Coaching and Mentoring
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Strategies for developing the capabilities of employees are an important part of any organisation's overall corporate strategy. Organisations can no longer expect to be competitive unless they retain employees, inspire them, and support them to learn continuously. Human resources practitioners contribute to organisational success to the extent that they further these goals. Learning and development are now complex areas, requiring decisions about issues such as the use of online technologies but, increasingly, coaching and mentoring are being seen as essential aspects of an effective organisational learning strategy.

This chapter looks at the reasons for the rise of coaching and mentoring, the distinctions between coaching and mentoring, the evidence for the benefits of coaching and mentoring programs, and the conditions required for successful programs. The debate about the relative merits of formal (structured) and informal programs is reviewed. It is argued that coaching and mentoring, when implemented effectively, create the opportunity to quietly transform organisational values and behaviour, promoting learning, respect and high performance.

Why coaching and mentoring?

The business environment for most organisations is influenced by global trends. These trends are dominated by the progress of globalisation, continuing advances in technology and communications, and social and demographic changes. The net effect on organisations has been dramatic. If we look back ten years, it is clear that most organisations have experienced extensive restructuring and radical work changes. These changes have had a dramatic impact on the role of management.

Most workers and managers experience their work environment as increasingly uncertain, with greater pressure to deliver high levels of performance using fewer resources and people (Macneil, 2001). Both workers and managers are expected to demonstrate more knowledge and a wider range of skills, along with self-motivation, initiative and innovation. Emphasis is placed on teams that work collaboratively and share knowledge, which assumes that managers have relinquished the traditional "command and control" approach. At various times managers need to act as instructor, conflict mediator, mentor and coach. Flatter organisational structures rely more on relationships and informal networking.

Tightening of the job market has emerged as a major issue for business. Shortages are already being experienced in some occupations, and the trend is predicted to intensify in coming years as the workforce ages. This increases pressure on employers to retain scarce talent. Staff turnover is now a key indicator of an effective HR strategy. Clutterbuck, a British authority on mentoring, observed (2000/2001) that in a US study, employees' intention to change jobs was 35% generally, but among employees involved in mentoring programs it was down to 16%.

At the same time, the HR function has been shifting many "people management" functions back to line managers so that it can focus on more strategic issues at corporate level. In a study by CCH Australia, the Australian Human Resources Institute and Melbourne University (Kulik and Bainbridge, 2005), over 70% of respondents reported that the people management responsibilities of line managers had increased over the last five years.

The study found that line managers (rather than HR) had primary responsibility for promotions, coaching, performance management, employee disciplinary action, termination decisions, career development, and recruitment and selection. At the same time, the study found that line managers did not feel comfortable with many of these responsibilities. This is not surprising. Antonioni (2000) says that most managers are appointed because of their prowess in technical functions, and they therefore tend to be uncomfortable with the leading and coaching aspects of the managerial role.

The ageing workforce has multiple implications for managers too. Many organisations face having significant numbers of their employees retire within a few years (eg one New South Wales government department recently found that 55% of its staff were over the age of 45 years). There is the problem of how to ensure that their knowledge and experience is conveyed to younger employees.

Coaching and mentoring are emerging as critical activities to achieve knowledge transfer. However, a study by Accenture in 2005 found that over 40% of organisations have no formal processes for passing on the knowledge of retiring employees. Of the organisations that have addressed the issue, in many cases the process amounts to no more than an informal chat with colleagues before leaving.

Other arguments for coaching and mentoring come from the learning and development function. A study published by the International Personnel Management Association compared outcomes from training compared with outcomes obtained when training was combined with coaching (Laabs, 2000). The productivity gains for training alone were 22%, but when coaching was used as well, the gains were 88%; the gains of training increased fourfold when it was combined with coaching.

It is generally accepted among learning and development practitioners that skills training alone seldom achieves employee competence. For new competencies to be consolidated, the training needs to be followed by practice, coaching and support back in the workplace. If this does not occur, new skills quickly atrophy and competence is never achieved. People need to be coached and given feedback on their performance.

