

A Case for Coaching?

I am frequently asked by people about coaching and how it fits—if at all—into the strategic direction in organizations. More pointedly, why should an organization pay for its people to be coached?

I'm afraid because executive coaching is seen as a black box affair occurring behind closed doors that coaching may be on the outs in a competitive business climate, where managing costs has become as important as anything in the organization.

Short-term & Long-term: The Ultimate Tension

In a recent book by Tom Osenton called *The Death of Demand*, the author points out that we've entered a structural shift so dramatic that it will be difficult to find growth in a saturated global economy.

Without directly or indirectly driving the revenue side or lowering costs, or both, it will be difficult to identify reasons to support the growth of coaching as it is done currently in organizations – as it will for anything outside of an immediate focus. This unfortunately reflects a short-term but REAL bias.

People and companies are being forced to consider long and short-term issues and short-term is going to win out in the current climate. Until modern day society creates a new way to identify performance differently, investors will continue to punish companies who fail to accumulate short-term gains. Often because of the system of rewards we have in place, executives are at the brunt of those concerns. The short-term is real – here and now. The long-term may never come.



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He is the author of *COACH2 The Bottom Line: An Executive Guide to Coaching Performance, Change and Transformation in Organizations* and the founder of B\Coach Systems, a business and executive coach training system. If you would like more information on creating coaching programs for managers, leaders or executives, we welcome your inquiry for your coaching and development requirements.

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Dealing with a New Economic Reality

“Even though we can’t see or feel it move, we know that the earth rotates one full revolution every 24 hours. Intellectually, we know that it is rotating, but sometimes such subtleties are lost on us and we end up believing only what we can see, or at least what we are shown. As much as you might want to believe it, the chances that you are a part of an industry that is in its decline. That’s the new economic reality. Now you have to decide how to deal with that reality.” —Tom Osenton, *The Death of Demand*, 2004

Coaching & Business Results

If coaching is integrated into the business system, then you’ve got something worth paying for, but this is tough. CEOs and the budget cops are making decisions in the short run because it will decrease sunk costs and will allow more training, which is usually easier to quantify in the short-term.

If a company has a good leadership system design, then within this system you will constantly be doing needs assessment for leaders. Each person will have a well-defined program of development and through tightly controlled systems, you can identify the most efficient solutions. In MOST cases it will NOT be coaching, UNTIL lower level needs are being met in the system. We call this *PAAR*, or *power, accountability, authority and responsibility*. Until each person knows what *PAAR* for the course is, no one should be swinging clubs, so to speak.

The Bona Fide Reason for Coaching

Now, for the bona fide reason for coaching: If you understand what coaching is—which most people don’t—then you can categorize coaching into several streams:

Behavioral: related to the executive’s ability to execute vital skills in a role which is sub optimizing people around him or her, and the successful accomplishment of objectives (conflict resolution, team building, leadership development, influence skills, etc.), including many of the skills necessary for improvement in emotional intelligence.

Performance: related to the ability to solve specific performance problems that are leading to increased costs, cycle time, low innovation, loss of speed or increased viscosity in the performance system, including cutting costs and making decisions about the kinds of solutions that are germane to performance—including coaching.

Development: related to the lack of self-awareness, self-confidence and the inability to accurately self-assess in situations where people are creating more problems than they solve (poor modeling, failure to be the change he or she seeks).

Leadership: related to those skills required to obsolete themselves over time by developing people to high levels of managerial freedom and success (poor motivation skills, failure to understand how people lead successfully, and without integral skills—internal/external, individual and collective ability to guide others).

Coaching & Behavior

In the behavioral issues area, sometimes a highly regarded, high potential manager or leader may need coaching in terms of the specific nature of his or her role. Examples are early-assimilation of fast-trackers who are high performers lacking behavioral skills in speaking, diplomacy, time and stress management as well as negotiation. This can be supported through a combination of consulting, training and development with coaching, usually in some combination.

Coaching & Performance

In terms of performance—just like in high performance activities like sports or drama—a coach can often provide the support system that may be required, especially if these people have the same role experience. Often though, a well thought-out approach with mentors who are trained in coaching can be most effective here. The problem, as I see it, is that most executive coaching is not scalable. Because executive coaching is personal and not business oriented, there is no model of coaching to be assimilated and diffused into the culture. Therefore, executive coaching becomes a sunk cost rather than a return on investment.

