

Strategic Coaching: *An Integrated Approach to Executive Development*

A new concept in executive coaching is leading companies to fully utilize the talent they have to drive organizational strategy and achieve results.

by Ellen Kumata

INTRODUCTION

It's a dream of top management and HR executives: seamlessly aligning individual development with their organization's strategic goals. To achieve this alignment in their senior ranks, leaders of some of today's top companies are building on the success of executive coaching as a development tool by leveraging their coaches as instruments for change — to bring their entire organization to a higher level of performance.

The Move from Traditional to Strategic Coaching

Most of these organizations first began using executive coaching years ago as a corrective intervention, often a last-gasp effort to save foundering executives from dismissal. When the companies saw that coaching could make dramatic improvements in the performance of their least promising executives, they began to ask what it could do for the most promising. The answer was that it could greatly enhance their leadership development as well as the performance of all the people reporting to them.



These companies soon began providing executive coaches to all of their top executives as well as to their most promising junior execs. Being given an executive coach became a signal to executives of their value to the organization. For high potentials it was a mark of prestige, and a sign that top management had its eye on them. This show of support motivated them to higher levels of performance and made it much more difficult for competitors to lure them away. They had good reason to stay where they were.

Seeing the success of executive coaching as a leadership development tool for individual executives, a handful of top companies raised the question of whether executive coaching programs could have an even greater impact on total organizational performance if they were leveraged strategically. They believed that if they structured the program to incorporate strategic goals — by bringing their coaches together, educating them on the strategic context, and supporting them with a collaborative, coordinated program — they could strike an optimal balance between individual executive development and developing total organizational capability. It was a simple but profound idea. Making it happen was another story.

Many companies discovered that translating corporate strategy into individual development objectives was a dauntingly complex task. Those that did so often found administration of the coaching program to be a major undertaking, one that demanded significant time and effort simply to source, screen, and manage a group of external coaches. While some did not make the leap, a handful stuck with it. Today, these companies are continuing to develop the strategic leverage of their executive coaching programs. The kind of systematic coordinated approach they are using is a quantum-leap improvement over traditional executive coaching.

A Radically Different Approach

In contrast to this strategic approach, traditional executive coaching is focused almost entirely on the personal needs of the individual being coached. Its goal is not to align everyone behind a common corporate strategy but to help individual executives improve their performance. In this often decentralized process, coaches are typically assigned on an individual basis without reference to overarching organizational priorities and without coordination with other coaches in the organization. Follow-up does not generally include measurement of progress toward corporate goals, and assessment of the broad organizational impact of a coaching program is often not feasible. By contrast, the broader scope of the best strategic coaching programs requires a greater degree of integration and

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coordination so that everyone — top management, targeted executives and coaches — knows the game plan and is committed to carrying it out. In such programs, companies clearly define such factors as the kind of culture they are trying to achieve and the competencies their senior executives need.

Strategic coaching systems also differ distinctly from other types of coaching programs. One significant distinction is in the program management and stakeholders — HR doesn't own it alone. For one thing, a successful program must win the commitment and participation of top management. C-level execs must be in on the programs from the start. For another, program managers are not simply administrators of a process — they are contributors to strategic discussions with top management, developers of process design and improvements, leaders of group discussions with coaches, communicators of strategy between top management and program participants, and evaluators of program success.

A second distinction is an emphasis on systemization and consistency — so that everyone in the process knows their role, their responsibilities, and what they can expect from the others involved. Engagement costs, number of meetings, and program goals are all outlined before the first engagement. Indeed, in the best programs, standardized processes and tools enable a much smoother and more manageable program than is typically the case in traditional coaching programs. For companies trying to administer a host of ad hoc coaching engagements — scattered across the organization and representing potentially significant financial exposure — a structured, strategic approach to program design brings not only greater leverage to coaching dollars but also a much-needed element of financial control.

Planning the Program

Companies that have successfully implemented strategic coaching programs provide a model for developing them. Once top management has committed to supporting the program, the first step in the process is to take the strategic plan and translate it into specific qualitative and quantitative objectives. Developing an understanding of the organization's major challenges, internal and external, as well as its vision, direction, and strategy, is critical when designing an effective program. It helps to determine who receives coaching, the time frame of the engagements, how the balance is struck between individual and organizational goals, the roles and responsibilities of stakeholders, and other design elements.

Once management has operationalized the plan at the individual level, the next step is to assess what it will take for each executive to implement

his or her part of the program successfully. Often taking the form of a strategic 360° feedback process, program management works to identify the areas of development that matter most to the organization. Based on this assessment, the program can be designed to target strategically critical competencies.

