

So You're a Player. Do You Need a Coach?

The hottest thing in management is the executive coach--part boss, part consultant, part therapist. Who are these people? And what are they doing in your company?

By Betsy Morris

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(FORTUNE Magazine) – Since Mary Bradford took over as sales manager of the New England region of Met Life's resources division a year ago, her sales office has acted more like a New Age institute than an old-line insurance company. She has organized retreats at which her sales associates could get massages or do tai chi along with their business. She has encouraged them to keep journals. Last fall they had a combined business meeting and bicycling trip at Bar Harbor, Me. And oh, yeah, by year-end they had boosted their sales by nearly 60%.

Bradford attributes her unorthodox approach and her uncommon results to a secret weapon: her executive coach.

Several years ago Bradford was another middle-management burnout candidate: on the job early each morning, on the phone each night until ten, giving far too little time to her family. She was facing a stressful mid-career move from Washington, D.C., back to Maine and a big transition to a new job at Met Life. But a boss let her in on his little secret: He had a personal coach. She might want to get one too. A friend of hers, who also had a coach, made the referral, and Bradford began having weekly phone conversations with Talane Miedaner, an executive coach in New York City who has worked with people at Bear Stearns, Citicorp, Motorola, Salomon Smith Barney, and Sears.

Miedaner pushed Bradford to reexamine her goals and values. She helped her to reclaim control of her time. Often, she helped her with the nitty-gritty of her job. As is so common with salespeople, Bradford had a habit of overpromising. Miedaner coached her to underpromise and overdeliver--much more impressive. Miedaner helped Bradford plot strategies for opening doors with prospective clients, and rehearsed with her when Bradford interviewed for a promotion. Bradford began to believe that if something felt impossible or outrageous, it was exactly the right thing to do.

Bradford says her year of coaching "was like a grenade in my life that's still going off." It taught her, she says, that "people have to take more responsibility for their own growth and development. They can't depend on human resources. Coaches can help people come to grips with huge changes in the way we do work, in getting through big transitions."

Even so, she's careful whom she tells about her coaching. "Some people think it's therapy," she says. "They think it's weird."

Corporate coaching is one of the stranger wrinkles in management these days--one of the hottest things in human resources, except that it doesn't usually come out of human resources. (In fact, HR is often the last to know.) It is a grassroots movement that is spreading in some of the

unlikeliest corners of corporate America, including IBM, AT&T, and Kodak. Some companies don't want to talk about it (like Goldman Sachs, which canceled an interview for this story).

Coaches are everywhere these days. Companies hire them to shore up executives or, in some cases, to ship them out. Division heads hire them as change agents. Workers at all levels of the corporate ladder, fed up with a lack of advice from inside the company, are taking matters into their own hands and enlisting coaches for guidance on how to improve their performance, boost their profits, and make better decisions about everything from personnel to strategy.

It's not that executive coaching is particularly new. Chief executives and those approaching the top have long sought counsel from personal consultants, wise board members, or industrial psychologists. But in the past five years coaching has gone mass-market. In the age of Every Man for Himself, every man can have a coach--and, in an ever more commonly held view, needs one. The four-year-old International Coach Federation says its online coach-referral service gets 2,600 hits a month. Its membership has increased eightfold in the past two years, to 2,400 members, but the federation guesses the total number of coaches is more like 10,000. At Harvard Business School, Linda Hill, professor of business administration, says she's inundated with requests to coach. "Coaching is becoming something of a heavy industry. It's amazing," says Warren Bennis, professor of business administration at the University of Southern California's business school.

What exactly is a coach? Part personal consultant, part sounding board, part manager. Yes, manager. Remember him? That person whose job used to be to advise, motivate, and train--but whose nose is now mostly stuck in e-mail? For a surprising number of people, it is now the coach--not the boss--who pushes them to hire, to fire, to fine-tune a sales pitch, to stretch.

