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Guidelines to Successful Coaching within Organisations

What are the drivers for employing coaching with organisations?

A number of factors have been at play in making coaching so popular in organisations today.

These include:

- **A rapidly evolving business environment:** The fast pace of business along with significant time pressures mean that dealing with change is becoming an everyday challenge. The ability to learn and adapt is becoming an essential skill. Targeted development interventions such as coaching have become popular in helping individuals adjust to major changes in the workplace.
- **The features of modern organisations:** Flatter organisational structures, broader management roles and lower job security have also been contributing factors to the growth of coaching. Organisational downsizing and the resulting flatter structures mean that newly promoted individuals often have to make large step-changes in skills, responsibilities and performance because of the higher and broader requirements of their new roles. Coaching can support these individuals in achieving these changes.
- **Lifelong learning:** The importance of learning throughout a person's life is increasingly being recognised. This has paralleled the growing need for organisations and individuals to change and keep changing in order to keep up with a fast-paced, turbulent world market. Coaching has the adaptability to support different learning styles and so may be able to support more employees than traditional training methods.
- **The need for targeted, individualised, just-in-time development:** The development needs of individuals can be diverse and in smaller organisations there are often too few individuals with specific development needs to warrant the design of a formal training programme. This often means that the traditional 'one size fits all' training programme that takes place every few months is inappropriate. Coaching offers a flexible, responsive approach to development, which can be delivered individually, and 'just-in-time' to address deficiencies in current performance or to strengthen under-developed skills.
- **The financial costs of the poor performance of senior managers/executives:** There is a growing acceptance of the costs associated with poorly performing senior managers/executives. Coaching provides organisations with an opportunity to undertake pre-emptive and proactive interventions to improve their performance (Greco 2001; Kilburg 1996).
- **Improving the decision-making of senior employees:** For senior level employees it can be 'lonely at the top' as they have few people they can confide in, develop ideas and discuss decisions. A coach can be used to provide a 'safe and objective haven' to discuss issues and give support (Masciarelli 1999). This can be valuable when the return on improvement in skill level and decision-making is considered.
- **Individual responsibility for development:** There is an increasing trend for individuals to take greater responsibility for their personal and professional development (see CIPD Report 2003). With the decline of 'jobs for life', employees can no longer rely on employers to provide them with all of their career development needs. If individuals are to take responsibility, they need support and advice. Coaching can help individuals identify development needs, plan development activities and support personal problem-solving.
- **Employee demand for different types of training:** The CIPD's Survey Report, *Who Learns at Work?*, showed that learning at work, as opposed to in the training room, is increasingly popular. Research has also frequently demonstrated that people are more motivated and learn

best when they see that the training is relevant to their job. Coaching, with its focus on work issues and improving job performance, fits in well with this.

- **Support for other learning and development activities:** Much money spent on training activities is wasted if the personal development momentum is allowed to dissipate after the event. Coaching is a valuable way of providing ongoing support for personal development plans.
- **A popular development mechanism:** People enjoy participating in coaching. It has many features that make it attractive to those taking part. Participants get direct one-to-one assistance and attention; it can fit in with their own timeframes and schedules; and there is the potential to see quick results if they are dedicated.

How is coaching currently being used?

The results of the 2004 CIPD training and development survey provide some answers to this question (Table below).

Objectives for organisations' coaching activities

Over three-quarters of respondents to the survey use coaching to improve individual performance, with the second and third most common reasons being related to the first – to tackle underperformance and to improve productivity.

Beyond these three reasons, coaching tends to be used for a variety of training and staffing reasons. Organisations seem to be using coaching to address significant business issues such as driving performance improvements and productivity.

