

# Coaching for Greater Business Impact and Strategic Value



## TALENT DEVELOPMENT

### HCI White Paper

By DBM & HCI

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## Executive Summary

Organizations face challenging strategic imperatives to increase growth and productivity in a post-recession economy, while continuing to hold the line on costs. What is at the heart of achieving these key business objectives? Capable leaders in mission-critical roles. Success is increasingly dependent on agile, effective and high performing leaders capable of driving enhanced performance in a fast-paced, highly competitive, dynamic environment. A strategic approach to developing leaders that includes coaching is a proven way to accelerate development and build key competencies that drive business objectives to get the best return on your talent development investment.

Peyton Daniel, Senior Managing Director of Talent Development and Coaching Practice Leader at DBM, points out that, "Executive coaching is a proven and widely used developmental tool employed to build leadership competencies needed to achieve critical business targets. However, we know from speaking with our customers that the approach to coaching is sometimes ad hoc with few established and enforced standards for determining when to coach, how to select a coach, what methodology to follow and how to ensure strategic value. This leaves organizations vulnerable to overspending, diminished results and, ultimately, missed opportunities to accelerate performance."

Today, companies are realizing just how important it is to bring a more strategic approach to Leadership Development programs that utilize executive coaching – an approach that includes an organizational and individual focus, and a consistent methodology. Daniel adds, "It's all about driving the fullest possible impact to the organization for the greatest value."

This paper will reveal:

- The differences between coaching for individual results and coaching for organizational impact
- Six critical steps to maximize coaching engagements for strategic value and benefit to the organization
- Methods for implementing a coaching process that achieves the desired results

### Coaching Challenges

For many organizations, the performance of mission-critical leaders often determines the success of the enterprise. Businesses are seeking to operate at peak levels of efficiency and do not have time and money to spare. Annette Wellinghoff, Principal, Global Leadership Development at CH2M Hill, acknowledges that CH2M Hill is no different. However, she has taken the necessary steps to weave coaching into the fabric of the organization. She states, "We see the coaching program as an opportunity to help our leaders target those specific skills in a really efficient way that gives them the ultimate flexibility and accelerated learning in their development process." Wellinghoff continues, "It is a key to our talent retention strategy, and it is ultimately the way that we achieve sustainable, high performance—by creating a coaching culture."

*"Everyone in the organization must approach coaching efforts in such a manner that there is uniformity in the approach, quality, defined expectations and success factors."*

Unfortunately, in many organizations, there is a lack of clarity and consensus regarding the benefit of executive coaching; ad hoc approaches are used, which lack methodology and are prone to overspending and nebulous impact. In these cases, decision-makers are unlikely to allocate stretched resources to coaching efforts.

The key piece to the coaching puzzle is a consistent approach that ties coaching objectives to both organizational and individual performance objectives. In other words, the organization must approach coaching initiatives in such a manner that there is a strategic focus, uniformity in expectations, delivery, and quality, as well as defined success factors, regardless of the coaching location. Coaching should be utilized as part of your overall Leadership Development strategy.

When you use a coaching model that identifies goals and measures results, you'll be able to build a solid business case for coaching that clearly demonstrates the value and impact on the organization's ability to achieve key strategic objectives. Without a business case that proves value, it will be difficult to get the support of the organization to make significant investments in coaching initiatives.

## Six Steps for Driving Impact and Value

Working with numerous organizations facing unique organizational challenges and needs, Daniel has identified best practices in coaching engagements that drive impact and value:

1. Start with an Assessment of Reality
2. Set the Foundation: Desired Results
3. Drive Due Diligence: Partner Selection
4. Develop an Implementation Plan
5. Sustain and Succeed
6. Impact: Results to the Business

### 1. An Assessment of Reality

The first step in creating a cohesive enterprise-wide coaching strategy is to comprehensively assess how coaching efforts are currently being deployed. Daniel points out that the assessment uncovers good and bad news. For example, coaching sometimes has a negative connotation because organization members view it as a remedial-type effort for under-performing employees. However, when coaching is used as a last-ditch effort to guide poor performing executives, in many cases it's money spent on employees who would be leaving the organization. A strategic approach positions coaching as an integral part of a talent management program, used to accelerate development of high-performing, high-potential leaders — investing in those people you want to keep.

Furthermore, some organizations struggle to ensure consistency among coaching techniques and the qualifications of the coaches makes it difficult to ensure that each executive receives the level of coaching necessary to achieve his or her goals. Consequently, it can be difficult to measure the return on investment.

