



**Prosell**

When performance matters

# Can Coaching Deliver Performance Improvement?

Transforming sales and service performance

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*In this Ebook, we share researched findings of how coaching can impact on performance in the business environment. And these messages are not just from an academic perspective, but are also backed up by our experience at Prosell of delivering sales and customer service performance improvement programmes for the last 30 years.*

*During this time, we have constantly challenged our clients in the way that they develop the skills of their sales and service teams. It is a well-researched fact that classroom training alone does not yield significant results for 60% of these front-line people - yet many organisations continue to invest primarily in these sorts of “bodies on seats” events. At Prosell, our goal is to deliver sustainable performance improvements in our clients’ customer-facing staff, ensuring that changed behaviour is embedded deep into an organisation’s DNA. We believe – and can prove – that coaching in the workplace is the most effective way to achieve this.*

*If you would like to discuss performance improvement and coaching in your business, we would really like to hear from you.*

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## What is business coaching?

The CIPD defines coaching as:

*“Coaching targets high performance and improvement at work and usually focuses on specific skills and goals, although it may have an impact on an individual’s personal attributes (such as social interaction or confidence.). The process typically lasts for a relatively short period”.*

## Objectives of coaching

Organisations generally have two key objectives when using coaching: to improve performance and cultivate employee engagement (The Coaching Climate, CIPD Survey Report 2011). High levels of employee engagement are crucial to customer satisfaction - an important driver to the financial performance of a company.

## What does business coaching involve?

Although there is no precise consensus amongst the coaching profession about exactly what coaching entails, coaching often has the following traits:

- The key objective of coaching is to improve an employee's performance in the workplace and to develop their skills
- It is not counselling, so although personal issues may be touched upon during a coaching session the key focus is on the employee's performance in the workplace
- Coaching is not restricted to achieving just the objectives of the organisation. An individual's short term and long-term goals will also be considered
- Directive and non-directive are two approaches on the coaching continuum. Some professionals believe that a blended approach of directive and non-directive is generally preferable in the workplace. The most appropriate approach will depend on the situation, the tasks that need to be achieved and the ability and willingness of each employee
- Coaching includes appraisal and assessment. An employee's strengths and weaknesses will be discussed during coaching sessions
- Coaching can be a mixture of pre-planned coaching sessions and ad-hoc, as the situation arises in the workplace
- Confronting issues and challenging the coachee, when necessary, is an essential element of good coaching

### What can coaching deliver?

#### **Improved performance**

The impact of coaching on performance is measurable. An SEC study (Building Solutions-Ready Sales Managers 2005) showed that sales representatives who consistently received more than three hours of coaching a month achieved 107% of their sales target, whilst those who received less than two hours a month underperformed by 10%. Prosell has worked with its clients to generate improvements in customer retention of 47%, sales improvements in excess of 50% and a reduction in employee attrition rates of 39%. This has been achieved by embedding a coaching process and culture within the sales and customer services teams and their managers.

#### **Greater customer satisfaction**

There is a direct link between employee satisfaction and customer satisfaction, which in turn can lead to superior performance (Reichheld 1996). This is reinforced by research conducted by Prosell, where a clear connection between the actions of the manager and the performance of their team was identified: 61% of those questioned felt that their manager's behaviour had a direct impact on their delivery of the external service.

#### **Increased employee engagement**

Only 33% of UK employees feel engaged at any one time with their job and employer. This startling fact is important considering that employee engagement directly impacts on the overall performance of an organisation (Right Management 2009). Coaching, as part of a tailored development programme for each employee, can result in a better individual performance, which in turn has an impact on the overall performance of an organisation (Corporate Leadership Council Employee Engagement Survey 2004).

#### **Reduced employee turnover**

Retention of good employees makes good business sense. Loyal, motivated employees can deliver superior customer value and hence improved customer loyalty (Reichheld 1996). Coaching can help improve employee engagement, which in turn reduces staff turnover: engaged employees are seven times less likely to leave an organisation within 12 months and one and half times more likely to stay with the same employer for another five years (Right Management 2009).



## Where does coaching fit with “training”?

### **Classroom training is not appropriate to achieve all development goals**

An employee's development plan might require a variety of training techniques: research has shown that classroom training is only appropriate for 15% of development needs (Rummler 1995). The widely accepted Skill Development model identifies three key stages when acquiring skills: awareness, practice and application. The awareness and application stages typically take place in the workplace environment and therefore are the responsibility of the line manager. And it is the line manager him/herself who plays an essential coaching role to allow the employee to practice new skills they have learnt and to feel confident that they can apply these skills in a variety of situations.

### **Skill transfer from classroom to workplace**

Classroom training alone has been shown to be very ineffective. Detterman and Sternberg concluded that 86% of training did not transfer from the classroom to the workplace. They distinguish between near transfer and far transfer. Near transfer is repeating the behaviour in a very similar situation, far transfer is repeating it in a different situation. Detterman and Sternberg say that far transfer doesn't occur. To put it another way, any training that teaches general principles and then expects participants to apply them in specific circumstances is wasted - far better they say, to teach the specific skills needed for a specific task.

