TWO
The organizational context

This chapter reviews the ways in which organizations identify and respond to the needs of their people. The reactions of a sponsor to the suggestion that executive coaching may be an appropriate approach are examined as is the role of feedback in creating an awareness of need.

Identifying the need

It is worth exploring in more detail the ways in which coaching needs may surface in an organization. As we noted in the introduction, there is often no one cause. There are two levels at which coaching needs will initially be identified: organizational and individual.

On a macro level, how does the organization identify its people needs? This may happen in a number of ways:

- The business planning process explicitly asks for an assessment of the impact of people issues – such as skill shortages and anticipated labor turnover – on the ability of the organization to achieve its goals.

- Training needs analyses may be conducted on a regular basis to ensure a cost effective and consistent response to current and anticipated needs.

- Opinion surveys may identify issues relating to morale, labor turnover and the availability and impact of appropriate development programmes.

- The performance review process should be identifying areas of development for staff.

- Feedback from clients, directly or through market research; or the loss of an order, may heighten senior management concern at skill gaps.

In some quarters succession planning is seen as somewhat passé. Yet if an executive team does not have sufficient knowledge and information to complete the grid below in respect of their own direct reports, there may be turbulence ahead!

- Risk of departure
- Impact of loss
- Likely successors
- Stand-in

In part, the very act of a management team comparing perceptions of each others' subordinates is enlightening. All too often it may reveal:

- The absence of a common language to define performance and behavioral expectations.

- A wide variation in how superior or poor performance is actually assessed.

- Personal rather than objective assessments of performance and potential are allowed to go unchallenged.

- A willingness to suggest actions **others** need to take to improve the performance of 'their' people.

- Hearsay rather than observation used to identify strengths and development needs.

- No collective ownership of solutions.

A succession plan can provide a powerful impetus to review the strengths and development needs of the current senior managers. In the context of coaching the following are areas where a need may emerge:

- 'Difficult' individuals who are seen as having potential, but also seen as being unmanageable.

- High potential individuals where an external sparring partner would help them reflect on how to round their skills.

- People whom the organization is not sure it wants – or maybe isn't sure they really want to stay.

Feedback

On an individual level the performance review process is likely to be a major part of the needs identification process. Sometimes an individual will know a colleague or friend who benefited from coaching and open up the dialogue themselves.

But how do any of us know how well we are doing and how our performance and behavior is perceived? *"In this place you know you're doing well if you're not criticized",* commented one senior manager in a multinational. Although increasingly sophisticated processes are introduced to support the annual performance review, getting and giving honest and open feedback to flow throughout an organization remains a challenge.

Some of the more common explanations of the barriers that emerge to thwart feedback are:

- A belief that giving a colleague feedback is unnecessary because 'they must know already'.

- Personal discomfort at having to 'hurt' colleague's feelings.

- Uncertainty as to how to give feedback in a constructive manner 'and anyway now's not the time'.

As a Partner in a consulting firm observed, *"I really should have given a colleague some feedback on a presentation. It wasn't as well structured as the client expected or required. However, the moment passed and the opportunity was lost."*

In reality most people are more grateful for feedback which comes with an opportunity to discuss and if necessary to redress the issues raised than to be left in ignorance. Ignorance is **not** bliss. However, all too often the processes which have been created to allow feedback are not up to the task, and the training and support necessary to make them genuinely effective are lacking.

Consequently, the extent to which they encourage a genuine dialogue on the issues underpinning an individual's capacity to develop is often questionable. Increasingly, some form of 360 degree feedback has been added in an attempt to allow more timely feedback. However, even these are generally an **annual** occurrence, viewed by many line managers as a chore.

The British Psychological Society[2] has noted that:

"In today's changing and volatile world organizations are continually looking for ways to improve performance and satisfy the demands of all stakeholders. Achieving this almost inevitably involves change, which then becomes the pivotal dynamic for success. For an organization to evolve the people working in it will have to adapt; and for this to be successful they first of all need to know what it is about the way they are currently performing that needs to change. This is where 360 feedback is playing a growing role in organizations through its ability to provide structured, in-depth information about current performance and what will be required of an individual in the future to enable detailed and relevant development plans to be formulated. Professionally managed, 360 degree feedback increases individual self-awareness, and as part of the strategic organizational process can promote:

- increased understanding of the behaviors required to improve both individual and organizational effectiveness;

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2 British Psychological Society: 360 Degree Feedback Best Practice Guidelines

- more focused development activities, built around the skills and competencies required for successful organizational performance;
- increased involvement of people at all levels in the organization;
- increased individual ownership for self-development and learning; and
- increased familiarity with the implications of cultural or strategic change."

Some organizations have attempted to use 'new' technology to both support their drive for open feedback and reinforce their corporate values. Clearly the technology by itself can do little; and user training and support is the critical element.

The way organizations respond to these needs varies:

Highly centralized – in larger organizations economies of scale, a strongly embedded Headquarters culture or…may all produce a clearly focused – and centrally coordinated process for assessing and addressing needs. Quite often there will be a menu driven approach.

