CHAPTER ONE

TEN MYTHS ABOUT EXECUTIVE COACHING

myth n. *A fiction or half-truth, esp. one that forms part of an ideology.*
AMERICAN HERITAGE DICTIONARY (4TH ED.)

You're talented, focused, and deliver outstanding results. You're up-to-date on trends in your industry or profession; perhaps you're in a senior leadership position now. You regularly see references to executive coaching in leading newspapers and business magazines.

WHAT IS EXECUTIVE COACHING?

Executive coaching is a confidential, one-on-one partnership between a management-level client and a qualified coach with relevant performance enhancement expertise. It is also popularly known as leadership or business coaching.

Possibly you've encountered an executive coach at a conference or industry meeting and heard other people describe their experiences with coaching and coaches. These points of information and contact may have raised your awareness but have yet to produce a clear and meaningful picture of executive coaching in your mind. You might even be confused or dubious and wondering whether coaching is the latest management fad du jour, a fix-it service, or a form of therapy for leaders.

You're not alone in your uncertainty. Executive coaching is a relatively new service compared to traditional training or executive education programs. Like anything else new, it runs the risk of being misunderstood, regarded with skepticism, or undervalued. (Consider that back in 1943, IBM chairman Thomas Watson Sr. said, "I think there is a world market for maybe five computers.")

As an international CEO coach, I hear people voice misinformation and invalid assumptions about executive coaching all the time. This confusion is not their fault. The marketplace for business coaching services is nothing if not confusing and inconsistent. In addition, we all have a tendency to generalize on the basis of our current knowledge, as well as on past experiences and first impressions. This often leaves us vulnerable to misjudging.

Just as clearing your closet of outdated clothing makes it easier to install a new and more functional wardrobe, eliminating misconceptions about executive coaching at the start will prepare you for fresh perspectives and interpretations. This chapter will help you do this. As a quick and ready way to distinguish fallacy from fact, I've compiled ten common myths about executive coaching. Don't be surprised if some of these reflect your own beliefs or opinions. Here's an opportunity for you to test and adjust those assumptions.

MYTH 1: THE MYTH OF THE INDIVIDUAL

Successful People Don't Need Coaches

Those who subscribe to the Myth of the Individual believe that people succeed or fail solely on the basis of their own talents and efforts. Given that superstars ranging from Olympic athletes to opera greats to elite business leaders use coaches to elevate their performance, this mind-set flies in the face of reality and common sense. The fact is that coaching helps the best get better. At championship levels, even small incremental gains in performance can have a profound effect on the result, often being the difference between winner and runner-up, between capturing the gold medal or the bronze.

For years Tiger Woods, arguably the world's greatest golfer, relied on swing coach Butch Harmon to elevate and optimize his game. When talking about the legendary coach Vince Lombardi, football player Jerry Kramer said, "He made us all better than we thought we could be."

In the corporate world, chief executives at eBay, Charles Schwab, Pfizer, Maytag, Ford Motors, and Silicon Graphics have all turned to executive coaches to improve their effectiveness. eBay CEO Meg Whitman began working with a coach in 1998 in preparation for the company's initial public offering. David S. Pottruck, co-CEO of Charles Schwab, sought help in correcting his abrasive leadership style. In the public sector, Treasury Secretary Paul H. O'Neill engaged a coach to help him galvanize a stodgy government department. As these high-profile examples show, the right coach can help you discover underused strengths, acquire new skills, maintain focus, eliminate blind spots, and master new challenges.

The value proposition for coaching has never been more compelling than it is now: customized, targeted expertise that addresses your needs and challenges. A 2001 study by Manchester Consulting of executives who received coaching, for example, showed an average return on investment (ROI) of 5.7 times the initial investment. (We'll discuss coaching ROI more fully elsewhere in this chapter.)

In today's hypercompetitive world, the chasm continues to grow between what people are being asked to do, what they have been prepared to do, or what they may have natural ability to do. With business and product cycles often measured in months, not years, wins and losses are quickly determined and visible for all to see. If your performance in Act One is not a success, you're unlikely to make it to the second act, let alone an encore. Put another way, no matter who you are—Fortune 500 executive, entrepreneur, public sector administrator, middle manager, or project director—the greater your success, ambition, and responsibility are, the greater are the risks associated with subpar decision making and execution. Coaching is a proven way of reducing your downside risk while maximizing your upside potential.