Observers of the phenomenon say that an executive coach often functions as a therapist, too--though the coaches themselves tend to deny this with some fury. Warren Bennis believes that "a lot of executive coaching is really an acceptable form of psychotherapy. It's still tough to say, 'I'm going to see my therapist.' It's okay to say, 'I'm getting counseling from my coach.' "

If ever stressed-out corporate America could use a little couch-time, it's now. Trust in big companies is at an all-time low. Baby-boomers have been burned; Gen Xers aren't expecting the Corporation to take care of them. Under the circumstances, employees are much likelier to go outside and get independent advice to help them be better managers, says Karen Cates, assistant professor of organizational behavior at Northwestern's Kellogg Graduate School of Management. Beyond that, she says, mentoring systems have mostly failed. Organizations are so lean that they don't have time for it. You're paid for what you produce, not for time you spend developing people. Bosses are managing by e-mail. "Given the impersonal nature of business today, we're likely to say, 'Go take that hill--and oh, by the way, send me an e-mail when you get there,' " says Charles F. Cleary, chief operating officer of Log On America, a telecommunications and Internet service provider in Providence.

Times could hardly be more trying for people all up and down the corporate ladder. Woe to the boss who's too authoritarian; he'll just cost the corporation good talent. Woe to the manager who leans too heavily on hierarchy; virtual teams call for flexible leaders who can pull together strangers in distant parts of the country and, for the duration of a project, get them to bury their personal agendas and work together. Meanwhile, the major currency of the manager--experience--has never been so devalued. "You can't turn to your nice gray-haired mentor and say, 'From your 30 years of experience, how does one handle a dot-com?' " says Barry Mabry, a partner at Ernst & Young who is using a coach. "Nobody on earth has experienced this kind of business environment."

What's really driving the boom in coaching, says John Kotter, professor of leadership at the Harvard Business School, is this: "As we move from 30 miles an hour to 70 to 120 to 180...as we go from driving straight down the road to making right turns and left turns to abandoning cars and getting on motorcycles...the whole game changes, and a lot of people are trying to keep up, learn how, not fall off."

Coaching in its present form began in the 1980s, when some of these trends were just beginning to take shape. Thomas J. Leonard, a financial planner in Seattle, was trying to help some yuppie clients figure out what to do with their six-figure salaries and realized that they needed more than just the traditional tax and investment advice. He asked them if they wanted to talk more broadly about life issues, "and they jumped at it," he recalls. "They had no emotional problems; they didn't need to see a therapist. They wanted to brainstorm," he says.

Leonard gave up his financial planning practice and began full-time "life planning" a couple of years later. At some point, one of his clients suggested that he call it coaching. By the late 1980s he was training others to coach. "I had an inkling there was something interesting and powerful about this idea," he says. The need intensified through all the corporate downsizing and restructuring in that period. "All of a sudden you had all these people starting their own businesses or consulting practices. They were people leaving the corporate environment and they'd never had Entrepreneurialism 101," he recalls. They wanted to figure out how to make more money, how to launch a great new concept or project, how to reduce stress. Sometimes they just wanted somebody to talk to. He began a formal coach training program called Coach University in 1992, which put him ahead of the curve; soon there followed managed care, which left a lot of therapists anxiously seeking new ways to earn a living; and then came the Internet, which, combined with globalization, left a lot of managers looking for ways to cope with breathtaking change.

But who, exactly, can be a coach? That's the scary part: pretty much anybody. Many of them are therapists. Many more are dropouts from consulting. Many of the coaches interviewed for this story were garden-variety professionals, in past lives an Andersen consultant, a CPA, an IBM salesman, a low-level bank executive, a marketing vice president for Bloomingdale's. The federation says that so far there's been no attempt to license coaching. It has made an effort to establish standards, but the boom in coaching worries even a lot of coaches, who are concerned that rogues may give the profession a bad name.

But right now coaches are so hot that credentials are almost beside the point. What seems to matter most is word of mouth--did the coaching work miracles for somebody you know? Corporate coaches are in such demand that they can charge from \$600 to \$2,000 a month for three or four 30- to 60-minute phone conversations. Some charge as much as \$400 an hour. So a lot of them are earning far more than psychologists or psychiatrists.