Defining and distinguishing coaching and mentoring

Given that there are good arguments for incorporating coaching and mentoring into management practices, how are coaching and mentoring defined, and what are the differences between them?

Coaching

To take coaching first, coaching has a wide variety of manifestations in society. At one end of the spectrum are programs of personal growth and development. At the other extreme, coaching can be very specifically skills-oriented (eg sports or job skills). In the workplace, executive coaching is one manifestation, where senior executives are assigned a person who can clarify and work on their strengths,

weaknesses and goals. It provides them with an impartial and insightful means of support, tailored to their specific needs.

Organisations often begin their involvement in coaching with executive coaching. In situations where the outcomes are positive, the organisation may then decide there is value in extending coaching further down through the management ranks. In most cases, external coaches are engaged for these purposes, and the impact on both individuals and the organisation can be profound. For example, a study by Manchester Consulting (McGovern et al, 2001) found that 77% of executives reported improved working relationships with their direct reports.

The type of coaching that have an even greater long-term effect on the organisation can be termed "workplace coaching", defined as *the coaching of employees by their managers as an integral aspect of the managerial role, with the purpose of improving the worker's capability and workplace performance*. The subjects of coaching may include vocational skills, the generic skills associated with working in teams and career development.

The outcomes for employees may include enhanced vocational knowledge and skills, enhanced generic skills (eg communication, working with others in teams, problem-solving, initiative, planning and organising tasks, self-management), greater motivation and morale, and improved clarity about career direction.

Mentoring

Mentoring has always had a role in the business world, but traditionally it has been confined to "a senior manager showing a junior manager the ropes". In recent years there has been a resurgence in the mentor role in organisations, as the concept of knowledge management has highlighted the importance of informal knowledge-sharing between employees. The effective use of knowledge in organisations is conditional not so much on technology and databases as on conversations where experts share their tacit knowledge with others. This focus makes mentoring very relevant.

Mentoring can be defined as *a role relationship where one person, the mentor, offers assistance, guidance, advice, encouragement and support to another person in order to foster their vocational and professional development*.

The mentor works with a person to help them identify areas for improvement and develop positive approaches to professional, organisational and change issues. The mentoring process enables the person being mentored to discuss issues that may be controversial and involve risk. The mentoring relationship is a dynamic one involving a balance of nurturing and support on the one hand, together with stretch and challenge on the other. The skilled mentor is able to move smoothly between the two modes.

Coaching and mentoring terminology

There are many labels that are used for the person being coached or mentored. The person being coached may be referred to as the coachee the subject or the protégé. The person being mentored may be referred to as the protégé, mentee, performer, aspirant or mentoree.

The choice of terminology is a question of what the coaching or mentoring consultant uses, and what is accepted most easily in the culture of the organisation.

Comparing coaching and mentoring

There is a great deal of confusion in the marketplace between coaching and mentoring. It is useful to identify the similarities and contrasts between them. Table 1 describes some of the key contrasts.

Table 1: Contrasts between coaching and mentoring

	Coaching	Mentoring
Who does it?	Can be external to organisation; can be the person's manager	Generally not line manager; can be external to organisation
Who sets direction of activity and interaction?	Coach drives goal-setting process	Mentor gives person more scope to set agenda; mentor offers advice, experience, suggestions
What is the focus of activity?	Focus is on short-term tasks, specific skills	Focus is on longer term development, capability; person's future roles
What does coach/mentor do?	Gives feedback, encouragement on performance; offers techniques for improvement	Gives feedback but also offers insight, broader perspective
What is the time frame?	Likely to be 3-12 months	Likely to be 1-2 years
What are the coach/mentor's key qualities?	Skilled in facilitating learning of skills, development of confidence; need not be subject matter expert	Similar skills; mentor is generally acknowledged expert in field (technical expertise or leadership roles)

The contrasts in Table 1 are not strict. There is much overlap, and the two roles should be seen as differences in emphasis. For some people, the key difference is that the coach need not be an expert performer in the subject matter area (consider sports coaching), but a mentor has usually been an acknowledged performer.

