



COACHING

# How Developing a Coaching Culture Pays Off

Dramatically Improve  
Your Organization

Regular coaching will improve productivity, employee engagement, retention, employee development, and supervisor performance.

by **Dr. Jack Zenger and Dr. Joe Folkman**

# How Developing a Coaching Culture Pays Off

Dramatically Improve Your Organization

by Dr. Jack Zenger and Dr. Joe Folkman

---

## PART I. CREATING A NEW CULTURE

Imagine a family dinner at which the children announce to their parents that they would like more guidance and direction than they are currently receiving. They also ask for more vegetables and less junk food, along with an earlier curfew and less TV and game time. We suppose that the only thing that would be more unlikely would be if the parents totally ignored these requests, preferring to maintain the status quo.

Yet, something quite similar to this situation goes on within most organizations. According to our research, employees would like to receive a good deal more coaching from their boss than they currently receive. While they like being told pleasant and positive things, they also recognize that even greater value comes from periodically receiving corrective feedback regarding how they are accomplishing their work, or about things they could begin doing to make an even bigger contribution.

Yet, despite this attitude and strong belief on the part of the employee group; managers continue to be reluctant to provide the coaching that the employees desire. It would not be hard to create a long list of all the reasons why this happens. The specific kind of coaching that seems in very short supply is corrective feedback. Employees appear to yearn for plain, simple, job related feedback.

### How to Create a Coaching Culture

Let's learn from those who are finding ways to build such a culture. We are fortunate to have several client organizations who have identified the need for managers to do more coaching. They have been persuaded by the data that shows that as coaching improves so do a number of important business outcomes.

Nothing is more correlated, for example, with increasing higher levels of employee engagement than increasing levels of coach-

ing on the part of managers. Coaching effectiveness goes with increased productivity, higher levels of intentions to stay with an organization, and the way that managers are perceived in their overall effectiveness. The latter part of this article will document this connection.

But first, how can organizations create this culture? Three of our clients are currently experiencing success in creating a coaching culture. One is in financial services, another in packaged foods, and the third is in retail grocery. Each has created this coaching culture in a slightly different way, but there is also a general consistency in the major tactics they have used.

### Creating a Coaching Culture

The steps for creating a coaching culture are:

#### 1. Setting Clear Expectations

Senior leaders in the organization can send a clear message regarding the importance of coaching as a key element in effective managerial behavior. A senior executive in Wells Fargo Bank gave a jaw-dropping message to a large meeting of managers. He said that he expected all managers to spend one-half of their time providing coaching to their subordinates. Such a message sends a clear signal that the organization is taking this activity seriously.

Topics are taken seriously when employees hear that subject addressed in every managerial conclave. People also note whether this topic is high on the agenda or something near the tail end, and it gets covered only if there is ample time.

People also take note of what is on the agenda for their periodic meetings with their boss. If coaching practices and outcomes are talked about frequently, then the topic is of obvious importance. If they are never mentioned, this sends an entirely different message.

### 2. Create a Process to Follow

If an organization expects the broad population of managers to do something, then that must be made concrete and practical. Managers need to know exactly what is expected. Precisely what are they to do? What is the purpose? What are the desired outcomes? Addressing those questions can be aided if a simple process has been created that everyone can understand and follow.

The most successful coaching implementations invariably provide a structure and process. These include helping the coach to identify the topic of successive coaching conversations. They include a general pattern to structure the coaching conversations. Zenger Folkman has created the FUEL model that provides the coach with a useful framework to follow.

Our experience has been that invariably managers come to understand that there is great freedom that comes from having structure to follow. It enables them to “be in the here and now” in the conversation, and not be distracted with thinking about the next question to ask or what direction the conversation should take.

Tools that aid the process also include some mechanism by which the coach can gather ongoing feedback on how the person being coached feels about the coaching discussions. An efficient and simple feedback tool provides information that enables the coach to continually improve as a coach.

