NOT ONLY FOR ATHLETES

LEVERAGING TALENT FOR COMPETITIVE ADVANTAGE

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In his book, *Good to Great*, Jim Collins reminds us that great companies put their focus on “who,” not “what.” In truth, organizations need to place equal emphasis on both, but how doable is this, given the complexity of work environments today? While managing across multiple time zones, working at enhancing their cross-cultural competencies, and dealing with constant change, how successful are leaders at engaging employees in the vision, mission, goals and objectives of their respective organizations?

Stephen Covey, in his book entitled *The 8th Habit*, shares statistics gathered from over 23,000 U.S. residents employed in key functional areas (e.g., accounting, advertising, healthcare, sales, etc.) in key industries. These results are reflected in a recent poll conducted by Harris Interactive (originators of the Harris Poll). The results show:

- 1 out of 5 people polled were enthusiastic about the goals of their organizations and their particular teams
- Only 37 percent of employees polled had a clear understanding to begin with, regarding their organization’s goals and missions
- And only 1 out of 5 of the employees polled perceived a connection between their tasks and the goals of their particular teams and organizations.

With this in mind, it shouldn’t be surprising that organizations—and leaders—are placed under even greater stress when presented with additional tasks of having to learn the responsibilities inherent in new roles or when they must suddenly manage large-scale organizational changes, such as that resulting from restructuring, reorganizations, mergers and acquisitions or simply the introduction of a new initiative or strategy.

"Today, leadership is very much a team effort.”

—Ray Lane

In fact, many leaders today privately confess to wondering if they are up to the task of managing. And the truth is, many aren’t! The forces of globalization, technology, and virtual teamwork have required additional competencies of leaders. Ray Lane, the former COO of Oracle, reminds us of how simple things were when leadership was a unilateral task. But now, unilateral management and dictatorial authority have given way to a new leadership model focused on team success, persuasion, and influence. In addition, the new model emphasizes “coaching” over “managing” (Ashby & Miles, 2001). It is probably not surprising that this new model has implications for those employees in need of coaching, but also for those leaders who haven’t yet adopted this model.

The new leadership model has broadened the range of coaching, which was once a perk reserved for those leaders in top echelons. Today coaching is provided to middle managers, team leaders, change agents, human resources professionals, and others who are intimately involved in large-scale organizational change management.

As a key element in many organization’s talent management programs, coaching supports a variety
of initiatives aimed at recruiting and retaining key employees; increasing bench strength (through succession planning); broadening functional skills (through rotational assignments); and developing cross-cultural competencies (most often through international assignments).

Certainly companies, such as Johnson & Johnson, IBM, GE, and PepsiCo are well known for identifying and developing high potential talent. Additionally, companies, such as American Express, Bristol Myers Squibb, and Bank of America are firmly focused on employee and leadership development, as well—specifically manifesting in their strong “onboarding” programs. These programs, aimed at assisting newly hired and newly transferred leaders, provide resources that enable leaders to quickly assimilate to new environments, and in some cases, to new organizational cultures as well.

But these organizations are not the norm—even given the current emphasis on effective leadership development. Despite significant dollar investments in talent management programs (i.e., those aimed at recruiting and developing the workforce), many of today’s leaders are still focused on hard numbers and “hard assets,” as opposed to the “soft assets” associated with branding, customer relationships, and the leveraging of human and intellectual capital.

Larry Bossidy, one of the world’s most acclaimed CEOs, and Ram Charan, one of the most prominent advisors to boards of directors and senior executives, believe that the leader’s most important job today is that of selecting and appraising people—and that this important task should never be delegated. Yet, senior executives often need to delegate the important task of recruiting because of other competing priorities and tasks that lend themselves better to quantifiable measurement. In her 2005 Employment Relations Today article, Victoria Reese says many of the failures of today’s leaders can “be traced back to the recruiting process and are best avoided there.” She adds, “Others may be directly related to a lack of proper orientation.”

“Great companies always start with ‘who’ not ‘what.’”

—Jim Collins

Recruiting, employee orientation, and employee retention—key focus areas for most HR departments—do not always get the attention they deserve. Many HR functions are unable, for a variety of reasons, to assist executive leadership in leveraging talent for competitive advantage. David Ulrich, distinguished author and Professor of Business Administration at the University of Michigan, believes that HR functions should be focused on helping executive leadership in aligning its human capital with the organization’s goals and objectives. But instead, many continue to merely track the cost of total compensation, cost per hire data, on-time performance appraisals, as opposed to leading talent management initiatives.

