

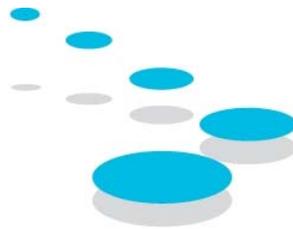


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*Business Results & Personal Development for CEOs & Executives*

# **CEO Skills: The CEO as Coach**



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## **The CEO as Coach**

### **What Is Coaching?**

The concept of coaching is gaining popularity across the board. Yet, many CEOs and executives have misguided notions about what it means to act as a coach to their direct reports and other staff members. According to Vistage expert resource Bob Niederman, coaching is a very specialized role, separate and apart from that of leader/manager.

"A manager makes decisions on employment, pay, process and performance kinds of issues," he explains. "By nature it is a hierarchical position with power and authority over those below. In contrast, a coach assumes a position of equality with the person being coached. A coach helps the employee improve his or her performance and develop the steps that lead to the desired future."

Managers can play both roles, but they need to make it very clear which hat they are wearing at any given point in time. Lack of clarity with respect to the two roles can create confusion, uncertainty and lack of trust. Employees need to know when a request comes from the manager and when it comes from the coach because those are two very different situations.

Vistage speaker [Agnes Mura](#) defines coaching as "a just-in-time alliance designed to generate both results and learning." That's a powerful combination that generates great value for the organization, both in terms of short term results (a problem solved) and long-term learning (transferable to future challenges). It benefits both the company and the individual, demonstrating their interdependence. Work challenges become perceived as growth opportunities when a mentor helps us think them through. The habit of life-long learning becomes ingrained and helps people become more effective and feel more fulfilled.

Coaching, whether brief or formally planned, is a developmental process that focuses on the coachee's interests and goals. It involves stepping over to their side and asking, "What changes do *you* want to make, who/how would you like to be so that you can accomplish your goals, and what resources do you need?"

“Coaching raises people’s awareness of their own patterns of thought and action and also encourages them to try new behaviors, new ways of learning and new ways of relating,” Mura says. “It nurtures a sense of responsibility and enhances problem-solving skills. When done well, coaching fosters goal setting and builds implementation skills, as well as more effective work habits. Ultimately, the person receiving the coaching internalizes the new behavior so they can continue to grow and develop on an ongoing basis... and ultimately self-coach.”

## **Benefits of Coaching**

Coaching offers numerous benefits, including:

- **Improved retention.** In the face of the current talent wars, CEOs can no longer discard good performers just because they don’t perfectly fit the culture or they have a bad quarter. Coaching provides a powerful tool for developing and retaining people. It also helps in the hiring process because it allows you to benchmark certain behaviors and performance standards. In the long run, coaching is far more cost-effective than churning employees.
- **Better performance accountability.** Coaching allows you to hold direct reports and others accountable rather than avoiding issues.

In today’s organizations, too many CEOs and top executives tolerate mediocre and/or inadequate performance or behavior. In their role as coach, managers can address those issues in a humane, effective and productive manner, rather than letting them fester for long periods of time and watching overall morale suffer. Until they address performance issues through coaching, most managers feel uncomfortable about making job change or termination decisions – and so they should.

- **Succession planning.** Part of your job as CEO involves recognizing and developing your successor, and role modeling that responsibility for your direct reports. Coaching allows you and your direct reports to stay current with your firm’s people, know their strengths and weaknesses as well as aspirations and -- when appropriate -- work with them toward a career and succession plan.

- **Truth-telling.** Many organizations waste a lot of energy hiding the truth and engaging in destructive political behaviors. Coaching provides a method of surfacing the truth in a non-threatening and constructive way.
- **Reinforced culture.** Coaching establishes a culture of constructive, multi-directional feedback, personal development and accountability. When coaching becomes the currency of the realm, so to speak -- with direct reports, among peers and even upward -- it sends the message that it's ok to help and ask for help, to give and receive feedback, to change and grow.
- **Reduced employee conflict.** Gender, cultural and generational clashes can become virulent in many organizations. Coaching across gender, culture and generational gaps yields far better results than trying to segregate people or hire a homogeneous culture that creates a climate that does not match today's market realities.

Niederman echoes these benefits, especially in regard to the retention issue. "Today's employees want more than just prestige and a paycheck," he says. "They want to make a contribution, magnify and improve their performance and build a future for themselves. Research indicates that people tend to leave companies when these three variables aren't present. Coaching addresses all three in a very positive manner."

Without coaching training, most CEOs tend to think in short-term, win-lose terms. They often fail to see how the development of their direct reports results in long-term benefits for the executive and the company. They tend to close down conversations that have the potential to create real transformation. When these opportunities don't present themselves, valued employees leave companies. On the other hand, a CEO with great coaching skills can help direct reports develop and apply their gifts so that the employee and the company wins.