### 3. Provide Skill Training

People are not born with the skills of being a good coach. Like any other skill it has to be learned. Also, like any other skill, it cannot be learned by only watching someone else do it. Watching an athlete lift weights doesn't do a lot to build your muscles. And learning a skill requires practice.

The purpose of practice is not only to learn how to execute the new skill, but it also enables the participant to gain confidence along with their competence. No matter how well you can do something, if you don't feel confident to practice the skill, you won't try. This leaves you in much the same place as the person who completely lacks the skill.

While watching someone else coach won't build the skill within you, it is a very powerful step in the learning process. Once you have learned the important ingredients of a coaching conversation, and you have in mind the ideal path to follow, then watching someone coach is an extremely powerful way to see it played out in real life. The value of seeing and hearing someone conduct a well-thought through coaching session is impossible to measure and describe, because of the subtleties and nuances that are acquired.

The heart of skill-building is the opportunity to practice and to receive feedback about that practice. Our clients who are achieving success in building a coaching culture are unwavering in their insistence on preserving a large portion of the time in any development session for practice and feedback.

### 4. Organize Systemically

Any change process that makes a serious dent in the culture must touch many parts of the organization and operate at all of the levels of the hierarchy. The senior levels of the organization paint a vivid picture of what is desired, and by their repeated drumbeat of messages, they reinforce the change. The operating levels of management must be marshaled to further carry the message, but also to practice it in a visible way that touches the larger populations in the organization. At the same time, much like the other jaw in a pair of pliers, the employee group is engaged in pursuing the same aim.

Employees often complain about not receiving the coaching they need and desire. Their assumption is that the manager is solely responsible for making this happen. But organizing systemically involves getting the entire workforce to see coaching is an interaction between two people. Both can do a great deal to make it happen—or to make it not happen. Employees can raise their hands and ask for coaching sessions. In most cases that will be with their immediate boss, but it need not stop there. If the organization is training managers to be better coaches, ways can be created to match trained coaches with those wanting coaching, regardless of where in the organization they come from.

### 5. Monitor and Measure

Successfully creating a coaching culture requires the creation of ways to track progress. These will vary from organization to organization. Some will ask a question as part of an organization survey that asks something like: “Do you receive the amount of coaching from your immediate manager that enables you to perform at your best?” Or, “To what degree does your manager initiate conversations about your performance?” “To what degree does your manager discuss your future with the organization?” “Does your manager discuss your career aspirations?”

Data can be collected from informal discussions with all managers. HR representatives can informally inquire as they interact with people for any number of reasons.

### The Double Benefits of Building a Coaching Culture

Development efforts always have the potential of producing two distinct outcomes. First, they can obviously improve the skill level of the individual participant. Some might argue that it is simply the collective combination of all those individual improvements that ultimately produce the second effect of ultimately transforming the

culture of the overall organization.

But, as Peter Drucker observed long ago, there is something that happens when your development efforts impact between a third and one-half of the leadership group. There seems to be a tipping point that now has people operating from the same assumptions, sharing common values, using the same nomenclature, and having an even stronger bond.

We witness this powerful effect when a significant part of the management team sharing the same skill.

But there is something else about helping leaders to become better coaches. Coaching puts into practical, tangible operation a large number of the principles of great leadership. It, more than any other skill or management technique that is commonly taught in a leadership development program, changes the culture. It alters the tone and creates a healthier atmosphere in the organization. People are being treated with more respect. They are being asked and not told.

At the same time, leaders are less inclined to let things slide, hoping that something magical will happen to make them better. The leadership team collectively is more inclined to step in to get problems resolved, by holding those about them to be more accountable.

The very nature of good coaching puts into practice all of the principles of positive psychology, and this ultimately combines to help shape an entirely new culture in the organization.

**PART II. THE PAYOFFS OF COACHING**

“The proof of the pudding is in the eating.”

