

How Business Coaching Works

What is Coaching?

Thinking about how to improve your business results, change direction in your career, or improve other work-related issues? Try hiring a business coach. Research is building that coaching provides one of the most effective and powerful ways to focus your efforts, learn as you go, and get better resultsⁱ.

How coaching works seems simple: a coach works with you to help sort out your most important and urgent priorities and then helps move you to concrete and effective action. Coaches are trained to quickly identify pressing issues, work with you to help you choose the key actions that would generate improvement, and ensure a debrief so that you can learn from the results.

Coaching Case Study

Mary Beth O’Neill is a well-known executive coach and author of **Executive Coaching With Backbone and Heart**. One of O’Neill’s clients’ pressing issues was the urgent need to increase market share. Working with this client, O’Neill learned that this person’s direct reports were not really sure what was expected of each of them. There was friction on the team, between employees and with the leader. O’Neill helped the client figure out what could be done to clarify his expectations of his team and give clear direction on what actions were expected to work toward the needed results. The client improved market share by 17%.ⁱⁱ

While O’Neill focuses on executive coaching, coaches can also help improve performance or results in any position. Some coaches focus on work-life balance, career or personal development.

Questions you May Have

Many people new to coaching may wonder how coaching is different from consulting or therapy. This table adapted from the Harvard Business Reviewⁱⁱⁱ helps illustrate the differences.

| CONSULTING | Overlap | COACHING | Overlap | THERAPY |
|---------------------------------------------|---------------------------------------------|------------------------------------------------------------|--------------------------------------------|----------------------------------------|
| Focuses on organizational performance | Focus on current and future business issues | Focuses on the future | Skilled in asking the right questions | Focuses on the past |
| Paid to come up with answers and frameworks | Involves client in goal setting | Works with healthy high-functioning individuals | Tackles difficult issues at work and home | Diagnoses and treats dysfunctionality |
| Provides expert advice on business matters | Plans, evaluates, and assesses change | Helps people to discover their own path | Focuses on individual behavioral change | Sets cure as the primary goal |
| Strives for objectivity | Uses broad array of tools | Fosters individual performance in a business context | Explores subjective experience | Confidentiality is protected by law |
| Provides quantitative analysis of problems | Based on organizational ethics | Acts as sounding board; works to integrate learning | Learns from results – positive or negative | Based on medical ethics |
| Paid for by the company | Strives for tangible results | Assumes an equal relationship between the client and coach | Builds individual capabilities | Paid by individual or health care plan |

Getting Started

Most coaches will talk or meet with you for a “sample session” to see if there is a good client/coach fit. You can interview one, two or three coaches to experience different personalities and styles and see what works for you. Recommendations to coaches often come from word of mouth. You can inquire in your HR department, ask people you know who have had coaches, or

visit the International Coach Federation website to find a coach.

(<http://www.coachfederation.org/>)

Once you choose a coach, the coach will work with you to determine what your most important goals are for a particular time period – say for example, the next three months. The coach will work with you to help you assess and remove the barriers that you can remove, learn from progress and setbacks, and choose the most effective course of action.

Good Candidates for Coaching

Seeing coaching as a personalized learning and development opportunity helps people engage with the coaching and figure out how best to use this unique form of customized learning. Good candidates for coaching are willing to try coaching even if they are not familiar with it.

Good candidates are also willing to learn from experience and feedback and take accountability for their own learning. In addition, good candidates are willing to give their coach straight feedback about what approaches are working and what needs changing.

Results

According the Harvard Business Review, Coaching “works” and delivers the following benefits.

- Improved management performance.
- Improved management of business complexity.
- Accelerated leadership development.
- Mentorship where there is a scarcity of in-house mentors^{iv}.

For your own context – challenge yourself and your coach to come up with several key measures of the value and results of coaching. What improvements are you looking for? How will you know that they have occurred? How can these be measured? What is the impact on the leader being coached and on the business? Working with your coach on these questions will ensure that you get a powerful, focused method of applied learning and development.

ⁱ According to a study of senior level executives at Fortune 1000 companies who received developmental coaching, the average return from the programs was nearly 5.7 times the initial investment. (Maximizing the Impact of Executive Coaching, The Manchester Review, 2001, Volume 6, Number 1, Joy McGovern, et.al.).

• According to a survey of 30 executives who participated in a large executive development program at a Fortune 500 company, coaching resulted in a 529% return on investment (Executive Briefing: Case Study on the ROI of Executive Coaching, Merrill C. Anderson, Ph.D., MetrixGlobal, LLC 2001.).

• According to the Harvard Business Review, three stock portfolios comprised only of companies that "spend aggressively on employee development" each outperformed the S&P 500 by 17 - 35% during 2003 (How's Your Return on People?, Harvard Business Review, March 2004, Laurie Bassi and Daniel McMurrer).

ⁱⁱ O'Neill, Mary Beth. **Executive Coaching with Backbone and Heart: A Systems Approach to Engaging Leaders with their Challenges**, Jossey-Bass, 2007.

ⁱⁱⁱ Coutu, Diane and Kauffman, Carol. "The Realities of Executive Coaching", Harvard Business Review Research Report, January 2009.

^{iv} Coutu, Diane and Kauffman, Carol. "The Realities of Executive Coaching", Harvard Business Review Research Report, January 2009.