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Executive Coaching: Employing Trusted Advisors to Improve Performance

Since ancient times, rulers have relied on the advice of "the best and the brightest" of their times, including Socrates, Machiavelli, and Benjamin Disraelli. In modern times, a cadre of "trusted advisors" in leading consulting firms like McKinsey and the Boston Consulting Group have taken the client Ð consultant relationship to new levels of trust and engagement. The concept of executive coaching emerged in the 1990s in response to increasing demands on executives for sustained growth in increasingly complex markets with international competitors and investors demanding sustained double-digit growth.

In today's competitive environment, Tiger Woods is a model for successful coaching, improving his game under the tutelage of Butch Harmon, his "swing doctor" as well as a sport psychologist, to reach the top level of professional golf.

A growing number of CEOs and senior managers have been calling on outside consultants, colleagues from other organiza-tions, and retired executives for strategic direction. Businesses are finding it is easier to coach executives than to replace them (Lee Hecht Harrison 2000). The American College of Healthcare Executives estimatesthat 50 percent of CEO turnover is unplanned or involuntary (Hutton 2002). In a recent survey of 125 health care executives by the Morgan Executive Development Institute in Ponte Vedra, Fla., 86 percent of CEOs expressed positive interest in using an executive coach (see Figure 1 on page 4). Half of the surveyed hospital and health system CEOs had prior experience in using a coach, and 86 percent were satisfied with the experience (Henley and Hutton 2002).

In health care, trusted advisors include:

- **Michael Annison,** author of Trust Matters and president of WestTrends in Denver, Colo.;
- **Don Arnwine,** of McManis Associates in Irving, Texas, and the former president of VHA, Inc.;
- **Barry Bader,** a governance consultant and founder of BetterBoards.com, based in Washington, D.C.;
- **Jeff Goldsmith,** author of Can Hospitals Survive? and president of Health Futures, who provides strategic advice from Charlottesville, Va.;
- **Leland Kaiser,** noted futurist and president of Kaiser Associates in Brighton, Colo.;
- **Scott Mason, f**ounder of National Health Advisors, a strategic consulting firm currently based in McLean, Va.;
- **Ian Morrison,** author of Healthcare in the Millennium and The Second Curve, and former president of the Institute for the Future, based in Menlo Park, Calif.;
- **James Orlikoff,** a governance consultant based in Oak Park, Ill., and the former director of governance for the American Hospital Association;
- **Ross Stromberg,** a health care attorney and senior partner in Jones Day, based in Los Angeles, Calif.;
- **Larry Tyler,** author of Practical Governance (Tyler and Biggs 2000) and CEO of Tyler & Associates, a national health care management recruiting firm;
- **Steve Valentine,** president of The Camden Group, a turnaround management specialist for hospitals and medical groups, based in El Segundo, Calif.;
- **Don Wegmiller,** former CEO of Health-Central in Minneapolis and a past president of the American Hospital Association; andbased in Oak Park, Ill., and the former director of governance for the American Hospital Association;
- **Alan Zuckerman,** president of Health Strategies and Solutions, a Philadelphia, Pa.-based health care consulting firm. The concept of executive coaching is widely accepted in the private sector, with an estimated 10,000 "coaches" being employed by thousands of firms. The best coaches are "professionals" in the best sense of the term, according to David Maister, author of True Professionalism, which implies a pride in work, a commitment to quality, a dedication to the interests of the client, and a sincere desire to help (Maister 1997). Executive coaches have

worked with many Fortune 500 companies and a growing number of hospitals and health systems. Health care tends to lag behind the private sector in the acceptance of management innovations, but the concept of coaching is now becoming recognized in the health field, especially by nurse executives. Constance Savage, PhD, of Condia Enterprises, a management consultant firm, believes that nurse executives are more sensitive to the pressures of today's health care environment: "The majority of leaders in business or health care don't feel the weight of decisions, practices, policies, and systems that affect the life and death of other human beings as do nursing leaders" (Savage 2001).

