

# *Executive Coaching: Reducing risk in change management*



*by Dr. Laurence S. Lyons*



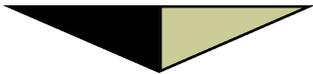
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## **ABSTRACT**

Executive coaching has emerged as the modern way of revitalising people in organizations around the world. This new and pervasive activity is frequently regarded as a tool to assist personal development. In fact, it has far more to offer in terms of business impact. This outline chapter illustrates how executive coaching may be incorporated as the central component in a change management program, to dramatic effect. Two global programmes based on this design approach within the pharmaceutical giant Aventis exemplify best practice.

# FT

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Handbook of Management  
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## Executive coaching

In common with many truly powerful management tools, coaching defies easy definition. Any such ambiguity has as yet failed to curtail explosive uptake of this new management art.

In its basic form, executive coaching involves a series of development conversations between two people, a coach and a client. The coach will assume that the client is vocationally competent. Executive coaching is certainly not training; its techniques cannot help a bad accountant become better at accounting. With its focus fixed firmly on behavioural development, executive coaching is in essence a modern form of process consulting, acted out in the workplace.

Today's external coaching practitioners are drawn from a rainbow of specialist disciplines. We can find the behavioural psychologist, career counsellor, and business consultant all freshly re-branded as executive coach. Looking outside the management arena, popular comparisons with the more familiar *sports coach* abound, and carry vary-

ing degrees of validity. Then again, a new breed of *life coach* has emerged to further blur the broader definition.

fers each person a custom-built learning mechanism to grow their own healthy business behaviour in whatever way is meaningful to them within their organization.

## Better business people

Variety in both style and approach is a healthy sign in any personal development interaction, as the world is full of people with differing needs. While each facet of coaching practice may indeed have something useful on offer, there is only one type sure to gain approval in the boardroom. Quite clearly, in the organizational setting executive coaching exists solely to produce better business people. The ultimate value of executive coaching lies in its ability to help better business people go on to produce better business results.

One individual will become a better business person by expanding his repertoire of inter-personal skills. Another will sharpen her strategic thinking. Yet others will want to learn how to become better team players or hone political savvy. Executive coaching of-

Headlines of an action plan, agreed between a coach and a client, will call out specific areas for personal change. A global or local change management agenda can be immensely helpful when building such a plan. This remains true even when the coach uses a purely *non-directive* approach, always insisting that the decision to select personal development areas remains squarely with the client.

Business people strive to get good value. Coaching offers most value when its dialogue is "leading somewhere", provided that the destination represents a good place to be and the journey is worth the effort. When coach and client together contract to prioritize development areas - in the light of an organizational change agenda - then coaching will extend its impact to become a powerful tool of strategic intervention.



## The Management of Change

Change management initiatives emerge from an organizational will or ambition to become something different. Post-merger integration, product improvement, channel innovation, industry change, or new customer demands are typical events that will have set the stage for these major change initiatives. Their large-scale delivery programmes require careful design, and are best orchestrated as the co-development of the organization together with its populace.

Change involves risk. Risk is simply the probability of pro-

gramme failure. It is important to remember that any vision of a future 'changed' organization must be founded upon certain beliefs, so we are always dealing with a transformation that must necessarily contain untested assumptions. Risk ideally vanishes once a change programme has achieved total success; in the meantime it is practically safe to assume that change management is risk management. Management of risk is the key to success in any change programme. Risk will be well managed when the

programme properly engages both the process and social dimensions within the organization.

One ever-present assumption is that the organization itself has the skill and capacity for transformation, especially if it is to continue 'business as normal' while doing so. Of course, corporate visionaries can never be fully informed by the personal reality of those who are to experience the change: this is because their

new experience has yet to happen. To be effective, change architects must find ways to continually keep a two-way dialogue flowing between vision in boardroom, and reality as experienced by individuals on the ground. The efficiency of this conduit is a good proxy for measuring execution risk in any change programme.

### Achilles' Heel

Those involved in the design and implementation of change programmes have long felt that something important is missing in the management toolbox – an effective method for putting strategy into practice.

The crucial moment comes at the point of implementation. Once corporate direction has been established and *hearts and minds* won over, a well-designed change programme will call into play dedicated components for anchoring the vision and remodelling behaviour throughout the organization. So, at least, goes the theory. In practice, however, this critical stage of change management, where personal drive needs to pick up the baton from corporate intellect, has long been recognized as the weakest link in the whole change management chain. Until now.

