

The Australian Financial Review
www.afr.com • Monday 11 September 2006

Executive needs drive coaching

Organisations are moving at high speed and senior executives need assistance with strategic thinking, **Helene Zampetakis** writes.

Executive coaching has emerged as a strategic tool for filling in the gaps between theoretical knowledge and practical understanding that can't be gained in the lecture theatre.

Coaching has surfaced as a highly regarded instrument for finetuning executive skills since the early 2000s, driven as much by industry as by individuals.

"Organisations have become the customer," says Terri Mandler, director of coaching at Melbourne Business School's Mount Eliza Centre for Executive Education.

The trend has helped executive coaching shift from an activity focused on personal competencies and under the radar, to one driven by business needs. Industry insiders

say this has injected a degree of rigour into the practice that was previously lacking.

Organisations have been instrumental in helping coaches identify corporate needs and business drivers, and in setting and developing goals and outcomes.

They have also spearheaded the practice of panel interviews as a means to assess which coaches they will sponsor as they look for the best return on investment.

Research into quantifiable benefits is slim, but industry insiders regularly cite a case study that highlights a 529 per cent return on investment for one US company.

The industry average is five times the investment, says Richard Hewson, managing director of coaching firm Hewsons International, which trained an executive at a cost of \$20,000 who generated a \$1 million profit on a particular project.

"We have returns significantly more than that and there are substantial intangible benefits."

Not surprisingly, a survey of leadership employment directions

conducted in 2003 by Leadership Management Australia found that one in eight senior managers had a coach and 97 per cent reported the experience as beneficial.

That figure is now estimated to have increased to one in six.

As coaching has become mainstream, senior executives treat it in the same light as other forms of advanced professional education.

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"A lot of individuals are writing mentoring or coaching into their contracts," says Mandler.

Even so, a McKinsey survey in 2000 showed most companies believed that talent would rise by itself or that skills could be brought in from outside. In fact such organisations are unrealistic in their expectations, given the shorter apprenticeship most managers serve in today's economy.

"One of the key problems we have in business is that managers get promoted to two or three levels above their competence," says Anthony Grant, director of coaching psychology at the University of Sydney.

"Organisations are much leaner and evolve at a higher speed today, so people have to deal with strategic thinking for which they have had no experience. A good executive coach will fast-track that learning."

"A lot of senior executives have gone through MBAs but there is still a big gap between theoretical understanding and knowledge transfer, and the transfer of that to behaviour skills," says Travis Kemp, an adjunct researcher at the University of South Australia and managing director of executive coaching company The Teleran Group.

A typical gap he encounters is with executives who are uncomfortable delegating because they have an inherent fear of losing control.

"What flows out of that are issues around trust and their ability to believe in their own capabilities."