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JUL 7, 2017 @ 08:00 AM 6,344 👁

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## Win The War For Top Talent: Why Leaders Should Build A Coaching Culture In Their Organization



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Companies are in a war for top talent. Even if your company wins employees initially, you continually risk losing those top performers and high potentials to the competition if you're not deliberately focused on creating strategies to develop and retain them.

Building a coaching culture in the workplace means not only developing your leaders but also empowering them to support their employees' growth and skill development within the organization. A leadership culture that emphasizes continuous learning,

communication and feedback helps managers maximize their potential and value to the organization, as well as promotes a more motivating and energized work environment. These deliberate efforts better position companies to successfully scale and to nurture their talent.

Tackling a change initiative like this can be intimidating. When it comes to shifting organizational culture, it can be difficult for senior leaders to know where to begin, or understand why these efforts are so critical to their organization's continued success.

However, for businesses to scale effectively, they must ensure they're proactively preparing leaders with coaching skills to empower the ranks. In his book *Scaling Up: How a Few Companies Make It...and Why the Rest Don't*, author Verne Harnish recognizes that team of capable of middle managers is one of the key elements required for a company's successful growth.

Here are three powerful reasons your organization should make building a coaching culture one of your highest strategic priorities.

### **1. Failing to develop managers throughout the organization can become a major growth barrier.**

Traditionally, companies have reserved executive coaching as a developmental tool for only the most senior leaders or high potentials tapped to move into key positions. However, as workplace demographics and businesses continue to quickly evolve, providing coaching for emerging leaders and especially mid-level managers will become critical initiatives for companies who want to engage and retain their talent and intellectual capital over time.

As organizations continue to rapidly grow in size and complexity, it is increasingly important for leadership teams to develop managers' skills to help them drive innovation and autonomy within their teams. With a focus on lean operations, it's not uncommon to hear about managers who were promoted with little to no formal leadership training to prepare them for those critical roles. And, as a result, team morale and engagement have suffered.

Google is one example of a company known for creating an exceptional environment that drives employee engagement. Applying its data analytics to its people decisions, Google found that "[periodic one-on-one coaching ... \[was\] ranked as the no. 1 key to being a successful leader.](#)"

Organizational culture doesn't happen by accident. Culture is the result of intentional action and consistency. The leadership behaviors that are consistently reinforced are the ones that get perpetuated. Therefore, a company's culture is impacted by the quality of leadership within the company.

## 2. People join companies, but they leave managers.

Once you've hired the best talent, it takes great managers to keep employees happy and engaged. But not every team is led by a great manager. In fact, a Gallup [study](#) found that 70% or more of the variance in employee engagement is traced back to the managers.

[Coaching skills don't come naturally](#) to managers who often operate under the misperception that, as a leader, their job is to provide answers and give directives rather than coach critical thinking to empower positive action.

When it comes to driving engagement and performance within their teams, leaders often underestimate the power of their actions and influence on team members and therefore use that power ineffectively. Most leaders want employees who take the initiative, get involved, make decisions and generate ideas, however certain leadership behaviors can actually [unintentionally squash autonomy and motivation](#), leading to a disengaged work environment and frustration for everyone involved.

## 3. Losing top talent is massively expensive.

Leaders should keep employee engagement top of mind because every interaction with employees can have an impact on engagement and organizational performance, be it positive or negative. Employees who become disengaged are costly to the organization. Since 2011, U.S. employee turnover rates have continued to climb, with approximately [9 to 20% of employees lost in annual turnover](#), depending on industry. It can cost anywhere between [16 and 213%](#) (registration required) of a given employee's salary to lose that employee, so a high rate of turnover is to be avoided.

When it comes to implementing a coaching culture, it's important to ensure that your company creates a people development strategy that aligns with your company's core values and organizational goals. Developing this vision and clearly articulating the plan will help to drive strategic alignment throughout the organization.

### **A Three-Step Development Strategy That Emphasizes A Coaching Culture**

Once a clear strategy is in place, start at the top with the executive team. As these top influential leaders begin to emulate expected coaching behaviors with their management teams, a coaching culture will begin to take shape over time.

Next, design a methodology to train senior leaders and managers on some coaching basics (like listening, asking empowering questions and following up for accountability) so they can model coaching-type behaviors with their teams. It's important to educate managers on the benefits of coaching within their own teams to build buy-in.

Finally, create a plan of accountability and follow-up to ensure implementation and

evaluate the program for continuous improvement opportunities.

In addition to the obvious benefits of increased engagement, retention and improved overall morale, building a coaching culture has other perks for leaders and their teams. A coaching culture creates greater self-awareness and more effective communication, which supports team cohesion and alignment. Leaders who focus more on coaching than “managing” their team members can enjoy a workforce that focuses on solutions, rather than problems, and employees who are more invested in the company’s success.

It's important to remember that culture change doesn't happen overnight. While it takes a high level of commitment by senior leaders to build a coach-centric management model, organizations with strong cultures that make leadership development a top priority can gain the upper hand when it comes to winning and retaining top talent.