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The Coaching Organization?

One of the more obvious lessons of history is that there is no such thing as a self-made man or a self-made woman. We are, all of us, the result of many people who have influenced us through the years, those who guided and encouraged us—a parent, a teacher—those who reprimanded, or scolded, or corrected, or gave the advice that set us on a different course.

—McCullough (2004, p. 1)

Senior managers and human resource/organizational effectiveness professionals say something like the following in nearly every organization we visit:

- The career development of our people is just not being addressed by their managers or by anyone else. We have to do something.
- Our people complain that they just don't get enough feedback, and they don't know where they stand. We tell our managers to coach their direct reports, but it just doesn't happen.
- We're going to have a lot of people retiring over the next few years, and I just don't know how we're going to replace them. We've got good people in the pipeline, but they don't have the *right* knowledge, and what they need to learn can't be taught in the classroom.

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- We're a very flat organization now, and that's not going to change. Our people are confused about advancement. They don't know what "getting ahead" means anymore, and no one is talking about it.
- We've used external coaches, and some of them have been great, but we're not sure where to go from here. The CEO is saying, "I want our managers to coach, we're not going to keep paying for high-priced executive coaches at this level much longer." But we don't know how to make that happen. Do they have time? We've tried training them, and we really felt that the results were mixed.
- I have to sleep at night, and the only way that's going to happen is if I know that we've got the right people on the night shift making sure that the work is getting done—leading, not waiting for me to tell them what to do. We don't have enough of these people now, and we're just going to need more.

These comments are representative of the worries of leaders who are trying to describe a problem that to them seems intangible, even mysterious. How do we pay attention to the developmental needs of a large number of employees, at all levels? Everyone knows that managers should coach, but for the most part, they don't. Executive coaching, coaching by external experts, is now widely accepted, but for a variety of reasons, it isn't a comprehensive solution for most organizations. Some organizations are now using internal expert coaches, with good results. People remain confused about the different kinds of coaching. They are confused about who should be coaching and to what ends. They aren't always sure what the word *coaching* means. Perhaps most importantly, they aren't always sure how all this relates to their business or organizational goals. For over a decade, we have worked with individual managers and organizations on this problem in a wide variety of contexts.

Early on in this effort, it was the more progressive or cutting-edge business firms, not-for-profits, and hospitals that raised such questions. Much has changed during the past decade, however. Despite a very soft economy, talent has become more important than ever. We are truly in a *knowledge economy*, which means that people, and their ability to think, spot problems and opportunities, and lead others toward change, are more important than ever. Even during the recent economic downturn, the concept of human capital, the view of people as an asset rather than a cost, has continued to take hold in the business world. In health care, for example, the situation is even more pressing. Health care has always been in the knowledge business and is facing an intensifying labor shortage in most professional disciplines.

Demographic trends exacerbate these challenges in all segments of society. In the coming years, the carriers of a great deal of the knowledge that made developed economies so powerful will retire. This knowledge has to be transferred, somehow, to the next generation. Much of this knowledge, particularly the knowledge required of leaders, innovators, and those with special expertise, is not written down.

Coaching, that is, providing relationship-based, on-the-job learning, is an effective means of developing a more capable workforce at all levels and creating a very competitive organizational culture, one that can successfully compete for human capital and achieve business results. Coaching is also a very important means by which knowledge can be transferred from one generation of employees to the next. One would imagine, then, that coaching and related forms of relationship-based learning will become a business imperative in the coming years. Experience to date, however, suggests that addressing this imperative will be more difficult than one might imagine. Fundamental assumptions about the role of coaching, feedback, and teaching in the modern organization need to be reexamined.

Should Leaders Develop an Internal Coaching Capability in Their Organizations?

Many business leaders and managers have assumed that learning takes place in the classroom. The job of “teaching” belongs to someone else. The professional comes to work to do his or her job, not to learn that job. Learning, though important to some, has a lower priority. Teaching others perhaps has a lower priority still. Understandably, many often believe that through an effective hiring process, they select and “onboard” individuals who are motivated, ready, and able to do their jobs. The reality, of course, is quite different. Given the pace of change, driven by competitive pressures, globalization, the need to improve quality, and the introduction of new technologies, all organizational actors are nearly always learning, or least they’d better be. The classroom makes it possible for a worker to compete, to get his or her foot in the door, but that’s only the beginning. The average knowledge worker and certainly the average leader at any level needs to be able to put concepts into action in their challenging and often idiosyncratic contexts. This requires on-the-job learning.

The only question for organizational leaders is this: Do you want to guide the learning process or not? Of note, there is the option of leaving it up to chance. It is a characteristic of human beings that they will seek out opportunities to learn and, when they get a chance, engage others in that process.

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However, unguided learning may be slow and inefficient and ultimately lead the learner to the wrong conclusions. (If you've ever tried to straighten out a recalcitrant golf swing on your own, you can relate to the problem.) The learning process can be enhanced through various interventions. Once that fact becomes clear, it should likewise become obvious that if learning is important in your organization, learning effectiveness can become a source of competitive advantage. The choice, then, of guiding learning rather than leaving it to chance seems obvious. The next question is this: How should your organization go about doing so?

When workers are asked about the experiences from which they learned the most, they usually talk about on-the-job learning experiences in which they faced a challenge and in which other individuals played a very important part. Particularly for adults, learning through facing important challenges is a most potent stimulus for personal development. Challenge by itself is insufficient, however. Research at the Center for Creative Leadership has demonstrated conclusively that for experiences to result in personal development, challenge must be accompanied by assessment and support (Van Velsor & McCauley, 2004).

