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**COACHING FOR LEADERSHIP AND COLLABORATIVE EXCELLENCE**

Beata C. Lewis, JD, MSC, Executive Coach & Change Consultant

P.O. Box 31115, Santa Fe, New Mexico 87594 T: 415 332 8338 E: [Beata@BridgingLives.com](mailto:Beata@BridgingLives.com) W: [www.BridgingLives.com](http://www.BridgingLives.com)



2013 EXECUTIVE COACHING SURVEY

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Talent Strategies for World-Class Performance

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## Executive Summary: Key Findings

### Nearly Two-Thirds of CEOs Do Not Receive Outside Leadership Advice – But Nearly All Want It

#### “Lonely at the top” resonates for most CEOs

Nearly two-thirds of CEOs do not receive coaching or leadership advice from outside consultants or coaches, and almost half of senior executives are not receiving any either.

“What’s interesting is that nearly 100% of CEOs in the survey responded that they actually enjoy the process of receiving coaching and leadership advice, so there is real opportunity for companies to fill in that gap,” says **David F. Larcker**, James Irvin Miller Professor of Accounting and Morgan Stanley director of the Center for Leadership Development and Research at the Stanford Graduate School of Business, who led the research team.

“Given how vitally important it is for the CEO to be getting the best possible counsel, independent of their board, in order to maintain the health of the corporation, it’s concerning that so many of them are ‘going it alone,’” says **Stephen Miles**, CEO of The Miles Group. “Even the best-of-the-best CEOs have their blind spots and can dramatically improve their performance with an outside perspective weighing in.”

More than 200 CEOs, board directors, and senior executives of North American public and private companies were polled in the **2013 Executive Coaching Survey**. The research studied what kind of leadership advice CEOs and their top executives are — and aren’t — receiving, and the skills that are being targeted for improvement.

Key findings from the survey include:

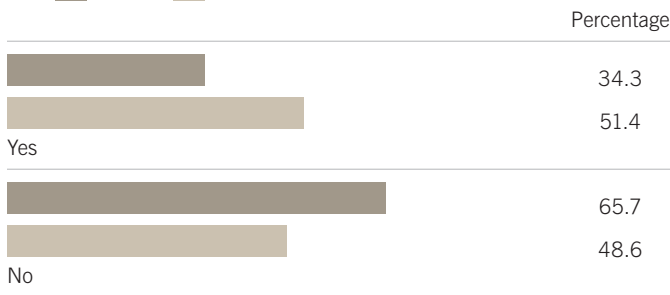
- **Shortage of advice at the top** – Nearly 66% of CEOs do not receive coaching or leadership advice from outside consultants or coaches, while 100% of them stated that they are receptive to making changes based on feedback. Nearly 80% of directors said that their CEO is receptive to coaching. “If CEOs are willing to be coached and make changes based on coaching, it stands to reason that companies and boards should make this happen,” says Professor Larcker.
- **CEOs are the ones looking to be coached** – When asked “Whose decision was it for you to receive coaching?” 78% of CEOs said it was their own idea. Twenty-one percent said that coaching was the board chairman’s idea. Mr. Miles sees this as a positive trend: “Becoming CEO doesn’t mean that you suddenly have all the answers, and these top executives realize that there is room for growth for everyone. We are moving away from coaching being perceived as ‘remedial’ to where it should be something that improves performance, similar to how elite athletes use a coach.”
- **Coaching “progress” is largely kept private** – More than 60% of CEOs responded that the progress they are making in their coaching sessions is kept between themselves and their coach; only a third said that this information is shared with the board of directors. “But as coaching is starting to lose its ‘stigma,’ more of this secrecy is being removed,” says Mr. Miles. “Although much of the coaching discussion should be treated confidentially,” Professor Larcker adds, “keeping the board informed of progress can improve CEO/board relations.”
- **How to handle conflict ranks as highest area of concern for CEOs** – When asked which is the biggest area for their own personal development, nearly 43% of CEOs rated “conflict management skills” the highest. “How to manage effectively through conflict is clearly one of the top priorities for CEOs, as they are juggling multiple constituencies every day,” says Mr. Miles. “When you are in the CEO role, most things that come to your desk only get there because there is a difficult decision to be made – which often has some level of conflict associated with it. ‘Stakeholder overload’ is a real burden for today’s CEO, who must deftly learn how to negotiate often conflicting agendas.”
- **Boards eager for CEOs to improve talent development** – The top two areas board directors say their CEOs need to work on are “mentoring skills/developing internal talent” and “sharing leadership/delegation skills.” “The high ranking of these areas among board respondents shows a real recognition of the importance of the talent bench,” says Professor Larcker. “Boards are placing a keener focus on succession planning and development, and are challenging their CEOs to keep this front and center. However, there is still a long way to go in the area of succession for most companies, especially as you get further down the reporting structure.”
- **Top areas that CEOs use coaching to improve: sharing leadership/delegation, conflict management, team building, and mentoring. Bottom of the list: motivational skills, compassion/empathy, and persuasion skills.** “A lot of people steer away from coaching some of the less tangible skills because they are uncomfortable with touching on these areas or really don’t have the capability to do it,” says Mr. Miles. “These skills are more nuanced and actually more difficult to coach because many people are more sensitive about these areas. However, when combined with the ‘harder’ skills, improving a CEO’s ability to motivate and inspire can really make a difference in his or her overall effectiveness.”

