

A Leader's Guide to Executive Coaching

by David Coleman

Executive coaching provides leaders with tailored guidance on how to manage people and processes to improve organizational results while building the leader's capacity for delivering those results over the long term.

ORGANIZATIONS OFTEN CONFRONT GAPS IN leadership that they can't fix on their own: The deficit may concern an employee whose interpersonal skills need polish, a long-standing staffer whose performance is lackluster, a shift in organizational strategy that requires leadership changes, or a younger worker who shows promise but needs guidance in the vagaries of leadership. With time-strapped staff and a frequent dearth of role models to call on as mentors, nonprofits often struggle with providing the training necessary to address these challenges and are turning to outside help from executive coaches to build internal talent.

Executive coaching provides leaders with tailored guidance on how to manage people and processes to improve organizational results while building the leader's capacity for delivering those results over the long term. But the approach involves an investment of time and money. Consider the following three scenarios as examples of the necessary investment in coaching and of how to judge whether the tradeoff is a good use of professional development dollars.

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Over the past 15 years, **S. Tuck** has been the executive director of a nonprofit providing development services to inner-city youth. With a budget of \$500,000 and a staff of six, his agency delivers quality after-school services to at-risk youth. But now he is bored, stagnant, and burned out. At times he thinks it is hopeless to truly transform an entire inner-city neighborhood and work across the boundaries that have separated stakeholders within the community. Still, the city has a new energetic mayor who gives S. Tuck hope that things can change. His new board chair has also shown interest in different approaches. S. Tuck wonders how to get himself moving toward the goals that brought him to the organization in the first place.

Knot Uptuit is the CFO of an environmental advocacy organization geared toward forest preservation that has a budget of \$11 million and a staff of 60 nationwide. Knot was brought in just as the previous executive director left the organization. There is concern, however, that this new CFO isn't up to the job. At a recent board meeting, he proposed that the organization needed to tap \$500,000 from the organization's reserve for the upcoming year's budget. When he was asked to explain why, he offered justification based on assumptions that didn't make sense. While likeable and hardworking, S. Tuck has superior personal interaction skills but poor number-crunching skills. As the new director, you want to be fair; but you can't risk further disaster with the board.



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Rizn Star is the director of member services at the National Association of Development Directors, a \$5 million, 40-person organization that lobbies and provides professional development for fundraising directors of medium-sized nonprofits. Ambitious, Rizn has increased membership by 20 percent in two years. She is strategically brilliant and extremely hardworking. She has ruffled a few feathers in her brief tenure, though, and recently received a less-than-stellar performance evaluation. While she wasn't happy about the feedback, she committed to "fixing" the problem. The current COO is due to retire in two years, and you would like to groom Rizn for the role. But her interpersonal skills need to be polished, and she needs greater visibility with the board.

All three of these leaders struggle with important jobs in organizations that face dynamic changes. Their organizations depend on them, and there is little margin for error. Sending these leaders to a leadership course may be educational but may not target the skills they need to develop or address real-world problems. A workshop may focus on relevant skills but be too short or geared to the wrong level to have an impact on long-term leadership deficits.

Executive coaching has emerged as an effective method to address such leadership gaps. This article explores the benefits of executive coaching for the nonprofit sector as well as situations in which coaching is not the solution.

How Does Executive Coaching Work?

According to a 2004 study by Right Management Consultants, 86 percent of for-profit companies used coaching to sharpen the skills of high-potential leaders.¹ Witherspoon and White describe this kind of coaching as "coaching for development."² Other kinds of coaching include coaching for skills (focused on a specific task), coaching for performance (focused on achieving better results in a person's job), and coaching for an executive's agenda (focused on immediate tasks needing accomplishment).

Executive coaching typically occurs during one-on-one meetings or phone calls between the coach and coachee for about 60 to 90 minutes every two to three weeks. Coaching sessions are confidential, goal oriented, and focused on improving organizational results. Coaching targets future behavior more than prior influenc-

ing factors and centers on meeting the demands of the leadership role and one's work.

Meetings between a coach and a leader are structured to fit the learning style of each leader to accomplish particular goals. These goals may include improving the ability to delegate, using teams effectively, honing time management skills, developing interorganizational leadership to accomplish a mission, improving performance management, developing senior staff, clarifying and articulating one's vision and goals, preparing for expanded responsibilities, developing executive presence, managing conflict, or leading organizational change efforts.

Challenges for Nonprofits

The leadership issues that arise in nonprofits are often similar to those in other sectors (e.g., delegation, time management, communication, and performance management). Here are some considerations that make coaching particularly relevant for the nonprofit sector.

