



WHITEPAPER

# Coaching:

change big, change fast, and don't  
change back!

BY DANE JENSEN



## THE CASE FOR CHANGE

The importance of a coaching culture cannot be overstated. A recent report by the Corporate Leadership Council stressed that “above all else, top-tier leadership organizations are distinguished by their cultures of development. Central to these cultures are senior executives and managers who believe in employee development and act on these beliefs”<sup>1</sup>. Furthermore, a recent article featured in the Harvard Business Review identified “coaching, mentoring, training, and assisting activities” as one of the key enablers of operational excellence<sup>2</sup>.

In practical application, companies that have moved to a coaching culture have seen tangible improvements in key performance metrics. A recent article in the Globe and Mail noted that the Bank of Nova Scotia, which implemented a “top to bottom” coaching solution, has seen employee satisfaction rise from 64% to 91% in just two years, along with increases in commitment and productivity<sup>3</sup>. Similarly, a Third Factor study of Union Energy revealed numerous accounts of increased productivity as a result of the coaching culture. UE manager Kerri Bowen noted that “... in the past when we did training our stats would drop for that month. Now, even in the months where we do training our stats stay the same or improve”<sup>4</sup>.


The benefits of a coaching culture are clearly substantial, but even armed with this knowledge, many organizations are hesitant to fully commit. The reasons for this resistance are often rooted in three common misconceptions:

- **TOO BIG** - “Changing to a coaching culture is just too radical for us to consider right now”
- **TOO SLOW** - “Cultural change takes too long—we need results quickly”
- **WON’T STICK** - “It might make a difference in the short term, but after a while things will just revert back to the status quo —and we will have wasted a lot of time and money”

**Not only are these myths incorrect, they could be holding your organization back.**



## CHANGE BIG




When Lou Gerstner elected to reinvent IBM as a services business, he sparked the most well-known, documented, and studied corporate turnaround of the past 20 years. The IBM example is one of many that illustrates the supremacy of radical change over incremental change. Had IBM elected to simply ‘stay the course’ and look for small ways to improve it is hard to imagine they would have achieved the same phenomenal results.

The same is true about coaching. Done properly, a move to a coaching culture is not a small change: you will be asking every manager in your organization to change how they perform their job. Such a big change is bound to be incredibly difficult, right? Wrong. Contrary to common wisdom, mounting evidence indicates that radical change is actually easier for people and organizations than incremental change. The logic for this seemingly paradoxical conclusion lies in what Harvard Business professor John Kotter calls “short-term wins”. The more sweeping the change, the more dramatic the short-term results. As Kotter explains, “... short-term wins help build necessary momentum. Fence sitters are transformed into supporters, reluctant supporters into active participants, and so on”<sup>5</sup>.

Coaching is particularly well-suited to providing short-term wins. In a survey done by Union Energy after coaching training, 99% of respondents reported a ‘positive impact on their performance’ within the first six months. Building this critical mass of individuals whose commitment to the change is reaffirmed by quick successes is imperative, and can only happen if the initial push to change is widespread throughout the organization, and rapid.

## CHANGE FAST



Changing to a coaching culture cannot be a 3-5 year initiative. In a study underlining the importance of changing rapidly, Bain & Co. discovered that of 21 recent successful corporate turnarounds most were “substantially completed” in two years or less, while none took more than three years<sup>6</sup>. According to leading Canadian change researchers Elspeth Murray and Peter Richardson, it is largely in the first 100 days that the success or failure of a large organizational change is decided. It is during this period that the driving forces behind the change must build the necessary “escape velocity” that can be capitalized on in the second 100 days to build unstoppable momentum and drive tangible results<sup>7</sup>.



Building momentum when shifting to a coaching culture is an organic process, thanks to the ‘coaching multiplier’. As more and more managers are trained as coaches, they become exactly the type of leaders—those who question, empower people to change, and fan the embers of change leaders—that most effectively lead the charge. This accelerates the pace of change and builds momentum. Union Energy found a particularly effective way to harness the coaching multiplier: the executive team became certified as Coaches and led the push themselves, delivering coaching training and support throughout the organization. Looking back, VP of Rental Operations Paul Slinger notes “if we could turn back the clock—we wouldn’t do it any other way”.

