

COACHING in Asia

THE FIRST DECADE

Editors

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Maximising the Potential of Future Leaders: Resolving Leadership Succession Crisis with Transition Coaching

Sattar Bawany

Talent management and retention is perennially at the top of a CEO's most pressing worries. A company's leadership pipeline is expected to deliver its "next generation" of ready-now leaders and it does so by accelerating the performance of future leaders. Transition coaching is a strategic intervention that encompasses the goals of executive coaching, but focuses specifically on addressing leadership transitions. Successfully assuming a new leadership role begins with identifying the right goals, developing a supporting strategy, aligning the architecture of the organisation, and figuring out what projects to pursue to secure early wins. This chapter looks at how Transition Coaching®, a proven, integrated, and systematic process, does exactly that.

The New Realities

According to Ram Charan's published article in the 2005 Harvard Business Review (85-87), as CEO tenure continues to shrink, with two out of every five new CEOs failing in their first 18 months, it has become absolutely critical for companies to cultivate internal candidates for top positions. Yet corporations are beginning to realise that executive geographic and organisation culture succession pipelines are broken and will adversely affect the ability to identify and nurture future leaders.

This can be alleviated however, by establishing on-going programmes that

correctly ascertain the high potential executives and provide them with meaningful and measurable development.

Talent management and retention is continuously one of the most pressing worries of CEOs — and for good reason. Having enough capable leaders to execute corporate strategy is a growing concern, one heightened by demographic trends that promise a continuing shortage of leaders in coming years.

A company's leadership pipeline is expected to deliver its "next generation" of ready-now leaders. The payoff is a supply of leadership talent that simultaneously achieves targets,

In developing talent and ensuring capability for the future, organisations move their leaders through positions of responsibility and challenges.

bolsters and protects ethical reputation, and navigates transformational change in pursuit of a bright competitive future. Unfortunately, some Boards and CEOs neglect their talent management accountability – consequently, their pipelines run dry. When this occurs, the downward spiral of competitive capability becomes discernable, the edge is lost, and the "magic" disappears. The competition begins to outwit, outflank, and outperform these companies.

Interestingly, Douglas Ready and Jay Conger in a Wall Street Journal article published in 2007 (R1-4), reported that the vast majority (97%) of surveyed companies do have a formalised succession management process. Yet, only 3% of these surveyed companies reported satisfaction with their leadership pipeline — the quality and readiness of leadership talent are not adequate.

In developing talent and ensuring capability for the future, organisations move their leaders through positions of responsibility and challenges. These transitions are known as "role to role" transitions, i.e. a leader who is successfully performing in one role takes on another role with different responsibilities.

In the 2009 Harvard Business Review article "The Realities of Executive Coaching"

(Coutu and Kauffman 6-7), coaches surveyed reported that 48% of the time they are hired to develop high potentials or to facilitate transitions.

Successfully assuming a new leadership role is almost never easy. It is more often challenging and daunting—regardless of the amount of experience a leader may have.

According to Ready and Conger in their June 2010 Harvard Business Review article "Are You a High Potential" (78-84), among the reasons for losing a spot on the high potential list are making a poor transition into a new role, diminished performance two years in a row, behaviour that's out of line with the company's culture and values, and a significant visible failure.

Actions taken in the first few months of a leadership transition directly impact a leader's chances of success. Transitions can be times of both great opportunity and great risk. Transitioning leaders often find the eyes of superiors, colleagues, direct reports, and even shareholders firmly fixed on their first moves. Expectations are high. With so much at stake, what are the secrets of succeeding and thriving in times of role transition?

What are the Challenges or Pitfalls Leaders in Transition Face?

The specific challenges leaders face depend on the types of transitions they are experiencing. Leaders who have been hired externally (on-boarding) confront the need to adapt to new business models and organisational cultures, and to build supportive networks of relationships. For those who have been promoted internally (role-to-role transitions), the challenge lies in understanding and developing the competencies required to be successful at the new level. Hence, it is essential to carefully diagnose the situation and craft transition strategies accordingly.