Accidental managers. Susan Gross, the founding director of the Management Assistance Group in Washington, D.C., observes that many nonprofit organizations are staffed by what she terms "accidental managers." These leaders are visionaries, advocates, or policy experts who find themselves managing people who have little training or experience. Because their rise to leadership is accidental, these leaders often lack the skills that one might expect of a seasoned leader. While true of the corporate sector as well, this lack of managerial skill often exists at multiple levels within the same organization in the nonprofit sector.

Job complexity. Many nonprofit leaders are tested daily in responding to the demands of multiple stakeholders—with consequences for missteps. As Ruth McCambridge writes, "There is no one major stakeholder group with one primary interest at stake. For most of us, we have to watch, weigh, and measure each situation—ask for advice and counsel and communicate like nobody's business—all on a dime."³ When done right, coaching can be tailored to account for the particulars of a leader's situation while also bringing perspectives from others with whom a coach has worked.

Feedback deserts. While performance feedback is in short supply in all organizations, it's especially absent from smaller and mission-

driven nonprofits. These organizations may fear that providing constructive feedback destroys their “family” feeling. In these situations, a coach can work with the sponsoring manager to convey constructive, actionable feedback to a coachee in a meeting with the three parties. This process addresses the feedback vacuum and initiates a path to address the issues identified.

Leadership transition. Whether you believe that over the coming years there will be a calamitous departure of senior nonprofit leaders that requires development of a new cohort⁴ or, alternatively, that there will be a more organic transition in which leaders are cultivated from within, organizations must develop leaders in-house and cultivate outreach to attract the right kind of leaders from other sectors.⁵ Executive coaching helps minimize the time needed to prepare leaders for broader responsibilities.

A culture of scarcity/sacrifice. In the *Chronicle of Philanthropy*, Michelle Gislason, the projects director for leadership services at CompassPoint Nonprofit Services in San Francisco, noted that the “culture of scarcity/sacrifice” in the nonprofit sector leads to professional development “being the first to go when budgets need revisiting.”⁶ This tendency to invest in people only during the good times jeopardizes the sector, threatening the loss of experienced leaders as well as training for the next generation. Clearly the sector needs to invest in the professional development of key staff to ensure its preparation for the leadership challenges to come.

Consider Coaching in Context

Like all approaches to leadership development, executive coaching is not a cure-all. Four broad factors affect the return on investment (ROI) an organization receives for its coaching dollar:

$$\text{ROI of coaching} = \text{Importance of role} * \\ \text{teachable moment} * \text{teachability through} \\ \text{coaching} * \text{energy for learning}$$

The return-on-investment relationship is multiplicative. The more that each of these areas is relevant, the higher the ROI, while the absence of any one of these elements can indicate that coaching is not appropriate. Higher levels of one factor can compensate for lower levels of

another. But if any factor is missing, the ROI of coaching is likely to be missing as well.

- *The coachee's role.* An organization should consider the importance of the potential coachee's current or future *role* to an organization's success.
- *The presence of a “teachable moment.”* An individual's situation must create readiness for coaching. This readiness may be created by forces external to an organization (e.g., economics, technology, or legislative issues), forces internal to an organization (e.g., clear feedback offered, staff changes that allow for change in responsibilities), or personal circumstances (e.g., a divorce or a desire to advance an organization's mission or one's career).
- *The teachability of a skill through coaching.* Some domains of knowledge do not lend themselves to coaching and are more easily taught through courses, such as accounting or IT skills.
- *Openness to learning.* A person's natural appetite for learning must be high, and a coachee must be motivated to address the current situation.

When Not to Use Coaching

Here are specific situations in which coaching should *not* be used:

- *When a person's fit for a task is wrong.* Instead the person should be reassigned or terminated.
- *Once a step has been taken to terminate the coachee.* The risk is that coaching will always be viewed as a first step toward firing staff.
- *When systemic issues cause poor performance.* When a business model is unclear, an organization is too dependent on one funding source, or when management is poor from top to bottom, these systemic issues must be addressed using coaching as an adjunct, if at all.
- *When an organization as a whole is in a crisis.* In such a situation, coaching is at best an adjunct to a larger intervention.
- *When an honest conversation between a boss and a coachee about the need for change has not occurred.*
- *When an organization wants an independent evaluation of an executive's suitability for his job.* Such an evaluation may require the assistance of an organizational psychologist.
- *When an employee has serious personal prob-*

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Best Practices for Maximizing Coaching Results

