

The Heart of Coaching

*Using Transformational Coaching To
Create a High-Performance Coaching Culture*

FOURTH EDITION



Thomas G. Crane
with Lerissa Patrick

FTA
PRESS

Contents

Changes in the Fourth Edition 7

Acknowledgments 9

Introduction 11

PART ONE

The Heart of the Transformational Coaching Process 15

1 Why Coach? 17

2 Transformational Coaching Defined 31

3 An Overview of the Transformational Coaching Process 43

4 The Foundation Phase 55

5 The Feedback Loop 71

6 The Forwarding-the-Action Phase 89

7 Coaching Language 97

8 Coaching Through Dialogue 103

9 Special Coaching Situations (Including Professional Coaching) 119

PART TWO

The Heart of the Transformational Coach 131

10 Why Does a Coach Need Heart? 133

11 Communication Filters 145

12 Coaching Styles and Generational Differences 161

13 Miscellaneous Coaching Tips 175

14 Self-Esteem and Healing 189

15 Transformational Coaching Is Applied Leadership 199

PART THREE

Creating a High-Performance Coaching Culture 205

16 The Vision of High Performance 207

17 Creating a High-Performance Organization 219

Epilogue: Coaching Is a Journey 231

Appendix One: Transformational Coaching Session Worksheet 235

The Heart of Coaching Coaching Skills Assessment 236

The Heart of Coaching Coaching Culture Assessment 237

Introduction

What if people in your organization:

- Knew the mission of the business and their role in creating success?
- Knew the organizational priorities and acted with a sense of urgency?
- Were committed to give their personal best efforts and did not hold back because of fear of failure?
- Freely contributed to organizational goals without worrying about who got the credit?
- Consistently achieved the results they were capable of achieving?
- Valued one another's thoughts and ideas and treated their teammates with respect and compassion?
- Openly shared feedback with one another without fear of reprisal?
- Sought out and responded appropriately to performance feedback?
- Had fun at work?

These "what if's" are not pipe dreams but are conditions frequently found in high-performing teams. These teams are able to consistently outperform their rivals because their high-performance culture energizes and focuses people on the strategic goals of the business, especially during times of change.

Take a look around at the changing business landscape. High performance is no longer an option for companies that now compete in international or expanded regional markets, whether they want to or not. Technology-driven change is extremely rapid and is creating unprecedented competitive pressures for survival. Downsizing, mergers, re-engineering, and constantly changing customer demands contribute to the compelling

economic reality that organizations must do more with less. Even as economic and business cycles begin to change and shift into growth and expansion, the competitive pressure is unrelenting. Organizations and individuals still feel the pressure to perform at higher and higher levels.

Stress levels for employees are extremely high, as they try to maintain balance between their personal lives and work demands. Many of us long for the “good old days,” but are haunted by the creeping knowledge that the “good old days” are not coming back. These are the new “good old days.” We had better learn how to perform, survive, and lead fulfilled lives in these challenging times.

How do modern organizations respond to these pressures for higher and higher levels of performance with employees that are growing more tired by the day?

Enter Coaching

Progressive leaders are choosing coaching as a fundamental part of their response. Coaching is a healthy, positive, and enabling process that develops the capacity of people to solve today's business problems.

The premise of this book is simple:

**As coaching becomes a predominant cultural practice,
it will create a performance-focused, feedback-rich
organization capable of creating and sustaining
a competitive advantage.**

Therefore, it is important that we take another look at this uncommon management practice and see it with new eyes—as a

transformational leadership skill and a requisite for creating true high performance.

Transformational Coaching is the leadership process for the new millennium. It is a potent communication process that helps people connect to the performance of the team and to the things that are important in their lives.

Touching people's spirits and rekindling what deeply matters to them is what *The Heart of Coaching* is all about. We do not need another book on managing people that shows us yet another technique on how to get them to do what we want them to do. People are crying out for *real* leadership from leaders who are open and vulnerable and real. That is what Transformational Coaches learn to do.

