

The Case for Pro-Active Coaching™ in Business organizations – an Underused Source for Competitive Advantage

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Introduction

The purpose of this article is to discuss *Pro-Active Coaching™* as an integrated part of creating competitive advantage, an approach that is rarely seen in organizations today. This article advocates that coaching is underused by most organizations – and in some situations it might even be misused.

The concept of *Pro-Active Coaching™* is introduced and briefly explained. We start by sharing our experiences from the last 10 years of Executive coaching, and how they relate to more than 25 years of our general experiences in development of organizations and executive managers. As a result of this comparison, we come to several conclusions.

Our main conclusion is that coaching is a surprisingly underused activity, given its potential to increase organizational performance and deliver clear bottom line results. We believe that especially *Pro-Active Coaching™* has a role to play here. Another important conclusion is that coaching is a complementary – not an alternative – activity compared with more general development activities for Executive managers.

Our first experience of coaching outcomes

My colleagues and I have been working as Executive Coaches for Business managers for more than 10 years. In the beginning we made the observation that in many of the cases when we were engaged in coaching an Executive Manager (hereafter referred to as an Executive); the process was initiated by someone who had identified a gap in the Executive's repertoire to effectively handle a situation at hand. It was a **reactive** response to an identified flaw or lack of capability. In the majority of the other cases, coaching was the base for enhanced effectiveness and identification of development opportunities - through different kinds of feedback – with the aim of increasing awareness of own interaction style with other people, and the consequent impact on them.

Only in a minority of the coaching cases was the reason for coaching to **actively** look for opportunities to gain some benefits from supporting an Executive in their general role, or to handle some specific challenge more effectively. Several of these cases were transition situations when an

Pro-Active Coaching™ [1] is a coaching process characterized by a traditional coaching approach combined with extensive structural support to the client when it comes to assess the challenge at hand and define the action steps and the execution activities that at the end of the day will assure organisational and Executive success. If coaching would be defined as a kind of development support between counselling and mentoring, *Pro-Active Coaching™* will best be described as genuine traditional coaching with a flavour of consulting elements included (by providing the client with a toolbox that assures a systematic and structured assessment, decision making and execution process of the task at hand).

Executive took on a new role of responsibilities, and it was perceived that there was a lack of experience in some identified key area for success.

In our experience, transition coaching has in general been very valuable for the client and has strongly contributed to the client's ability to quickly come up to speed in their new role, gain comfort with the job and effectively start delivering expected results. Also, coaching focused on development opportunities has delivered immediate valuable outcomes for most clients by supporting them in becoming more effective in their current and future roles.

Unfortunately, when the case was to fix a flaw, our experience was not that positive. In many cases, the support from the coach arrived too late, or the flaw was too severe to be addressed in the time available for the client. The Executive might have benefited in the long term from the activity, but the ambition to secure success in the current role was not achieved. These cases tended to end with a forced change of role for the Executive and sometimes even with a forced exit from the organization. Happily enough, there were exceptions as well. Sometimes, when a boss or HR specialist identified a need and arranged for support at an early stage, the coaching activity managed to secure success also in the current assignment – but again, in our view this happens too seldom.

In our work with large international organizations, we have noticed marked differences between different countries as well as between different organizations, to the extent and in which situations coaching is used. Others have made the same observation (West and Milan, 2001). However our conclusion after having coached around 1.000 Executives the last 10 years is that in general coaching still is surprisingly underused and sometimes even misused. It is the underuse of coaching that concerns us most and will be the issue addressed later in this article.

But first, let us make a short comment regarding our experience on the misuse of coaching. Are there situations when coaching can be labelled a misuse and if so what's behind that? We have mainly experienced two types of such situations.

The first case is when coaching is initiated by someone who works with an Executive and perceives – for any reason – a “need” for development, but is not capable of having an open and honest dialogue with the Executive about the true nature of the “need” they see. This means that the involved parties are sure to have different expectations of outcomes from the activity – which naturally is a recipe for failure. In general it turns out that lack of candidness is the driver behind this misuse. With a candid, open and honest dialogue, they could have built a shared common understanding of the situation at hand – and discussed the possible benefits of coaching (as well as alternative means available). This kind of misuse can be minimized, but maybe not completely avoided, through coaches who follow best industry practices in contracting.

The second case is when the organization itself does not do the job it should regarding performance management. This concerns mainly those cases when a flaw is identified and the formal system of management and leadership has not acted on it. In many cases it turns out to be an interpersonal challenge or a perceived attitude issue. The client is not performing or behaving according to organizational expectations – and has not for a while! When it has gone too far for the organization to be able to still accept it, finally someone, usually a HR or line manager, decides to take action by calling in a coach as a last resort.

In our view, this kind of misuse emanates often from a lack of a systematic performance management process in the organization. Again, this kind of misuse can be minimized, but maybe not completely avoided, through coaches who follow best industry practices in contracting.

Underuse of coaching

To understand our view on the underuse of coaching, a brief background is needed. We have approximately 25 years of experience of development of managers and leaders in large international companies, such as ABB, Atlas Copco, Bayer Schering, Cap Gemini, Ericsson, Stora Enso and Volvo etc. These companies, as well as most other companies we have worked with, use one-to-one coaching as well as internal tailor-made longer management and leadership development programs as means to develop their Executives. These development programs are usually 3 - 5 weeks long where Executives learn and develop together with colleagues in larger groups.

Most large international companies have formal processes to identify different target groups of Executives and together with us, or other partners, arrange specific development programs that address perceived needs. This is often done in a structured and systematic way. The starting point in designing the relevant activity is the organizational development need – not the need of an individual Executive. The full cadre of Executives within a specified target group goes through the same, or similar, development process. All of the companies we have worked with have seen significant results – even though it might be difficult to scientifically measure – in terms of improved organizational effectiveness and ultimately a bottom line increase as a result from these development programs.