Assessment here refers to, in particular, an assessment of the effectiveness of one's efforts. The individual facing a challenge will likely need to try a variety of new actions or learn to make sense of the situation in a different way. Is the new behavior constructive in addressing the challenge? Does the new understanding of the situation help? These become critically important questions when one is in the process of learning. Unfortunately, answers to such questions in the form of feedback that helps the individual assess the effectiveness of his or her actions or understandings are often lacking just when they are needed most.

Imagine, for example, an individual engineer leading a team for the first time. She called a meeting, presented her agenda, passed around some donuts, and suggested that the group get to work. Several hours later, the first team meeting was coming to a close, and those sitting around the table seemed to the team leader to hold a variety of attitudes about what had transpired. Some were excited, but some were very skeptical. One individual seemed downright angry, or at least the team leader *thought* he was angry (he didn't really say). Had she done something wrong? Was it the donuts? Had she included some people for the project who really shouldn't have been there? Or was she sensing an inevitable reaction to change on the part of some team members? Her interpretation of what had transpired in the meeting could have a significant impact on what she and others on the team would do next.

In a recent seminar on team leadership, this particular team leader was encouraged to do a "process check" at the end of each meeting, to ask

the group for feedback on how they, and she, were doing. Luckily, she remembered to ask the group for some feedback in the last few minutes of the meeting and found out that things weren't quite as bleak as she had thought. The one individual who seemed so angry was, in reality, just demonstrating the body language he normally does when he's confused. He was still interested in working on the project team. Relieved, the team leader said good-bye to the team members after they reviewed their assignments and planned the next session. The feedback she received for the team was invaluable, in that it gave her at least some idea of where the various team members stood. However, she still didn't get much information about her own performance in the meeting. She needed a clearer sense of how she should manage the team in general, and she needed to figure out what to do next.

If she's lucky, the team leader is working in an organization that has a coaching capability of some sort. If she's fortunate enough to work for a coaching manager or if she's lucky enough to have a mentor, she might spend a few minutes talking with that individual about the meeting that just transpired. In that conversation, she would probably review her own perception of what happened in the meeting. She would try to describe what she did and how team members reacted. Her coach or mentor might ask her some questions with the intent of clarifying what happened and at the same time encourage the new team leader to deepen her own thinking. The coach or mentor then might offer some feedback; perhaps she should have given the members of the team a bit more time to get to know one another (they actually come from different plants), and she will probably need to further refine management's vision for the project so that the team members can get a clearer sense of the task they face. The two then might discuss next steps and agree to talk again after the next meeting. This process might be informal if the team leader is talking with a manager who has the ability to coach others or a mentor, or it might be formal if she is working with a designated coach from the firm's organizational development department or an externally sourced executive coach.

We hope the reader can see the difference between sending the team leader ahead on her own, to sink or to swim, and helping her learn more about the challenges she is facing and develop a more informed response. Yes, she's been to courses on team dynamics and project management, but when actually running a project and a team for the first time, translating classroom-based concepts into action is extremely difficult. Each situation is at least to a degree unique. If she sticks with roles that involve team leadership and project management, in time, she'll become an expert. She'll get to know her own strengths and weaknesses as a project leader. She'll get

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a feel for the rhythm and life cycle of teams and projects. She will become a better communicator.

In the absence of coaching, the team leader might survive in her role as team leader, though the road might be more stressful and her performance, though adequate, might not be stellar. Alternatively, she might not survive in that role. The team might not be successful. The project might not reach its goals: another strategic initiative that failed at the execution stage. This is what leaders, not just human resource and organizational development leaders, but business, not-for-profit, government, and hospital leaders need to consider when pondering the question of whether or not they should build a coaching capacity within their organizations. Organizational capability expands when people learn from challenges they face, on the job, through the mechanisms of coaching within supportive, learning-oriented relationships.

An Organizational-Level View of Coaching

We'll describe what we call *developmental coaching* in greater detail in Chapter 2. For now, though, coaching can simply be viewed as an activity taking place within a relationship that promotes learning from experience in one or both of the partners in that relationship. Despite the difficulties organizational leaders face in building a coaching capability, the situation is not entirely bleak. Over the past decade or so, the concepts of coaching and mentoring have begun to have a significant impact on the workplace. Some call coaching a fad, but we doubt that is the case. Although coaching in any of its varied forms is underresearched to date, the research that has been done clearly indicates that coaching benefits both individuals and their employing organizations. The benefits we outlined for our team leader and her organization are quite real.

Individuals who have been the recipients of effective coaching report that it is satisfying, helpful, and often leads to better performance (Buckingham & Coffman, 1999; Goleman, Boyatzis, & McKee, 2002; Hall, Otazo, & Hollenbeck, 1999; Hunt, 2004). They further report that they have changed and that they are not only more skillful but also more confident, more certain of their direction, more self-aware, and more able to understand the perspectives of others (Hunt, 2004). Coaching-related activities are also clearly associated with improved business results as measured by variables such as profitability and customer satisfaction (Buckingham & Coffman, 1999). Our own work has also shown that coaches reap the benefits of learning from their time spent in coaching others.

Once he or she is solid on the value of guided on-the-job learning, the organization leader who wants to build a coaching capability has some basic issues to address. First, the leader will either have to train the existing staff in coaching or import coaching skills through the use of external consultants. The skills of coaching will then be available to a group of employees. Coaching is seen as a skill—a tool, if you will—that can be added to the toolkit and used as needed.

While this is one very valid way of looking at the building of a coaching capability, we've found this view of coaching to be somewhat limited. To view coaching as a skill to be deployed both underestimates its value and underestimates what it means to put that skill into action. Such a view implies that the only benefit of coaching is the building of employee skills or employee development. In our experience, a coaching capability can create value that goes well beyond the development of more skilled employees and leaders.

