Creating a Coaching Culture in a Global Organization

Bill Pullen and Erin Crane

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There are many different opinions and perspectives on the topic of coaching culture. This article reviews mainstream definitions of coaching culture, looks at the benefits a coaching culture provides, examines the business case for developing a coaching culture, and explores Fortune 500 company CH2M HILL’s journey to developing a coaching culture, based on interviews with CH2M HILL’s leaders and key decision makers for the firm’s coaching program.

MAINTSTREAM DEFINITIONS OF “COACHING CULTURE”

Historically, coaching has been viewed as a tool for individuals to develop leadership strengths while minimizing weaknesses. Recently, a trend has emerged that broadens the use of coaching within organizations. Today, coaching skills and coaching-related behaviors are commonly used to develop participants’ strengths and enhance their ability to lead and guide interactions with employees, peers, and superiors.

Informal research suggests definitions of coaching culture have three distinct categories: (1) coaching is accepted and used as a tool for developing leaders; (2) leaders use coaching skills to develop employees; and (3) coaching behaviors are used as a means for employees at all levels of an organization to effectively interact with one another in their work environment.

For example, Fiona Eldridge (Eldridge & Dembkowski, 2004), an author and member of the standards committee of the European Mentoring and Coaching Council, describes coaching culture within an organization as one where not only formal coaching occurs but where most people use coaching behaviors as a means of leading others. Alternately, the Behavioral Coaching Institute (2007) defines a coaching culture as an organizational development model that defines how the organization’s members can best interact with their work environment. Providing a third viewpoint, Sharon Ting (2006) of the Center for Creative Leadership characterizes coaching culture as one in which leaders and managers throughout an organization apply coaching skills and attitudes daily, to develop and manage people while they are solving demanding and stressful business challenges.

Tom Crane (2005), an organizational development consultant and coach specializing in working with leaders and teams to build coaching cultures, believes,
A coaching culture is present when all members of the culture fearlessly engage in candid, respectful coaching conversations, unrestricted by reporting relationships, about how they can improve their working relationships, and individual and collective work performance. All have learned to value and effectively use feedback as a powerful learning tool to produce personal and professional development, high-trust working relationships, continually improving job performance, and ever-increasing customer satisfaction.

Crane describes seven characteristics of a coaching culture:

1. Leaders are positive role models.
2. Every member is focused on customer feedback.
3. Coaching flows in all directions – up, down, and laterally.
4. Teams become passionate and energized.
5. Learning occurs, more effective decisions are made, and change moves faster.
6. Human resources systems are aligned and fully integrated.
7. The organization has a common coaching practice and language.

**BENEFITS OF A COACHING CULTURE**

While little empirical research exists to support the benefits of creating a coaching culture in organizations, Anderson, Frankovelgia, & Hernez-Broome (2009), in a report produced for the Center for Creative Leadership discuss research conducted with large, multinational organizations. This research demonstrated the positive impact that creating a coaching culture has on the strategic objectives of organizations, which leads to improved business results.

The Behavioral Coaching Institute (BCI; 2007) asserts that introducing coaching competencies into an organization is a powerful strategy to create an adaptive workplace culture committed to the ongoing process of development and learning. Additionally, companies that have developed a coaching culture report significantly reduced staff turnover, increased productivity, and greater employee happiness and satisfaction at work (*ibid.*).

Eldridge and Dembowski (2004) found that a coaching culture promotes more open communication, builds trust and respect, and improves working relationships. By firmly embedding coaching into the culture of an organization, individuals are able to recognize their role in facilitating the development of others, therefore strengthening the coaching culture and bringing about significant operational improvements.
Sherman and Freas (2004) state that while the results from creating a coaching culture may not be directly measurable in terms of dollars, they have yet to know a company that can’t benefit from a greater level of openness, and a more conscious focus on developing talent and leaders who show greater compassion for their people.

**CH2M HILL BACKGROUND**

Headquartered near Denver, Colorado, CH2M HILL is an employee-owned global leader in consulting, design, design-build, operations, and program management for industrial and government clients. With US$6.3 billion in revenue and 23,500 employees, CH2M HILL is an industry-leading program management, construction management and design firm, as ranked by *Engineering News-Record* (2010). The firm’s work is concentrated in the areas of water, transportation, environmental, energy, resources, and facilities. CH2M HILL has long been recognized as a most-admired company and leading employer.

While CH2M HILL was established in 1946 and has entered new industries, markets, and geographies, since then, the firm’s four founding values have remained the same:

- Stay true to our integrity and honesty.
- Do right by employees.
- Take care of clients.
- Deliver great work.