Coaching also benefits the coach (as well as the person being coached) in three specific areas:

- **Purpose.** Many CEOs do not have a clear notion of why they are in business or what they want to get out of it. The process of coaching often helps them discover their true calling.

- **Personal standards.** Coaching enables CEOs to determine a higher standard of performance for themselves. They can then coach others to that standard.
- **Life balance.** Most people today have difficulty balancing family, work, creative activity and leisure time. The CEO coach can serve as a role model for employees by modeling the skill of making good personal choices.

### **Organizational Outcomes of Coaching**

Coaching leads to many positive outcomes at the individual and organizational levels. For individual employees, coaching:

- Leads to breakthroughs on issues that create ongoing bottlenecks to improved performance.
- Brings performance to its highest capacity. (In some cases, the performance may still not meet the organization's needs, but it empowers the individual to reach his or her full potential so that the company and the person can make informed choices.)
- Helps employees understand the intersection between themselves and their jobs. They get an answer to the question of whether they really fit the job and vice versa. In essence, coaching provides self-driven career education.
- Creates enormous gains in emotional intelligence and effectiveness in people's entire interpersonal domain, both professionally and privately.

At the organizational level:

- Problems are no longer tolerated, covered up and allowed to snowball.
- The level of trust and motivation rises (when coaching is done routinely and/or on a large scale).
- People get better at telling the truth and become more creative.
- Coaching removes barriers to people's performance. People either discover that they don't belong in your company or their

performance (both technically and interpersonally) dramatically improves.

When CEOs learn the fundamentals of coaching, they can role model, which moves the management team to a much higher level of performance. The team learns how to discuss the issues that never get addressed. Team members become more confident that they can handle even their biggest challenges. Creativity and problem-solving skills increase. Group coaching and peer coaching can keep the momentum going.

### **Introducing Coaching to Your Workforce**

These uplifting outcomes don't magically occur just because you decide to start coaching your key players. According to Mura, three conditions must exist before any company can realize the benefits of coaching.

- **Coaching must first be introduced as a developmental, not as a deficit or fix-it, tool.** If you start out by coaching problem people first, your high performers won't necessarily feel like sharing in the coaching process, and those who have an Achilles' heel or blind spot will feel defensive. Instead, begin by selecting a very successful senior manager and position coaching as a powerful developmental privilege. And they deserve it most too, because they will exponentially improve their productivity.

"Most people see coaching as a remedial or punitive tool," notes Mura. "If you start out by working with low performers, you will only reinforce that notion. Instead, position it as a corporate investment in the individual. Treat coaching as a developmental perk and privilege. Start with developmental coaching and make it a part of your culture. After you've had success in this area, introduce it to people who might need it for remedial purposes, too."

Niederman agrees. "Coaching isn't just about getting people aligned with your agenda, it's about you getting on *their* agenda. It involves identifying what your employees truly value and helping them get it for themselves. Coaching empowers people to use more of their internal resources and realize that once they get their creative juices flowing, they can accomplish a lot more than they thought."

- **Confidentiality must be respected in all coaching situations.** Coaching must occur in a safe environment. If employees feel threatened, they will reject the coaching outright. In situations where confidentiality can't be maintained or where trust is insufficient, you may have to go outside the organization to provide the coaching.
- **Coaching must be voluntary.** You can't force coaching down people's throats. Instead, it should be a choice and a privilege that goes hand in hand with the management development plan. If not, people will consider it a token process and it won't work. This doesn't mean people have to volunteer before you can coach them, but their agreement and commitment has to be secured first.

In the case of formal coaching assignments, offer the individual a non-binding conversation with a couple of potential (internal or external) coaches to choose from and let the employee determine if they might benefit from working with a particular person and this methodology.

The ideal place to introduce coaching to your organization? At the top, say the experts, meaning the coaching process should start with *you*.

Every CEO should have at least one coach, if not several," proclaims Mura. All athletes, especially the most elite performers, have coaches. Tiger Woods has several coaches. To try to do what a CEO needs to do without an objective, outside truth teller who has no agenda and no axe to grind is a high-wire act. No high-performance athlete would dream of attempting to go it alone. Vistage chairs are a great resource in this way, if properly utilized.

Start out by walking the talk. Get at least one coach (more if you want to work on several areas at the same time) and engage yourself in the process. Once you feel comfortable being coached, get training and become a coach yourself and roll that skill training and privilege out to your senior managers.

Once they see the benefits, your managers will be inspired to coach the people underneath them and the whole organization will reap the rewards. Keep in mind, however, that coaching requires a high-level skill set and methodology. Never put people into positions of coaching without giving them proper training.

If you have any questions about this article or you would like information on Vistage International, the world's largest CEO organization, contact Clay Garner. Clay is the president of Growth Resources, Inc. and chairs several Vistage groups in the Chicagoland area. He can be reached at 847-208-8709 or [cgarner@growthresource.com](mailto:cgarner@growthresource.com).