



WHY IS COACHING IMPORTANT IN THE WORKPLACE?

MAKING ORGANIZATIONS & EMPLOYEES SUCCESSFUL

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Why People are Successful

When I started my career as a first-time leader, I wanted to understand why some leaders were successful and others were not. I started researching various factors that I believed led to success. I looked at the socio-economic background. I looked at the educational level. I looked at the individual's circle of influence. Although these were important factors, none appeared to be the defining factor that led to their success. There are too many examples of individuals who did not have any of these factors and were successful. Think of Mark Zuckerberg, Warren Buffett, Bill Gates, Trevor Noah, and Bruce Springsteen.

I decided to broaden my research and started looking at individual behavior. As I studied successful people, I realized that they all had one similar trait in common. It was the ability to take external information and increase their performance; the ability to listen to other people's perspective and enhance their skills; the ability to learn from experience and change future outcomes.

In short, they could be coached.

During my twenty-five-year corporate career, I managed and coached hundreds of employees, and completed over five hundred employees' annual performance reviews. As I understood why individuals were successful, I wanted to know how I could apply this knowledge to improving the performance of my employees. It started with shifting my perspective from the past to the future.

Do you remember what you had for lunch yesterday? Do you remember what you had for lunch thirty days ago? Do you remember what you had for lunch one year ago? If so, can you change what you had for lunch? No, even if you regret what you chose.

Do you know what you are having for lunch today? Do you know what you are having for lunch tomorrow? Can you change this? Yes – the choice is yours to make.

I realized that no matter how much my employees might regret doing something in the past, they could not change it. So why focus on the past.

Instead, I started focusing on their future and what they wanted to achieve in the next 30, 90, 180 days. This shift started completely new conversations and allowed me to tap into my employees' intrinsic motivation for achieving better results.

For instance, I had one employee who wanted to be a departmental manager. Based on my observation of his behavior, I gave him advice on how to behave to reach his goal. He no longer looked at it as feedback but as a path to reach his objective. I am happy to say he is now a department manager leading his own team.

“A study featured in [Public Personnel Management Journal](#) reports that managers that underwent a managerial training program showed an increased productivity of 22.4%.

However, a second group was provided coaching following the training process and their productivity increased by 88%.

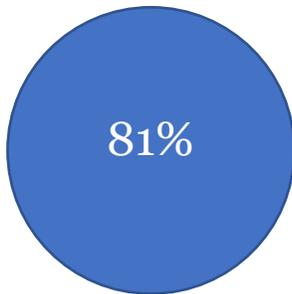
Research does demonstrate that one-on-one executive coaching is of value.” – *F. Turner, Ph.D.*

The International Coaching Federation defines coaching as “partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential.” I define coaching as guiding employees or a group of employees to improve their performance using thought-provoking questions, educational tools, and accountability measures.

Coaching is about providing an external perspective to an individual so they can make better behavioral choices to get them closer to reaching their goals. Think of your favorite athlete, performer, musician, dancer, or business leader and I can guarantee that, at some point in their life, they had a coach to help them improve their performance and reach the top of their industry. Think of Peyton Manning who was arguably one of the best quarterbacks in the history of the NFL. When he retired he had at least five coaches helping him improve his performance; the head coach, the offensive coordinator, quarterback coach, physical trainer and his personal coach. At that point in his career, you would think he did not have anything to learn, but he continued to work to improve himself.

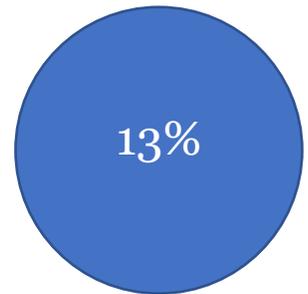
That is how coaching works – by increasing an individual’s perspective, creating more awareness and allowing them to make the right choices to reach their dreams.

So why isn't coaching used more often in the workplace?



Managers and leaders are rarely trained to coach an individual properly. In fact, according to a recent study by the Gallup Organization, eighty-one percent of leaders are ineffective at developing their employees. Let that number sink in; eighty-one percent of managers are not developing their employees, or worse, they are hindering their growth to be an effective member of their team.

