

# Organizational Impact of Co-Active Coaching

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## Introduction

The application of coaching as a human resource development and performance enhancement strategy in organizations has exploded in the past decade. The growth of organizational coaching has happened in multiple forms – as part of blended learning approaches to build employee skills, as an intervention provided in-house to managers by human resource professionals, as a way to leverage “high potential” emerging leaders, and as a general tool for managers to use with supervisees.

That coaching works to foster learning and improve performance in organizations intuitively makes sense, but until recently few scientific studies provided evidence for that claim. This has changed as more studies have appeared that provide a strong case for the return-on-investment of coaching. Consider these examples:

- A landmark study commissioned by Right Management Consultants based in Philadelphia found a return-on-investment of dollars spent on executive coaching of nearly 600%. Executives engaged in coaching reported increases in productivity, improvement in relationships with direct reports and colleagues, and greater job satisfaction (Bolch 2001).
- Research conducted by Metrix Global on coaching in Fortune 500 firms found a 529% return on the investment made in coaching in addition to more intangible benefits (Wilson 2004).
- Multiple studies have found that when 360-degree feedback processes are combined with coaching rather than done alone, significant improvements occur in manager and employee satisfaction, commitment, retention, and overall firm performance (Thach 2002; Luthans and Peterson 2003).

- Coaching enables managers to translate personal learning and insight into improved effectiveness, improves retention, and increases the effectiveness of the links between self-development, management development and organizational effectiveness (Wales 2003).

We know that coaching is an effective learning and performance strategy when implemented effectively – but what indications do we have that the *Co-Active Coaching Model* specifically works well in organizational settings? What distinguishing features of co-active coaching *in particular* align with what we know about how adults learn and perform in organizations? This article seeks to address these questions by considering several aspects that are emphasized in the co-active coaching approach and how they relate to learning and performance in organizations.

### Cornerstones of Co-Active Coaching

The co-active coach's stance that the client is *naturally creative, resourceful and whole* has significant implications for organizational culture and performance. This perspective is a fundamental cornerstone of co-active coaching, and establishes the lens through which the coach looks as she works with her clients to learn and take action. The contextual set of assumptions or perspectives that are present when people engage in activity impacts how they perceive the world around them, what data they attend to, and what actions they are likely to take (Mezirow 1991; Argyris and Schon 1996; Kegan 1999). The adoption of this perspective of confidence in others by organizational leaders engaged in coaching serves to enhance performance and contributes to a climate of productivity that is self-reinforcing.

Studies from numerous fields including healthcare, education, and business management show that when leaders (managers, teachers, doctors, etc.) hold the assumption that the other's (employee, student, patient, etc.) capability is high, productivity or performance will tend to be high. (Rosenthal and Jacobson 1968; Livingston 1969; King 1971; Eden and Shani 1982; Eden 1992). Key findings from studies on this phenomenon of self-fulfilling prophecies, or the "Pygmalion effect," show that:

- What managers expect of subordinates is a key determinant of performance.
- Superior managers are able to create and convey higher expectations of their teams than are less effective managers.
- In general, managers are more adept at communicating low expectations than high ones, even when they believe the opposite.
- The phenomenon of self-fulfilling prophecies in business has the largest impact on employees who are relatively young.

The reverse also holds true: employees who are perceived by managers to be mediocre tend to perform at a lower level than their counterparts (Manzoni and Barsoux 1998). This *set-up-to-fail* syndrome becomes a vicious circle in which poor performance that is influenced by low expectations reinforces the manager's belief that the performer is weak, and the cycle deepens.

As managers and professional colleagues within organizations engage in coaching and build their capacity to hold *assumptions of competence* of employees and peers, the impact on productivity will be positive. Whether organizational coaching relationships are established between formal coaches (internal or external), from peer-to-peer, or between manager and employee, it is reasonable to expect that interaction stemming from the position that employees

are naturally creative, resourceful and whole will contribute to greater learning and improvement in performance.

When adopted in organizations, the other three cornerstones of co-active coaching (following the client's agenda, dancing in the moment, and including the client's whole life) create a climate in which employees are valued, encouraged to focus on development that is most relevant and meaningful to them, and where they are viewed and interacted with as multi-faceted human beings with whole lives. These cornerstones form a foundation of co-active coaching that may be distinct from other approaches, and which may contribute to an organizational climate that is most conducive to strong employee satisfaction and high performance.

This is consistent with findings of a landmark study conducted in 1998 by the Gallup Organization. The purpose of the study was to identify the core factors that contribute to creation of a strong workforce, and to measure the links between employee satisfaction and business unit results (Buckingham and Coffman 1999). Based on interviews with over 80,000 managers from more than 400 companies, the researchers identified twelve key factors that constitute overall employee satisfaction. More significantly, they found a solid link within business units between these twelve factors and corresponding business results measured by productivity, profitability, employee retention, and customer satisfaction.

Collectively the cornerstones of co-active coaching support seven of the twelve core factors identified in the Gallup study. These factors are:

1. At work, I have the opportunity to do what I do best every day.
2. In the last seven days, I have received recognition or praise for good work.
3. My supervisor, or someone at work, seems to care about me as a person.
4. There is someone at work who encourages my development.

5. The mission/purpose of my company makes me feel like my work is important.
6. In the last six months, I have talked with someone about my progress.
7. At work, I have had opportunities to learn and grow.