The biggest trap new leaders fall into is to believe they will continue to be successful by doing what has made them successful in the past. There is an old

saying: To a person who has a hammer, everything looks like a nail. New leaders should focus first on discovering what it will take to be successful in the new role, then discipline themselves to do the things that don't come naturally if the situation demands it.

New leaders are expected to "hit the ground running". They must produce results quickly while simultaneously assimilating into the organisation. The result is that a large number of newly recruited or promoted managers fail within the first year of starting new jobs.

There is growing evidence that the range of abilities that constitutes what is now commonly known as emotional intelligence plays a key role in determining

New leaders are expected to "hit the ground running".

success for leaders and in the workplace. Research, conducted by Center for Creative Leadership (CCL) and published in the article "Making the Connection: Leadership Skills and Emotional Intelligence" in 2001 (Ruderman, et al 3-7), has uncovered links between specific elements of emotional intelligence and specific behaviours associated with leadership effectiveness and ineffectiveness. The study comparing Benchmarks® (a 360-degree assessment) results with scores from the BarOn EQ-i® (Emotional Quotient Inventory), an assessment of emotional intelligence, found that, higher levels of certain emotional intelligence components appear to be connected to better performance in leadership roles. The study also identified potential problem areas that could contribute to executive derailment.

With over 40 years of experience working with individuals and organisations in transition, DBM's executive coaching experience and research published in the Human Capital in October 2007 (54-57), indicated three main areas where role-to-role transitions derail (refer to Figure 10-1):

- Alignment with Strategic Direction: Individual expectations of the leader, as well as the functions, are not aligned with organisation goals and strategic direction; more importantly, there is no dialogue to create alignment.

- Expanding Leadership Competence: The organisation lacks clarity on requirements, the emotional intelligence competencies, and leadership capabilities best suited for the role. Building their own leadership expertise including learning to build an effective leadership team, to manage the performance of others, and to effectively delegate and develop others (corporate or managerial coaching skills)
- Expanding Organisation Competence: Leaders have to understand the business processes that create economic value for the organisation. Higher levels of leadership have to understand when and how to redesign these processes to accomplish the strategy, as well as understand the capabilities needed to operate these processes.

In times of transition, there is a very short window in which a leader has to learn about the business, the function or divisions, his team and employee capabilities, etc.

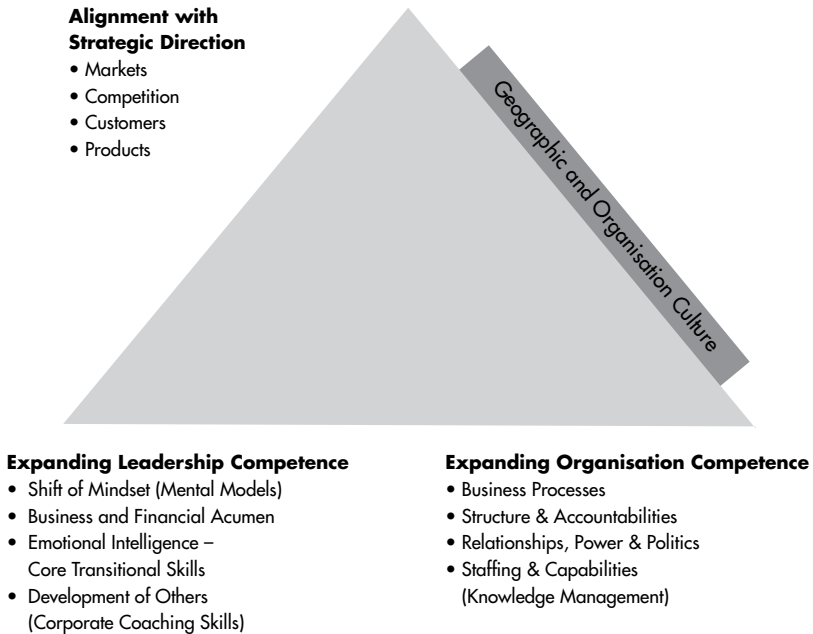


Figure 10-1: Avoiding leadership transition pitfalls

This learning is more complicated when the leader encounters a geographic or organisation culture that is different from past experience.

What are the Transitional Skills Required for Leaders in Transition?

