

EXECUTIVE SUMMARY

High-Impact Performance Management: Maximizing Performance Coaching

A significant trend within performance management is the move away from the “Competitive Assessment” model toward a “Coaching and Development” model.¹ The latter philosophy enables organizations to support employees when they cannot increase compensation, teach a younger generation while an older one prepares to leave and retain employees in competitive markets.

This approach is not without its challenges. As we show in the full version of this report², most organizations struggle to effectively leverage performance coaching – senior leaders do it infrequently and managers do not do it well. Further, HR frequently fails to adequately support it.

Our research shows that there is a compelling reason to change this situation – organizations that have strong senior leader and cultural support of coaching have superior results. For example, organizations in which senior leaders “very frequently” coach had 21 percent higher business results. Further, organizations with “excellent” cultural support for coaching had 13 percent stronger business results and 39 percent stronger employee results.

The first element in creating a high-impact coaching culture is obtaining senior leader support. Specifically, senior leaders need to engage in coaching, lead a coaching culture and create coaching accountability. To encourage senior leaders to coach, high-impact HR organizations leverage the “true

believers” (roughly 11 percent of leaders), using them as a nucleus of coaching support before making the case to less supportive leaders. In addition, these organizations create resources and tools that communicate the value of coaching, and also make it easier to do.

It is not enough to have senior leader support; managers also need to understand how to coach. Within our sample, organizations highly effective at teaching managers to prepare for the coaching relationship were approximately 130 percent more likely to state they have strong business results. These same organizations also indicated that they were nearly 33 percent more effective at engaging employees than ineffective organizations. We found that the three most important performance coaching elements to teach coaches are listening actively, reinforcing positive behavior and asking open-ended questions.

Finally, HR has to create an environment that supports, teaches and measures coaching. The first step in doing this is to ensure that coaching (versus some other type of intervention) is the right approach. Second, HR needs to determine the level of alignment between coaching and the critical tasks, culture and structure of the organization – and make adjustments where there is incongruence. Finally, HR needs to develop an effective method to teach coaching.

Coaching organizations within our study clearly have better results. This report is designed to outline what those organizations do and provide a roadmap to HR leaders on how to transition their organizations to one that embraces performance coaching. For the full report, *High-Impact Performance Management: Maximizing Performance Coaching*, please visit www.bersein.com/library.

¹ The Competitive Assessment model assumes that organizations improve through a process of “rigid individualism” where employees are ranked and rated against each other, driving performance on a comparative basis. The Coaching & Development model assumes that people best perform through careful selection, then coaching, development, and continuous focus on job fit.

² For more information, *High-Impact Performance Management: Maximizing Performance Coaching*, Bersin & Associates / Stacia Sherman Garr, November 2011. Available to research members at www.bersein.com/library or for purchase at www.bersein.com/HIPM.

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