

# CEO Coaching – Do Boards and CEOs See Value?

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It can be lonely at the top. To their surprise, many CEOs find that they are more isolated in the role than they had anticipated. Where once they had colleagues with whom they could trade ideas and opinions, they find that, as the CEO, their comments are scrutinized closely for hidden meanings, whether intended or not. They are also likely to experience fewer avenues for feedback on their own performance, and when provided from subordinates, they have somewhat less certainty about the accuracy of such information.

The board can fill some of those gaps for the CEO, with the chair in particular acting as a mentor. The quality of the working relationship between these two individuals dictates to what degree this approach will work. In some cases, a strong and credible vice-president of human resources can serve as an internal coach and provide another source of feedback. However, some CEOs may find these connections at times to be too insular or too constricting to provide the free-ranging dialogue they feel they need.

The solution can be an external coach for the CEO. A coach provides the CEO with an objective voice that can offer blunt feedback on performance. A coach is also a safe sounding board for the airing of ideas that are not ready for public unveiling, and perhaps also the private expression of frustration or disappointment.

As every director knows, a key board responsibility is CEO succession planning, performance evaluation and development; the provision of coaching support clearly falls within this mandate. A coach does not replace feedback or advice from the chair or the board as a whole, but is another, separate resource. If the board has stiff messages for the CEO, it is the board's role to deliver them, not the role of the coach. However, the coach can help the CEO to deal with the stiff messages and to develop new ways of working. Further, the board also still needs to provide ongoing feedback to the CEO.

Some directors who are former CEOs come from the "school of hard knocks" where one sinks or swims;

they deride the concept of a coach for a CEO. These directors tend to have the cynical view that a coach is an unnecessary crutch for a CEO in times of poor performance. Other directors believe that providing an executive coach for the incumbent CEO or a pending successor is a competitive advantage for the company.

## Possibilities for Coaching

In my view, there are a variety of scenarios where a board's human resources committee may find it useful to consider the services of a coach for the CEO, or approve such a request from the CEO.

## Preparing the incoming CEO

Many boards believe that promoting from within for the CEO position has the greatest chance of success. To support the succession process, they find it very advantageous to bring in an external coach to work with an internal successor before the assumption of the CEO role. The coach can work with the incumbent CEO and the board to "tag team" the execution of the new CEO's development plan, and make sure that the hand-off of responsibility from the incumbent CEO to the incoming CEO is being coordinated effectively.

## CEOs who want to raise their game

Some CEOs are natural learners who believe it is important to raise continually the performance bar for themselves, even when the board is very satisfied with them. In this case, it is likely the CEO, rather than the board, who will make the decision to engage an external coach and to find one with the right skill set. There are different points of focus in the marketplace – strategic, leadership and tactical coaches, and some who can cross the full spectrum. The coach needs to be matched to the CEO's development needs or aspirations.

## CEOs as "emperors with no clothes"

There are some CEOs who have no sense whatsoever about their weak points. This deficit often seems to be paired with an aggressive leadership style, which can make direct reports deathly afraid of providing any feedback. Even the



CEO's most trusted advisors on the board may not garner the courage to confront the "emperor". In this situation, the internal need to have the CEO listen to unwelcome messages can drive the decision to bring in an external coach. The coach's assignment will be to deliver very specific performance feedback to the CEO and help that individual make certain changes in behaviour. While it is sometimes true that the messenger gets shot, an experienced coach can dodge the bullet and deliver the messages.

#### **CEOs who want to assess their staff**

In this situation, the prime need may be to identify a potential successor, or it may be a desire on the part of the CEO to ensure that the members of the executive team are living up to their potential. A coach will provide objective advice, which can help a CEO who may be too trusting or not capable of confronting poor performers. A coach will help also to control bias and keep the promotion process impartial.

#### **CEOs who think too fast**

This type of CEO has a deep understanding of the business, but tends to get too far ahead of others in his/her thinking, which can leave staff behind and confused. While the CEO may be admired for raw intellectual horsepower, it may be difficult for staff to execute ideas that are coming too quickly. A coach can be brought in to teach the CEO how to set a pace whereby staff can maximize the potential of ideas. Ironically, the board is likely to be so amazed at the strategic thinking skills of the CEO that this development opportunity can be missed.

#### **CEOs who are too analytical and/or too controlling**

A CEO who gets into the details and wants to control everything is not unusual these days. Many companies are recovering from the ravages of the recession, and a CEO may feel a need to be on top of all key strategic and tactical issues. However, some CEOs are unable to differentiate critical issues from routine ones. This type of CEO is very unlikely to see "the forest from the trees" and will create a compliant rather than a questioning executive team. In the long run, this well-intentioned CEO may fail in the role, or not optimize potential

business opportunities. A coach can help this CEO to achieve a more balanced perspective, but it will likely have to be the board that recommends this assistance, as the CEO who controls everything is unlikely to see the need for it.

#### **The board wants to know what is happening**

There are occasions when a board does not have its needs for information met in a satisfactory manner. Introducing a coach in this situation can be tricky if a CEO perceives the suggestion as a vote of non-confidence. However, it is legitimate for a board to use a coach as a facilitator of feedback for the annual CEO evaluation. The coach can conduct a "360 feedback" process and provide the results to both the CEO and the board, setting the example of a more frequent and open dialogue.

#### **Does Coaching Add Value?**

Both a CEO and a board will want to know if a coach adds value. There may not be a simple answer!

Being curious about this question, I once asked a very successful CEO if he listens to his executive coach. His reply was that he tells his coach when he has had "enough feedback for the day". This individual had been reluctant to have a coach, and agreed only to show his direct reports that he was supportive of development. Accordingly, an external coach was hired to be available to any executive team member who requested the assistance.

The CEO suggested to the coach that it would not be necessary to spend much time with him, as some other members of the executive team had a greater need for the service. Picking up on these hints that the CEO wanted some distance, the coach asked at what point he should stop providing him with feedback. The reply was, "I will tell you when to stop". That point was never reached, as the CEO found the feedback valuable.

As this anecdote demonstrates, coaching, like many forms of developmental assistance, shows results over time, rather than immediately. CEO coaching is not a panacea to all the ills which confront CEOs and boards. It could, however, be a competitive tool to make your company more effective.

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