

More firms employ mentors to groom execs

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By JORDAN ROBERTSON / The Dallas Morning News

If you find yourself on the fast track to a management job, make room for company.



Jean Godfrey (left), president of Wishbone Graphics, received executive coaching from **Buzz Kolbe**.

Executive coaching or one-on-one business mentoring is no longer reserved for a company's top officers.

Companies are hiring executive coaches -- who tend to focus on improving communication and time management skills -- to groom their high-potential employees, changing the way firms train executives-to-be.

Coaching, in personal and business capacities, has become a \$1 billion a year industry in the U.S. Some surveys indicate that half of all businesses now employ coaches.

"It has really blossomed," said Gail Aldrich, senior vice president for member services for the Society for Human Resource Management.

"Companies are recognizing that investing in people makes a big difference to the bottom line."

Kasey Bell, a Coppell-based operations manager with International Business Machines Corp., tapped an internal coaching network before taking a promotion that increased her direct reports fivefold.

"There was a lot I wanted to change about my management style," said Ms. Bell, 41. "But I didn't want to go to my boss with stupid questions. I needed a penalty-free environment where nothing was off-limits."

The Kentucky-based International Coach Federation, the closest thing the industry has to a governing body, now claims more than 8,300 members, a more than fourfold increase from six years ago.

Some estimates place the number of working coaches at nearly 40,000 worldwide.

Hiring by business has been a major driver of that growth.

Industry data is scarce, but in a survey released last month by Right Management Consultants, nearly half of the 212 organizations queried said they provide coaching to their executives and managers. Other surveys have returned similar results.

Dell Inc., based in Round Rock, Texas, has provided coaches to top executives for years, but now lower-level managers can tap them for candid feedback on their management styles, said spokeswoman Amy King.

"It is not something that is just limited to the upper echelons," Ms. King said. "It's difficult [at any level] to have those discussions in a classroom setting or a direct report situation. But you have that direct, meaningful input through coaching."

Many top managers seek help because they are overcommitted and unable to say no to their superiors, coaches say.

Teresa Pool, a Plano-based coach and former operations manager with Electronic Data Systems Corp., persuaded a workaholic client on the verge of burnout to skip unnecessary meetings and stand up to his superiors about taking on too many projects.

The client, a regional vice president for a global technology company, was able to focus more on existing projects and quickly won a promotion to head of North American operations.

"I believe, and he believes, that coaching was critical to him making this leap," she said. "He felt he didn't have anyone else to talk to about this."

Providing benefits

New return-on-investment research shows that hiring business coaches can lead to increased productivity and significant financial gains.

In one 2004 study, executive coaching at Booz Allen Hamilton, the business consultants firm, returned \$7.90 for every \$1 the firm spent, according to MetrixGlobal LLC, the Iowa-based consultancy that conducted the study.

The more than 40 managers who received coaching said advances in team chemistry, the quality of its consulting and retention rates among senior managers added dramatically to profits.

"The most important benefits are intangible in nature," said Merrill Anderson, chief executive of MetrixGlobal, which has found similar results at three other clients. "But companies are realizing that there are substantial monetary benefits that can be identified as a result of executive coaching."

That's not to say they are cheap.

Most coaches charge between \$100 and \$500 an hour, and highly regarded academic and business consultants can demand \$1,000 per hour to take on top executives, said Ms. Aldrich of the human resource society.

But HR departments are starting to view coaches a necessary complement to existing training programs, Ms. Aldrich said.

"It is really becoming ingrained into the culture of many companies," she said. "The stigma is gone. It used to be that you only got a coach when you were in trouble -- time to develop an exit strategy. Now it's really used more often to help top performers become even better."

Buzz Kolbe, a telecommunications executive turned full-time coach, says the bulk of his clients are successful, confident managers who are looking for any small advantage in an increasingly cutthroat job market.

"Business is tough right now," said Mr. Kolbe, of Plano, whose clients have included Dallas-based Neiman Marcus Group, Target Corp. and Dr Pepper/Seven Up Inc. "The golden egg jobs are not out there anymore. So having a coach is a competitive perk."

Particularly useful

Coaches are particularly useful in helping executives identify and neutralize internal threats.

Alma Weaver Jones, a business coach with a corporate recruiting background, recalls a client of hers who clashed with a talented but ill-tempered direct report who frequently undermined her in public.

Ms. Jones persuaded the client, the owner of a struggling software company, that she could reverse the company's fortunes without firing the executive, who was demoted and given a more strict definition of his job duties.

"It was a turning point where she took control back of her business," said Ms. Jones, who is based near Lake Lavon in Collin County. "She took some drastic steps to get her company healthy again. They went through a really rough time, but they're thriving now."

The topic is especially urgent for firms with large numbers of retiring workers.

Businesses are increasingly preparing succession plans in advance of baby boomer retirements, said Dennis Grindle, director of the Career Management Center at Southern Methodist University's Cox School of Business.

"They're trying to get some bench strength going," he said. "That middle muscle is really what they're trying to cultivate now."

But some experts worry that some coaches may be doing more harm than good.

There are virtually no barriers to becoming a coach, and there is some concern that unqualified people are marketing themselves as coaches.

Proper training

Those who don't have proper business or psychiatric training can actually damage companies and harm employee morale, said Steven Berglas, a clinical psychologist and researcher at the University of California at Los Angeles' Anderson Graduate School of Management.

"The major concern I have is the failure to recognize underlying psychological disorders," said Mr. Berglas, an executive coach himself. "I'm not saying that you need to be a professor of psychiatry to be a business coach. But you can't just willy-nilly assume that problematic behavior in the workplace is always a work problem."

The industry is making an effort to better certify its ranks.

The International Coach Federation offers certification courses. And a handful of major universities have created coaching curriculum, including the University of Texas at Dallas, which will admit its first class of executive coaching certification students in the fall.

"In the past, a person could really just hang a shingle on himself and call himself a coach," said Robert Hicks, the program's director. "But it's increasingly requiring more and more intense training. Businesses are becoming more sophisticated about who they allow in to coach their employees."

NUMBERS GAME

\$1 billion - Amount spent yearly on coaching in the U.S.

8,300 - Members of the International Coach Federation

\$100 to \$500 - What most coaches charge an hour

\$1,000 - What top coaches can get an hour