

Coaching and Philanthropy

MASTER THE BASICS

WHAT IS COACHING?

The CAP Project defines coaching as a process that supports individuals to make more conscious decisions and take more effective action. In a coaching relationship an individual with leadership and coaching experience (the coach) provides customized support to one or more nonprofit leaders (coachees) for a limited period of time.

In contrast to some other forms of leadership development support, which often provide general guidance applicable across a range of situations and organizational contexts, coaching is tailored to the coachees. The content of coaching is based on coachees' experiences and their reflections on

their strengths and weaknesses, the specific contexts in which they are working, and their hopes and aspirations for themselves and their organizations.

Several different types of coaching are available, including organizational, life and career coaching. The focus of the CAP Project's work is organizational coaching. While this type of coaching inevitably touches on personal and career issues confronting the leader, the focus is on the needs of the leader within the context of the organization.

HOW COMMON IS COACHING?

Coaching has become a popular form of leadership support among private-sector businesses. A 2008 survey by the American Management Association found that 52 percent of North American companies use coaching, and more than half of these are using coaching more now than in the past. According to the *Harvard Business Review*, the private sector in the United States spends more than \$1 billion on coaching each year.¹

By comparison, coaching remains an emerging practice in the nonprofit sector. The 2006 study "Daring to Lead" found that 25 percent of nonprofit leaders said they had used a coach, although the report's authors acknowledge that the term coaching can mean different things to different people.² In GEO's 2008 survey, *Is Grantmaking Getting Smarter?*, 27 percent of grantmakers who supported leadership development in the previous two years said they provided grants for coaching; 24 percent reported supporting coaching through direct assistance within the same period.

IN WHAT FORMS IS COACHING OFFERED TO NONPROFIT LEADERS?

Coaching for nonprofit leaders can come in a variety of forms, from one-on-one coaching to team coaching, blended coaching (which combines coaching with other forms of organizational development support) and coaching by peers. Grantmakers and nonprofits should consider which type of coaching to use, based on the needs, interests and characteristics of the organization and the coachee.

WHAT DO NONPROFIT LEADERS WANT TO GAIN FROM COACHING?

Many nonprofit leaders view coaching as a way to develop and hone key leadership and management skills. Asked why they wanted a coach, 67 percent of coachees surveyed by the CAP Project chose “to develop leadership skills/confidence” as a high priority. A majority of coachees also gave high priority to enhancing management skills or confidence, developing a better balance of the personal and professional in their lives, and managing organizational change more effectively. Nonprofit leaders using CompassPoint’s coaching referral and matching service have cited a similar assortment of motivations and goals.

MAKE THE CASE

WHY SHOULD GRANTMAKERS CONSIDER SUPPORTING COACHING?

Coaching can provide nonprofits and their grantmakers with a powerful, cost-effective strategy for developing and supporting current and future leaders. Especially at a time when many nonprofits are facing enormous financial and operational challenges brought on by the economic crisis that began in the fall of 2008, grantmakers see coaching as a way to help ensure that nonprofit leaders have the time and space to make careful decisions.

In addition, by helping current and future leaders manage and reduce stress and find answers to personal and organizational challenges that keep them up at night, coaching can make an important contribution to keeping more good people in the sector and helping them grow as leaders.

In the CAP Project’s survey of coachees, almost two-thirds said coaching was “very effective” compared with other types of leadership development support and tools for organizational effectiveness, such as training, workshops, classes or seminars.

WHEN DOES COACHING WORK BEST?

The top reason why private-sector companies turn to coaching is to develop “high potentials” or to facilitate transition, according to a 2009 *Harvard Business Review* article. In the nonprofit sector many coaches, coachees and grantmakers consider coaching to be especially valuable at an “inflection point” in the life of an organization — for example, when its leaders and senior staff are dealing with an executive transition, the organization is embarking on a new mission or strategic plan, or the organization is undergoing an expansion in programs or funds. Grantmakers and nonprofit leaders also value coaching as a catalyst for enhancing the effects of other interventions designed to develop leadership and organizational effectiveness.

HOW DOES COACHING CONTRIBUTE TO THE DEVELOPMENT OF THE INDIVIDUAL NONPROFIT LEADER?

Coaching provides nonprofit leaders with the opportunity to grow as leaders through a process that combines self-directed learning with guidance from a coach. Among the many benefits of coaching for the individual leader:

- » A Safe Space for Reflection. Coaching provides a safe space for leaders to air their concerns about their jobs and about the problems facing their organizations — and to consider solutions.
- » Increased Self-awareness. A major outcome of coaching for the individual leader is a higher level of self-awareness, which, along with self-management, many consider to be a prerequisite for strong leadership.
- » Higher Levels of Confidence, Clarity. Coachees regularly report that coaching strengthens their ability to step into their leadership roles with greater confidence. Coaching also has helped many participants clarify specific aspirations that relate to their development as leaders, including decisions to continue their education, gain or strengthen specific skills, or shift their current job responsibilities.

HOW DOES COACHING CONTRIBUTE TO THE SUCCESS OF THE LEADER'S ORGANIZATION?

Nonprofit leaders, grantmakers and other coaching proponents regularly refer to the ripple effect coaching can have on organizations. As an individual or team begins to realize personal benefits from coaching, those benefits can spread throughout the organization to enhance its overall efficiency and effectiveness. These benefits include:

- » Better Leadership and Management. The CAP Project's survey of individuals who have worked with an executive coach for at least three months found that respondents believe coaching contributed to significant improvements in key leadership and management skills. Nonprofit leaders also reported to the CAP Project that coaching helped them lead their organizations through a variety of changes, including mergers, quick program growth and organizational restructurings.
- » Smoother Transitions. Coaches, coachees and grantmakers alike especially value coaching as a means of helping organizations manage executive transitions successfully.
- » Stronger Leadership Teams. Last but not least, coachees note that coaching has helped them understand that they cannot do the job of running their organizations on their own; they say coaching helped them take steps to strengthen staff and board leadership teams and to improve communications and interpersonal relationships with colleagues.

MAKE IT WORK

WHAT IS THE ROLE OF GRANTMAKERS IN SUPPORTING AND ADVANCING COACHING?

In order for coaching to take hold and reach usage rates comparable to those in the business world,

grantmakers will need to invest more in coaching for their grantees. The CAP Project's research has shown that coaching can have a positive impact when grantmakers offer it to nonprofits in the context of larger grantmaking efforts, such as leadership development programs and organizational effectiveness initiatives.

Grantmakers also can support grantees to become more conscious consumers of coaching by helping them clarify the purposes of a coaching engagement and providing them with information about what coaching is, what it is not, how to screen and select a coach, and how to tell when coaching is not working.

¹ Stratford Sherman and Alyssa Freas, "The Wild West of Executive Coaching," *Harvard Business Review*, November 2004.

² Jeanne Bell, Richard Moyers and Timothy Wolfred, *Daring to Lead: A National Study of Nonprofit Executive Leadership*, 2006, p. 23, a joint project of CompassPoint Nonprofit Services and The Meyer Foundation, available from www.compasspoint.org.

CompassPoint Nonprofit Services, 500 12th Street, Suite 320, Oakland, CA 94607, 415.541.9000, info@compasspoint.org