A major insurance company makes executive coaching one element in a finely-tuned leadership development program. The program includes:

- Identification and definition of strategic leadership competencies and behaviors
- Customized 360° assessment to evaluate executives on those competencies
- Executive coaching to improve individual performance and reinforce competencies
- Performance management process designed to ensure that executives understand their priorities, take responsibility for implementing them, and are rewarded on the basis of performance

What Makes a Successful Coaching Program?



The most effective coaching programs are:

- **Systematic** — following defined and agreed steps, milestones, and timeframes
- **Tailored** — adapting to the needs of both the organization and the coachee
- **Aligned** — linking to other enterprise talent programs and processes
- **Results-oriented** — focusing on individual objectives with business impact
- **Strategic** — helping reinforce business strategy and achieve organizational goals

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The company's leadership development program provides a strategic approach to identifying, motivating, developing, and rewarding the most promising people. The program also acts as a powerful tool for recruiting and retention by demonstrating the company's commitment to supporting and developing its executives.

If the company doesn't already have a team of coaches qualified to meet the needs of the targeted group of executives, it must source, screen and orient the coaches to the strategic coaching process. This is a crucial step. To ensure consistency across the program, the coaches must work under very specific ground rules that define their role, their goals and the way they handle and communicate information.

A global financial institution developed a cadre of 80 coaches to work worldwide with some 500 executives. Identifying the 80 coaches was a daunting task, requiring well over a hundred interviews. Sourcing is difficult, in part, because anyone can claim to be an executive coach and also because even coaches who are otherwise well qualified may not have the specific skills necessary to work with some executives. For example, the coach who's great with financial executives may be completely lost when it comes to dealing with marketing or information technology.

One way to simplify the sourcing of coaches is to work with reputable coaching firms, of which there are a number. Such organizations will already have carried out the initial qualification steps.

Once the coaching team has been established, the coaches have to be matched with the executives. If personalities, approach, experience, or style don't match, the coaching is not as likely to be successful. In some companies, each executive is given the names of three preselected coaches that meet his or her stated preferences, and the executive interviews them and picks one. Later, if for any reason the match doesn't work, the coach can be changed.

In addition to the matching process, the coach and executive must agree on the ground rules — how often they will meet, what the coaching engagement will involve, and how information will be handled. It's particularly important to set clear boundaries on what the coach can and cannot discuss with the CEO or the executive's boss. For the most part, these ground rules are established when the program is initially designed, but clear communication and agreement on them is key to a successful coaching relationship. Nothing damages the effectiveness of a coaching program more than the loss of credibility resulting from a perceived breach of trust.

How Do You Create a Strategic Coaching Program?

Key phases of creating a strategic coaching program are:

- 1. Planning:** Outline strategic business plan, break it down into action steps, and plan the coaching process.
- 2. Executive Selection:** Assess eligibility, orient executives to the program, and determine matching characteristics.
- 3. Coach Sourcing:** Identify internal or external coaches, assess qualifications, determine matching characteristics, orient to the program, and contract with the organization and the program.
- 4. Matching:** Match coaches to executives, conduct initial meetings, and determine acceptability of the matches.
- 5. Coaching Engagement:** Review assessment data, create development plans, monitor coaching sessions, and conduct periodic program meetings.
- 6. Evaluation:** Assess effectiveness, participant reactions, ROI, etc. of individual engagements and overall program. This data helps in developing the planning phase of the next program cycle.



This does not mean that the coaches cannot share any information among themselves and with senior management.

In a national media company, the primary coach works with the CEO and a number of his direct reports. The coach gets a lot of feedback from these direct reports that makes it easier to coach the CEO. Similarly the cadre of coaches, all of whom have signed confidentiality agreements, get together regularly to share information. This sharing of data is communicated explicitly to all program participants from the outset, and helps coaches identify areas where their clients need improvement, leveraging the cadre of coaches and greatly expediting the coaching process.

Coaches cannot typically reveal to top management or other executives the specifics of what their clients have told them. However, they can act as facilitators. For example, if an executive has good ideas but can't catch the boss's ear, the coach might suggest that the boss talk with that executive and see how he's doing. Furthermore, coaches in a strategic program can apprise the leadership of systemic problems within the organization without betraying confidences.