These values on which the firm was built are captured in CH2M HILL’s *Little Yellow Book*, written in 1978 by co-founder James Howland.

**THE BUSINESS CASE FOR CREATING A COACHING CULTURE AT CH2M HILL**

**Why create a coaching culture at CH2M HILL?**

At CH2M HILL, the strategic business need that served as the impetus for developing a coaching culture was driven by the questions: “Who is our next generation of leaders?” and “Where is our next generation of leaders coming from?” The majority of CH2M HILL’s leaders are 45 to 50 years old. As leaders in the firm began to be concerned about their leadership pipeline, they looked for a more strategic way to develop emerging leaders throughout the organization.

CH2M HILL’s senior leaders view coaching and creating a coaching culture as a means of accelerating the development of their leaders and high-potential employees in a way that aligns with the overall culture of the company. Creating a coaching culture at CH2M HILL is designed to support two key business objectives: (1) accelerate the development of the firm’s future leaders, and (2) support the ongoing achievement of the firm’s business goals.
What does coaching culture mean at CH2M HILL?
According to Lee McIntire, CH2M HILL’s Chairman and CEO, “In an environment that supports a coaching culture, leaders across the organization often engage in candid, respectful coaching conversations, unrestricted by reporting relationships. Conversations that focus on how we work together and improve our performance happen easily and often. As a firm, we have learned to effectively use feedback as a learning tool to enhance professional development, working relationships built on trust, and personal accountability. This leads to high levels of personal and customer satisfaction.”

CH2M HILL’s Chief HR Officer, John Madia, adds, “A coaching culture is characterized by the contribution of its leaders to develop their people and provide a platform for positive performance management. We are a culture that places a strong focus on growing the people that grow CH2M HILL. Having a coaching culture that is aligned with performance management will ensure the success of our leaders in managing our people’s performance.”

From the perspective of Annette Wellighoff, CH2M HILL’s Leadership Development Director, and Erin Crane, Leadership Development Consultant for the firm, a coaching culture encourages individuals to actively participate in their learning and development, and provides an environment for accountability. Accountability will drive commitment to long-term development and will positively influence the bottom line impact to the business.

THE SOLUTION:
BUILD A COACHING CULTURE BY LEVERAGING AN EXTERNAL COACHING COMMUNITY
Pullen and Associates is one of two coaching organizations chosen as a delivery partner to support the coaching culture initiative at CH2M HILL. Bill Pullen serves as both a coach and consultant supporting the creation of CH2M HILL’s coaching culture. In this section, Bill provides his perspective on what is required from an external delivery partner to help an organization successfully develop a coaching culture.

Prior to launching this initiative, coaches were contracted on an individual basis at CH2M HILL. There was no centralized monitoring of the coaching services provided and the associated costs, and it was viewed with skepticism. Coaching was seen as an intervention tool for use by leaders and emerging talent who needed to develop more effective people skills, or for poor performers who were at risk of being asked to leave the organization. Confidentiality was a big concern for leaders being coached. Due to these factors, coaching was not linked to strategic business goals and failed to deliver a recognized impact enterprise-wide.
In order to address these concerns, a centralized external coaching program was developed, and after an extensive research and interview process, CH2M HILL contracted with two external delivery partners to provide coaching services for the firm globally. The firm chose two coaching partners rather than a large number of individual coaches for greater control, reporting, monitoring, consistency of service, and less overall administrative time and expense. By choosing external partners with deep ties to the coaching community, Wellinghoff and Crane ensured CH2M HILL would benefit from a greater exposure to best practices in the field.

There are a number of critical elements for an external delivery partner to consider when creating a coaching community within an organization. These include the following:

- Understanding the organization’s vision, strategy, and culture;
- Addressing the needs and perspectives of key stakeholders;
- Articulating the desired behaviors of the coaching culture the organization wishes to create;
- Selecting a team of qualified coaches who understand and align with the needs of the organization, and those who can role model the desired behaviors of the organization;
- Orienting and maintaining the coaching community;
- Aligning the coaching program with other leadership development initiatives; and
- Creating appropriate feedback loops for learning.

Understanding the organization’s vision, strategy, and culture

When working with an organization to develop a coaching culture, an external delivery partner needs to consider how coaching aligns with and supports the vision, strategy, and culture of the organization. CH2M HILL’s vision is to be the best place to work and to provide the best customer experience while being the most respected company in their industry. The firm seeks to transition to a culture in which developing the next generation of leaders is viewed as critical to the long-term success of the organization. Creating a coaching culture supports this vision by creating a focus on feedback, learning, and growth throughout the organization.

