

WHITE PAPER



Driving Your Strategic Agenda:

Coaching for Transformation within Your Organization



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Strategic transformations underestimate the ‘human’ side of change

When we talk to CEOs and their executive teams, change is at the top of their agenda. In addition, executive teams spend billions annually to transform their organizations for the future. Yet, despite all this attention and investment, research shows that **70% of strategic change programs fail to meet their objectives**. While each failure is a unique story, one common factor unites most change initiatives. CEOs and executive boards anchor their respective transformation success in the “hard tangibles of change” like products, processes, and technology, while underestimating the “softer human intangibles of change” like behavior and culture that resist change.

It’s easy to understand why. Leaders like the tangible, the measurable, the predictable. In other words, the opposite of human response to change, which is messy, unpredictable, and intractable. For these reasons, behavioral change is often neglected in the transformation plans of executive boards.¹



Consider the following transformation stories:

- A merger with a compelling business-case failed because the newly merged entities were unable to trust each other.
- Threatened by new technology, employees stuck with less efficient processes and thereby derailed the much-anticipated digital transformation of their unit.
- In a bid to diversify its employee base, an organization widened its hiring pool, only for the new hires to experience passive opposition from existing employees.
- Middle managers ignored a directive by senior management to allow teams to move to flexible working because they were more comfortable with the traditional 9 to 5 working schedule.
- A technology company restructured to remove organizational silos towards moving to more agile work. Despite providing extensive team training in Agile, it failed to implement its new model effectively because teams continued to prefer working in their traditional silos.

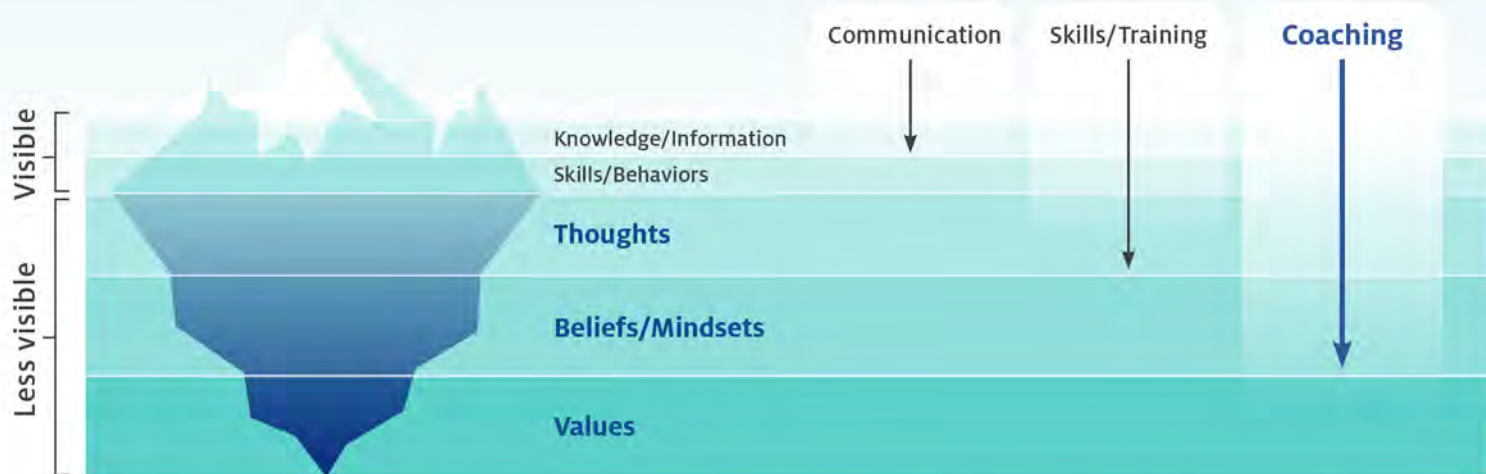


These organizations all underestimated the degree to which they needed their leaders and employees to undergo perceptual and behavioral shifts to support their strategic agenda. By not planning for a shift in mindset, factors like distrust, fear, and resistance to change derailed the strategic agenda of their organizations. One organization shared, “We are going through explosive growth and, most of the time, it looks chaotic. We need staff to see beyond the chaotic situation and see opportunities for growth in the midst of change.” For such reframing, leaders need to manage their own responses to change and usher in an optimistic exploration of a new reality for their teams. While most organizations

recognize the need to engage their teams throughout the transformation process, they tend to rely on broad methodologies like communication strategies, employee engagement programs, and training to guide them through the human side of change. These methodologies are critical to the change process as they build awareness, engagement, and skills. However, they rarely influence the mindset shift needed to overcome distrust and resistance to change. Indeed, **shifting mindsets requires a deeper and more personalized intervention.**

This is where coaching comes in.