When you work with an executive coach, you demonstrate a strong commitment to excellence, continuous improvement, and being as effective as possible on a day-to-day basis. When your employer is underwriting coaching services, you have a powerful indicator of your real and perceived value to the enterprise.

I often smile when I hear about "coaching envy," since people are starting to view an executive coach as a standard perk among those who are already at the pinnacle of success.

MYTH BUSTER: Professionals have coaches; amateurs do not.

MYTH 2: THE JADED MYTH

I Get All the Feedback I Can Possibly Use Now

Feedback comes in all shapes and sizes: 360-degree reports, organization climate studies, customer satisfaction surveys, annual performance reviews, quarterly business scorecards, operational safety reviews. At times we seem to be drowning in opinion data and expert advice.

Notwithstanding this state of affairs, I have observed a few things about organizational behavior over the course of two decades as a coach and an adviser to senior management teams. The first is that certain types of information, particularly tough, sensitive, or contradictory messages, do not always get voiced, let alone acted on. This can happen for a variety of reasons. Employees may be afraid to criticize or confront their superiors. Executives may protect their leaders from unflattering feedback. Managers may minimize behaviors and situations they do not know how to change.

Consequently, despite all the feedback mechanisms and performance systems to be found in the twenty-first-century workplace, leaders and high achievers can have difficulty getting an accurate data mirror to judge how they are doing.

For top executives, directors, business owners, and public officials, feeling isolated—"lonely at the top," the expression goes—is a common phenomenon, since it can be difficult to find people who will challenge them or stretch their thinking. Entrepreneurs and small business owners in particular may be accountable to no one but themselves, with few opportunities to benchmark their performance or learn how to translate feedback into a viable change program.

Technical professionals such as physicians, attorneys, and scientists may not be able to rely on their peers for the kind of performance feedback they need to succeed in certain management positions. As the head of a professional services firm once described his partner colleagues to me with great pride, "They're absolutely brilliant, but when it comes to people issues, they don't know what they don't know."

Ironically, as your span of authority and responsibility grows, the harder it can be to get unfiltered, unbiased information from colleagues, subordinates, and bosses too.

Assuming that your performance feedback is an accurate reflection of how you are doing, there is still the matter of how to use it to best advantage. For example, if development issues or problem behaviors are mentioned, are these symptoms or root causes? If you get mixed reviews, such as rave reviews from key customers but lukewarm ones from your colleagues, are your strengths also creating situational weaknesses?

If you win kudos all around, there may be no clear indication of what you should do to be even more successful. Consensus can lull you into a false sense of complacency, reaffirming what you are doing well now but giving no indication of how you can continue to raise the bar for yourself.

Myth Buster: Coaching can help you maximize the benefits of the feedback you have and identify what feedback you might need but not have.

Myth 3: The "Shrink" Myth

Executive Coaching Is the Same as Psychotherapy or Counseling

Although executive coaching shares some methods with psychotherapy, it is a mistake to equate one with the other. Yet for those unfamiliar with coaching (and coaching professionals), the similarities can be more striking than the differences. Hence the existence of the "Shrink" Myth.

Let's set the record straight. First and foremost, executive coaching focuses on work and career-related goals. It is action oriented, looking to current and future performance, with your coach keeping the process on track and moving forward. It does not delve deeply into your past or personal relationships, and it does not try to determine how you came to be the person you are now.

A primary aim of executive coaching is to produce or facilitate desired business results. Of course, what constitutes business results varies from situation to situation. For people in profit-driven organizations, such as companies and professional service firms, this translates into having a bigger impact on top- and bottom-line outputs. For those in public sector and mission-based enterprises, such as government agencies and universities, this means increasing success at delivering key projects or services.

Coaching can help you:

- Improve your current job effectiveness.
- Prepare for higher levels of responsibility.
- Manage work-related stress better.
- Clarify or modify career goals.