Coaching provides a method in which this can be achieved in an organized and systematic manner. CH2M HILL’s senior leaders clearly understand the value of coaching, the importance of creating a coaching culture, and how creating a coaching culture supports this vision and the achievement of the company’s strategy.
How will creating a coaching culture support the overall vision of CH2M HILL?

“Our vision to be the best place to work, provide the best client experience, and be the most respected firm in our industry allows us to stand apart from our competition,” said McIntire. “At CH2M HILL, our three governing values of respect, delivery excellence, and employee control are foundational to how we do business. Creating a coaching culture supports all three values through an environment that allows for candid feedback, performance management, and personal accountability.”

Madia concurs. “Our dedication to being the best place to work drives the need to develop world-class people leaders by championing best practices and processes that align with our business needs. Our coaching culture supports this vision by maximizing business success through the development and management of people and their performance. This culture is achieved with a leadership focus on identifying, acquiring, developing, and retaining top talent—all of which can be facilitated through coaching.”

Related to the strategic implementation, it is also important for an external delivery partner to understand how an organization will measure the success and return on investment of the coaching program, and the success of the coaching culture. At CH2M HILL, the effectiveness of the coaching program will be measured through surveys with both the client and the client’s manager at the start and end of a coaching engagement.

When asked what the indicators of successfully implementing a “coaching culture” are at CH2M HILL, McIntire said, “We’ll know we’ve been successful if leaders demonstrate desired behaviors and use coaching to influence and engage their employees in candid, respectful conversations. This supports the coaching culture by facilitating communications that inspire action.”

Madia went on to say, “We will know if we are successful at implementing a coaching culture when the performance of those being coached is positively impacted, which in turn impacts organizational goals and strategy. Additionally, successful implementation will be determined by whether or not coaching skills are being used throughout all levels of the organization. Overall shifts in how leaders and employees perceive coaching and serve as role models, while emphasizing the importance of adopting coaching behaviors, will also be an indicator of program effectiveness. It’s also an indicator of our organizational maturity.”

Addressing the needs and perspectives of key stakeholders

Understanding and addressing the needs of various stakeholder groups is a critical part of developing a successful and sustainable coaching program, and creating the coaching culture CH2M HILL.
is looking to build. The ability to speak to the needs of the various stakeholders and target coaching solutions that meet those needs creates greater advocacy and support for the coaching initiative.

During one coaching engagement that Pullen & Associates was working on with a client, the HR Director was considering using coaching for one of the senior executives she supported. She had worked hard to be seen as a strategic partner to the senior leaders in her business group. Accordingly, she was very careful to choose a coach who would help her be recognized as someone who could provide resources that supported the strategic business decisions of the organization. Being sensitive to the concerns of the HR Director was important in gaining support for both the coaching engagement and the coaching program at this organization.

Key stakeholders are likely to have different ways of measuring successful implementation of the coaching program and the development of a coaching culture at CH2M HILL. It is important for external coaching partners to work with and support their organizational partners in identifying and reporting appropriate metrics of success.

Articulating the desired behaviors of the coaching culture the organization wishes to create

Why is creating a coaching culture at CH2M HILL important to the success of the company? McIntire emphasized, “Leadership effectiveness is enhanced through a coaching culture. Having leaders who support, encourage, and participate in effective coaching has a direct positive impact on our employees, which indirectly affects the clients and communities that CH2M HILL serves.”

The stakeholders at CH2M HILL seek to create an environment where employees at all levels of the organization utilize coach-like skills in their interactions with one another, including:

- Engage in open dialog regardless of reporting level.
- Use feedback for growth and learning.
- Respectfully hold one another accountable for behavior and business results.
- Act with personal responsibility.
- Actively participate in learning and development.
- Role model desired behaviors.
- Use coaching skills such as asking powerful questions and listening as a way of interacting with one another.

It is important for external coaching partners to work with and support their organizational partners in identifying and reporting appropriate metrics of success.
**CH2M HILL target audiences for coaching.** As part of the design of the CH2M HILL coaching culture, stakeholders are looking to develop leadership competencies in mid-level managers and above (see Figure 1):

- **C-Suite Executives:** Responsible for reinventing the enterprise and managing organizations, C-suite executives focus on enterprise sustainability and growth.
- **Senior Managers:** Responsible for managing managers, transforming the business and developing talent, senior managers focus on organizational vitality and team performance.
- **Mid-level Managers:** Responsible for driving the performance and execution of others, mid-level managers focus on people performance.