Global policy/local discretion – whilst there may be global processes for managing succession and organization wide management development programmes, other needs will be reviewed locally.

HR identifies partners/providers – any request for coaching assistance would be channeled through the HR team, or they will proactively suggest coaching as a possible approach.

Targeted at high potential individuals –bespoke development programmes may be created for high flyers.

Response to a particular problem – coaching may sometimes emerge as 'the last chance saloon' approach to an individual or teams perceived performance challenges.

Purchased by individuals – senior people may have their own personal development budget or, in the case of a CEO, will just do it!

Everything outsourced – with purchasing frameworks and providers determined by a third party.

Last but in no means least, is the **integrated** approach as illustrated below. The multinational company in question wanted to respond to the changes in career patterns, with flatter structures, the shift away from lifetime employment and significant acceleration in organizational change all having an impact. In career terms this was resulting in fewer promotional opportunities – with more time being spent in a particular post. In addition, the need for personal mobility was rising; and there was a need to increase awareness that in the future an individual might have a number of 'careers' with the same organization.

With this in mind, a review of current processes was undertaken and a new framework developed which aimed at optimizing both organizational needs and the preferences and capabilities of the individual. This included revisions to the performance review process, the introduction of more focused training and development programmes. Actually 'getting there' was seen as a combination of employee, manager and organizational responsibility. The employees were given responsibility for a variety of challenges including undertaking their own continuous development, and reviewing and revising life and career goals. To support this significant change, the intention was for managers to:

- encourage employees to take responsibility for their own careers;
- support realistic self assessment;
- provide clear and honest feedback on current job performance; and
- be open about organizational expectations.

For its part the company set about introducing tools and support for self-assessment and reinforcing the managers' role in career development. Clearly, a change such as this takes time, and even when progress has been made to create a corporate framework, the reaction of an individual sponsor as the **purchaser** of coaching remains pivotal.

How **do** they react? Initial interest and enthusiasm tempered by, "Great idea in theory, but what about…"

- logistics – "how much time will it take";
- funding – "there's no money left in my budget";
- awareness – "I saw a programme on TV about life coaching – terrible waste of money";
- history/track record –"we tried that once – it didn't work";
- priorities – "good idea, let's build it into next years plan" ; or
- joined-up HR (or the lack of it) – "surely one of those presentation skills courses will do the trick".

Before condemning these reactions as being too negative we all need to reflect on our own reactions to well intentioned personal development proposals. What does it take to persuade us? Moreover they may represent genuine concerns.

Logistics – creating the time to learn and reflect is an ambition of many senior managers who then add wryly, "although of course I don't have the time to get to that point!" Here lies a challenge for the executive coach in showing the significant opportunity cost of not investing time to explore whether things could, perhaps, be done differently. In many cases asking a potential sponsor or coach to describe what happens during a 'typical' working day is in itself enough to get their attention. *"Meetings, e-mails, conference calls, unexpected problems, media briefings, nothing seems to get done…"*

Funding – a robust cost-benefit case for introducing coaching is an important element.

Awareness – despite the increasing interest in coaching in all its forms, the focus upon emotional intelligence, and exposure to management consultants on a regular basis, most senior managers would be hard put to provide a clear description of how coaching works. This lack of awareness does not equate to resistance. However, there is no doubt that were executive

coaching a requirement of getting the annual audit signed off, the take-up would be somewhat higher!

History/track record – has the sponsor seen coaching fail here or in a previous organization? Such concerns merit further investigation, since what was seen as coaching may have been something entirely different!

Priorities – In any organization priorities do shift. Indeed, flexibility may be imperative to survival. Potential initiatives do move up and down any CEOs wish list. Other organizations persuade themselves on an all too regular basis that this will be the year when every initiative is fulfilled; only to be disappointed as initiative overload brings progress to a halt. This can have a disproportionate effect on coaching with positive and negative results. The up side for coaching a project team in trouble may be seen as imperative; the down side is that the use of coaching may simply not be seen as important enough, so a decision is postponed. Certainly experienced coaches will know that there may well be a gap of months or years between an initial discussion and agreement to proceed.

As senior people move up and out of the organization, so may the sponsor be replaced, move on or become redundant. A new Director of Personnel may well wish to start with a clean slate and start a new selection process for coaches. They may also have been ignored in their previous role by a coach who deemed their influence of little importance!

The outgoing HR Director who told one of the providers of his redundancy, was greeted thus, "Oh that's terrible….who do I need to influence now?"

Joined-up HR – in too many organizations one fad follows another. Priorities around people management issues constantly shift and 'management by slogan' replaces common sense and value for money. In such an environment it would be surprising for executive coaching to be seen as anything other than the flavor of the month.

In organizations which do have joined-up HR policies and practices, the role of HR is likely to be focused on making line managers better managers of people. And coaching will not be seen as something to commend 'because

the CEO likes it', but one of a number of potential interventions available, offering benefit to both the organization and the individual.

In addition, the current impetus given to the strategic role of HRM through human capital management represents an important potential shift in the focus of the function.