Coaching typically occurs at the point where your skills, talents, interests, and motivation intersect with job demands, career goals, and marketplace drivers. Certain types of work-life issues also fall legitimately within the scope of executive coaching.

Why then is coaching so frequently confused with therapy?

One reason is that both involve confidential, one-on-one relationships with a helping professional. They also share a number of methods, such as behavioral assessment, discussion, introspection, and action experiments. Both seek to promote positive client change. Finally, many executive coaches hold credentials in fields traditionally associated with psychotherapy, such as counseling, psychology, and social work. Yet despite these similarities, it is important to recognize the substantial differences in goals and focus between these two services.

Myth Buster: A therapist's role is frequently that of a healer. A coach's role is that of a supercharger.

Myth 4: The Dependency Myth

Coaching Fosters an Unhealthy Dependency on Others

Whenever someone brings up the Dependency Myth, I reply with my Joe Torre test: Would you fire the manager of the New York Yankees? After all, the Yankees are repeat World Series champions. Does their continuing reliance on Torre's expertise indicate a weakness, or does it reflect their awareness that expert advice is critical to sustainable success?

Put this way, most people see my point. Yet it's amazing how often I hear the Dependency Myth, and from very smart people no less.

Let me repeat: the more successful you are, the more you need input from people who can support your ongoing success. There is always another game to win, another challenge to master, either against the competition or your personal best.

Consider too that research shows that as people progress within organizations, they are more likely to overrate their performance compared to how others rate them. In other words, the more successful you become, the greater the potential discrepancy is between how well you think you're doing and how well others think you're doing.

The truth is that we all need others—friends, teachers, spouses, bosses, customers—for our physical, emotional, intellectual, and economic well-being. Dependency is neither bad nor unhealthy; it's a fact of life.

Executive coaches are no different from other experts you rely on to maximize results. Very likely you regard your accountant, financial planner, or personal trainer as valued contributors to your welfare. You establish goals with them, set up a strategy together, and then monitor progress against plan. You work jointly to achieve the best outcome. They improve your condition.

The same value proposition applies when you work with the right executive coach. (Of course, by "right," I mean right for you.) Coaches are hardly twenty-first-century Svengalis out to enthrall you or impose their will. Not only does coaching *not* foster dependency, but a coach is likely to push you to think and behave in new ways that increase your self-confidence and expand your horizons.

Often those who subscribe to the Dependency Myth are self-made people who have achieved a certain level of success based on raw talent, intuition, hard work, and sometimes some lucky breaks. Over time, they have come to see themselves as the sole architects of their success. Consequently they may reject anything that smacks of outside interference (like coaching) as unnecessary or a sign of weakness or failure.

In real life, it's often the lone wolves or free agents who run a greater risk of derailing or hitting a career plateau, since they rarely seek (and get) feedback and advice about how they are really doing. Or they may fall victim to overconfidence or egotism. No matter how it's done, they unwittingly lower the ceiling on their prospects.

To be sure, people are also shaped by broad cultural and generational values. Asking for help, especially around one's public life and stature, can be downright contrary to how some people were raised. This is not to say that old attitudes cannot be jettisoned or new attitudes embraced with the arrival of new norms and tools.

Benjamin Franklin observed, "Learn of the skillful; he that teaches himself hath a fool for a master." Enduring winners are aggressive, lifelong learners. Executive coaches accelerate learning and unleash performance potential.

Myth Buster: At heart, coaching is a tool for individual growth and empowerment, not dependency.

Myth 5: The Crutch Myth

Coaching Should Be Only Short Term

The Crutch Myth is a variation of the Dependency Myth. It says that a little coaching is okay, but more is not.

Imagine going to the gym only twice a month because you don't want to overrely on a personal trainer to stay fit, or taking only half of a prep course for professional licensure so you don't depend too much on an instructor. Faulty logic? Self-limiting behavior? Absolutely.

Budget considerations aside, desired results should determine the format and duration of your coaching program. Much as an architect designs a building based on its intended purpose and user needs, the specifics of your coaching program, including duration and contact frequency, should be determined according to what you want or need to achieve. Rome wasn't built in a day. Neither are careers, projects, and track records.