We initially explored the field of coaching in an effort to understand the behavior of managers who are known as being effective coaches to their direct reports. Coaching by managers is one of the leadership behaviors most desired by subordinates, but unfortunately least practiced (Lombardo & Eichinger, 2001). Through interviews with a large number of such managers, we were able to articulate the “real-world tactics” employed by such individuals. That effort resulted in the book *The Coaching Manager: Developing Top Talent in Business* (Hunt & Weintraub, 2002a). That work, however, also accompanied an ongoing action research practice, in which we further explored the means by which that rare species of manager, the “coaching manager,” emerged from the large majority of managers who are not willing and/or able to coach people who work for them. In the process, we learned more about the value proposition of coaching.

One important benefit of the widespread deployment of coaching by managers, for instance, is a not-so-subtle shift in their leadership styles. In an early paper, we described how the act of coaching itself requires not just the learning of a skill but also considerable personal growth on the part of the manager (Hunt & Weintraub, 2004). They must learn to view their roles and relationships in a very different way. Coaching requires that managers lead rather than control. The impact of such a change in leadership style on the organization can be considerable. Coaching managers have to increase the overall level of real communication and trust in their units. Learning requires both.

We found in our earlier research that one of the most significant challenges that managers face, if they realistically hope to become coaching managers, is creating what we have called a “coaching-friendly context.”

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The coaching-friendly context can be viewed as a subculture within an organization that directly supports coaching-facilitated learning. In a coaching-friendly context, employees feel more able to talk frankly with others about their development, challenges, and mistakes. In such an environment, employees' natural interest in learning and self-improvement comes to the fore, and the responsibility for driving learning is shared between the manager and his or her direct reports. Coaching is not limited to the performance appraisal. Informal, though extremely valuable, coaching takes place on a routine basis. Under these circumstances, people are more comfortable with taking the risks associated with stretch assignments. Failures, within reason, aren't punished, and support for facing challenges is widespread. What does such a coaching culture look like in practice? Here are the perspectives of two different managers from Southwest Airlines:

If there's a delay, supervisors find out why it happened. We get ideas on how to do it better next time. If you've got that kind of relationship, then they're [the employees] not going to be afraid. Say there was a ten-minute delay because freight was excessive. If we're screaming, we don't know why it was late. (Gittell, 2003, p. 74)

We work real hard to remove that barrier so that agents can come in and talk to a supervisor or manager. There's an open-door policy so when employees have a problem, they know we can work on it together. It's a totally different environment here. We sit and listen. When that person walks away, he'll have self-esteem. (Gittell, 2003, p. 74)

These are examples of conversations that we would describe as developmental. Note that the employee learns something about how to address a problem, a work-related challenge. At the same time, the organization learns more about those same problems and how to resolve them more effectively. At its best, in a coaching-friendly context, the work drives the learning for employees, and the coaching serves as a link between the two: work and employee. Employee and manager must have honest and open conversations about the problems they face. We suggest that when an organizational leader begins to think about building a coaching capability, he or she think carefully about the potential benefits of viewing the goal as not just that of building skills (which may not be used, as we see below) but also of changing the organization's culture.

We realize that culture change is not easily accomplished. Whatever changes are made have to really work; they have to help the organization

accomplish its goals. We'll address this challenge in a later chapter, but for now, consider the question of how an individual manager can create a coaching-friendly context. We have found that managers use a variety of leadership interventions. They take care to hire people into their groups who are interested in and seek out learning. They orient new employees to their management styles, which might appear to newcomers to be quite unusual (because most people haven't worked for coaching managers). Very importantly, they "walk the talk" when it comes to dealing with the inevitable mistakes that are made during the learning process. They hold their tempers and manage stress effectively. They ask for coaching themselves, from their direct reports. They seek out feedback. They are available, within reason, for coaching discussions. Importantly, they also make sure that they spend their "coaching capital" on good and great employees, not just on those with performance problems. This has the impact of "destigmatizing" the coaching conversation. We'll come back to this important observation repeatedly.

Having created a coaching-friendly context, the manager no longer has to take sole responsibility for learning. The employee is also responsible. (This should come as a great relief to most practicing managers.) When coaching is viewed through an organizational cultural lens, one begins to see why some efforts to "train managers to coach" yield disappointing results. Some organizations, while providing coaching-skills training to managers (or hiring outstanding executive coaches), actually discourage on-the-job learning, either implicitly or explicitly. We repeatedly heard comments from those in our research to the effect that "my boss asks me why I spend so much time with my people, but there isn't much he can say, our results are so good." Guided on-the-job learning requires relationships, and relationships require time.

The use of external expert coaches has appeared to be one way of working around cultural assumptions that inhibit the growth of a coaching-friendly context. (There are other, better reasons for the use of executive coaching, as we'll discuss in later chapters.) However, the failure to confront the organization's role in the learning process has two implications. First, there is some evidence that the most effective external or executive coaching interventions result when the coachee has a supportive boss who is actively and positively engaged in the coaching effort (Hunt, 2004). The converse implication is that even though such coaching may be quite expert, if it takes place in isolation, it may be less effective. Similarly, the organization may lose an opportunity to learn from the experience. Consider the following examples.

CASE 1.1 Learning From an Executive Coaching Intervention

A well-meaning and very busy organization brought in expert external coaches on occasion to work with individual executives who were having difficulty in their roles. The coaches did a good job, and the individual executives who were consumers of the program found it useful and enlightening. In some cases, their job performance clearly improved. That is, however, as far as the program went. No effort was made to understand the implications of this effort for the organization. It might have been very useful to consider whether or not anything could have been learned about the way the organization hired executives, the challenges facing them, and why so many were running into trouble. In fact, while the executives appreciated the coaching provided by the firm, several did not feel that the organization was doing anything to address what was seen as the organization's side of the problem.