# Survey Questions



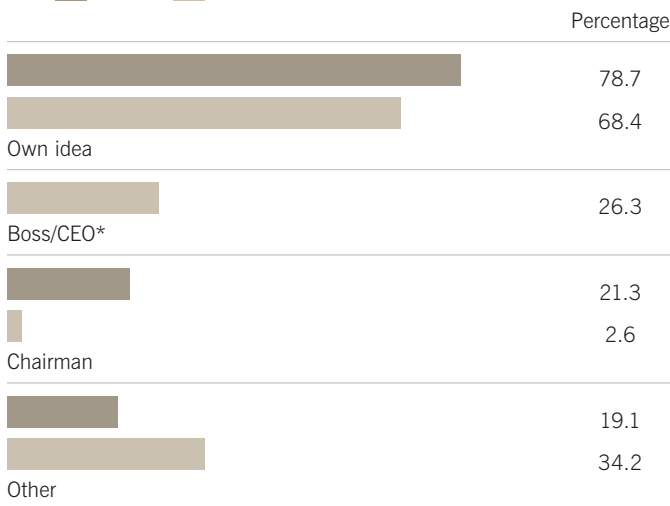
1. Do you receive coaching or leadership advice from outside consultants or coaches?\*

CEOs Senior Executives



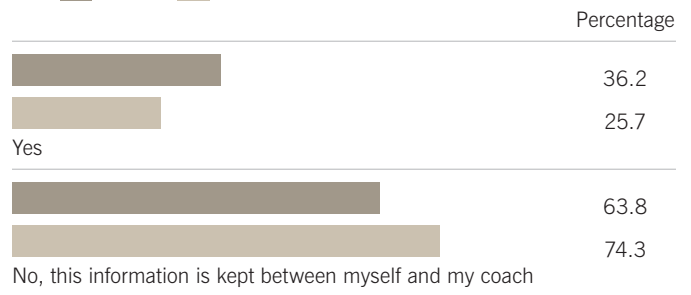
2. Whose decision was it for you to receive coaching? (select all that apply)

CEOs Senior Executives



3. Is the board of directors updated on the progress of your coaching?

CEOs Senior Executives



4. What leadership skills or behaviors are you currently working to develop? What are the biggest areas for your personal development? (select all that apply).

CEOs Directors

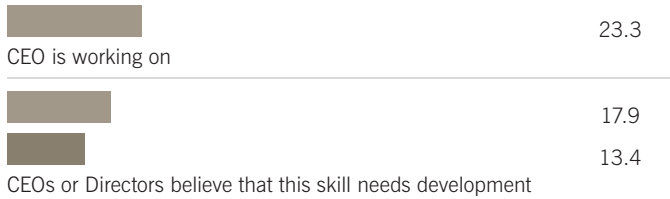


\* Combines information provided by both CEOs and Directors.