Trust Your Experience

Believe nothing that you read in this book. Rather, trust your own experience to validate the ideas and principles of human interaction offered here. If you chose to incorporate any of the practices described, pay attention to how your relationships are enriched and your results are enhanced.

The questions interspersed throughout the book are designed to stimulate your thinking and engage your heart. To the extent that you become clear about your thoughts, your beliefs, and your experiences, you will be better able to integrate coaching as a new way of thinking and a new way of interacting with people.

P A R T O N E

The Heart of the Transformational Coaching Process

THE TRANSFORMATIONAL COACHING process provides a useful framework to guide performance coaching discussions in ways that open up communications and build trust. It also creates a powerful commitment to mutual learning and a partnership for discovering the best next steps.

This part of the book discusses the business and human case for coaching, presents the Transformational Coaching methodology, and illustrates its application to enhance the performance of both individuals and teams.



Our Deepest Fear

Our deepest fear is not that we are inadequate.

Our deepest fear is that we are powerful beyond measure.

It is our Light, not our Darkness, that frightens most of us.

We ask ourselves, who am I to be brilliant, gorgeous, talented, fabulous?

Actually, who are you NOT to be? . . .

There is nothing enlightened about shrinking so that other people won't feel insecure around you . . .

As we let our own Light shine, we unconsciously give other people permission to do the same.

As we are liberated from our own fear, our presence automatically liberates others.

Marianne Williamson

Why Coach?

Implications of a Paradigm Shift

In the past few years, an old term, coaching, has received renewed interest in business literature. One author after another urges managers and leaders to develop and apply the motivational skills of athletic coaches to their work teams. Business conditions today have made coaching an essential element of success. Let's take a look at the business conditions that are driving this change.

The Business Case for Coaching

By now, most of us know that a *paradigm* is a mental model that describes a particular view of the world—a set of rules and regulations that define boundaries and provide a means for being successful within those boundaries.

A *paradigm shift* is a big change—a surprising, abrupt, unprecedented, revolutionary, rules-alerting change. When a business paradigm shifts, the success of the past becomes less relevant, because the criteria for success has been altered and a new standard established. The victories of the past no longer apply to the present or the future. The rules change, the roles

change, and the required results change. Everyone goes back, however temporarily, to a lower point on the learning curve.

The business world is in the midst of just such a paradigm shift, as is shown below. The rules have changed. The processes that people previously used to achieve their objectives are no longer valid, and the traditional roles and hierarchical working relationships are no longer effective. High performance is no longer an *option*; it is a *requirement* for the survival of both individuals and organizations. Competition is worldwide and technological change brings new challenges on a daily basis. Leadership skills are needed now more than ever.

The Changing Paradigm

Dimension	From	To
The Competitive Environment	Local competition	Regional and global competition
Technological Change	Incremental	Relentless
Organizational Strategy	Growth through satisfying customers	Survival through meeting and exceeding expectations
Structure & Systems	Hierarchical with central authority	Networks with distributed authority
Culture	Turf protection Conflict Command and control	Shared purpose/goals Collaboration Empowerment
Leadership Roles	Manager: <ul style="list-style-type: none"> • Boss • Decision maker • Supervisor • Traffic cop • Delegator 	Leader: <ul style="list-style-type: none"> • Coach • Facilitator • Servant • Role model • Visionary
Leadership's Core Skills	Telling Directing Controlling	Questioning Influencing Role modeling

In this new world, the paradigm-shift question is: *What is impossible to do today (or is not done today) in your business that, if you could do it, would fundamentally change the way you do business?*

The answer is: *Transformational Coaching*. This chapter examines how and why this is so.

Corporate Culture and Performance

Corporate culture sets the organizational context for human behavior. It creates the framework for performance expectations and the ways in which people relate to one another.

Authors John Kotter and James L. Heskett wrote *Corporate Culture and Performance* to explore the consequences of the paradigm shift for corporate culture.¹ Kotter describes three theories that link cultural characteristics with financial performance.

¹The Free Press, a Division of Macmillan, Inc. (New York, 1992).