That said, many HR functions—and senior leaders—are beginning to provide better resources to their current and future leaders. As a result, coaching is playing a key role in many organizations in closing the gap between current skill sets and the
skills and competencies that will be needed, as work environments continue to grow in complexity.

**OVERVIEW OF THE COACHING PROFESSION**

The following questions and answers are intended to describe what coaching is, as well as its applications and how it is typically implemented.

**What exactly is coaching?**

Unlike traditional classroom instruction, coaching utilizes a method of basic inquiry and personal discovery, as well as provides a confidential and non-judgmental sounding board for clients. In a safe environment where confidentiality is key, coaches work with clients to build on strengths and minimize vulnerability.

A good coach can help leaders become more strategic, freeing the executive of the more tactical aspects of their work and enabling them to delegate more appropriately to others.

Through a variety of different interventions, coaches gather data, share observations with clients, and provide feedback. Feedback is typically gathered from others with whom the client interacts (e.g., peers, associates, clients, and bosses), as part of a 360-degree feedback process that is either based on questionnaire results, interviews, or both.

Effective coaching doesn’t end with observation and feedback, however. To be effective, coaching also needs to be highly focused on execution and outcomes. In the words of Larry Bossidy and Ram Charan (2002), “Many people regard execution as detail work that’s beneath the dignity of a business leader. That’s wrong. To the contrary, it’s a leader’s most important job.” Coaching provides a resource to this most important job.

**TYPE AND DURATION OF COACHING**

**What are the types of coaching?**

There is no one “brand” of coaching. Because of the need to customize coaching to a variety of applications, it is typically divided into categories that correspond with its desired outcomes. Coaching can be customized for any of the following scenarios:

- **Developmental**—with a primary focus on skill development for either current or future roles.
- **Remedial**—with primary focus on improving performance in the current position.
- **Cross-cultural**—with its focus on creating cross-cultural competencies related to communication, problem solving, decision making, and conflict resolution.
- **Onboarding or rapid assimilation**—with the focus being on helping leaders to learn how to quickly read and respond to organizational cultures and “get a fix” on the most important (written and unwritten) organizational priorities, goals, and objectives.
- **Peer coaching**—a relatively new concept provided by National Semiconductor and Hoffman LaRoche—is perceived to be of high

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**EXECUTIVE COACHING CASE STUDY: A valued executive remains engaged and continues to be valued by his firm**

A highly successful Vice President of Sales for a global pharmaceutical firm in North America was considered an excellent thought leader and sales executive. However, the executive had some difficulties in making timely decisions because of his overly collaborative style, which often got in the way of getting things done. He lacked the self-confidence to be directive and his “people-pleasing” focus often got in the way. He inherited a dysfunctional team where everyone “had the answer.”

The executive requested that his organization provide him with the opportunity to improve his leadership skills and allow him to develop for leadership positions outside of sales.

*Read more in Appendix I.*
value to participants who embrace insights and learn to coach one another, incrementally building the foundation needed for high performing multi-functional teams.

**How long does coaching typically take?**
Research conducted by the Center for Creative Leadership indicates it usually takes three months to change behavior and another three months to reinforce and sustain it.

**COACHING MODELS**

**Is there a particular model that is used by coaches?**
Although coaching may vary considerably in approach, a basic model maximizes and builds upon strengths while simultaneously identifying vulnerabilities and blind spots. This is typically accomplished through a six-stage process that includes the following:

- **Organizational assessment**—the coach gathers data on both the client and the organizational setting (often through 360-degree “all around” feedback from peers, bosses/managers, etc.).

- **Individual client assessment**—the coach assesses the match between organizational needs and expectations and the individual client’s strengths and areas of vulnerability.

- **Success factor identification**—the coach compares client competencies to the needs of the organization, unit, department, function, etc., essentially doing a gap analysis.

- **Individual action plan development implementation**—through assessments, shadowing (i.e., the coaching observing dynamics at meetings, etc.), and ongoing two-hour meetings every week, or more often, as necessary, the coach and client, together, formulate development plans within the context of organizational requirements.

- **Review and reassessment**—although this stage is not utilized in all coaching programs, it is key to calculating the ROI (return on investment) of coaching. Reassessment usually occurs 12-18 months after the initial assessment and establishes the foundation for a continuous cycle of assessment and improvement.

