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Six Degrees of Contracting: Approaches and Lessons from a Global Coaching Program

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In this article, the author outlines the role of coach contracting in Hewlett Packard (HP), a global technology organization. Specifically, critical factors are outlined that have proved valuable for the internal and external coach to establish a mutually acceptable contract prior to a coaching intervention. Core tools and approaches are mentioned and the article closes with a summary of specific factors that can make a difference in the contracting process.

HP is a technology company that operates in more than 170 countries around the world. We explore how technology and services can help people and companies address their problems and challenges, and realize their possibilities and meet their goals. We provide technology infrastructure and business and consumer offerings. Our comprehensive product portfolio helps us match the right products, services and solutions to our customers' specific needs. HP revenue reached \$118.4 billion for the four fiscal quarters ending October 31, 2008. The company's corporate headquarters are located in Palo Alto, California, but it is truly a global company, with 320,000 employees around the world.

HP's three business groups drive industry leadership in core technology areas:

- The Personal Systems Group: business and consumer PCs, mobile computing devices and workstations;
- The Imaging and Printing Group: inkjet, LaserJet and commercial printing, printing supplies, digital photography and entertainment;
- The Technology Solutions Group: business products and services, including storage devices and servers, mission critical services, managed services and software.

The coaching program mentioned in this article is currently deployed in the Technology Solutions Group and hosted in the 'Mission Critical' business.

In the world of business, the real impact of IT can be seen when the system suffers a fault and slows down or worst still, has an outage or downtime. This creates serious consequences

for the business in terms of availability to meet customer needs, managing the supply chain and competitive advantage. HP's Mission Critical Services meets the requirements of maintaining business availability by avoiding outages and improving operational efficiency, service quality, asset utilization and staff effectiveness. For each Mission Critical customer that HP supports, there is a team of HP-certified, high-availability specialists that evaluate how well our customers' existing infrastructure meets their uptime requirements. They then make recommendations on how availability can be maintained and with which support service levels from HP. These are backed by direct 24x7 access to remote specialists in our global support centers in Costa Rica, Bangalore, Dalian and Bulgaria.

Each ASM is measured on an account scorecard that is tracked each month and shared as appropriate with their customers and their immediate management, the DM.

The critical roles in HP's Mission Critical organization include:

- 'district managers' (DMs) who run and manage a local country's mission critical operations and supervise their direct reports, the account support managers
- 'account support managers' (ASMs) who are responsible for developing client relationships and business in their various local country accounts
- 'remote support engineers' (RSEs), based in the global support centers, who provide on-line and phone support to our customers

The account support managers (ASMs) are our primary personal contact point between HP and our customer's staff. They are uniquely positioned as the technical experts who are able to align HP's product and services portfolio to meet the growing and changing business needs of their account. Often, they are the key influencers to create new opportunities for products and services for HP.

The performance challenge we faced was that the standard 'technical' services were being rapidly commoditized with considerable margin erosion. The desired outcome agreed upon by our global, Mission Critical business leaders was to support our ASMs and RSEs to be more engaged and driven by the business needs of their customers. This contrasted with their tendency to propose solutions based on a product's technical features, something with which they felt more familiar and comfortable. Each ASM is measured on an account scorecard that is tracked each month and shared as appropriate with their customers and their immediate management, the DM. Some of the key measures on their scorecard include:

- Billable utilization (how much of a 40 hour working week is billable to their customers. Expected range is 75% to 80%)

- Customer satisfaction with the Account Support Manager – are their customers satisfied with the level of service and engagement?
- Contract revenue per account (mission critical services range from \$250,000 to several million, depending on the IT Infrastructure of the account)
- Contract cross-selling and up-selling opportunities – additional revenues we can capture by delivering add-on services or additional hardware.

Our ASM has to perform as an account manager, a sales person and a business consultant, all at the same time.

Thus, the situation is that our ASM has to perform as an account manager, a sales person and a business consultant, all at the same time. All district team level business is tracked, managed and nurtured for future growth. This is the backdrop for the coaching program. The ASM is managed and coached by his immediate manager, the DM.

The coaching program was driven as a global intervention and the practice of the coaching occurred at the local district or country levels. It was sponsored by the global Mission Critical (MC) Leadership Team, who in turn track the ASM scorecards as a means of measuring the effectiveness of the development, coaching application and overall DM and ASM effectiveness as represented in a business scorecard. During 2007 and 2008 all DMs were put through a business management development program that included two days of training, role play exercises, feedback and debriefings on the “DM as a Coach”. This program completion was then placed on their job application of behaviors, skills and knowledge with their local ASM team.

