VRH Business Psychologists Newsline

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Active Ingredients in Executive Coaching?

Over the past decade, executive coaching has established itself as a powerful tool in corporate efforts to develop and retain talent that can bolster productivity and profits. Such popularity has spawned an abundance of practitioners ranging from retired sports coaches to retired CEOs eager to ride this coaching wave. Ignoring for the moment the importance of credibility in a coaching resource, there arises an interesting question of what makes coaching work. Is there a most effective way to coach?

Psychologists McKenna and Davis (2009) have proposed four "active ingredients" to executive coaching, defined as facilitating psychological and behavioral change through a one-on-one relationship between a trained professional and a motivated client. From a corporate perspective, the main purpose of executive coaching is for the high-functioning executive to improve his or her own performance which will subsequently affect the organization's performance. The active ingredients proposed by these psychologists are:

Client/Environmental factors

Characteristics of the client and his or her environment account for the greatest differences in coaching outcomes. Clients must be ready and willing to change in order to have a successful coaching experience. Environmental factors that affect change – the quality of individual development – include the client's work environment (e.g., will he be accountable for making changes?), culture (e.g., will she break unwritten rules by taking a new approach?), and resources that help the client apply to the workplace the changes made as a result of the coaching process.

Coaching relationship

The quality of the relationship between the executive coach and client is the second most powerful ingredient, explaining 30% of the variance in client outcomes. Coaches can be most effective by focusing on the goals and topics that are important to the client, approaching the learning in a way that makes sense to the client, and being prepared to modify goals and tasks as the client or the relationship changes. Empathy appears to be the key word here.

Expectancy; hope – the placebo effect.

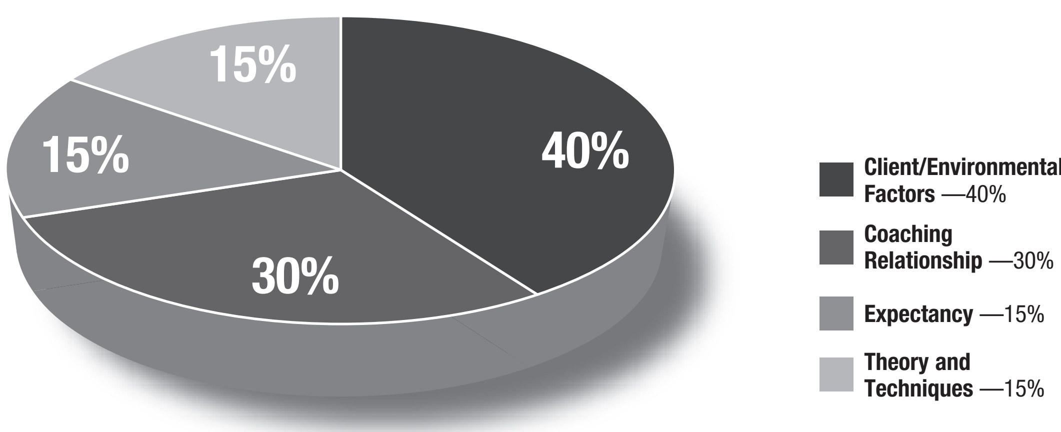
The client's desire to change accounts for 15% of the outcome in a coaching relationship. Executive coaches can activate client expectations and confidence in successful outcomes by building their own credibility with the client. If the client knows his executive coach has been effective in the past, he/she is more likely to have confidence in his or her own growth and success.

Theory and techniques

The perspectives or theoretical framework used by the executive coach in developing the client explains the final 15% of coaching outcomes. Executive coaches should rely on theories, methods and techniques they believe in. But, those must relate to the individual client's way of thinking and dealing with problems in order to be effective.

Assuming you start with an experienced, credible executive coach, these four ingredients blended into the coaching process with your executive talent can enhance the outcome.

