

# *The Power of a Coaching Culture on Organizational Performance*

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Today businesses face a myriad of challenges, both externally and internally. Overcoming these challenges can be the difference between success and failure.

Many external issues are beyond an organization's direct control...natural disasters, global economic turmoil, etc. Internal challenges, however, can present a company with significant opportunities to stimulate and energize the organization.

Internally, organizations face executives retiring in record numbers and many middle-management positions disappearing due to belt-tightening measures. Fierce competition has employers battling to retain their very best talent while less experienced Generations X and Y desire to accelerate their progression up the corporate ladder, demanding

faster and more attention than past generations of employees.

The overall result leaves numerous organizations struggling to achieve their business imperatives with little or no astute leadership, significant demands on all employees including more complex work and longer hours, and fewer resources to overcome these challenges.

Focusing time, energy and precious resources in the right areas can propel organizations past these challenges and advance their business performance.

For example, executive and one-on-one coaching have long been utilized within organizations to expedite the development of leaders. Coaching is a tremendous tool for employee and organizational success.

## *Executive Summary*



In today's business and economic climate, there is a constant need to expedite an organization's business performance. Studies show organizations that embrace coaching by enhancing their managers' abilities to effectively coach others increase employee engagement and improve business results. Creating a culture where all employees are inspired, encouraged and rewarded for success - a coaching culture - accelerates organizational success.

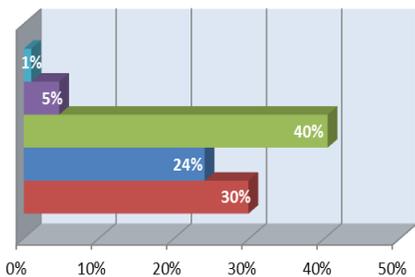
To provide insight into the importance of developing a coaching culture to improve business results, Career Partners International, one of the largest talent management solution providers in the world, recently hosted a webinar entitled "*The Power of a Coaching Culture on Organizational Performance.*" This document summarizes and discusses the concepts introduced during the webinar.



During our November 2012 webinar titled, “The Power of a Coaching Culture on Organizational Performance,” 1333 registrants were asked how their organization viewed coaching.

Overwhelmingly, respondents recognized the value of coaching in their organizations with 40% indicating it a desirable skill for leaders, 20% requiring it as a competency of their leadership and 30% viewing it as a core competency across the enterprise.

My organization primarily views coaching as...



- 5) A waste of time and resources
- 4) An external coach we pay
- 3) A desirable skill for our leaders
- 2) A required competency for our leadership roles
- 1) A core competency across our organization

Effective one-on-one coaching can positively impact retention and performance, one individual at a time and result in some cascade effect of development

to others within the organization. While one-on-one coaching has its place, without a more comprehensive approach the organization may not necessarily be able to achieve a sustainable competitive advantage.

### A Coaching Culture

Enter the world of a coaching culture. A coaching culture expands coaching to a broader scope, impacting the entire organizational structure and energizing all employees from top to bottom and laterally.

A company that is intentional about integrating a coaching culture as a comprehensive and enterprise-wide approach has the potential to move its entire workforce toward peak performance. The success of one manager is exponentially multiplied. Employees at all levels accept ownership and accountability for their work product and relationships. They require less daily and direct supervision from managers as they develop their skills and strive to reach their full potential.

This propels the company to achieve its top potential due to the focus, positive energy, and attitude of all its workers. Every employee is committed to success. The company reaches its strategic and financial goals with a greatly increased success rate.

According to a study by Bersin & Associates,<sup>1</sup> organizations that effectively prepare managers to coach are 130% more likely to realize stronger business results and 39% stronger employee results through engagement, productivity and customer service. Additionally, organizations whose senior leaders “very frequently” make an effort to coach others have 21% higher business results.

In a work context, coaching is about improving human capacity to deliver superior organizational results. The power of a coaching culture in an organization can result in expanded improvements in:

- Skill development at all levels

<sup>1</sup>Bersin & Associates, *High-Impact Performance Management: Maximizing Performance Coaching*, 2011.

- Creation of a leadership pipeline
- Engagement by all employees
- Retention of employees at all levels
- Increased business performance

A coaching culture impacts three key factors in achieving positive business results:

1. A robust and aligned strategy
2. Optimal people performance
3. Knowledge management

#### A Robust and Aligned Strategy

Employees have the chance to develop a “solutions” focus that is future oriented, as well as the commitment needed to succeed. Relationship development across the organization enhances interpersonal contacts among all employees and clients. Everywhere there is discovery and learning, as all employees see the relevance and alignment of their goals to the organization’s strategic plan.

This was clearly experienced by Ontario Shores Centre for Mental Health Sciences who shared its journey to create and build a coaching culture during

our November 2012 webinar. Following the onset of its coaching culture initiative, 33% of participating managers noted improvement in their interpersonal skills and 71% felt closer in working towards their goals.

