

# Leader Development

## Linking Coaching to Business Results



**RIGHT VIEWPOINT™**

### **UNDERSTANDING ORGANIZATIONAL CONTEXT**

In a business environment in which strategy can change quickly and in which global enterprises need to show sensitivity to local conditions while maintaining a world-wide strategic alignment, coaching will deliver full value only when it involves multiple stakeholders, perspectives and dimensions. Coaching that takes fuller account of organizational context represents the next stage in the evolution of its art and science.

Today's coaching engagements need to be described more as coaching with an organizational consulting perspective and capability. The one-to-one encounter between the coach and leader remains fundamental. The leader continues to work with the coach to set the objectives of coaching. Other stakeholders, however, should be factored into the process. They include the leader's manager, who not only helps define the expectations surrounding the coaching engagement but also takes responsibility for creating an enabling environment supporting the leader's post-coaching development and success. They should also include senior management and representatives of key functions such as HR, who share the responsibility of articulating the organization's strategic objectives and consulting with the coaching effort to ensure that the coaching and strategy agendas are properly aligned—in other words, that the organizational context is made relevant. Informed by organizational strategy, as well as by the organization's culture, values, processes and structure, today's coaching can become a powerful mechanism for impacting the entire organization. Coaching needs to be regarded not only as an individual event but also an organizational process driving systemic change.

**DR. STEPHEN L. COHEN**

## USING A BUSINESS VALUE CHAIN



A specific mechanism by which a coaching engagement ensures that strategic objectives are translated into a practical agenda for coaching is a Business Value Chain. The Business Value Chain charts a path to achieving such strategic goals as increasing market share, revenues and profits by addressing the following areas, for example:

Leader Competencies	Organization Capabilities	Business Outcomes
Developing talent	Talent management	Talent retention
Customer focus	Service excellence	Customer loyalty
Strategic thinking	Goal clarity/alignment	Strategy-driven culture

With the aid of their coaches, leaders examine the competencies they must develop in order to expand those organizational capabilities tied to desired business outcomes and strategic goals. Actual coaching begins only after the organization’s Business Value Chain has been properly vetted. The Business Value Chain then serves as a practical guide for the entire coaching engagement.

This strategic approach to coaching delivers three major benefits. First, it takes a comprehensive approach so that coaching not only improves individual performance but impacts the entire organization. It ensures that the leader’s interpersonal, leadership and strategic skills are aligned with the organization’s desired leadership brand. Furthermore, leaders who emerge from multi-coaching engagements share a new sense of common purpose and direction.

Second, this approach ties coaching outcomes to organizational strategy. Coaching is often tactical in orientation. Leaders tend to develop generic capabilities identified as “gaps” separate from the leader’s unique context. A next generation approach to coaching, by contrast, integrates coaching with organizational context and strategy. Leaders develop broad capabilities relevant to realizing the organization’s strategic objectives now and in the future.

Finally, a strategic approach to coaching supports the development of an organization-wide coaching culture. Addressing the broader context in which the leader operates, it takes into full account the role of managers, colleagues, business strategy, culture and processes. Using insight, tools and experience the organization creates an environment conducive to the success of the newly coached leader and of the coaching of other leaders.



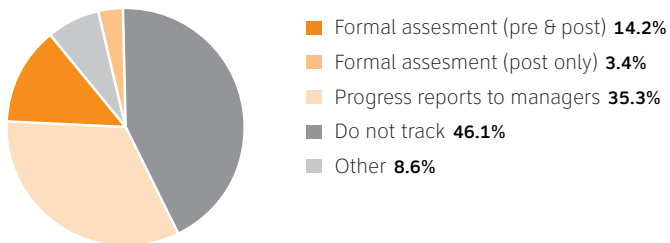
A Business Value Chain can be used to set goals at the level of the individual. It provides a line of sight allowing the leader to identify objectives at all three linked levels of performance, where development at one drives improvement at the next. Targets and metrics are established at the outset and the leader’s proficiency at achieving targets is assessed both before and after each coaching engagement or according to designated timelines. Improvement in outcomes pre-defined by the organization and the achievement of strategic objectives become the ultimate yardsticks of coaching success, especially where the coaching engagement involves multiple leaders.

**MEASUREMENT – PROVING IT DELIVERS**

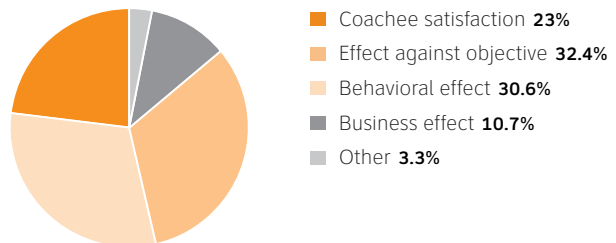
But how do we measure success? Coaching, focusing on individual performance largely takes it on faith that enhancing the leader’s capabilities will eventually yield palpable business results.

Right Management conducted a survey of human resource professionals, in which fully 46% of respondents indicated they conduct no tracking of coaching effectiveness whatsoever, while only 14% conduct formal assessments both before and after coaching. Of those who do track, about a quarter measure leader satisfaction and a third measure coaching’s effect on behavior. Only a third again measure coaching against objectives and a mere 11% measure return on investment (ROI).

**What process do you use to measure the effectiveness of coaching?**



**When tracking effectiveness, what measures do you use?**



With its emphasis on transparency, strategy and organizational impact, the next generation of coaching can offer new opportunities for measuring the success of the coaching assignment. This can be accomplished by defining a clear set of success targets and adding accountability to coaching programs by embedding measurement of business outcomes in the coaching process. Determined before coaching begins, metrics include before-and-after and/or control group assessments. They measure performance by both

the organization and the individual leader. Organizational success measures can also be used to set goals and evaluate progress at the business unit or enterprise-wide level. This approach defines the overall purpose of a multiple-leader coaching program and determines the program's effect on productivity, strategic change, employee engagement, as well as on promotion and succession, leadership brand alignment and talent attraction and retention.

With more initial and sustained attention paid to aligning coaching goals with desired business outcomes, the practice of coaching will better serve organizations taking advantage of this very focused and personal approach to developing leaders.

## CASE STUDY

### Enterprise-Wide Approach to Leader Coaching Enhances Success

In order to build momentum toward achieving a new strategic direction, the Executive Team of this real estate investment firm needed to change leadership behaviors, while enhancing the company's coaching culture as part of a new succession management process. Rather than view each coaching engagement as an isolated event, this organization wanted an organizational approach designed to collectively advance leaders' ability to meet strategic business objectives. C-suite executives and high potential leaders participated in a coaching process that addressed specific skill and competency gaps, with clear and targeted developmental goals intended to improve the effectiveness and success of the leader, while also positively impacting performance from an organizational context.

Taking an enterprise-wide approach, Right Management incorporated a skill building opportunity within the coaching process. This enabled leaders to enhance their ability to conduct performance reviews, supporting the organization's business practices and positively impacting results from an organizational perspective.

Using a business case analysis to determine the value of the coaching engagement, one executive who participated in the process set the value at \$1 million. And when the CEO left the company two years into the project, his successor, who had participated in the coaching program, was ready and fully prepared to step into the new role.

#### About the Author

Dr. Stephen L. Cohen is Senior Vice President for Right Management's Global Solutions Management with responsibility for overseeing the firm's Leader Development solutions portfolio, part of which includes one of the largest coaching practices in the world. He can be reached at [steve.cohen@right.com](mailto:steve.cohen@right.com).

#### About Right Management

Right Management ([www.right.com](http://www.right.com)) is the talent and career management expert within Manpower, the global leader in employment services. Right Management helps clients win in the changing world of work by designing and executing workforce solutions that align talent strategy with business strategy. Our expertise spans Talent Assessment, Leader Development, Organizational Effectiveness, Employee Engagement, and Workforce Transition and Outplacement. With offices in over 50 countries, Right Management partners with companies of all sizes. More than 80% of Fortune 500 companies are currently working with us to help them grow talent, reduce costs and accelerate performance.

© Right Management 2009.

All Rights Reserved.

[www.right.com](http://www.right.com) 1.800.237.4448