We're an impatient society, looking for results yesterday. An executive coach can accelerate your progress and identify legitimate shortcuts. But there is no getting away from the fact that learning new skills and behaviors, or applying existing ones to new situations, takes time and practice. (Unlearning habits and ingrained attitudes also takes time.)

When the scope of coaching is targeted and narrowly defined, such as interpreting a 360-degree feedback report or crafting an individual development plan, a few sessions or weeks may suffice. If the scope is broader, such as guiding, monitoring, and refining these same development goals, then coaching might properly continue for months rather than weeks.

Extended coaching is no more a crutch to personal excellence than a tune-up is for a Ferrari. To the contrary, both make peak performance possible and ongoing. Big challenges and goals are not accomplished overnight; they take time and focused effort to execute and consolidate. They usually involve incremental steps and multiple phases.

Leading a business through a merger, scaling up from an individual contributor role to a supervisory post, or moving into a job in a different industry are all complex, high-stakes cases. In such circumstances, working with a coach for six months, a year, or even longer can yield substantial benefits. For example, you might have regularly scheduled sessions, or periodic check-ins, or you might touch base on an as-needed basis. (The fact that coaching is so customizable is part of its appeal.)

To debunk the Crutch Myth, we have only to look at how corporate America actually uses executive coaching services. A survey conducted by Linkage, an executive education firm, found that the average duration of coaching increases—and increases substantially—with seniority. The average duration for top-level executives was more than twelve months, compared to an average of six months or more for those at lower levels. (Morgan, Harkins, and Goldsmith, 2004). In other words, leaders used coaching more than their subordinates do, rather than less.

The Crutch Myth can have serious unintended consequences, really wreaking havoc with people's success. When coaching goals are overambitious for the time period allowed, those being coached can unwittingly be set up to fail, or feel as though they have failed against the expectations they or others have of them. Their performance and morale can subsequently suffer. They may be less likely to stretch themselves or take calculated risks in the future. This is an unfortunate outcome for all concerned.

Myth Buster: Winners welcome long-term partnerships with the right coach.

Myth 6: The Emergency Room Myth

Executive Coaching Should Be Reserved as a Last-Ditch Effort to Fix Problems

Those who believe the Emergency Room Myth (the ER Myth, for short) regard executive coaching basically as a crisis intervention tool, an option of last resort. They view coaches as emergency technicians whose job is to save those in dire straits. Consequently, decisions to bring in an executive coach are reactive in nature and often occur only after conditions have become critical.

Of course, the ER Myth does not stand up to scrutiny. Studies such as the one conducted by human resource consulting firm Drake Beam Morin clearly indicate that the key drivers for coaching are performance enhancement and grooming those with high potential. Let's not forget that prominent leaders and senior executives are the heaviest users of executive coaching. Furthermore, coaching is being increasingly used to prepare preexecutives and middle managers for higher leadership positions.

What is really happening in the marketplace—and in executive suites worldwide—is about as far as possible from a "damaged goods" view of coaching that one can imagine. As a Fortune 100 human resource executive reported in a 2004 Corporate Leadership Council Survey, "We . . . tend to invest in the up-and-coming executives rather than the low-performing executives."

Despite its gross inaccuracy, the ER Myth continues to hold sway for a number of reasons. First, in companies and institutions that do not yet have an established coaching program or culture, a coach might first appear on the scene to help "salvage" a valued but struggling performer. When this happens, executive coaching falls victim to the perception that it is a last intervention before showing someone the door. Consequently, even if that person's coaching outcome is extremely positive, a generalized view of coaching as triage gets established that is subsequently hard to dispel.

The ER Myth can also be perpetuated when a coach is called in to help someone with an acute skills gap. Of course, people's competency gaps can widen for a variety of reasons, many through no fault of their own and even as a result of positive change, such as a sudden promotion or reassignment. However, when this happens, the individual may flounder in silence for fear of appearing incompetent. Or he or she may not even be aware of how serious the gap is until matters reach a crisis.

Situations like these can occur when a technical professional, such as an attorney, accountant, physician, or academic, assumes broader administrative and people management responsibilities. In such cases, their individual expertise and accomplishments may not prepare them adequately for their new post, which becomes apparent only after the fact.