#### Optimal People Performance

Optimizing the performance of employees is naturally achieved with a coaching culture. Leaders inherently bring out the best in

*Optimal people performance can be achieved naturally with a coaching culture.*

employees throughout the organization and they begin to embrace and engage in critical thinking. A commitment to performance goals, both personally and professionally, is enhanced and performance barriers are overcome. Everyone’s passion, drive, and ambitions are aligned, energizing the entire organization.

Ontario Shores achieved significant shifts in people performance as a result of its transformation process. In

addition to improvements in employee communication and conflict resolution, employee engagement scores rose 23% and management engagement scores rose 30%, both surpassing best-practice benchmarks.

#### Knowledge Management

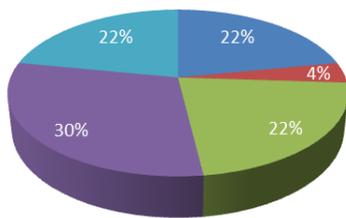
Organizations are challenged to manage knowledge as multiple generations enter and exit the workforce. A coaching culture bolsters the effective and efficient transfer of critical knowledge and refinement of skills throughout the workforce. New solutions can be tested in an open, courteous and contributory environment. Every employee receives validation of his/her knowledge, expertise, and contributions.

At Ontario Shores participating managers experienced an increased sense of self and 92% gained new insights and skills as a direct result of the journey.

During the webinar, the question “What is your organization doing to help leaders/managers be better coaches?” was posed to attendees.

The responses, shown in the following chart, clearly indicate that most companies provide some form of coaching development and a significant percentage (30%) do so using a blended-learning approach.

What is your organization doing to help leaders/managers be better coaches?



■ Skill Building Courses ■ Formal Mentoring  
■ One-on-one Coaching ■ Blended Learning  
■ Other/none

Recognizing that many organizations utilize one-on-one coaching as a springboard to build and sustain a coaching culture enterprise wide, the same webinar participants were asked “What business results does your organization link with coaching outcomes?”

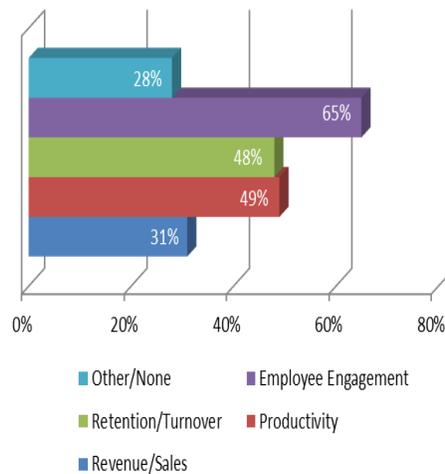
Respondents from diverse companies selected all answers that apply in their organizations.

The great news is that most of the respondents actually link coaching outcomes to business results! As seen in the following

graph, the majority of respondents overwhelmingly utilize employee engagement as the primary link for coaching outcomes followed by productivity and retention.

Linking coaching outcomes to business results is imperative to build and sustain a coaching culture to propel an organization to success.

What business results does your organization link with coaching outcomes?



### Benefits of a Coaching Culture

The additional potential benefits of a coaching culture are numerous. All employees can maximize their potential and performance, while honing their own coaching skills to help each other excel. Engaged employees

tend to support the organizational pursuit of excellence overall, as well as in leadership competencies.

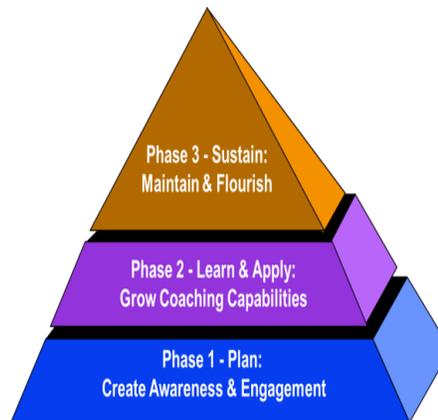
A coaching culture creates a safe haven in which to receive feedback and to reflect on ways to create further positive changes. Interpersonal conflicts are more easily resolved or never occur due to constant and open communication among all employees. Everyone is likely to feel stronger trust in the management team and team development may be enhanced at all levels.

A coaching culture adjusts behaviors and attitudes applied at work to achieve optimum business results. Formal coaching and other coaching behaviors are used at all organization levels, from the entry workers to the top executives. Coaching is a natural occurrence, and the coaching mentality is constantly switched “on” since coaching is always occurring throughout the company. The organization’s ability to compete in a rapidly changing and unpredictable world is greatly increased.

## Best Practices of a Coaching Culture

During the development of the Manager As Coach Learning Series™ (a program that helps organizations build and sustain a coaching culture), our team of experts analyzed significant amounts of research literature and successful coaching initiatives in existence.

Based on their findings, key themes were identified and the team developed three phases essential to successfully build and sustain a coaching culture. The following model shows how each phase builds upon the other for a comprehensive approach.



