

A Guide to Using Executive Coaching

Best Practice Wisdom from HR Professionals

Late in 2005, Dr Gavin Dagley, supported by the Australian Human Resources Institute, instigated a research program to investigate the experiences and perceptions of HR professionals who had used executive coaching. The 17 practitioners who participated in the interviews have been responsible for more than 1000 individual executive coaching programs, representing a total spend of \$15.4 million over a two-year period. The practitioners represented both public and private sector institutions, including eight of Australia's largest and most well-known organisations. Here are their thoughts on what works and what doesn't.

Executive Summary

- Executive coaching is an **effective intervention for executive development**, particularly in the area of helping executives understanding their personal styles and response patterns, and the issues that arise from these.
- **Organisational benefits** from executive coaching derive principally from development of the talent pool, and through retention and morale gains.
- Successful executive coaching **programs are complex** to implement due to the large number of factors that can have a critical influence on program outcomes.
- These **factors** relate to the quality of the coaches, effective selection and engagement of participating executives, the level of environmental and organisational support, the quality of the working relationship between the coach and executive, the structures used in program delivery, and the reporting and measurement mechanisms.
- Effective programs are based on three **foundational concepts**: organisational convictions around the effects of executive development, effective management of the natural tensions that arise through the use of coaching, and the appropriate selection and positioning of executive coaching as an intervention.

1. Definition

Based on a definition supplied by Kilburg (2000), the practitioners agreed the following key points about executive coaching:

- It is based on a helping relationship between an executive with managerial authority or responsibility and an external behavioural skills consultant.
- The task is to help the executive achieve mutually defined goals related to professional performance and personal satisfaction, and, as a result,
- Improve the effectiveness of the organisation.

In discussing the definition, some practitioners felt the focus on measurable organisational gains was critical, whereas other practitioners argued that the definition should be extended to take a holistic view of executive development, including personal issues that can act as professional blockers.

(Other interventions that have been described as executive coaching but that were not included in this research include group-based programs, and the work of internal coaches.)

2. Does it work?

According to these practitioners the answer is “yes.” Rating their programs on a five-point scale, all the practitioners rated their programs at least “3,” (moderately effective), and a third of the practitioners rated their programs as “4” (very effective) or higher.

The clearest evidence for their endorsement of the programs was that all but two of the practitioners indicated “strong interest” (the highest available option) in using executive coaching in the future.

The practitioners also rated how they thought the executives participating in the programs felt about the coaching. The ratings indicated that the executives seemed to hold a more positive opinion of the success of executive coaching than the practitioners themselves. All but two of the programs were rated as a “4” (very successful) or a “5” (outstandingly successful).

The following is a list of the coaching benefits for executives observed by the HR practitioners, and listed in order from the most to the least common:

1. Clearer understanding of own style, automatic responses and the issues arising from these (every practitioner indicated some gain in this area)
2. Improved communication and engagement skills
3. Improved coping with stress / robustness
4. Clearer understanding of own professional performance

5. Clearer understanding of organisational issues and how to resolve or overcome them.
6. Improved ability to deliver feedback
7. Improved professional relationships - with directors/managers
8. Improved professional relationships - with subordinates
9. Improved decision-making skills
10. Improved assertiveness / self-assurance / leadership strength
11. Improved professional relationships - with peers
12. Improved motivation in role
13. Clearer career plans and actions
14. Improved work/life balance
15. Clearer strategic perspective
16. Quicker to move to action in dealing with issues
17. Improved change agent skills
18. Improved measured personal performance
19. Improved delegation abilities
20. Improved work throughput

The practitioners also identified a series of organisational gains from executive coaching, and these are listed below, again in order:

1. Professional development of talent pool / building capability
2. Talent retention and morale
3. Effective leadership
4. Team cohesion
5. Cultural change
6. Conflict resolution
7. Performance management and remediation

3. How have organisations used it?

Why executive coaching?

The most common reason that practitioners offered for using executive coaching was the highly individualised and customised approach it offers. As one practitioner put it, “there is not a lot around to develop executives. Executive coaching is customised, intensive, and tailored – and you can’t get that off-the-shelf.”

Other reasons for choosing executive coaching included flexibility in the timing of delivery, the external and objective perspective of the coaches, and the privacy offered to the executives.

Setting the scene

Some practitioners used coaching on an ad hoc basis to deal with particular issues presented by executives. A few warned that this approach required some care, for two reasons. Firstly, they argued that some senior executives used executive coaching as a way to avoid management responsibility for problem staff. Examples included using coaching to convince executives they needed to find another job, and allowing managers with problem staff to direct these subordinates to coaching, when it was the manager who was struggling.