This article examines the role of the contracting stage in coaching and the lessons learnt in the rollout of a global coaching program in HP’s Mission Critical business. The coaching process in this situation has multiple points which require different types of contracts. The focus is on the contracting aspects as they relate to the DM-ASM relationship and the role of external coaches in the program. The section below provides context of the organization, dependencies and value chain highlighted above

RAJESH AS A DISTRICT MANAGER

Note: Rajesh is a fictitious character who embodies and represents the typical demographic and cultural profile of a DM in the Mission Critical business, including the reporting lines and immediate staff management responsibilities.

Rajesh was born in India in 1969, and spent most of his life in New Delhi, where he studied and graduated. He moved to Melbourne ten months ago as a DM to manage a team of over 30 ASMs who are from different parts of the world, and in their late twenties or early thirties. The key role of this team is to identify service levels of availability and how they meet the business needs of their customers. The team’s performance is

measured by a district business scorecard consisting of customer satisfaction, service revenues and utilization of the ASMs.

Every six months, there is a company workforce survey that checks the level of engagement and effectiveness each person is receiving from their immediate manager. For example, how well does Rajesh engage and support the individuals in his team? Rajesh is given his scorecard targets each quarter and has to cascade these to his staff in order to meet performance standards and results set by his management. Rajesh reports to two managers: an Australian services manager based in Sydney and an American Mission Critical business manager based in Houston.

On a day to day basis, Rajesh's ASMs work with their respective customers (for example, local banks, manufacturing companies, and telephone companies). Rajesh manages and regularly coaches his ASMs to ensure that they are on-track with their work and targets. He is supported by his managers, his peers and, in certain situations, by coaches external to HP.

COACHING CONTRACTING

Contracting takes place at many levels and stages through the continuum as described below and shown in Figure 1:

1. Between the *global program manager and the global MC Leadership Team* to sponsor the design, delivery and management of the implementation of this project.
2. Between the *ASM and his DM* for specific activities in specific accounts. This is done by reviewing the ASM metrics and focusing on the essential areas of improvements the coaching intervention will provide for the ASM. This is an on-going activity between the DM and their ASMs.
3. Between the *DM and his peers*. This is for specific work issues and is very short term (1 – 2 months) and is usually a verbal contract between the two individuals.
4. Between the *DM and his immediate management*. This is done with reference to a scorecard and business targets. Often taking into account areas where a DM can become more effective as a manager and the debriefing of the result of his bi-annual employee feedback survey scores.
5. Between the *DM and an external coach*. This is done via a formal coaching contract and targeting a specific area of measured improvement such as employee feedback, team culture reviews and diagnosis etc.
6. Between the *external coach and HP* as she is hired to work with the DM community. This is essentially the transaction terms and conditions between the coach and the company.