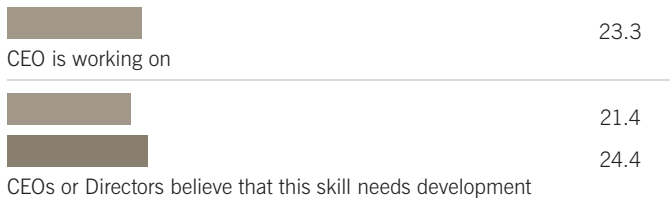
4. What leadership skills or behaviors are you currently working to develop? What are the biggest areas for your personal development? (Select all that apply.) (continued)

CEOs Directors

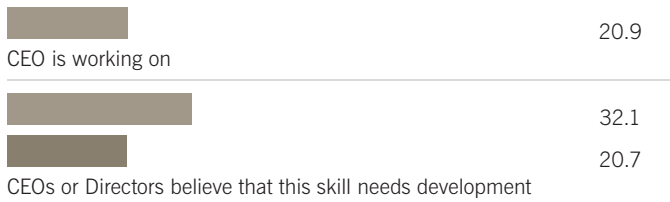
**Team building skills** Percentage



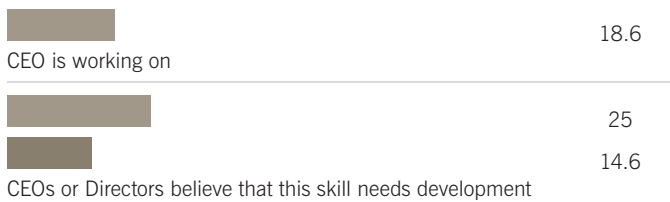
**Mentoring skills / developing internal talent** Percentage



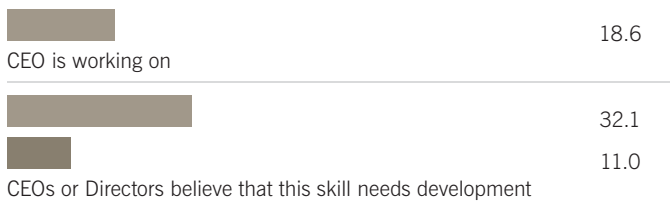
**Listening skills** Percentage



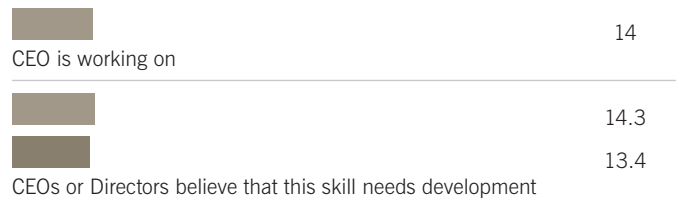
**Planning skills** Percentage



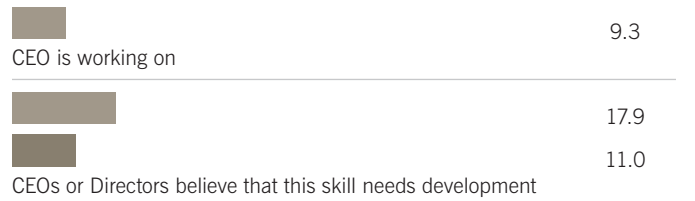
**Communication skills** Percentage



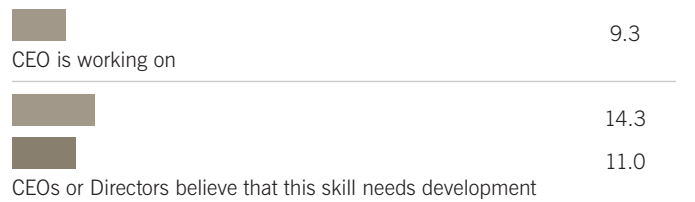
**Interpersonal skills** Percentage



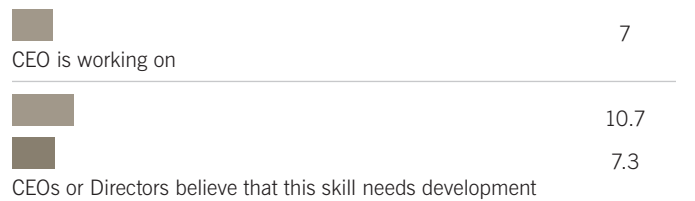
**Decision making skills** Percentage



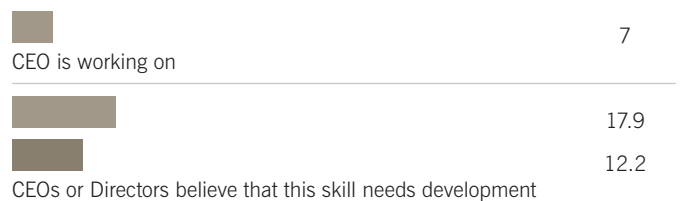
**Persuasion skills** Percentage



**Motivational skills** Percentage



**Compassion / empathy** Percentage



5. What leadership skills or behaviors are you currently working to develop? What are the biggest areas for your personal development? (Select all that apply.)

