



Destination: better results

Dorothy Nesbit and **Gill How** show how introducing a coaching style of leadership can improve performance and engagement

Research suggests coaching by leaders has a significant impact on bottom-line results. How can organisations help leaders to develop coaching skills? And with what results in practice?

The quest for ‘employee engagement’ has been repeatedly highlighted during the last four years as a key challenge for organisations. It’s easy to understand why: it’s hard to get excited about the vision and mission of your employing organisation when you’re recovering from the unexpected shock of transfer of ownership, for example, or of a dramatic decrease in employee numbers. It’s harder still to feel excited about work when the threat of further redundancies is hanging over you.

At the same time, research suggests that leaders have a significant impact on employee engagement, which rises as a direct result of the style of leadership. In this article, we outline key research findings and examine their relevance in today’s marketplace. We explore the experience of one organisation and ask *is it really true that a coaching style of leadership can increase employee engagement and improve organisational results?*

The theory: a model of employee engagement

As early as 1968, George Litwin and Robert Stringer published research findings that suggested a relationship between leadership style

and organisational climate and, in turn, between organisational climate and results¹. In their experiment, researchers – building on the work of a number of academics over the preceding half-century – created three diverse organisations, each of which had a distinct style of leadership. They found that, when these leadership styles were sustained over time, the climate in each organisation – what you could call the *atmosphere* or what it *feels* like to work in an organisation – also varied. What’s more, the authors reported that, once created, these climates had significant, often dramatic, effects on motivation, performance and job satisfaction.

Later, Daniel Goleman, Richard Boyatzis and Annie McKee gave chapter and verse on the full range of styles employed by leaders and their impact on organisational climate². They highlighted six leadership styles, each with a particular function or purpose. The most effective leaders, they said, could draw flexibly on the full repertoire of leadership styles to meet the needs of particular situations.

Three styles in particular – visionary, coaching and democratic – were found to have a positive impact on organisational climate. Goleman and his colleagues coined the term “resonant” to describe an approach to leadership that drew significantly on these three styles. This is the opposite of the kind of dissonance created when leaders fail to empathise with, or accurately read, the emotions of a group.



The coaching leadership style in a nutshell

How it builds resonance: Connects what a person wants with the organisation's goals

Impact on climate: Highly positive

When appropriate: To help an employee improve performance by building long-term capabilities

From *The New Leaders: Transforming the Art of Leadership into the Science of Results* by Daniel Goleman, Richard Boyatzis and Annie McKee

We were particularly interested in coaching as a leadership style. Goleman and his colleagues highlight how coaching has the primary intention of developing others. It is most useful in helping employees to improve their performance by building long-term capabilities. Organisations in which coaching is strong often have a strong talent pipeline, with people who are ready for promotion when the opportunity comes.

The theory says that coaching has a highly positive impact on climate, which results from the way this style connects what a person wants with the goals of an organisation – but what about the practice? In 2009, Dorothy Nesbit, who has observed the effect of a coaching style through her work with leaders, was excited to learn about Gill How's work with Southern Railway.

The coaching style of leadership as a lynchpin of organisational effectiveness

In 2009, Southern Railway, after three years of working with Buonacorsi Consulting to develop a coaching style of leadership in its organisation, was thrilled when a survey by Gallup showed a statistical link between levels of employee engagement and participation in the company's coaching programme. In other words, those managers who had developed their coaching style were having a strong and positive impact on the climate experienced by their team members and this impact outweighed that of managers who had not participated in the programme.

As a result, Southern was able to demonstrate that its investment in people was an important strategy, which contributed to retaining its franchise later that year.

Beneath the skin of these headline statistical results, there was more for Southern to celebrate. Everyone noticed the energy, enthusiasm and motivation people gained from acquiring coaching skills, and how positive it was to be receiving a coaching style of line management in their teams.

Participants also spoke about how coachees had increased their confidence to apply for promotions, had successfully tackled long-standing conflict and generally turned their attention towards motivating their own staff.

There were also important changes to hard measures. In 2009, results included the best train performance ever on the network, a reduction in staff absence of 30 per cent and the best customer survey results ever. Since 2010, Southern management continues to notice shifts, including:

- winning the Rail Business of the Year Award 2011
- gaining Investors in People bronze accreditation
- an increase in engagement scores from 51 per cent in 2010 to 66 per cent in 2012
- an increase in participation in the employee survey from 38 per cent in 2010 to 71 per cent this year



References

- 1 Litwin G H, Stringer R A Jr *Motivation and Organizational Climate* Harvard University Press (1990)
- 2 Goleman D, Boyatzis R, McKee A *The New Leaders: Transforming the Art of Leadership into the Science of Results* Sphere (2003)

- continued reductions in grievances and employee tribunals.

Strategically, the programme was the beginning of a major culture shift: away from being directive (giving advice and telling people how to do things) towards being able to see that, with encouragement, listening and questioning, a member of staff could create ideas and answers that were often better than his manager's and – what's more – would implement them faster because of a sense of personal ownership.

In 2009, after the initial exhilaration of winning the franchise again, Southern built on its early achievements to help with the task of delivering against the increasingly high expectations and metrics of the new franchise. In a recent conversation, Zoey Hudson, head of organisational, leadership and behavioural development, said of the programme (whose



Coaching is one of the tools – possibly the key tool – for helping leaders become more capable and effective

results have now been sustained over seven years): “Southern continues to meet demanding metrics and to exceed the expectations of its customers. This has happened in a tough economic climate in which optional travelling has reduced.

“As well as investing in marketing and product initiatives to encourage more customers to travel off-peak, Southern's business strategy continues to support investment in its people and teams – we want to continue to develop and nurture our talent. Most of all, our coaching style of leadership continues to help staff to contribute ideas for meeting our requirements in innovative, creative and sustainable ways.”