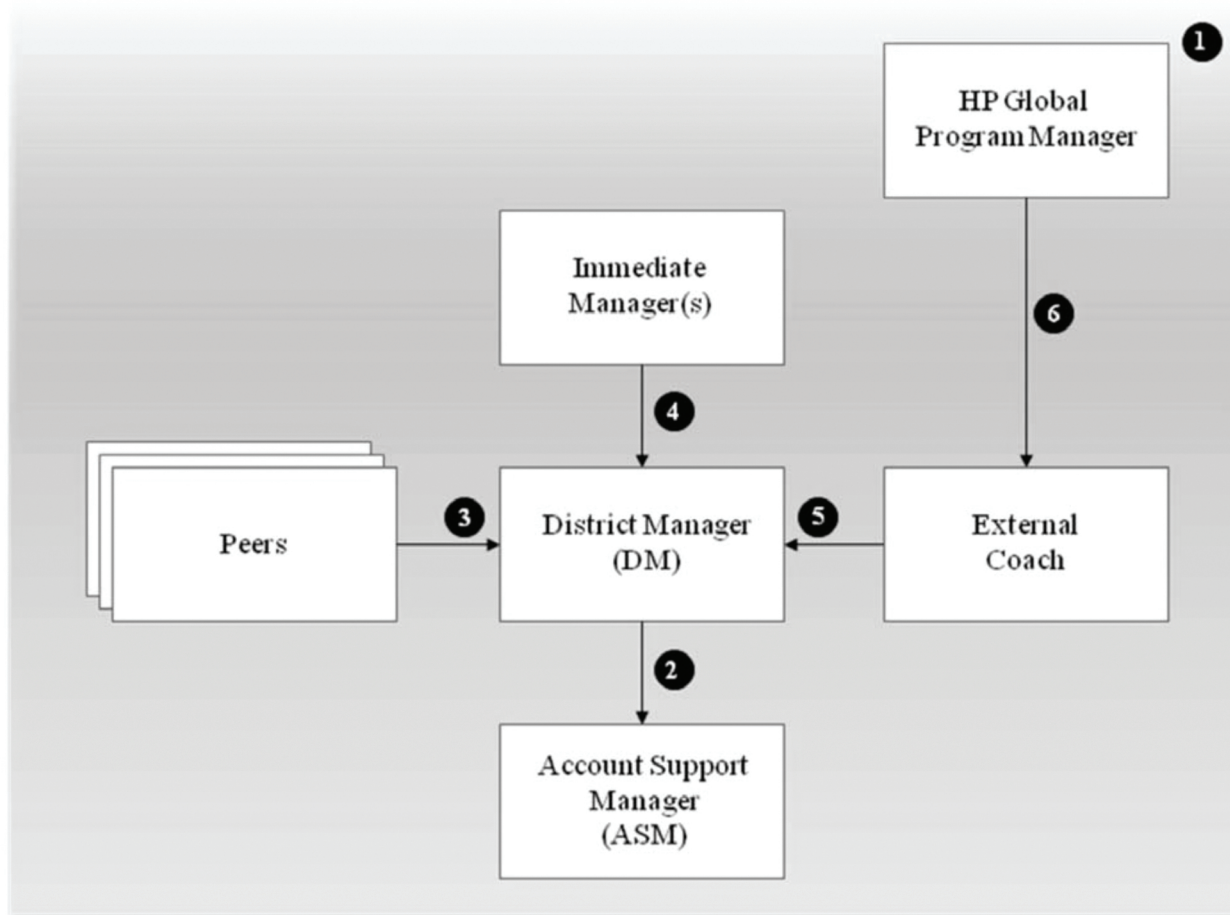


Figure 1. Contracting relationships within HP

The role of coaching in our program has been to help our DMs manage the performance of their teams through their effective leadership behaviors and ability to drive strong employee engagement. The objectives of our coaching program are to ensure that our DMs have the behaviors necessary for managing their people and also their business. Specifically these are:

- *Results-driven behaviors – the “what”.* These are the ‘left brain type’ behaviors for getting the job done. These focus the DMs on the scorecard and how they review these measures and metrics with their ASMs.
- *Engagement-focused behaviors – the “how”.* These are the ‘right brain type’ behaviors for engaging and motivating others.

In Rajesh’s role, his success is determined by his business scorecard performance: business revenues through billable utilization of his people; customer satisfaction (results); and direct employee engagement scores through the company employee survey (engagement).

Since the deployment of the program, the following factors have influenced and affected the contracting stage of the coaching intervention:

1. The types of contracts in place;
2. The role and influence of culture – both national and organizational;
3. Generational differences in the organization.

1. The types of contracts in place

The areas of contracting in our coaching program encompass three key areas:

- Commercial contracting – when the DM is engaged with an external coach;
- Implicit contracting – ASM to DM, DM to peers;
- Explicit contracting – ASM to DM, DM to their management, where metrics are defined and set between a DM and their external coach.

Commercial contracting. These are the standard terms and conditions HP has in place when hiring external coaches for specific coaching situations, e.g., coaching senior executives or addressing specific business capability needs. The commercial contract applied in these situations includes outcomes and roles of the coachee and their coach. The following areas determine our commercial contract guidelines:

- Services – a definition of services, how and what will be delivered by the external coach, plus the scope of the coach’s role, including schedule of sessions and expected outcomes for both individuals;
- Measures – how the DM will be able to determine if the coaching process has been effective. Usually this has a well defined outcome and related areas of measurable improvement targets;
- Payment Terms – terms of payment (30/90 days) and fee schedule;
- Confidentiality – what the coach will provide and what confidentiality procedures will be followed;
- Non-disclosure and intellectual property – how key information will be protected for both parties;
- Termination – timeline or basis for coaching process to come to an end.