### A marriage made in heaven

When combined, change management and executive coaching offer the organizational designer a marriage made in heaven. The 'top-down' voice of the organization from the former system provides broad direction to the latter. In return, we have at our disposal a behavioural mechanism for locally validating and instilling

change in each team, group and individual. The difference that can be made in the attitude of those individuals who are being asked to change can be remarkable once this connection is made. Change is no longer perceived only as an externally imposed command. An integrated approach allows for a "win-win" combination in which individuals can graft their personal development onto the corporate agenda. The new connection makes change relevant and desirable to all.

Integrated change management and executive coaching designs can provide the foundations of a cascading values-based change system as depicted in Diagram 1. This integrated model has now been used successfully in several organizations. Exhibit 1 briefly describes one recent intervention in Aventis that is based on this design philosophy.

Proper application of tools taken from the newly-enhanced leadership toolbox makes it possible to construct a system of symbiotic organizational and personal change. Executive coaching can make the designer's dream come true: practical interventions now continuously link corporate intent all the way through to individual behavioural change; effectively, rapidly, and with much reduced execution risk.

### Risky business

This is not to say good programme design will always eliminate risk in a change programme. Instead, an integrated system shifts the locus of risk from local execution back towards original corporate intent and the environment. This has to be good news. In the extreme, if a

change programme has to fail it is better it should do so because the corporate ambition was unattainable, rather than that the execution was inadequate.

Our over-pinning guidelines for programme success are clear, if all too infrequently stated. We want good initiatives to materialize. We want locally unworkable issues to surface quickly and signal we have found a problem that needs to be addressed. We are prepared to learn and adjust while in transition. The world may not turn out as we expected. Our failure to sensibly orchestrate our own resources is the outcome to avoid at all costs. Environmental risk may be unavoidable; business risk may be countenanced; execution risk is unacceptable.

The benefits of an integrated system can be summarised by simple rules of risk reduction. *Integrated design reduces execution risk; feedback dialogue reduces business risk.* Programmes that consciously set out to satisfy these rules by flexibly linking the necessary social building blocks are poised to succeed.

## Aventis Industrial Operations *Coaching for Change* Case Study

**Aventis** - the major global pharmaceutical company renowned for its prescription drugs and human vaccines - reported core business sales of €17.6 billion in 2002. Industrial Operations is responsible for 50 manufacturing sites around the world employing some 19,000 people - over a quarter of the company's worldwide workforce. This case study demonstrates how executive coaching can be a driving force within a change management intervention, powerfully stimulating both individual and organizational change.

There are two distinct "clients" - one group and one team. Each is a quite separate global function supported by members of the same human resources organization. Leverage of the excellent relationship enjoyed by HR in each management function was to become extremely valuable in projecting a sense of credibility and programme value in the mind of each client, inspiring their confidence, commitment, and support.

The Finance Controlling Group holds total responsibility for manufacturing accounting through a group of world-wide site controllers. Those taking part in this programme come from across Europe, USA, Latin America, and Asia Pacific. All site controllers perform a broadly similar job, each holding a supremely pivotal role in an increasingly empowered and complex organizational structure. Aventis views the leadership development of site controllers as a critical success factor for its business.

Process Development Management Team is responsible for an organization of around 600 employees working in four locations across Germany, France and the USA. The key role of Process Development is to create robust manufacturing processes taking new chemical formulations from research & development laboratories through to full-scale global production. In a recent re-organization a top layer of management had effectively been removed so it became important that the two sub-functions - Chemistry and Biotechnology - work together effectively with minimal top management involvement.

From the outset HR intended to create more business value than would be achieved from simply providing personal coaching. As these two independent programmes ran in parallel, the design team seized every opportunity to cross-fertilize knowledge and best practice in areas of change management and coaching effectiveness. This achieved economy of scale and cost-effective service from the external coaches and consultants.

Working in partnership with the external providers, HR's first action was to assemble a design team that included functional sponsors. The purpose of the first design workshop was to share opportunities and challenges being presented by the business context, and also to assess the full potential of available tools and approaches.

In reality, the ideas of linking coaching to organizational change were developed through this consultation process into a credible implementation plan which was large scale in scope and change management in nature. As a large scale endeavour it required comprehensive planning, adequate financial investment, and demonstrable results. As a change intervention, significant importance had to be attached to positioning the programmes in the mind of the clients, and in ensuring that the specific business process and contexts were well understood at an early stage of design.

