

Digital Article

### Leadership



# **How to Lead Like a Coach**

Lessons on making the most of teachable moments from AstraZeneca, Sandoz, and Vodafone. **by James Elfer and Zsofia Belovai** 

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Published on HBR.org / September 06, 2024 / Reprint H08D82



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The modern workplace demands a shift in leadership style. We hear it on repeat: The command-and-control model is a thing of the past. Today we need managers who can ask good questions, facilitate problem-solving, and offer support and guidance to their teams. In short, we need managers committed to a culture of coaching.

Turning that vision to reality, however, is proving tricky. Despite devoting significant resources to building coaching capability through development programs, many organizations report little change in manager behavior or improved manager-employee relations. To be fair,

many managers simply don't have the time to do things differently or take part in extended training programs. They're facing escalating levels of workload and burnout and yet are being asked to adopt a more patient, facilitative style of leadership. What could possibly go wrong?

While some organizations continue to try to escape this catch-22 with costly, time-intensive leadership training, others are exploring artificial intelligence as a shortcut. If the avalanche of AI-tools now hitting the HR marketplace can automate routine tasks for managers, the theory goes, then perhaps we can create more space for a coaching style of leadership. If not, maybe we go a step further and delegate real-time guidance and employee support to a new wave of AI coaching tools.

These ideas warrant serious evaluation. But they've been so hyped that they can be distracting.

We're behavioral scientists who study and advise organizations on what strengthens performance and culture at work, and we've discovered that there's a simple, more-manageable way to help managers develop a coaching style of leadership: Instead of asking them to take part in time-consuming training programs or adopt new technologies, encourage them to transform interactions that they're *already* having with their employees into coaching moments.

Some of these interactions take place during the routine flow of work, among them one-on-ones, weekly meetings, and project reviews. Others form part of the performance infrastructure, such as goal setting, feedback conversations, performance reviews, and reward. But in all cases, the idea is to help managers design "just-in-time" guidance, nudges, and motivation that can change the nature of the relationship that they have with their teams.

This approach, which we call everyday coaching, can produce meaningful benefits. In this article we'll introduce you to the model by discussing three experiments we've used to evaluate its impact, involving tens of thousands of employees, at AstraZeneca, Sandoz, and Vodafone.

#### **Goal-Setting at AstraZeneca**

There's always a risk that a goal-setting process can feel transactional when implemented across an organization with thousands of employees. The desire for a united vision can easily become disempowering when company-wide goals cascade from the top and are merely translated into annual KPIs for the upcoming performance cycle. That's a missed opportunity, because goal-setting can be the perfect time for employees to set personal aspirations for the year ahead, and for managers and teams to reset and realign on what they wish to achieve together.

At AstraZeneca, the annual goal-setting process happens in January. This timing inspired us to link the experience with the <u>freshstart effect</u>, in which people engage in aspirational behaviors because they have just passed temporal landmarks such as birthdays or the New Year. To prompt this mindset in employees at the company, we asked a senior leader to create a short video in which she told colleagues in a peer-to-peer tone that she has always found goal-setting to be a great time for personal reflection and new beginnings, and success to be about finding ways to achieve at three levels — as an individual, part of a team, and part of an organization.

That video was embedded into the regular goal-setting communications at the company and then randomly allocated to roughly 5,000 people. Employees who interacted with the message were significantly more likely to enter goals into the HR system and described their goals

in greater detail. Weeks after the video was distributed, we gathered anonymized survey data from employees and found that those in the "fresh start" group were significantly more likely to agree that leaders at AstraZeneca cared about their personal aspirations. In short, a small coaching moment improved the relationship between employees and senior leaders while encouraging greater engagement in the goal-setting process.

#### **One-on-ones at Sandoz**

At Sandoz, we turned our attention to the one-on-ones between manager and team, an interaction that attracts significant time and energy but is rarely given the attention it deserves as a vehicle for culture change. Without that intentionality, busy managers and their teams may use their one-on-ones as no more than an opportunity to run through their current tasks and to-do lists.

In collaboration with a team from LMU Munich and INSEAD, we set out to reimagine the way one-on-ones were conducted so that they would improve manager relations and team dynamics. We tested two alternative approaches for one-on-ones against a control group, with both adopting simplified guidance for managers alongside a coaching-style approach. In the first, we asked managers to hand control of the conversation to their employees, encouraging them to express what was important to them and where they needed support. In the second, we asked managers to help make their employees' lives simpler, by focusing the one-on-one discussion on how to remove barriers, distractions, and blocks to making their most valuable contribution.

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managers to hand control of the conversation to their employees, encouraging them to express what was important to them and where they needed support. In the second, we asked managers to help make their employees' lives simpler, by focusing the discussion on how to remove the barriers and distractions that were keeping them from making their most valuable contribution.

We randomly allocated our new guides across roughly 1,000 teams within Sandoz and measured the effect on team dynamics. The impact was wide-reaching, with the main effects arising from the one-on-on conversation led by the employee rather than the manager. Compared to the control group, the teams that received this guide reported a 12% increase in feelings of psychological safety, a 15% increase in viewing their managers as role models, and a 21% increase in positive perceptions of their career development. And remember: This effect did not arise from a new, time-intensive development or transformation program but rather from a coaching-informed redesign of a manager-employee interaction that was already taking place.

#### **Performance Conversations at Vodafone**

Our final experiment focused on performance conversations at Vodafone, a high-priority moment for both manager and employee because of the stakes involved for their relationship. In corporate organizations this conversation often inspires some trepidation, but it's also an opportunity to learn about your strengths and the steps you need to take to achieve your goals. At Vodafone, we wanted to prompt a genuinely productive feedback conversation, oriented toward the growth of employees and the organization. To do so, we encouraged managers to initiate exploratory, two-way conversations that would help team members identify areas for development.

The experiment set out to answer two questions. The first concerned framing. What is the best way to understand the goal of a performance conversation? Is it primarily about helping employees set and pursue their individual goals? Or about helping them understand how they can do a better job of improving Vodafone's performance. The second question concerned style: What works best in a performance conversation, a direct style that is blunt but clear, or a "softer" and less-direct coaching style?

We randomly allocated over 3,000 managers to one of five groups, so that we could study how all four possible combinations of the organization-vs.-individual and direct-vs.-coaching approaches compared to a control group. This was a rich experiment with many findings, but the headline is that we saw the most positive outcomes in the group that focused on individual goals and then followed up with a coaching style of feedback. Specifically, we found that compared to the control group, managers in this group were 22.8% more likely to record feedback in Vodafone's HR system, and their employees were significantly more likely to feel accountable for achieving their goals.

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Everyday coaching is based on three fundamental ideas. First, rather than trying to transform your leaders by sending them to time-intensive and often expensive training programs, focus on making the most of the everyday interactions and experiences that will define their relationship with their teams. Do everything you can to make those moments better. Second, if you want to make improvements in those moments, start by adopting a coaching-style of leadership. Our experiments have shown positive effects of that approach in informal and formal settings, and for local managers and senior leaders alike. Finally, remember that this model is underpinned by experimentation. In the studies above, we designed interventions that we hypothesized would work in the context

of the organization and its priorities — and then carefully evaluated our impact. In other words, everyday coaching is *not* an off-the-shelf answer. It's a model of behavior change that you can adapt to your culture and needs.

We would like to thank all our partners across these experiments, with special mention of Rebekah Martin and Karin Kindstrand Lyckemalm at Astra Zeneca, Chris Rider at Novartis and Frank Kellenberg at Sandoz, and Carl Clarke and Michelle Davies at Vodafone.

This article was originally published online on September 06, 2024.



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