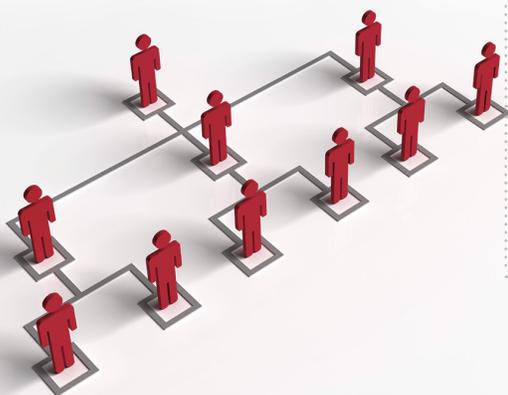
The Engagement Process

At the outset of the engagement, coaches must gather data about the men and women they are going to work with, such as 360° feedback surveys, behavior observation, and interviews with coworkers. With this personal data and the business strategy in the back of their minds, they are well prepared to help executives pinpoint development opportunities and establish timelines for achieving improvements. Generally the coach and the executive agree on just a few skills or challenges to work on and set time limits for achieving their goals. The agenda, for example, might call for improvements in setting vision, championing change (not just accepting it), allocating resources for change, and looking at the long rather than the short term.

In the typical program, coaching engagements last between six and twelve months — and in the case of strategic programs, collaboration between coaches, program management, and senior leadership throughout the process is often quite extensive.

The CEO of a global financial services firm meets regularly with the company's external coaches to discuss the organization's strategic plans. His rationale is that he can use the coaches to reinforce his strategic plans. In addition, the coaches can apprise him of obstacles to implementing these plans. Such obstacles might include such things as organizational problems or a lack of necessary skills or resources. Importantly, while this information is drawn from coaching sessions, it is aggregated and made anonymous; confidentiality agreements between executive and coach preclude coaches from communicating individual data.

This example underscores one of the key benefits of a strategic coaching program — the role of coaches as communication conduits. Program managers and senior leaders often tap coaches for information on major trends and patterns that they observe from their individual engagements, such as identification of systemic problems that are interfering with the successful implementation of the business strategy. Reported only at an aggregate level to ensure the confidentiality of individual engagements, this information is often difficult to obtain by other methods and proves immensely useful to top management. At the same time, strategic programs also use coaches to facilitate and reinforce the communication and implementation of strategic messages throughout the company. Coaches bring the message to the executives they coach with the expectation that the message will cascade down through the entire organization. They also want to ensure that the executives “walk the talk” of senior management.



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Measuring Results

The best programs are results oriented and make sure that both the coaches and the executives have deliverables” — concrete results they expect to achieve. By defining their deliverables, they provide a metric by which to eventually evaluate the success of the program.

A number of companies have gone beyond simply using deliverables as a metric and are measuring their program’s return on investment. For human resource departments, measuring ROI has been an elusive goal. This kind of quantification process is not generally found in HR departments. However, some HR departments are turning to their finance professionals for assistance in this area, recognizing that if Finance okays their system of ROI measures, they’ve probably got it right.

Regardless of how results are measured, a critical last-step in a strategic coaching process is an evaluation of the program — both at the individual engagement level and of the program as a whole. This means collecting feedback from everyone — participating executives, coaches, senior leadership, and program management. Important feedback information includes satisfaction with the program, engagements, lessons learned along the way, and suggestions for improving the next iteration.

The Business Case

The goal of strategic coaching is to increase individual performance in the context of a common business strategy. For a company launching a new division, it can align individual development objectives with the business context and competitive strategy of the new enterprise. Executives who may not have worked together in the past, or who may be unfamiliar with a new business model, will find that strategic coaching helps to prepare them for the unique challenges they face in the new environment and to ensure they are all moving in the same direction. For an organization rocked by sudden change, it can provide support and guidance to executives while helping to keep them grounded in the strategy, direction, and values of the company — and it can function as a vital communication link keeping top management’s finger on the pulse of its senior leadership while reinforcing messages from above. Done right, an executive coaching program should have a significant impact on the corporation, with measurable results — increased sales, higher productivity, less employee turnover — that add up to a very high return on investment.



About the Author

Ellen Kumata is Cambria's managing partner and the founder of Cambria's executive coaching practice. She has over 25 years of experience working with Fortune 500 companies to ensure their leadership strategy, governance, and organizational structure support their business strategies. Her engagements have spanned the strategic talent management field, with a specialty in working with the CEOs and senior leadership of complex global organizations. This work has included succession planning, executive and high-potential development, leadership team effectiveness, performance management, and selection. A recognized thought leader in the field of executive coaching, Ellen coaches board members, CEOs, C-level succession candidates, and other high-potential leaders. Her clients have spanned a wide range of industries, from financial services to manufacturing, from biotech startups to major federal agencies.

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Since 1985, Cambria has helped Fortune 500 companies, government agencies and non-profit organizations accelerate the development of individuals and teams. Extensive experience creating and applying best practices in all facets of talent management and development enables Cambria to rapidly implement innovative solutions tailored to each client's business objectives.

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