Use the right tool to reach the level of impact you need



... Coaching enables deep mindset transformation

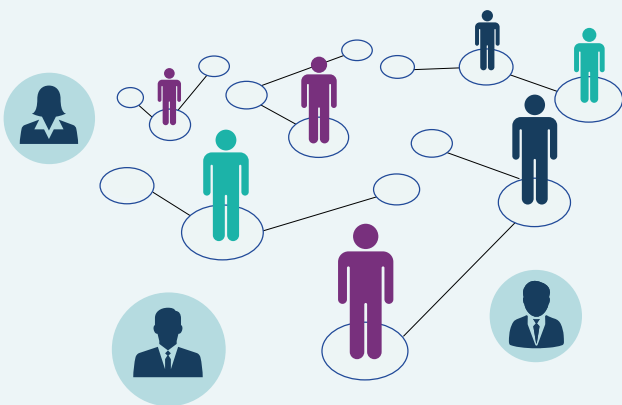
Coaching enables the human side of change

In the world of human resources and people development, coaching has long been regarded as the gold standard for enabling individual transformations. However, in recent years, the role of coaching has increasingly expanded from a development tool for individuals or teams to one for key strategic enabling at the enterprise level. Executives have been turning to coaching to support their strategic transformations, seeing it as a worthy investment that enables mindset and behavioral change at the deepest level.

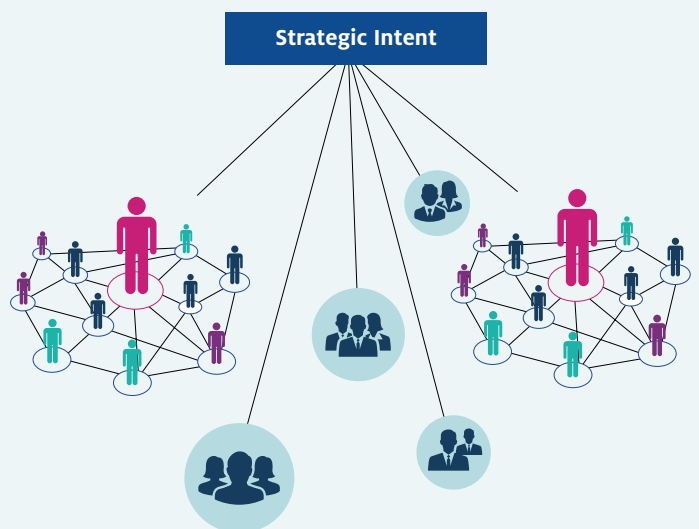
There are three key elements of the coaching process that help tackle the human side of change.

1. Coaching in individual and group settings allows for **personalized insight**. As part of the coaching process, individuals have the space to explore both their opposing and supporting views for the change, before coming to any conclusions. The psychological safety created in the coaching process enables a process to honestly examine reality and explore future options. This personalized insight creates high commitment and strong intent for individuals to work in a certain direction.
2. Coaching process allows individuals to **create micro experiments** to test new ideas in support of the new strategic direction. These experiments not only help them to examine a specific behavior or approach, but also to provide a reflective opportunity to gauge the impact of specific actions and develop a capacity to modify behavior in the service of the big picture and strategic intent.
3. Through micro experiments and reflective processes, coaching allows individuals to **internalize key learnings**² and to develop new approaches that combine effective actions and desired outcomes. This process enables the individuals to own transformation goals and carry them forward in a way that is meaningful to them.