THE STRONG CULTURE

Theory I hypothesizes that a "strong culture" will produce vitality and long-term financial performance.

In a strong corporate culture, almost all managers share a set of relatively consistent values and methods of doing business. New employees adopt these values very quickly. The style and values... tend not to change much when a new CEO takes charge—their roots go deep.

(p. 15)

Strong cultures are characterized by broad goal alignment (all employees marching to the same drummer), high motivational levels and the presence of structure and controls (but without a stifling bureaucracy). IBM is probably the most famous strong-culture company, with loyal and highly motivated employees. Wal-Mart, Procter & Gamble, and Time are also examples of strong-culture companies.

Contrary to the Theory I hypothesis, strong cultures are not guaranteed long-term financial vitality and high performance. Although Kotter and Heskett's data do suggest that strong culture correlates with long-term economic performance, the correlation is only modest.

THE STRATEGICALLY APPROPRIATE CULTURE

Theory II holds that a “strategically appropriate” culture is the secret to long-term economic performance. Kotter and Heskett define a strategically appropriate culture as one in which

... values and behaviors are common, (and are) as important if not more important than its strength. ... a culture is good only if it “fits” its context. ... only those contextually or strategically appropriate cultures will be associated with excellent performance. The better the fit, the better the performance. (p. 28)

Kotter and Heskett say that, for example, “rapid decision making and no bureaucratic behavior” would be appropriate “in the highly competitive deal-making environment of a mergers acquisitions advisory firm.” They cite Swissair as a good example of a strategically appropriate culture, as is the VF Corporation. The appeal of Theory II is obvious: it suggests that one uniform culture will not work for every company and that each culture must create its own strategy to meet the needs of the industry it serves. The culture must “fit” its business conditions.

But even a strategically appropriate culture is not immune to failure. Kotter and Heskett’s study showed that, even in companies with a good fit between strategy and culture, change in the business environment (because of, for example, increased competition) produced deterioration in performance when the company’s culture did not change. Companies that did well in the face of change, they said, “successfully adapted to change, despite having reasonably strong cultures.”

Which leads us to Theory III.

THE ADAPTIVE CULTURE

Theory III hypothesizes that the cultural characteristic most highly correlated with high performance is *adaptability*—the ability of the organization to continuously respond to changing markets and new competitive environments. “Only cultures that can help organizations anticipate and adapt to environmental change will be associated with superior performance over long periods

of time," Kotter and Heskett say. They further define "adaptive culture" as one in which:

... managers throughout the hierarchy... provide leadership to initiate change in strategies and tactics whenever necessary to satisfy the legitimate interests of not just stockholders, or customers, or employees, but all three. (p. 46)

Digital Equipment, 3M, and Hewlett-Packard are good examples of adaptive companies. The following Performance Measure shows how important adaptability is to the bottom line.

Performance Measure (over an eleven-year period)

	Organizations with Performance-Enhancing Cultures	Organizations Without Performance-Enhancing Cultures
Revenue Growth	682%	166%
Employment Growth	282%	36%
Stock-Price Growth	901%	74%
Net-Income Growth	756%	1%

The Economics and Social Costs of Low-Performance Cultures (1977-1988), (Kotter & Heskett, 1992)

According to Kotter and Heskett, adaptive organizations tend to:

- Be run by strong leaders who are committed to winning the hearts and minds of people
- Give balanced attention to serving all three constituents of the organization: customers, employees, and stockholders
- Be highly energized and aligned on common goals
- Be receptive to change, responsive to opportunity, and dedicated to creative risk taking
- Provide a cheerleading, encouraging environment that builds confidence and morale

- Provide a high-trust environment that identifies and confronts problems
- Be filled with supportive and enthusiastic people who recognize initiative
- Emphasize fairness, integrity, and “doing the right thing”

It sounds like a great place to work, doesn't it? This almost perfectly describes a high-performance organization. As a matter of fact, progressive leadership recognizes that these characteristics are important to supporting high performance. My experience in large organizational change efforts, however, has shown that one element critical to creating these conditions is frequently missing from the equation.

The missing element is *coaching*.