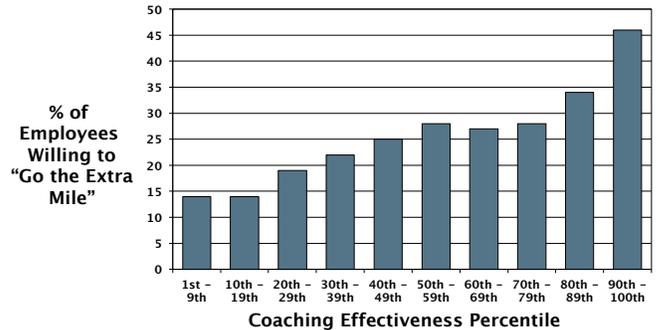
There is an old saying that the proof of a pudding is in the eating. This is an odd phrase, but yet it has a powerful message. The value of any pudding is not in how it looks. Nor is it in the contents that were combined to make it. The only real test of a pudding is how it tastes when you eat it. This phrase, originally used by the author Cervantes in his book about Don Quixote, can be applied to many products or services that we purchase. The ultimate test of any product is, “Does it do what it purports to do?”

In recent years, we have seen an enormous uptick in the use of coaching as a tool for leadership development. It is a skill that every leader needs to possess. But does a program on coaching skills achieve the outcomes it purports to achieve? Understanding the important outcomes of a successful coaching program is vitally important for any organization to track.

The main objective of a good coaching program should be to help an organization become more effective. The goal is better business outcomes. Therefore, spend just a little time on theory and lot of time making sure participants understand the business case for what they are doing. Leaders need to see the business implications of coaching in order to motivate them to do it. They must understand the relationship of coaching behaviors to important business outcomes. Following are five of those outcomes:

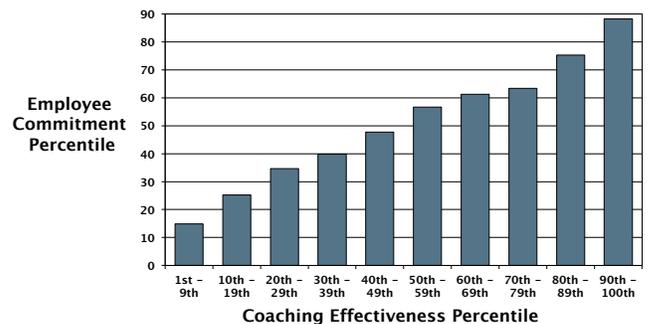
**1. Improved Productivity**

Coaching has a great impact on employee productivity, or their willingness to go the extra mile. In this graph, we have broken down coaching effectiveness into deciles and plotted it against employees’ response to the question, “Are you willing to go the extra mile?” The least effective coaches have less than 15% of their direct reports respond positively to this question. The top decile has three times as many people responding positively.



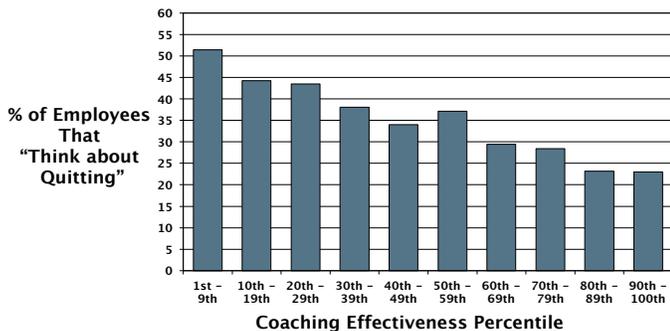
**2. Greater Employee Engagement**

Employees who are coached regularly feel a greater level of engagement and commitment. The following graph shows coaching effectiveness plotted against employee commitment. Notice a linear correlation from the 15th percentile on least effective to the 88th percentile on the most effective. While correlation is not always causality, it is very impressive to see the relationship between these two dimensions.