1. Confidentiality. Coaching sessions are confidential between the coachee and the coach. The primary purpose is development, not evaluation.
2. Organizational alignment. Relevant organizational managers are involved in setting the goals and process for coaching. This lends the credibility and support of an organization's structure to the process.
3. Collection of 360-degree stakeholder feedback. Independent information from multiple sources (a boss, peers, and direct reports) is collected for assessment and to set development goals. If the coachee has an externally facing role, peers outside the organization but in the same sphere as the coachee are included in the 360-degree feedback process.
4. Participant feedback. Following the 360-degree review, participants are thanked for their input, told what the coachee has learned, and informed of the changes the coachee will make as a result of feedback.
5. Development plan or learning contract. A document should be created with no more than three to five areas on which to focus.
6. Frequent meetings. Coaching meetings should be held every two to three weeks to establish a connection and rhythm for the coaching relationship.
7. At-home assignments. Relevant "homework" assignments should be made for practicing skills between coaching sessions.
8. Agenda setting. Coaching sessions should begin with the creation of an agenda in real time with input from the coach and coachee.
9. Focus. Each session includes a focus on immediate concerns (coaching for the executive's agenda) and on a strategic area of development (coaching for development).
10. Trust. Events that might interfere with trust are addressed directly by the coach and coachee soon after they occur.
11. Duration of engagement. The coaching process should involve a specific length of time with the option for renewal. Typically, an initial engagement lasts for six months, with optional renewals for up to 18 months. Initially meetings should take place every two or three weeks for the first four months and once a month thereafter.
12. Gauging progress. Progress is assessed on three to five development goals using a brief survey, with numerical designations of progress or deterioration (e.g., +3 indicates improvement, zero indicates no change, and -3 indicates deterioration).
13. Inclusion of sponsor. The organizational sponsor is re-engaged upon contract renewal and contract conclusion to provide input and suggestions.

Coaching can bring focus and speed to organization-wide changes in how senior staffers manage people and tasks.

lems. Problems such as chemical dependence need to be addressed separately from engaging a coach.

When to Use Coaching

Here are scenarios in which coaching is an excellent investment.

- *Aiding during transition.* Coaching can help when the scope of an employee's responsibilities change during an organizational transition (e.g., when an executive director is hired to lead a larger organization than he had previously).
- *Speeding organization-wide change.* Coaching can bring focus and speed to organization-wide changes in how senior staffers manage people and tasks.
- *Supporting a strategic shift when introducing a new skill set to an organization.* When an advocacy organization hires a communications director for the first time, for example, existing staff and the new director should be coached.
- *Aiding with organizational intervention.* Coaches may help during a targeted organization-wide intervention (e.g., seeking to improve how performance appraisals are conducted).
- *Tapping employee potential.* Coaches can help

develop and support good performers whose potential is not fully realized.

- *Exploiting learning opportunities.* Coaching can take immediate advantage of times when employee motivation is high because external, internal, or personal factors have created a teachable moment in which leadership skills can be taught.

Critical Components of Coaching

For coaching to have an impact on the person and an organization, four components must be present:

- organizational alignment;
- independently obtained, confidential, and anonymous information about the person being coached;
- a positive rapport and trust between the coach and coachee; and
- consistent and frequent coaching sessions.

Organizational alignment. Organizations exist to get results. But to maximize the effectiveness of coaching, organizations need to establish (1) clear alignment between the goals and desired organizational results of coaching and (2) align-

Selecting a Coach: Questions to Ask

Sample question for a coach: Describe the steps in a typical coaching engagement.

Rating the response: What is the coach's approach like? Does he have a process in mind? Does it seem relevant to your situation? While the steps may not be completely linear, you don't want a coach who cannot describe how he works.

Question: Which kinds of clients have you worked with most? Which kinds do you work with best?

Rating the response: Is the coach's experience relevant to your situation? Consider whether relevant prior experience matters. Be wary of anyone who says he works equally well with everyone. Either this coach lacks self-awareness or isn't telling the truth.

Question: Suppose I want to work on developing a skill (e.g., developing leadership style, establishing accountability, or grooming successors). How would you help me develop that skill?

Rating the response: Look for multiple approaches and flexibility in thinking. Does the prospective coach suggest resources for learning? Will this person shadow you during meetings and provide feedback? Will this person role-play through real situations? Will this person provide examples from work with other clients (anonymously, of course)? Does the coach make suggestions adapted to your learning style or context?

Question: How long is a typical engagement?

Rating the response: Be skeptical of unlimited engagements or engagements that seem too short or too long relative to the change you hope to make. A typical initial coaching engagement is six months, with the option of renewing once or twice up to a total of 18 months.

Question: Are you flexible with your fees for a nonprofit? What does the fee include?