Special report by Russell C. Coile, Jr., and Don Hutton

The highest level of a trust relationship, the pinnacle, is that of the trusted advisor, in which virtually all issues, personal and professional, are open to discussion and exploration. The trusted advisor is the person the client turns to when an issue first arises, often in times of great urgency: a crisks, a change, a triumph, or a defeat.
ÑDavid H. Maister, Charles H. Green, and Robert M. Galford, The Trusted Advisor (2000)

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Concept of "Coaching" Is Still Evolving

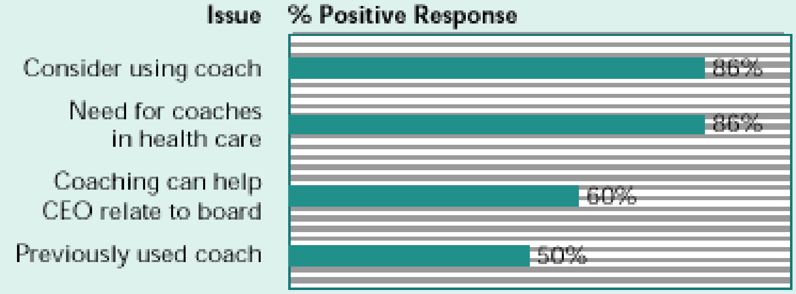
The concept of executive coaching relatively recent. While sports coaches Phil Jackson of the LA Lakers and Duke's "Coach K," Mike Krzyzewski, are recognized worldwide, business coaches work relative obscurity. Executive coaches generally remain behind the scenes and prefer to let their clients get the rewards superior performance. A good executive coach understands that humility is not weakness (Maister, Green, and Galford 2000). It takes a special combination people skills, business knowledge, and organizational psychology to be a successful executive coach. The role of executive coach is one part competitive strategist, part empathetic listener, and an equal behavioral psychologist.

The term "executive coaching" came into the business world during the past 20 years, and became popular because it sounded less threatening than other types of management interventions. Academics in business schools are fascinated by the rapid diffusion of executive coaching, and have rushed to give the coaching process a formal definition and structure. A recent "meta-analysis" of the literature of coaching found dozens of definitions (Kampa-Kokesch and Anderson 2001). Executive coaching is basically a facilitative, one-to-one, mutually designed relationship between a professional coach and a key executive who has a powerful position in an organization. The National Association of Business Coaches states that, "Executive coaching is an ongoing partnership between a qualified and experienced coach and an executive within an organization who is willing and ready to develop his or her full potential for the realization of personal and organizational business results" (NABC 2002). Coaching is rapidly becoming a recognized profession, with standards, trade associations, and credentials.

The focus of coaching is typically on organizational performance, but may have a personal component as well. In corporate America, there is emerging recognition that coaching is not just problem solving. Improving the self-awareness of an executive may be more important than teaching skills like active listening or conflict resolution. Executive coaching is rapidly gaining acceptance because of its effectiveness in improving individual and organizational performance. A study by Manchester, Inc., an executive coaching firm based in Jacksonville, Fla., found that 59 percent of companies offered some form of coaching or other developmental counseling to their managers and executives (Tyler 2000).

The corporate coaching industry has exploded in recent years. Membership in the International Coach Federation (ICF) climbed 600 percent between 1997 and 2000, to 2,300 members, and experts believe the actual number of coaches working in American business may be 10,000 (Tyler 2000). Many of today's coaches were victims of "re-engineering" and downsizing by large companies in the early and mid-1990s. Layoffs and early retirements of thousands of mid-level executives created a management gap between senior executives and operational managers. Many firms found themselves calling back the laid-off executives on a consulting basis as "coaches" to fill gaps in the management chain and provide advice up and down the organization.

Figure 1. Health Care CEOs Rate Executive Coaching



Source: Henley, D., and Hutton, D. 2002. "Personal Best: Coaches Help CEOs Reach New Heights." *Trustee.* Online article. Jun. P. 1.

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Benefits of Coaching

Businesses are now investing million of dollars to hire coaches for their senior and mid-level managers. A study by McKinsey & Company of 6,000 managers in 77 companies reported that many American companies are already suffering a shortage of executive skills, and many were "chronically deficient of talent Ñ across the board" (Smeltzer 2001). Another study of 100 "Fortune 1000" firms by Manchester, Inc., found that companies achieved an average return on investment (ROI) of over six times the cost of the coaching. The executives in the Manchester survey who successfully utilized coaching typically held positions of vice president or higher. One-third made more than $200,000 a year, and 60 percent were ages 40 to 49. Benefits of coaching included increased productivity, improved quality, and organizational strength (see Figure 2 on page 6). A similar study by MetrixGlobal for the Pyramid Resource Group, a coaching services firm, confirmed a high-level ROI of 529 percent on the coaching investment in a multinational Fortune 500 company, as well as important intangible benefits in the firm's leadership development program (Anderson 2001).