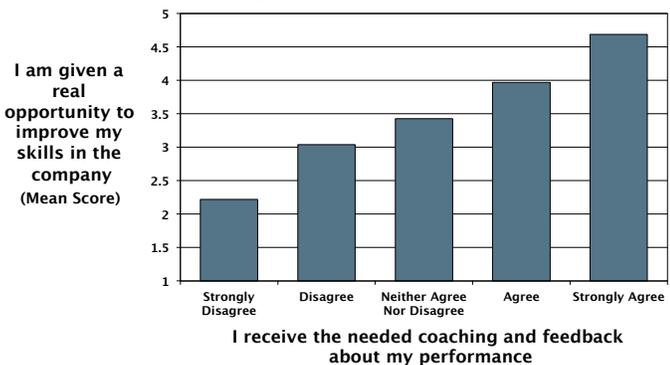
### 3. Improved Retention

Leaders who are good coaches have fewer employees who think about quitting. In the following graph, more than 60% of employees reporting to a manager that is not a good coach are thinking about quitting, versus 22% reporting to the best coaches.



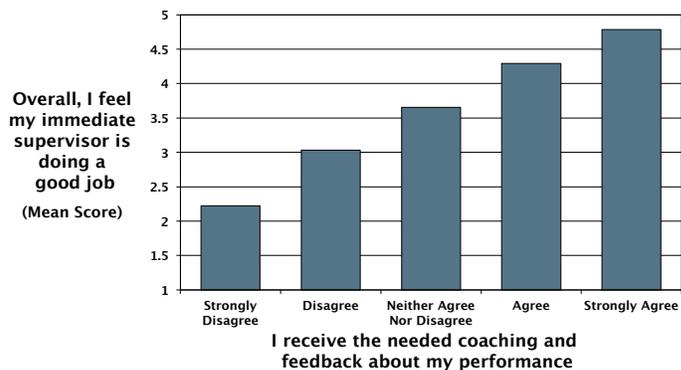
### 4. Employee Development

“Do you receive the needed coaching and feedback about your performance?” This graph shows the answers. The scores from this question are plotted against, “I am given a real opportunity to improve my skills in the company.” Employee development is clearly related to increased retention, employee commitment, and other important variables. Besides that, developing employees is simply the right thing to do. After all, employees who are constantly developing are constantly adding new ways to build the bottom line of the organization.



### 5. Perceived Supervisor Effectiveness

Finally, coaching impacts the overall opinions that employees have about their boss. The next graph displays, “I receive the needed coaching,” plotted against, “Overall I feel my immediate supervisor is doing a good job.” The old saying goes that you don’t quit your job—you quit your boss. Clearly, the data shown here supports this conclusion. Simply put, the opinion that employees have about their boss takes on added importance and the way to improve that perception is largely through good coaching. It’s clear that the degree to which a boss takes time to coach employees makes a big difference in how they feel about him or her, and whether they think that they are doing a good job.



### Why These Outcomes Occur

Fundamentally, the purpose of all learning and development is about productivity improvement. Why and how would improving coaching, positively impact the level of productivity in an organization? We analyzed our database of leaders who had the highest scores on productivity improvement. We discovered that leaders who received high scores on productivity improvement also scored high in 10 correlated behaviors that appeared to drive productivity. Of the 10 behaviors, we concluded that coaching had a direct bearing on 7 of them. They are:

#### 1. Resolve Problems Speedily

Leaders who have high scores on productivity improvement resolve problems speedily. Consistently, this area is one of leaders’ lowest scores on our 360. Coaching encourages managers to quickly step into issues to resolve them.

#### 2. Emphasize Continual Improvement

Coaching almost always emphasizes continual improvement. Coaches are saying to themselves “How can I help the employee or group find ways to improve and streamline work processes?” This question becomes an ideal topic for a coaching conversation.

#### 3. Show Respect for Individuals

Coaching teaches leaders to show respect for their colleagues. It teaches them to listen, to probe for their ideas, and generally make them feel empowered. This is easy to say, but harder to do. There is no better way to convey respect than to have a coaching conversation with individual employees in which you listen and hear their ideas and value what they have to say.

