

# SPECIAL REPORT

## **Business Coaching** *Beware the Hype - Know the Realities*

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## **Business Coaching** *Beware the Hype - Know the Realities*

***“The unexamined life is not worth living.” The Apology, Socrates***

### **The Potential Power of Business Coaching**

It was just the two of us, door closed, in his office. He looked at me for about 10 seconds, saying nothing. I sensed in his eyes anger, hurt, and fear, a combination that was out of character for this eminent, successful business leader.

This is an executive who elicits a perception of the highest intellect, immense drive, and supreme confidence, with a reputation for not long tolerating those he views as fools. I had just finished sharing information that was very difficult for him to hear.

I sat quietly, waiting for him to take in what he heard and decide how he wanted to respond. The usually imperceptible ticking of the wall clock was magnified as it sounded the seconds that seemed to drag by. Then he spoke.

*“Bob, no one has ever told me these things before.  
This isn’t easy for me to say, but I think I need to hear this feedback.”*

With these words, this powerful leader revealed the genuine courage to be vulnerable, to reflect honestly on his thinking, emotions, and behaviors, and to learn the effect these have on others. He came to understand:

- 1) His greatest strengths were at times his greatest weaknesses.
- 2) He had been successful despite a sometimes controlling personality, not because of it.
- 3) His knee jerk reactions and behavioral blind spots created fear, distrust, and confusion.
- 4) He failed to hear important feedback, and therefore neglected serious workplace problems.

Collectively, these issues were now taking a noticeable toll on the business, and on him. The feedback helped him recognize that his own self-interests were inextricably linked with the interests and success of employees. During a two year period he exhibited the strength of character to learn how to be more self-aware, to move out of his comfort zone to develop and consciously role model a rare and more powerful standard of leadership.

- He asked others, through an executive coaching process, to provide honest feedback about how they experienced working with him, and their suggestions for improvement.
- He learned and used methods to help him recognize and stop habitual, problematic behaviors.
- He developed enhanced communication and conflict resolution skills.
- He committed to a life-long process of learning and self-development. One that builds on strengths, develops unrealized potential, and neutralizes weaknesses. And one that could be used with all employees throughout a business to develop, empower, motivate, and unite.

By taking full responsibility for self-reflection and changes in his thinking, skills, and behaviors, he was able to heal relationships, renew trust, elevate morale, and create an inspiring workplace culture. The business regained momentum and achieved significant growth and profitability in the face of fierce market challenges.

## Why Coaching Is Not Right for all Businesses or Leaders

The above situation is not the norm but reveals coaching's potential value. More modest and common results still yield major benefits and a significant return on investment. Yet, coaching is often hyped for results that go unrealized.

**What goes wrong?** This report presents major factors that must be addressed to avoid wasting time, effort, and resources in mediocre or poor business coaching outcomes.

**Trends:** The rapid growth of business coaching is evidenced by the fact that fifty percent of Fortune 500 firms and legions of smaller businesses have begun to use it in some form, and the numbers keep growing. The term "business coaching" includes:

- Coaching business owners and executives to build on strengths, develop unrealized potential, neutralize weaknesses, and develop an inspiring and productive work environment
- Coaching family-business members about special needs and interests
- Coaching to resolve conflict among business partners, managers, or employees
- Coaching high-potential leaders for continued development and career advancement
- Peer coaching to improve relationships, collaboration, and trust
- Coaching leadership and intact work teams to empower, motivate, and unite
- Coaching to improve functional skills such as marketing, sales, finance, or strategic planning
- Coaching with training--knowledge retention and skill development improve 400% - 500%+
- Coaching employees about performance, discipline, or implementing change
- Self-coaching, the ultimate goal of any coaching process--see below

Three parties have a significant impact, particularly on executive/leadership coaching outcomes.

**1. The person being coached.** The ultimate goal of leadership coaching, from my perspective, is to help people develop self-coaching skills as part of a process of life-long learning and development. The purpose of self-coaching is to help us reach for our human potential, to strive to become our best selves, to live and lead in ways that make a measurable difference in the success of our businesses and a meaningful difference in the lives of other people.

**The problem:** We can easily get wrapped up in the pressures, frustrations, and fears that cause us to *think* and *react* negatively in self-limiting and even self-defeating ways. About 80 years ago, Dr. Hans Selye (the "Father of Stress"), described the influence of bodily distress in the development of disease.

