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Executive Coaching Accelerates Performance to Six Sigma Levels

by Donald H. Hutton and Chip Caldwell

Trained professional executive coaches have been used in many industries over the last decade with astounding success. One need only hear leaders such as Jack Welch to get a sense of the power and significance executive coaches have had in other industries. It was reported in 1999 that 60% of the Fortune 500 companies provide coaching services to multiple levels of their management teams. These companies report increased sales, increased profits, growth in market share and increased executive satisfaction when executive coaches are used.

In an age when the investment in human capital is one of the greatest challenges in healthcare, the use of executive coaches as a way of enhancing the value of executive capital in the management group is finding new footholds. Most boards recognize they have a major investment in the CEO, and it is in the organization's best interest to pay for an executive coach for their leader. They find that a CEO who is performing at the highest-level means the organization is benefiting.

CEOs and executives that pursue Six Sigma as a business strategy face an enormous task, that of mobilizing the belief system of the organization's formal and informal leadership that current beliefs

about the best way to deliver care require quantum changes.

Six Sigma deployments require the establishment of a set of 10-fold process improvement goals, leading to significant recovery of Costs of Quality and Costs of Poor Quality, e.g. in revenue cycle, one organization improved from 93% manual claims intervention (0 sigma), requiring 21 fulltime equivalent staff, to 30% manual claims intervention (2 sigma), requiring only 10 fulltime equivalents. Tenfold improvement cannot be achieved without an unraveling of deeply held beliefs about the best way to deliver care. These beliefs do not generally change without external executive coaching.

A study published in Fortune magazine, "Why CEOs Fail" (June 21, 1999) revealed that the following factors led to the downfall of 38 executive teams:

- * Failure to manage people
- * Decision gridlock
- * Over-delegation/ failure to track execution

Further, the Healthcare Advisory Board analyzed factors leading to the failure of five health systems, finding the following common factors:

- * Overmatched senior executive team
- * Cumbersome decision-making processes
- * Failure to act on "bad news" quickly
- * Ineffective, slow execution

Of note, none of these studies suggest that problems were related to vision and strategic planning, but rather sit squarely on the shoulders of the CEO and the executive team.

Executive coaching involves establishing a supportive relationship between the organization executive team and a coach using techniques and methods to assist the executive team in achieving an identified set of goals that will provide professional performance and personal satisfaction; resulting in improved effectiveness of the organization.

The art of coaching is listening. The value of coaching is the action that comes from the process. In the end, the CEO achieves the goals faster and with less pain. The main thing a coach does is help an individual uncover his or her own answers. The answers are already there - the CEO just may be too close to see them.

In Richard L. Kilburg's book *Executive Coaching*, he cites seven common goals for the use of an executive coach. An executive may use coaching to achieve all seven or a just some of them:

1. Increase the range, flexibility and effectiveness of the CEO's behavioral repertoire.
2. Increase the CEO's capacity to manage an organization - planning, organizing, staffing, leading, controlling cognitive complexities, decision-making, tasks, jobs, roles, etc.

3. Improve the CEO's psychological or social competencies. This is intended to basically improve the emotional intelligence and the emotional competence of the CEO.
4. Increase the CEO's ability to manage themselves and others in conditions of organizational turbulence, crisis or conflict.
5. Improve the CEO's ability to manage their career and to grow both personally and professionally.
6. Improve the CEO's ability to manage the tensions between business needs and family needs.
7. Improve the overall effectiveness of the organization and/or the team.

The role of the coach is to achieve the above stated goals using the following skill sets:

- * To act as the change agent.
- * To sponsor the need to look at the world differently to help the CEO become comfortable with change.
- * To encourage the CEO to consider different approaches and viewpoints.
- * To provide focus and discipline with the CEO as the CEO is establishing tactics to achieve their stated goals. To be sure the CEO stays true to the goals they have established and to accomplish them in the predetermined time frames.
- * To help the CEO overcome resistance as they encounter barriers in achieving those goals. Help the

CEO discover the determination and strength needed to fight through unanticipated obstacles.

- * To validate the CEO, and to serve in a supporting role to the CEO as they are undertaking these efforts. To be supportive of and believe in the CEO by pointing out the CEO's strengths and talents.

- * To encourage the CEO to learn and to grow in an effort to develop new skills sets, techniques and knowledge in the performance of their job. Coaches make learning an integral part of the CEO's regular routine by challenging them to make time available solely for the purpose of learning.

The coach provides these roles by being a generous and astute listener, by being empathetic to the needs and the thoughts of the CEO, and by encouraging and supporting the CEO as they move through the process.

Lastly, by offering challenging, probing and confronting feedback, the CEO then has a clear understanding and vision of how they are performing. The coach is not a friend or buddy who is there to make the CEO feel good but is the one person who the CEO can count on to provide clear, accurate and timely feedback regarding the CEO's performance. The coach is the one person the CEO can turn to discuss those tough confidential issues that are critical.

Today's CEO is confronted with challenges that are more complex, and are coming at a faster pace, than ever before.

It is not reasonable to believe that any one leader possesses all the skill sets, knowledge and capabilities that would allow them to perform at their absolute peak for an extended period of time.

Most people who are the best at what they do use those around them to be a top performer. A coach becomes that member of the team that allows the CEO to grow and to meet these challenges in today's chaotic healthcare world.

To keep in its proper perspective, one has to ask the following question, "If Tiger Woods is the best in the world at what he does and has two coaches, why wouldn't a healthcare CEO have a coach?" As Lowell Kruse, Heartland Health CEO, remarked recently, "even Tiger Woods has a coach."

Achieving quantum improvement like that required of Six Sigma deployments can be accelerated through the use of a coach to stimulate the CEO and the executive team beyond their current mindset, or in the words of Jack Welch, "to avoid minimalization and reach for their dreams."

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