The benefits of coaching are tangible and intangible. Business reasons top the list of benefits that businesses want when they bring in a coach. A survey of 4,000 corporations by the International Coach Federation identified the primary benefits of coaching, in this order (International Coach Federation 1999):

- improved individual performance;
- bottom-line results, including profitability;
- client service and competitiveness;
- development of people for the next level;
- confidence-raising skills and selfempowerment;
- goal achievement;
- relationship improvement; and
- retention.

But personal leadership development may be the real benefit in the long run. Many large firms that once had expensive "corporate colleges" to groom future leaders have slashed training budgets and hired coaches instead. Some coaching assignments are quite problem oriented and operational, while others focus on personal leadership skills.

From a leadership development standpoint, the most frequent reasons why companies hire coaches are to assist their mid-level managers and rising executives to become leaders, leverage strengths, communicate more clearly, develop self-confidence, deal with difficult people, and assume great responsibilities (Tyler 2000).

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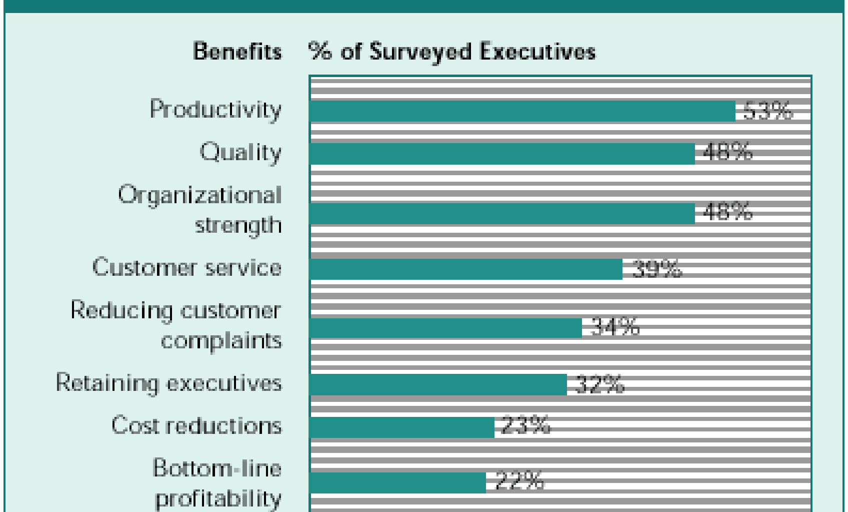
Coaches Are "Perks" For Top Executives

Hiring a coach is becoming recognized as a new corporate status symbol (Cogliano 2002). Rather than a sign of weakness, a coach is now considered a "perk" granted only to those executives who are clearly on their way up in the organization. David Peterson, author of Leader as Coach: Strategies for Coaching and Developing Others (1996), notes that a decade ago, bringing in a coach was almost a personal indictment, suggesting something was seriously wrong. Today, he believes, virtually all managers understand that they need constant development to keep pace. Having a coach is a competitive advantage, providing counsel, strategy, and advice on managing people (Tyler 2000). Many companies limit coaches to the top layer of management, but some firms also utilize coaches to help mid-level managers cope with problems and grow leadership skills.

The higher up the organizational ladder, the fewer confidants senior executives have, and peers may also be competitors for top jobs. Coaches can fill a void when executives become too mature to rely on mentors. Many health care organizations have "flattened" their management teams to the point where senior executives have few peers, and all may be competitors for the top job. Cultural differences between business-trained "suits" and clinically trained executives can heighten the sense of isolation (Davidson and Hoffman 2000). The environment of a health care organization can be extremely volatile, say Joe Flower and Patrice Guillaume, partners in What If, a coaching firm based in Larkspur, Calif. In their observation, rivalries in health organizations between departments, professions, and subgroups can be extremely disruptive (Flowers and Guillaume 2001). A Florida health care executive reports that "working with a coach has given me someone to speak to confidentially, and to work with to find ways to grow professionally" (Hutton 2002).

Coaches can provide an important source of support to health care executives in today's results-oriented environment where terminations of CEOs and senior managers can happen frequently and unpredictably. An career in health care is a chain of renegotiations of "psychological contracts," according to Cathleen Wilson, a nursing management consultant and coach (Wilson 1998). The basis of the contract is the perceived match between the wants of the individual manager and the needs of the organization. The recent history of health care — re-engineering, downsizing, and layoffs — has had an adverse impact on professional loyalty and has increased the level of insecurity felt by mid-level and senior health care executives. The impact of frequent restructuring has shifted the employment risk from the organization to the individual manager. While CEOs may have "golden parachutes," most other managers have more limited protection from adverse situations. Coaches offer a trusted source of advice in an uncertain environment, and in a worst-case scenario can be a strategic link to the next job for terminated executives.