Traditional Application: Coaching for development—individuals in different corners of the organization benefit and contribute better and grow in their individual capacities



Transformational Application: Coaching help leaders and leadership ecosystems grow together to create systemic shifts and strategic achievement in organizations





Lessons of experience supporting case studies

This paper presents a set of case studies of different organizations that have successfully applied coaching to achieve organizational change outcomes. These organizations represent a diverse mix across industries and include two financial services firms, a large family conglomerate, a multinational healthcare company, and a large restaurant business. The transformation journeys of each company was unique and encompassed vastly different strategic agendas—from shifts in strategic direction to post-merger integrations, and from structural redesign to leadership change. Yet, each of these leveraged coaching as a strategic change tool and saw benefits that supported their goals.

Application of coaching for organizational transformation

Company/Industry	Transformation opportunity	Strategic coaching objective	Ways in which coaching was applied	Results
1 Technology division of a financial services company	Operating Model Transformation	<ul style="list-style-type: none"> Tackle resistance to change Drive behavioral shifts and embed new ways of working 	<ul style="list-style-type: none"> Executive team coached to lead the change Team coaching for newly appointed service teams Coaching skills for managers to coach new skills 	Achieved financial and productivity targets with the executive team acknowledging the central role of coaching in their success
2 Multinational healthcare company	Integration of the leadership team post-merger/acquisition	<ul style="list-style-type: none"> Build a common culture & establish trust Tackle resistance to change Embed new vision in leadership 	<ul style="list-style-type: none"> Executive coaching Team coaching 	Increased collaboration between the team and the expected benefits of the acquisition came into fruition
3 Large Asian family conglomerate	Break barriers between family members and externally hired professionals in the executive board	<ul style="list-style-type: none"> Build readiness to learn new skills in employee populations Strengthen leadership bench to orchestrate a skills shift 	<ul style="list-style-type: none"> Peer coaching for top 40 leaders Coaching skills for middle managers to build coaching culture 	Improved integration of the executive board with greater synergies in how strategic projects across departments were executed
4 Large Asian restaurant business	Expansion of company from regional to global player with ability to attract millennial talent	<ul style="list-style-type: none"> Build readiness to learn new skills Strengthen leadership bench to support globalization 	<ul style="list-style-type: none"> Executive team coaching to support a global mindset Coaching frontline managers in new locations 	Improved ability of the leadership team to adapt to global management styles & the ability to attract and retain talent during Covid
5 Leading Asian bank	Consolidate its recent expansion and create a stronger horizontal organization	<ul style="list-style-type: none"> Strengthen leader levels to take on larger, more global roles Help cross-functional teams work together 	<ul style="list-style-type: none"> Executive coaching for senior leadership, as well as for high potential mid-levels Team coaching towards creating more horizontal connections to span boundaries of function and structure Transformation circles or coaching circles that included leaders and staff at all levels and created a space for candid coaching conversations 	<p>Supported cross-functional working</p> <p>Prepared leaders to manage expanded/more global teams</p> <p>Created a coaching-oriented culture to build organizational agility</p>

Case Study 1:

Enabling a new operating model

Company/Industry: **Technology division of a financial services company**

Footprint: **Europe-based global organization**

Our first case explores how coaching supported transformational outcomes for the Technology division of a European investment bank with worldwide operations in 30+ locations. The bank's technology services division was overhauling its entire operating model from product to service orientation towards becoming more cost competitive, agile, and customer centric. Given the ambitious scale of this change and with over 12,000 employees across the globe, the division's leadership realized that this journey would require transforming not only the division's hardwired metrics and operating model but also its DNA. Thus, the leadership launched a two-year long behavioral change program with coaching at its very center. The bank used coaching to enable its change journey in three diverse formats:

- **Coaching for the executive team to lead the change:** Coaches worked with the executive team both as individuals and as an executive team to align their actions, decision-making, and messaging to the organization, ultimately improving their ability to lead the transformation as a collective.
- **Transformation coaching for the newly appointed service teams:** Newly set-up service teams were provided with a transformation coach to help them navigate the early months of the transformation. The coach worked with the team to build productive patterns of working as they established their services and new organizations.
- **Coaching to embed new skills across the organization:** The transformation demanded a significant shift to service management skills that were new to the bulk of the organization and required both knowledge acquisition and behavioral change. The division realized that training alone would not bring sustainable change and created cohorts of experienced service management coaches to work with staff at different levels of the organization and help them embed their newly acquired training into sustainable behaviors and skills. These internal coaches were hand-picked as strong change champions and extensively trained in both service management and coaching techniques. Integrating coaching with training resulted in sustained and measurable skills shifts.