### **Directive and non-directive coaching**

Directive and non-directive coaching are at two ends of the coaching spectrum. Non-directive coaching is how the coachee finds his own solutions, through skilful questioning by the coach. However, where the coachee does not have the required knowledge or experience, a more directive style of coaching might work better. In the workplace environment, a blended approach of directive and non-directive coaching might prove to be the most effective, ensuring appropriate skills are gained from a committed, motivated employee.

## How do you make coaching effective?

### **Frequent coaching sessions**

Workplace coaching needs to be a part of the line manager's weekly routine. SEC research (Building Solutions-Ready Sales Managers 2005) showed that in sales teams, the coaching sweet spot seems to be 3-5 hours of coaching a month. If there is less than 3 hours per month, performance drops, whilst more than 5 hours of coaching a month appears to be of marginal benefit. Whilst in the call centre environment, contact 2-3 times a week with an agent was shown to be the most effective frequency (Technikron 1997).

### **Line managers require the necessary coaching skills**

Despite being aware that effective coaching can have a powerful impact on performance, customer service and sales, line managers felt that they lacked the required skills to coach their teams. The SEC survey (Building Solutions-Ready Sales Managers 2005) found that sales managers consistently underperformed in effective coaching, particularly in helping their teams target the most profitable opportunities.

### **Tailored coaching programmes for each employee**

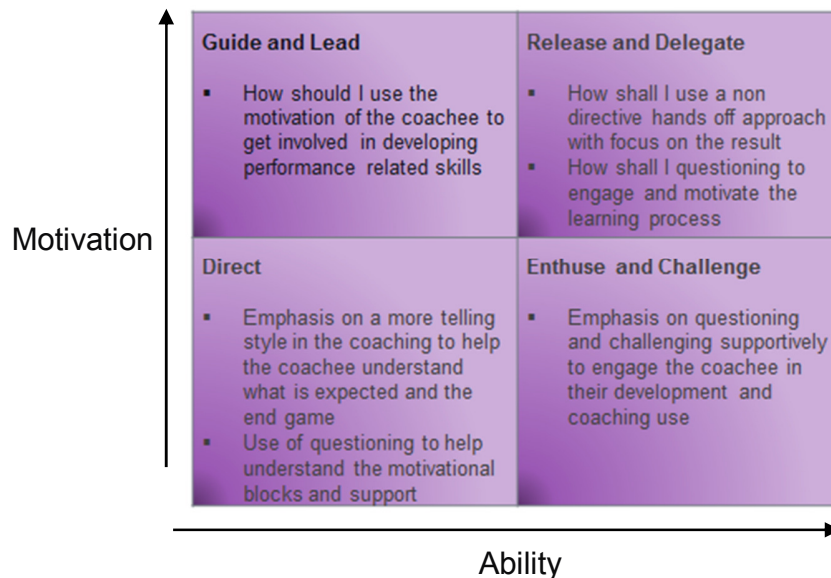
Managers need to consider the situation, the tasks that they need to achieve and adapt their approach according to the ability and willingness of the individual employee. They have at their disposal four different styles of situational leadership: directing, coaching, supporting and delegating (Blanchard and Hershey 1996).

The grid overleaf is a useful tool for analysing the ability and motivation level of an individual and the most effective style of management to use at a particular point in time.

A manager needs to regularly reassess the skill levels and motivation of his or her team members to achieve the required objectives. Then, using the matrix, the most appropriate management style will be identified. Over time, a manager would aim for the employee to increase in both their ability and motivation, so that ultimately the most appropriate management style for that employee for regular tasks becomes "Release and Delegate".



## Addressing ability and motivation



### Practice Makes Perfect

Practice has been shown to be the key to success across many disciplines in the world of sport and music (Matthew Syed 2011). Likewise, in the workplace, regular practice can help employees become more proficient in achieving their objectives. Employees should not feel threatened by practising and should be encouraged through regular coaching to develop their skills. By practising - for example during regular role playing sessions - sales and customer services teams can embed desired responses, behaviours and skills ensuring that in busy, pressured situations, high quality performance will be automatic and consistent.

## Conclusions

Coaching is a vital tool in a performance improvement programme. Measurable changes such as increased sales, improved customer satisfaction and retention, enhanced efficiency, increased employee engagement and reduced staff turnover can be achieved through effective coaching.

However for coaching to be successful, frontline managers need to receive training in coaching skills and subsequently ensure that coaching is an intrinsic part of their routine. On an individual level, coachees should have a programme, tailored to their skills and motivation levels, so that their personal development is a continuous process.

Coaching deployment consistently delivers measurable return on investment and helps businesses drive improved financial performance, yet surprisingly continues to be a neglected opportunity in many organisations.

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