Figure 2. Where's the ROI: Benefits of Coaching



Source: Manchester, Inc. Cited in "Executive Coaching Yields Return on Investment of Almost Six Times the Cost," *Business Wire*. Online article. Jan. 4. Pp. 1-3.

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Improving Emotional Intelligence

Executive coaches know the real game is less about knowing what to do than about the ability to get work done through others. In the health field, executives have been painfully slow in realizing the importance of developing a manager's emotional quotient (EQ) and interpersonal skills (Grossman 2000). The concept of emotional intelligence has been popularized by Daniel Goleman, author of Working with Emotional Intelligence. Goleman defines emotional intelligence as "the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships" (Goleman 1998).

An executive with a high EQ is someone who picks up signs of budding conflicts, quickly and intuitively. They can sense organizational and personal vulnerabilities. Their ability to use their "heart and gut" as well as business intelligence allows these EQ-gifted leaders to rise higher in their organizations. Emotional intelligence is more than common sense. It is an ability to make a personal connection in an often-impersonal work environment. Limited EQ skills can limit an executive's ability to rise in an organization. Lack of interpersonal skills, putting strategy ahead of people, and failure to recognize others can be fatal flaws for aspiring executives.

Health care has been slow to recognize the need to balance business success with interpersonal skills. Health care executives tend to rely on their intellect and analytical problem solving, rather than employing the "soft side" of organizational behavior to facilitate change. The VA Health System has systematically educated its senior executives in building their emotional intelligence and people skills. Darryl Heustis, MD, vice president of the VA Medical Center in Loma Linda, Calif., relies heavily on his management team: "We make better decisions because they enjoy participating" (Gross-man 2000, p. 20). Heustis used to start formulating his response before the other person stopped talking. Now, he has learned to practice his listening skills and observational skills, looking for body language and other signals.

Emotionally dense executives often distance themselves from subordinates by substituting e-mails instead of personal meetings, for example, or allowing telephone interruptions during meetings, or canceling meetings with subordinates at the last minute. Executives with low EQ may have difficulty making or maintaining eye contact with others. They may stride down a hallway without acknowledging others, or busy themselves with cell phone calls when caught in a waiting situation with subordinates. EQ consultants at Q Metrics of San Francisco prescribe a 21-day action plan to learn a new emotional skill. Practice the desired emotional behavior modification daily for three weeks, every day. Sample EQ behaviors include sitting down with a subordinate for five minutes, or spending five minutes every day listening to one's "inner voice"

(Grossman 2000).

Being coached to raise the level of emotional intelligence is a process, a journey, and an emotional growth experience. A Midwestern health care CEO relates a coaching experience: "The coaching experience has resulted in an improved relationship with my board and medical staff. One of the greatest values is improved understanding of self and what aspects or attributes may be interfering with attainment of goals, performance, and job" (Hutton 2002). This executive believes that coaching has raised managers' EQ and given them a deeper understanding of effective leadership techniques. The result is not just enhanced performance of the CEO, but of the entire management team.

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The Coaching Process

The image of a trusted advisor standing behind the chair of the leader is no longer current. Most — 94 percent — of coaching is done by telephone, or, increasingly, by e-mail, according to a survey by the International Coach Federation. With the high cost of travel, face-to-face coaching is a luxury.

Fees vary widely, according to ICF, ranging from $200 to $1,000 a month for typical coaching assignments. At the top level, some coaching firms charge $150 to $250 an hour, or more, for onsite coaching, depending on the size of the company and the organizational status of the executive (Groeneveld 2002). Coaching assignments are sometimes completed within three months, but more typical coaching relationships last six to nine months, and may include periodic return visits. At the start of a coaching relationship, a coach will ask a lot of discovery questions around the current situation. In the process of defining objectives, the executive needs to be forthright and candid. The coach and executive jointly agree on the "gap" in the

current situation, whether that is strategic, operational, or interpersonal, and the objectives for the coaching assignment. Coaches can be used to provide "second opinions" and an outside perspective on strategic issues. They may also bring very specific expertise to help fill a gap in an executive's skill set. When the goal is leadership development, many coaches will do an assessment, such as a "360-degree" evaluation by peers, superiors, and subordinates. This assessment can take place onsite and anonymously, or at an off-site management team retreat. Coaches may also utilize various exercises to help executives identify their values and goals. Time management, interpersonal skills, and career guidance are frequent targets of developmental coaching. Dealing with difficult people, especially bosses, is a special coaching expertise. In the past, a dysfunctional executive who badgered subordinates might be disciplined or fired. Now, companies are recognizing their investment in key executives, and the high cost of recruitment and replacement.