Of course, this whole notion is still foreign to much of traditional corporate America. "I have worked for organizations that would find this quite threatening," says the Kellogg School's Gates, who, like lots of other business school professors, increasingly finds herself called on to coach her consulting clients. Part of the fear has to do with confidentiality. "As a coach, I know a lot about the companies and the people who live there," she says. Beyond that, "it can be very frightening for an organization to have its own employees talking to outsiders. They'll want to know: Are the outsider's goals aligned? What are you talking to that person about?" She adds: "Ten years ago, you certainly wouldn't have been allowed to do this."

It was pretty threatening when Charles Cleary broached the idea of using an outside coach as a change agent in his region of AT&T's Growth Markets sales organization. Rosemary Turner Slade Lucerne remembers it well. Cleary was a vice president and general manager in Growth Markets and new to AT&T; she was the staffing and training manager and an 11-year veteran. "My first reaction was to say, 'Chip, we don't do that. It's not part of our training curriculum. It's not

on our intranet. We don't have the budget. We can't," she recalls. But Cleary had spent the better part of the prior decade at Teleport Communications Group, a telecom maverick acquired by AT&T. He'd come from a nimble, entrepreneurial culture and knew that was what he needed to somehow graft onto AT&T, to make his region a truly high-growth sales unit. "If AT&T and I both spoke languages, it was speaking French and I was speaking Spanish," he recalls. "I knew what I had to make happen at AT&T. And I knew the road would not be smooth," he says. He enlisted the help of Cheryl Weir, an executive coach who had spent 13 years in sales at IBM.

In one of their early conversations, Weir asked Cleary, "Where do you want to end up at the end of the year?" He told her "something pretty loosey-goosey" like that he wanted to be No. 1. "Well, quantify that," she insisted. When he told her 5% over his revenue target, she replied, "Ahhh, you can do that in your sleep." What would constitute hypergrowth? she wanted to know. Fifteen percent? She nudged: Why don't you aim for 20? (That's big, Cleary says, about double the rate of his piece of the industry.) "She made me put a stake in the ground," recalls Cleary. "This team was not used to putting stakes in the ground."

Cleary brought Weir into the office for a couple of days of intensive training with the staff. "We got into a room and locked ourselves down," Cleary recalls. They talked about their bad habits and what they were really like at home with their families, and they confessed their workplace failings--things like, "Well, I don't spend any time with my people. Or, when they come into my office, I say yeah, yeah, yeah, boom," says Cleary. At some point Cleary gave an impassioned speech, and they all agreed on a sales target (the consensus was to boost revenues by 16%, which would be about double the prior year's growth rate) and began to plot how they'd pull it off.

By year's end, revenue growth was 16%. That put Cleary's outfit in the top three fastest-growing in AT&T's Growth Markets. "We blew out the numbers," he says. "Cheryl accelerated our transformation, no question about it." In January, Cleary was lured away by a job as chief operating officer of Log On America. But by that time, Lucerne had long since been won over. The whole package cost \$11,000 for two days of training plus about \$2,000 quarterly for follow-up coaching with Weir, "and I honestly think we earned that back in a week," says Lucerne. Weir is continuing her work at AT&T with Cleary's group and four others, and will be coaching at Log On America as well.

Another way to look at the spread of coaching is that it bridges the growing chasm between what managers are being asked to do and what they have been trained to do. It is almost like the difference between generals in peacetime and generals in war, says Harvard's Kotter. "We have a lot of people who were trained to be superb managers but now have horrendous leadership challenges thrown at them. I think a lot of the coaching is aimed at trying to help people develop skills and actions that are different from what they grew up with."