Leaders must identify the right goals, develop a supporting strategy, align the architecture of the organisation, and figure out what projects to pursue to secure early wins.

Leaders at all levels of the organisation must demonstrate a high degree of emotional intelligence in their leadership role. Emotionally intelligent leaders create an environment of positive morale and higher productivity, and this would result in sustainable employee engagement.

The critical transitional skills for leaders in transition include having emotional intelligence competencies in effective relationship management, cross-cultural communication, effective negotiation, and conflict management.

The reality for leaders in transition is that relationships are great sources of leverage. By building credibility with influential players, you are better able to gain agreement on goals, and commitment to achieving those goals.

In the leader's new situation, relationship management skills are critical as they aren't the only one going through a transition. To varying degrees, many different people, both inside and outside the leader's direct line of command, are affected by the way he or she handles his or her new role.

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Put another way, leaders negotiate their way to success in their new roles.

How Does Executive Coaching Work?

A concept that has moved from the world of sports to the executive suite, executive coaching is a means to help senior executives manage a constantly changing business environment and refine their leadership skills.

Coaching isn't only limited to senior levels. Increasingly, people all over the world, at all levels, utilise executive coaches to help them achieve their full potential. The process focuses on the participant's goals, reinforces learning and change, and increases self-empowerment.

Savvy organisations understand that the development of high-potentials and the continuous development of current executives' leadership skills are critical to company-wide success.

A 2001 study by Manchester Inc. examined the impact of coaching in 56 companies with 100 executives. Their findings suggest that 74% of the sponsors and 86% of the participants were very satisfied with the process. From the survey of respondents who received coaching, it was estimated that coaching resulted in an average return of 5.7 times the initial investment. Furthermore, coaching contributed to a perception of increased productivity for 53% of respondents and improved quality of work for 48% of the respondents. When asked in the survey which work group relationships improved as a result of coaching, 77% reported improvement with direct reports, 71% reported improvement with immediate supervisors, and 63% reported improvement with peers. Of those receiving coaching, 61% reported a significant increase in their overall level of work and job satisfaction.

Executive coaching is typically seen as an ongoing relationship with no set time frame or definitive ending point. For example, the leader may have poor communication skills and is unintentionally undermining direct reports, which can lead to a loss of morale and retention issues. In corrective situations, the executive coach begins by completing a full diagnosis of the situation through the identification of undesirable behaviours, such as berating or blaming others, and

then demonstrate the consequences these behaviours will have on the individual and the organisation. The coach then helps the executive identify practical ways to strengthen his leadership impact, provides direct and objective feedback, and ensures the executive gets back on track and stays on track.

Whether the relationship starts with a derailment situation or as part of a corporate-wide initiative, executive coaching covers a wide range of situations with one common goal: the personal development of a leader through the support of a professional relationship.

On the organisational level, executive coaches help companies avoid costly management turnover, develop their most talented people and ensure that leaders perform at their maximum potential. Research by Vernita Parker-Wilkins published in a 2006 edition of the "Industrial and Commercial Training" (122-127) reported that executives who received coaching are more likely to be promoted or received accelerated promotions than those who have not had one-on-one coaching.

Executive Coaching vs. Transition Coaching

While many executives are familiar with executive coaching and may even have enlisted the help of external coaches at some point, few understand the right type of coaching approach required to address the challenges faced by leaders in different transition situations.

What if there was a proven process to support new leaders in their role while significantly increasing return on investment and ensuring a positive economic impact for the organisation?

One such process is Transition Coaching[®]: an integrated and systematic process which engages new leaders into the company's corporate strategy and culture to accelerate productivity. The process is outlined in the DBM article "Winning the War for Talent" (Bawany 54-57).

Transition coaching encompasses the goals of executive coaching, but focuses

... Transition Coaching®: an integrated and systematic process which engages new leaders into the company's corporate strategy and culture to accelerate productivity.

on a specific niche — the newly appointed leader. Leadership transitions are among the most challenging and difficult situations executives face. Take the case of a leader who might enter a new

position thinking he or she already has all of the answers or, just the opposite: the leader might lack a clear understanding of the role's expectations. The goal of transition coaching is to reduce the time it takes for new leaders to make a net contribution to the organisation and establish a framework for ongoing success.