Senior Executives

**Communication skills** Percentage

Senior Executive is working on	21.1
Senior Executives believe that this skill needs development	10.5

**Conflict management skills** Percentage

Senior Executive is working on	21.1
Senior Executives believe that this skill needs development	34.2

**Planning skills** Percentage

Senior Executive is working on	18.4
Senior Executives believe that this skill needs development	21.1

**Sharing leadership / delegation skills** Percentage

Senior Executive is working on	18.4
Senior Executives believe that this skill needs development	10.5

**Team building skills** Percentage

Senior Executive is working on	18.4
Senior Executives believe that this skill needs development	7.9

**Mentoring skills / developing internal talent** Percentage

Senior Executive is working on	18.4
Senior Executives believe that this skill needs development	10.5

**Decision making skills** Percentage

Senior Executive is working on	15.8
Senior Executives believe that this skill needs development	26.3

**Motivational skills** Percentage

Senior Executive is working on	15.8
Senior Executives believe that this skill needs development	13.2

**Compassion / empathy** Percentage

Senior Executive is working on	15.8
Senior Executives believe that this skill needs development	18.4

**Listening skills** Percentage

Senior Executive is working on	13.2
Senior Executives believe that this skill needs development	18.4

**Interpersonal skills** Percentage

Senior Executive is working on	13.2
Senior Executives believe that this skill needs development	7.9

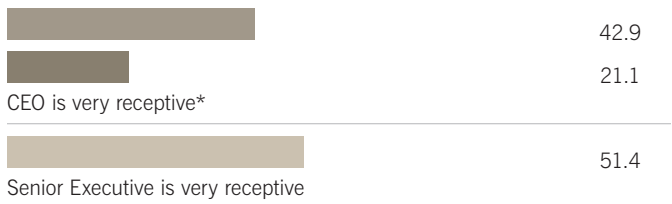
**Persuasion skills** Percentage

Senior Executive is working on	10.5
Senior Executives believe that this skill needs development	15.8

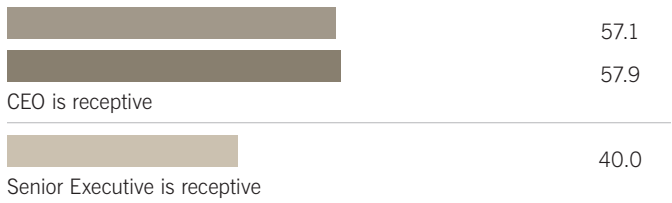
6. How receptive are you to making changes in leadership style in response to the feedback and coaching that you receive?

CEOs Directors Senior Executives

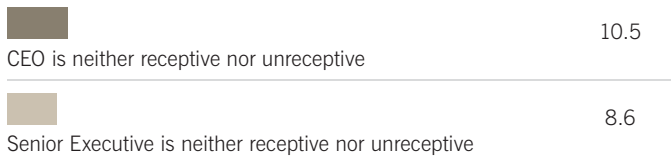
**Very receptive** Percentage



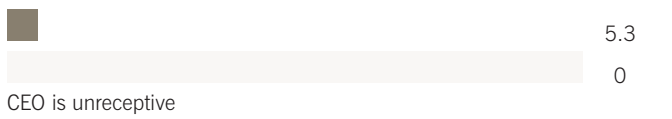
**Receptive** Percentage



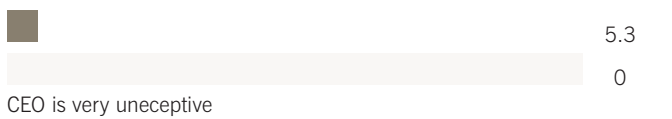
**Neither receptive nor unreceptive** Percentage