Secondly, practitioners argued that coaching tends to take on a negative connotation when used for remediation. Many practitioners focused on the developmental opportunities offered by coaching – “making the best better.” This developmental focus helped executives to see coaching as positive, rather than remedial, and this more positive attitude tended to result in better outcomes, as well as greater support from senior executives.

Recruiting strong senior management support for executive coaching was critical, and education about and positioning of the program were key factors in gaining that support.

Choosing participants

The majority of practitioners selected their coaching participants through existing development programs, although some selections resulted from manager requests, self-selection, promotion into new roles, or the identification of special needs or issues.

This was one area where the practitioners were nearly universal in their agreement. Irrespective of the selection method, one of the keys to program success was the engagement and commitment of the executive involved. If the executive was not on board then the probability of success was low.

Finding coaches

The practitioners expressed some strong views regarding the importance of finding and using highly skilled coaches, and the difficulties of locating and identifying them. The practitioners seemed to agree about two things. Firstly, they were pretty happy with coaches they had found. Secondly, they expressed a great deal of cynicism about the huge range in competence demonstrated by executive coaches touting for business.

Almost all the practitioners had located their coaches through networks or word-of-mouth. The practitioners in the study did not generally use sophisticated selection techniques, but tended to rely on four things in making their selections:

- Extensive coaching experience
- Demonstrated business experience and knowledge
- The recommendations of trusted colleagues, and

- Their own “gut feel” about whether particular coaches would be seen as credible by their senior executives

One practitioner indicated that she wanted to know about the personal development work that the coaches had done on themselves. “Self-awareness is a very important part of this... [The coaches] have to be able to model what we are seeking to develop in our own people.”

The practitioners were less definite about the requirements for qualifications, registration as a psychologist, or specific sector experience. Although many indicated that these factors were desirable, they appeared to be secondary to the factors listed above.

The underlying theme was that good coaches had to be both credible and highly-skilled, and one did not predict the other.

Costs and program structures

Practitioners spent between \$600 and \$45,000 for programs for individual executives. The average cost was \$12,600 per executive. The average hourly rate for executive coaching across all the surveyed organisations was \$717 (the median was \$488). Organisations running smaller programs tended to pay lower rates (averaging \$569 per hour), have fewer sessions (an average of 8 to 9), and have a shorter overall duration of around five months. Practitioners with larger programs tended to use more expensive coaches and more extensive programs. They paid an average of \$1,018 per hour and used an average of 11 sessions over eight to nine months. Session lengths averaged 90 minutes, and ranged from one to two hours.

About half of the participants mandated a standard structure for the number and length of sessions. Regarding other structural matters, very few organisations mandated the use of psychometrics or a standard coaching model in the delivery of the programs.

A large proportion of practitioners indicated that coaching was seen as expensive. Although it may not be true to say “you get what you pay for,” it may be accurate to say “you get no more than what you pay for.” Some practitioners were prepared to pay quite high rates for highly skilled coaches, but more importantly, seemed prepared to invest in the longer programs where they were looking for more significant and longer-lasting changes. An executive is unlikely to change a style or approach that has served him or her well for 40 or 50 years, as a result of three one-hour conversations.

Drawbacks and difficulties

The most commonly identified problems for programs were:

- executives having difficulty making time for the sessions, and
- the perception of coaching as expensive.

Other drawbacks and difficulties for programs included, in order:

- negative perception of coaching (e.g., perceived as a sign of poor performance)
- poor translation of learning to behavioural changes

- difficulty in demonstrating relationships between executive coaching and organisational performance
- poor or variable delivery by coaches
- difficulty in generating senior management support

Making a good start

Practitioners commented on four areas that seemed important to sort out prior to the commencement of the program: the match between coach and executive, executive preparation and briefing, coaching goals, and confidentiality.

Although half of the practitioners argued that executive choice in the selection of the coach was important, the other half indicated that they felt it was not. All agreed, however, that getting the right match was a critical determinant of success. Those arguing for executive input into the decision usually provided information on a range of available coaches and had the executives conduct interviews and make the final selection. Those practitioners who made the decision on behalf of the executives felt that their knowledge of the coaches, and of the executives and their issues, meant that they were the best placed to make an informed choice. These practitioners usually offered a “divorce clause” if the executive was not happy with the coach.

Most practitioners provided some form of briefing to executives entering executive coaching. The briefings were generally used to orient executives to what executive coaching was and was not, to discuss the goals and structures of the program, and to formalise confidentiality issues. Sometimes practitioners used handouts, 360 degree feedback inventories, and interviews with sponsoring managers in the preparation process. Regarding confidentiality, in the vast majority of cases the content of the discussions between the coach and the executive were confidential to those people, and this was made explicit as part of the orientation process.