First, the organization must plan to create awareness and engagement. Everyone needs to recognize coaching as a multi-purpose tool for:

- Growing, both personally and professionally
- Developing high-performing individuals and teams throughout the organization
- Creating commitment to

the development and achievement of business objectives

- Building a learning organization that can adapt and respond quickly to change

During this planning phase, key stakeholders are identified and must clearly understand what coaching is, what the initiative will entail, and what results it will bring to their organization and their employees. Leaders must be encouraged to set the example and to publicize their support of the development of coaching capabilities in their managers and up-and-coming leaders. The coaching outcomes must be linked to the success of the business.

### *The Key Learning of Ontario Shores*

Undergoing significant changes in its leadership, operational processes and business model, Ontario Shores Centre for Mental Health Sciences set out to support its managers and embarked on a journey of culture transformation. Here's what the organization learned in the process.

- Cultural transformation is a journey not a single initiative
- Executive commitment and support are essential
- Linkage to all aspects of the business is crucial
- Developing coaching skills takes time, dedication and commitment to personal development
- Coaching infuses action and accountability among employees at all levels
- Timing is everything
- Maintaining support is valuable
- Selecting the appropriate talent management firm as a partner on the journey is critical

Second, to learn and apply the process, coaching capabilities are grown using a coaching model that is easily teachable, repeatable, and scalable. Key leaders and managers serve as role models of the desired coaching approach which is linked to the development of strategy, the delivery of business results, the exchange of knowledge within the organization, and the development of personal and professional successes. Again, coaching is linked to the success of the business.

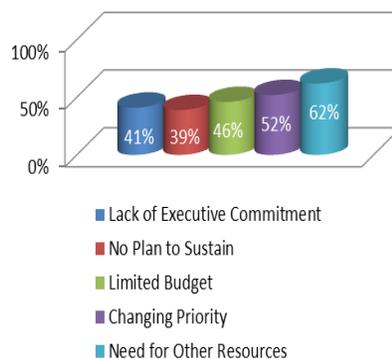
Last, the sustain phase is critical to the coaching culture's long-term success. To flourish, a coach approach needs to be fully integrated in all talent management and other development initiatives.

The organization must recognize and reward coaching culture behaviors and continue to develop skills, offer opportunities and projects where young leaders stretch and practice their skills, and provide constant feedback on personal progress for all employees.

Measures for tracking the return on the company's investment must be developed and constantly reviewed to keep the coaching culture at the forefront of strategic planning. For a coaching culture to truly flourish, a coach approach becomes the fundamental core of the organization – the heart, if you will – infusing every aspect of the business.

In another poll conducted during the webinar, participants answered the question "What impedes your organization's ability to sustain development initiatives?" As shown in the following graph, respondents selected all options that apply for their organization.

What impedes your organization's ability to sustain development initiatives?



It is imperative for senior management to accept and value coaching as a tool for business growth and professional development for the organization's coaching culture to flourish.

### Long-Term Business Success

Through a coaching culture, employee engagement results often rise. Happy and engaged workers mean happy customers, which result in financial success for the company.

More employees desire to stay with their company, and it is easier to attract external talent to join the firm. Managers see the value of their position in the company and are willing to train upcoming staff members to achieve top performance. People's skills and value to the company are noted, appreciated, and rewarded, often through promotions. A pipeline of talented employees stands ready for new challenges.

Senior executives must recognize that coaching takes dedication, time, and commitment at all levels of the organization. Each organization must assess its size, structure, and existing

culture as a starting point from which to understand the financial commitment and rewards related to the creation of a coaching culture.

It's clear that the return on investment in a coaching culture impacts engagement, productivity, revenue, and other key business measures.

Embarking on a journey to create a culture of coaching is just that, a journey which may take a number of years to achieve yet will be well worth the travels with many successes along the way.

The success of today's leaders

should be measured by how well they engage and develop others, as well as hold them accountable for contributing to organizational performance and sustainable momentum for their companies.

Organizations who transform and embrace a coaching culture will celebrate their return on investment for years to come. ■

*Through its Manager As Coach Learning Series™, Career Partners International helps organizations around the world build and sustain a coaching culture. For additional information on this or other*

*talent management solutions, please contact your local Career Partners International representative.*

#### **About the Author**

Barbara A. F. Greene, founder and CEO of Greene and Associates, Inc. the San Antonio office of Career Partners International, has distinguished herself in her profession and the community. Her client list reads like a Who's Who of successful businesses locally, regionally, and nationally. She assists top executives, nonprofit organizations, and businesses of all sizes with creating a coaching culture, succession planning, career development, transition strategies, mentoring, and executive coaching. Barbara is recognized as an expert in her field, using innovative approaches and customizing services to client needs, often creating partnerships to provide an in-depth array of services to her clients. Barbara can be contacted at 210-366-8768 or by visiting [www.greeneandassociates.com](http://www.greeneandassociates.com).

#### **About Career Partners International**

Career Partners International is one of the world's largest providers of talent management solutions with more than 200 offices in over 40 countries around the world. Organizations of all sizes turn to Career Partners International to successfully assess, engage, develop and transition talent using the expertise of more than 1600 highly-skilled experts in the areas of assessment, coaching, leadership development and outplacement. Additional information can be found by visiting [www.cpiworld.com](http://www.cpiworld.com).