**Unreceptive** Percentage

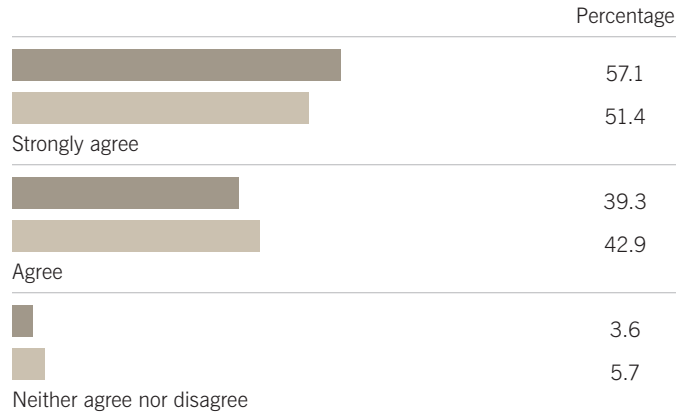


**Very unreceptive** Percentage



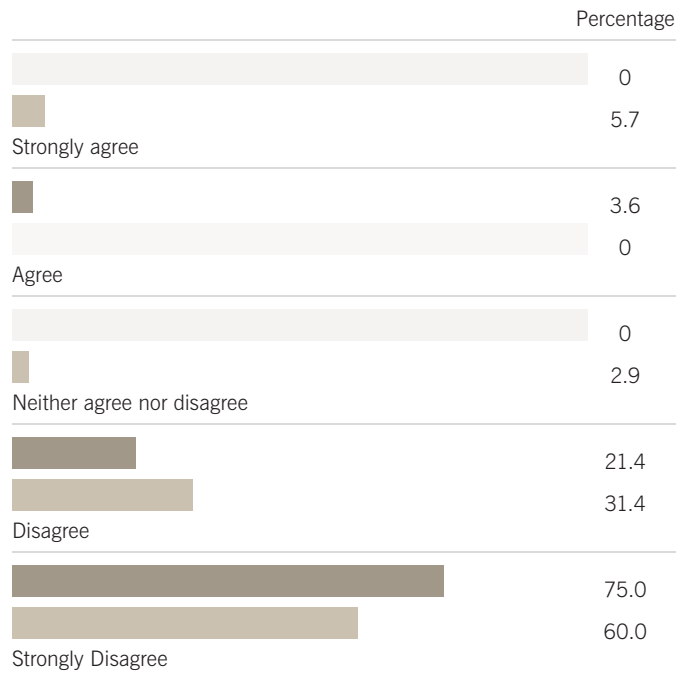
7. Do you agree with the following statement: "I enjoy the process of receiving coaching and leadership advice"?

CEOs Senior Executives



8. Do you agree with the following statement: "I dislike coaching and only do this because the board wants me to do it"?

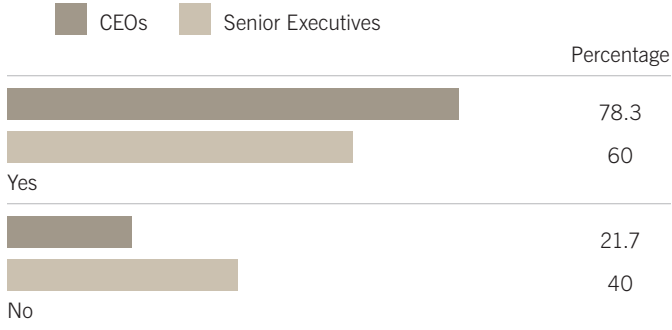
CEOs Senior Executives



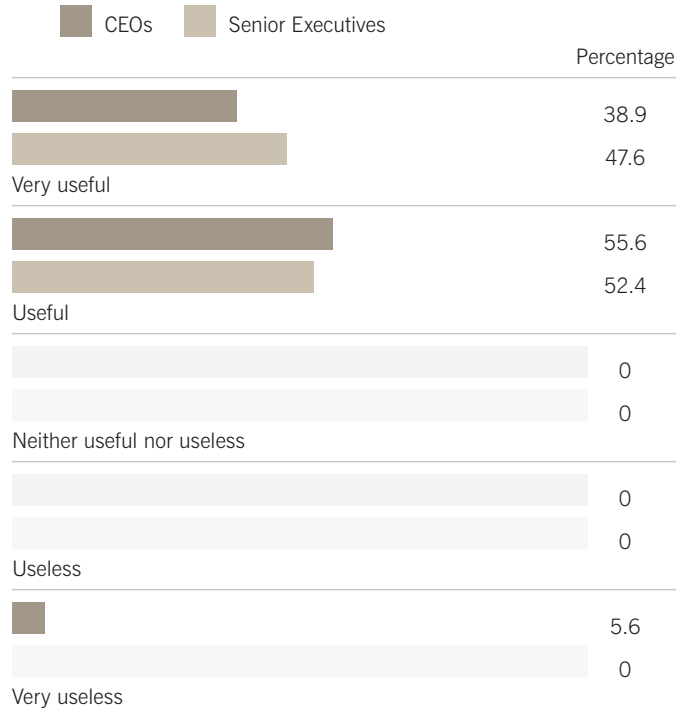
\* Asked of CEOs only.