The Aventis board has already signed-off an inventory of company-wide leadership competencies. Much prior work had been done to ensure that the inventory was grounded in agreed corporate values and informed by the strategic challenges facing the company. These competencies are expressed in an internet-powered 360-degree feedback questionnaire that is being used for coaching senior managers throughout the business. By adding a customized subset to the inventory and using feedback from the questionnaire as the basis of individual coaching dialogues, value-based executive coaching was incorporated as a key change component into both programmes. Given the global reach of the intervention, data entry, reporting, and personal coaching were made available in a variety of local languages.

The site controllers' programme was based on a new role specification that had been developed in a recent conference. This put significantly more emphasis on strategic support, leadership, and the need to challenge, benchmark and network. Some nineteen role-specific competencies were compared to those on the standard corporate inventory which was then extended as necessary.

With its primary focus on inter-personal behaviour and the improvement of teamworking, the process development programme used a standard competence inventory together with the Myers-Briggs Type Indicator. To consolidate learning and behaviour, a team workshop was incorporated at the end of this programme.

Design work continued until the team was confident that individual coaching would relate clearly to the business organizational development objectives. Once this point was reached, HR formally made proposals for senior management approval including the negotiation of costs and the implementation timetable.

The Site Controllers group launched their programme as part of a world-wide conference. The process development team utilised a regular management meeting to introduce their programme. Customised assessment tools were used in both cases, as were face-to-face and telephone coaching. Importantly, each programme incorporated follow-up coaching and a specifically-designed questionnaire to assess impact.

Implementation went to plan. One difficulty did occur when some feedback reports were delayed due to late submission. But this was easily resolved through prompt action of the service providers. This demonstrates the importance of service in the supply of assessment tools; we were fortunate to have had a flexible and responsive supplier.

Participant confidentiality was maintained at all times while the structure of the exercise ensured that valuable aggregated information could be obtained to support the business objectives.

As always with qualitative endeavours, it is hard to measure success. We do know that the programmes provided clear evidence of both intent to improve personal performance and the increasing use of personal development plans. At a business level, the process development management team has certainly functioned more effectively. The site controllers are today recognized as providing a new and higher level of support – in line with expectations in their role specification.

Bertrand Cordier, Head of Industrial Operations Controlling reflects “This programme was definitely a vital component in changing the culture, values, focus and behaviours of the Controlling organization”.

Describing the programme as an “interesting and rewarding experience”, Dr. Manfred Worm, Aventis Vice President Process Development Chemistry said that the programme “provided us with a unique insight into our working preferences and the ways in which others perceive us. It has provided awareness of how we can communicate with others in a manner that they would feel most comfortable.”

The HR team and senior management firmly believe in the value of the design team workshops and our investment in the “contracting” stage. Had these been omitted, the personal assessments would probably have gone ahead but with far less enthusiasm on the part of the participants and definitely less impact on the organizational change objectives. Indeed, we believe the full potential of the exercises would never have been achieved if not for the partnership relationship with the coaching consultants and the integrated systems approach.



## Agent of Change

Organizations engage outside suppliers for their ability to do essential things that otherwise would not be possible. From their wide experience in other organizations, external consultants may bring with them knowledge of tried and tested techniques. Often an organization is perfectly capable with its own resources to perform certain tasks, yet brings in external suppliers purely to reduce or help manage risk.

In change management work the general skill the coach-consultant must bring to the table is an ability to orchestrate feedback. Such orchestration ensures that feed-

back surfaces in whatever forum needs its particular message. This is a very wide requirement as recipients of feedback may include individual executives, a local sponsor, or the main board.

In order to orchestrate feedback, new communications channels may need to be opened up within the organization. This can be a sensitive activity. It is an area demanding strong role clarity whenever external agents are engaged in a change programme, and is best carried out in partnership with the design team or sponsor.

The desired end point is not

simply to deliver feedback, as this is but one step in a broader process of fostering a wider dialogue. The goal is to create a process through which people in organizations can find pathways for change.

Where this dialogue may lead is purely a matter for the client organization to determine. It is always the client who knows their business. It is the client who must own any business decisions. The main job for the agent of change is to ensure that channels are open so that meaningful dialogues can take place.