**COACH SELECTION**

**What are the factors that go into selecting a coach?**
Coaching success is optimized if there is high trust and good chemistry between the coach and client. This is most often achieved by matching profiles of coaches and clients on the basis of personal style, industry experience, life experience, the nature of the coaching assignment (i.e., whether it requires a generalist or specialist), and demographic preferences that a client might express a need for (e.g., a coach of a specific gender or ethnicity or from a particular culture, geographic area, etc.).

Generalist coaches are those whose expertise covers a broad spectrum of leadership competencies or industry experience. Specialty coaches address specific areas, such as presentation skills, image,
relationship building, interpersonal skills development, team building, sales skills, etc.

COACHING OUTCOMES

When is coaching not effective?

The coaching process can break down in a variety of ways, at the individual client level, through the coach, through the boss/manager of the individual client, and at the organizational level, with the organization that is sponsoring the coaching initiative.

"Many people regard execution as detail work that’s beneath the dignity of a business leader. That’s wrong. To the contrary, it’s a leader’s most important job.”

–Larry Bossidy and Ram Charan

In short, all parties (e.g., the individual client, the coach, the boss/manager of the client, the client organization) need to commit to the coaching process, as well as ensure that it maintains integrity. Additionally, all parties need to be willing and able to move the coaching process from a fact-finding activity to implementing actionable goals with tangible, measurable results. If there is an absence of commitment, integrity, and basic skill on the part of any of the stakeholders involved in the coaching process, the initiative will inevitably break down.

What happens when coaching is effective?

When parties are committed to the process and capable of acting on developmental goals, there are benefits for both the individual and the organization, as follows:

**Outcomes for the individual**
- knowledge of self and others, leading to increased emotional intelligence
- improved relationships with co-workers
- improved ability to deal with organizational change and diverse organizational cultures
- better adaptation of new managers to their environments
- higher level of productivity for new managers
- better communication
- improved group facilitation and team development
- ability to transform conflict into collaboration

**Outcomes for the organization**
- a reputation for being an employer of choice and having the ability to recruit top talent
- enhanced ability to differentiate on the basis of talent
- improved retention
- greater accountability
- enhanced resiliency and organizational agility
- improved productivity

This should not imply that there aren’t favorable outcomes for both the organization and individuals. A primary outcome of coaching should be improved alignment between individual and organizational performance.
SUPPORT FOR OTHER INITIATIVES

How does coaching support other talent management programs?

By assisting individual clients in overcoming self-imposed obstacles and/or boundaries through the exploration of past successes and failures, coaching uncovers blind spots and areas of vulnerability. In addressing the root causes of both individual and organizational behavior—as opposed to addressing only superficial symptoms—coaching often reinforces other organizational initiatives as described in the following subsections.

Classroom training and e-learning

Although organizations often utilize coaching as a stand-alone initiative, no one would deny its value in supplementing classroom training as well, particularly in how it facilitates the transfer of knowledge through continued reinforcement and feedback.

Change management and culture transformation

Post-M & A integration is often regarded as the highest level change initiatives because of its sheer scope and complexity, yet Kell and Lansburg (2005) say: “... few companies measure whether the leadership capacity of their top teams will suffice” when contemplating a large acquisition of managing a large-scale change initiative. Coaching can enhance skills and competencies needed in widely dispersed organizations.

Retention of key employees

Literature in the last few decades suggests a strong link between employee loyalty and engagement. Basic to most employee retention programs is the premise that employees who commit more fully and feel more wedded to their organizations’ success do so because they perceive that their organizations are committed to their development.

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“HR’s influence on firm performance is difficult to measure.”

—David Ulrich

Andrea Zintz, Ph.D., a vice president in the Talent Management practice at global staffing and consulting firm Hudson says this about coaching: “Research conducted by our firm indicates that coaching helps connect managers to the development of employees and to their successful performance. In this way, coaching also strengthens the bond between manager and employee—a key factor in employee retention.”

Succession planning and employee development

Without robust information and analysis, organizations have little data from which to decide what employees will be developed—and when. Consequently, more than ever, organizations need to ensure that future replacements for key positions possess necessary skill sets and competencies. Typically, gap analyses identify areas where future replacements and high potential employees need to be provided development opportunities that will increase the organization’s bench strength.
A foundation for forecasting and targeting talent needs

Knowing that talent isn’t always available internally, some organizations utilize aggregate 360-feedback data (gathered as part of organization-wide coaching processes), as a “talent profile” that identifies gaps in skills and competencies needed for the future. Targeted recruiting efforts can then aim at filling these gaps.