The division's early recognition that "Culture eats strategy for breakfast" and its willingness to invest in behavioral change through coaching helped it navigate a complex transformation. Two years on, the transformation has achieved its financial and productivity targets, with the executive team acknowledging the central role of coaching in this success. This division is also committed to using coaching for future transformations.

Case Study 2:

Truly integrating post-merger/acquisition

Company/Industry: **Healthcare company**

Footprint: **Global organization**

A global healthcare company acquired a regional medical supply firm to expand its product portfolio and market share. A number of senior executives from the newly-acquired company were retained and brought into the organization to be a part of the new leadership team. Two years into the integration, the business and organizational aspects of the acquisition were complete; however, the unified leadership team had yet to operate as one cohesive unit. The “new” members felt they were not trusted by the rest of the leadership team and sidelined in decision-making. The “original” team saw the newer members as unwilling to let go of their legacy practices and collaborate with the wider team. The rift in the executive team perpetuated through the organization, leading to siloed ways and the return-on-investment of the acquisition not being fully realized.

The CEO then turned to coaching to help address these issues. They applied 360-feedback, as well as team diagnostics, to establish a baseline of current team dynamics in the leadership team and then introduced coaching at both the team and individual level. At the individual level, a coach worked with each executive to examine individual commitment to the new organization and role in changing the status quo. At the team level, the coach took the team on a collective journey to identify unproductive patterns of interaction and move towards supporting each other. Over a few months, silos began to break down as the team experimented and adopted new patterns of collaboration between the “original” and “new” team members. At the end of twelve months, the team collectively assessed that trust and collaboration within the team had improved. Members from the acquired organization let go of former practices and aligned to new ways of working, while members from the original team have adopted best practices brought in by the acquisition.



Case Study 3:

Breaking the barriers between family members and professional talent

Company/Industry: **Family-owned conglomerate**

Footprint: **Asia-based organization**

This case studies a large Asian family conglomerate that experienced significant growth and market expansion in recent years. In line with this growth, the family wanted best-in-class operational practices by bringing in industry professionals from outside to join its executive board. Even though the company successfully re-shaped its executive team, it found it hard to integrate and empower the newcomers as the family continued to retain strong legacy power. The CEO's goal was to break the barriers between family and external hires and create better integration within the executive team. For that, they needed to facilitate a mindset shift in the organization. The conglomerate decided to leverage coaching as a strategic tool with the executive team and across the broader organization. The coaching process was executed over multiple phases, providing each executive team member with tools to expand individual thinking by boundary spanning and engaging with peers across the conglomerate.

After 10 months, the organization saw greater openness among senior leaders, breaking silos and leading to new ways of aligning strategic projects at the conglomerate level. The peer coaching process allowed diverse perspectives to be included in creating business impact. Leaders contributed to each other's success beyond the functional, business, and expertise boundaries and experienced the value addition coming from peers. There was better integration of family members and professionals in the executive , with both groups finding each other more accessible. Coaching conversations are now used in the executive team to keep strategic alignment and focus in meetings. They are also used to build bridges and connections for employees across more than 10 businesses.

In addition to the executive team, the organization's large pool of mid-level leaders was taken through the coaching process to create coaching skills and mindsets across the organization. The senior executives who benefitted from peer coaching and know the power of the coaching process have also become sponsors of coaching culture and better conversations in their respective organizations.

Case Study 4:

Aiding expansion strategy

Company/Industry: **Restaurant business**

Footprint: **Asia-based global organization**

A large Asian restaurant business was looking to expand internationally about five years ago. The transformation of the organization from a regional to global player required that it attract quality talent from across the globe. Given the nature of the restaurant business, this talent would include millennials and Gen Z frontline staff, as well as experienced leaders, to run operations in different regions. The executive board recognized that, to attract this talent, it would need to build an inclusive culture and have the “humility to listen and learn.”