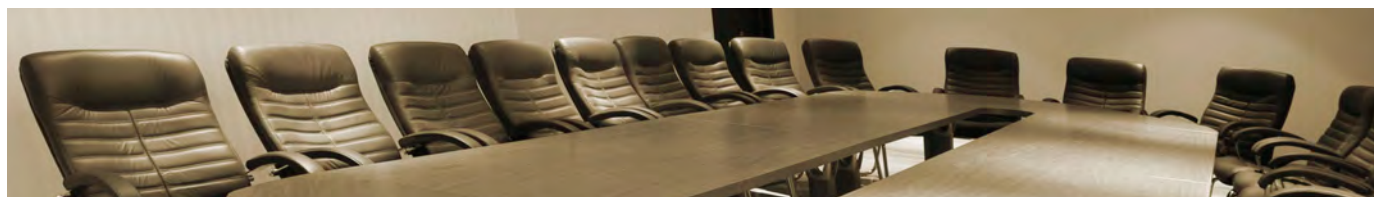
9. Apart from the coaching and leadership advice that you receive from a formal advisor, do members of the board of directors provide you with informal coaching or leadership advice?\*



10. How useful is this informal advice?



## Respondent Profile



**Methodology:** Survey conducted in February and March 2013. Respondents were asked to consider each question from the standpoint of the corporation they are most closely associated with. Respondents were screened to include only CEOs, senior executives and nonexecutive directors.

Total Number of Survey Respondents = 203

Note: Percentages may be rounded to achieve 100.0 percent

**Demographic Data:** Total Population – CEOs, Senior Executives, and Directors

### What is your primary professional background?

	Percentage
General corporate executive background	38.4
Academia / Government service	3.0
Accounting or auditing	3.0
Commercial banking	1.5
Consulting	5.9
Engineering	8.4
Finance	13.8
Investment management	4.9
Law	5.4
Technology	6.4