COACHING METRICS

Although it is difficult to quantify the ROI of coaching, many organizations have begun conducting Level 1, Level 2, and Level 3 analyses (i.e., initial reactions, what clients learned from coaching, and how clients applied what they learned). This is accomplished through surveys that ask clients and their bosses/managers to evaluate the value of coaching by comparing pre-coaching skill sets and post-coaching skill sets, as well as how skills were applied, how coaching applications impacted the business, and what benefits (both tangible and intangible) resulted from the coaching.

Basic to the measurement of ROI is attaching costs to coaching outcomes, such as increased sales, more efficient teamwork, reduced turnover or increased productivity in the client’s functional area of unit, etc. Then the cost of coaching (taking into account both the coach’s fees and the time spent by the individual client on coaching) is subtracted from the revenue realized through cost savings.

Veteran coach and organizational consultant, Marilyn Blocker says, “Although it is difficult to isolate coaching outcomes from those of other simultaneously occurring initiatives, organizations are nonetheless becoming more sophisticated in calculating EVA (economic value added) as a way of measuring ‘soft’ initiatives, such as innovation, R & D, and leveraging of human capital.”

CONCLUDING STATEMENTS

Five years ago, Peter Drucker wrote: “The fundamental task of management remains the same: to make people capable of joint performance through common goals, common values, the right structure, and the training and development they need to perform and to respond to change. But the very meaning of this task has changed, if only because the performance of management has converted the workforce from one composed largely of unskilled workers to one of highly educated knowledge workers.”

The challenge presented by the new workforce is that it clearly calls for a new breed of leaders. However, the promise of the new workforce is that the intellectual capital that it brings can be leveraged for competitive advantage.
REFERENCES AND INFORMATION SOURCES


APPENDIX I: EXECUTIVE COACHING CASE STUDY #1

A valued executive remains engaged and continues to be valued by his firm

A highly successful Vice President of Sales for a global pharmaceutical firm in North America was considered an excellent thought leader and sales executive. However, the executive had some difficulties in making timely decisions because of his overly collaborative style, which often got in the way of getting things done. He lacked the self-confidence to be directive and his “people-pleasing” focus often got in the way. He inherited a dysfunctional team where everyone “had the answer.” The executive had to work hard at forming a senior leadership team that worked together as unit, and could provide a role model for the organization. During this critical time, there were significant industry related economic pressures exacerbating the situation. The executive requested that his organization provide him with the opportunity to improve his leadership skills and allow him to develop for leadership positions outside of sales.

Working with a coach, which included a 360° interview process, the executive was able to enhance his leadership in his current role and increased his chances of being considered for future positions outside of the sales arena. The 360° interview process involved 13 key influencers, senior leaders, peers and direct reports. Participants were interviewed to assess their perceptions about what behaviors were getting in the way of the executive’s success. The framework for the coaching engagement included three phases: assessment, coaching and support.

Assessment: A customized interview-based 360 was used to assess the situation and to deliver an extensive and detailed report on what the key trends were and whose perceptions were regarded as important to his future success.

Coaching: A.J. O’Connor assisted the executive in identifying how to [albeit individually confidential] follow up with key individuals on what he intended to accomplish and how he would like to be supported. The coaching plan focused on key areas, such as decision making and providing the executive with more focus on developing his team. The opportunity to develop his team emerged as a key theme, as it provided the team with more autonomy, which ultimately freed the executive’s time to accomplish more strategic objectives and position him for future opportunities.

Support and outcomes: The measurable and observable outcomes as a result of the coaching engagement were so evident to the executive and his colleagues that he was able to become re-energized around the future. The organization didn’t lose his tremendous talent, and he feels that he is continuing to grow and develop even at this late stage of his career. The development of his team, and the delegation he was now able to do, would allow him to take on other responsibilities while continuing to develop his skills. What would have surely been a reason to be pigeon-holed and stagnant in his role, potentially looking for opportunities elsewhere, became an opportunity for the executive to improve his
standing with his peers and his boss, as well as the entire senior management team. In pursuing conversations with the CEO, and other senior leaders, perceptions had changed, which would now allow him to be considered for future roles. And finally, the company processes that were broken were identified and addressed through the coaching engagement, enabling the organization to own what was theirs and to identify what had been exacerbating the situation.

