

# Executive Coaching: Fad or Future?

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## Executive Coaching: Fad or Future?

The use of executive coaching has been an increasingly popular trend in organizations (Kampa-Kokesch & Anderson, 2001). There are numerous professional organizations and training institutes devoted specifically to this particular intervention—each with different theoretical models, approaches, processes and ethical/professional guidelines (see for example <http://www.peer.ca/coachorgs.html>). Many of the larger human resources consulting and outplacement companies now provide and even “specialize” in coaching services. Is executive coaching a fad or will it become an accepted performance intervention for leadership development based on empirical evidence?

### 1. Is there Supporting Literature on the Impact of Coaching Effectiveness?

Coaching is a form of a systematic feedback intervention aimed at enhancing professional skills, interpersonal awareness and personal effectiveness. A very recent literature search on the impact of coaching reveals mostly case study or formative evaluation of coaching services with very few longitudinal studies (Kampa-Kokesch & Anderson, 2001).

A recent study by Manchester Inc. examined the impact of coaching in 56 companies with 100 executives. Their findings suggest that 74% of the sponsors and 86% of the participants were very satisfied with the process. From the survey of respondents who received coaching, it was estimated that coaching resulted in an average return of 5.7 times the initial investment. Furthermore, coaching contributed to a perception of increased productivity for 53 percent of respondents and improved quality of work for 48 percent of the respondents. When asked in the survey, which work group relationships improved as a result of coaching, the results indicated that 77 percent reported improvement with direct reports, 71 percent reported improvement with immediate supervisors and 63 percent reported improvement with peers. Of those receiving coaching, 61% reported a significant increase in their overall level of work and job satisfaction.

In our experience, coaching does in fact make a difference. We have evidence that coaching results in significant changes in behavior and skills as viewed by supervisors, direct reports and team members when comparing changes in pre and post-coaching administration of multi-rater feedback instruments. Especially noticeable were improvements in skills in the areas of communication, interpersonal sensitivity and listening. For example, we provided coaching to managers in a large communications conglomerate (Times Mirror Corporation) which included individual assessment (360 degree feedback, personality, and career orientation), developmental planning and individual follow-up meetings. At a one year follow-up, we found significant behavior change was reported by their supervisors in the skill areas above.

In a recent 2003 longitudinal study of 404 senior managers, Smither (2003) and his colleagues found that executives who worked with a coach showed improvement in performance in terms of direct report and supervisor ratings using a multi-rater feedback instrument. Interestingly, meta-analytic evidence of over 600 studies suggests that feedback interventions, a cornerstone of all coaching models, can actually cause a decrease in performance (Kluger & DeNisi, 1996). One third of the studies showed an actual decrease in performance following individual feedback.

Behavior change is hard whether it is personal or business-related. “Lapses” and “slips” are part of the inevitable journey of personal behavior change even in highly motivated clients. Furthermore, translating awareness into behavior change may have a lot to do with how self-aware one is to begin with (Nowack, 1999) and readiness to change (Prochaska, et al., 1992).

In summary, some evidence suggest that executive leaders tend to respond well to coaching but little research evidence exists, to date, to establish a consistent link between coaching and improved performance or behavior change.

## 2. Who is Qualified to do Executive Coaching?

One of the problems with the emerging field of executive coaching is that there is no professional licensing or set of agreed upon competencies required to be a coach. An executive coach should be trained to deliver counseling, should be familiar with the business world, and adhere to an accepted body of professional and ethical standards. However, there are many executive coaches who lack one or more of these.

Corporate coaches are in such demand that they can charge \$600 to \$2,000 a month for three or four 30 to 60 minute phone conversations or meetings. It's not that executive coaching is particularly new—chief executives and those approaching the top have long sought counsel from personal consultants, board members, or psychologists. Now, coaching is an industry with unregulated growth that is often based on unproven models of change and diverse ethical and professional practices.

Clinical psychologists interested in moving into organizational coaching need to develop critical competencies in normal assessment (e.g., 360-degree feedback, newer generation five-factor personality inventories, work sample simulations such as management inbaskets, and career inventories), performance evaluation, organizational development, survey feedback, and business acumen. It is not enough to believe that, because you have taken a one-day continuing education course on coaching or have dealt with large professional or executive clientele in your private practice, you are now qualified to do corporate coaching.

Coaching may look like nothing more than individual therapy focusing on enhancing interpersonal and social skills. However, effective coaching focuses on work-related skills and behaviors to enhance professional effectiveness and job performance with both poor performers and high potential talent (performance improvement coaching or performance development coaching). Identification of personal and family problems always results in a referral, rather than, treatment with executives. With respect to professional and ethical standards in coaching, you should always adhere to the standards of your highest license and training—it is not possible to be a licensed psychologist but treat coaching as an

intervention that does not need to follow the 2002 Ethical Principles of Psychologists and Code of Conduct. Those doing coaching should still maintain professional coaching notes, establish a written contract at the onset specifying services with limits of confidentiality, avoid dual relationships (e.g., treating an executive for depression while coaching him/her) and evaluate the impact of their services on agreed upon performance measures.

## **Conclusion**

Executive coaching has become increasingly popular despite limited empirical evidence about its impact, little agreement about accepted executive leadership change models to follow, and wide disagreement about necessary or desired professional qualifications. Psychologists who choose to act as an executive coach should strive to utilize “best practices” and adhere to all relevant APA professional and ethical standards. The coaching phenomenon, like all mass movements, will have its excesses: dubiously credentialed and trained people hanging out their shingle, unethical practices and little focus on actual performance improvement and behavior change. It is my hope that psychologists will not contribute to these problems and reduce the credibility of executive coaching so that it becomes just another fad. Rather, I would hope that psychologists, by their experience and expertise in measurement, assessment, counseling and ethical issues actually enrich and validate this emerging field.

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