Mixed Messages

In 1979, *Training and Development Journal* published an article in which the following two figures appeared.

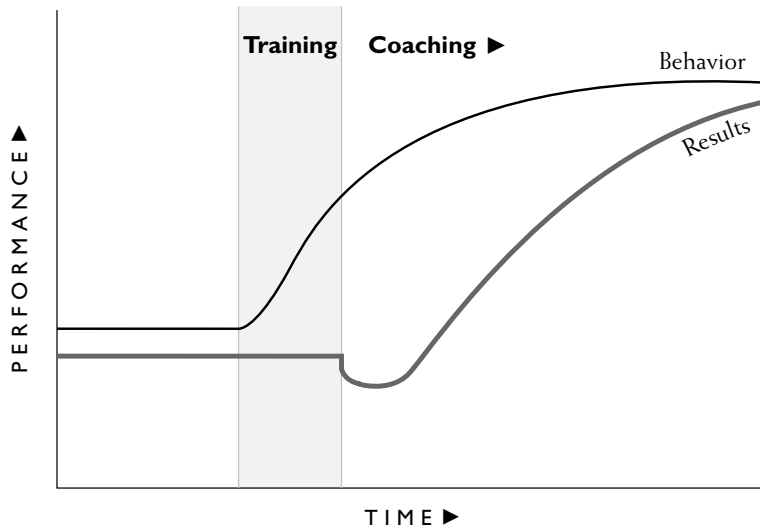
Figure A illustrates what seems to be a reasonable expectation of training: it will produce new behaviors that, over time (and in spite of a small and temporary dip in performance immediately after training), will lead to improved results.

Figure B shows what actually happens after training if no coaching is provided: old behaviors quickly resurface, and sustained performance improvements never materialize. Without coaching, the opportunity that training provides for permanently improving behavior—and for the improved results that could have followed—is lost.

By not providing coaching to people after providing them with behaviorally based skill training, we set them up to fail. Such approaches offer a mixed message; to the employee's face, we say:

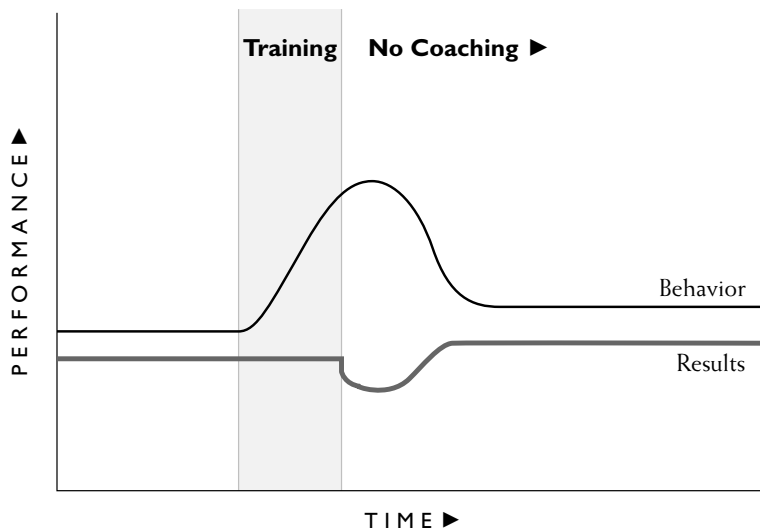
We will send you to this training program in which you will learn new skills and behaviors to apply on the job. We have selected you because we believe you can do a better job afterward and, of course, we expect to see improved performance after you return. Now, go and learn.

A. What Should Happen with a New Skill (with Coaching)



Adapted from *Training and Development Journal*, November, 1979.

B. What Actually Happens with a New Skill (Without Coaching)



But the unspoken organizational truth the employees hear and usually experience is more like this:

We hope you can implement all the changes we expect to see without any help from us, because we are just too busy to coach you or reinforce new skills after you return. But we know from experience that you probably won't be able to do it—the effect of training frequently is negligible. That's why it is the first thing we cut when times get tough. Thanks for going to the workshop!