Rating the response: Some coaches charge by the hour, others charge for a package that lasts for a certain period of time. Hourly rates range from \$150 to \$500, depending on the experience of the coach and whether the coaching takes place on site or on the phone. A typical six-month package

ranges from \$4,000 to \$30,000. A more limited engagement includes two phone calls per month with little or no stakeholder assessment. A more comprehensive package might include two or three face-to-face meetings each month, unlimited phone and email contact, an extensive 360-degree interview process of 10 to 15 stakeholders, coordination meetings with organizational sponsors, psychological assessments, and a follow-up survey with stakeholders. Travel and out-of-pocket expenses are generally additional to a quoted fee.

Question: Do you have questions for me?

Rating the response: You should expect a coaching candidate to have questions for you, such as, "What does success look like? What results do you want from coaching?" as well as questions about how you want coaching to affect your organization, how you learn best, and your concerns about the coaching process. Most important, you want a coach to ask substantive questions that clarify your thinking about the process and that indicate how this person will work with you.

Question: Can you provide references?

Rating the response: Most coaches are hesitant about providing references. But a coach can at least provide a coaching program manager as a reference with whom you can speak about his work. Or a coach may have to check with a reference on whether it's OK to be contacted. References may be less important if a coach already comes highly recommended.

Question: How do you stay current in your field?

Rating the response: Does the candidate attend conferences, read books, or participate in collegial groups? Some clients find it helpful to rank prospective coaches on a five-point scale on various skills: listening ability, ability to ask good questions, ability to identify underlying patterns in a coachee, ability to connect coaching work with organizational goals, ability to adapt an approach to a situation, and comfort and ease in interacting with a coachee.

The composite of answers to all the above questions and your ratings enable you to select a coach who will work for you.

ment between the existing organizational structure and the coaching process. To achieve such alignment, those considering coaching need to ask, "What is the organizational reason for working on X issue?" If there is no clear business reason for coaching on the issue, coaching may

not be appropriate to address the problem. One aligns coaching with the existing organizational structure by involving a coachee's superiors, sometimes even board chairs. This establishes legitimacy for the coaching process and ties the coaching exercise to existing organizational

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structure and goals.

Independent information. Organization development guru Peter Block has said, “We are all born on the wrong side of our eyes” suggesting that others can often see things more clearly about us than we can see about ourselves. For the coaching process to work and have lasting impact, a mechanism for getting independent information about the person being coached is crucial. Such information gathering is typically accomplished through a 360-degree feedback review. Information is gathered confidentially and anonymously about an individual from his boss, peers, and direct reports through a survey or an interview process and is then presented to the coachee. This feedback-rich information may provide alternate leadership approaches that might not have been apparent previously.

Rapport and trust. In coaching, chemistry matters. Because the issues that coaching addresses involve the strategic (e.g., implementing a cultural change, creating a process to develop a new strategy) and the personal (e.g., addressing burnout, developing executive presence), participants need a strong rapport, and the coachee needs to establish trust in the competence, neutrality, and helpful intentions of the coach. Trust begins with clear agreements about confidentiality and extends to an appropriate balance of supportiveness (e.g., praising attempts at new behaviors) and challenge (e.g., nudging coachees to meet set goals). The balance should not be too heavily weighted in either direction.

Consistent and frequent meetings. A coachee needs to invest time if he wants results from the process. To establish a working relationship and a rhythm for the sessions, frequent meetings are particularly important. There should be enough time to accomplish the goals set between sessions, but not so much time that catchup is required.

The Costs and Benefits of Coaching

There are three primary costs of coaching: time, money, and comfort.

Coaching takes time from already busy schedules, and many question whether they have the time for such a “self-indulgent” endeavor. Coaching can also be costly, with average costs for six months of coaching ranging from \$4,000 for a limited engagement to \$30,000 for a more comprehensive program. Finally, coaching can

threaten the familiar and comfortable. Coaching commits coachees to make changes that initially require more effort and energy than doing things the way they have in the past.

Benefits

The primary benefits of coaching include the following:

- gaining new perspectives on oneself and one’s situation;
- acquiring new skills;
- building confidence;
- retaining valued employees;
- developing new leaders; and
- bringing renewed energy to your organization’s mission.

Coaching can provide new perspectives on familiar tasks and situations. Katherine Lauderdale, the senior vice president and general counsel of PBS, expresses it this way: “Coaching [created] an objective filter on the people issues I deal with. This led me to get more quickly to the essence of situations and often to new and different ways to approach them.”