Entrepreneurs and business owners can find themselves in similar situations of suddenly feeling deskilled. This is most likely to occur when their companies undergo rapid expansion, and they or their executives suddenly need to oversee more complexity. Consequently, their attitudes toward coaching may be colored and limited by their own experiences during difficult transition points.

In cases like these, when the focus tends to be narrowly on what is not working, or missing, or otherwise very troublesome, the urgency of the help needed can overshadow any recognition that coaching is actually an improvement tool.

You should be aware that the ER Myth can create expensive and unnecessary barriers to both individual and organizational success. Just as with one's physical health, routine checkups optimize performance far better than treating acute conditions. By the time a person's performance or issues reach the "911" stage, it may be too late to bring in a coach, or results may be less robust than they might otherwise have been.

Myth Buster: Executive coaching may be less—not more—successful when a person's needs and issues have reached critical condition.

Myth 7: The Mentor Myth

An Executive Coach Is the Same as a Mentor

The terms *coaching* and *mentoring* often are used in the same sentence, or interchangeably, to describe popular career-building activities. People often naturally assume the two words are synonyms, referring to the same activities and relationships. In truth, there are similarities, and even some overlap. However, there are significant differences as well that you should be aware of.

Mentoring and executive coaching both involve a one-on-one helping relationship. In Greek mythology, Mentor was the trusted adviser of Odysseus. In the twenty-first century, a mentor is still someone who imparts wisdom or can facilitate events that have a positive effect on your fortunes.

Mentors are usually more senior and experienced people in the same profession or business as the mentee. In the traditional sense, a mentor is someone who can pass along occupation-based knowledge and possibly open doors for you that might otherwise not be accessible. For example, a current or past boss or a former professor might serve in a mentoring capacity, advising you on any number of matters, ranging from broad career strategy to specific workplace tactics. In fact, having a dual relationship with a mentor is not all that uncommon, since he or she might also be your supervisor or your supervisor's supervisor. Often a mentoring relationship evolves over time out of a different preexisting relationship.

Mentoring is usually done informally—and on an unpaid, voluntary basis. There may not be any set agenda with your mentor, let alone the expectation on either side that specific outputs will occur within specific time frameworks.

Mentors usually take a personal interest in your progress and success. You can even have multiple mentors, each providing something special in terms of their experience and perspective. Mentoring relationships tend to be open-ended and can last for many years. You and your mentor might be in touch frequently or on an as-needed basis. The two of you might not even be located in the same city or region.

Now let's compare mentoring to executive coaching. Unlike a mentor, your coach may or may not possess an occupational background and work experiences similar to yours. He or she may be older than you, or not. Even if your coach is an internal coach, that is, an employee of your organization, it is unlikely that you will have a dual relationship with this person, such as boss-subordinate.

There are additional fundamental differences. A mentoring relationship is usually informal and open-ended; a coaching relationship typically has clearly defined goals, activities, time limits, and mutual accountabilities. It is a structured fee-for-service arrangement, whether you personally pay your coach or your employer assumes the cost. Also, although you might interact with multiple mentors, you would ordinarily work with only one executive coach at a time.

It's possible for an executive coach to be an informal mentor, especially if you have an extended working relationship with the person. However, it is less the case that a mentor will get "down in the weeds" with you to acquire new skills or change certain behaviors. He or she is likely to suggest other resources to you at this point, including possibly working with a coach.

Myth Buster: The terms *mentor* and *coach* refer to roles that have similarities but also significant differences.

Myth 8: The Walk-in-My-Shoes Myth

An Executive Coach Should Have a Background and Experience Similar to Mine

The Walk-in-My-Shoes Myth is expressed fairly frequently. It maintains that in order to be effective, a coach must possess a résumé that closely mirrors your own industry and job title experiences. According to this thinking, if you lead an Inc. 1000 company, then your coach should have experience leading a comparable enterprise. If you are a senior marketing executive, your coach should have an equivalent track record in this field. If you are a practice head in a professional service firm, your coach should have similar formal training or certifications. And so forth.

