

# What is executive coaching and its benefits management essay



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This report has been structured around the changes and concerns that are currently impacting Cassidy's as an organisation, such as our decision to develop Cassidy's into an international organisation. The first international store to open will be in Auckland, New Zealand, which is set to open early 2011. International growth will continue with opening of Cassidy's in Canada in late November 2011. In order for business growth and the expansion of Cassidy's, we need to make sure our executive leaders are ready to lead our organisation within a new environment.

Due to the growth of Cassidy's our needs are changing. We now require a larger and more flexible leadership team that has the skills and knowledge to succeed in an ever changing environment. Organisations will always benefit from having highly trained executives who possess exceptional leadership skills. Investing time and money into the development of executives are a necessary expense if an organisation aims to excel. The success of Cassidy's requires that our current and future leaders perform to their maximum potential. Developing the skills and knowledge of executive leaders can benefit the whole organisation, as they have the ability boost our sales, profits, revenues, consumer recognition and loyalty.

Executive staff retention is also critical to the success and growth of Cassidy's. Last financial year it was recorded that our organisation spent over two million dollars on costs related to staffing retention. Failing to retain a key employee is costly, various estimates suggest that losing a middle manager costs an organisation up to 100 percent of his salary. The loss of a senior executive is even more costly. It is important for Cassidy to work on staff retention if it wants to grow . 2

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There has been a phenomenal increase in use of executive coaching over the past decade or so. A 2004 survey of the HR/Training community conducted by the Chartered Institute of Personnel and Development (CIPD) in the UK showed that four-fifths of respondents now use coaching in their organisations. The Australian Institute of Management claims 70% of its member company's hire coaches. Berglas (2002) stated that there were more than 10, 000 professional coaches in the United States, and this figure was expected to exceed 50, 000 by 2007.

## **What Is Executive Coaching and it's Benefits'?**

Executive Coaching is a specialized form of coaching that is becoming one of the fastest growing trends within employee development. Executive coaches work with an organisation to help highlight and develop a plan that works in conjunction with the needs and objectives of the organisation and members of the executive team and supporting staff. In an increasingly fast-paced and complex corporate world, there are few places where an executive or senior manager can step back and reflect on the range of issues facing them. Having a coach provides a wider perspective, additional points of view and a degree of objectivity that can be difficult to obtain when you're leading an organisation. Coaches are seen as a "sounding board" outside of the organisation, having this option benefits the executive as they have a listening ear that provides a safe way for them to voice their frustrations, explore their options, and talk through new courses of action. Kilburg (1996) describes the relationship of a coach and client as:

" A helping relationship formed between a client who has managerial authority and responsibility in an organisation and a consultant who uses a <https://assignbuster.com/what-is-executive-coaching-and-its-benefits-management-essay/>

wide variety of behavioral techniques and methods to help the client achieve a mutually identified set of goals to improve his or her professional performance and personal satisfaction and., consequently, to improve the effectiveness of the client's organisation within a formally defined coaching agreement" Kilburg (1996, p. 142)

He also describes key benefits that clients and organisations achieve through executive coaching:

Executive coaching can assist executives to find new and productive ways to manage the interpersonal aspects of leading others

Coaching can provide executives to find powerful ways to influence others

Reduce turnover and retain top performing staff

Enhanced individual and organisational performance

Improved organisational strength

Perception of management as being committed to employees and their growth and success

Improved employee morale, more committed employees, thus greater productivity

Retention of high potential talent and talent magnet

Better client relationships

Positive work environment, thus greater productivity

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Executives learn coaching techniques which they can implement with their teams for improved relationships and productivity, as well as enhanced employee development

Positively affect organisational culture

Ability to recruit key talent through enhanced reputation within the industry

Executive coaching helps the executive to expand leadership skills

Who coaches are – trained facilitators, not consultants, counselors, trainers or mentors

What coaches do – produce positive changes in business behavior within a set schedule with a limited time frame.

## **The process of executive coaching**

Whilst it is important to understand the benefits that Cassidy's can achieve using executive coaching, we also need to understand some of the methods and practices coaches use. Kilburg (2000) suggests the coaching process is a kind of "circle of awareness" within which the coach engages the client in a series of single-loop, double-loop, and triple-loop learning experiences to "assist the client to understand the nature of the current organisational environment, the leadership situation, and his or her experiences with it":

Learning in action: The ability to be self-aware as the client is performing a task.

Reflection on learning in action: The ability to be aware of different ways to approach a task and how to modify approaches as the task is being performed.

Reflection on reflection on learning in action: The ability of the client to be aware of multiple levels of complexity, paradoxes, and polarities in the situation with the intent of learning how to better perform in the future

### **Internal and external coaches**

To select the correct type of coach of the right saturation both internal and external coaches need to be explained. An external coach is an external consultant to the company. An internal coach works for the company and usually a senior manager, a person's line managers, or members of the HR department. Each type of coach excels in supporting the executives for a board range of scenarios.

External coaches excel in these areas:

Coaching clients at the higher end of the corporate ladder

If there is an environment of low trust and/or hostility between staff

Navigate attitudes and little expectation of success

When objectivity is critical for helping the executives

Confidentiality between the coach and client

External expertise and knowledge

Unbiased and impartial opinion

Internal coaches excel in these areas:

Interment knowledge of the company is required

Culture issues are affecting the client and internal knowledge is required

The budget on coaching is limited or other Financial constraints

Large amount of coaching is required

The need to provide a Consistent approach provided by the company

A mixture of internal and external coaches will provide Cassidys with the greatest flexibility. The external coach should be used to train the more senior members of the team, while also training and mentoring the internal coach. This will enable the internal coach to gain experience and knowledge, while still providing useful corporate and culture knowledge about the organisation.