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A Millennium Leadership Gap in Health Care?

In the next 10 to 20 years, as the Baby Boom heads off to retirement, health care management educators fear that a future "leadership gap" may emerge, with too few well-trained senior managers to take over the top spots in hospitals, health systems, and medical groups (Davidson and Hoffman 2000). A leadership shortage could occur just as the demand for health services is rising, when 80 million Boomers reach Medicare eligibility starting in the year 2011. Assuming the need for health care executives will grow in the millennium, will today's system produce them? A new study by the executive search firm Witt/Kiefer, based in Oakbrook, Ill., finds that 75 percent of today's health care leaders said they agree, or strongly agree, that executives miss or ignore opportunities to mentor and grow their successors (Tieman 2002a).

In the late 1990s when the stock market was soaring, there were fears that health care executives in their mid-50s would leave health careers early. Those concerns about a mass exodus of Boomer-age execs have eased, since the downturn of the stock market and the economy. The demand for executive searches in health care grew 3 percent last year, while search firms reported that many other sectors saw a drop of 23 to 40 percent, due to the economic slowdown, massive layoffs in the technology and energy sectors, and the collapse of "dot-com" companies. Last year, the rate of CEO turnover in hospitals dropped to 15 percent, below turnover rates of 16 percent to 18 percent in the mid- to late 1990s (Tieman 2002b). Some observers suggested that the events of September 11 may have contributed to slower turnover and fewer changes in executive suites in 2001, but even a 15 percent rate is too high, according to Tom Dolan, CEO of the American College of Healthcare Executives. Dolan believes that it takes five years for an executive to make changes in the organization, and another five years for the new policies and programs to become fully established.

In response to the emerging shortage of seasoned health care executives, a number of leading professional associations have formed a new organization, the National Center for Healthcare Leadership, based in Chicago, Ill. The group's intent is to create new models of continuing management education that will better prepare tomorrow's executives for the complexities of managing hospitals and health systems in this millennium. Gail Warden, president/CEO of the Henry Ford Health System, and Gary Mecklenburg of Northwestern Memorial HealthCare are among the organizers and founding board members of the new center. Both are past presidents of the American Hospital Association. The NCHL is an outgrowth of a conference, "National Summit on the Future of Education and Practice," held two years ago on leadership education under a $200,000 grant by the Robert Wood Johnson Foundation. Sponsors of that meeting, and the new center, include the University Programs in Health Administration and the Healthcare Research and Development Institute of Pensacola, Fla., a private, for-profit organization whose members include some of the CEOs of the largest health systems in the nation. A Millennium Leadership Gap in Health Care?

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Internal vs. External

While most coaches are outside consultants, a growing number of large companies are utilizing internal consultants. External coaches have the benefit of an outsider's perspective and the credibility of working with other organizations. They may be retired executives brought back into the company to help a new generation of managers. The benefits of using external coaches may be more than trust and demonstrated expertise. Senior executives in an organization who are sensitive about confidentiality may only be comfortable with someone outside the firm. There are also status issues. A senior vice president may not be comfortable being candid with an internal coach who is likely to be lower in the organization, even if the internal coach's skills might be quite relevant.

The coach may also be a coworker. One of the hottest fields in coaching is the development of internal coach programs by large companies. A recent national survey of human resources professionals found that 70 percent of the companies are using coaches for leadership or skill development (Lee Hecht Harrison 2000). Internal coaches can rove across the organization, troubleshooting and problem solving. Sometimes internal coaches are former managers who have been pulled out of "line" responsibilities to provide their expertise to a variety of organizational units and mid-level managers. In hospitals, many internal coaches are nurses who manage organizational development and staff training programs. Internal coaches are typically onsite and immediately available. They know the organization, its culture, and its history. Internal consultants can "walk the talk" because they have "been there, done that" within the company, or a similar organization. They also know the people. Internal consultants recruited within the organization have longstanding personal relationships with other managers and employees. There is another advantage Ñ internal coaches are probably cheaper than external coaches. Some internal coaches are based in the human resources department, usually when their assignments are primarily leadership development. Problem-solving internal coaches may work as staff assigned to operational units within the organization.