A smooth "role-to-role" transition is critical to company performance. The company depends on leaders to execute and meet objectives and has bet that internal candidates are better value at less risk. Organisations understand that successful transitions ensure future capability. Transition coaching is the key to achieving this.

Many newly placed executives fail within their first two years in the position for reasons ranging from their inability to adjust to a new role and develop strong relationships to a lack of understanding of the business imperatives. What new leaders do during their first months in a new role greatly determines the extent of their success for the next several years.

An unsuccessful transition can negatively impact an organisation through poor financial results, decreased employee morale, and costly turnovers. So rather than risk this sink-or-swim gamble, organisations can improve the process with transition coaching.

If organisations use the right transition strategies when on-boarding a leader, they will not only help prevent failure, but will also create additional value by accelerating the new leader's effectiveness. Transition coaching engages the new leader in the company's corporate strategy and culture to accelerate performance.

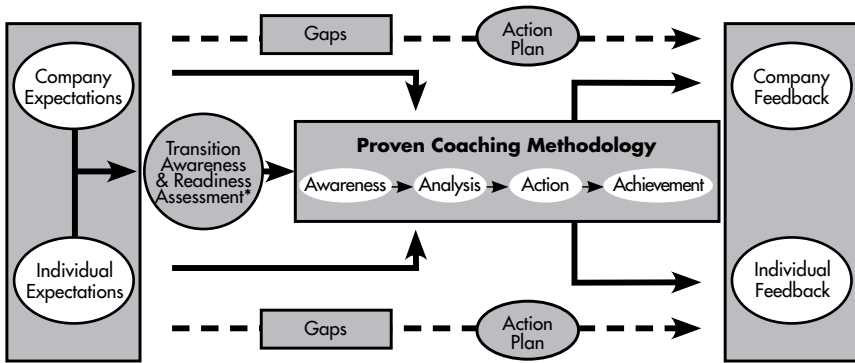
Transition Coaching Approach

Transition coaching has three overall goals: to accelerate the transition process by providing just-in-time advice and counsel, to prevent mistakes that may harm the business and the leader's career, and to assist the leader in developing and implementing a targeted, actionable transition plan that delivers business results.

While many of the issues covered by transition coaching, such as sorting through short and long-term goals and managing relationships upwards along with team members, are similar to those included in executive coaching, transition coaching is focused specifically on the transition and designed to educate and challenge new leaders. The new leader and coach will work together to develop a transition plan, a road map that will define critical actions that must take place during the first 90 days to establish credibility, secure early wins, and position the leader and team for long-term success.

The transition coaching relationship also includes regular meetings with the new leader, as well as ongoing feedback. Frequently, the coach conducts a "pulse check" of the key players – including the boss, direct reports, peers, and other stakeholders – after four to six weeks, to gather early impressions so that the new leader can make a course correction if needed.

The entire transition coaching process (refer to Figure 10-2) provides new leaders with the guidance to take charge of their new situation, achieve alignment with the team, and ultimately to move the business forward. Organisations make a significant investment when they recruit and hire new leaders, and they have much to lose if a new hire does not succeed, possibly several times the hire's base compensation.



* Assessment of the Emotional Intelligence and Core Transitional Skills includes Effective Relationship Management, Cross Cultural Communication, Effective Negotiation, and Managing Conflict.

Figure 10-2: The Transition Coaching® Approach: “ART” (Accelerating Role Transitions) Model

Executive Coaching Methodology

The Executive Coaching Methodology consists of a proven four-step process, shown below (see Appendix 2 for the detailed process map), that is firmly grounded in leadership development best practices:

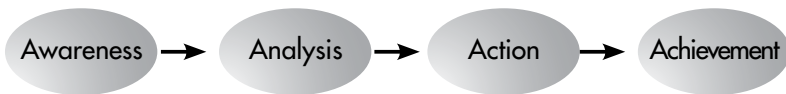


Figure 10-3: Executive Coaching Methodology

Step One: Awareness

An assessment of individual skills, styles, values, and leadership effectiveness forms the basis of the action plan.