	% of respondents reporting this item as a main objective
Improving individual performance	78
Dealing with underperformance	30
Improving productivity	28
Career planning/personal development	27
Growing future senior staff	26
Fostering a culture of learning and development	24
Motivating staff	21
Accelerating change in organisation	16
Demonstrating the organisation's commitment to staff	16
Improving staff retention	10
Reducing cost of sending staff to external courses	9
Helping staff to achieving better work-life balance	5
Satisfying demand for coaching from employees	2

There are some particular organisational situations where coaching may be particularly appropriate as a development intervention. Some examples of these are:

- **Talent shortages:** When organisations are suffering from significant skills shortages, money may be better spent developing the skills of current employees through interventions like coaching, rather than spending a great deal of money recruiting external candidates.
- **Small or fast-growing businesses:** People who initially set up small businesses don't necessarily have the skills to manage larger businesses and the growing number of people they need to employ. It's also unlikely that they can be away from work for extended periods of time for development activities. In this situation, coaching can offer targeted, timely development on identified issues/areas that can be fitted into the individual's busy schedule.
- **Belief that coaching can deliver long-term performance improvement:** Organisations should only invest in coaching when they think it will deliver significant and long-term

improvements in individuals' performance – i.e. that future performance will greatly exceed current performance, which can be translated into business benefits.

- **The organisation expects that behaviour can be changed in a short period of time:** Organisations should only invest in coaching if they think that the issues that need to be addressed can be achieved in a relatively short period of time.
- **During times of organisational change:** Periods of major organisational change can require significant shifts in the behaviour and attitudes of some employees in order to fit in with new structures or cultures. Coaching can help individuals make these necessary changes.
- **Changes in job role:** Coaching can help individuals who are moving to a new job that requires different skills and abilities. Coaching can be a valuable short-term intervention to help people adapt and cope with their role change.
- **Supporting expatriates:** Coaching can offer support for expatriates who have to adjust to a new culture and country. These people often have very specific requirements and they need immediate support as issues arise.
- **Developing the skills of 'valuable' technical experts:** Where certain employees have high levels of specific skills and experience (or critical relationships with contractors/suppliers etc), the organisation might have difficulty replacing its human capital. In this situation, it may be more appropriate to provide coaching to these managers to improve or develop some of their other skills (interpersonal/managerial) so that their careers can progress within the organisation.
- **Support for future leaders or senior executives:** Senior managers or executives being groomed for leadership roles may be hesitant to attend training courses, as they may feel that they should already have the skills, expertise etc. In this situation, coaching can be a suitable intervention as it is confidential, personal and 'safe' development option where the individual is using an objective, external person to help them with their development.

Creating a coaching climate

You will know you have a coaching climate when:

- Personal growth, team development and organisational learning are integrated and the links clearly understood
- People are able to engage in constructive and positive challenging
- People welcome feedback (even at the top) and actively seek it
- Coaching is seen as a responsibility of managers and their direct reports
- There is good understanding at all levels about what effective coaching can deliver
- Coaching is seen primarily as an opportunity rather than as a remedial intervention
- People are recognised and rewarded for their activity in sharing knowledge
- Time for reflection is valued
- There are effective mechanisms for identifying and addressing barriers to learning
- People look first inside the organisation for their next job
- There are strong role models of good coaching practice

So how does an organisation create a coaching climate?

- By ensuring that managers have at least the basic skills of coaching
- By equipping all employees with the skills to be coached effectively
- By providing an advanced coaching skills programme for senior managers and HR/Management Development staff
- By providing opportunities to review good coaching practice
- By recognising and rewarding managers who demonstrate good coaching behaviour and commitment to coaching

- By measuring and providing excellent feedback on the quality, relevance and accessibility of coaching
- By ensuring that top management provides strong, positive role models
- By identifying cultural and systems barriers to developmental behaviours

The business case for coaching

Is coaching worth the time and investment? Based on the results from the 2004 CIPD training and development survey, it would appear so.

Two-thirds of respondents to the survey reported that they felt their activities had been 'effective' (61%) or 'very effective' (6%) in meeting objectives. This is a positive response and is mirrored by the fact that 99% also felt that 'coaching can deliver tangible benefits both to individuals and organisations.'

Furthermore, 92% also agreed that 'when coaching is managed effectively it can have a positive impact on an organisation's bottom line.' This is a strong endorsement by the business community about the value and impact coaching can have in an organisational setting.