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Daniel also notes that there is often an unclear connection between coaching and the success of an organization. It is important to ensure coaching engagements focus on leadership competencies and skills that support individual performance goals in alignment with achieving strategic business goals. Executives and other key stakeholders must be able to assess coaching spend against tangible benefits linked to organizational goals.

In Wellinghoff's assessment, she uncovered that CH2M Hill was making a large investment in coaching, using multiple external coaches. This made it difficult

to pinpoint a single organizational approach or methodology to coaching that was most effective. With this in mind, Wellinghoff decided to focus on ROI as a means to articulate the business need for coaching. “We felt it was key that, if we were going to drive sustainability, we needed to be able to articulate the ROI, and for us that’s where we focused in our assessment. Who’s in the game? Who’s using the services? Why are the services being used?” What she uncovered was a difficulty to orient external coaching partners to the strategy of the organization. Thus, “The answer was to engage in a delivery partner approach.”

## 2. *Set the Foundation: Desired Results*

Once the current state of coaching within an organization has been assessed, the next step is to set the foundation for the coaching efforts to achieve the desired business results. To do so, the approach must be fully aligned with the organization’s leadership development strategy and philosophy. According to Daniel, “Sometimes it is about developing and articulating that philosophy.”

To create alignment Daniel suggests that organizations develop a coaching philosophy and framework to clearly define what leadership development is and is not. Daniel added, “The statement should position professional development as a tool for attracting, retaining and rewarding future leaders, while reinforcing the organization’s intent to leverage and grow existing leadership competencies and talent potential.”

Wellinghoff adds that while organizations are setting this foundation for desired results, it is critical to ensure that coaching efforts are transparent from beginning to end. She explains, “At CH2M Hill, some of our executives were already invested in their existing coaches, so it was important for them to know that we didn’t have a hidden agenda.” Beyond that, Wellinghoff states, “With 25,000 employees across the globe, to achieve this, we need to involve stakeholders in the coaching process as early as possible—from developing the framework to choosing delivery partners to monitoring coaching progress.” For this reason, Wellinghoff provides managing executives and other stakeholders with data, such as quarterly scorecards, to demonstrate that coaching engagements are on track and working. Access to data is paramount to transparency in coaching engagements.

*“We’re looking for commitment rather than just compliance.”*

## 3. *Drive Due Diligence: Partner Selection*

When partnering with external coaches, a well-defined process is necessary to achieve optimal results. This process involves defining partner selection criteria, identifying potential partners, involving stakeholders, and driving the process.

Daniel points out that, "There is always a temptation to take shortcuts in the partner selection process; however, taking these shortcuts can be detrimental to the coaching strategy and overall success."

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In fact, Wellinghoff suggests that organizations should "go slow to go fast." She explains, "We took the time to bring together procurement and other stakeholders and ensure that they truly understood the purpose for coaching and the critical success factors. We clearly articulated the roles and responsibilities of development team members, stakeholders, procurement representatives, delivery partners, and others involved in the process. I might have been 80 percent ready to move forward within a week, but we had to take time to be sure all the stakeholders were ready as well."

When initiating the RFP process, Wellinghoff's team took into account external partners that they felt would provide excellent service and quality. They also kept in mind strong existing coaches. The needs of other decision-makers must also be taken into account. She further elaborates, "Skipping any one of these steps or not giving due consideration to allow the process to be transparent would have been a big mistake, because we wouldn't have gotten the commitment we needed from everyone for it to be successful."

#### 4. *Develop an Implementation Plan*

Once partnerships have been selected, it is time to implement the coaching initiative. This involves:

- Articulating ground rules for requesting coaching services
- Devising criteria for those receiving coaching
- Obtaining support and commitment from higher levels
- Identifying a champion for the initiative

Some organizations may choose to set explicit criteria for coaching eligibility. For example, some may elect to focus on high-performing, high-potential executives, while others may elect to focus only on leaders who are vice president level or higher.

Next, the goals of the coaching program were identified. While each organization will have unique goals, we've identified four common development goals:

- Executive leadership capabilities within the existing role,
- Executive leadership capabilities for organization succession planning and preparedness,

- Executive presence or brand awareness, and
- Executive commitment and engagement.

By using a process-oriented framework, organizations are able to get the necessary support and commitment from senior management.

### 5. *Sustain and Succeed*

Once the coaching process is in place, the obvious goal is to make sure it is not only successful but also sustainable and replicable. First, regularly inspect quality and results. This can be accomplished by soliciting feedback from those involved in the coaching process and by checking in with executive sponsors on progress and chemistry between the coach and coachee.