Coaching frequently teaches new skills. Sometimes, however, the process refines a skill that basically works but could use fine-tuning. Jon O’Brien, the president of Catholics for Choice, says, “Coaching is not a crutch or a substitute for your own ability to lead. It has given me a better sense of when to push or pull, listen or talk while plugging me into the latest and best thinking in strategic management theory and practice.” Coaching also helps organizations retain valued employees who want new opportunities and self-development. Similarly, providing coaching can help develop the leadership bench strength in an organization by helping technical experts prepare for expanded roles and responsibilities.

Finally, coaching can provide renewal for those who have labored for a long time on challenging missions. By reflecting on how to recommit to the tasks ahead and by learning new things, coaching can contribute to a renewed sense of engagement in organizational mission.

Finding and Funding a Coach

The next question is “How do I find an executive coach who will work for me?” As with all professional services, the best starting point is to ask colleagues for recommendations. Interview at

least three coaches using some of the questions included in “Selecting a Coach: Questions to Ask” on page 35. As you talk to prospective coaches, determine whether (1) the coach’s experience is relevant to your coaching goals; (2) you believe the candidate will support *and* challenge you as you work together; and (3) the coach’s approach can be tailored to your situation.

Funding for coaching can be tricky. Start by asking current funders to support a proposal for leadership development. Individual donors often support coaching as a discrete project, particularly if they have benefited from a coach themselves. Several foundations—including the Annie E. Casey Foundation, the W.K. Kellogg Foundation, and the David & Lucile Packard Foundation—support coaching or research on coaching for nonprofit leaders. The Kellogg Foundation has initiated the Coaching and Philanthropy Project to assess and promote the use of coaching within the nonprofit sector.

You can also ask your board to provide coaching funding as a bonus for exceptional performance. A recent initiative by the Grantmakers for Effective Organizations (GEO) encourages foundations to provide general operating support to the nonprofits they fund. GEO recognizes that by supporting leadership development, foundations protect and enhance the investment they have made in their funded organizations.

What Would You Do?

Returning to the three scenarios with which we began, which candidates are most likely to produce a return on a coaching investment?

S. Tuck, the long-serving executive director of an inner-city youth development organization, is a good investment for the coaching dollar. He plays a critical role in the life of his organization. The election of a new mayor and a new board chair willing to try some new ideas have created a teachable moment. The skills he needs are coachable and S. Tuck is ready to be reengaged with his organization’s mission

Knot Uptuit, the CFO who choked when challenged by the board on his numbers, would not be a wise investment of coaching dollars. This candidate is missing number-crunching skills and good judgment. Neither of these is likely to be taught through coaching. While one could argue that three of the four factors for coaching

are present (criticality of role, a teachable moment, and energy for learning) and might suggest good ROI, the fourth factor (teachability through coaching) is low, making a coaching investment not worthwhile.

Rizn Star, the current director of member services, would provide excellent ROI on coaching dollars. The COO role is critical to the success of this organization. Rizn’s recent performance evaluation and the upcoming retirement of the current COO have created a teachable moment, and her interpersonal style is amenable to change through coaching. Finally, Rizn’s deep commitment to learning and fixing the problem suggests that she is a good candidate for coaching.

ENDNOTES

1. Paul Michelman, “Methodology: Do You Need an Executive Coach?” *Harvard Management Update*, vol. 9, no. 12, December 2004 (<http://hbswk.hbs.edu/archive/4853.html>).
2. R. Witherspoon, R.P. White, “Executive Coaching: A Continuum of Roles,” *Consulting Psychology Journal*, vol. 48, no. 2, 1996.
3. Ruth McCambridge, “Groundbreaking Study: Nonprofit Leaders Excel,” *Nonprofit Quarterly e-newsletter*, issue 98, January 2008.
4. See for example, Annie E. Casey, “Community Based Organizations and Executive Leadership: A Survey of Annie E. Casey Grantees,” 2001 (www.aecf.org); and T.J. Tierney, “The Leadership Deficit,” *Stanford Social Innovation Review*, 2006.
5. Many initiatives are already under way to address this transition, such as the Urban Libraries Council’s Executive Leadership Institute, a national level program combining action learning and executive coaching (www.urbanlibraries.org), Rockwood Fellowships sponsored by the Rockwood Leadership Organization (www.rockwoodleadership.org), and Ashoka Fellows (www.ashoka.org).
6. Michele Gislason, “Coaching for Nonprofit Leaders,” the *Chronicle of Philanthropy*, October 10, 2007 (<http://philanthropy.com/live/27007/10/kwak/>).

Have you or your organization ever used a coach? Share your experience with *NPQ* at feedback@npqmag.org. Reprints of this article may be ordered from <http://store.nonprofitquarterly.org>, using code 150106.

Individual donors often support coaching as a discrete project, particularly if they have benefited from a coach themselves.