The majority of practitioners indicated that having clear goals for the program was useful. They also indicated that new goals seemed to emerge, and existing goals tended to be adapted and modified during the course of the coaching program. Significantly, having clear predetermined goals in advance of each individual program, although rated important by the practitioners, was not among the most important predictors of program success.

Reporting and evaluating

Most practitioners felt that reporting and evaluation of the programs was important, not least of all to justify the expense. Very few of the practitioners, however, indicated they were happy with the ways they had gone about this. The principal reasons offered for difficulty with measurement and reporting were: problems in finding good measurement methods, limited resources available for measurement work, and, importantly, the tension that exists between measurement reporting demands and the need for confidentiality, particularly for ad hoc remedial programs.

Only one of the practitioners attempted any formal evaluation of the return on investment from executive coaching. Although most agreed that this form of analysis was valuable for the ongoing justification of expenditure (which in some cases amounted to millions of dollars), they reported that they struggled to find effective

ways of doing this work. Of those who were prepared to estimate whether the cost/benefit was positive or negative, the majority thought that the financial returns exceeded the cost at least to some extent.

4. What are the most important things to get right?
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The practitioners in the study provided ratings of the relative of importance of the factors that influence program success. Below is the list of those factors ordered from most important to least important based on the practitioners' ratings.

Factor	Average importance rating ^a
Highly skilled coaches	4.0
Rapport and trust between the coach and participant	3.9
Confidentiality of discussions to coach and participant only	3.9
Senior management support and engagement	3.8
Participant engagement and commitment	3.8
Other ethical considerations effectively dealt with	3.8
Careful matching of coach and participant	3.8
Sponsor/supervisor support and engagement	3.7
Allowing coaches considerable flexibility to individually tailor program content	3.6
Rigorous coach selection procedures	3.5
Careful participant selection	3.5
A range of coaches available to meet the varying needs of participants	3.4
Informal review and debriefing processes	3.3
Determining in advance clear goals for each individual program	3.2
Sponsor involvement in reporting or review process	3.1
Subsequent follow up (eg 6 months later) by coach with participant	2.9
Participant choice in the selection of the coach	2.8
Formal measurement and reporting processes	2.8
Having a standard structure for coaching programs	2.4
Use of psychometric tools and inventories in the content of each program	2.2
Collation and presentation of EC results	2.2
Having a standard model for the delivery of content	1.9

Notes: ^a Practitioners rated importance on a 4-point scale, with “4” indicating factor was critically important, and “1” indicating factor was not important.

A few points stood out.

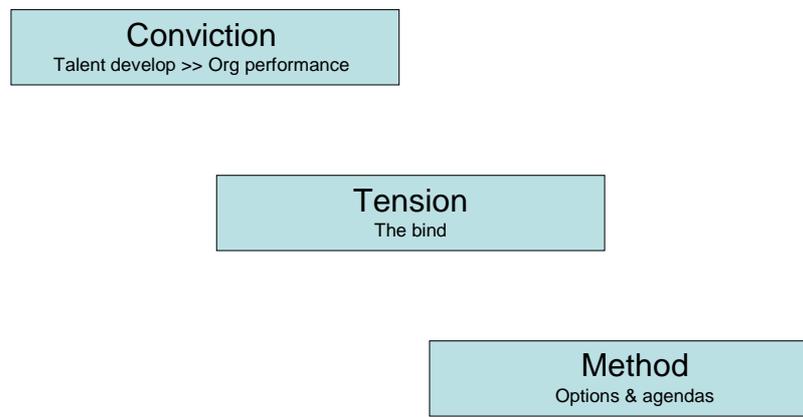
- **Complexity:** This extensive list of factors, most of which were rated very important or above, gives a clear indication of the complexity of running an effective executive coaching program.
- **Skilled coaches:** The only factor rated “critically important” by all the practitioners was the need for highly skilled coaches.
- **“Deal-breakers”:** The commitment and engagement of the participating executive, the support of senior management, effective management of ethical issues, and the quality of the relationship between the coach and the executive are all critically important for program success.
- **Lowest-rated factors:** The five lowest rated factors are all related to structure and measurement. They are; formal measurement and reporting, having a standard structure for the programs, the use of psychometric tools, collating and presenting results, and using a standard model for delivery of content.

Summary: Although the use of highly structured programs lends itself to easier measurement, these elements do not appear to be among the most important for program success. The key strengths of executive coaching are derived from flexibility and customisation of delivery of content, clear environmental and management support for the program, the quality of the coaching relationship, the skill of the individual coach, and the courage and commitment of the executive to reflect and change – to work on things that are important.