## **Leadership**

The skills and behaviour of organisation leaders affects the entire organisation and its successes. It is vital to Cassidy's future that we assist our leaders to develop and help them reach their maximum potential.

Cassidy's requires exceptional leaders to help change and run this organisation, while ensuring that leadership and inspiration are coming from the top and filtering down. With the expansion into our new overseas market, some of our executives will be required to lead these stores. Cassidys will

need to provide extra assistance for these executives as they will be responsible for the growth of our international stores, faced with an array of obstacles such as developing the Cassidy's name within a new market.

Executive coaching could be a strategy used to enhance Cassidy's leaders. By using executive coaching, our leaders can be coached to successfully change operational procedures, expand and emphasize their extensive corporate knowledge, develop their communication skills, and improve their influence on those around them. All of these are traits of an effective leader. Elizabeth Thach (2002) conducted a study using 360 feedback and executive reporting with the aim to determine the impact executive coaching has on leadership and its effectiveness. The study was carried out over three different phases with feedback on the leader being collected from direct reports, peers, and managers. The executives were also required to report the number of times they met with their coach, and their self-reported increase or decrease in leadership effectiveness. It was found that the executives reported a smaller increase in their effectiveness as compared to what was reported in the 360 feedback. Figure 1 shows what the impact of coaching has on increasing leadership effectiveness.

Figure : The Impact of Executive Coaching on Leadership Effectiveness

Executive coaches usually work with individual leaders encouraging them to lead by example, motivate, improve their focused and stay committed.

Although individual executive coaching could be a key to Cassidy's success, isn't the only method that can be used to develop its leaders and executives.



Other methods Cassidy's should venture into are executive team coaching and mentoring.

Team Coaching helps a group of individuals to perform more effectively in their work as a group. Although often provided via one person who is "in-charge" of the team, Team coaching aims to discover major values and expectations, agree common goals and targets and helps improve communications/lessen disharmony/conflict between team members. With the expansion of Cassidy there will be new executive teams created in both national and international departments. To help the executives' transition into their new roles and create a productive team Cassidy's should be to providing extra support to executives so they can create a cohesive unit that can quickly build a foundation of trust. One method Cassidy's could use to help executives build effective teams is to hire an executive team coach.

Executive team coaching differs from executive coaching in a group setting in that the coaching client is the whole team as a system rather than each of the executives in turn. During executive team coaching sessions, the team works on its usual business, typically running a business meeting, and then is coached on its collective process to achieve results. The focus of the team coaching process is on improving operational interfaces between team members while they work on achieving their objectives, rather than focusing on developing each of the executives individually, or simply focusing on improving relationships. They are each expected to contribute according to their strengths and the needs of their team. The same goes for team coaching which is not meant to develop perfect teams, but teams that contribute better to their organisation. Further, the successful development

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of an executive team will yield more effective collaboration, greater alignment in strategy execution, improved quality, products or services for customers, and ultimately, financial returns for the team and organisation.

Mentoring differs from coaching but is focused around the transmission of knowledge and the forming of relationships between the parties. This relationship is usually long running and typically is formed with a more experienced person transferring their corporate knowledge and understanding to a newer staff member, whilst also providing support.

Cassidy's could use mentoring when the international transition occurred to provide the newer team members with the corporate knowledge they will need to succeed in the international environment.

Cassidys will also need to investigate the return on investment (ROI) before proceeding with the implementation of a executive coaching plan. Below is an extract from a case study that shows the great returns that could be gained:

## **INTRODUCTION**

A Fortune 500 firm and Pyramid Resource Group, a coaching services company, recently engaged MetrixGlobal LLC to determine the business benefits and return on investment for an executive coaching program.

A Fortune 500 firm launched an innovative leadership development effort that was expected to accelerate the development of next generation leaders. The participants in this effort were drawn mostly from the ranks of middle managers and from many different business units and functional areas.

Leadership development activities included group mentoring, individual  
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assessments and development planning, a leadership workshop and work on strategic business projects. Coaching was considered to be a key enabler for this approach to leadership development because the participants could work privately and individually with his or her coach to develop specific leadership competencies. The client organization engaged the Pyramid Resource Group to provide coaching to the leadership development participants. While participants spoke very highly of their experience with coaching it was decided to conduct a formal assessment of the effectiveness and business impact of coaching.

### **As a result of coaching the participants reported that coaching significant improvements in:**

- Personal or workgroup productivity 50%
- Employee satisfaction (personal as well 50% favorable as being able to increase employee satisfaction of their team members)
- Customer Satisfaction 50%
- Annualized financial benefits 50% of participants

### **Most frequently cited significant impacts:**

- Work output 30% favorable
- Work quality 40% favorable

### **The Bottom Line:**

Coaching produced a 529% return on investment and significant intangible benefits to the business.

Our organisation is about to embark on one of its biggest developments in the history of Cassidys. As an organisation we need to prepare our executives with the skills and knowledge that will help them compete in a very competitive environment. Although coaching and mentoring can provide us with assistance in growing our department stores we need to remember that

the upcoming pressures that could arise. Investing in making sure that our leaders have the best tools and skills to carry them through the could benefit from implementing all three programs if they are used correctly. For any of these methods to work the individual receiving the training needs to be willing to change and believe that coaching and mentoring can be a positive experience for those who are involved. It also needs to be understood that coaching and mentoring is not a solution to every problem within an organisation.

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