Other	9.4
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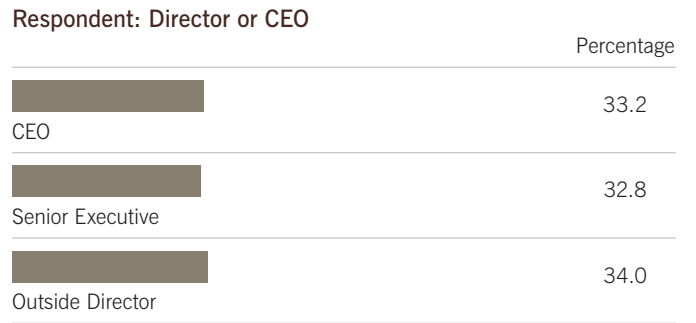
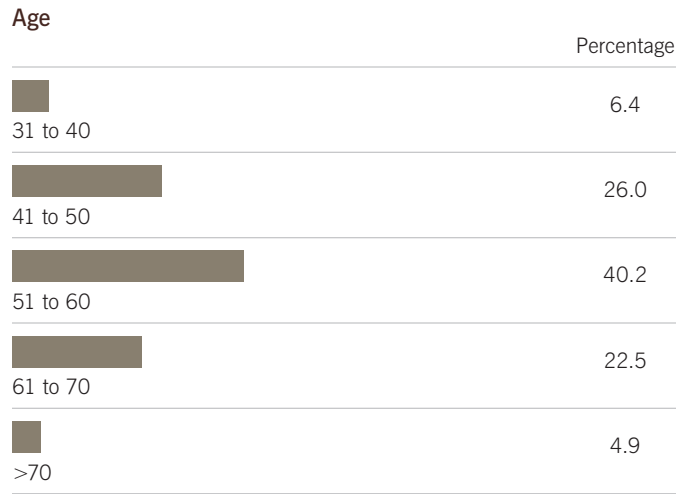
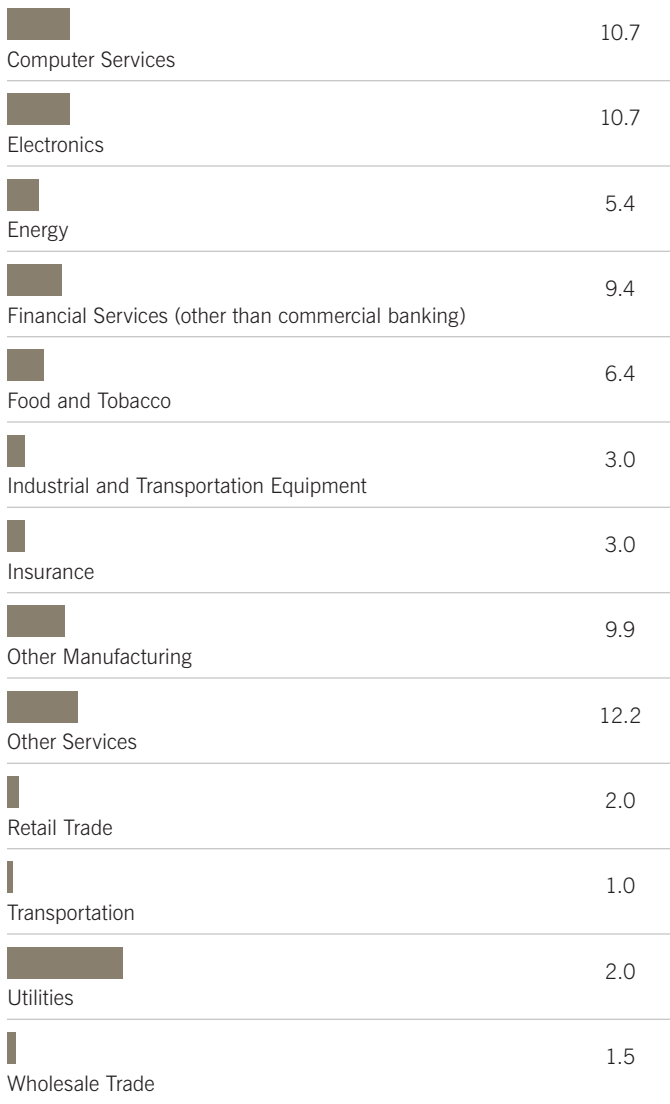
### What is the revenue for the company that you are most closely identified with?

	Percentage
<\$500 million	46.9
\$500 million to \$1 billion	13.3
\$1 billion to \$5 billion	17.2
\$5 billion to 10 billion	5.9
\$10 billion to \$20 billion	4.9
>\$20 billion	11.8

### What is the industrial sector for the company that you are most closely identified with?

	Percentage
Business Services	9.9
Chemicals	2.5
Commercial Banking	3.0
Commodities	.5
Communications	6.9

\* Combines information provided by both CEOs and Directors.



## About the Authors



### David F. Larcker



David F. Larcker is James Irvin Miller Professor of Accounting at the Graduate School of Business of Stanford University and professor at the Stanford Law School (courtesy). He was previously the Ernst & Young Professor of Accounting at the Wharton School of the University of Pennsylvania and Professor of Accounting and Information Systems at the J. L. Kellogg Graduate School of Management

at Northwestern University. He received bachelor's and master's degrees in engineering from the University of Missouri – Rolla and a doctorate in business from the University of Kansas.

David is senior faculty at the Stanford Rock Center for Corporate Governance and Morgan Stanley Director of the Center for Leadership Development and Research. He is also a trustee of the Wells Fargo Advantage Funds.

David has published many articles and book chapters on topics such as executive compensation, corporate governance, measurement of intangible assets, and strategic business models. He received the Notable Contribution to Management Accounting Literature Award in 2001. He is the coauthor of *A Real Look at Real World Corporate Governance* and *Corporate Governance Matters*. In 2012, he was named to the NACD Directorship 100 as one of the most influential people in the boardroom and corporate governance community. He has served as a consultant to numerous organizations on corporate governance and design of executive compensation contracts.