McKenna, D.D. & Davis, S.L. (2009). Hidden in plain sight: The active ingredients of executive coaching. Industrial and Organizational Psychology: Perspectives on Science and Practice, 2 (3) 244-260.



Leader Development after a Layoff?

The benefits of developing current and emerging leaders are well known to most business executives. Less understood is the hidden cost associated with *not* developing leaders during a down economy, especially following a layoff.

Often overlooked in implementation of a company layoff is need for support mechanisms for those employees who stay. Layoff survivors, both managers and front-line workers, shoulder burdens of their own, including anxiety and the uncomfortable feeling they should be grateful just to have a job.

After the recession in the early 1990s organizational psychologists confirmed what managers always suspected – employee who survive a layoff become less engaged, less productive and absent more often.

Organizational Costs

The following represent examples of organizational costs associated with not developing leaders after a layoff:

A December 2008 study of more than 4,000 layoff survivors conducted by the research group Leadership IQ found that since watching their colleagues get laid off, nearly 75 percent said their own productivity had declined; almost 70 percent said the quality of their company's product or service had dropped; and 81 percent said the service that customers receive had declined.

A five-year study of 300 firms conducted by Cigna and the American Management Association showed that layoff survivors had a 100 percent to 900 percent increase in medical claims, especially for mental heath, substance abuse and cardiovascular problems.

A 2008 study conducted by *The Academy of Management Journal* revealed that even a modest downsizing can unleash an exodus of layoff survivors. The study found that companies implementing a layoff of just 0.5 percent of their staff experienced, on average, a turnover rate of 13 percent. This compares with an average turnover rate of 10.4 percent at companies that had no layoffs.

A recent *Fortune* magazine article named five costs associated with employee layoffs that often go unnoticed:

1. **Brand equity costs:** damage to a company's reputation.
2. **Leadership costs:** loss of potential talent.
3. **Morale costs:** emotional drain on those (survivors) left behind.
4. **Wall Street costs:** effect on stock price.
5. **Rehiring costs:** difficulty of hiring and training new employees when the economy improves.

Company leaders need to be aware that costs (real and hidden) of ignoring leadership development efforts today can hamper ability to recover tomorrow.

What can you do?

In his book *Charging Back Up the Hill*, psychologist Mitchell Lee Marks offers suggestions for workplace recovery:

- **Empathy:** Letting people know their leaders acknowledge that things have been difficult and may continue to be difficult.

  Empathy means communicating with employees clearly, authentically, and often that leadership recognizes their feelings, needs and problems. Employees are not used to hearing their leaders admit that an economic transition has taken an emotional toll on them. Expressing genuine empathy helps reduce negativity and strengthen loyalty.

- **Engagement:** Create understanding of need to accept the new organizational reality.

  Leaders can engage employees by helping them accomplish their immediate work objectives, clarifying priorities and providing resources to get the job done.

- **Energy:** Getting people excited about the new organizational direction and giving them support in achieving it.

  Employees become re-energized about a new organizational reality when they understand what's in it for them and have confidence they can succeed in it. Communicating the link between organizational success and personal success lowers stress and renews energy to perform.

The current economic downturn, like all previous, will pass; markets will recover. When it does, will your organization's talent be in place, trained and motivated to perform?

Adapted from O.Markum, 2009.

The Value of An Executive Coach

Forget complicated formulas attempting to justify in dollar terms the value of executive coaching. Here are five practical reasons why organizational leaders can benefit from a coaching relationship with a professional resource.

1. **Perspective.** Organizational leadership roles provide a unique but also limited perspective that can be dispelled by an executive coach. He/she is one of the few people able to tell the executive what they need to know but cannot or will not see. Specifically, objective feedback on performance blind spots, both their own and those of their team.

2. **Confidential sounding board.** Discussion of ideas still in the formative stage often takes place in the course of these coaching relationships, leading to better decisions. Ideas and strategy can grow through discussion that is absent vested interest or competing agenda.