Feedback and Leadership Effectiveness

A study led by Marshall Goldsmith of Keilty, Goldsmith & Company adds another dimension to developmental training and follow-up. It surveyed more than 8,000 “direct reports” about their perceptions of their managers’ levels of effectiveness after participating in a leadership-development program. During the leadership-development process, each manager was asked to respond to direct reports who provided feedback to him or her, implement an improvement plan that responded to the feedback, and follow up with the direct reports as to progress made. Eighteen months later, direct reports were asked about their managers’ current levels of effectiveness and to what degree the managers had responded to feedback and followed up.

The data were clear: the higher the level of response and follow-up, the higher the direct reports rated their bosses’ effectiveness (see the following two tables for summaries of the data). Leadership effectiveness is dramatically affected through asking for, responding to, and following up on feedback, and those are the essential steps of Transformational Coaching. In table B, the trend toward more perceived effectiveness is pronounced and dramatic, shifting from 7 percent to 55 percent in the highest degree of improvement (the +3 category).

Let’s take a look at another good reason to coach: the effect it has on the hearts and minds of human beings.

A. Leadership Effectiveness and Feedback Follow-Up (Keilty, Goldsmith & Company, 1994)

	Perception of Effectiveness as a Percentage		
	Worse	Same	Better
No Response/No follow-up	19*	34	48
Response/No follow-up	21*	34	45
Response/Little follow-up	10	24	66
Response/Some follow-up	3	9	89
Response/Frequent follow-up	1	5	95
Response/Consistent follow-up	1	4	95

* Expectations were raised with responding and fell with no follow-up.

B. Detail of Shaded Area in A

Degree of Follow-Up	Degree of Improvement in Relative Effectiveness			
		%	+1	+2
"Some"	89	44	38	7
"Frequent"	95	21	53	21
"Consistent"	95	9	31	55

The Human Case for Coaching

The traditional approach to management has its roots in an autocratic, military-style “command-and-control” model that works well in the environment for which it was designed: war. But in most business settings, it has serious unintended consequences.

Theories X, Y, and Z

Business researchers have described a number of management approaches over the decades. Two of the most famous are Theories X and Y, articulated by Douglas McGregor.²

Theory X, a traditional style of management, assumes that people are lazy, uncreative, and need clear directions and penalties to support productivity. Two different metaphors are associated with the Theory X explanation of motivation: the “carrot” (based on using *reward* as the motivator) and the “stick” (based on using *fear* as the motivator). The drawback with these two motivators is that they are polar opposites and, therefore, provide no middle ground to guide a manager’s actions in today’s environment.

Nor do they bring out the best in people. The stick approach achieves compliance, at best. The carrot approach frequently leaves people feeling manipulated. We either threaten someone’s job or throw money at the problem. Neither strategy works for very long.

One of the first essential things lost under Theory-X management is initiative. People learn to wait for “The Boss” to tell them what to do. In the worst situations, they degenerate into a state of “learned helplessness,” allowing small problems to reach critical proportions because no one has given them orders. People learn to delegate up.

Employees managed by a Theory-X leader never develop a sense of ownership of problems. If The Boss makes all the decisions, these decisions never become the employee’s solution. Consequently, people’s sense of accountability and responsibility is lower than what is required for high performance.

²*The Human Side of Enterprise*,
(New York, McGraw-Hill,
1960).

The carrot and stick are pervasive and persuasive motivators. But if you treat people like donkeys they’ll perform like donkeys.

John Whitmore

Creativity suffers. Most autocratic bosses throttle their employees' creativity by ignoring their ideas or ridiculing them for getting "outside the box" or creatively interpreting the rules. People treated this way become poorly motivated and ineffective in creating innovative solutions.