This myth is flawed at its core because it assumes that the best coach for helping you take your game to the next level is *always* someone very much like yourself in terms of work experience and professional accomplishments. It mistakenly assumes that in order to be capable and effective, your coach must be able to say, "I've been there and done what you're doing myself."

Just because someone is a peak performer does not necessarily mean that he or she can help you achieve equivalent levels of success. This is why the Walk-in-My-Shoes Myth is such a fallacy, albeit a popular one. Put another way, knowing how to be a winner yourself does not automatically mean you know how to help others become winners, even when they have the talent and motivation to do so. What works for you in terms of an approach or system may not work for someone else.

To be effective, a coach needs to understand what constitutes success in your particular job and industry. He or she should be familiar with trends, norms, and key drivers in your field or be able to acquire a working knowledge of these quickly. Put another way, a coach need not have an accounting background to be able to supercharge a chief financial officer's performance.

Indeed, much executive coaching occurs around soft skills associated with leadership and managerial effectiveness rather than acquiring more technical know-how. What you likely need in an executive coach, therefore, is someone with complementary types of expertise—someone who is a skilled catalyst or change agent who can teach you how to do things, not just tell you how he or she does things.

It's certainly possible to find such people within your company or industry. The important point here, though, is not to assume that their track record of success equates automatically to an ability to coach others. For example, action-oriented achievers may not have patience for the trial-and-error learning that coaching others can require. Moreover, a coach who closely mirrors your own background may also share your same attitudes and biases, with the result that certain behaviors and issues can persist as undetected blind spots.

Many of the world's greatest coaches have never been superstars themselves and are certainly not household names. After all, everyone knows tennis champion Pete Sampras, but who recognizes the name of his coach, Pete Fischer? Luciano Pavarotti is an international opera legend, but the same cannot be said of his vocal coach, Gildo Di Nunzio.

Myth Buster: To coach an Olympic athlete to victory, you do not need to have competed in the Olympics yourself.

Myth 9: The Universality Myth

Everyone Is Coachable

The Universality Myth takes a rose-colored view of coaching that simply does not reflect the complexities of the real world, even if it is guided by good intentions. It needs to be dispelled because of the potential disappointment and frustration it can cause.

People are coachable to a greater or lesser degree based on a combination of factors. Some pertain to their unique internal attributes and some to external, or situational, conditions. Internal attributes include innate talent, personal motivation and ambition, and personality traits. External factors are variables such as job characteristics, company compensation and promotion policies, relationships with colleagues and supervisors, and organizational culture.

For example, if you worked in a hypercompetitive business like mergers and acquisitions (M&A), you might have no interest in being coached on improving your teamwork skills. Being more collaborative might not be important to your day-to-day activities, or it could dilute the credit you personally receive for a deal. In other words, you might well have the innate capacity to improve in this area, but you have little actual motivation to do so.

In the context of executive coaching, your coachability takes into account how much you can change, plus how much you want to change in a particular area. The first part refers to your innate potential, the second part to your motivation level. You also need to have sufficient opportunity to try out new behaviors and activities.

In reality, everyone is coachable to the extent that they have untapped potential, are motivated to change, and operate in a work environment that supports new learning.

Working with an executive coach will not motivate you, let alone promote performance change, unless you see a clear benefit. A coach can point out benefits that might not be obvious to you, thus triggering or strengthening your motivation, but this is not a substitute for your own inner drive. (I discuss motivation and benefits further in Chapter Two.)

The Universality Myth can be problematic, not just false, because people may not be coachable for a number of reasons. In addition to the earlier example involving team building, here are some scenarios where coachability could be low:

- When a person is not open to feedback or different points of view
- When a person is very set in his or her ways
- When a person is on probation or under threat of separation

- When the organization's culture does not view coaching favorably

Each of these instances touches on an internal, personal variable or an external workplace one. If, for example, you were someone with a change-averse nature, you would likely not regard coaching in a very positive light at all.

The view that everyone is coachable can leave a person feeling considerable pressure either to comply or be seen as oppositional. It also perpetuates unrealistic expectations of what coaching or an executive coach can accomplish. For both reasons, this myth does a disservice to all concerned and needs to be debunked.