3. **Role transition.** An effective executive coach can help a leader 'hit the ground running' in a new assignment by advising on behavior that is and is not likely to work successfully. The adage 'what got you here won't necessarily get you there' is the focal point. Prior success can be an impediment to moving up the ladder successfully as people tend to repeat what has worked in the past even though it might now be inappropriate in a new role.

4. **Safe venting.** Pent up frustration, anger, and disappointment affect good judgment and working relationships. The higher on the organizational ladder, the more important it is to have a confidential outlet to talk things out.

5. **To become a better leader.** To be successful it is necessary to continually upgrade skills and perspective. A professional coach can provide tools, training and insight enabling the executive to perform at his/her best.

As you may know, VRH has served as a trusted resource for our clients who want professional coaching as part of a development experience for their executive talent. Contact us about your needs.

Adapted from D. Kovic, 2010.

Why an Executive Coach?

A 2006 issue of *Fast Company* published results of a study which indicated that 71% of senior leaders had worked with an executive coach and that 91% of those who had planned to do so again. The magazine also stated that 63% of organizations planned to increase their investment in executive coaching during the following five years.

Fast forward to 2010 where we are amidst a difficult economy. This coaching prophecy nonetheless registers as valid. Even in challenging times, effective leadership coaches have remained in demand. This has much to do with need to retain key employees and have them perform at their best; working smart, often with fewer resources. This is where coaching can be an asset. However, before engaging an experienced executive coach, be certain that is the appropriate resource for your organizational needs. An executive coach can be most useful in some specific situations that you may be experiencing in your organization. For example:

- **Individual transition.** New or expanded responsibility for a key performer. Working with an executive coach can provide a "fast start" for someone developing into a new role.
- **Organizational transition.** Re-structuring, merger, shifts in strategic direction all provide reason to help key contributors adapt and stay engaged.
- **Specific performance or skill issues.** Coaching is not a remedial exercise; however, it can help identify specific aspects of individual behavior or skill deficit where improvement would strengthen overall impact.
- **Succession planning.** Competent, promotable employees typically need structured development experiences and assistance in gaining them prior to "readiness" status in most succession planning systems.

Executive coaching is not a panacea; however, it can be a powerful tool for you and your organization when confronted with issues like those described here. When that happens, VRH would be happy to explore options with you.

Adapted from T. Maylett, Ed.D. 2010

Too busy to coach?

Human resource professionals certainly, and even company presidents, roll their eyes in frustration every time a manager says, “I have no time to coach employees.” Sometimes that response is code for “I’m not good at it.” Or “I don’t know how to coach.” Or it’s not understanding where and how to fit it into the workday. Here are some possibilities for your managers to ensure they have opportunity and ability to share experience and coaching support.

Use available ‘dead time’ as teaching moments. Returning to your office after a meeting? Use that time to provide a direct report feedback on his/her presentation and how it might be improved next time. If it was not a personal presentation, ask how he/she thought the meeting went and what points could have been made more effectively. Direct, real time dialog is a powerful tool for developing people.

Create brief teaching moments. Walking down to get coffee? Waiting for a vendor? Heading out to your car at the end of the day? Ask one of your people to come along with you and talk about goals and priorities for the department or business.

Be visible in their workspace. Employees expect the boss to stay in the office. Don’t. Daily, get up and walk over to the work area of someone you haven’t spoken to recently. Take two minutes to ask what he/she is working on. Then ask, “What do you need from me to ensure success?” Managing – and coaching – by wandering around says, “I know who you are.” And “I’ve got high expectations but will support you.”

Feed forward. This concept gained popularity a few years ago and has proven effective in developing skill and loyalty among workers. On a daily basis communicate (email/telephone) with two of your people and extend “feed forward” support. For example, “I appreciate what you’ve done with the ABC project. Thanks for the hard work. Before we meet with the customer, let’s talk about how we can further reduce their costs.” With consistent effort, employees will feel you are not just their boss, but also their coach. And they will stay engaged in the work and in the manager-subordinate relationship.

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