Understanding the People and Performance Link: Unlocking the black box (CIPD 2003)

The CIPD 2003 Research Report, *Understanding the People and Performance Link: Unlocking the black box*, may offer an understanding of how personal development activities such as coaching can impact on individual and organisational performance.

This research found that employees' job performance is a function of their ability, their motivation to engage with their work, and the opportunity to deploy their ideas, abilities and knowledge effectively.

Coaching contributes to this by offering an opportunity to improve the motivation and skills of employees, and enhance their performance. Coaching can deliver this by;

- developing employee skills in line with organisational objectives
- engaging employees' with their work, making them feel valued and fostering commitment to the organisation
- promoting self-responsibility and initiative, and facilitating adaptation to new challenges and change
- accommodating and supporting employees' obligations to their home lives so that they are productive and effective while they are at work.

By improving the performance of individuals, coaching should enable the organisation to achieve superior performance in terms of labour productivity, cost-effective investment in HR, quality, innovation and customer satisfaction.

Research that has investigated the views of the participants in coaching generally has very positive findings. For example, Hall et al (1999) reported that clients most frequently rated the overall effectiveness of their coaching experiences as 'very satisfactory'. A recent study by the International Coach Federation also found a wide range of benefits reported by individuals who take part in coaching. These included:

Increased self-awareness	68%
Better goal-setting	62%
More balanced life	61%
Lower stress levels	57%
Enhanced self-discovery	53%
Increased confidence	52%
Improved quality of life	43%
Enhanced communication skills	40%
Increased project completion	36%
Improved health or fitness level	34%

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Better relationship with co-workers	33%
Better family relationships	33%

Organisational and individual benefits of coaching

Benefits for the organisation

- Improve productivity, quality, customer service and shareholder value
- Can gain increased employee commitment and satisfaction, which can lead to improved retention
- Demonstrate to employees that an organisation is committed to developing its staff and helping them improve their skills
- Support employees who've been promoted to cope with new responsibilities
- Help employees to sort out personal issues that might otherwise affect performance at work
- Gain a satisfactory process for self-development
- Support other training and development initiatives e.g. reduce 'leakage' from training courses

Benefits for the individual

- Learn to solve own problems
- Improve managerial and interpersonal skills
- Have better relationships with colleagues
- Learn how to identify and act on development needs
- Have greater confidence
- Become more effective, assertive in dealing with people
- Have a positive impact on performance
- Have greater self-awareness and gain of new perspectives
- Acquire new skills and abilities
- Develop greater adaptability to change
- Improve work–life balance
- Reduce stress levels

Choosing an internal or external Coach?

Many organisations, particularly smaller ones, will simply not have the internal capability and it may be more cost-effective to hire an external coach, rather than train someone internally.

Organisations that are undertaking a considerable amount of coaching, however, may find it more cost-effective to build up their internal capability and only use external coaches in certain specific situations.

Apart from the impact of cost and resource issues, there are also some specific situations where either internal or external coaches may be preferable. Hall et al (1999) suggest the use of internal coaches when a quick intervention is needed and detailed knowledge of the corporate culture is critical. In contrast, external coaches may be more appropriate when there are highly sensitive or confidential issues to be addressed or when a coach with extensive and diverse experience is needed.

Here is a summary of the different reasons for using internal and external coaches.

Use of internal and external coaches

External coaches are preferable:

- For providing sensitive feedback to senior business leaders. For political reasons, this can be difficult for an internal coach
- For bringing specialised expertise from a wide variety of organisational and industry situations
- When individuals are concerned about 'conflict of interests' and whether confidentiality will be observed
- For providing a wider range of ideas and experience
- For being less likely to judge and being perceived as more objective.

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Internal coaches are preferable:

- When knowing the company culture, history and politics is critical
- When easy availability is desired
- For being able to build up a high level of personal trust over a period of time
- For keeping costs under control – and may be less expensive.

References & Sources: Chartered Institute of Personnel and Development; Coaching and buying coaching Services Report 2004