In his book that resulted from the study, author Marcus Buckingham's description of a great manager is quite similar to the way we would characterize the role of a co-active coach. He advises managers to "...do everything you can to help each person cultivate his talents. Help each person become more of who he already is." (p. 141). Similarly, the media enterprise Virgin Records founded by Richard Branson was founded on principles that mirror the cornerstones of co-active coaching such as empowering managers to make their own decisions, acknowledging people for doing things right, and fostering a "blame free culture." In the words of one senior manager, the culture "...imbued us with such confidence that we felt capable of achieving anything" (Wilson 2004).

### The Designed Alliance

The co-active coaching model places explicit emphasis on the *designed alliance* that is formulated between coach and client. This co-created relationship forms a container in which coaching occurs, similar to what is described by developmental theorists as a "holding environment" (Winnicott 1965; Kegan 1982; Daloz 1999). Research indicates that results from coaching in organizations occur *most* when the quality of the relationship between coach and client is strong (Wales 2003). This holding environment created by the designed alliance provides a climate of trust between the educator (a coach in this case) and the learner. Describing

strong learning partnerships characterized by deep trust, adult educator Laurent Daloz (1999) says:

*To engender trust* is central to any strong, nurturant relationship. But although the trust that characterizes an early relationship owes much of its strength to the ascribed authority of the teacher, more mature trust is sustained increasingly by the shared commitment of each partner. It must be constantly recreated. (pp. 176).

The importance of a trusting and confidential relationship with a coach is especially important for leaders at executive levels in organizations who may experience increasing isolation and the absence of confidantes as they rise to higher organizational levels (Bolch 2001; Rider 2002).

Within the container of the coaching relationship, the co-active coach uses skills that *support* the client, such as listening, acknowledgement, and championing; as well as skills that *challenge* – articulating what’s going on, championing, and challenging are examples. The ability to balance providing support with creating sufficient challenge for learners is a fundamental skill of powerful adult educators, mentors, and leaders (Brookfield 1990; Heifetz 1994; Daloz 1999). When this type of alliance exists, individuals are able to stretch beyond their current level of capability. In her research of highly creative partnerships, Vera John-Steiner (2000) refers to this co-created relationship as the *emotional scaffolding* that provides “...the gift of confidence, an the leaning on that gift by creative people during periods of self-doubt and rejection by those in power.” (p. 128).

### Organizational Impact of Leaders as Coaches

In addition to the value that occurs from the coaching recipient's productivity, organizations benefit from the increased learning that happens for those that build competence as coaches within organizations (Rider 2002). Coaching skills, particularly coaching approaches such as co-active coaching which are non-directive in nature, correspond closely to the skills of emotional intelligence identified by psychologist Daniel Goleman (1997). The competencies of emotional intelligence organized in the clusters of *self-awareness*, *social awareness*, *self-management*, and *relationship management*, have been found in numerous studies to be an important factor in leadership effectiveness (Jay 2003; Wasylshyn, Gronsky et al. 2004).

Several key skills and contexts emphasized in the co-active coaching model are particularly important in the repertoire of the emotionally intelligent leader – examples include *intuition*, *self-management*, and *level 2 and 3 listening*. The ability to trust intuition, to listen to one's "gut feelings," has gained new respect as more neurological studies indicate links between our emotional responses and ability to find meaning in data and make good decisions (Damasio 1999). The competency of self-management enables transparency, "...an authentic openness to others about one's feelings, beliefs, and actions – allows integrity, or the sense that a leader can be trusted" (Goleman, Boyatzis et al. 2002). Listening at levels 2 and 3 contribute to what Goleman refers to as *social awareness* and *empathy*, and is crucial to a leader's ability to respond appropriately to how others feel in a given moment and to sense the shared values and priorities that guide a group.

Historically in the Western business world emphasis is placed on building traditional management and leadership skills of command and control. Following the industrial revolution, the challenge to streamline work processes to maximize efficiency increased in importance in Western business, and at the turn of the century the concept of *scientific management* was



introduced by Frederick Taylor. Two fundamental assumptions of scientific management – that by studying work scientifically optimal procedures could be developed to maximize productivity, and that managerial and worker responsibilities are separate – capture the command and control thinking that has traditionally defined leadership (Donaldson and Edelson 2000). Although it is clear that the competencies of emotional intelligence are an integral component of effective leadership in today's organization, they are underutilized and underdeveloped skills – it may be the territory of the widest skill gap among contemporary leaders.

### Summary

Broadly speaking, coaching methodologies are either directive or non-directive in approach (Bacon and Spear 2003). A directive coaching model provides specific direction and may be most useful in situations of high risk, or when specific problem-correction is needed. Non-directive approaches place greater emphasis on the learning process with the coach acting more as a catalyst for new awareness, and may be most appropriate when the focus of coaching is developmental. Co-active coaching is a non-directive approach, and shares many foundational characteristics with other non-directive coaching methodologies such as the importance of asking powerful questions and the ability to listen deeply.

What sets co-active coaching apart from other methodologies is the strong emphasis placed on *relationship*, as represented by the foundational cornerstones and designed alliance of the model. Research from the fields of adult education and organization development tell us that the assumptions and expectations that leaders hold of employees have a demonstrable impact on productivity. To invest in strengthening the capacity of organizational leaders to interact with others from the perspective that they are naturally creative, resourceful and whole;

and to build developmental relationships that are intentional, grounded in trust, and which blend support and challenge, serves to foster performance, creativity, and fulfillment. In addition, the competencies of emotional intelligence that are honed as coaching expertise is built correspond precisely to the gaps that are most evident in Western organizational leadership. We believe that the impact on organizational cultures of Co-Active Coaching model merely begins with the practice of coaching, and potential extends far beyond like ripples in a pond as leaders adopt co-active coaching practices into their leadership styles.

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