## **DON’T CHANGE BACK**

**In any change initiative, making change permanent hinges largely upon two things:**

1. Senior management’s ability to demonstrate longterm commitment to the change
2. Opportunities for those leading the change to coach each other.

At IBM, Lou Gerstner sent a signal that he was committed to ‘the new IBM’ by convening a Senior Leadership Group of 300 executives who “were beginning to exhibit the sort of personal leadership and commitment to change that [he] sought” in order to provide them with “support and encouragement”<sup>8</sup>. That Mr. Gerstner spent several days a year with this group sent a clear signal that he was committed to seeing this change through. Signals of commitment from senior management are essential for cutting through change cynicism. People need to know that this isn’t going to go away, and the only way to demonstrate this is by allocating time and money at a senior level.

Another important aspect of IBM’s Senior Leadership Group was that it gave change leaders time to reflect on and talk about the challenges and successes they were facing. Recognizing that organizational change hinges on individuals changing, and giving them the opportunities they need to coach each other through the change, is essential if they are to stay motivated and focused.

Dr. Dean Ornish, a professor of medicine at the University of California at San Francisco, definitively demonstrated the importance of keeping individuals who are facing big changes motivated and focused. In a study



for Mutual of Omaha, an insurance company, Dr. Ornish was able to achieve a 77% success rate in getting patients with severely clogged arteries to make and sustain positive lifestyle changes—compared to the 10% national average<sup>9</sup>. This improvement saved the insurance company \$30,000 per patient. His program consisted of extensive peer coaching through weekly meetings, and a high level of commitment demonstrated to each patient by Dr. Ornish, and a host of health experts. While change in your organization may not be a life or death issue, the implications are clear: even with a powerful intrinsic motivator (e.g. another heart attack) change is almost impossible without coaching. This is another instance (see ‘change fast’ above) where a change to coaching becomes a positive feedback loop. As more coaches come on board they become more effective at coaching each other and bringing others on side.

### **CHANGE BIG, CHANGE FAST, AND DON'T CHANGE BACK**

A coaching culture provides the ‘short-term wins’ necessary to make a cultural shift possible, feeds back into itself to build critical momentum, and provides the tools necessary to make the change permanent. The entire process of changing to a coaching culture is self-reinforcing, and relies on one major input: senior management demonstrating commitment by allocating time and resources.

Copyright © 2013 Third Factor. All rights reserved. We welcome your comments on this article. Please send them to [info@thirdfactor.com](mailto:info@thirdfactor.com). Learn more at [www.thirdfactor.com](http://www.thirdfactor.com).

### **ENDNOTES**

- 1 Hallmarks of Leadership Success. (Corporate Leadership Council, 2003). Retrieved from [http://www.corporateleadershipcouncil.com/CLC/1,1283,0-0-Public\\_Display-106619,00.html#hallmarks](http://www.corporateleadershipcouncil.com/CLC/1,1283,0-0-Public_Display-106619,00.html#hallmarks) on Oct. 25, 2005.
- 2 Spear, Steven. Fixing Health Care from the Inside, Today. (Harvard Business Review, September 2003)
- 3 Immen, Wallace. The new game plan: top-to-bottom coaching. (The Globe and Mail, Sept. 14, 2005)
- 4 Creating a Coaching Culture at Union Energy. (Third Factor, 2005), available at [http://www.performancecoaching.ca/client/case\\_studies/union\\_energy/](http://www.performancecoaching.ca/client/case_studies/union_energy/)
- 5 Kotter, John P. Leading Change. (Harvard Business School Press, 1996)
- 6 Deutschman, Alan. Change or Die. (FastCompany, May 2005)
- 7 Murray, Elspeth and Richardson, Peter. Fast Forward: A new framework for rapid organizational change. (Ivey Business Journal, 2003)
- 8 Gerstner, Lou V. Who Says Elephants Can't Dance? (Collins, 2002)
- 9 Deutschman, Alan. Change or Die. (FastCompany, May 2005)