



Why Executive Coaching

By Matthew Angello, Founder and Principal, Bright Tree Consulting Group LLC

Just Another Development Gimmick?

In a 2004 article entitled "The Wild West of Executive Coaching," the Harvard Business Review estimated that executive coaching in the United States was a 1 billion dollar business (that's billion, with a "B"). No doubt its popularity and utilization has grown dramatically in the three plus years since the article was published. Why has executive coaching expanded so rapidly in recent years? After all, isn't it just the latest in a long string of leadership development gimmicks to come down the pike? The answer is a resounding no.

In 2006, Executive Development Associates, a leader in creating custom-designed executive development strategies, conducted a survey of 100 top companies around the world to determine the strategies they used to develop their leaders. Over half (56%) indicated that they used external coaches, the fifth highest response. In a follow-up to the survey in 2007, 51% of the respondents reported that external coaching had increased in importance and usage in the 12 months since the initial survey. Clearly, momentum continues to build in the use of executive coaching. So what is at the root of this phenomenon?

The Real Issues Driving Executive Coaching Growth.

My own research and experience leads me to four primary drivers of this growth:

1. Manager spans of control
2. A crisis of "busyness" in business
3. The "safe harbor" of an external resource
4. Continued succession gaps

Let's take a closer look at each of these drivers:

Spans of control: Flatter, leaner organizations have been the norm for the last several years in a quest to draw leaders closer to their customers and to keep costs in check. It is not uncommon for managers to have 10 to 15 direct reports, putting a squeeze on the available time to coach and mentor their reports. They simply can not invest in development like the previous generation of leaders.

Busyness: There is a crisis of busyness that is engulfing companies and their leaders right along with them. The internet, cell phone and hand held e-mail devices all conspire to keep managers "in touch and on-call" 24 hours a day, all in the name of productivity. There is an unending stream of information, inquiries, FYI's, customer issues, reports, recommendations, updates, market intelligence, conference calls, and on and on. This steady stream of information, coupled with the "always available" status of managers creates what I call "organizationally-induced ADD." There is simply not enough time to do all that needs done, and all too often developing others is the first thing to go.

"Safe harbor" resources: Consolidation and right sizing in so many companies is creating fewer opportunities and unprecedented levels of competition. This increased competition demands better prepared and developed executives and a higher level of "at-stakeness" associated with each opportunity. In this type of an environment, external coaching provides a safe harbor for coached candidates to be forthcoming, candid and "real" inside the security of a completely confidential relationship with a third party. Often times, the individual may be blind to

their developmental needs or simply unwilling to deal with them. An effective, candid and confidential coaching relationship is just the tonic needed to deal with these issues. Companies have come to appreciate the power of this safe harbor relationship as an essential ingredient in effective coaching, and most honor the confidentiality.

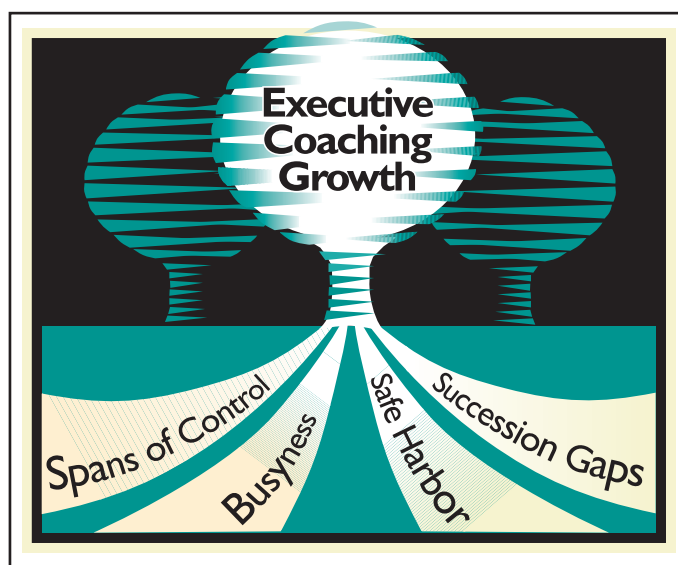
Succession gaps: The final and arguably most important driver of external executive coaching growth is the continued and persistent gaps in succession at most organizations. Pick up any business publication and you do not have to look hard to find an article lamenting the lack of CEO and other senior manager bench strength. According to a 2003 Harvard Business Review article, lack of CEO succession planning “is among the top reasons for corporate governance failure.”

Executives Under Duress.

It's not just Boards who feel the pain. A recent Hay Group survey of 247 senior executives paints a picture of executives under stress:

- Nearly half of those surveyed didn't feel adequately prepared for their new jobs
- 47% were afraid to try new approaches in their new jobs
- Over half indicated that they were disappointed in their new jobs
- 29% regretted the move to their new jobs

As a whole, the increased span of control of today's leaders, the crisis of busyness, high levels of competitive “at-stakeness,” and continued gaps in succession, when coupled with the “safe harbor” of external coaching has created a platform for the explosive growth discussed earlier. Further, in another study by Executive Development Associates, it was discovered that external coaching has reached to the highest levels of organizations, with 43% of CEOs and 71% of senior executives having worked with a coach.



Coaching Considerations.

So the key question is not whether coaching is an effective tool for executive development, but rather how to best utilize it. To help with this analysis, I recommend that you consider the following questions:

- Does the coach have the requisite and relevant experience needed? Have they garnered this experience in “live fire” experiences? According to the High Impact Coaching Survey, “business experience” and “ability to build rapport” were the most important factors in selecting a coach (by those who have received coaching). “Coach Certification” and “cost” were the least important.
- Is the chemistry right with the coach? Are they good listeners? Are they insightful, candid and willing to provide unfiltered feedback? The coach must be willing to engage in such a relationship.
- Is the process strictly confidential? Can the coach be trusted? Will they “back channel” to the boss? The boss needs to be connected to the coaching, usually as a feedback provider, but should not be engaged in the details of the coaching discussions.
- Does the coach have a model or is the approach ad hoc? Effective coaching requires a disciplined approach that includes assessment and feedback,

bundled in an integrated model to achieve desired and pre-determined outcomes.

- Is the coaching duration appropriate to the situation? Is the coach flexible or do they require a set duration? Each coaching situation is unique, and should be driven by the need of the individual being coached. The coaching should not continue one day longer than is necessary to achieve the objectives.

In summary, executive coaching is an effective and important tool to develop leaders, and is growing in popularity and usage. It overcomes many of the barriers that are present in the contemporary workplace and is embraced at the highest levels of organizations. Choosing an effective executive coaching partner is as easy as knowing the right questions to ask.



Matthew Angello is the Founder and Principal of Bright Tree Consulting Group, LLC, a boutique firm that offers an array of highly personalized and effective coaching and consulting services for executives and companies seeking to unleash their potential, move their performance to the next level and prepare for future challenges. Our focus is on the development of pragmatic and actionable programs that are tailored to address the specific challenges and needs of the individual executive or company.

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