

COMPANIES REALIZE SIGNIFICANT RETURN FROM EXECUTIVE COACHING

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As the College of Executive Coaching's *State of the Coaching Industry Research Report* indicated in 2005, executive coaching has grown into an estimated \$1 billion industry. Now the *Wall Street Journal* (May 16, 2006) reports executives from General Electric's Chief Executive Jeffrey Immelt to eBay's Chief Executive Margaret Whitman use a coach to help them be a better leader. The WSJ emphasizes that a big part of a coach's job is often helping executives work on such people skills as controlling their temper and recognizing the feelings of others -- management gurus emphasize how this helps with everything from influencing the boss to attracting loyal workers.

Companies like Yahoo Inc. and Genentech Inc. offer coaches to managers they are grooming for top posts. The Wall Street Journal article focused on Kitchell, a \$725 million-a-year construction business that builds hospitals and government facilities. Each of Kitchell's top 22 executives has an outside coach, at a cost of \$300 an hour or more for sessions every two to four weeks.

Kitchell's Chief Executive William Schubert, 65, says coaching has helped curb his hasty disposition. "It helps you to be more open with each other."

Kitchell began using coaching in 2001, when Mr. Schubert and his deputies, while working on a 10-year plan, realized that many senior managers would retire soon and they observed an annual turnover rate of 27%. Top management worried about a looming management shortage.

Kitchell executives contend that the coaching is producing better bosses and more motivated staff. Management is pleased that annual turnover is down to 19% overall, and to 4% among younger staffers who are being coached by senior employees. Mr. Schubert says Kitchell spends about \$200,000 a year on coaching, adding, "Half a million wouldn't be too much."

One of the executives being coached, Mr. Judge, says that he and his coach crafted a coaching plan to address his challenges. It featured 12 "action items" including scheduling regular staff meetings and distributing rewards to recognize employees' hard work. The coaching client keeps a tally of what he has done and reports his progress to his coach during biweekly sessions. Like most other Kitchell executives, Mr. Judge gets his coaching over the phone.

During a coaching session last month, Mr. Judge told his coach that he wants to work on improving his working relationships with the Kitchell employees. "What can you do to increase your social awareness?" asked the coach. "I guess I've got to keep my ear on the informal lines of communication," Mr. Judge responded. "I'm not a particularly outgoing individual." The coach suggested that by the next coaching session, Mr. Judge read a *Harvard Business Review* article with a section on leadership and social skills.

The coaching client's employees like the changes. Staffers say Mr. Judge always typed on his computer while they were talking with him in his office, which made them feel that he wasn't paying attention. The employees report that their boss has made changes that show them more respect and has led to a better daily working environment.

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About the Author

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