A second organization, which sponsored an active coaching program using skilled executive coaches, regularly required that coaches meet with line leadership to discuss general themes that emerged in coaching. This can provide an opportunity for organizational leaders to learn more about the strengths and weaknesses of their leadership development activities. It also provides them an opportunity to gain valuable information regarding critically important business issues. In one instance, when the organization was in the midst of executing a merger, the coaches and the head of the business unit met to discuss what the coaches were learning about employee morale, the level of employee understanding of the vision for change, and other critically important concerns. The confidentiality of individual coaching sessions and relationships was maintained, but organizational leaders had an important opportunity to gain insight into their own effectiveness and the impact of the merger on a larger group of stakeholders.

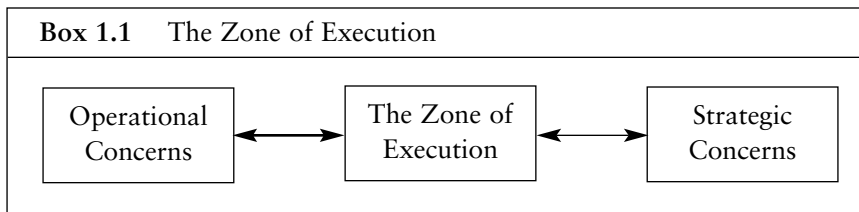
When the link between individual, relationship-facilitated, on-the-job learning and organizational learning and development has been established, we believe that a coaching organization will likely be more able to address a range of organizational-level challenges. As one example (which we will describe in some detail in a later chapter), a coaching organization may be better able to execute radical organizational transformation. Organizational change requires individual learning. One can't learn about highly differentiated radical changes, particularly those that are innovative, in the classroom or in a textbook. One learns about change by trying new behaviors and actions directed at serving the goals of the change process. In a coaching organization, individuals engaged in on-the-job learning activities and through coaching improve and refine their efforts.

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The task of creating a coaching-friendly context and an organizational coaching capability is in our view an organizational development task. An organizational, as opposed to a skills-based view of coaching, requires an organizational action plan.

Consider the nature of the leadership required to drive the effort. The very notion of a coaching capability almost immediately calls forth the tension between a focus on today's results and the effort to build human capital for tomorrow, and between today's operational demands and the organization's larger strategy. A coaching capability ultimately begins with the organization's efforts to manage this tension.

Dave Whitwam, former chairman and CEO of the Whirlpool Corporation, describes the challenge as managing what he calls "the zone of execution." The zone of execution is the mind-set and group of activities dominating a manager's attention at a particular point in time. The tension inherent in the zone of execution is described pictorially in Box 1.1. Managers are constantly struggling with the problem of how to allocate their time. Pressing operational problems and the need to make today's numbers almost always overpower long-term concerns. The leadership of the coaching organization has to be constantly on guard for the tendency to ignore the strategic perspective completely, especially when times are tough.



Whitwam believed that it was his job to make sure that his managers did not ignore the strategic perspective. In his view, if they were to do so, they would likely fail in their effort to transform the corporation. The Whirlpool strategy for organizational change, as we'll describe in Chapter 5, relies heavily on the use of a variety of coaching interventions. The senior management of the company has been intimately involved in leading this effort and in insisting on the link between on-the-job learning, coaching, and the goals of the business. Because of their stance, these linkages are much clearer to employees at all levels. This has, not surprisingly, resulted in significant behavior change on the part of Whirlpool managers.

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The senior management of an organization must decide what they want to achieve by building a coaching capability. Coaching organizations tend to be relatively clear about the kinds of skills, behaviors, and attitudes that they believe are linked to the desired organizational outcomes. Coaching is a goal-directed activity. To what ends should employees, leaders, coaching managers, and expert coaches work? Such questions usually result in a discussion of the firm's competency model (at least in most large firms).

A *competency model* can serve as a rulebook and an instruction manual for coaches and those being coached, but it has to be widely used and widely understood. Organizations build competency models when their leaders become convinced that certain individual-level capabilities are essential to the organization's success. They may use such a model in the selection process, but unless they want to staff every position with people hired from outside the firm, they need the competency model to serve as a link between individual development and organizational need. Development requires learning, taking risks, and sometimes making mistakes, and participation in conversations about that extracts learning from experience. For useful coaching conversations around desired competencies to be widespread, senior management has to set the tone. In a coaching organization, one might see leaders telling stories about their mistakes and what they could have done differently, if they had only "listened." Senior management engages with the competency model and signals through its use that it has real meaning.

Where would you expect to find senior managers with such insight and commitment to learning? Interestingly, we have found that an increasing number of those in the "C-Suite" have experienced developmental coaching of one sort or another. Senior managers who have used executive coaches or have experienced mentor relationships openly and purposefully talk about how their experience encourages others to become more "coachable." Such senior managers may formally or informally advocate for the use of external coaches or the development of a greater internal coaching capability. As one example, Bob Nardelli, CEO of Home Depot, has stated, "I absolutely believe that people, unless coached, never reach their maximum capabilities" (Sellers, 2002, p. 96). He calls his own boss, the board chair, nearly every day for his own coaching session. When senior management decides to send a message, people are likely to listen (more so than when the message comes from human resources alone). Thus, we have come to see that the experience or lack of experience of senior managers with coaching is an important consideration when taking an organizational view of coaching.

As we found with coaching managers, coaching organizations demonstrate a strong commitment to positioning developmental coaching as a positive

opportunity for good and great employees, not just for employees in trouble. Indeed, some organizations are now excluding the use of external coaches for employees with performance problems. Those individuals may be least able to benefit from such an investment and most likely to exit the organization in the process. Obviously, if there is a link between coaching conversations and the ability of the organization to deal more effectively with business challenges, it stands to reason that you'd want to engage your best talent in the process.

