

FINANCIAL TIMES

THURSDAY AUGUST 7 2003

Features

Whitehead Mann
The Change Partnership

Even the CEO needs a coach

UNDER THE SKIN Peter Hogarth's job is to listen to top executives' problems and insecurities and set them on the right track. The Peter Principle is alive and well, he tells Alison Maitland

Our favourite question to clients is: "What's going to get you fired?" Nobody ever asks them a question like that. Chief executives never get anyone to challenge them on anything. You've got to get them out of their comfort zone, thinking and trying things differently. That's how you change performance.

Coaching is a totally confidential relationship, so probably for the first time they can talk about things that worry them and that they're not so good at. It's very difficult to turn round to your boss and say that you don't like them or that you are really struggling with two politically inclined colleagues.

Lots of clients think they aren't very clever, particularly the ones who haven't been to university. We can put them through spatial reasoning and verbal and non-verbal tests and very quickly reassure them that they're just as bright as the rest of them.

I've been coaching for nearly 11 years and I can only think of one client out of 300 to 400 who I didn't think much of. His entire agenda was "How do I get my next job and get the most out of my CV?" He had no real interest in developing himself for his company.

Most clients have an ambition to be better themselves

and to be running something even bigger, or changing the world. You shouldn't underestimate the male ability to think they can do almost anything. The Peter Principle is alive and well.

I think people are promoted into jobs too quickly. Most of the people we see could have done with another job before the one they're doing. You get a lot of people who come up a route of technical excellence such as finance, engineering or IT and suddenly hop out at the end as a board director. They have to manage their peer group and their boss and understand the full panoply of issues. You have to train them to think completely differently about what success looks like, because they're totally focused on the task.

A client who is becoming chief executive of a FTSE company will require a totally different coach from someone who has got deep-seated performance and behaviour issues. The first lot probably need people who have worked at board level. At the other end of the spectrum, you want a chartered occupational psychologist or someone who's done a psychotherapy course.

It is incredibly difficult to change behaviour in people over 50. They've got to have enough of their working life ahead of them to want to do it. You can change 32-year-olds brilliantly, and 38-year-

olds OK, but 45 is getting difficult, and 50 impossible.

An example of bad behaviour would be someone who is very sweet and nice to the boss but incredibly unpleasant and rude and demanding to subordinates. They respond extraordinarily well to hearing verbatim comments about them linked to specific incidents. You talk to four or five of the poor subordinates who've been shouted at and you play [this] back and say: "You said this, they're saying that. Are they all lying to me?"

Another bad behaviour, which all of us do but which is absolutely lethal in very senior people, is doing the things they like doing and not the things they ought to be doing.

Take a CEO who has come up through the marketing route. He has to talk to analysts, manage the audit committee process and so on - things he's never done before and doesn't know very well. If he continues to spend four hours every week talking to the marketing director and going to see the advertising copywriters because he likes doing that, he's not only stopping the existing marketing director doing the job, but also he hasn't got time.

What drives very senior folk to get these jobs is that they know they will be very well paid and won't necessarily have to work to 65. There is a strong link

between ambition for the top jobs and the opportunity to have choice about retirement age. Most people over 45 have let their lives be dominated by work. It's common for them to get up and into the office early. They are then flat out through the day. I do quite a lot of work with ministers and permanent secretaries and they work ridiculous hours, worse than the private sector.

We try to work with clients between 8am and 6pm. We are extremely keen on trying to help them understand they need to have work-life balance. Most of them don't achieve it. But it's unhelpful if we connive with them by having meetings at 8am or 8pm.

I've never worked with a client who doesn't want to have work-life balance. If I had a fiver for every client who's said to me: "I wish I had got closer to my children", you and I would be at the Gavorche for the rest of the week.

I don't think any of them sleep well. If you've been at the office since 7am and you get home at midnight after a dinner, you might sleep but you don't sleep well. That's why holidays have become so important. They cling to the precipice by their fingertips until about December 20 and those 10 days just about give them respite. The three weeks in August are essential. You can see the quality of conversation that you

have with a client dip in July and dip in December. You have to go much slower.

Stress is a major issue when you're a new coach. Gradually you recognise you don't have to solve all the clients' problems immediately. But sometimes you feel ghastly on their behalf because of something awful like the death of a child, or parents suffering from Alzheimer's. These things can severely impact on their ability to do their work properly but they are never the reason why they're here.

There's a long list of things that keep them awake at night. Let's take FTSE 250 CEOs: over the last three years they've had to deal with the stock market crash, September 11, 2001, Sars, the on-off Iraq war. You've got businesses that are struggling because their market is changing. For example, will 3G work or not? Will music piracy destroy the music industry as we know it?

Then there are things like the composition of the board, Higgs, the growth of activist shareholders, the impact of the collapse of Enron, problems at WorldCom and Marconi. All of that has gone from being not a very big part of a discussion with a FTSE chief executive to a lot of it. Another big chunk is how you manage shareholders and stakeholders.

All of that is coming together with things like: "Why should my pension be limited to £1.4m?" and "My share options are deeply under water and so are all

THE HOGARTH CV

As founder of The Change Partnership, a business coaching firm, Peter Hogarth knows the hopes and fears, strengths and weaknesses of those who run FTSE companies, government departments, professional services firms and non-profit organisations. Mr Hogarth, 54 and married with three children, previously held senior jobs at KPMG, Société Générale and the London Stock Exchange. He was coached while an executive director at the LSE, took a six-month sabbatical to try it himself and never looked back.

In 1994 he founded The Change Partnership, which was acquired by Whitehead Mann, the headhunters, in 2001. Its clients include more than 60 FTSE-100 companies. The firm charges companies 15 per cent of the executive's salary or 10 per cent of their remuneration for a year's support, which amounts to 40-50 hours' coaching. FTSE-100 CEOs pay a flat fee of £100,000.

my team's and the team's below them" and "Is it reasonable to take a pay rise and a better bonus scheme when we're in such terrible trouble?" Those are questions I get asked. You might argue that they shouldn't be asking them, but they ask them. If they get it wrong, it means pages of opprobrium in the press and probably losing their job.