Developing and sustaining a coaching style of leadership

How did Southern do it? Developing the coaching skills of leaders followed an investment in leadership development, in which coaching initially served as an important bridge between leadership training and behaviour in the workplace. The potential for further application of coaching as a management approach quickly became clear.

When Chris Burchell, one of the newly-qualified coaching champions from the pilot group, succeeded Charles Horton as managing director, he was keen to build these positive experiences of coaching throughout Southern's senior leadership population. Eager to use measurement to reinforce the company vision, he introduced strategic business goals relating to the use of a coaching style of leadership and levels of employee engagement. At the time, he didn't know that the two would prove to be connected.

Between them, HR director Matt Watson, Hudson, other coaches from the business and How created a quarterly review process. This helped Southern to track progress, improve existing interventions and add new ones, and reinforce and embed investment in coaching skills. Initial interventions included one-to-one coaching, training in coaching skills, coaching qualifications,



Developing a coaching style of leadership across your organisation

Based on How's experience of working with Southern, we offer the following tips for developing a coaching style of leadership across your organisation:

- **link your intentions to your strategic priorities**

Understand what you want coaching to deliver to your organisation and make sure this is reflected in the make-up of your steering group. If you want coaching to make a difference to your business, involve key business people

- **communicate and stand by a vision for coaching** Share your vision for coaching across the organisation and show people you mean it: role-modelling a coaching style at the most senior levels is a powerful way to embody your intentions. Equally, have faith in your people – the more you believe they want to rise to their daily work challenges, the more they will step forward and prove you right

- **invest, measure and evaluate** Your level of investment needs to reflect the strategic priority you place on developing a coaching style of leadership. You also need

to measure the full range of results, including levels of employee engagement and business outcomes

- **focus on coaching as a leadership style** Take care not to confuse coaching by line managers with professional coaching: help managers to understand the significance of a coaching style and tailor your interventions to support them in developing skills they can apply in their day jobs
- **experiment and adapt** As well as understanding what the theory says about the benefits of a coaching style of leadership, look for the benefits in practice and be prepared to be surprised. Notice, and build on, what works in your culture and organisation and ditch the rest
- **keep an open mind** Be willing to discover the growing enthusiasm, optimism, sense of possibility and 'can do', creativity and innovation that comes with an increased use of a coaching style – as well as the increasing ability to assess situations intelligently and to generate effective solutions.

setting up an internal coaching service, training in how to conduct performance management conversations constructively and adjusting Southern's performance management system to include behaviours as well as outcomes. Many of these interventions are still in place.

At senior leadership level, the approach was reinforced through events using Forum Theatre actors, which demonstrated how coaching could be used in a range of situations. These included:

- tackling operational problems effectively (such as a fault on the line)
- speaking with dissatisfied customers and other stakeholders
- asking a simple question when asked for advice (such as *what could you do next?*) to help employees generate their own solutions.

Since retaining the franchise, Southern has become clearer about how performance, employee engagement and their preferred style of leadership and management fit together. The focus is now on coaching as a tool that underpins how leaders manage individuals and teams, how they communicate with their teams, how they engage and how the organisation looks at performance and measurement.

Engagement is clearly seen as a key enabler of business success and leadership creates the engagement and emotional connection, which in turn contributes to the customer experience. Coaching is one of the tools – possibly the *key* tool

– for helping leaders become more capable and effective in what they do. In addition, a number of other tools have more recently been found to be important, including:

- managers owning and driving change locally, being able to adapt to new and emerging circumstances



- introducing team briefs – with a team coaching approach – to enable open, honest forums for two-way exchange of dialogue, question-led not ‘tell’, facilitated rather than directed
- introducing Time with Your Manager sessions, a constructive 1:1 time for all staff, and providing cover to enable staff in front-line teams to participate
- managers translating internal communications – having the confidence and capability to translate and communicate messages from the centre to their teams.

Southern has much more clarity on embedding coaching as a leadership style and how to do this – it is specified as a required leadership behaviour and measured within performance and development processes. Managers now receive engagement targets, and look to achieve these as a coaching manager. The statistical link demonstrated by Gallup in 2009 has been found to be true again in 2011 with ORC International and its analysis of Southern’s engagement results, reinforcing belief in the approach.

Southern still faces a demanding time – it is challenging to work as part of a franchise with sometimes short times between renewals – and coaching as a means of improving engagement remains a visible and important strategy led and owned by the executive and the business as a whole.



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The soft route to hard results

You may already be asking yourself *how do we get started?* In case you are, we offer tips (see box opposite) to help you to realise the full benefits of developing coaching as a leadership style in your organisation.

In case you’re still in doubt, consider the current experience of one public sector client, the head of HR in her organisation, who has recently and successfully made the case for significant investment in her organisation in developing the coaching skills of managers: “We had already made progress in a number of areas ahead of the recent economic downturn. We had a clear vision and values as an organisation, we had a solid understanding of the behaviours staff need to demonstrate in order to be successful. We were already interested in coaching.

“Since the last election, we have experienced a 25 per cent cut in budgets and we have a further 20 per cent cut on the way. We’ve lost almost 30 per cent of our staff. Even so, the expectation is still on us to deliver – the reduction in our workload hardly compares with the reduction in our resources.

“We used to think of coaching for managers as a bit of a ‘nice to have’ but we see it as a key priority for 2013 and beyond: it is the tool we will use to help our 500 middle managers engage the motivation and full skills of their staff. This is fundamental to our success in delivering to our community with the limited resources available to us.” **TJ**

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