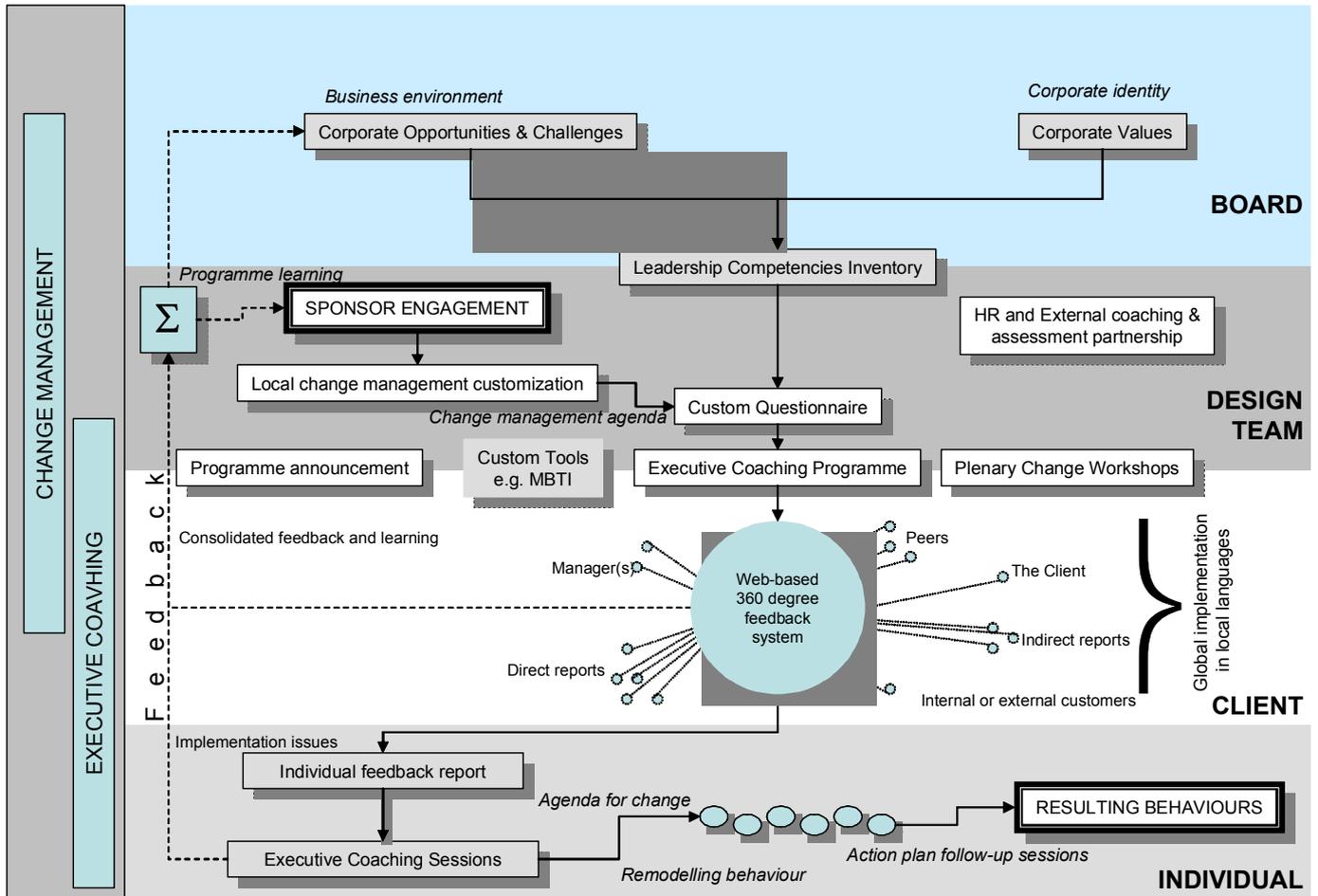


Diagram 1. From sponsor engagement to resulting behaviours: key process elements in an integrated system

### Feedback

Coaching is founded in feedback. The collective experience of managers, direct reports, peers, and customers all provide raw feedback that must first be validated in a personal coaching session before incorporating into each client's action plan.

*Validation* takes on special meaning when used in a coaching context. It is a process through which raw data gets transformed into the self-insight on which a personal action plan will rest. There are many ways in which feedback might be inadequate, contaminated or biased. The need to validate arises because feedback is a product of many factors which include: the general

organizational climate; specific local, team, or personal issues that were prevalent when the feedback was collected; the time that the client has been in post; events that may have occurred after feedback was collected.

As an example, many senior executives today take on a number of roles, so it is not uncommon for their teams to report a feeling of alienation. In this case, the executive is less likely to be a poor communicator than a person who has insufficient hours in a day. Validation has to tease out the underlying cause. The validation process allows a client to address genuine skill development areas instead of trying to fix current gripes and merely tinker with apparent symptoms.