Coaching & Development

If you really want coaching to have a high return on investment, get people standardized on a developmental model of coaching and have them use it and be coached in the system. Then you transfer the effects of developmental coaching into the culture, rather than sinking the cost into a single person, as is being done today in most management and leadership coaching. Executive coaching is almost never a well-oiled system. It is a bunch of independent people with ideas about how the world works, “catering” to the needs of individuals who may not be aligned in terms of a specific set of business issues linked to now, near and far organizational metrics. In most cases, that is exactly the situation—in my experience.

The key to making developmental coaching successful is to link development and performance objectives over time, designing specific metrics for each, as each is quantified differently. By linking performance and development we are able to manifest what I think is one of the more important approaches to coaching and that is performance leadership coaching systems.

Coaching & Leadership

Leaders require coaching in my view to master the combination of effects from behaviors, performance and development into a package of attention, intention, alignment, capability and coaching of the leaders who report to them.

Attention: short-term focus

Intention: long-term design

Alignment: clear links between attention and intention

Capability: a system that learns and teaches what is learned in real time

Coaching: the how of leadership that builds capability

Coaching & Alignment

IF coaching is done when it is most efficient—as the result of a plan to optimize behavior, performance, development and leadership—then coaching is money well-spent, now, near and far and the numbers will prove it, short-term and long-term.

IF coaching is aligned with other organizational issues, which are both individually and collectively designed, implemented, monitored and evaluated on a regular basis, then coaching is profitable in almost every case.

IF coaching is a regular and frequent practice done in a standardized approach so that coaching assimilation becomes diffusible into the culture with teachable points of view directly correlated to strategic objectives, then coaching is required.

IF coaching is practiced by leadership as a method to forward the strategic business processes in an organization, and done NOT behind closed doors but in full collaboration with well-designed performance leadership systems, then coaching will become an essential point of leverage in the organization.

Anything else is just a luxury...

In my opinion, when coaching fails to meet the essential criteria I've listed above, the prudent CEO would best make coaching the responsibility of the people who know coaching helps them forward their behavior, performance, development and leadership and then reward them when they accomplish their goals.

Coaching in the End

Coaching has largely been the field populated by the social side of organizational work, often dominated by psychology, sociology and mental health. It has arisen in large part as a way for people to continue to work one-on-one with clients in an organizational setting, on issues that may in a lot of cases border on therapeutic. Unfortunately, the modern day executive or leader is in large part ill-prepared for the pressures and complexity of the work.

A major issue that is getting practically no attention in the management literature is the reality in many cases the chief executive officer does not have the conceptual capacity to grasp the degree of complexity that he or she must now confront. In short, they simply do not know what they are really up against and what is happening to them and to their organizations, let alone knowing what to do about it. They simply can't absorb the range of information they should and organize it from multiple sources and focus it on the organizations' problems in a way that would both become vision and strategy.

—Harry Levinson, "Why the Behemoths Fell," *American Psychologist*, May 1994

In my view, there is no question that the modern day manager or leader must approach his or her role in an organization with a much more complex support system than previously. In some ways, this has to be designed into the organization—operationally, so that it occurs naturally. I've often championed leaders to find an entire cadre of people to fill in these roles of confidante, counselor, mentor, advisor, teacher, therapist and coach. In some cases, certain individuals do double duty. Yet in my view, it has become the responsibility of the individual to take charge of his or her own support system and not be fooled into thinking that it is the role of the organization to take responsibility for nurturing, as in the past.

The Criteria for the Decision

In the end, the individual leader and the organization have a decision to make. Which portions of the support system are to be provided by each partner? In many cases, we'll find a meeting in the middle, and I suspect if the coaching is closer to support and therapy, individuals will be expected to pick up the tab. If the coaching is a strategically aligned system, then it is one that:

- Promotes improvements in behavior applicable to job function
- Improves performance related to business metrics
- Is developmentally aligned to solve more complex issues
- Is leadership designed to promote the leadership quotient in an organization strategically

Then the organization would be inefficient in my view not to find the funding to implement coaching immediately.



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