That has certainly been the case at Kodak, which has experienced upheaval in the past five years as it adjusts to new competition and the Digital Age. Dan Carlson began working with an outside coach last year to solve his part of Kodak's horrendous challenge: cranking up productivity with a work force that had all but melted down. At the time he was a department manager in the color film manufacturing operations of Kodak--"This is the heart and soul of Kodak," he says--and he was taking coaching to the factory floor. Here people were used to top-down, command-and-control-style management. Here there was an entitlement mentality. "These are folks that are third-generation employees, some of them. When they stepped inside Kodak, they had an expectation of lifetime employment." But restructuring had taken 18,000 jobs out of Kodak's work force and had torn at corporate loyalties.

Carlson began to work with coach Jan Austin last March on the advice of an outside consulting firm. She met with frontline supervisors and their group leaders. She also conducted, among other things, a dozen two-day clinics to teach managers how to motivate rather than command,

how to communicate with workers and elicit their opinions. At one point the group spent four hours discussing fear: was it a good motivator?

Carlson, an 18-year Kodak veteran, realized that he sometimes stinted on overtime even when it was truly needed. "It's one of those metrics that sticks out like a sore thumb," he says. He began to stand up and say, "No, we need to make this investment, and here's why." He began to shift his focus from managing for results to investing time and attention in his people. "It was a leap of faith," he acknowledges. But it produced results. As employees became more invested in their work, waste levels dropped significantly. So did overtime. Productivity increased. He'd wanted workers to "find their voice," to start speaking up when they saw how to make things better. They started taking more initiative both inside and outside work. One factory worker confided to him that she'd always wanted to sing a solo in her church choir but had been afraid. Not only did she sing the solo at church, but she also sang it for Carlson--right there on the factory floor.

Carlson recently got a promotion. He is now manager of color film sensitizing, a division of more than 1,000 employees, and he has called on Austin to work with the larger group until the end of this year. He wants to develop coaching abilities in-house, and he has sent three employees for coach training.

At many companies, coaching has become the Band-Aid for a lot of the dysfunction caused by the trial and error of doing business in new ways. Matrixed organizations, 360-degree performance reviews, virtual teams--they don't always work as well in practice as in theory. At Ernst & Young, Cynder Niemela has made a career for herself as a coach who troubleshoots teams. Niemela had collected an MBA, a degree in sports psychology, and a decade of informal coaching experience before Ernst snapped her up 2 1/2 years ago and made her a change-management consultant. She'd worked with virtual teams before--groups of clients, consultants, and outsourced workers all pulled together around a temporary project. Often, she says, "they're dysfunctional. They don't align their goals with the corporation or with each other...."

When she began to work on a big hospital merger project at Ernst two years ago, the 120 members were divided into subteams, but each of those was off in its own orbit. She assumed the role of head coach, teaching the subteam leaders how to coach their teams and communicate with one another. She devised a toolkit and a training program to keep everybody on the same track. "Executives now are so challenged," she says. "When you bring a group together around a task, people become commodities for the sake of the task. They get lost."

The hospital project was a success, and word of her work got around. Since then she has been in hot demand. She's currently coach for two big project teams, and she is working to spread coaching around Ernst. She counsels 15 partners, she conducts coaching workshops for 18 of Ernst's human resources employees, and she's launched an internal coaching network and a rigorous certification program for those inside the firm who'd like to become coaches. Rigorous because "so many people are coaching, and they don't have the experience or the skills," she says.

Coaching really is the Wild West of HR. Until a year and a half ago, the federation didn't have a credentialing program. There is still not much consensus about what kind of business experience or academic pedigree qualifies someone to be a corporate coach. "I wonder about the vulgarization of coaching," says Warren Bennis at USC. "I'm concerned about unlicensed people doing this." Angelo DeNisi, president of the Society for Industrial and Organizational Psychology, says, "If somebody comes in and doesn't know anything about your job or your organization and they lay out a plan for you, it's time to run."

At Ernst, Niemela says, "I've met so many consultants who just call themselves coach." She's also seen psychologists who claim to be corporate coaches but don't know what's meant by the

Big Five. Even Marcia Reynolds, president of the International Coach Federation, expresses concern. "Surprisingly, we've had no major ethical violations brought up to our membership," she says. "We do have to watch ourselves. There are going to be unethical coaches."

