



ILLUSTRATION FOR TIME BY JOHN CORBITT

## OF THE DAY

**Fostering employee loyalty in a tight labor market, companies are offering workers personal coaches as a tool to help them thrive**

By **FRANCINE RUSSO**

**D**AN CARLSON SHOULD HAVE BEEN A happy man. After 10 years as a department manager at Eastman Kodak in Rochester, N.Y., the 19-year veteran was given a big promotion this spring, to division manager for color-film sensitizing. But after a few months, Carlson felt frustrated. Instead of spending time with the technical folks on the shop floor, which he had always enjoyed, he found himself fidgeting through cost-review and planning meetings. So he brought his dissatisfaction to his coach, Jan Austin. She responded with a bold suggestion: Carlson himself should choose where to spend his time. So

Carlson assigned subordinates to go to those boring meetings, freeing him to hold two-hour workshops to inspire his people about the future of the photographic-film industry. Thanks, Coach.

Coach? Yes, Eastman Kodak had contracted with Austin, director of corporate coaching training at Corporate Coach U, a training institute, to offer personal guidance to Carlson and other managers and to train managers to coach their own people in turn. Kodak is far from alone. Coaching management is a hot trend at a growing number of FORTUNE 500 companies, from IBM and Dow Chemical to Marriott International and Glaxo Wellcome. It is a kinder, gentler variant of the

sort of bare-knuckle corporate training made notorious last month on *Survivor* by corporate trainer—and winner—Richard Hatch. Eastman Kodak's Charles Barrentine, who oversees Carlson and 4,000 other employees, finds coaching "invaluable. It points out things people would not notice themselves and plays a big role in shaping behavior."

The main reason behind the trend is the booming economy, which makes good staff hard to get and harder to keep. All the more reason, a growing number of megacorporations think, to hire even more people to help good managers over the bumps and hurdles of adaptation. Companies also see it as a way to help valued employees evolve in a swiftly changing business environment. "It's basic human nature," says Tony Latham, divisional V.P. for executive sourcing and development for Abbott Laboratories World Wide, who is starting up an in-house coaching program. "It boils down to caring."

There is evidence to support this belief, says David A. Thomas, Fitzhugh professor of business administration at Har-

vard Business School. "Some data show that the quality of the relationship between boss and subordinate is a major predictor of intentions to remain. Coaching—which can help managers talk with subordinates about their developmental needs—absolutely affects that relationship positively. And there's a big potential payoff."

The human-relations niche was first carved out in 1992 with the founding of Coach U, a university without walls that trains personal and professional coaches by teleconference. The private company was created by Thomas Leonard, an accountant and financial planner whose young clients in the San Francisco Bay Area began leaning on him for personal and lifestyle advice. Leonard developed a system of management tools for helping people set priorities and solve problems. With Coach U, he started training others who wanted to set up their own practice.

**N**OW THE BUSINESS HAS TWO ADDITIONAL branches, Corporate Coach U, founded in 1997, which trains business coaches, and Corporate Coaches, which hires them out to needy firms. Currently owned by CoachInc.Com CEO Sandy Vilas, the company, based in Steamboat Springs, Colo., has 60 staff members who work from home and 3,800 students and graduates in 36 countries. "Last year we took in \$4 million," says Vilas. "We're expecting revenues of \$10 million in 2001."

Coach U is by far the largest coach-training institute, but there are at least 12 others. They include the Academy for Coach Training in Bellevue, Wash., and the Newfield Network in Silver Spring, Md.; both offer in-person workshops as well as teleclasses. Coaching's rise is just beginning, predicts Joel Cutcher-Gershenfeld, a research scientist at M.I.T. who studies workplace change. "It's a vehicle for the transfer of knowledge and skills. And in a knowledge-based economy, it will be increasingly important."

Jane Creswell, 39, who attended Corporate Coach U's first teleclass in 1998, is a case study in the merits of online coaching. An overstressed IBM product manager in Raleigh, N.C., Creswell sought training because she wanted to leave IBM and set up an independent coaching practice. While continuing her job, she coached a few outside clients on the phone. "I realized," she says, "that I was talking about things I needed to talk to folks at IBM about—stress on the job, communications problems with people, whether they were doing the wrong kind of work." She approached the head of her division and asked to coach col-

leagues who might be interested in talking about such issues as job-fit and departmental-communications problems. She got permission to try a pilot project. "That pilot never ended," says Creswell.

Within six months, she was appointed full-time coach at her office, at her previous salary. Six months later, IBM's corporate chieftains invited her to the company's global headquarters in Armonk, N.Y. When her successful division was spun off this year to become Home Director, there were several full-time coaches at IBM, and the program was growing. "We've done lots of research over the past three years," says Tanya Clemons, V.P. of global executive and organizational de-

velopment at IBM, "and we've found that those leaders who have the best coaching skills have better business results."

the former management-consulting arm of Ernst & Young, is help a client see a problem—or a problem job—a different way. In that way, say proponents, coaching helps shore up weak points in their employees as well as build on their strengths. Coaches may use some of the 27 repackaged Coach U assessment "programs" that resemble school workbooks, with fill-ins and progress charts. The CleanSweep program, for example, lists four categories: physical environment, well-being, money, relationships—with 25 statements in each, alongside little boxes to be checked if true. These range from "My teeth and gums are healthy" to "My investments do not keep me awake at night" and "I receive enough love from people around me to feel good." You're not allowed to check one as true until it is virtually always true, and the program, which promises that it "can be completed in less than one year," asserts, "You have more natural energy when you are complete with your environment, well-being, money and relationships." Once you have swept clean, you can go on to the NeedLess Program, which makes the incredible claim that you can learn how to have all your needs permanently met. It takes you through the steps of identifying 20 unmet needs, reducing them to the four most important ones and then redirecting your behavior and that of those around you to get them met.

Whatever the methods they employ, many of those who go through the programs persuasively describe positive results: practical solutions to problems, increased job satisfaction, even advancement. Moreover, although there are no direct data, says Harvard's Thomas, corporations believe that coaching helps keep employees and that the dollar investment in it is far less than the cost of replacing an employee. Still, in encouraging folks to follow their feelings and develop their strengths, corporations are taking a risk: that their most valued employees may be coached right out the door. Companies accept this risk—because they have to. "I expect job movement, job redefinition, attrition," says Creswell. "Those are the realities. It's the people who decide." ■



**CORPORATE U GRADUATE** Once a stressed-out IBM product manager, Jane Creswell is now a coach herself

velopment at IBM, "and we've found that those leaders who have the best coaching skills have better business results."

When these corporate higher-ups describe their coaching sessions, they sound suspiciously—well, shrinky. But coaching is not therapy, practitioners insist. Neither is it mentoring, training or some other form of repackaged management skills. Actually, it's a grab bag of techniques that combine bits of all these with "nuggets of wisdom" from arenas as diverse as football and 12-step programs. Sometimes what a coach does, says Kathleen Phillips, an in-house coach at Cap Gemini Ernst & Young,

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