Another perspective is that coaching and mentoring fall at different points along a continuum between "performance" and "relationship". The coach is more focused on immediate improvements in performance, while the mentor places more emphasis on the relationship – trust and confidence are focused on the persons involved rather than on specific tasks and skills. Hence, in mentoring, role modelling has a greater importance than in coaching.

Coaches and mentors often talk about switching from one role to the other. A mentor may talk about using coaching on particular occasions, when it is relevant for the mentoree to acquire a particular skill or address a particular obstacle in their development. A coach may shift into the role of mentor when the coachee broaches broader career questions and the coach has relevant personal experience to share.

The skills needed for coaching and mentoring are very similar. Both provide one-to-one support for a person's learning and development. These are discussed below.

In practice, organisations may use the terms coaching and mentoring interchangeably, depending solely on which term can be communicated most easily in the organisation's culture. For example, an initiative at the Insurance Australia Group used the term "coaching" as this was adopted more readily by employees, although the process was probably better described as mentoring on the above definitions.

Evidence for the value of coaching and mentoring

The incidence of coaching and mentoring programs is increasing. About 60% of the 25 largest public companies in Australia had mentoring or coaching programs in 2001. The CCH Australia/Australian Graduate School of Management survey for 2001 found that 26% of all organisations had mentoring schemes in place for managers, an increase from 19% in 1996.

One of the difficulties with measuring the impact of coaching or mentoring in organisations is that it frequently occurs in an informal way. In fact Kinlaw (2000), an author of one of the more popular books on corporate coaching, describes coaching as a "distributed leadership function". He explains that coaching is a function that can be performed at various times by any member of a team, not just by the person in an appointed leadership role.

Nevertheless, many of the large companies which have introduced coaching or mentoring, such as IBM, Ernst & Young, Citicorp and Motorola, report positive outcomes from their programs — in revenue growth, increase in market share, gains in productivity and better outcomes in staff retention (Laabs, 2000).

An Australian study by Moy and McDonald (2000) analysed a large number of other studies on returns on investment (ROI) in training. They concluded that the economic benefits of training were greatest when training was integrated with coaching and associated practices such as individual development plans, personal action planning and feedback systems.

One US study on the benefits of mentoring (Clutterbuck, 2000) found that new insurance agents with mentors outperformed other new agents by 20% in their first year. A study by Manchester Consulting (McGovern et al, 2001) of 100 executives developed a methodology to estimate the ROI on the costs of coaching. It determined that the average return was 5.7 : 1. In some cases this represented gains to the business of over $1,000,000. It is important to consider the methods and assumptions used in reaching such figures, but such studies give a view of the possible gains of coaching (or mentoring) across the breadth of the business landscape.

Studies involving large samples provide some evidence of the value of coaching and mentoring. However, coaching and mentoring are complex human interventions and their success or failure is dependent on many factors. Further, these interventions do not take place in isolation, raising the question of how much of subsequent improvement can be attributed to the coaching or mentoring intervention. The factors that are critical to the success of programs are discussed below.

Structured programs for coaching or mentoring

To some extent, coaching and mentoring occur naturally in organisations. However, the unstructured approach leaves outcomes to chance. One possible problem of this is that the coach or mentor may not have very effective skills in facilitating learning and development. The informal approach may also reinforce existing gender or racial inequalities.

Structured programs aim to extend the benefits of coaching and mentoring more widely and reliably through the organisation. The aim of a structured mentoring program (Stolmack and Martin, 2005) is to create effective mentoring relationships, guide the desired professional development of those involved, and evaluate the results for the mentorees, the mentors, and the organisation.

If the program is directed at coaching for executives, then the aims are similar – to foster the skills and confidence of executives, and to achieve measurable improvements for the business. However, if the aim is to build the skills of line managers to incorporate coaching into their normal management style, then the outcomes are of a different nature. The changes to be expected include a widespread cultural shift, which may be reflected in increased job satisfaction across the workforce and within teams, and increased innovation as well as the financial indicators of increased revenue and profits.

The establishment of a structured coaching or mentoring program enables the organisation to determine the approach that is appropriate to the organisation's culture and strategy. There are many possible objectives and approaches for structured programs, for example:

- leadership development and succession planning

- enhancement of the company's investment in training

- improved induction and socialisation in order to improve retention

- improved opportunities for disadvantaged people (eg gender, race)

- transfer of knowledge from experts near retirement to younger employees.