#### 4. Handle Performance Issues Positively

A coaching discussion is an optimum way to handle any performance issue in an upbeat, positive way. It’s important to frame the conversation and agree on ground rules. Second, take time to explore the current situation and what is causing it, whether it is something that you have raised a concern with or the person has come to talk about. Third, ask the question, “If this was an ideal world, what would it look like?” Finally, agree on some

---

## COACHING

---

plan of action that has milestones attached and will lead to the outcome that you choose. When we teach this in our coaching program, we ask participants, “How many of you had a conversation like this with your boss this year?” It is distressing that we often only see one or two hands raised. These are unusual conversations, but necessary for the development of employees.

### **5. Provide Extensive Communication**

What better opportunity for a manager and a subordinate to exchange important information and enlarge that communication channel than to have periodic coaching discussions? We are great believers in open book management. When organizations share data, people feel like they are being respected and trusted. It has significant positive effects.

### **6. Developing People**

Some coaching sessions should be clearly labeled. Often managers think they are having a coaching conversation, but the employee thinks that it is just a casual lunch meeting or a chance to chat with their managers. They don't realize that it was carved-out time, deliberately focused and preserved for their development. We believe that labeling some of these sessions is not only important—it's vital to ensure that the right conversations take place at the right time.

### **7. Inspire Others**

Inspiring others through improving the climate and being open to feedback is an extremely powerful activity. A good coaching discussion should be a positive experience for both parties. The manager should learn something from it, as well as the person being coached. The best coaches seek feedback at the end of their coaching discussions to determine if the time was really well spent and if the people are leaving with a clear course of action.

## **CONCLUSION**

The effort, time, and money invested in creating a coaching culture is richly rewarded with measurable business outcomes. When it comes to improving productivity, employee engagement, retention, employee development, and supervisor performance, there is simply no better activity than having a leader that coaches and develops their direct reports on a regular basis.



#### **JACK ZENGER, Ph.D.**

Jack Zenger is a world-renowned behavioral scientist, bestselling author, consultant, and a national columnist for Forbes and Harvard Business Review. With more than five decades of experience in leadership development, he is recognized as a world expert in the field of people development and organizational behavior. His ability to connect with Executives and audiences through compelling research and inspiring stories make him an influential and highly sought-after consultant and speaker.



#### **JOE FOLKMAN, Ph.D.**

Joe Folkman, Ph.D., is globally recognized as a top leader in the field of psychometrics, leadership, and change. He is a consultant to some of the world's most successful organizations, a best-selling author, and a frequent keynote speaker and conference presenter. His research has been reported in numerous publications including, The Harvard Business Review, Forbes, CLO Magazine, The Wall Street Journal, Huffington Post, Business Insider, CNN, and others.

#### **ZENGER FOLKMAN**

Zenger Folkman helps organizations flourish by increasing the effectiveness of leaders at all levels. Our unique, strengths-based development methodology enables leaders to move faster and higher. Each offering is solidly grounded in research, utilizing our extensive empirical database. The end results are statistically significant improvements in how leaders lead, how their employees engage and how their companies profit; allowing both leaders and organizations to soar to new heights.

1550 North Technology Way, Building D  
Orem, UT 84097  
p: 801.705.9375  
f: 801.705.9376  
[zengerfolkman.com](http://zengerfolkman.com)

---

#### **THE LEADERSHIP CONSORTIUM**

The Leadership Consortium is the Southern African Strategic Partner for the globally recognised Zenger Folkman Group. We are a specialized Leadership Development company servicing the Corporate and Medium sized business sector in Africa. We passionately believe Leadership is a contact sport and we focus on delivering Leadership in action services. We provide unique tailor-made and result focused leadership programs to take your executive leadership from good to extraordinary. Our solutions include Leadership assessment, company culture assessment, specialized leadership recruitment and selection, leadership on-boarding and integration, executive mentor-coaching, executive leadership team development, leadership development programs and corporate strategy develop-

#### **HENK KLEIZEN | CEO**

T: + 27 83 273 8655

E: [henk@leadersco.co.za](mailto:henk@leadersco.co.za)

W: [www.leadersco.co.za](http://www.leadersco.co.za)