When used for leadership development, for instance, executive coaching in a coaching organization is strategically targeted at individuals who are going through important leadership transitions or who are expected to do so in the next few years. Coaching for such individuals is planned and coordinated, if not managed, to ensure that coachees are learning the right lessons, albeit in a fashion that allows them to tailor those lessons to their own unique circumstances. Under these circumstances, those participating in coaching are typically highly motivated and see it as a special investment in their development on the part of the organization. Learning and loyalty are the outcomes.

Compare this outcome with what could be called an "unmanaged" coaching capability: the bringing in of coaches in an uncoordinated fashion. Some managers, for instance, might decide not to deal with performance issues or problems directly, but rather hire external coaches to do so. This sends a powerful message about coaching, one that could undermine its potential as a developmental tool as it becomes stigmatized by the assumption that "if they call in a coach for you, you must be in trouble." Alternatively, some coaching dollars might be spent on individuals for whom coaching is neither necessary nor desirable. An organizational coaching capability, like any organizational capability, should be the managerial responsibility of one or more individuals.

In the coaching organization, decisions must be made about constructing linkages between individual learning mediated by coaching and organizational learning. On-the-job learning frequently leverages what is known as *tacit knowledge*, knowledge that is not codified or written down but is nevertheless essential for effective job performance, in the boardroom or on the shop floor. Knowing what a piece of equipment is likely to do in a humid environment, for instance, a "specification" not mentioned in the instruction manual, can have important organizational implications. The sharing of such knowledge can be critically important to an organization's ability to be successful in highly challenging and competitive markets or in the management of highly complex processes. The reader may recognize this as a *knowledge management* issue. Many firms have invested considerable resources in the development of a variety of knowledge management systems.

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Coaching and other forms of relational on-the-job learning, however, are absolutely necessary for organizational-level knowledge management efforts to be of value. Many organizations have tried and failed to leverage technology to capture tacit knowledge (Davenport & Prusak, 2002). These efforts have failed in part because they did not take into account the human processes involved in knowledge retention and knowledge sharing.

There is a growing sense of urgency regarding knowledge management in many firms as they face an unprecedented wave of retirements that will result in the loss of much tacit knowledge (De Long, 2004). While knowledge sharing via coaching isn't the only strategy for dealing with knowledge loss, it is an important one. If a coaching capability is to be of true value at the organizational level, we believe that the linkages between the action of coaching at the individual level and the sharing of knowledge must be clearly managed.

Of course, in a coaching organization, decisions must be made about the linkages between coaching and other human resource processes. If managers are supposed to be good at coaching their reports, will the organization really refuse to promote a manager who is not a good coach even though he or she has achieved outstanding financial results? Are managers required to coach their people despite the fact that their compensation does not reward them for doing so? In organizations in which learning is divorced from management, rewards, and promotion, we are far less likely to see the development of a robust coaching capability. Organizations that really see connections between learning and success will likely reward those who promote learning.

When a coaching capability is intentionally developed and managed within an organization, coaching becomes less of a fad and more of a tool of good management. A manager shouldn't decide to work with an executive coach just because everyone else seems to be doing so. Ideally, the ground rules for the appropriate use of executive coaching have been thought through in light of the organization's needs. Support systems are provided that help individual managers assess their overall learning needs and decide on an appropriate course of action after considering a range of options.

Of course, an organizational view of coaching suggests the importance of considering how to evaluate its impact, in terms of both quality and business results. Evaluation serves the purpose of helping to clarify the goals set for the capability as well as documenting the outcomes in relation to business outcomes. Evaluating developmental activities is notoriously challenging, and such efforts at many coaching organizations are still quite rudimentary. Nevertheless, considerable momentum is developing behind efforts to refine

evaluation practices; at a minimum, a coaching organization must decide how it will assess whether or not the effort has been worthwhile.

These are just a few examples of the issues that organizations aspiring to build a coaching capability should consider. Beyond these issues, a coaching capability must be managed as an important organizational asset and set of business processes. There should be a coaching strategy or plan that has been articulated and can be discussed and understood by line managers. There also needs to be an individual, or individuals, whose job in whole or in part is to oversee the coaching effort as an ongoing process, not just a series of training programs or coaching engagements. Since the coaching effort, however, is in the service of business goals as well as employee development, senior management should also remain involved. Thus, in our view, a coaching capability is more than, and requires much more than, training employees in a set of skills.

An Organizational Coaching Capability

In the previous section of this chapter, we tried to describe some of the implications of an organizational-level view of coaching and the building of an organizational coaching capability. We can now begin to operationalize some terms. *A coaching organization makes effective and regular use of coaching as a means of promoting both individual development and organizational learning in the service of the organization's larger goals.* To make this possible, the coaching organization must develop one or more types of coaching capability. The organization must be able to access coaching resources via individuals with the right competencies who can provide developmental coaching, either as employees or consultants. The target of the coaching capability may vary from organization to organization, depending on the organization's needs and context. In addition, in a coaching organization, the coaching capability is managed so as to create value for both the individual being coached and the organization as a whole.

Not all coaching resources are the same. Each has strengths, weaknesses, and a degree of appropriateness to a particular set of goals and contexts. What they all have in common is that the coaching provided is developmental in nature. In Chapter 2, we will provide an in-depth discussion of the concept of developmental coaching in some detail. Simply put, developmental coaching is not meant to be "corrective," though it can be. It is meant to promote individual learning and development. There are four options for building a coaching capability. Many organizations deploy more than one of these approaches. We will go into each in great detail in the coming chapters.