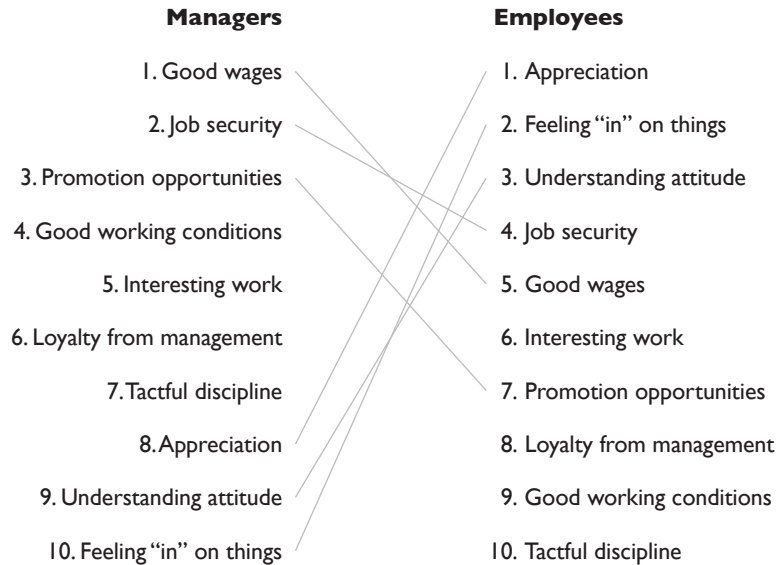
When people are treated like cogs in a wheel—or worse, like children—they are stripped of their dignity and feel diminished in the process. Spirit sickens and dies. Unmotivated, emotionally dead people never contribute their discretionary energy to their work. They do the minimum they believe is required of them to keep their jobs, then they go home.

Theory Y is a much more humanistic approach to working with people. It presumes that people are creative, capable, and internally motivated to achieve. The resulting management style is more supportive and nurturing of people. This outlook forms the philosophical basis for much of the material in this book.

The Z organization, typified by Japanese companies, takes the long view toward building relationships and decision processes that involve the collective whole. It works well for Japan, but American workers are usually too individualistic to be able to buy in to this approach.

A New Theory

We need a new theory. Perhaps we could call it "Theory C," for "coaching." This theory builds on the best of Theories X, Y, and Z and is supported by the results of research conducted by Glenn Tobe & Associates. In this survey, managers and employees were asked to rank a list of ten performance motivators. What managers thought employees wanted most from their jobs and what employees said they wanted most bore little resemblance to each other. Here are the results:



The three top motivators on the employees' list—appreciation, feeling “in” on things, and an understanding attitude—landed in the bottom three positions on the managers' list. Managers' assumptions of the top three only made the middle of the employees' list. Many managers, however, still operate on these erroneous assumptions—with disappointing results.

Theory C would hypothesize that people are motivated by:

- The intrinsic satisfaction of accomplishing the work itself
- Emotional ownership of the work, which occurs when they are allowed to be creative (and creativity can be nurtured in anyone)
- The opportunity to understand and contribute to goals that are meaningful to the organization
- Leaders and managers who provide *direction* (vision) rather than *directions*, who are honest yet compassionate in all their communications, and who challenge and support people in achieving their goals
- Feeling appreciated and knowing that they matter to the company they work for and the people they work with

This is a theory of empowerment and it is the foundation for everything in *The Heart of Coaching*. The four management theories are compared below.

Comparison of Management Theories

Attitude Toward	Theory X	Theory Y	The Z Organization	Theory C: Transformational Coaching
Work	Is essentially distasteful	Is natural, at least under favorable conditions	Is provided for a lifetime	Is one source of fulfillment and growth
Creativity	Workers have little capacity	Workers have much capacity	Subsumed by the collective wisdom	Creative choices unleash commitment and a sense of ownership
Motivation	People are irresponsible and lazy; they need a boss and orders to follow	People are internally motivated; motivation operates at social, self-esteem, and self-actualization levels	Belonging to the whole is the motivation. High social involvement; blending	Opportunity to contribute to meaningful goals; focus is on self-esteem and self-actualization
Management Approach	Highly structured and controlled; short-term fixes are the order of the day	Openness and trust; support and encouragement	Consensus decision-making; slow process; holistic concern	People are treated as adults, with honesty; vision is provided for direction; coaches challenge and support performance