

New Leaders

Coach them for success.



by Stephen L. Cohen

THE STAKES FOR LEADERS are high. There's pressure from stockholders and Boards to respond quickly to change and capitalize on growth opportunities. Executing on strategy is a top priority. Aligning workforces to achieve goals while implementing succession plans to sustain momentum and address demographic shifts is a constant challenge. And, the pool of available talent is shrinking.

In such turbulent times, leadership development (LD) is an urgent priority. Why, then, do so few organizations invest in coaching new leaders? Our recent research shows only 23 percent of new leaders—or employees who advance from being individual contributors to managing others—receive the formal coaching they need to reach their potential; 29 percent of executive leaders (CEOs, department heads, and senior VPs) regularly receive coaching; and 35 percent of developing leaders (VPs, directors, and managers).

Most new leaders advance in their careers due to their proficiency with technical skills, but they usually lack the leadership abilities needed for success in higher-level positions. New leaders and hi-pos need as much (or more) development as executive and developing leaders, since new leaders are the future of the organization.

We find that without investment in their development, more than 40 percent of new leaders fail to deliver on what is expected of them. The costs to the business are substantial—from direct replacement costs of two to three times salary, to less quantifiable costs related to inefficiency, lower engagement and productivity, missed opportunities, and poor morale.

Coaching helps to ramp-up the contribution of new leaders, as they face such critical issues as on-boarding, defining objectives, planning for some early successes or wins, enhancing credibility, building new relationships, being immersed in the culture, developing self-management strategies to handle stress, shaping the future, and evaluating progress.

New leaders have two priority areas for development: 1) management skills—understanding finances, business processes, how work gets done and things get made, conducting performance reviews, and creating management reports (most organizations address these needs through training courses and established resources); and 2) emotional intelligence—understanding how their behavior influences others and how the behaviors of others influence their behavior (this is more difficult to learn because it's sensitive and personal and needs to be put in context to relate to a new leader's role in achieving goals).

New leaders would benefit most from coaching emotional intelligence skills to gain self-awareness, build management and social skills, and become more empathetic toward others and more understanding of themselves. New leaders don't need coaching in technical and general management skills as much as they need guidance in how to treat others.

Coaching can greatly accelerate a leader's development. It is different from on-the-job development, action team learning projects, and formal training programs. Coaching is focused on the leaders' specific and unique needs, targeting the skills and behaviors they need to succeed in their new or anticipated roles.

Benefits from Coaching New Leaders

In addition to enhancing the leadership abilities of new leaders, coaching:

- Aligns the leader's behavior and objectives with the business strategy.
- Solidifies the relationship between new leaders and their managers.
- Clarifies and defines key objectives, skills, issues, and priorities.
- Accelerates the learning curve by focusing on critical objectives.
- Improves internal communication.
- Strengthens relationships among new leaders and their teams.
- Gains the support of stakeholders.
- Builds a 12-month roadmap that outlines goals and ways to achieve them.
- Provides coaching to ensure successful implementation of the plan.
- Increases the leader's ability to impact performance.
- Integrates development activities to maximize the potential learning.
- Enables new leaders to internalize and model behaviors in a safe place.

New leader coaching can result in a

six-fold ROI, whether it's done by an external coach, manager, or HR pro.

Two Case Studies

How coaching can help maximize the contribution of a New Leader is illustrated in two case studies.

Case 1: Advancing a top contributor to a senior executive in a fast-growing business. A new leader was promoted into the role of a financial controller after proving himself as top contributor. He centralized all decisions, didn't trust others to make judgments, and insisted that all information go through him before taking action. As a result, performance objectives started to slip as decisions slowed. Field operators couldn't get the information they needed, and business was lost.

His manager assigned a coach to help this new leader to focus on delegating and allowing others to make decisions. He learned how to evaluate the risk, how to let go, and how to discuss related issues with colleagues. The coach also

worked with his manager to clarify the strategy and to understand the context and culture.

Processing requirements moved from 2.5 weeks to 1.5 days. The coach also worked with the coachee's boss and HR manager to help them to reinforce his behavior over time.

Case Study 2: Transitioning pharmaceutical physicians from private practice to corporate culture. A pharmaceutical firm hired 20 physicians who had been in private practice for many years and put them in key management positions where they had no idea how to function. Our coaches worked with the doctors, helping them to understand the new norms, politics, and expectations and how to make an effective contribution. All 20 made successful transitions into the new environment. Four years later, all of them continue to work for the firm.

Employers make a big investment when they recruit and hire new leaders, and they have much to lose when new hires fail to gain credibility or fail to achieve objectives. In this turbulent economy and with a crunch for talent, leaders of excellence need to invest in developing new leaders to enable them to deliver on expectations. **LE**

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ACTION: Coach your new leaders.