Subsequent research, including the use of cutting-edge medical diagnostic technology, has shown that not only our health, but our reasoning, emotions, performance, creativity, short term memory, behaviors, and relationships can be seriously diminished from the effects of acute or chronic stress. The results of stress can ignite our most primal instincts, moving us from an unconscious "fight or flight" *stress reaction* to such insidious forms of dichotomous thinking as right/wrong, good/bad, win/lose, villain/victim, and friend/foe perceptions.

We literally allow the reptilian part of our brains and stress hormones to get the "better" of us, which keeps us from thinking and acting in ways that represent our best selves. Such negative, stress-reactive ways of thinking can spread quickly to other people, causing harmful forms of group think within a team or across an organization. Cues that people are being emotionally *reactive* include patterns of negativity, blaming, complaining, and unduly resisting change.

**Resistance:** Even the most enthusiastic leadership coaching participants often feel resistance to coaching. Blind spots can prevent us from recognizing that our strengths can also be weaknesses, or understanding how our successes may have been achieved despite our weaknesses. We may also fail to understand to what extent our success was limited by our weaknesses, and perhaps most importantly, how weaknesses can cause impending, unexpected failure.

Resistance can also occur because coaching is about change and moving out of our comfort zone to learn new behaviors and skills. By definition, moving out of our comfort zone creates discomfort, often including anxiety or fear that can lead to various defense mechanisms.

Resistance has the potential to flat out sabotage productive coaching outcomes. However, understanding the causes of resistance can be a catalyst to improve self-awareness and help us proactively think and behave in ways that add meaning, integrity, fulfillment and effectiveness to our daily lives and businesses. Which is what coaching is all about. This is why the topics of resistance and readiness should be raised by a coach at the beginning of a coaching process.

**2. Direct reports, peers, customers and sponsors.** These are people who work directly with or are otherwise affected by the behaviors and performance of the leader being coached. They include people who typically provide 360 degree feedback. One challenge may be helping some or many of these people learn to let go of the past and collaboratively focus on positive change.

A sponsor is usually a boss who is responsible to help a leader continue his or her development. The sponsor should participate in providing 360 degree feedback and helping to make decisions about what, how, and when information from coaching is shared with the sponsor.

The objective of arranging confidentiality is to promote the highest level of candor between the coach and the leader being coached, while assuring that the sponsor obtains the information required. If the issue of confidentiality is neglected, coaching can stall before it begins.

**3. The organization.** Organizational systems, decision making, communications, bureaucracy, and similar issues can create barriers to performance and even cause problems. For example:

- Imagine a manager who is struggling with staff morale and turnover. Senior executives decide that the manager needs to “fix” these problems and offer coaching to assist. Yet, what if a major problem is an executive team that slows decision making, doesn’t model the organization’s values, and inhibits the manager from being responsive to employee concerns?
- Consider an organization that provides developmental coaching to one leader, but fails to recognize the development needs of other leaders. This could cause perceptions of favoritism, or result in one leader practicing proactive leadership skills that are not supported or modeled by other leaders, resulting in mixed messages among employees.

If leadership coaching takes a systemic and strategic look at organizational issues causing problems, it can serve as a further impetus for business improvement. A business that is willing to change in supporting a leader can greatly enhance coaching outcomes and business results.

Leadership coaching should be about more than identifying where a person is, what he or she wants to accomplish (goals), and developing plans and addressing barriers to bridge the gap. This “formula” is a common approach used in some manner by many coaches. Coaching should often also be about helping leaders strengthen self-awareness and reframe their thinking and

emotions. The goal is to help leaders better understand what they do, why they do it, and how they can make changes to enhance relationships, be more effective, and help all affected stakeholders find greater meaning and fulfillment in their work and personal lives.

When significant red flags appear in the form of individual resistance or organizational rigidity, leadership coaching may not be the right process to use. Other interventions may be necessary first, or paralleled with coaching to achieve the positive outcomes that the business needs.

**An Assessment: Can Coaching Add Significantly To Your Business Success**

For each yes, circle if the issue is caused by a lack of knowledge (K), tools (T), skills (S), or if it is a recurring (R) problem. (Circle as many K, T, S, R factors as apply for each issue.)

**Note:** Consider having several key leaders independently complete the assessment. Then discuss and try to reach consensus on answers, and list issues in priority order.