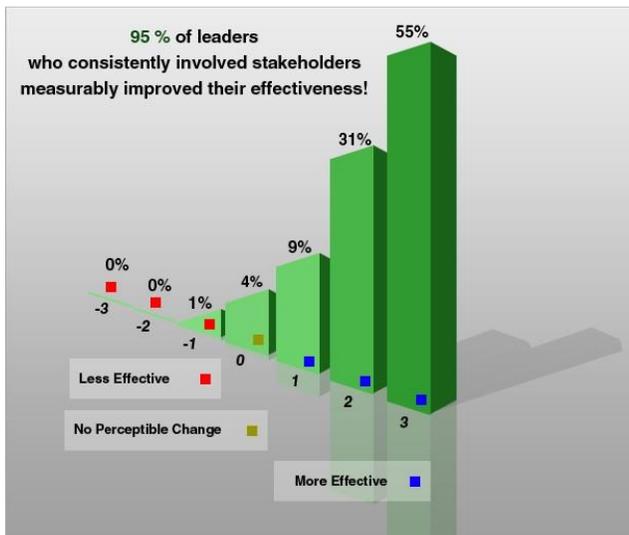
When I talk with managers, their comments are always the same. "It is not my job, the employee is responsible for their self-development" or "Isn't that Human Resources' responsibility? They have all those training classes." I usually laugh, but it is sad.



Part of a leader's responsibility is to continually improve the organization so that it can continue to grow and get better results. You cannot expect a business to grow without individual employees getting better. Coaching provides a systematic process for improving an employee's performance and therefore better business results.

A second reason coaching is not used in the workplace is that managers perceive coaching as too soft an approach to get the hard results needed to reach their quarterly goal. Because coaching focuses on behavioral changes, managers have a challenging time measuring behavioral change and therefore dismiss its impact. However, in a recent study, the Gallup Organization showed that employers who coached their employees saw a thirteen percent increase in business outcomes.

According to Gallup, leaders/managers who coached their employees saw a thirteen percent increase in business outcomes.



When I work with an organization or an executive, I want to know if my client is more effective after I start working with them than they were previously. So the best way to measure this is by asking his or her stakeholders if they have noticed an improvement in my client's leadership skill around a particular

competency. I then compare this to the information I gathered in my initial interviews. According to Marshall Goldsmith and Stakeholder Center Coaching, leaders who consistently involve stakeholders measurably improve their effectiveness.

Lastly, many managers believe they are coaching when they fill out their employee's annual performance review. It seems like coaching; the manager is providing feedback and asking employees to perform better, but this is not coaching. In fact, there is a substantial difference between managing and coaching.

In my coaching workshops, one of my favorite topics for discussion is the difference between training, managing, and coaching. Participants usually have extreme feelings about what is coaching, what is managing and what is training.

- Training is usually focused on one skill or ability and takes place as a single event.
- Managing focuses on improving the systems and procedures of the organization to achieve better results.
- Coaching focuses on developing the organization's most valuable resources, its people.

Although there are perceived road blocks in bringing coaching to the work environment, they do not offset the value of having coaching in the workplace. Ninety-six percent of individuals who were coached believe that it had a positive impact on their performance and would recommend the process to other people at their levels.

"The Manchester survey of 140 companies shows nine in 10 executives believe coaching to be worth their time and dollars. The average return was more than \$5 for each \$1 spent." – The Denver Post

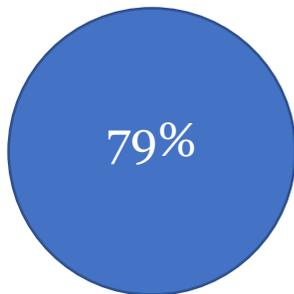
The Challenge with Typical Performance Management Systems

Gallup recently published a report titled *Re-engineering Performance Management*. As I read it, I found myself agreeing with many of their conclusions about how performance management is failing and what needs to be changed so our employees can be engaged, effective and enjoying their work. One quote that stood out to me was this:

"At the core of the performance management problem is a vivid and distressing picture of employees going to work every day and facing unclear job expectations, a little coaching from management, unfair accountability practices and a lack of opportunities for development."

As I read this, I could not help but visualize that poor employee getting out of their car in the morning, dragging themselves into the building and sitting down in their cubicle. The only thing on their mind was how many hours until they were permitted to leave work. *"Just eight more hours...I cannot wait."*

Seventy nine percent of employees do not believe they are being managed in a way that inspires them to do their best work. This disengagement is caused by organizations focusing on old performance management systems that no longer work in today's work environment.



Performance management systems fail to deliver better results because of at least one of these factors:

- Focused on the past
- Infrequent feedback
- Forced ratings and rankings
- Command and control
- Poorly defined expectations
- One size fits all approach
- Emphasis on extrinsic motivation.

When I was doing annual performance reviews, I spent too much time focusing on my employees' past performance. Why did they not achieve their stated goals? Did they do anything above expectations or below expectations? When I sat down with each employee to discuss their performance, they had little or no motivation to improve their performance. Typically, managers focus on extrinsic motivational factors: rewards and punishment. This focus does not contribute to long-term performance improvement.

What I see as the biggest challenge with performance management systems, in fact with most employer-employee relations, is that lack of defined job expectations. Eighty percent of employees have a job description.

Unfortunately, it does not communicate to them the actual job expectations that their manager and organization expects from them.