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Here, we give a brief overview and include in this discussion some of the specific challenges associated with each option. Our discussion of challenges takes two forms. There are challenges associated with building a particular kind of coaching capability. There are also challenges associated with maximizing the value of that capability as a means of promoting individual and organizational learning that also results in the achievement of business goals. Throughout the book, we will provide examples of how the organizations in our research have gone about addressing these challenges.

Coaching Managers

The most obvious coaching resource in most organizations is the manager. The manager is involved with direct reports and their work on a routine basis. The manager is responsible for business unit performance and is typically responsible for integrating new people into the business unit. Responsibility for on-the-job learning fits logically with this role. As already stated, there is significant research evidence to suggest that managers who are effective at coaching their direct reports achieve superior business results (Buckingham & Coffman, 1999).

Important in many contexts, the coaching manager can also be viewed as the essential resource for any organization that wants to create *leadership at all levels*. A coaching-oriented manager can spot talent, that special look in the eye of an employee or that particularly influential and unexpected performance that signals to someone paying attention that “this person can help us.” The coaching manager is in the best position to provide challenging assignments to talented people and to support their continued learning. The coaching manager is also in the best position to take what is learned from a coaching discussion and consider its implications for the business or for others.

Relying on managers to coach presents a number of challenges, however. For managers to serve as coaches, they must have the requisite basic interpersonal skills. They must also learn something about how to coach, either through formal or informal means. As described above, organizational leadership must signal the importance of coaching to their managers in a variety of ways, through appropriate reward systems and promotion policies. Clearly, if people are *only* rewarded for hitting the quarterly targets, then a coaching initiative will have a much lower probability of success.

There is another challenge associated with assigning managers the task of coaching, and that is the management of an inherent paradox in the role of the coaching manager. He or she must both coach and evaluate direct reports. The process of evaluation tends to inhibit the degree to which direct reports will be open about their concerns, problems, and mistakes,

even those that are made in good faith. It is for this reason that the coaching manager, perhaps more than any other coaching resource, must work so hard on an informal day-to-day basis in the creation of a coaching-friendly context (Hunt & Weintraub, 2002a). As we will discuss, the tasks of the coaching manager require significant emotional maturity (Goleman, 1995).

The presence of coaching managers in organizations is for the most part an exception. If the manager is to become a major coaching resource for an organization, the organization will have to devote significant effort to achieving such an outcome. In a mature coaching organization, we would expect to find that coaching managers were not the exception (though realistically, we would also expect to find that not every manager was an effective coach).

In addition to training and the appropriate attention to rewarding coaching behaviors, senior management must also help managers and supervisors see an appropriate link between (a) the desired pro-coaching-oriented behaviors and assumptions and (b) the business needs of the organization. Managers have to possess a clear, almost line-of-sight ability to see that taking some time to hold a work-related coaching discussion is not a distraction from the tasks at hand and is not driven by the desire to be nice. They have to have a deep understanding of the business case and the business opportunity associated with an investment in coaching. More than the development of new skills, this requires new insights and new perspectives on the part of managers.

Transformational learning, on the part of both individuals and organizations, is ultimately required to build a coaching manager capability. When coaching by managers becomes an agent of both development and change, organizations begin to extract significant value from the work associated with building such a capability. This transformation can take place only when coaching is viewed as integral to the company's formula for both individual and organizational success.

External Expert or Executive Coaches

Executive coaching is putatively a new field of activity, though some would say that organizational consultants have always done executive coaching. This type of coaching, the use of skilled external coaches paid as consultants to help enhance an executive's leadership performance, offers a number of benefits to individuals and organizations alike. The external coach can bring special expertise from a variety of disciplines that may not be available internally. The external coach also brings an external and perhaps more objective viewpoint to the discussion. The executive client can

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access a new perspective on the issues with which he or she is dealing, presumably free from perspectives that might be tainted by internal politics. Very importantly, there is some evidence that the experience of working with an executive coach may be one way that managers learn to coach (Hunt, 2004).

As a new field, however, there is not yet a consensus as to the definition and methodology of executive coaching. Furthermore, as what is perhaps a billion-dollar industry (Thalheimer, 2002), it is woefully underresearched by organizational scholars. As such, the marketplace of buyers (i.e., organizations), is subject to some understandable confusion. Is executive coaching a form of psychotherapy in the workplace? Or is it focused executive development coupled with a bit of business consultation? Who is qualified to be an executive coach?

The use of external executive coaches does not in and of itself imply that the executive coach is a resource to the organization. A number of challenges are associated with making executive coaching an organizational-level resource and capability. First of all, the coaches must be competent to serve in such a role. One advantage associated with the use of competent executive coaches, of course, is their expertise. Most executive coaches are psychologists, human resource specialists, or former business leaders. Many have had extensive additional training in coaching techniques as well as exposure to a variety of business issues. Those who have had experience in business may also bring with them functional or strategic expertise. However, there is no licensure requirement for external coaches at this time. "Coach certification" is available from a number of different private and professional groups, but the certification requirements and processes vary widely. Organizations take on a great deal of responsibility when they bring in any external consultant. Increasingly, organizations are taking prospective coaches through some type of qualification process to ensure consistency and a baseline of competence.

In addition, executive coaches, if they are to help their executive clients with real work, must understand something about the goals, strategy, plans, and operations of the organization. The Whirlpool Corporation experience, described in Chapter 5, illustrates value that was gained by teaching a cadre of executive coaches about the Whirlpool Leadership Model, a guide to the behaviors and competencies that senior management has identified as being essential to the company's and therefore every manager's success.