A structured program should deliver greater benefits to the organisation than an informal approach for a number of reasons. It will:

- focus energy towards a particular objective

- be planned and organised rather than ad hoc

- offer recognition to all participants for their effort

- provide training, structure and support to all participants

- establish suitable guidelines and policies

- monitor and evaluate the process.

Moreover, the participants can be selected on the basis of appropriate criteria and matched through a suitable process.

Research on mentoring programs (Ragins, Cotton & Miller, 2000) has shown that if the program is implemented effectively and the mentorees are satisfied with the mentor, the mentorees will show greater job satisfaction, positive career attitudes and greater commitment to the organisation. Training for mentors to ensure they are

motivated and skilled is thus critical to the program's success; the same could be said of workplace coaching programs.

Conditions for effective programs

A number of factors are required for coaching or mentoring programs to be effective. Firstly, there must be a degree of organisational readiness. The Kulik and Bainbridge study (2004) explored the shift of responsibility between HR managers and line managers for various people management functions, including coaching. It found that HR managers were more optimistic than line managers about the benefits of line manager involvement for the organisation (in terms of higher employee satisfaction and organisational performance).

Line managers did not express an interest in taking on more responsibilities for **any** of the people management activities, and would like to reduce their involvement in some activities. The data also showed there are people management "hot potatoes" – activities over which both groups (HR and the line) would like to relinquish primary responsibility. Coaching and performance management were two such activities.

Coaching also rated as an activity in which organisations were least effective (together with leadership development, career development and succession planning). Kulik and Bainbridge commented that "instead of being concerned about whether people management is the responsibility of HR or the line, both parties need to work together to determine the most effective sharing of responsibility for these crucial activities".

If there is resistance to the idea of coaching or mentoring in the organisation, then this needs to be addressed at the outset. As with all types of organisational change, senior executives need to show that they understand what the program aims to do, and champion its goals. This should be demonstrated in the appointment of a suitable person to coordinate the program, and in the allocation of resources (money and staff time). Workers and managers need to know there is recognition and reward for committing to coaching or mentoring. Misunderstandings and obstacles need to be identified and addressed.

Project management skills need to be applied all aspects of the program (Rolfe-Flett, 2003) – formulating objectives, planning and organising all stages of the program, establishing systems for monitoring and support, and evaluation. Quality should be assured for all aspects. At the same time, care should be taken to ensure that coaching or mentoring is integrated with other HR initiatives. Coaching and mentoring should be consistent with such HR processes as performance management and career development.

The following factors are central to the effectiveness of coaching and mentoring programs. These factors apply to all types of programs, but programs may still differ enormously in their scope and approach (see Trinca, 2005 for the example of a program at Deloitte).

1. Quality of the relationship. In the Manchester Consulting study (McGovern et al, 2001), 84% of participants saw this as the main factor in the success of coaching. The learner must be able to see the coach/mentor as having the practical knowledge and interpersonal skills to help them work through their developmental agenda. This indicates the importance of both selection and training of coaches or mentors.

2. Structure of the process. A formal coaching or mentoring program should provide sufficient guidelines and support for coaches or mentors to get the most out the relationship. The structure should establish a guide for scheduling meetings, a default format for meetings, and a guide to expectations of the process for both parties (eg activities, records, objectives).

3. Availability of both parties. Effective coaching and mentoring depend on a threshold level of involvement and commitment. Where either party does not have the time or energy to meet regularly and follow-up on discussions through workplace activities, the chances of success are slender.

4. Quality of feedback. Giving constructive, appropriate feedback is a key skill of the coach or mentor, complemented by the skills of questioning and exploring alternatives.

5. Organisational support. Research also shows that effective coaching or mentoring programs are those that have robust organisational support. Part of this support consists of support for the learner from their immediate manager. Another aspect is effective communication, both to program participants and across the organisation.