The commercial transaction is managed by the company’s procurement process and priority is placed on those coaches that are on the company’s “approved vendors” list. The coaches are selected usually through local companies that have been successful with the company in the past or those who have been engaged with HR on other projects. Previous track record and internal reputation are key practices on engaging coaches in this project. Coaches have also managed to be listed on the ‘approved vendors’ list when they have been engaged directly by DMs or HR for this project. These coaches have marketed themselves to HP or been introduced to the DMs during conferences and conventions.

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The format of the DM/external coach connection consists of regular face-to-face meetings (usually every month) over a period of 12 to 18 months. The relationship between the two individuals is in the hands of the DM who defines the outcomes as they connect back to his scorecard and also how he would like to be coached. The interaction and dialogue is, as expected, informal but aligned to a formal set of metrics for the DM.

The intricacies of the relationship and engagement vary city to city and region to region. We did not feel the need to define this level of detail in the project scope, other than the alignment to the scorecard. In the program to date, good, successful coaching with external coaches has been the result of aligning the coaching contract and approach to the DM's key behaviors and performance measures as set and tracked in their metrics. The inherent critical success factor for engaging external coaches is to ensure that there is a measurable difference from the start to the end of the coaching intervention.

The traditional mindset of coaching as an entitlement has been replaced by a metrics-driven approach. Those coaches who have successfully engaged in this program are those who have been able to ask and clearly understand the desired end state and the tangible proof points that determine the success of their engagement and the bigger impact to the business. To an extent, this focus on measures is symptomatic of and aligned with the culture in the organization. Here at HP, anything that needs results is set against a deadline, measures of performance, accountable owners and, as appropriate, associated costs.

We have had occasions where several coaches have approached our business organization offering their services. The key determinant of whether or not to hire them has been on how well their work with our DMs can affect the business metrics and ultimately the bottom line. Coaches that offer their services, but do not connect or align them to core measures in the DMs business, are unlikely to become a part of the coaching program.

As the IT services market gets more commoditized and the rate of change keeps accelerating, it is fundamentally important for any non-HP coach to become aware of how the service value chain operates, what the key measures of success are for the key stakeholders in that value chain, and how the coach can add value to impact these measures. Anyone working outside of this model and these criteria is unlikely to be signed up.

Implicit contracting. This can take the form of an informal agreement or psychological contract between the coach (DM) and the coachee (ASM) within the context of the organization. The implicit contract is composed of norms and habits that develop unconsciously within the team as the ASMs and their DM interact.

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For example, the fact that ASMs are required to openly share information about their customers' business needs and revenue opportunities is an example of a norm that has been adopted in most teams in this business. The norms that make up the implicit contract are most often not intrinsically "right" or "wrong". Instead, they are the result of certain assumptions that both ASM and DM hold about what should happen in the team. Because these norms can have a powerful effect on team learning, the more external coaches can think about how they can read these contractual situations and understand the implications, the better they are positioned to support our business.

The most relevant parts of an implicit contract are:

- The expectations the ASM has of their DM in terms of support, recognition and management;
- The expectation a DM has of their ASM in terms of professionalism, manner and organization as it relates to working with their customers.

Implicit contracts in this instance are two-way and ultimately have a win-win outcome. If they are not balanced, i.e., one person expecting more than the other party is able to meet, then this produces disagreements and tensions in the working relationships. Successful management of implicit contracts needs the unspoken expectations to be called out and surfaced to ensure clarity and set the boundaries of 'satisfaction', i.e., making the implicit explicit and visible.

Implicit contracting can also be interpreted as a means by which mutual communication and shared understanding occur between a manager and their subordinates and between peers. It is the bedrock of building strong teams and trust amongst individuals. A breakdown in implicit contracting occurred when new members have joined Rajesh's team and believe that they are more experienced than anyone in that team. This mindset of an individualistic approach and drive fails to connect the individual to Rajesh and hence has the potential to fragment the team.

The advantages of implicit contracting are that it 'grounds' the team and the individuals to their managers. The risks are that the team can be locked into 'group think' and unable to innovate or take risks. At a coaching level, it is important for an external coach to recognize the underlying current of implicit contracts and how a coaching intervention will influence these contracts. For example, if Rajesh was being coached, how could the implicit contracts be used to better drive set goals and objectives in the process?