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About the Coauthor

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Healthcare Executives.

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A Good Coach

Who is a good coach? Not just someone who is older, smarter, and has been around the block more often. But yes, they tend to be older and experienced. Because they work with senior executives, coaches' ages typically range from early 50s to late 60s. A respected executive coach has credibility and expertise. They have worked, usually at a senior level, in either the same industry or one that shares some operational and cultural characteristics. Some coaches are consultants with years of experience and hundreds of clients, who have experienced every problem and situation that can arise. The former consultants who once focused on organizations and strategies have made the transition to coach, shifting the focus to people and helping them make changes. The International Coach Federation offers a searchable database of its members at http://www.coachfederation.org (see "Find a Coach"), as well as a call center, the Coach Referral Service, available at (888) 236-9262.

A good coach must excel at two opposing skills: the ability to be supportive and nurturing, and on the other hand to be demanding, to stretch clients to their next achievement (Maister 1997). Good coaches are encouraging without being an eternal optimist. They must simultaneously be a friendly skeptic and a loving critic — someone not afraid to give both positive and critical feedback. A coach can't make it too easy for clients by just telling them what do, based on the coach's superior experience. Occasionally, good coaches must allow their clients to try a low-probability course of action, and even fail, in order for clients to learn a needed lesson. Without stress — and sometimes distress Ñ there is no sense of overcoming a challenge. A good coach knows when to provide a pat on the back, or a kick in the tail. Applying the "yin and yang" of coaching, appropriately and sensitively, is the secret of coaching excellence. ■

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The Trusted Advisor: "Pinnacle Relationships" With Executive Coaches

A common trait of all these trusted advisor relationships is that the advisor places a higher value on maintaining and preserving the relationship than on the out-comes of the current transaction, financial and otherwise. Often, the advisor will make a substantial investment in the client without a guarantee of return before the relationship does in fact generate any income. —David H. Maister, Charles H. Green, and Robert M. Galford, The Trusted Advisor (2000, p. 13)

At the top of the pyramid of 10,000 executive coaches are those who have become "trusted advisors" to their clients. In a high-trust relationship, the advisor has an intimate knowledge of both the client's business and his or her personal life. Trusted advisors know their clients' strengths and weaknesses, their personal and professional history, and the skeletons in their closet. The essence of the client Ð advisor relationship is trust. Secrets may be confided. Premature ideas can bounced off the wall. Ambitions and dreams may be revealed. In a "pinnacle" relationship, the trusted advisor provides guidance on more than strategy and tactics. The trust basis of personal loyalty may transcend the business aspects in a pinnacle relationship. The trusted advisor is someone the client "can call for anything, and I know you'll do it" (Maister, Green, and Galford 2000).

The "dean of executive coaches" is David Maister, the nation's most widely recognized authority on the management of professional service and consulting firms. Maister is the author of True Professionalism (1997) and Managing the Professional Service Firm (1993). The trusted advisor acts as a mirror, sounding board, confessor, mentor, and someone who knows the client well enough to make him or her laugh, even in the toughest times. Trusted advisors know their clients' flaws as well as their strengths, and help compensate for their clients' weaknesses. Clients who always project a rosy outlook need someone with whom to share their private concerns and fears Ñ the trusted advisor. Clients who rush boldly into new strategies need an advisor who can keep them out of the minefield. And clients whose worst fear is making a mistake need a confidant who can be supportive, yet critical when needed.

Maister defines four levels of professional service — service-based, needs-based, relationship-based, and trust-based (see Figure 3). Most advisors start their careers as subjectmatter experts who are called upon for information, the most basic level of the client Ð advisor relationship. At the next level of client relationships, the client has sufficient confidence in the advisor's information and content expertise to ask for opinions and recommendations. At the third level of client relationships, the advisor is asked to provide insights and ideas. At the fourth and highest level, trusted advisors know the client intimately, and provide a safe haven for hard issues and for brain-storming creative ideas in a supportive atmosphere.

Figure 3. Characteristics of Relationship Levels

Level:	Focus is on:	Client receives:	Indicators of success:
Service-based	Answers, expertise, input	Information	Timely, high quality decisions
Needs-based	Business problem	Problem-solving	Problems resolved
Relationship-based	Providing insights	Ideas	Repeat business
Trust-based	Client as individual	Safe haven for hard issues	Retainer, bonuses, shared personal time with client

Source: Maister, D.H., Green, C.H., and Galford, R.M. 2000. *The Trusted Advisor.* Touchstone Books/Simon & Schuster. New York. P. 10.