1. The Coach Meets with the Coachee Sponsor:
 - Gather background on the situation, identify the purpose of the coaching engagement, and discuss expected outcomes.

- Clarify management's commitment to the coachee and the degree of confidentiality to be followed.
 - Provide an overview of the coaching process, timetable, and parameters of the engagement.
2. The Coach Meets with the Coachee to:
- Clarify expectations of the coachee.
 - Confirm awareness of the situation, coaching objectives, and the commitment of the Coachee Sponsor Team to support coachee's development skills.
 - Distribute assessment tools for completion.
 - "Shadowing" or observation of the coachee at work (as needed and if appropriate).
 - Conduct an in-depth coachee interview, including life and career history, self-perceived behavioural and leadership strengths and shortcomings, and desire to close the gap on weaknesses and further develop the strengths.
 - Where relevant, may conduct up to five 30 to 40-minute interviews with selected stakeholders to gather additional qualitative feedback concerning the coachee.

Step Two: Analysis

1. Feedback Sessions

- Meetings are scheduled to review the assessment data.
- Action plan objectives are discussed by the coachee and the coach to link the feedback received with the agreed to business goals and professional objectives.

2. Action Planning

- Based on the key objectives identified, coaching activities and timelines are developed jointly with the coach and coachee. The coach and coachee form a working alliance: the coach provides the stimulus and environment for the coachee who will write the action plan.

- The plan is formalised and shared by the coachee with the sponsor for agreement and support of the action plan and expected development outcomes.

Step Three: Action

Specific actions are taken to develop the key skills and knowledge agreed to in the development plan. These actions may include:

- Behaviour modification and efforts to use new behaviours.
- Building new skills and competencies while refining others.
- Developing key relationships within the sponsoring organisation.
- Communication strategies for successful networking and being an ambassador for the sponsoring organisation.

The sponsor and coach communicate, either in person, by phone or email, to discuss specific situations and maintain focus on the objectives of the development plan. There is also opportunity for contact with the sponsor to monitor progress, as defined within the parameters of the sponsoring organisation or coach confidentiality agreement.

Step Four: Achievement

Periodically, and at the completion of the coaching programme, the coachee and the coach will discuss progress against the plan and determine action plans as appropriate. Where relevant, they will jointly present the results to the sponsor.

The consistent delivery methodology ensures that every coachee receives the same degree of insightful business analysis, personalised consideration, and performance-driven priority.

Case Study on Transition Coaching: Developing High Potential Leadership Effectiveness in Role-to-Role Transition

The following case study illustrates how this coaching methodology has been successfully applied in the development of high potential leaders.

Situation: New Leadership Style and Communication Skills Needed

A CFO was promoted to Executive Vice President of Operations at a major entertainment company. The executive was armed with a solid record of success in his previous role where a hands-on, controlling style with staff direct reports was an effective managerial tool. However, in his new position where he faced broad operational responsibilities, the executive needed to lead cross-functionally by bringing together departments throughout the company including finance, marketing, distribution, and technical operations.

With significantly more people under his leadership, the executive's communication style was soon found to be confrontational and abrasive, and often prevented the executive from building trusting relationships with his newly formed management team. His style also jeopardised negotiations with existing and potential key business alliances.

Others at the corporate level perceived the executive as unwilling or unable to adapt to his new role. It was soon apparent that if left unchecked, the situation could impact the executive's career and the corporation's strategic objectives. Not counting loss of productivity, the staff replacement costs alone were estimated at US\$1.5 million.

Coaching Strategy: Assessment, Feedback, New Behaviour Acquisition

During the first stage of the coaching process, the executive completed a group of assessments including 360-degree leadership effectiveness to provide objective information about his communication and leadership style. Feedback by peers and direct reports, combined with constructive communication from the chairman, provided clear insight into style, competencies, and behaviours. This data enabled the client to see the impact his behaviour had on others, and how it could impact his success in building relationships and reaching business outcomes.

A developmental plan was written by the individual and reviewed with his coach to address gaps in areas of communication and strategic leadership. More effective techniques and approaches were role-played with the coach, and the executive was encouraged to use these new behaviours in team and individual meetings with his boss, peers, and direct reports. He also began to use them with business associates outside the organisation. The coaching goal was to increase the executive's effectiveness in all his business endeavors and to increase his ability to improve the organisation's success.