**Email:** [dlarcker@stanford.edu](mailto:dlarcker@stanford.edu)

### Brian Tayan

Brian Tayan is a member of the Center for Leadership Development and Research at the Stanford Graduate School of Business. He has written broadly on the subject of corporate governance, including the boards of directors, succession planning, compensation, financial accounting, and shareholder relations. Tayan is co-author of *A Real Look at Real World Corporate Governance* and *Corporate Governance Matters*.

### Stephen Miles



Stephen Miles is the founder and chief executive officer of The Miles Group. Previously, he was a vice chairman at Heidrick & Struggles and ran Leadership Advisory Services. With more than 15 years of experience in assessment, executive coaching, top-level succession planning, organizational effectiveness and strategy consulting, Stephen specializes in CEO succession and has partnered with

numerous boards of global Fortune 500 companies to ensure that a successful leadership selection and transition occurs. He has also led many chairman successions and board effectiveness reviews, partnering with boards of directors to help them with their overall effectiveness, committee effectiveness and individual director effectiveness.

Stephen is a recognized expert on the role of the chief operating officer, and has consulted numerous companies on the establishment and the effectiveness of the position and supporting the transition from COO to effective CEO. He is a coach to many CEOs and COOs around the world, and his clients cut across all industry sectors.

Stephen and his CEO advisory services were profiled in the Bloomberg BusinessWeek article "The Rising Star of CEO Consulting." Prior to The Miles Group and Heidrick & Struggles, Stephen held various positions at Andersen Consulting.

Stephen is author and co-editor of the best-selling business book *Leaders Talk Leadership*. He also co-authored *Riding Shotgun: The Role of the Chief Operating Officer*, as well as the cover article in the May 2006 issue of *Harvard Business Review* on the same topic.

**Email:** [smiles@miles-group.com](mailto:smiles@miles-group.com)

### Michelle E. Gutman

Michelle E. Gutman, associate researcher, is a member of the Center for Leadership Development and Research at the Stanford Graduate School of Business, and at the Rock Center for Corporate Governance at Stanford University. She is a founder and advisor to Stanford Women on Boards, an initiative to increase the representation of outstanding Stanford-affiliated women on fiduciary boards of directors. Michelle has extensive global experience in accounting, internal audit, and financial management. Follow Stanford twitter feeds: [@StanfordCorpGov](https://twitter.com/StanfordCorpGov) & [@StnfrdLeadrsip](https://twitter.com/StnfrdLeadrsip) for research news.

## About the Sponsors



### **About Stanford Graduate School of Business, Center for Leadership Development and Research**

The Center for Leadership Development and Research mission is to advance the intellectual understanding of corporate governance and executive leadership by engaging academics, regulators, practitioners and professionals, bridging the gap between theory and practice. We aim to strengthen governance and leadership as independent areas of teaching and scholarship in business schools worldwide and to generate new insights into fundamental “big issues.”

### **About Stanford University’s Rock Center For Corporate Governance**

The Arthur and Toni Rembe Rock Center for Corporate Governance is a joint initiative of Stanford Law School and the Stanford Graduate School of Business, created with the idea that advances in the understanding and practice of corporate governance are most likely to occur in a cross-disciplinary environment where leading academics, business leaders, policy makers, practitioners and regulators can meet and work together. The Rock Center’s goal is to conduct research and tap this wealth of expertise to advance the practice and study of corporate governance. The Rock Center works closely with the Center for Leadership Development and Research.

### **About The Miles Group**

The Miles Group develops talent strategies for organizations, teams, and individuals — focusing on high-performance, world-class leadership. Headquartered in New York, The Miles Group advises top global corporations through CEO succession, executive transitions, board assessment and training, and talent development. The firm’s coaching and advisory services enable leaders to raise the bar on their own performance, as well as create an environment for success throughout the organization.



## Contact Information



**For more information on this report, please contact:**

Katie Pandes, Stanford Graduate School of Business  
Phone: 650-724-9152  
Email: [pandes\\_katie@gsb.stanford.edu](mailto:pandes_katie@gsb.stanford.edu)

**Stanford GSB Center for Leadership Development and Research:**

<http://www.gsb.stanford.edu/cldr/>

**Rock Center for Corporate Governance at Stanford:**

<http://rockcenter.law.stanford.edu/>

**The Miles Group:**

<http://miles-group.com/>

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