

Growth market

David Peterson and Bobbie Little of PDI chart the rise of systemic coaching, an innovative strategy that develops key leaders in line with business needs – and ensures return on investment

Executive coaching is in the midst of a transformation. Leading-edge organisations are moving beyond reactive, one-leader-at-a-time coaching to launch coaching programmes focused on developing key groups of leaders.

We are seeing an increase in many parts of the world, particularly the UK and US, in systemic coaching – the strategic, programmatic use of coaching to develop pivotal talent pools. Directly aligned with business needs and fully integrated into the organisation’s talent management systems and processes, systemic coaching creates a much greater return on investment for the organisation.

As organisations have gradually moved towards systemic coaching, many of them have progressed through several stages (see diagram, right).

● Stage 1: the ad hoc approach This is coaching that is totally ad hoc and driven by requests for coaching, often from a variety of sources, such as a boss, HR professional or potential client. At this stage organisations should focus on providing highly effective coaching to help clients achieve their learning objectives.

Organisations using an ad hoc approach often obtain great value

from individual learning but have difficulty tracking costs and determining the real organisational value. They often have little information on what coaches are doing or how effective they are.

● Stage 2: a need for structure This occurs when an organisation identifies a need for structure and oversight to what is happening, or when





someone who really believes in coaching as a valuable resource chooses to step in to provide that structure.

The goal of coaching driven by a champion or sponsor is to set up a structured programme to manage individual coaching engagements across the organisation.

Companies at this stage typically focus on identifying a pool of coaches, setting parameters for the coaching process, and serving as a resource to match coaches to participants.

Some organisations go overboard at this point, bringing in central co-ordination and consistency but losing the flexibility and individual customisation that is not merely a hallmark of coaching but one of its greatest advantages. »

How to implement systemic coaching

1. Coach the right people

Where will coaching make the biggest difference to the success of an organisation?

2. Choose the right coaches

How will the organisation set up and manage a pool of coaches with the right skills and capabilities to meet its needs?

3. Follow the right process

What guidelines and expectations does the organisation need to find the right balance of control and flexibility to ensure optimal results for both individuals and the organisation?

4. Establish the right support

How can the organisation align organisational systems, tools, and bosses and other leaders to provide the necessary support and accountability for coaching and development?

5. Use the right metrics

How can the organisation measure and evaluate the coaches, the coaching process and the business impact to ensure they are getting the required results and contributing to ongoing improvement?

Business strategy should drive the talent strategy, which then drives the coaching strategy. Organisations' coaching strategies guide how they use coaching to produce optimal results and real competitive advantage for the business and key leadership talent.

How one company shifted to systemic coaching

In 2004, one of PDI's clients, a medium-sized pharmaceutical and biotech company, entered a period of rapid growth and geographic expansion. As demand for external coaching intensified, the HR team realised it needed a more strategic perspective to ensure coaching was used primarily for critical business needs.

Six steps to a strategic perspective

1. What are the goals? The first step was to define the company's goal from a talent management perspective – then to see where coaching best fit.

The primary objective was to have capable leaders who would drive and manage the organisation in this rapid growth environment. Although an aggressive recruiting process was bringing in some of the required leadership talent, the company wanted to accelerate development for current leaders and high potentials.

PDI identified four pivotal talent pools where coaching seemed an ideal fit:

- new executives hired from the outside;
- internal leaders newly promoted to senior management roles;
- high potential mid-level leaders;
- leaders currently in critical roles, defined as those responsible for entering and expanding new markets, facing challenging competitive dynamics, or experiencing rapid growth, either organically or as a result of acquisitions.

2. Defining expectations The HR team saw coaching as more than simply a process to outsource to executive coaches, therefore the next step was to define expectations for managers, HR and OD professionals and external coaches.

Managers needed to fulfil basic coaching responsibilities for their teams, including communicating clear expectations for performance and behaviour; providing ongoing feedback and advice on how people were doing – and what they could do better; and holding people accountable for their development.