By coaching leaders who are mid-level managers and above, and giving them coaching-related skills, they will be able to leverage those skills to serve as role models for and coaches to their own employees, driving the coaching culture throughout CH2M HILL.

**What does a typical coaching assignment under this model involve?** Each coaching assignment usually begins with coaching participants taking the Hogan Leadership assessment. To supplement this written assessment, the coach conducts 360-degree feedback interviews with five to eight people and often more for leaders of organizations. The participant and coach

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**Figure 1. CH2M Hill target audiences for coaching**

![Diagram](https://via.placeholder.com/150)
create a development plan to identify developmental needs based on the data collected. The coaching participant then works with his/her coach to achieve individual coaching goals that support success in his/her role. See Figure 2 below for the flow of the coaching engagement process.

**Figure 2. CH2M HILL coaching engagement process**

![Figure 2. CH2M HILL coaching engagement process](image)

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Three-way meetings with the coaching client, his/her manager, and the coach help integrate the coaching participant’s manager in critical junctions of the coaching engagement, including:

1. **Aligning manager with the goals and objectives for the coaching assignment after the coaching plan has been completed as part of aligning the coaching plan with the organizational strategy.**

2. **Gaining manager’s endorsement in support of the employee’s ongoing development at the mid-point of the coaching assignment.**

3. **Engaging manager in setting long-term goals and objectives for the sustained growth and development of the employee including how the manager will support the achievement of those goals and objectives.**

**Selecting a team of qualified coaches**

With a thorough understanding of what coaching culture means to key stakeholders at CH2M HILL, how it aligns with the vision and strategy of the organization, and what behaviors CH2M HILL would like to develop, it is important to build a cadre of like-minded coaches who possess the requisite skill sets to support the creation of a coaching culture.

The coaches that were chosen to work with CH2M HILL were selected based upon their demonstrated experience working with executives in organizations, an understanding of the importance
of aligning coaching goals with business goals, and an ability to interact with other people in a way that is consistent with CH2M HILL’s values. One of the challenges in selecting coaches for the CH2M HILL network was identifying coaches who could effectively help their individual clients achieve the goals and objectives they outlined in their development plans, while at the same time considering and accounting for the client organization’s desired outcomes.

**Orienting and maintaining the coaching community**

Creating a coaching culture involves having well-informed coaches who have an understanding of the broader context in which the desired behaviors are occurring. This leads to a better understanding of the business/cultural and professional/personal contexts in which their coaching occurs. It also means understanding the current culture within the organization and the desired culture CH2M HILL is attempting to create.

Orienting the team of coaches to the *CH2M HILL Way* began with identifying, evaluating, and selecting experienced coaches. Following coach selection, CH2M HILL’s Wellinghoff and Crane delivered an orientation that provided the coaches with an overview of the organization and the new coaching program. They also provided the coaches with a copy of Jim Howland’s *Little Yellow Book*.

In the future, Pullen and Associates will hold ongoing coaching community meetings to keep CH2M HILL’s coaches abreast of developments within the organization and to provide feedback that can support the ongoing growth and development of the coaches and coaching program. Each of these strategies is essential to meeting the stated goal of continuous learning and development that CH2M HILL views as critical to a successful coaching culture.

**Aligning the coaching program with other leadership development initiatives**

In addition to the continued growth and development of the coaches and coaching program, CH2M HILL also focuses on the alignment of the coaching program with internal leadership development initiatives. This requires the team of coaches to understand the leadership development pipeline at CH2M HILL. The pipeline includes leadership development course offerings, leadership competencies, and assessments used for developing leaders. We can highlight the skills and behaviors taught in the course and discuss how they support the role of the successful leader within a coaching culture. For example, at CH2M HILL, the Hogan Leadership Assessment is used to plan, implement and truly accelerate individual development in all of our high-potential programs.
Leading Leaders: Coaching As a Critical Skill is a core course added to CH2M HILL’s School of Leadership and Management in 2009, where participants are given the opportunity to assess and grow their coaching skills. The interactive experience assists leaders in developing the confidence to engage in three types of coaching conversations: feedback, problem solving and developmental. This, in turn, creates a foundation for these leaders to serve as role models of the coaching behavior associated with a coaching culture.