The longer term effectiveness of implicit contracting will be dependent on the motivations and drives of the Generation-Y workforce entering the Mission Critical business. This category of workforce has a new and different set of expectations and would

not necessarily find value in implicit contracting. They are more likely to be driven by the 'here and now' approach. The key to managing implicit contracts with this workforce is determined by these factors:

- Communicating a sense of purpose and meaning in their work and the benefits it provides to them and their customers.
- Providing access to coaches and mentors to ensure that there is constant support and feedback on their performance and work.
- Providing technology access so that there is learning on and experience in leading edge technologies.
- Offering greater work-life balance. Unlike those of their parents who most likely worked over 40 hour weeks, this generation did not interpret that as a positive existence.
- Encouraging open social networks that embrace open and honest communication through the use of technologies (facebook, twitter, myspace, etc.) and with effective authentic management support.

This is further explored in the 'generational differences' section of this article.

Implicit contracting can be identified by observing, interpreting, and better understanding the rules and expectations among the different parties. These may not be formalized, but are accepted as an expectation. In a coach's position, it is advisable to highlight the contract in terms of not only what the coaching process will deliver, but also how the ASM (coachee) and their DM (coach) will engage and manage expectations of each other through unwritten agreements and contracts, e.g., their expectations of each other. This is one of the areas that has many variables at play and the agreement between a manager and their staff is influenced by culture, both organizational and national, and a generational mix.

Explicit contracting. These are the formal written goals, objectives and key performance indicators that need to be achieved for each employee in the Mission Critical business. Each DM and ASM has clearly defined measures that reflect the performance targets that need to be achieved. In this context, it is the scorecard that is managed and owned by the ASM. This is the manifestation of the contract in its purest form and done with artifacts such as business performance scorecards.

This form of contracting is based on job performance and key objectives that need to be achieved in the role of our technical support staff. Each technical support staff has clearly defined measures that are set as performance targets that reflect their

efficiency in solving customer problems, maintaining customer satisfaction levels, and maintaining standards of skill and certification for key products and technologies. The metrics in the explicit contract are tracked and measured each month and reviewed each quarter. This is the classic ‘management by objectives’ as a part of our staff’s annual staff performance review.

The success in our explicit contracting has been due to the fact that the business scorecard is stable over the performance cycle of the ASM (12 months) and, most of the time, gives both the DM and the ASM time to reach the desired results. As we enter the commodity sector, the ASMs will have to operate at a level where the duration of their service delivery may be less than a year or frequently change in scope. The risk we face is that unless the DM is able to internalize the changes in metrics and adapt their coaching focus, the formalized explicit contracting model may not be as relevant as it is today. The timeless success of explicit contracting depends on a commitment to meeting the business goals and the consequences of not.

2. The role and influence of culture – national and organizational

Cultural variables affect the depth and the level of engagement between a DM and their ASM. During a coaching intervention, the impact of culture affects how they perceive each other and their relationship. For example, culture can be considered to affect and influence the visible aspects of a relationship, such as language, behaviors and artifacts. It is the ‘filter’ through which the DM sees himself and the world around him or her, including the implicit dimensions such as norms, values and beliefs that drive behaviors and actions. Rosinski (2003) highlights the fact that we belong to different groups and therefore operate from within multiple cultures. These groups originate from various categories:

- *Geography and nationality*: region, religion, ethnicity
- *Discipline*: Profession, education
- *Organization*: Industry, corporation, union, function
- *Social life*: Family, friends, social class, clubs
- *Gender and sexual orientation*

National cultures. According to Hofstede (2004), these can be defined as “the set of unique characteristics that distinguishes (a group’s) members from another group.” This implies that in a global organization, we need to take into account the differences that become prevalent between cultures and how individuals or groups choose to work through these differences (or not). The differences can arise from many sources, including the beliefs people are socialized into and the life experiences and associated interpretations they accumulate over the course of their lives.

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National cultural differences in our context can become apparent. For example, Rajesh may not be perceived by his U.S. manager to be as driven, aggressive and individualistic as his cohorts in the U.S. Indian and American cultures, with their differences, are rife for leading to misunderstanding and friction. Rajesh may be demonstrating behavior assessed by one of his managers as "respectful of authority", whereas the other manager's expectations and interpretations are totally opposite.

National-organizational culture bridge. The extensive research and work conducted by Geert Hofstede is a vital reference point in understanding the specifics of the several dimensions of nationalistic cultures and their behavioral impact in the workplace. In essence, behaviors and values expressed in the workplace are often the result of the nationalistic orientation of an individual. The contrast of a Japanese ASM against an Australian ASM is well pronounced and is an expression, in part, of their national origins. An example is the notion of "power distance" – the role of authority (DM to ASM) and the extent to which this operates as a leader-follower relationship in different countries. In our business, the dominant drivers that shape the behaviors of our managers are these:

- *Strategy:* Where are we going?
- *Plan:* How do we get there?
- *Teamwork:* How do we work together?
- *Tools:* What resources do we need?
- *Outcomes:* How do we measure success?
- *Performance:* How is my performance measured?