When it comes to coaching as a development activity, we have noticed that the use in many companies is more rare and ad hoc, lacking a structured and systematic approach. This same observation has been made by others as well (Clutterbuck and Thiel, 2009).

Specific outcomes from development programs, such as alignment in the organization when it comes to strategies, views and perspectives, the creation of a common language, individual Executives gaining understanding of the whole system, the creation of internal networks etc, cannot effectively be reached through individual one-to-one coaching. Here the traditional internal tailor-made development programs will always have an important role to play. Therefore, one-to-one coaching will never replace development programs. It is not an alternative means of development of the organization or an individual Executive – but it can and should be a complementary means. This is because we believe there is a huge potential to further improve organizational performance by more systematically providing individual Executives with coaching. A similar, structured and systematic approach that is used when it comes to development programs could be used for coaching.

Executives in some situations – facing certain challenges – could systematically be supported with specific one-to-one coaching, and thereby deliver expected organizational results faster and at less cost. Examples of such challenging situations that we have identified are: when an Executive is entering in to a new role or responsibility (a transition); taking responsibility to drive a change initiative; and when forming a new management team. The common theme in these situations is that

most Executives are facing a need to learn something new. It is – in our view – in every such case a valuable investment to pro-actively provide the Executive with **specific** coaching support.

We believe that the most efficient pro-active coaching is provided when a traditional coaching approach is combined with a structured approach designed to address the specific case of challenge at hand. This implies a combination of providing opportunities for increased awareness, to stretch and challenge the Executive's thinking, giving unconditional support, **and at the same time providing clear structure (and even some direction) for how to approach the specific challenges at hand.**

Hidden costs in an organization

The argument for pro-actively providing Executives facing challenging situations with coaching is the enormous hidden costs that exist in these cases. By being hidden, it is implied that these costs are not easy to measure and sometimes even difficult to realize that they exist. But they are always there. We are here referring to costs which occur when an Executive facing new challenges is not able to quickly perform at full potential.

There is a need for recognizing that a new challenge requires a learning process. When the Executive assesses the new challenge there is a need to clarify what success will look like, develop an execution plan, mobilize resources, build commitment, begin execution and finally start delivering results. Without a structured and systematic management of this learning process, organizational results will take much longer to achieve, and may not even be achieved at all. **Lack of realization of full potential and / or late realization implies hidden costs for the organization.**

To illustrate the case we will use the example of an Executive who takes responsibility for driving a change initiative. It is a well established fact that most change initiatives are not delivering the expected results or not delivering them according to the planned timeframe. Some studies indicate that as many as 70% of change initiatives are perceived as failures in this sense. There can be many potential reasons for failures in change initiatives. Among others, Prof. Kotter has identified the most common ones (Kotter, 1996). To summarize what we know about the reasons for failure – many change initiatives lack some necessary components for success or some components are not carried out sufficiently enough or too late.

Why is it so? We think the answer is quite straight forward. Very few Executives, or other Change Agents, drive change initiatives as a full time profession. This is just one thing they have to do in parallel with doing the job they have. Therefore, their experience of how to do it successfully is limited and incomplete. More so, very few Executives have had the chance to drive the same type of change initiatives several times and through that build up their own learning by experience. They face a steep learning curve when taking on this assignment. In some cases they manage – but it takes them a long time. In most cases though, the time runs out and the initiative fails or partially fails. We have to acknowledge that there are also cases when the negative outcome of a change initiative is not a fault of how the change process was managed – but can be attributed to other “external circumstances”. Still, in other cases, a modification of the process or the way in which the initiative is managed will lead to a more successful result.

Why Pro-Active Coaching™ should be the norm in every organization

An important conclusion is: Due to the steep learning curve for an Executive facing a challenging situation (such as taking on a change initiative), there will be enormous hidden costs for the organization. These costs are driven by how fast and to what extent the Executive manages to learn, or not. Pro-actively supporting the Executive with structured coaching when facing these learning needs will speed up their ability to deliver expected results as well as enable them to deliver results at a higher level. The investment in coaching will in most cases be marginal compared with the resulting hidden cost savings. ***Pro-Active Coaching™ will increase competitiveness of the organization by allowing it to operate at a lower cost level compared with competition, as well as increasing the capability to achieve results in a shorter time.***

Executives need and deserve the utmost support from the organization. *Pro-Active Coaching™* provides this and allows every Executive to contribute to their full potential. Those organizations that manage, in a structured way, to implement this type of fast learning capability will get the most out of their Executives in the shortest possible time. At the end of the day, we believe this will definitely translate into a competitive advantage in the market place.

Conclusion

In this article we have referred to our general experience of how coaching is used within large international organizations. Most of the companies we have worked with have lacked a systematic and structured approach to ***assure delivery*** of expected organizational results by supporting their Executives with specific individual one-to-one coaching.

An organization that takes the systematic approach to pro-actively support their Executives facing challenging situations with structured individual coaching, will become a more effective organization capable of delivering more results at a lower cost than other organizations. ***Pro-actively providing individual coaching will be a competitive advantage for such an organization and will contribute to differentiate the winning organizations from the rest.***

Clutterbuck D. and Thiel M. 2009. *The use of internal resources for coaching and mentoring in European companies*. Brussels: EFMD/EMCC Coaching and Mentoring Survey Results 2009.

Kotter, J.P. 1996. *Leading Change*. Boston: Harvard Business School Press.

West L. & Milan M. 2001. *The Reflecting Glass: Professional Coaching for Leadership Development*. London and New York: Palgrave Mcmillan.

[1] *Pro-Active Coaching™* is a registered concept.