The organization decided to develop a coaching culture to support its objectives. It started at the very top with the CEO and the executive team going through an immersive 3-day experience on coaching skills. The objective was for the leadership team to role model coaching skills with the rest of the organization. They then identified the top 200 leaders to be coaches and designed a customized development journey for them. These 200 leaders were instrumental in driving the internationalization goals of the organization using coaching to develop the next level of leaders. As a member of their executive board said, “The food service business requires that we have ears to the ground; coaching enables us to listen to our people and their realities, empowering us and our next levels to make better decisions.”

After seeing the benefits of coaching with this cohort of leaders, the organization rolled its coaching programs to middle management, which was managing frontline staff in the restaurants. With this group, the organization introduced the concept of using coaching as a way of working and engaging people every day with a program and a practice of “Better Conversations Every Day.” In addition to rolling out coaching skills across the leadership levels, the company also embedded coaching principles into its performance management systems and other talent processes to create cultural and systemic support for the coaching style of management. Special mention needs to be made of the period of pandemic and how the coaching approach was found to be very powerful by leaders in those difficult times. The middle-level leaders had just started going through the “Better Conversations” workshops when the pandemic hit, but the organization responded with great agility and managed to convert the learning process to a completely virtual platform, maintaining the high touch that was originally designed in face-to-face sessions. The workshops during the pandemic added a highly humane element to leading that was valuable when remote working in a tough market environment was leading to disconnection and disengagement across industries.

Case Study 5:

Making transformation work

Company/Industry: **Fast-growing leading bank**

Footprint: **Asia-based regional organization**

A leading regional bank in Asia, recognized for its strong performance, was seeking to consolidate and further build on its growth. The bank wanted to operate as a horizontal organization wherein its leaders and teams would collaborate across functions and geographies. It also wanted to prepare its leaders to run a more distributed workforce across its markets. To achieve these goals, the bank launched a “Transformational Leadership” journey, which became a cornerstone of the organization’s vision and strategy. Coaching had been an integral leadership practice in the bank for over a decade to build the capability of managers and leaders. The executive team recognized that many objectives of its transformational leadership journey—creating psychological safety, growth mindset, ability to ask and receive feedback, and courageous conversations and collaboration—aligned closely with coaching and could be instrumental in bringing a transformational cultural change. The bank’s executives leveraged coaching in three formats:

- **Build Great Leaders:** Targeted executive coaching was used across the most senior leadership levels to prepare top leaders for bigger cross-functional and cross-geography roles. At the next level down, high potential mid-senior levels were also offered a curated coaching journey to prepare them for more senior roles.
- **Build Great Teams:** The bank invested in team coaching towards creating more horizontal connections to span boundaries of function and structure. It introduced cross-functional squads that could come together for strategic objectives and used team coaching towards building strategic impact and a long-term organizational capability.
- **Build Great Culture:** The bank introduced the concept of Transformation Circles (T Circles) that were led by business leaders and included managers and employees across the organization. The T-Circle sessions were focused on key capabilities of transformational leadership and created a platform for the leaders to share stories, experiences and seed a coaching culture in a safe environment.

These formal interventions also led to the creation of informal coaching communities across the bank. These communities emerged in both the head office and in the bank’s country offices and further nurtured the bank’s transformational leadership capability by offering coaching voluntarily and reinforcing lessons learned.

These coaching initiatives resulted in clear positive outcomes for the bank, even during the pandemic. The overall managerial effectiveness scores for the organization have increased to a new high, despite remote working and a tough business environment. The coaching approach has allowed for people to feel connected and stay real despite hybrid working. Leaders that received coaching have seen positive outcomes through 360 and other feedback mechanisms.

Insights from the case studies:

Lessons learned in leveraging coaching as a change enabler

Each of these case studies have been selected because they challenge conventional notions about coaching. They bring new insights into how coaching can go beyond individual development and be used as a strategic change enabler. While the transformation journey and coaching strategy for each of these case studies is unique, there are a few common principles that can be applied by other organizations seeking to use coaching as a strategic change enabler:



1. Start the coaching process at the very top

Leaders are the cultural carriers for their organizations. Teams look to them not only for direction but also for appropriate responses to change. In all these case stories, the leadership teams were savvy in realizing that the coaching process should start with themselves. They invested in personal and team coaching for their executive teams before rolling out coaching across their teams. This approach gave leaders the opportunity to develop behaviors that role modelled the change agenda and allowed them to use coaching techniques that they acquired with their own teams.