Organizational culture. In our context this can be explained as "the basic approaches and beliefs a manager or group has developed to cope with a situation and has worked well in the past to be useful today" (Robbins & Judge, 2006). In this respect, many DMs have come up through the ranks in the company (often from a technical career path) or have found their way into this position as a result of mergers and external hiring. The resulting organizational culture is a hybrid of many other organizational entities with different and distinct backgrounds and histories. Often the beliefs a manager holds about their staff may be inaccurate since the influences of their past experiences affect their present perspectives.

The following areas, originally from Robbins & Judge (2006), have been incorporated into our management development practices. They guide a manager to align their management approach with the perspectives of their staff during the initial contracting phase as a part of the goal setting process, including agreement on how the DM will support the ASM. In our context, these are the operating dimensions of our organizational culture:

- *Individual capability and initiative* – the extent of responsibility, freedom and independence accorded to individuals
- *Risk tolerance* – how often are staff encouraged to be innovative, aggressive and risk-taking
- *Alignment* – to what extent does the organization develop clear objectives and performance expectations of their people
- *Collaboration* – how often and to what extent are groups/units expected to operate in a coordinated and collective manner
- *Supervisory support* – how often do our managers provide clear communication, assistance and support to their staff
- *Span of control* – the number of rules and procedures and the extent of direct supervision that is used to lead and manage staff
- *Community* – to what extent staff identify with the company as a whole rather than with a particular group or expertise
- *Results to rewards* – the extent to which reward is allocated and based on performance criteria rather than seniority or favoritism
- *Tolerance to conflict* – the extent to which staff are encouraged to voice conflicts openly
- *Communication patterns* – the extent to which communications are restricted to the hierarchy and formality of the organization.

In Rajesh's team, the prevailing culture would be a mid-point of a hierarchy and market culture. The hierarchy culture provides predictability and efficiency and the market culture provides growth opportunities and leadership.

Our approach to these dimensions has been to use an annual online survey, completed by both the DMs and their ASMs, to identify and compare similarities and differences of perspective. In the report, the ASM responses are aggregated so individual responses are kept anonymous. Key definitions of organizational culture (see Figure 2 below) have been useful in addressing the gaps in values, beliefs and then addressing how a coaching intervention is structured and contracted between the DM and the ASM. This is particularly helpful when people in a team have been exposed to different working cultures in their previous roles and are now operating in a new or different team.

In Rajesh's team, the prevailing culture would be a mid-point of a hierarchy and market culture. The hierarchy culture provides predictability and efficiency and the market culture provides growth opportunities and leadership. Rajesh needs to constantly coach his team to operate at this focus; however some members may have experienced the "Clan" or the "Adhocracy" (Cameron & Quinn, 2006) cultures in their past and may be strongly bound to those behaviors and bring them into Rajesh's team.

Table 1. Organizational culture definitions (Cameron & Quinn, 2006)

<p>The Clan Culture</p> <p>A very friendly place to work where people share a lot of themselves. It is like an extended family. The leaders are considered to be mentors and maybe even as parent figures. The organization is held together by loyalty or tradition. Commitment is high. The organization emphasizes long term benefit of human resource development and attaches great importance to cohesion and morale. Success is defined in terms of sensitivity to customers and concern for people. The organization places a premium on teamwork, participation and consensus.</p>	<p>The Adhocracy Culture</p> <p>A dynamic, entrepreneurial and creative place to work. People stick their necks out to take risks. The leaders are considered to be innovators and risk takers. The glue that holds the organization together is commitment to innovation. The emphasis is on being on the leading edge. The organization's long term emphasis is on growth and acquiring new skills. Success means gaining unique and new products or services. Being a product or service leader is important. The organization encourages individual initiative and freedom.</p>
<p>The Hierarchy Culture</p> <p>A very formalized and structured place to work. Procedures govern what people do. The leaders pride themselves on being good coordinators and organizers, who are efficiency minded. Maintaining a smooth running organization is most critical. Formal rules and policies hold the organization together. The long term concern is on stability and performance with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling and low cost. The management of employees is concerned with secure employability and predictability.</p>	<p>The Market Culture</p> <p>A results-oriented organization. The major concern is getting the job done. People are competitive and goal orientated. The leaders are hard drivers, producers and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on winning. Reputation and success are common concerns. The long term focus is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organization style is hard driving and competitive.</p>

For coaches that are supporting Rajesh (mainly the external coaching community), it is important to determine how Rajesh works with his team, how key behaviors manifest themselves and hence how Rajesh will coach and role model his expectations to certain individuals in his team. For example, an ASM who has come through the clan culture will need to be coached and supported to operate with customers with more structured customer-facing behavior. This is where Rajesh can be seen to add value in engaging with his people and hence where Rajesh would potentially need support from external resources.