MYTH BUSTER: Most people are coachable some of the time, but all people are not coachable all of the time.

MYTH 10: THE FUZZY RESULTS MYTH

There's No Way to Measure Outcomes from Executive Coaching

A common complaint I hear is that dollars spent on executive coaching disappear into a black hole, with no hard and fast way to assess results or the return on investment (ROI). Does executive coaching really pay off, or do you just pay? Enter the Fuzzy Results Myth.

There are many robust ways to determine the value-added benefits of coaching. When coaching goals involve current improvement, comparing before and after performance is a straightforward way to assess ROI. Simply put, does the person who was coached see improvement? Were specific performance targets actually achieved? Do others who interact with this person notice a positive change? These are legitimate criteria for establishing investment return, always assuming that coaching goals were high value in the first place.

Other ways to assess coaching ROI include metrics that even the most hard-nosed numbers professional should respect:

- Increased profitability
- Higher customer satisfaction

- Accelerated promotion rates
- Successful project or deal execution
- Improved talent retention
- Lower recruitment and replacement costs

If we move from evaluating individual coaching to looking at larger organizational and industry studies, the evidence becomes even more persuasive that coaching can be a cost-effective way to enhance performance and productivity.

The Manchester Consulting Group study (McGovern and others, 2001) I cited earlier in the chapter was a survey of Fortune 100 executives that found that coaching provided an average ROI of almost six times the cost of the coaching, or more than $100,000. Other outcome studies include the following:

- A study of a Fortune 500 telecommunications company done by MetrixGlobal (Anderson, 2001) found that executive coaching resulted in a return on investment of 529 percent. Moreover, when the financial benefits from increased retention were factored in, the overall ROI of coaching rose to 788 percent.
- Metropolitan Life Insurance Company put part of its retail sales force through an intensive coaching program and subsequently found that productivity among those salespeople increased by an average of 35 percent, with 50 percent of them identifying new markets to develop. Even more important, MetLife retained all of the salespeople who had the coaching, a significant savings given that at the time, industry replacement costs for a representative with three years of experience amounted to $140,000 per person. The program, which cost MetLife about $620,000, delivered $3.2 million in measurable gains, as reported by Anne Fisher in *Fortune* magazine.
- An International Personnel Management Association survey on training and development (Olivero, Bane, and Kopelman, 1997) found that when training was combined with coaching, productivity increased an average of 88 percent compared to 22 percent with training alone.
- In their coaching work with more than one hundred managers at Agilent Technologies, the Alliance for Strategic Leadership

found that over 78 percent of participants improved their leadership effectiveness as measured by stakeholder surveys (Carter, Ulrich, and Goldsmith, 2004).

These results show that coaching ROI not only *can* be calculated, but that it *has been* calculated and continues to be monitored.

MYTH BUSTER: Research shows that executive coaching can deliver an impressively high return on investment.

FINAL ANALYSIS

Executive coaching has been with us for a relatively short time. As both its real and perceived value continue to skyrocket, it's important to distinguish valid information from invalid assumptions and misconceptions.

Here are the ten myths about coaching stated as positives:

Fact 1: Successful people routinely use executive coaching to extend and elevate their game.

Fact 2: An executive coach can help you use existing feedback for maximum results and optimize feedback loops going forward.

Fact 3: Executive coaching focuses primarily on your current and future performance in the workplace.

Fact 4: Executive coaching is growth oriented, expanding your awareness, capabilities, and prospects.

Fact 5: The purpose of your coaching program should determine its duration and format.

Fact 6: Top performers and high-potential candidates are the primary users of executive coaching services.

Fact 7: There are important basic differences between the roles of executive coach and mentor.

Fact 8: Many highly effective executive coaches possess backgrounds and credentials that are different from your own.

Fact 9: A person's readiness for coaching depends on both individual personal traits and external circumstances.

Fact 10: There are proven ways to calculate tangible cost-benefit data for executive coaching services.

On the basis of what you've learned in this chapter, you can now speak more knowledgeably about executive coaching than most of your colleagues and counterparts. Next, we'll ascertain how—and if—you can benefit from coaching.