5. Interpretations

Based on the results from research, sufficient themes emerged to allow the production of a model of successful programs. The model is in two parts: foundational requirements and the coaching process.

Foundational requirements



Conviction

Successful programs appear to be underpinned by fundamental conviction of HR and senior management that the development of talent will *necessarily* result in organisational performance gains. Without this explicit and fundamental belief the success of executive coaching programs is likely to be compromised before they have started.

Tension

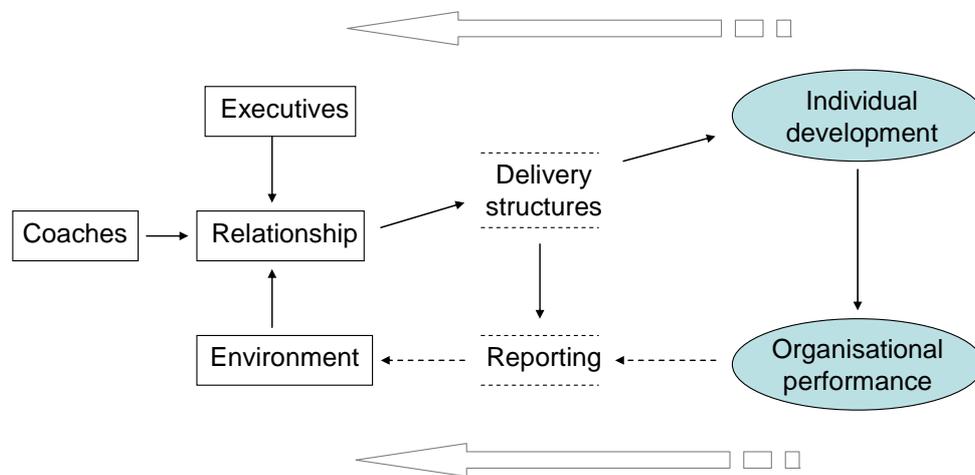
Businesses want to see bottom-line results from their expenditure. Given the complexity and difficulty of demonstrating such a linkage for executive coaching programs, HR and organisational leaders need to actively manage this pressure for measurable results. Such management includes:

- effective positioning of coaching in the organisation,
- realistic expectation-setting around outcomes and measurement,
- HR executives remaining in close contact with the executives and coaches in the programs,
- the recruitment of senior leaders into active involvement with the coaches and programs, and
- a commitment to completing the agreed measurement and reporting processes.

Method

Executive coaching is an “engagement-based” intervention. That is, rather than simply being an educational process, coaching relies on authentic connection between the coach and executive. For this reason, the selection of executive coaching over other methods of intervention should be considered carefully, and the reasons and expectations associated with the program should be explicit and genuine. Hidden agendas are detrimental to program success.

Coaching process



The factors identified in the research that predicted program success grouped under six headings:

- coaches
- participating executives
- organisational context or environment
- delivery structures, and
- measurement and reporting mechanisms

The above process model provided some way of understanding how these factors related to each other, to the individual development of the executives, and to organisational performance generally.

The underlying principle of the model is that the relationship between the executive and the coach is the principal driver of individual development. The same principle enjoys extensive research support from the psychotherapeutic literature. The factors that predict the quality of that working relationship are the characteristics of the coach, the executive, and the environment in which they operate.

Structural aspects of the program can limit the benefits to the individual through, for example, having too rigid a delivery structure or model, insufficient contact time between the coach and executive, or coaching without resolving confidentiality issues. The use of structure, nevertheless, provides a useful platform for measuring and reporting on program results. That is, using a standardised approach may improve the ability to report on results, but may restrict program success by limiting flexibility to tailor the program to the individual executives or limiting conversations to safer and less important topics.

Organisational benefits derive directly from individual development. The only exception to this is where the organisation is able to tap into feedback mechanisms to make changes in the culture or environment. In addition, feedback can enhance or detract from the perception of coaching and, as a result, influence future programs.

6. Conclusion

The overwhelming conclusion from research was that high-quality executive coaching programs are inherently complex. Not only are they influenced by a very large number of factors, executive coaching also works in the highly subjective area of human behaviour and personal belief systems, a difficult area to measure.

The HR practitioners were also clear that significant executive development occurs with successful executive coaching.

“Touchy-feely” “soft-and-fluffy,” “psychologist,” and “remedial,” are not words and phrases that endear executive coaching to the hearts and minds of hard-nosed decision-makers. Neither does “trust me, I know what I’m doing.” The key challenges for HR practitioners seem to be less to do with working out whether coaching is effective, and more to do with realistically positioning executive coaching in terms of expectations and measurement, and addressing the issues that are most likely to affect program success. Then, of course, all you need to do is go out and find those highly skilled coaches.

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