3. Generational differences in the organization

Our current organization consists of managers in their forties

(Generation X). They lead and manage teams of technical support staff who are in their mid to late twenties or early thirties (Generation Y). The motivations that drive each group are specific to that group and different from each other (Sheahan, 2005). One key lesson, based on our experience, has been for our managers to be more aware of how to manage, coach and motivate the “Gen Y” workforce. Hence, knowing and understanding the drivers and motivations for Gen Y is critical to our performance, results and success. The key factors that have driven the good coaching interventions for the Gen Y staff have included:

- *Immediacy* – Gen Y thrive on instant gratification, so as a coach, motivation has to be linked to quick rewards (financial and emotional)
- *Regular recognition* – frequent and visible recognition of quick wins and results
- *Challenging tasks* – as the action steps in our coaching process, we encourage our managers to set tasks as stretch and challenging goals
- *Sense of meaning and purpose* – doing something that has a bigger purpose that they can believe in and feel a part of
- *Control* – enabling our Gen Y workforce to be able to make real decisions, be heard and have the resources to get things done; they want to be coached, but resent being ‘told’ what to do
- *Networks and connections* – adopting a team approach in getting the work done and maintaining a ‘social’ team spirit
- *Engaging work environment* – variety, fun and stimulating – Gen Y’s thrive in an open plan environment with casual meeting places rather than the formality of meeting rooms and cubicles.

The initial resource we accessed to help our DMs better understand the differences between Gen-X and Gen-Y was the research findings by Peter Sheahan, and later published in his book, *Generation-Y*. Here Sheahan (2005, p. 231) makes a radical distinction between coaching and directing a Gen-Yer--hence the ensuing contracts that need to be in place:

...the point about coaching your Generation-Y staff versus just directing them. I am reminded here of the famous saying of Management Guru Dr. Stephen Covey: ‘You can’t hold someone accountable for results if you supervise their methods.’ Give Generation-Y the space to make mistakes. Allow them to take on new and challenging roles and if need be, fail. It is a part of working life. But be there to coach them through the challenge, not always giving them the answers but rather coaching them to uncover the answers themselves. And when required, shift back to giving clearer direction.

One key lesson, based on our experience, has been for our managers to be more aware of how to manage, coach and motivate the “Gen Y” workforce.

Sheahan refers to the concept of “Transformational Management” which consists of three phases:

1. *Directing* – to create very rigid systems and procedures to ensure they are strictly adhered to;
2. *Mentoring* – combination of telling and asking;
3. *Coaching* – to support and bring out the expected results.

The upfront coaching contracting conversations for the Gen-Y workforce need to be structured along these three phases so that the results are quick and visible, with challenging and engaging goals and objectives which, when achieved, are recognized. At the same time, Gen-Yers need to be left to their judgment on accomplishing the goals. For some DMs, this has presented the challenge of getting out of the way and ‘trusting’ that the job will be done.

LESSONS OF EXPERIENCE – LEARNING TO MAKE A DIFFERENCE

This article outlines the key variables that influence and drive the phase of contracting in our coaching program. Our observations indicate that coaching interventions, when performed without any upfront contracting, lead to weak outcomes for both the DM and their ASM. In situations where contracting occurs, the greater alignment between the DM and ASM (along dimensions of organizational and national culture, as well as generational gap differences) translates into greater impact and outcome as indicated in our annual workforce satisfaction surveys. The positive feedback from each party reflects a greater emphasis on mutual respect, trust and understanding.