Skills of coaches and mentors

Although there are differences between the roles of coaches and mentors, there is also much common ground. Both roles require a balance between nurturing the learner and stretching them in order to develop new skills. Coaches may challenge their learner more directly than mentors do, but both coaches and mentors act as "critical friends" (Clutterbuck, 2000/2001).

The processes of coaching and mentoring (Kinlaw, 2000) involve the coach/mentor in guiding the learner towards goals. In meetings, coaches/mentors are seeking to assist learners towards their own realisations and understandings. It may take time for learners to see their own blind spots, or for their underlying attitudes to come to the surface. The coach/mentor is alswo alert for when the learner has missed the point or is avoiding an issue, or feels inadequate at some tasks.

The skills of coaches and mentors can be grouped into three categories: emotions, cognition and values.

Emotions. Coaches and mentors need the skills of emotional intelligence (EQ) – being aware of their own strengths, weaknesses and motivations, being able to manage their own behaviour, being aware of the other person's strengths, weaknesses and motivations (ie empathy) and having the interpersonal skills to manage the situation. They are able to establish a foundation of trust for the relationship. Included in EQ are a sense of humour and a sense of proportion.

Cognition. Coaches and mentors also need business or professional acumen in order to establish their credibility. They need the intellectual skill to conceptualise the learner's situation and work with them to explore new options. They are able to use their knowledge to collaborate with the learner on setting goals that are achievable. They understand the learning process, and the difficulties that people may face in acquiring new skills.

Values. Coaches and mentors, even with the above skills, are not effective unless they demonstrate ethical conduct. The values pertinent to the coaching or mentoring

situation include respect for the learner's dignity, fairness, compassion, honesty and integrity.

One of the critical questions in coaching or mentoring is if the coach/mentor is going to respect the learner's privacy. The immediate content of their sessions should be confidential, in order to establish a safe environment for learning and exploration. In structured programs, this principle should be established by policy and communicated to all participants. The program coordinators need to clarify who the "clients" of the program are, and clarify what information is shared with whom.

Another ethical question is what the boundaries of the coaching/mentoring relationship are. What topics will the coach or mentor cover, and what issues should be referred elsewhere? For example, the process sometimes throws up personal issues that are more appropriately dealt with by a counsellor. Again, program policies should clarify the boundaries for the participants.

Lastly, where the coach is the person's line manager, they need to juggle the two roles appropriately. Coaching (or mentoring) requires a non-judgemental style of enquiry. The goal is learning and development. Many managers find this difficult to adopt, as managing is by definition a judgemental task, involving rewarding, hiring and firing. It takes some experience and maturity for a person to accommodate the two roles and know when each is appropriate.

Coaching, mentoring and organisational culture

The ultimate goal of coaching or mentoring programs is to change the culture of the organisation so that learning is ubiquitous. In a "learning organisation", people do not just perform tasks – they are always developing their capacity and knowledge so that next time they will do that task better. Similarly, managers are never just organising tasks, assigning responsibilities or ensuring that tasks are done – they are actively ensuring that their employees are continually improving their knowledge and skills.

Workplace coaching in particular implies a climate where there is a collaborative focus on learning as part of work. Coaching efforts by the manager merge with other workplace learning initiatives and yield high performance, commitment to ongoing development and strong, constructive relationships between people.

Cultural change will be achieved if there is a business focus from the start. Why is the organisation embarking on a coaching or mentoring program? If the drivers are problems like poor retention, high absenteeism or poor utilisation of talented employees, then business outcomes for the program can be specified. These outcomes can then be translated into measures of success.

Measures could be financial (sales, revenue, profit), time-related (losses in production time, length of projects), quality-related (mistakes and rework, customer satisfaction, employee satisfaction) or quantity-related (production targets, number of customers, inventory use). Behavioural measures are also important to assess culture change. Manager evaluations can utilise 360-degree feedback; leadership behaviours can be monitored. In the context of the ageing workforce, measures for quantifying the improvement of **future** capability should also be devised.

Cultural change requires attention to the integration of coaching or mentoring with other HR initiatives. The message should be consistent across functions and departments. Organisation communications should reflect the same mission and

values and, more importantly, the conduct of executives and managers should match the rhetoric.

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