**Do any of the following issues reduce quality, productivity, customer satisfaction, or staff morale to impair business growth or profitability?**

- a. Conflicts among business partners or family members.  Yes  No K T S R
- b. Political turf conflict between departments or divisions.  Yes  No K T S R
- c. Conflicts between business leaders or managers.  Yes  No K T S R
- d. Conflicts involving employees or customers.  Yes  No K T S R
- e. Managers or leaders who react emotionally under pressure.  Yes  No K T S R
- f. Managers or leaders who are unable to establish a spirit of trust, respect, or empowerment with employees or customers.  Yes  No K T S R
- g. Managers or leaders whose behaviors create fear, distrust, poor morale, or retention issues.  Yes  No K T S R
- h. Managers or leaders with high potential who need development to improve effectiveness.  Yes  No K T S R
- i. An organizational culture that resists change.  Yes  No K T S R
- j. An organizational culture that is characterized by negativity, blaming, complaining, or lack of accountability.  Yes  No K T S R
- k. Organizational systems, processes, practices or bureaucracy that create inefficiency, frustration, fear, or anger.  Yes  No K T S R
- l. Weaknesses in marketing, sales, strategic planning, finance, IT, HR, or other functional business disciplines.  Yes  No K T S R
- m. Failure to correct problematic employee performance or behavior through effective discipline or performance coaching.  Yes  No K T S R
- n. Recruitment, interviewing, and hiring practices that result in low quality candidates, poor hiring decisions, or turnover.  Yes  No K T S R

Any of the listed problems could represent opportunities for coaching, particularly those you identified as recurring “**R**” issues.

- Evaluate if you have the in-house ability to effectively address the most serious issues, or if outside assistance from a business coach or a functional content consultant is necessary.
- Use the K T S R factors to help guide the assessment and provide valuable information for a business coach or consultant, if you decide to explore those options.

### **Six Critical Values in Working with a Coach**

I believe the following values are prerequisites that must exist or be quickly adopted to support a strong coaching process and achieve the most effective outcomes.

**1. The coach should be clearly committed to serving the well being and success of the individual being coached and the organization.** While a coach must possess the talent and track record to be confident in his or her ability, the coach must serve through humility, not ego. The process is not about the coach but solely about: a) benefiting the person being coached, and, b) adding significant value to the organization.

**2. Mutual Respect:** The coach must demonstrate respect for the inherent dignity and worth of the person being coached and for all others in the organization. A person being coached must sense a genuine respect to be vulnerable in candidly exploring weaknesses and opportunities for improvement. The coach should also expect the person being coached to demonstrate respect for the process and the coach. If mutual respect is lacking or not quickly established, then the coaching relationship is destined to fail and coaching should not be continued.

**3. Mutual Honesty:** A coach must possess the courage and ability to be completely honest about important issues. The purpose is to provide meaningful, candid, and credible feedback, often when it may be difficult for an individual to hear. If a coach is unable or unwilling to do so, perhaps because of lack of experience, fear of confronting a powerful leader, or concern about losing a client, then the person being coached and the organization will be poorly served. A coach must be skilled at providing honest feedback in a way that clearly demonstrates respect and concern for the well being of the individual. The coach should also expect the person being coached to be honest about issues, challenges, and feelings, although the coach must allow reasonable time and facilitate a process for a person to develop trust in the relationship.

**4. Confidentiality:** A coach is often involved in helping a person explore issues that are extremely sensitive. Therefore, decisions must be agreed to in advance about what information discussed in coaching will be shared with a sponsor and what information will remain confidential. A sponsor often only needs information about priorities, goals, and action plans. Confidentiality issues should be addressed and resolved at the beginning of a coaching process.

**Note about 360 Degree Feedback: Confidentiality and Credibility.** 360 degree feedback is a common and important source of obtaining perceptions about how other people experience working with a leader, their suggestions for improvement, and how they can mutually support and collaboratively work with the leader through the coaching process. A coach must be able to adroitly solicit, probe, clarify, obtain examples, identify patterns, and in similar ways acquire important feedback.

The coach also needs to be able to provide feedback to a leader in a manner that offers the greatest possible confidentiality for 360 degree feedback participants, while explaining that a leader could guess, correctly or incorrectly, about sources. Therefore, the leader must agree in advance to take no adverse action involving anyone that he or she suspects offered particular feedback. The objective is to create a safe process where the leader wants to obtain such feedback to learn what perceptions exist. The leader, with the support of the coach, can then decide how to best use such feedback in making decisions about improving skills, behaviors, processes, or other practices.

**Caution:** Paper or computerized 360 degree feedback processes have additional challenges. There is no method to understand the context of responses, probe for specific examples, or observe and explore the meaning of verbal tone or body language. Also, people will often not put in writing what they are willing to say to an experienced coach who can promote a dialogue process embodying a spirit of integrity and trust.