Results: Marked Communication Style Changes Observed by the Organisation

- Key sensitive strategic alliances were successfully negotiated, resulting in considerable new and sustained business opportunities.
- The executive was better able to communicate with and facilitate information transfer among his team.
- A follow-up 360-degree leadership assessment was conducted where positive change in the executive's leadership style was perceived at all levels and stakeholders.

Due to the success of this coaching intervention, executive coaching is being used more broadly as a tool to enhance leadership development among senior-level executives and high potentials throughout the corporation while nurturing external business alliances aggregating to US\$50 million dollars.

Conclusion

Whether an executive is moving into a new position or looking to get back on the road to success, executive and transition coaching work to bring out the best in leaders through the support of a professional relationship. Both relationships are built on a foundation of trust and confidentiality. The ability of coaches to provide leaders with an outside resource that can also act as a sounding board helps them become the successful leaders they were meant to be.

Organisations must clearly define the purpose of coaching, gauge the process, and evaluate results. Coaching is not just about providing support. Ultimately, coaching should deliver what any business needs – real results.

“Crisis may be an overused word, but it’s a fair description of the state of leadership in today’s corporation. At all levels, companies are short on the quantity of leaders they need. There’s no shortage of raw talent. Businesses could fill the leadership vacuum from their internal ranks if they know how to spot and develop their real potential leaders. But they don’t, despite the enormous resources and thought they pour into the task.”

– Ram Charan

Reflection Questions

1. What assessment processes and coaching activities/techniques are best suited for the development of High Potentials? How can transition coaching best relate to other forms of leadership development for High Potentials such as job rotation, task force assignments, and classroom-based executive education?
2. How long should transition coaching engagement last? How frequently should executive and coach meet to achieve the desired outcomes with specific issues and within particular organisational contexts?
3. How should the organisation monitor the executive, the coach, the coaching process, and coaching outcomes with the view to assess the effectiveness of the coaching engagement?

Appendix 2

Process Map of DBM Executive Coaching Methodology

Step	Awareness	Analysis	Action	Achievement
Process	<p>“Snapshot of Now”</p> <p>How does my performance link to current business goals?</p>	<p>“Version of Next”</p> <p>What do I need to do to close the gap?</p>	<p>“Building Future Potential”</p> <p>What actions and feedback will get me to my goals?</p>	<p>“Measuring Business Results and Professional Outcomes”</p> <p>Have my business goals been reached?</p>
Activities	Assessment and Information Gathering	Feedback and Planning	Action Steps to Goals	Evaluation of Process
Tools	<ul style="list-style-type: none"> • Leadership 360 Assessment • BarOn EQ-i® and EQ-360® • MBTI® • Career Anchors® • I-SPEAK® • Other Psychological Assessments as needed 	<ul style="list-style-type: none"> • Coaching sessions • Goal setting • Timeline of commitments 	<ul style="list-style-type: none"> • Real World Assignments • Courses / Training • Reading / Research • Shadowing • Role plays • Video feedback 	<ul style="list-style-type: none"> • Solicit Feedback • Repeat Leadership 360 or EQ-360® • Performance Review • Self Reports • Input from Coach • 3 and 6 Month Reviews • Future Goals
Outcomes	<ul style="list-style-type: none"> • Self Awareness • Desire to Change 	<ul style="list-style-type: none"> • Roadmap of Development Needs 	<ul style="list-style-type: none"> • Skill Building • Increased Knowledge • Experience 	<ul style="list-style-type: none"> • Sustained Behaviour Change • Accountability • Personal Growth

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Sattar is a Graduate of Corporate Coach U and a Licensed Coaching Clinic Facilitator. He is certified in the administration and application of various psychometric instruments including the Myers-Briggs Type Indicator™ (MBTI) and Bar-On EQ 360™ and EQ-i™.

Sattar holds an Executive MBA, is currently pursuing his PhD in Business Administration and his Doctoral Research is on "The Impact of Executive Coaching on the Personal & Professional Development of Leaders".

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