background, methodology used, and fit of any given coach for the executive's situation. It is not as simple as saying "Joe needs a coach". Depending upon the desired outcome, there are several vehicles for creating behavior change or developing business savvy that should be put into the mix when making purchasing decisions where coaching is an option.

### Why Coaching?

The first two questions to be addressed when making coaching decision are: "Why are you considering a coach for this person?" and "What is the outcome you are looking for?" This sounds obvious, but we often hear fuzzy answers to both of these questions. It is almost as if coaching were seen as a generalized intervention for non-specific issues when somebody thinks they must do *something* for an executive. Often, this has to do with their level in the organization: "In our company everybody else at that level has one". The following framework can be used to base coaching decisions on objective criteria, and puts the coaching decision into a range of interventions that are problem-specific.

## Fix... Develop

Generally speaking, there are two main reasons to consider coaching: **fixing** an existing problem/skill gap that a leader has in their *current* role, or **developing** skills and behaviors for *future* roles, usually to help fast track a person with potential for increased responsibilities. Often, “fix” issues are expressed in terms of urgency, “Executive John Doe just made some major faux pas with our best salesman, and we need *immediate* action to prevent this from happening again.” If the issue is about development, there might be something that is holding the executive back from a promotion or move. Usually there are new expectations that they would have to meet in a different role and coaching is seen as a way to prepare them for this eventuality. In both situations, your first step in deciding upon coaching should be to determine whether it is a fix or develop situation.

## Business... Behavior

Once you have established the fix/develop scenario, the focus should shift to the kind of issue that you want the intervention to address. The two prime categories are **behavioral** issues and **business** issues. Behavioral issues usually involve relationships and how the executive uses their influence to attain organizational objectives. Often, these are couched in terms of “style” or their “fit” with the broader culture or team. Sometimes, however, it is not about the executive’s interpersonal skills, but rather, his/her business savvy and decision-making abilities that are impacting the business *now*, or need fine-tuning to prepare them to take on more complex roles *later on*. Sometimes behavioral and business issues go hand in hand, but many times they are quite distinct, for example, when everyone loves working for a particular executive but the business is failing.

## Is Coaching the Answer?

Based on the above, you should have a clear sense of what needs to change for the executive to be successful. Selecting the right solution is the next important step, and coaching may not be the answer. There are a range of potential solutions to consider, including:

- One on one executive coaching
- Group-based coaching/leadership development
- Executive mentoring
- Training and development programs

If you are looking to solve a specific set of behavioral issues in a fairly short time frame, then one on one coaching is the intervention of choice.

It is unlikely that sending someone to a weeklong “personal insight” program will produce lasting behavior change. After all, it took the executive many years to develop the habits that are no longer functional, and it will take months to replace them with more appropriate habits that lead to better outcomes. In the behavior change world, these are the time frames that we are dealing with. Of course, prolonged coaching can be an expensive option, so you have to ask, “Are there alternatives?” Even if you simply have no choice and coaching is indicated, remember that we are talking about behavior change, so there is no guarantee of success.

If the urgent issue is more business related, there are other options to consider. There are coaches who have a strong business background (ex-CEOs) and take a “blended” approach to their practices. There are also excellent CEO mentorship programs where ex-CEO’s work with clients on business specific issues for varying lengths of time. Of course, if there is a particular functional knowledge deficit (strategy, marketing, finance, etc.), business school classes are a cost effective way to close content gaps. Integrating this learning in rapid fashion may, however, prove insufficient for urgent problems.

When the issue is less urgent/problematic and more developmentally focused, the cost of various interventions is likely to be more salient. We are quick to spend a lot of money when we feel that a leader needs to change “or else”. But developmental budgets are usually more fragile, in spite of the potentially greater returns of investing in your highest potential executives. While one on one coaching can certainly be focused on growth, it is an expensive option, especially if it goes on for a year or continues when the executive takes on new roles and accountabilities. In this situation, a group-based program that combines coaching, a strong peer dynamic, and solid business content can be a much more cost-effective way to develop talent. Programs such as The Leadership Room™ excel at developing leaders because they combine intensity with the time required (a year) to get lasting change, and they focus on developing leadership skills, not just changing specific behaviors.

### **Getting Clear**

With any of the remedial interventions, it is important to ascertain whether the executive in question knows, understands, and agrees that there is a problem that needs resolution. If they do not, most coaches will have to spend large chunks of time getting their client to see the impact they are having on others, while trying to create some motivation for change. This is much easier in a developmental context where people know that they are “hi potential” and usually welcome the support of a coach and even wear it as a badge of honor.

In both situations, however, gaining agreement on how the outcome will be measured and determining what success will look like is critical. Often a “stakeholder” approach where the individual, their boss, and others (e.g., Human Resources) all agree on outcomes is a useful way to proceed and provide the required “internal” support.

## **57 Varieties**

Because anyone can legally and technically call himself or herself a coach, the last thing to consider is the issue of credentials and background. Unfortunately, there are more varieties of coaches than the famous ketchup brand with “57 Varieties”.

Here again, there are several factors to consider. At a minimum, a coach should have some behavioral science background that grounds them in personality work and how people change (or don’t!). It is also important for the coach to have worked in a large organization to fully understand how companies operate and the influence that they exert on their people. As brilliant as an academic Ph.D. may be, he/she simply cannot fully grasp the vicissitudes of organization life if they moved into their own office right after school. The best, albeit rare background, combines both C-level (or other senior leadership role) experience and behavioral science credentials. Such coaches have “been there, done that” as executives, and can add a lot of value to the relationship.

Finally, if a personal problem is suspected to be either causing or exacerbating the executive’s issues (e.g., substance abuse, depression, abusive behavior), coaching is likely NOT the intervention of choice to begin with, and you should consult your employee assistance or medical department for guidance on how to proceed.

## **Conclusion**

Yes, you can teach an “old dog new tricks”, and people can and do change. However, in today’s world of “fast everything” and instant gratification, we often lose site of the fact that people are...well, human. When you superimpose an organizational web of relationships and expectations on to an individual’s habits and beliefs, change is not so easy, and definitely not so fast. Coaching can be a great tool in the organization’s kit for leadership assurance, but only when it is well thought out, and used in the right situations.

For more information on **The Leadership Room™** and our unique perspective on leadership development, please visit our website at [www.theleadershiproom.com](http://www.theleadershiproom.com) or call us at 914-764-4319