Most executive coaching is directed at those currently in leadership roles or those expecting to be in leadership roles soon. Executive coaching impacts and can be impacted by the leader's relationships with direct reports, peers,

and his or her own boss or board. On a superficial level, it may appear that the executive coach is responsible only for the executive, when, in fact, the coach is working at the interfaces between many relationships in order to help the executive improve his or her ability to lead. For coaches to manage their responsibilities to organizations, they must be aware of organizations' needs and issues as well as those of executives. When viewed from this perspective, executive coaching begins to look more like an organizational development intervention than individual counseling.

There can, of course, be conflicts between the needs of the individual executive and the needs of the organization. It is for this reason that the meetings between the coach and the coachee are bounded by limited confidentiality; this helps the coach create a coaching-friendly context within which the executive is free to speak openly about his or her learning needs. We say "limited confidentiality" here because most executive coaches find it important to interact, with the executive's permission and participation, with other stakeholders, such as peers or direct reports. Through such interactions, coaches can help executives gain a more realistic picture of the impact of their actions and develop more informed plans for performance improvement.

The limited confidentiality associated with the executive coaching relationship, however, also makes it difficult for the organization to assess the full impact of coaching or to leverage issues that emerge in coaching itself for the purposes of organizational learning (Hunt & Weintraub, 2002b). As with any intervention, ideally, some effort should be made to assess the impact of the coaching process on the organization and the individual. The individual executive might have been satisfied with the coaching experience, but did his or her satisfaction translate into a positive business or organizational outcome? In addition, the limited confidentiality surrounding executive coaching makes it harder for knowledge that emerges during the coaching to be shared with others. Both of these issues are, of course, particularly challenging to manage if the organization views executive coaching as solely an individual-level intervention.

Organizations face significant challenges in trying to "manage" the use of executive coaching, particularly in light of the fact that executives find it satisfying and this satisfaction in and of itself serves to expand the market for executive coaching. To maximize the value of executive coaching, organizations must consider for whom and how it should be used, how to effect the best match between coach and coachee, how to influence the coaching process to ensure that it is working in the best interests of both coach and coachee, and how to coordinate coaching engagements and the learning and career development needs of the organization.

Internal Expert Coaches

In response to some of the challenges cited above regarding the building of a coaching capability around managers or external coaches, some organizations have begun to build an internal expert coaching capability. In a later chapter, we'll describe how Wachovia Bank developed and managed a cadre of internal coaches from their human resource function to provide coaching services in one of their leadership development programs. The use of internal coaches appears to have some advantages. First of all, internal coaches may be less expensive. We say "may be" because to be maximally effective, internal coaches do require training and ongoing learning opportunities. As can be seen in the Wachovia example, their training requirements are not trivial.

Internal coaches are already familiar with the goals and strategy of the firm. They also have firsthand experience with the culture of the firm. Their history with the organization, even if brief, can give them insights regarding the issues likely to be faced by an executive or manager in the firm. They often possess insight as to how the firm "really works" and what behaviors are truly valued. The likely trade-off is that the firm loses the value of the more objective external perspective brought to a coaching engagement by an executive coach, though there has been no research to support this assumption.

The internal coach does, however, face a political landscape slightly different from that of the external coach. Presumably with more at stake, it may be difficult for the internal coach to "speak truth to power." The job description of the internal coach is also inherently complex. Most organizations don't require a staff of full-time internal coaches (though some do). As such, most coaches have other responsibilities. Human resource professionals, for instance, are often required to serve as "expert consultants" around a variety of strategic and compliance concerns. They are called on by senior management because of their content knowledge. Giving an expert opinion is not the same as coaching. In fact, the behavior of the expert consultant may be diametrically opposed to that of the more process-oriented coach. This creates significant challenges for the internal coach, who may have to balance a variety of role identifications in order to be effective at both.

The boundary around the internal coaching relationship shares some of the same challenges associated with that surrounding the external coaching relationship. How much confidentiality is necessary, and how much is appropriate? How should the internal coach interact with the various coachee stakeholders? Finally, given that there is some kind of boundary around the coaching relationship, how can the results of the coaching

intervention be assessed, and how can knowledge gleaned from the coaching intervention be leveraged for organizational success?

Peer Coaching

A recent focus group with a small group of health care providers in their hospital-based practice demonstrated the tremendously important resource of peer coaching. Typically in this particular profession, one learns technical knowledge in school and very little about how to apply that knowledge in the workplace. That kind of learning, the development of a foundation of the required tacit knowledge, takes place on the job. In the hospital department in question, each new hire is given a 4-month formal orientation. Everyone in the focus group agreed that by no means is that sufficient to fully orient new professionals to the hospital or their roles. What happens next? A very effective informal peer coaching capability takes over and supports the individual professional, literally for the rest of his or her career. The professionals in this group are all highly regarded, and there is no evidence to suggest that this capability is inadequate to the task (though it is easy to understand how it might look so to others, at least superficially). The peer coaching capability has been built up over the years as the culture of the department evolved.

Employees in this department are expected to seek help if they need to know something related to their jobs or organization; and employees who are asked for help are expected to provide it. Significant resources are devoted to supporting such a culture, including the provision of an up-to-date library (which people actually use) and a variety of additional online resources. People are encouraged to grow by taking on job-related challenges. The pay is relatively low, but worker satisfaction is quite high.

Researchers have known the value of peer mentoring for some time (Kram, 1988). The reality is that we turn to our peers for help for a variety of reasons. It is less threatening. Peer support is often available “just in time” to help deal with spontaneously emerging learning needs. Peer coaching can also be viewed as a form of social capital, networks of people who by virtue of their relationships with one another are more capable than they would be without those relationships. The peer network also provides support for the diffusion of knowledge from a coaching conversation to other parts of the organization.