The association is trying to impose discipline by requiring training at places like Coach U, which was started by Leonard and then sold two years ago to his protege Sandy Vilas. (Vilas had been a speaker, a trainer, and a stockbroker, and had worked in oil and gas, and real estate, before becoming a coaching guru.) Coach U is a virtual training firm that offers more than 50 teleclasses--that's right, courses conducted via conference call. Its headquarters is Vilas' summer home in Steamboat Springs, Colo. But plenty of other coach training firms have sprung up that aren't accredited by the coach federation; some don't care to be. There are even new coaching associations. And plenty of coaches with impressive academic pedigrees and corporate track records don't have the slightest inclination to go back and attend correspondence classes at a place like Coach U, no matter how convenient.

And they are convenient. As a student at Coach U, you can take a class at your desk in the middle of the week. Just clear your calendar for an hour, put on your headset, and bring a case study from something you've tried on your friends. Assignments are made by e-mail.

It is 1 P.M. on a Tuesday in November, and Cheryl Weir is about to conduct a class on that most basic of coach skills--Listening. She is at the telephone in her office, which is at home. She dials into the conference call first, and several minutes later her pupils begin to assemble, each one entering the virtual classroom with an electronic beep that signals they're on the line. Via e-mail, they've been given a couple of reading assignments and asked to practice on ten people since last week's class. Today one student describes an executive client who "is like a hamster in a wheel, running around and around, and just doesn't know how to get off." This sends the class off into a discussion of running on adrenaline and how this interferes with their ability to listen to their clients. Another student admits to being an adrenaline junkie: "I am very results-oriented," she confesses. "I am always in a hurry, always listening for the bottom line: What do they want? How can I fix it?" Periodically, Weir will ask, "How many agree with that statement?" Those who do press a key on their phone pad, which produces a beep, in a virtual show of hands.

This is all just a prelude to actual coaching, much of which takes place over the phone. Many coaches and their clients have never met face to face. But it may not be the face-time that matters most in managing to get the best out of employees. One size doesn't fit all, according to research by Cynthia McCauley, vice president at the Center for Creative Leadership. When it comes to management styles, some employees need lots of feedback, others need lots of challenge. Some need somebody to hold them accountable, others need a sounding board. "It all depends on your psychological makeup and what you're good at," she says.

Ernst partner Barry Mabry has found a coach to be a valuable sounding board in today's crazy business climate. He'd received a notice last year telling him that coaching would be available to Ernst & Young partners. He made a call and soon found himself on the phone with "a strange woman." (It was Cynder Niemela.) "I was in New Orleans; she was in San Francisco. She didn't know much about my area of work," he recalls. But within 20 minutes, he decided she could be both trusted and helpful. Ever since, he has had routine telephone conversations with her in which he has discussed matters ranging from the mundane (how to improve communications with subordinates) to the cosmic (what do you want to get out of life?). "Why do I need a coach?" he muses. "I've wrestled with this." He's a corporate finance partner in New Orleans. He has been with Ernst 27 years. He's successful; he's happy. His recent performance review was quite flattering. "Perhaps it's for the same reason that Tiger Woods needs a coach or Pete Sampras needs a coach," says Mabry. "Tiger Woods would say, 'I know how to play golf.' But his coach is probably the most important person in his life."

This coaching phenomenon, like all mass movements, will have its excesses: dubiously credentialed people hanging out their shingles, no doubt; conflicting advice and agendas, quite possibly, in offices where Everyman has a coach. But corporate America had better heed the phenomenon, even if it falls outside the traditional corporate organizational chart. It's a reminder that people won't run on autopilot or by remote e-mail. No matter how much the world has changed, people on the job still need some mentoring, some monitoring, some meaningful interaction. And if workers can't get that in-house, why, they're likely to outsource it.