CAVEAT EMPTOR: THE CONSEQUENCES OF LOWERING COACHING COSTS

By Joan Caruso

As executive coaching becomes more pervasive, more and more organizations and their employees are recognizing the benefit and requesting it. Given the high cost and the fact that few companies have unlimited budgets, it's understandable that organizations are looking for ways to make this valuable tool more available while keeping costs within reason.

Our clients have shared with us a variety of approaches they have used in an attempt to achieve this balance.Among the most common are using practitioners who do phone coaching, using inhouse coaches, contracting with independent coaches, paying less for coaching for junior executives, and controlling program parameters or shortening program length.

I have two words of advice for companies that are looking to get creative in lowering costs: caveat emptor. There could be a serious downside to each of these approaches.

Companies pay a great deal for executive coaching, and few can afford to waste those resources. At the end of the day, you get what you pay for. It's important to us to know that our clients are getting the maximum value for those precious coaching dollars. That's why we'll step back from something we don't think provides the best value. Personally, I'd rather see fewer people getting better coaching than large numbers of people getting inferior coaching. Here's why:

PHONE COACHING—Until video conferencing becomes the norm, I am not ready to go down the phone-coaching path. Why? Because there is no substitute for face-to-face contact. Coaches need to see nonverbal cues and reactions to accurately gauge the impactthey are having on their coachees. Also, coachees need to maintain focus. During phone coaching, you can't see whether an executive is multitasking. These are busy, successful people who have learned to make every minute count, so it's a good bet they are. Phone and email are good ways to stay in touch between face-to-face sessions, but they are not effective substitutes.

PAYING LESS FOR COACHING FOR JUNIOR PEOPLE—Clients frequently tell us they don't mind using expensive coaches for senior people, but they don't want to pay as much when it comes to their juniors. I am tempted to ask,"Does that mean you want less-qualified coaches or an inferior skill set?" We do have a different range for coaching mid-level executives, but it has a hard floor because we are not willing to compromise on the skill level of our coaches.

IN-HOUSE COACHING—On a related subject, clients often tell us, "We only use internal coaches for junior people." There is a longstanding debate about the pros and cons of internal coaching. First-hand knowledge of the organization and how it works can make an internal coach highly effective and empathetic. But this closeness also can hamper objectivity. Internal coaches who are involved in succession planning, talent reviews, or talent management may have an inherent conflict. They are learning things about executives whose futures may be affected by decisions the coaches make while wearing an HR hat. Given this duality, is it possible to be truly objective and avoid integrating such information? Will coachees view an internal coach as objective in the long run? How do you build trust, which has to be the foundation of effective coaching?

There are successful models for using internal coaching resources effectively, among them IBM and Johnson & Johnson. The key is segregating the internal role to coaching and OD consulting on afull-time basis, with no participation in HR or talent-management decisions.

USING INDEPENDENT COACHES—There are plenty of lower-cost independent coaching providers. As coaching has become more accepted, barriers to entry into the profession have been lowered and certifying organizations have proliferated. Skills, qualifications, background and experience vary widely.

The advantage of working with a firm like Ayers instead of going directly to independents is that we stake our reputation on the quality of our coaches. We manage each engagement, finding the best fit between coach and coachee, between expert and coaching need. In managing our coaches, we emphasize collaboration, sharing of best practices, and translating the learning from a coaching engagement into enhancing the organization's effectiveness.

CONTROLLING PROGRAM PARAMETERS/SHORTENING PROGRAMS— In an effort to control costs, some companies—especially those that do a great deal of coaching—may dictate the framework: "We want X number of sessions, each X hours long, over X period of time." They're looking for an across-the-board formula. As I discussed in a recent column, there is a related trend toward wanting shorter and shorter coaching programs.

We coach by objectives. That means we make sure everyone—the coachee, manager, HR and coach—are clear on what the objectives are. Research has shown that it takes about 90 days to change behavior and another 90 to reinforce the change, which is why six months is the norm for our executive coaching programs. We specify the number of hours we put into each program, but then we give our coaches tremendous latitude in determining how to work with coachees to achieve the objectives. Dictating the framework negates the coach's effectiveness because one size does not fit all. Individuals have different issues, needs, and learning styles, and the engagement has to be tailored to those.

No one likes to say "no" to opportunity. But we do sometimes have to decline engagements because we believe strongly in not compromising on the quality of our coaches or the delivery outcomes. Talent is your top asset. Talent management is not an area where you want to compromise. ■

To learn about our programs please call Joan Caruso, Managing Director: joan.caruso@ayers.com 212.889.7788