Business group leadership meetings, forums for high potentials, and integration orientations are also leveraged as opportunities to teach core concepts of creating a coaching culture, build awareness of the skills required to improve performance in coaching conversations, and maximize coachable moments. With knowledge of how the coaching program aligns with other leadership development initiatives, other resources that support the development of the behaviors that drive CH2M HILL’s coaching culture can be leveraged. Ongoing development of coaches will be accomplished through the sharing of information on leadership development initiatives.

Creating feedback loops for learning
One of the benefits of a well organized and centrally coordinated coaching program is that it can provide a forum for the coaches to work closely together. This can enable sharing about the patterns they see in the organization, while still maintaining the confidentiality that is critical to the success of the program. The patterns gathered from the coaches can be analyzed, trends can be identified, and this information can be used to inform other training and organizational development initiatives.

For example, in another organization, the Pullen and Associates team of coaches identified performance management as an issue seen in over 75% of its coaching engagements. This information was shared with their partners in the organization who then used the information to hold a day-long training initiative they called a “Leadership Summit.” Performance management, as well as other trends identified through coaching engagements in that organization, became the content for the event. The summit reached 250 of the organization’s senior leaders, a far larger audience than the group that originally participated in the coaching program.

CONCLUSIONS
Coaching culture at CH2M HILL means much more than simply using external coaches as a means of developing the organization’s people. For CH2M HILL, coaching culture means a way of interacting with one another and leading and developing people that is firmly rooted in the core values of the organization. It is exemplified by courageous, open communication regardless of lines of reporting or authority. Their use of feedback as a way of
supporting one another’s growth provides for continuous learning and accountability.

Using the CH2M HILL experience as a guide, it is clear that the creation of a coaching culture should begin at the most senior levels of the organization. As in the case of CH2M HILL, senior leaders must align on and view the creation of a coaching culture as important to and supportive of the overall vision and strategy of the organization. These leaders must model the desired behaviors in order for organization-wide change to take place. At CH2M HILL, creating a coaching culture is seen as a means of addressing the critical strategic need of developing the next generation of leaders. It supports the vision of being the best place to work and providing the best customer experience, while being the most respected company in their industry.

Creating a coaching culture at CH2M HILL requires a strategic, comprehensive, systemic approach to leadership development. Starting at the top, the senior leaders of the organization must serve as role models for coaching behavior. They need to have courageous, open dialog; provide ongoing feedback; hold one another accountable; and demonstrate that they are actively, visibly participating in their ongoing learning and development. The behaviors to be encouraged throughout the culture must be integrated into leadership development programs so leaders are encouraged to develop their skills around such things as open communication and feedback.

Additionally, these behaviors must be reflected in the organization’s leadership competency model. The desired skills and competencies should be reflected in the performance assessment process. Leaders should be rewarded for using the desired behaviors appropriately. Coaching should be used to help accelerate the development of each leader’s unique way of demonstrating the desired behaviors. It should support them in integrating these behaviors into their way of leading not only their teams, but their peers and superiors as well.

A coaching culture must also align with the “people strategy” of the organization. With the focus on coaching through feedback, continuous learning, and accountability, a coaching culture reinforces the performance management system. It will develop leaders’ skills required to effectively manage performance and support ongoing leadership development.

If CH2M HILL is to continue to be a leader in its field, it must continue attracting and retaining high-quality people. Candidates join CH2M HILL and employees stay at the firm for four key reasons:

- Work with the industry’s best professionals on challenging projects.
• Numerous professional development opportunities.
• The opportunity to make a difference in the communities where they live and work.
• A respectful work environment that values people.

Regardless of race, gender, age, socioeconomics, religion, or sexual orientation, each employee is a unique, highly regarded, and respected member of the CH2M HILL team. Creating a coaching culture supports this respectful work environment where employees feel supported, while at the same time being challenged to grow, learn, and deliver high-quality customer service.

In creating an external coaching community, CH2M HILL sought to partner with companies whose coaches mirrored the attitudes and skills that represent the coaching culture CH2M HILL seeks to create. CH2M HILL’s key stakeholders must work closely with their external coaching delivery partners to provide ongoing feedback to one another so there is an ongoing cycle of continued growth and learning. This will increase the likelihood that the newly created coaching culture will extend beyond the organization and to the external coaching delivery partners. By embracing a coaching culture, CH2M HILL demonstrates that an organization can invest in its employees, deliver high-quality service to customers, and secure successful bottom line results.

RESOURCE

Behavioral Coaching Institute
http://www.1to1coachingschool.com/Coaching_Culture_in_the_workplace.htm

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