In the original scope of this program, we wanted to ensure that coaching was a useful and effective intervention for the DMs in the service value chain. The following areas can be highlights of the key benefits of the program to date:

- It is *practical* – the key focus and priorities of the intended outcome for each party are captured. The coaching resources for the ASMs and DMs are available and in place. The project design was scoped to start with a pilot learning exercise before a global deployment.
- It is *timely* – the time horizon from need to delivery is reasonable and achievable, in our case no more than 3 months. There are formal performance reviews in the company every three months and the coaching process is aligned to these to ensure that ASMs performance is supported for these milestones.
- It is *involving* – the service value chain starts with the DMs being coached and cascades to the ASMs in their effectiveness and results. The focus of the coaching conversations and contact in every respect is contextualized around a specific ASM-DM work

situation; hence they can relate and engage to provide the expected outcome.

- It is both *quantitative and qualitative* - there are key measures aligned to core business metrics (the scorecards with our business metrics) that need to be achieved. The coaching process is outcome driven and has clear metrics that are visibly attained.
- It is *manageable* - there were early initial pilots in specific countries to verify our criteria for selecting external coaches and structure of contracting at different stages. Full-scale deployment started after successful pilots. This deployment was in each region (Europe, Asia Pacific & Japan, Americas) and then into the countries as appropriate.
- It is *valid* - in meeting our business needs. In this instance, the value of external coaching was assessed with appropriate measurable impact to the scorecard. Also emphasis and diligence on a structured and formal coaching process from start to finish ensured accountability and results.

Contracting during coaching is a way to get the DM / coach and the ASM /coachee to acknowledge, discuss and ultimately work from the same set of expectations and measures. The contract between them identifies the promises that the DM (as a coach) and the ASM (as coachee) make to each other—a win/win between the two parties and a “win/win/win” between the ASM, DM and our MC project sponsors.

Taking our learning forward, to increase the probability of success of our coaching process, we realize that the essence of a good contracting conversation – either explicit or implicit made explicit—consists of the following steps:

1. Current state – “Where are we now?”
2. Outcome state – “What do we want and how will we know?”
3. Strategy steps – “What strategies/steps will we put in place to get to the outcome?”
4. Action steps – “What actions will drive the strategies?” “By when will they be taken?”
5. Plan steps – “What plans or S.M.A.R.T goals will get us to the outcome?”
6. Commitment step – “Is the coach & ASM committed to reach the outcome?”
7. Resolution step – “How do we get help or flag issues when things go off track and to whom?”

CONCLUSION

Having reached this far in our journey of coaching in a dynamic, fast-paced business, there are a few areas that need clear attention and focus. These are the areas that we continually

rely on in driving this program and how we have become more effective in using our external coaching partners. The key areas below provide food for thought for any coach who engages with businesses such as ours.

These areas are where we would validate and require capability when partnering with external coaches:

- *Read the implicit and explicit contracts at play* – in any DM-ASM or DM-Immediate manager relationship, there are various unwritten contracts in place. These are the operating norms of the various teams across the globe. Being able to read these makes the role of an external coach more effective and of greater value.
- *Identify the prevailing interactions of organizational and national cultures* – in order to understand the gaps and differences in the teams and often how these inhibit performance of individuals.
- *Align your efforts to the business scorecard* – in our business, all critical activities have a measure, milestone and an owner. Coaching is no exception and external coaches need to be able to articulate their role and value in terms that align and impact the business metrics.
- *Focus on performance and quick results* – in the services market, commoditization changes the economics and the rules of the game. Performance needs to be developed fast and demonstrate quick results. Often focusing on the ‘low hanging fruit’ helps coaches build credibility and get repeat assignments.
- *Focus on behaviors and role modeling for excellence* – in the coaching process, the outcome at each milestone or goal needs to be linked to expected relevant behaviors that we need our DMs to role model with their people.

Contracting is the centerpiece in each of these areas. We need to consider how we develop explicit contracts with our DMs and ASMs, and use the implicit factors of contracting as vehicles to manage the engagement and relationship for success. Doing one without the other does not set anyone up for success and shared commitments. Doing both takes time, practice and application of specific behaviors, skills and knowledge. This is something we expect from our coaches: the ability to make the implicit visible and explicit so that expectations can be better managed and achieved.

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In our program, the emphasis on developing our managers to become more aware of and sensitive to the variances of culture and generational emphasis has paid dividends in terms of retention and satisfaction of our workforce (as reflected in our employee engagement scores). This reinforces the service profit chain and has given us industry – leading customer service, satisfaction and growth in this market segment.

The ‘Six Degrees of Contracting’ in our project has created a layering effect of complexities involving variables such as culture, generational mix, demographics and location. To the reader this may seem complex and in this context it has been so. There is a considerable amount of distinction and differentiation needed to contract well and hence for coaching to be done effectively.

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