If multiple coaching engagements are taking place, search for trends and common developments, as well as challenges to the business, in the collected data. According to Daniel, by examining various coaching assignments, it is possible to assess what is happening within an organization in an aggregate way without violating the confidentiality of individual coachees. "In other words, external coaches can give you a fresh eye's view of your organization," Daniel said.

Once this data has been collected, distribute it so that executives and other stakeholders of the organization can see the effectiveness of coaching. Wellinghoff notes that there is, "an importance to helping leaders connect those dots and then extrapolate the incredible power that the organization can gain from having that capacity to develop." For this reason, Wellinghoff and her team provided coach biographies and other information about the coaching process to employees, as well as orientation sessions for HR delivery partners. Furthermore, they made data readily available using collaboration software and blogs from coachees sharing insights on their experiences. This transparency of process and data was integral to the continued success and growth of the program.

Daniel believes, "Executive coaching is really about trying to help shape the culture, and it's a culture-changing program." He continues, "Companies should start with the vision, mission, and values of the organization before deciding the next steps." To achieve success and sustainability, organizations need to link the coaching goals to executive competencies, leadership philosophy, and succession planning management. A best practice approach involves populating high-performers on succession charts to leverage coaching opportunities as a way to develop solid leadership skills as these high-performers enter new roles with new responsibilities. Using this framework, Daniel points out that this strategy not only supports the success and sustainability of the coaching program, it also creates a pipeline of talent.

The bottom line is a five-fold strategy:

1. Inspect for quality and results
2. Test for organizational trends and issues
3. Expand with care
4. Share success
5. Tie into the leadership fabric

#### 6. *Impact: Results to the Business*

By taking a thoughtful and integrated approach to coaching, organizations are able to realize greater effectiveness and efficiency in the coaching process throughout the organization. Coaching can also demonstrate greater impact on the financial and business goals enterprise-wide. As a result of using coaching

*“To create the greatest impact, employ consistency and alignment of executive coaching goals with the goals of the business.”*

partners that understand the process and take ownership, HR has more time for strategic initiatives. Plus, this integrated approach to coaching creates focused, positive, and consistent development that rewards executives rather than punishing them. As Daniel points out, “It’s about making your best better.” Data distributed throughout the organization, especially to stakeholders, demonstrates this impact and paves the way for continued success and potential growth.

## Conclusion

Companies that develop high performing leaders as part of an integrated talent management strategy designed to create a strong and capable workforce will be better positioned to meet current and future business needs. Coaching is a well-established leadership development tool that enables organizations to accelerate learning, build the right leadership competencies and skills needed to fill mission critical roles and achieve results today, and create a pipeline of leaders prepared to step into new roles tomorrow. However, to create the greatest impact, take care to ensure alignment of coaching goals with the goals of the business, engage stakeholders, employ consistency in delivery, and identify and track success metrics. Finally, choose the best partner to help achieve these results—a partner who understands your organization’s culture, will honor the goals of the coaching engagement and can deliver it consistently for continued success and sustainability.

## Contributors

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Peyton is responsible for leading DBM's Coaching practice in North America, partnering with organizations to identify key business challenges and explore ways that DBM can support senior executives in achieving superior business performance. Peyton holds a bachelor's degree in Communications from Stanford University.

### Annette Wellinghoff

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CH2M Hill

Annette Wellinghoff is a dedicated HR professional with a passion for designing and implementing strategic plans that add value, focus on efficiency, value cultural diversity and education, while supporting organizational mission and vision. She has more than 20 years of corporate business experience including leadership positions as Director of Worldwide Training and Burger King University for Burger King Corp., Director of Shipboard HR Learning and Development for Royal Caribbean Cruises Ltd., Executive Director of Coaches@Work, and Vice President of Human Resources for Oasis Outsourcing. Annette holds certifications from HRCI, Hogan Assessment, Lominger Leadership Architect, Coach U Advance Coach, Emotional Intelligence Associate Practitioner, Achieve Global's Master Certified Trainer, and as a Situation Management Systems Trainer.



## About DBM

DBM ([www.dbm.com](http://www.dbm.com)) is a leading global outplacement and talent development firm. For over 40 years, DBM has been helping organizations and individuals deal with the events and challenges of transition. With unparalleled industry experience and leadership, DBM provides career transition and talent development solutions to the individual and the organization — ensuring successful transitions and tangible improvements to business performance. DBM has 200 locations around the globe serving 85 countries and has partnered with 70 percent of the Fortune 500 and 80 percent of the Global 500 companies.



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