A trusted advisor benefits from having a close, positive, and personal relationship with clients. The most obvious benefit is repeat business. Better yet, trusted advisors are generally exempt from many of the pro forma rituals of the client Ð consultant relationship, including competitive bidding, elaborate proposals, presentations, studies, activity reports, change orders, and highly detailed invoices. In short, the relationship can be more enjoyable Ñ and profitable Ñ for the advisor. A trust relationship immensely simplifies the role of the client, who can focus on priority business issues and personal challenges without worrying about the minute details of reviewing proposals and questioning billings.

Maister identifies the 10 characteristics of "trusted advisors" (Maister, Green, and Galford 2000, pp. 13-14):
1. Client-centered. Have a predilection to focus on the client, rather than on themselves or the business interests of the consulting firm.
2. Clients as individuals. Focus on the client as a person, not just a person in authority.
3. Problem-driven. Recognize that it is more important to understand and solve the client's problem than to demonstrate skills, expertise, and content mastery.
4. Competitive. Redefines competition as helping clients in the achievement of their business goals, not the consulting firm's need to outcompete consulting rivals.
5. Client's goals. Accepts the client's goals as their own, and are primarily motivated to assist the client in succeeding.
6. Right thing. Takes an ethical stance that it is more important to do the right thing for the client than to achieve the goals of the consulting firm (e.g., to recommend another firm that may have more expertise in solving a particular client problem).
7. Results, not process. Considers that achieving client goals is more important than demonstrating the firm's expertise by utilizing the firm's proprietary information, business processes, or conceptual models.
8. Quality experiences. Believe that success in client relationships is tied to the accumulation of quality experiences, and seek to expand, not restrict, direct experiences with the client.
9. Selling and serving. Professionalism includes both serving and selling. Trusted advisors are not afraid to talk about money with their clients.
10. Business life/private life. Recognize that the two worlds overlap, and understand the client's ambitions, strengths, and abilities in both sectors.
The concept of "trust" is especially hard to define in a client Ð coach relationship. Key elements include credibility, reliability, and intimacy. Credibility is the baseline of content expertise that is developed over time by positive experiences between client and advisor. The advisor has a combination of personal experience and related experience of other clients facing similar challenges. Reliability is the element of dependability, based on the repeated experience of links between promises and actions. Trusted advisors do what they say they are going to do, over and over. Intimacy is the dimension of personal closeness. The process of overcoming emotional distance can occur in both personal and professional settings. A shared personal experience, from a golf game to a joint vacation, can build intimacy. So can sharing personal experiences that are important to the client, such as childraising or coping with a family illness, which strengthen emotional bonds. Trustworthiness is the sum of credibility, reliability, and intimacy. It assures the client that the advisor can be trusted to maintain confidences. Clients are willing to share feelings as

well as problems. When a relationship of trust has been built, the counsel of an advisor may be direct, even critical, but clients know it is always intended in their best interest. ■

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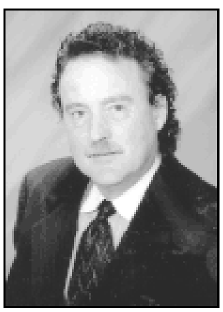
Should the Executive Coaching Process Be Invisible?

It's lonely at the top. Executives seldom have peers to bounce ideas off. A coach can fill that vacuum by being a listener, a confidant, and someone who has no axes to grind and doesn't take sides.

—Cathy Jacobson, executive coach,
Cincinnattus, Inc., Minneapolis, Minn.
(Groeneveld 2002)

Executive coaching is seldom visible. Most coaches prefer to work behind the scenes. Some organizations treat their coaches like team members and include them visibly in the company's activities, such as strategic planning, management retreats, and corporate annual meetings.



Other CEOs prefer that their coaches operate entirely off stage, communicating through private meetings, telephone, and e-mail. These senior managers are reacting to the "myth of CEO infallibility," and may be afraid to acknowledge their need to ask for advice on key issues facing the organization. Executive coach Jo McDermott, president of Catalyst for Change in Dayton, Ohio, asks: "As a CEO or high-level executive, how willing would you be to say that you have a flaw?" (Cogliano 2002). Smart executives know that asking for advice is not a sign of weakness or lack of competency. Quite the contrary. Requesting consultation before a problem explodes into a catastrophe is the best form of crisis management.

