

Give me a C-O-A-C-H!

By Marci McDonald

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At strategy sessions, he hunkered in the back of the room, a shadowy presence taking notes. In the chief executive's office, he sat in on every meeting, whispering into the boss's ear. But as he whipped up an atmosphere of intimidation and mistrust at the company, some staffers demanded a background check on the outsider they thought was having such a disastrous Svengali effect on their CEO.

That inquiry revealed that the boss's self-styled executive coach had no relevant training or experience for his trendy job. Having rubbed shoulders with CEOs, he "thought he might like a career change," says Howard Guttman, whose New Jersey company sets up coaching programs for *Fortune 500* firms. "You've got somebody who thinks, 'Hey, I'm good with people,' and they hang out their shingle," Guttman says. "They can do real damage."

Across the country, tales of wannabe corporate gurus dispensing psycho-babble or cultlike techniques have tarnished one of the nation's hottest growth industries. Over the past five years, coaching has mushroomed from a sideline on the motivational and consulting circuits to an expected perk in virtually every executive suite.

One reason for the explosion is a series of public testimonials on the conversions that a handful of high-profile coaches have wrought. David Pottruck, president and CEO of Charles Schwab & Co., credits former IBM executive Terry Pearce with transforming him from a sharp-elbowed despot into a sensitive consensus-builder. Pfizer Chairman Henry McKinnell was so enthusiastic about the feedback he got from Boston coach Dan Ciampa that he posted his own performance review on the company's internal Web site.

Some coaches, like Dartmouth Professor Vijay Govindarajan, specialize in strategizing, while others, like Ciampa, focus on merging clashing corporate cultures. But at a time when globalization makes the delegation of authority de rigueur and corporate governance scandals abound, both boards and shareholders are increasingly obsessed with leadership development. Most coaches are now called in to smooth a CEO's rough, my-way-or-the-highway edges that may be driving top talent to rivals. "Companies used to be able to function with autocratic bosses," says Rosabeth Moss Kanter of Harvard Business School. "We don't live in that world anymore."

Now, the very qualities that may have propelled hard-chargers up the corporate ladder often make them unfit to lead, including an unwillingness to tolerate dissent or a propensity for tantrums. "Screaming and throwing things can be fixed," says Marshall Goldsmith, an exuberant, Zen-spouting Ph.D. whose CEO makeovers were profiled in the *New Yorker* in 2002. "Any behavior can change--unless there's a defective gene." As Helen Ryane, whose clients include American Standard, puts it: "Coaching has become an acceptable form of therapy."

So great has the demand become that leading consulting and outplacement firms have begun to offer coaching. And some multinationals are setting up in-house coaching teams. Next month, pharmaceutical giant AstraZeneca, which already supplies senior executives with outside coaches, will begin training 55 human resource staffers to work one on one with middle management. "It's a way of building our leadership bench strength," says Janet Steinwedel, the company's director of leadership coaching.

But a coach doesn't come cheap. Fees can range from \$250 an hour to \$17,000 a day. Such potentially enormous profits have spawned hundreds of online coaching schools with lively titles like GottaGettaCoach.com, dispensing assorted bona fides for prices ranging from \$29.95 to \$1,795 a course.

That proliferation has helped breed skepticism about a profession that is not only unregulated but also boasts no oversight body or generally accepted credentials. "It's kind of like the Wild West," says Gisele Garcia, a coach who has organized a seminar for the Conference Board in New York this week on helping firms draft hiring criteria.

Some coaches have joined together to set up voluntary standards. But only 1,100 of the International Coach Federation's 7,000 members have qualified for ICF certification. And the Association of Career Professionals International--which counts outplacement specialists in its ranks--has certified only 500 of the 2,000 names on its roster. But stars of the field like Goldsmith and Ciampa don't belong to either.

To winnow the field, some corporations have created pools of approved coaches from which top executives can pick their private Vince Lombardis. And a handful of entrepreneurs have set up coach brokerages to offer experienced professionals to smaller businesses. Others are advised to check out degree claims and references with care.

A client should demand a code of ethics that guarantees revelations remain confidential and coaches don't overstep their limits. "If a coach sees someone is deeply depressed," says Toronto-based coach Dorothy Greenaway, "he or she has a professional obligation to say, 'I'm not qualified to deal with this. Go see a doctor.'"

While most coaches insist a client's soul-baring is a sacred trust, Dee Soder, founder of New York's CEO Perspective Group, warns that some skittish boards and CEOs argue they have a buyer's right to know what key officers disclose. One result: An increasing number of corporate comers have begun paying for coaches from their own pockets.

Ciampa blames some clients' vague expectations for programming failure. Now he's writing an advice-taker's guide that will counsel clients to set up benchmarks for progress. For his part, Goldsmith prods clients to define a goal, then seek out a coach in that niche market. He himself refuses to deal with issues such as career planning or getting organized. In fact, Goldsmith has hired colleagues to coach him in both. "One of the biggest problems is not enough coaches turn down business," he says. Even in his own "narrow thing"--transforming CEO behavior--Goldsmith draws the line at clients whose problem is cooking the books. "People with integrity problems should not be coached," he says. "They should be fired."

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