For instance, here is a well-written job responsibility for a customer service representative:

- *Confer with customers by telephone or in person to provide information about products or*

*services, take or enter orders, cancel accounts,
or obtain details of complaints.*

If I read the above job description, I have a good idea of what is being asked of me, but it does not provide a full picture of the job. Am I supposed to be friendly and efficient or mean and unhelpful? Am I supposed to handle three employees an hour or thirty? What are the expected results?

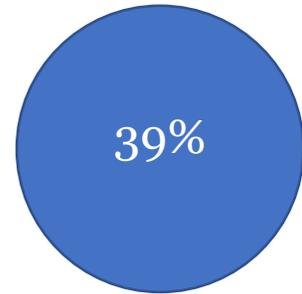
This argument is not to say there isn't a place for performance management systems. These systems help organizations compare employee's performances across departments and provide an overall understanding of the employee workforce. Out of this information, recruiting processes can be developed, training programs can be created, and leadership coaches can be hired to improve the level of leadership within the organization.

However, typical performance management systems do not provide the necessary increase in employee performance that is required to keep businesses competitive in the market place.

A Better Way: Coaching Employees for Improved Performance

"Does coaching work? Yes. Good coaches provide an essential service. They tell you the truth when no one else will." Jack Welch, former CEO of General Electric

According to Gallup, when managers and leaders coached their employees, there was a thirteen percent increase in business outcomes, and staff who were coached reported an almost forty percent increase in personal results. Coaching has this impact because it restructures the relationship between manager and employee. No longer is it about command and control; it is about continuous improvement towards a common goal – the employee's success. For when an employee is successful, the organization will be successful.



The International Coach Federation's research shows that organizations and employees who were coached saw three categories of improvement: an increase in productivity, confidence levels and return on investment. The increase in productivity included a better performance at work, a greater level of time management, and overall improved team performance. When an employee's confidence level increases, they have stronger relationships, improved communication skills, and a better work-life balance. Lastly, both organizations and employees stated that the investment was returned or surpassed over eighty percent of the time.



Creating a Coaching-Rich Environment

When done properly and throughout the organization, a coaching-rich environment can be created where all employees are using the tools of coaching to improve the organization's outcomes.

I worked with a group of leadership facilitators who were all focused on improving our participant's experience at our leadership training. Each day at the end of training, the facilitators would sit together and coach each other to improve their performance. Over time we created a coaching rich-environment where everyone was working toward the same goal – making sure our participants had the best learning experience. Coaching was no longer thought of in negative terms but as guidance to help us succeed in reaching our goal.

When an executive starts the coaching process, they ask for suggestions and feedback from their team on how they can perform better and start putting the ideas into action. The coaching process will filter down through the organization and employees will begin to accept coaching as a natural progression to improve their performance so they can achieve better results.

Coaching in the Workplace

There are three effective methods of bringing coaching into the workplace.

1. **Executive or Leadership Coaching:** This method is usually reserved for the top-tier leadership team or future leaders of the organization. It is focused on improving a leader's ability to impact the organizational outcomes. The coach and client work together to choose a goal that will improve the client's overall performance. Some of my client's goals have been time management skills, emotional intelligence, stress management, improve communications with the team, achieve a work-life balance, effective delegation, and improved self-esteem.
2. **Team Coaching:** This method is used with leadership teams to improve the overall functioning of the team. Together with the coach they develop an overall goal for the team and work to improve the organizational outcomes. Additionally, each works on an improvement goal so he or she can have a greater influence on the team atmosphere. This method is powerful because it taps into the wisdom of team members and allows them to create better working relationships.
3. **Training Managers to Coach:** Managers are on the front line of employee development. As numerous studies have suggested, coaching individuals will increase their performance, especially in conjunction with training. When taught how to coach employees, managers benefit from a higher level of employee performance and better organizational outcomes. The best method of training managers to coach is to have them go through the coaching process while at the same time learning the coaching process.

Final Note

The benefits of coaching within the workplace is amazing, whether you are coaching an executive or coaching a front-line employee – the results are the same – a greater level of performance and better organizational outcomes. Coaching is a crucial tool for organizations looking to achieve better business results. No matter if you are a small business, non-profit or global entity, coaching will deliver the results you need.

The best time to start coaching is when the employee starts working for your organization, the second-best time is now. Don't wait to bring coaching to your organization.

**If you have any questions, please contact me
at**

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About the author

John Thalheimer is dual-certified in business coaching and holds a Master's of Science in Organizational Leadership and a Bachelor's in Communication. He is the founding Executive Director of True Star Leadership. He has spent over twenty-five years leading organizations, departments, and teams to successful outcomes. Working in a variety of industries, John knows that when employees are coached, they have better

business results. He is presently working on a book titled, *A Field Guide for Managers; Coaching Employees for Better Performance*.