**5. Mutual Accountability:** The individual being coached must be accountable to be open to feedback, make informed and meaningful decisions about goals, and follow through with commitments to develop new skills or behaviors. A coach must be accountable to uphold ethical standards and values that maintain the integrity of the coaching process.

**6. Mutual Accessibility and Responsiveness:** I do not recommend business coaching based only on phone conversations (and certainly not e-mail). In-person coaching is critical to building meaningful rapport and trust if important and challenging business outcomes are to be achieved. Scheduled phone coaching is important to complement in-person coaching, not to replace it.

A coach should also be available by phone on short notice. This is because coaching is not an event but a process of learning and developing new skills and behaviors, often in real-time, high-pressure situations. A person may try out new behaviors or skills that require time to practice and master. Therefore, there will be instances when an individual is best served by talking with the coach on short notice about challenges, or to debrief situations, or to ask for input about an important issue. The parties should also agree about the purpose, length, and frequency of meetings, and being timely in responding to each other's phone calls or emails.

### **The Importance of Business Acumen in Selecting a Coach**

Sometimes, coaching is used to help a leader, team, or organization strengthen functional skills or technical competencies such as in marketing, sales, finance, business strategy, or technology. In such cases, the business coach should obviously possess the requisite functional expertise.

Often, business coaching is intended to help strengthen trust, enhance leadership effectiveness, improve teamwork, resolve conflict, or address family-business issues. A coach should possess a record of significant business success, leadership ability, entrepreneurship, and strong communication skills to relate to and help an owner, a family business, a leader, a team, or a publicly held business develop proactive approaches to address the pressures and challenges to achieving desired goals. In particular, a coach must possess the interpersonal savvy to help a leader recognize the enlightened self-interest to make difficult decisions and engage in the hard work of unlearning certain habits and developing new skills or behaviors.

A coach's style should also fit well with the person being coached and the organization. Ask

about a coach's philosophy of coaching. Ask about the process a coach will use. Ask how the coach facilitates the learning and involvement of all relevant parties. Ask about options the coach uses to obtain and provide feedback. Ask what values the coach brings to the process. Ask about the scope and nature of the coach's experience in similar situations. These are the types of questions to discuss with a coach to help you make the best selection decision.

### **Avoid These Seven Serious Mistakes When Working with a Business Coach**

The following mistakes often occur because of misconceptions that people have about the purpose and use of business coaching.

1. Don't use coaching as a quick fix for serious problems. Coaching is a process of learning, development, and change. Sometimes coaching can achieve desired goals in several months. Sometimes a period of 12 – 24 months may be required. Invest the time and resources necessary to achieve the worthy coaching goals that promote business success.
2. Don't use coaching to help a person solve every shortcoming. First, we all have weaknesses that will not become strengths no matter how hard we try. Shaquille O'Neal will never become a great free throw shooter. Coaching should build on a person's strengths, help develop unrealized potential, and work to neutralize the effects of weaknesses. Realize also that people are not usually successful at making numerous, major changes at one time. Use coaching to address one or a small number of major changes that are achievable in a realistic time frame which will have the greatest leverage on effectiveness. Additional changes can be pursued in future coaching.
3. Don't use coaching as a substitute for professional counseling for serious psychological issues.
4. Don't use coaching as an alternative for discipline to address serious misconduct, to change a person who exhibits an egregious pattern of unethical behavior, or to justify a termination.
5. Don't minimize or fail to disclose major issues involving a person to be coached, expecting that the coaching process will identify and resolve concerns through osmosis.
6. Don't use coaching with a person who adamantly refuses to change.
7. Don't select a coach based on cost. Recognize the value that the right coach brings in strengthening a leader's effectiveness, resolving dysfunctional conflict, or improving an organization's performance, including the impact on morale, employee turnover, quality, productivity, customer retention, and profitability.

**Summary:** Coaching can have powerful outcomes in helping leaders, teams, and organizations improve business results, profitability, and success. Often, however, coaching does not achieve desired goals because important issues are not well addressed.

Coaching success can be promoted by: 1) understanding the roles and expectations for the parties that most impact coaching outcomes 2) anticipating and managing resistance 3) upholding critical values 4) carefully selecting a coach with the necessary business acumen, and 5) avoiding common mistakes based on misconceptions about the purpose and use of business coaching.

If you would like more information, or to explore options for business coaching in your organization, please call Bob Weiss at 262-754-9647, toll free at 1-877-754-9647. Also, visit [www.rjweissconsulting.com](http://www.rjweissconsulting.com) to learn about our related services and products.