HR and OD professionals needed to provide coaching to support managers in their coaching – a significant shift in the company's perspective. In the past, HR professionals were often called in to help address "difficult" employees or challenging situations, but from now on they would coach the manager to help them handle the situation. This helped to reinforce their commitment to growing everyone's coaching capabilities and building a culture of development.

An internal HR person was assigned to coach all new executives hired from the outside, to get them on board and up to speed quickly.

3. Bringing in external coaches The next step was to enlist external coaches to provide coaching to high-priority candidates from the other three key talent pools: new senior-level promotions, high-potential leaders on the succession path, and leaders in critical roles.

The organisation identified a team of six coaches, looking at criteria such as familiarity with similar organisations and business dynamics, experience of working

at either top executive or upper management levels, fit with organisational culture and values, and a strong track record of success. One of the coaches was to focus exclusively on the senior executive level.

4. The coaching process Next, basic expectations needed to be defined for the coaching process. The organisation wanted to keep it flexible and customised but build in the right level of support, communication and accountability to ensure results. Among other things, it decided to require written coaching objectives, full agreement and support of the manager, regular updates from the manager on the participant's progress, and an evaluation of the process and outcomes at the end of coaching.

5. Designing the evaluation and review process The organisation prepared a small set of items to be rated by the manager, participant and coach so it could get some quantitative measures. The centrepiece of the evaluation process, however, was a short interview with each of the key players so they could gather information on what the real lessons were, the value to the business, and recommendations for how to improve the process.

6. Launching the approach The organisation began with coaching for the chief executive and two highly visible rising stars. The CEO, although a reluctant participant at first, soon began talking publicly about the benefits of coaching – an unanticipated occurrence that helped to foster rapid acceptance within the organisation.

Outcomes

A few months later, other initiatives followed, including external coaching for 10 leaders who were chosen to represent major businesses and regions. Five of the leaders were high potentials who the organisation wanted to prepare for new roles as quickly as possible. The other five were either newly promoted senior leaders or in one of the defined mission-critical roles.

A one-day off-site event to align the executive leadership team's support of systemic coaching focused on teaching coaching skills and helping leaders to define their role in fostering a culture of coaching and development.

One outcome was a decision that each leader would identify one or two key people who they would coach, and then report back to the executive team on their progress and what they had learnt.

Meanwhile, managers were given training in basic coaching skills. Most were strong technical leaders but some, such as engineers and scientists, were unskilled or uncomfortable in giving feedback or discussing development priorities for people.

So far, feedback about the process and tangible results has been positive. The company has adjusted the process on the basis of the feedback and has recognised that deciding how to prioritise who else gets coaching needs to shift as business priorities shift.

“The main challenge with systemic coaching is that it requires the co-ordination and buy-in of many players in the company”

» It's important to determine what aspects need to be consistent, such as written coaching objectives supported by a clear business rationale, and what can be flexible, such as scheduling and number of hours of coaching.

● Stage 3: targeted coaching

Generally, this is the first level where coaching is really thought of as a talent management tool focused on talent pools or key groups of people.

Scenarios such as recognising a need to accelerate high-potential development, helping managers to deal with a merger or acquisition, or providing “onboarding” or transition support to managers in new roles, are common reasons why organisations move to this stage.

Coaching is a high-impact tool that can help leaders to address quickly a range of talent development needs.

● Stage 4: aligning business and individual objectives

Driven by business needs and the organisation's talent strategy, this ensures that coaching provides tangible value to both the individual participants and the organisation.



Keep it simple

The main challenge with systemic coaching is that it requires the co-ordination and buy-in of many players in the organisation. But it doesn't have to be overly complicated: even the company's talent strategy can be fairly straightforward. You simply need to identify the pivotal talent pools where development will have the greatest impact on business results, such as profitability, morale, retention, organisational adaptability, growth, customer satisfaction and innovation. ■

Further info

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