2. Allow sufficient time for behavioral change to stick

The organizations under study were able to anticipate that the road to sustainable change would take considerable time and effort, and they invested accordingly. By being prepared for the long haul, leaders were better placed to manage their own change momentum and the expectations of their organizations. This is well illustrated in the example of the multinational healthcare organization in which the leadership team needed almost a year of team coaching before it developed sufficient trust to operate with true unity. The healthcare company recognized that shifting mindsets and behaviors takes time and supported the teams accordingly.



3. Invest in your middle managers

A frequent blind spot in many organizations is the outsized role that middle management plays in the success of any change agenda. Middle managers are the crucial layer that translate organizational strategy into the everyday work context of their teams. If this layer does not find the strategic agenda set by the top leadership compelling, they have the latent power to resist or even derail strategic goals. The featured organizations acknowledged the critical role played by middle managers and engaged them at the beginning of the coaching process. In some instances, these organizations provided their managers executive coaching; in others, they introduced team and peer coaching. By closely engaging middle managers through the process, these leadership teams were able to work through resistance to their change agendas in a developmental and supportive manner.



4. Weave coaching with other change strategies / approaches

No change intervention on its own is sufficient to achieve complex cultural or behavioral change. Coaching needs to be used in alignment with other behavioral change tools like strong communication and staff engagement plans, supporting reward systems that reinforce behavioral change (monetary or through recognition) and investment in other soft skills development beyond coaching skills (like managing change). Each of the featured organizations recognized this and complemented its coaching with supporting interventions. In the example of the global restaurant business, the company reinforced its coaching intervention by including the principles of “Better Conversations Everyday” in its performance management process. The healthcare company used team building offsites to reinforce its team coaching goals.



5. Enlist internal change coaches

One way to tackle resistance to the strategic agenda is to enlist carefully-selected employees as change coaches. These employees should ideally be seen as role models and represent different functions and levels across the organization. By working alongside external coaches and role modeling the desired transformational outcomes, these individuals build momentum for change and can tackle resistance in the deepest pockets of the organization.



Conclusion

The executive teams in the presented case studies understood the complexities of leading change. While each of them had different transformation goals, they were united in their recognition of the human side of change and in the value of coaching in enabling the necessary mindset and behavioral shifts. As a result, they avoided becoming a part of the 70% of failed change programs and instead led their organizations through successful and sustained transformation.

In today's post-pandemic world, nearly every organization is either embarking on or in the midst of deep strategic transformation. The necessity for leaders to tune into their employees' mindsets and take them along on their change journey has never been more critical. Command and control leadership simply does not work with Millennial and Gen Z employees who want to understand why they must do something before knowing what they need to do. Getting staff on board and rowing in a new direction is only possible if staff trust their leaders and believe in the new strategic direction. Coaching not only enables deep mindset and behavioral shift, but also demonstrates that leaders want their teams to walk with them rather than simply follow them.

Planning for change?

We can help you as you prepare for your transformation. Our coaching solutions – including executive, team, and integrated coaching, as well as programs to build coaching skills, can help you anticipate the human side of change and bring about the behavioral and mindset shift that you need.

Learn More: ccl.org/coaching

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Vandana is the Director of Coaching for CCL APAC. She leads the coaching practice across the region, orchestrating and leading client engagements to create deep transformation and executive development at C-suite levels. She leads CCL coaches across the APAC region to enhance coaching impact and capability development. She is an Executive Coach and Facilitator with 23 years of experience working with C-suite leaders and Executive teams to co-create transformational business and leadership outcomes, building a coaching and empowering culture for organizations across the APAC region. Prior to joining CCL, Vandana was heading People Insight, a leadership consulting firm. She has in the past facilitated engagements for top teams, senior leadership and high potential talent pools at diverse organizations, including manufacturing, engineering, banking, telecom and services sectors.

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