While validation tests the feedback, *challenge* tests the client's own beliefs and assumptions. A good coach will always point out to the client those clear instances where overwhelming feedback is at variance with their personal view of reality.

Without relaxing the pressure to challenge the client, a good coach will ensure that each individual's feedback gets validated at an early stage in their coaching relationship. Validating, challenging, and selecting personal development areas are part and parcel of the art of coaching.

The popularity of personal feedback in coaching goes hand in hand with our growing awareness of the importance of feedback in organizations. This, too, is a good thing. Feedback is an essen-

tial component that change designers tend to forget. Often feedback is the only factor that will make a change design come alive in practice. Seasoned change practitioners notice it is invariably the dotted feedback lines of execution plans that turn out to be most important when sleeves get rolled up at implementation time. In the same way that coaches use feedback to benefit individual executives in developing behaviours, change agents should use feedback to squeeze out risk from organizational change programmes. An easy way for consultants to achieve this is to simply treat the collective “organization” as another coaching client.

Providing feedback in an organizational setting, however flat, always involves personal risk when top-level intentions give rise to unforeseen obstacles elsewhere. It may be difficult for an individual to speak up, and for as long as this persists, the organization is really shouldering a hidden risk. Any gap between the sponsor’s current expectation of programme outcome and what may be believed to be workable locally represents a key source of execution risk. Fortunately, such risk is manageable. Execution risk can be handled through programme feedback contained in a dialogue orchestrated by the coach.

## Orchestrating feedback

A fundamental role of an external agent, whether coach or consultant, is to orchestrate dialogue. For this to happen smoothly, rules of best practice have to be in place. Before opening up any new dialogue, the consultant will want to ensure that it is based on validated feedback that has been grounded in reality. In addition to this technical need, social rules of *etiquette* must create

a context within which good practice can occur and where people feel comfortable to exchange candid views. *Etiquette* covers matters such as the treatment of confidential personal information and the use of consolidated data for programme feedback.

An individual’s action plan may follow one of two basic paths. The normal route is for the corporate values, ambition and consolidated feedback to become manifest in a plan to develop personal behaviours. Another possible outcome, which is not much discussed in standard coaching texts, occurs when an individual believes the corporate ambition may not be workable.

A coach may observe a recurrent issue is being voiced by several executives in the same programme and come to believe that there may indeed be a serious obstacle in the way of the change programme objectives. This places the coach in a unique position. The coach is the only person in the system having this collective knowledge. The coach (or coaching team in larger programmes) has clear sight of consolidated programme feedback which is also a proxy for the cultural climate in which the programme is set. Until this vital information, presently known only to the coach, finds its way to the design team for validation - and possibly to senior management to trigger a programme adjustment - the business is carrying a dangerous risk.



## Summary

At first sight it might seem that executive coaching and large-scale organizational change programmes are worlds apart. On closer inspection we find more than a good fit – each has something important to offer the other. By linking organizational development to personal change, integrated programmes become increasingly attractive to the very people involved in change. With thoughtful design it becomes easy to create and manage the social paths so vital to the healthy development of an organization and the people within it.

## Further reading

Laurence S. Lyons

“Coaching at the Heart of Strategy”, in Marshall Goldsmith, Laurence Lyons, Alyssa Freas, *Coaching for Leadership: How the world’s greatest coaches help leaders learn*, Chapter 1, Jossey-Bass/Pfeiffer, San Francisco, 2000, ISBN 0-7879-5237-0

## Biography



**Laurence S. Lyons** is director of The Metacorp Group, a coaching and change management consultancy. He is also European Practice Director for the global Alliance for Strategic Leadership A4SL based in San Diego. A former technical director at Digital Equipment Corporation, he is described as a “leading authority on business transformation”, by Henley Management College where he is a member of associate faculty and Founding Director or Research of the Future Work Forum.

Laurence Lyons is regarded as a pioneer in the field of executive coaching; having coached hundreds of senior and high-potential executives in many blue-chip organizations in the USA and across Europe. He specialises in the introduction, design and implementation of large-scale executive coaching and change management programs. He is an acknowledged leading expert in the design and deployment of 360-degree feedback systems to support personal learning, team development, cultural shift, and organizational change.

## Acknowledgements

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Dr. Laurence Lyons holds a PhD and MSc from Brunel University and the CIM Diploma in Marketing. He has been elected to the *Leader to Leader Institute* Thought Leaders Forum (formerly Drucker Foundation). His website <http://www.lsyons.com> contains many of his published articles and book extracts.

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