**Summary:** Although both the organization and the executive must be committed to coaching for it to be successful, the initiative to engage a coach can originate from either human resources or from the executive him/herself. In the past, it has more often sprung from the organization. But given the growing track record of coaching as a tool for rising executives, more executives are choosing coaching as a positive and proactive component of their professional life. Coaching is very effective for executives who are able to say, “I want to get there, but I'm not sure how to do it.” Coaching works best when the executive understands what they want to accomplish. Perhaps, in spite of an outstanding track record, the executive has not yet gained the full “executive presence,” required of senior managers—for example, he/she is not yet able to be as direct and influential as is required. Honing those skills, as in the case of this executive, was very important and an appropriate goal for a coaching assignment.
APPENDIX II: EXECUTIVE COACHING CASE STUDY #2

A young executive is being asked to take on a different challenge

A young executive was being challenged by his organization to step into a new role with substantially more responsibility; he was moving from managing five professionals in a corporate strategic planning role to managing more than 200 people in a call center. He was being asked to move his home and family as well.

His boss described him as an intelligent and organized, broad thinker who was driven and intense but who had difficulty with interpersonal relationships. To this point, he would pass colleagues in the hall without acknowledging them as he was intensely focused on his work. We later learned he was truly an introvert. Because this executive had previously been in a corporate role, his management felt that while he might have the aptitude and intelligence for an operating role, his interpersonal skills and management style were lacking.

A.J. O’Connor was asked to work with this executive to provide him with the necessary coaching to prepare him for his new role. The framework for the coaching engagement included three phases: assessment, coaching and support.

Assessment: Interviews and customized 360s were used to assess the situation and to confidentially summarize the feedback for the executive. Assessment testing was used to encourage him to reflect upon his results in order that he develop an increased self awareness. Getting people to think about themselves and how others perceive them, rather than focusing only on what they have to do, is a challenge we face with many successful executives. The type of assessment utilized, assisted A.J. O’Connor in determining what competencies the individual needed to add to his set of competencies; it is used to discover what competencies are being called for that may not be the executive’s strongest suit.

Coaching: A.J. O’Connor assisted the executive in building a communication plan that included the specifics of how he would communicate to and with his new organization. A.J. O’Connor suggested a number of methods, including town hall meetings, ‘fireside’ chats, as well as sharing his vision for the organization with his team. A plan, along with coaching on how to listen to others and ask questions, was developed, acknowledging that it was not a natural way of communicating for him. So part of his plan became how to listen to his team’s perspective in order to assess what issues needed to be addressed to improve the operation.

A.J. O’Connor assisted this executive with setting an objective of building a more integrated team with the 240 people in his organization. A.J. O’Connor and the executive jointly developed a plan for how he would meet with his managers and with broader audiences. Ultimately, the executive would need to train his team in a variety of areas, since the performance of the overall unit was lacking. The major areas of coaching for the executive related to:
Building a team
Delegating responsibility
Assessing key people who he could count on going forward
Coaching and teaching people in his organization
Specific ways to be a leader

Coaching sessions with this executive included discussion of what had transpired since the last session, always tying back to the plan and where situations may have been awkward. Ultimately, the success of the engagement depended upon the executive being open to criticism and suggestion. For example, he was interested in how he would best walk around the office to introduce himself and what introductory conversation he might use to ‘break the ice’ with people.

Support and outcomes: The measurable and observable outcomes as a result of the coaching engagement were assessed during subsequent meetings with the executive’s boss. His boss commented that the young executive’s behavior had improved. However, the measurable improvement in the operating unit was most compelling, as it directly related to the coaching he received. Not only did this executive require very little support from his management but customer satisfaction surveys revealed that his unit was handling customer calls much better than before. Additionally, the overall turnover in the division had reduced significantly. It was clear that this executive had been able to make a successful transition and build an effective team that was now achieving measurably improved business results.
About A.J. O’Connor Associates

A.J. O’Connor Associates’ (AJO) promise is that in everything we do, we strive to bring higher levels of performance into your organization. It is our business to know people and to understand your organization, so that we might help you create the path to an energized, engaged, and driven culture. Our success is measured through your success. Founded in 1983, A.J. O’Connor Associates is constantly evolving to meet the changing needs of our clients. Headquartered in the New York metropolitan area with a worldwide presence, we are positioned to meet our clients’ global needs.

AJO is a recognized leader in developing solutions that are right for your business and your bottom line. We assist organizations of all sizes to achieve continuous and measurable improvement in their performance. From executive assessment and coaching, leadership and team development to career transition, our seasoned consulting teams will offer flexible solutions tailored to fit your needs.

Our goal is to assist you to improve performance and increase effectiveness whether we are working with individuals, teams or organization leaders - partnering with you at every level.

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