In prehistory, the earliest advisors were shamans or priests who used mystical powers to anticipate risks, and conducted rituals to exorcise disruptive demons. Egyptian rulers relied on astrologers to assess the alignment of the heavens in order to foretell the success of alternative strategies. Reportedly, so did President Ronald Reagan. From Medieval times through the monarchies of the 19 th century, rulers took advice from jesters and priests, often relying on clerics in the church who had connections to all sectors of society. In the transition to democracy, the role of the prime minister included advising monarchs as well as leading a democratic government.

The 20 th century corporation often included vice presidents "without portfolio" whose role was to advise senior management, not to manage line organizations. In today's market environment, where corporate performance is under the intense scrutiny of Wall Street analysts and the media, many companies have come to seek advice from a consulting or accounting firm that knows the firm's business intimately. The collapse of Houston-based Enron Corporation has called into question the role of auditors as advisors on financial structures and transactions. The Enron scandal is likely to encourage a more arms-length relationship between consultants and clients, and may push executive coaches deeper into the background, where they will be invisible to investors, analysts, and regulators.

Managing health care organizations is a tough and complex job, and may be getting more difficult by the day. Mary Grayson, editor of the American Hospital Association's H&HN (Hospitals & Health Networks), notes that two large and troublesome issues have recently "sparked like the head of a match" (Grayson 2001). She meant the nursing shortage, which has widened into a workforce shortage affecting almost every hospital job category, and overcrowded emergency rooms suddenly at or over capacity. Those are just two issues on a rapidly growing list that includes rising volumes, lack of capacity in intensive care and med-surg units, increasing competition from physician-owned ventures, the growing number of medically uninsured, declining Medicaid reimbursement, and employer demands for expensive investments in quality, including computerized physician order entry systems, which cost millions. Health care executives worry about the adequacy of reimbursement, labor shortages, and controlling costs, according to the American Hospital Association's annual leadership survey (Thrall and Hoppszallern 2001).

Get a second opinion from an experienced coach before launching major strategic initiatives and capital-intensive investments.

The need for executive coaching in health care has never been higher. There are at least five good reasons to bring in a coach, and in most or all of these situations, to acknowledge the use of a coach:

1. Decisions under uncertainty. In today's market environment, the margin for error is slim to none. Get a second opinion from an experienced coach before launching major strategic initiatives and capital-intensive investments. Health care executives cannot afford to make bad decisions, which could be costly to the organization. The many turnaround management assignments of the Hunter Group are testimony to the financial disasters that were the result of bad decisions in the 1990s.

2. Leadership transitions. The first 100 days of a new executive's tenure are often the make-break factor in the executive's ultimate success. Tap the expertise of coaches who know the territory, the organization, and its history and culture. Make the right decisions, promote (or fire) key managers, and issue policies that will set the tone for years to come.

3. Dealing with difficult people. Nothing is harder to overcome than difficult people in key positions of management and leadership. Utilize coaches to build interpersonal skills to manage headstrong or disloyal individuals in the organization. Especially in terminations, utilize coaches to ensure there are no grounds for a wrongful termination lawsuit. Medical staff relationships can be highly volatile. Employ trusted coaches who have credibility with medical staff leaders, can interpret both sides of conversations, and craft solutions to difficult hospital Ð physician issues.

4. Team and culture building. Some executives have natural people skills, but others do not. At the end of the day, it is people, not ideas, that will make the difference. Remember the phrase, "Culture eats strategy." Coaches can build interpersonal skills, measure the state of the organizational environment, and suggest culturally sensitive strategies. Utilize coaches to build a team concept among senior management and the board.

5. Succession planning. Few issues are more neglected than succession planning. Not many executives want to acknowledge their mortality or the likelihood that their tenure could be limited. After 10 years of downsizing, few health care executives have a talented #2 who could step in and take over tomorrow, with the full confidence of the board, physicians, and employees. Most members of today's health care management teams are role players, specialists without broad portfolios of experience. Employ coaches to build the leadership skills of valued members of the management team, even if it means losing them to other opportunities. Coaches can also provide a bridge between past and future generations of leaders in the organization. Use coaches as the "priests" and touchstones who can be a living memory for the organization and trusted advisor to the management team and board, and who can interpret the organization's culture to future leaders. Russell C. Coile, Jr.

ÑRussell C. Coile, Jr., editor

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