While there are some formal peer coaching programs (Hunt, Strei, & Weintraub, 2002), as seen in the example above, an aggressive peer coaching capability is often more of a natural outgrowth of the culture within which it exists. Employees in the department cited never intentionally

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planned for the development of such a capability and (despite our advice) did not intend to manage that capability; and it is not clear that they are truly in a position to appreciate the significance of peer coaching as an aspect of the department's culture. This brings us to the question of the degree to which peer coaching can be stimulated intentionally. If so, can it be managed, or perhaps lead, toward organizationally desirable outcomes?

A Coaching Capability “Infrastructure”

An organization, then, has a range of options from which to choose when considering how to establish a coaching capability. To summarize the position taken earlier, we believe that building a coaching organization requires both leadership and management. Leadership is required to establish the linkages between the organization's goals and the coaching capability, and it is also required to establish a coaching-friendly context appropriate to the organization's needs. Management is required to make and execute a series of decisions about the coaching capability, to make sure it is effective in the service of both the individual coachee and the organization.

When the decision is made to engage in coaching, perhaps by offering coaching training or by bringing in an executive coach, is the decision made haphazardly or strategically? Is thought given to what organizational-level outcomes can and should be pursued? If so, are appropriate plans and resources put into place to ensure that such outcomes are attained? In other words, there needs to be some kind of vision for what coaching can do, a leadership task, and then the allocation of resources and the follow-up to make sure that progress is made toward the vision.

Thus, there is work involved. Our main belief about that work is as old as the organizational hierarchy itself: What is seen as important gets done. A coaching capability can grow in a variety of forms, if there is a good reason for it to do so. We challenge the reader to think about the reasons for promoting coaching in his or her organization. Are those reasons aligned with the business or organization's vision, strategy, or plans? If so, you will find the existence of what we call a “coaching value chain.” The exercise at the close of this chapter presents an organized approach to thinking about the coaching value chain in your organization. You may find that the linkages are clear, not so clear, or poorly articulated, representing different challenges that we address throughout the book. In the next chapter, we will more clearly describe the factors that promote the evolution of a coaching organization.

ORGANIZATIONAL ASSESSMENT 1.1 The Coaching Value Proposition

The following exercise (see Box 1.2, “The Coaching Value Chain in Your Organization”) will take the reader through the process of assessing the linkage between (a) individual development through relationally facilitated, on-the-job learning and (b) organizationally desired outcomes. If you are using this book to help you consider how to build a coaching capability in your organization, we encourage you to work through this exercise with a group of key stakeholders. You’ll probably need a good deal more space than we have provided here. The exercise should create a very useful dialogue and help you consider a variety of options, which we’ll begin to describe in some detail in the next chapter.

In the blocks provided, you should begin at the top, by describing the organizational goals to which you are aspiring. We encourage you to be as explicit as possible in considering the ultimate business or organizational results you are trying to achieve. In our experience, the more you can relate those goals to actual business outcomes, the more compelling people will find the logic behind the need to build a coaching capability. Many times, people respond to this question by describing, in essence, a need to build a leadership pipeline. Our question is, then, “Why is that important?” The answer to that question reflects your true aspiration.

The next two cells ask you to articulate the human resource (people) outcomes that need to be attained if you are to meet your business goals. Again, we talk in terms of outcomes, not processes yet. If you are to achieve the business/organizational goals to which you aspire, what will be required of your people? Imagine what they would be doing if they were genuinely engaged in pursuing those business goals.

In the third cell, we ask the basic strategic human resources questions: What behaviors would people display if they were to be in a position to achieve the desired human resources and organizational outcomes? What skills would they demonstrate? What attitudes would they hold? Again, we encourage you to be comprehensive, because in the next step, you’ll consider the question “How can coaching help?” Think about this question in two ways. First, consider what behaviors, attitudes, and skills employees might learn best on the job. That’s the traditional view of coaching. Then, consider what the organization might learn from coaching. Box 1.2 presents a very simple example from an organization that hoped to launch a major quality-oriented transformation.

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Box 1.2 The Coaching Value Chain in Your Organization—Sample*Desired business or organizational outcomes:*

To create greater value for our customers through shipping error-free products and, in the process, differentiate ourselves from our competitors. To this end, we are launching a major organizational effectiveness effort.

*Human resource outcomes needed to support business outcomes:*

1. Leadership will be required at all levels; direct labor and their managers must be able to proactively take ownership for quality problems before they occur.
2. We must eliminate a “culture of blame” that makes it difficult for employees to raise quality problems, let alone solve them.
3. We need to become “experts” at assessing and improving quality-related processes in all areas of our work.

*Behaviors, skills, or attitudes required to support human resource outcomes:*

1. Managers and first line supervisors will need to become more effective at leading, setting a vision, and rallying their teams to the cause of quality.
2. Managers must become more effective at spotting talent in the labor force and be capable of assuming more responsibility.
3. Managers must develop better skills in areas such as team building and coaching.

*How coaching, or relationship-facilitated, on-the-job learning, can help promote the development of desired behaviors, skills, or attitudes:*

Coaching can help managers and supervisors, as well as other contributors, improve their leadership skills “on the job.” Most leadership development takes place there. Coaching can help them better understand their leadership styles, their strengths and weaknesses, and how they can alter their behavior to enhance their effectiveness. Since they need to learn to coach as well, the experience of being coached will teach them about coaching behaviors and processes. Coaching discussions can also provide important feedback on the change processes as development progresses.

Desired business or organizational outcomes:



Human resource outcomes needed to support business outcomes:



Behaviors, skills, or attitudes required to support human resource outcomes:



How coaching, or relationship-facilitated, on-the-job learning, can help promote the development of desired behaviors, skills, or attitudes:

