

STYBEL PEABODY & ASSOCIATES, INC.

THE COACHING INDUSTRY

1. Overview.

Coaching is a three way relationship: a professional receiving the service, a professional providing the service, and an organization paying for the service. It is a 1:1 relationship informed by 360 degree and other assessments and anchored in improving on-the-job performance.

According to an article in the HARVARD BUSINESS REVIEW, corporations spend \$1 billion annually on these services and have no idea if they are getting value for their money. In addition standards of competence for coaching are vague:

<http://www.stybelpeabody.com/newsite/pdf/hbrwildwestcoaching.pdf>

2. Why do companies pay for a service whose value is unproven?

- A. Coaching is not new. It is the outsourcing of the 'Old Tom' mentoring relationship that helped gently move people up the hierarchy or out of it: treat the person you are firing today like she could become a client tomorrow.
- B. As businesses drive ever faster, leaders' peripheral vision tends to contract with increasing speed and demand for results. When peripheral vision contracts, the greatest threats/opportunities may lie outside the center of vision. Blackberry, WANG, Polaroid, and Digital Equipment Corporation are typical examples of companies where leaders failed to recognize threats at the periphery. Coaches are "on the bus" with clients yet they are also outside observers. They have the luxury of being able to look for threats/opportunities on the periphery.
- C. Some people learn best when reflecting upon their actual practice in a structured way. Think of it like a law student who might best learn from in a law school clinic under the guidance of an experienced attorney. Sending that person to a course is a waste of time/money. They are usually smarter than the teacher.
- D. Coaching is a way of signaling "we so believe in your future with us we are willing to invest in your future." At the same time, it is less expensive than salary increases and less expensive than a certificate program at a Business School.

3. Classifying Coaching Assignments:

- A. "Bad Boy" coaching. Given the three parties in the relationship, it will not work if the executive mistrusts the motivation of the company paying the fee. It might work if the executive truly believes that the company finds the executive a strategic asset yet will reluctantly fire him/her if there is no behavioral change.
- B. Grooming. Help prepare the person for the next level.
- C. Rehabilitation/Grooming. A combined mixture of both. This is often what we get involved in. Most coaching assignments are shades of grey.

4. Some questions to ask references who have used the coach in the past:

- A. Systems Orientation vs. Individual Orientation. A question to ask a reference would be, "Some coaches focus on the needs of the individual and may not see the needs of the company as valid; some coaches focus on the company to the detriment of the individual being coached. How would you describe your coach?" You want to hear, "Well, my coach was both....."
- B. Insight vs. Cognitive. The question to ask is, "Some coaches focus on insight as the key to success and some coaches focus on first making behavioral changes as the key to success. How would you describe your coach?" If an executive is "action oriented," then focusing on insight can be frustrating. If the person is introspective, then a coach who doesn't value insight as the cause of behavioral change will be frustrating.
- C. Politically Savvy. A CEO reporting to the board of a private equity dominated board needs to work with a coach who understand what drives private equity partners. That is a different political situation from a Dean who reports to a Chancellor or a President. The question to ask is, "What are the political environments the coach is best in?"
- D. Directive vs. Nondirective. "Tell me about the type of structure the coach uses and how well it worked for you?" Again, there is no wrong answer. Some people want to use the time to figure it out themselves and expect their coaches to limit their interventions to asking questions. And some executives want structure and recommendations.

5. Final Recommendations:

Coaching is a unique relationship that can't be evaluated until one has experienced it. The best coaches make it easy to create "escape clauses" for all parties 30 days after the start of an assignment. If there are no visible behavioral changes within 30 days, you probably won't see them twelve months later either.

PRESENTERS

Stybel Peabody Associates, Inc was founded in 1979. As part of Arbora Global (www.arboraglobal.com), it has 250 consultants serving clients in 31 countries and 25 cities.

The firm's mission is "Smooth Leadership Change for the World's Best Companies. Core services include Retained Search+, Confidential Advisor to Leaders on Relationship Management, and Career Consultation for senior level professionals.

Clients include 21% of the one hundred companies named by FORTUNE MAGAZINE as "Best Employers," three of the Big Four CPA firms, 70% of Boston's largest twenty law firms, and 70% of Massachusetts' largest health care delivery systems. They have worked with portfolio company CEOs of top tier private equity companies.

Larry Stybel is Co-Founder. He received his doctorate in organization behavior from Harvard University and is one of 240 career management consultants from 21 countries named as a Fellow by the Institute for Career Certification International (www.careercertification.org). Larry is a former President of the Boston Human Resource Association and was on the Editorial Board of JOURNAL OF COMPENSATION & BENEFITS. Prior to Stybel Peabody, he was a consultant in Executive Compensation for Hay Associates. Larry is a licensed psychologist in the Commonwealth of Massachusetts. He is Executive in Residence at the Sawyer Business School at Suffolk University and on the Board of Advisors of Solbridge University of South Korea.

Maryanne Peabody is Co-Founder. She received her MBA from Southern Methodist University in Dallas and has been on the Board of Directors of the National Association of Corporate Directors' New England Chapter.

Stybel Peabody's work in the fields of leadership, career management, and corporate governance have been featured in THE BOSTON GLOBE, CALIFORNIA MANAGEMENT REVIEW, DIRECTORSHIP, FORBES, GOVERNANCE, HARVARD BUSINESS REVIEW, MIT SLOAN MANAGEMENT REVIEW, THE NEW YORK TIMES, and THE WALL STREET JOURNAL.

The URL below will take you to free articles your clients might find interesting in the field of leadership change: relationship management, executive career management, and succession planning. We believe our value is that we help leaders think outside the box in practical ways:

http://www.stybelpeabody.com/newsite/leadership_resources.php

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