

# Developing a Coaching Culture at PricewaterhouseCoopers (PwC) Using Competencies

Margaret Echols  
PricewaterhouseCoopers, Washington, DC

Jennifer Sinek  
Executive Coach/Consultant, Alexandria, VA

## Summary

Five years ago Coopers & Lybrand L.L.P., a world-wide professional services firm, embarked upon a new strategic direction, one element of which was the realization that long-term excellent performance depends on the firm's ability to recognize and foster in a tangible manner the value of its people and to create a culture of continuous learning and development. Accomplishing this task required moving traditional training and human resources functions into a strategic role to help the firm make this transition. Development, rather than training, needed to (a) be based on the needs of the individual, (b) take place in or closer to his or her environment (thus providing more transferable insights, skills, behaviors, and attitudes), (c) be based around a set of specific competencies validated to predict outstanding performance within our environment, and (d) take more of a whole person approach than in the past.

To begin to create this learning culture, we launched several strategic initiatives, including the design and rollout of a competency development program, of which individual coaching is a core element. This program applies a holistic approach to development and coaching: one that turns ideas into successful working realities. The competency development program is the focus of this paper.

## Introduction

Five years ago Coopers & Lybrand L.L.P., a world-wide professional services firm, embarked upon a new strategic direction, one element of which was the realization that long-term excellent performance depends on the firm's ability to recognize and foster in a tangible manner the value of its people and to create a culture of continuous learning and development.

### Making It Real

Accomplishing this task required moving traditional training and human resources (HR) functions into a strategic role to help the firm make this transition. It also required these functions to focus on the task in a very different way. Training had been based on the

perceived needs of large groups of people, predominantly delivering its services in traditional classroom settings. In order to make this shift, training now needed to shift as well. Development, rather than training, needed to (a) be based on the needs of the individual, (b) take place in or closer to his or her environment (thus providing more transferable insights, skills, behaviors, and attitudes), (c) be based around a set of specific competencies (knowledge, skills, and abilities) validated to predict outstanding performance within our environment, and (d) take more of a whole person approach than in the past.

To begin to create this learning culture, we embarked upon the following steps:

- We applied the most rigorous methodology to develop a valid and reliable competency model.
- We developed and validated a 360° survey based on the competencies.
- We designed and rolled out development centers for partners and managers based on the competencies, with one-on-one coaching as a core component.
- We designed an automated, firm-wide 360° process of assessment and feedback for the purpose of development, and
- We designed a completely aligned HR system. This performance development system, Strategic Career Advantage (SCA), integrates all HR processes (for example, selection, development, appraisal, succession planning) around our set of empirically-derived competencies.

One-on-one and team coaching by both internal and external professional coaches and building the coaching skills of our partners and staff were critical elements of the development centers, the implementation of SCA, and the firm-wide 360° development process as part of SCA.

### The Complication

However, as often occurs, events overtook strategy. As we were poised to roll out the program to the firm as a whole, that whole almost doubled in size as Coopers & Lybrand merged with Price Waterhouse to form the largest professional services firm in the world—PricewaterhouseCoopers. We became a firm of nearly 150,000 people—as large or larger than some countries. This increased size and complexity necessitated a shift in strategy.

### A New Task

Our question at this point became how to *now* imbue this new firm with a coaching culture. For the foreseeable future, change more likely will occur in pockets of the firm, and successful initiatives will ripple out to more and more pockets. We are going to discuss one of these “pockets,” the Management Development Program. This program applies a holistic approach to development and coaching—one that turns ideas into successful, working realities.

### Taking a Step Toward a Coaching Culture

The Management Development Program is a year-long, industry-specific, multidisciplinary program. It is designed to accelerate the development and enhance the performance of the senior-level managers who represent our future industry leaders. There are two primary components to the program:

1. Bimonthly, in-depth industry training sessions to improve technical industry competence.
2. Participation in a competency development center, which provides an opportunity for participants to develop the leadership competencies required for outstanding performance in our firm, and on which we will focus for the remainder of this discussion. This program is based on the successful development center model we used within Coopers & Lybrand for partners and managers before the merger.

#### The Development Center

The development center consists of two workshops. The 360° assessment is conducted prior to Workshop I. During the first day of Workshop I, the partners who are coaches for each participant attend with them. During this time, both the partners and participants learn about the competencies and receive coaching tools and training related to the competencies. The coaching training at this time is basic *level one* training. The objectives at this level are threefold. The first is to broaden the understanding of the purpose of coaching beyond helping one's direct reports. We say that coaching is expanding people's capacity to develop abilities and take effective action. The second objective is to increase awareness of the steps in coaching, which include: establishing a relationship, recognizing an opening, observing/assessing, enrolling and conducting coaching conversations. Finally, we provide some tools and practice for coaching, beginning with the initial conversation and the establishment of mutual expectations and norms, and then on conducting conversations based on the individual's competency strengths and needs.

During day two of the first workshop, participants receive their 360° data, analyze it, and receive one-on-one coaching from professional coaches, integrating the 360° feedback with information from other exercises on their values, their learning styles, and a map of their life history. During the four weeks between Workshop I and Workshop II, participants have time to reflect on the feedback they have received, to begin to think about a longer-term life vision for themselves, and to receive further one-on-one coaching. They also may collect additional data at this time from, for example, family, clients, or friends.

Workshop II is one day—a very full eight hours. In a professional services firm, time is always scarce. During Workshop II, participants refine their life vision within the context of their career and life stage and develop in a structured manner a realistic learning plan for themselves. This learning plan enables them to set the stage for the next era of their lives and, at the same time, identify practices or actions they can engage in immediately, on the job, to develop abilities, improve performance, or improve their situation.

After Workshop II, participants receive one more individual coaching session with the professional coach, usually by telephone. At this time, they review and refine the learning plan and discuss next steps for the participant. At times, participants request additional follow-up sessions with their coach.

Although assessment data for the development center is based on a set of leadership competencies, the message stated throughout both workshops and repeated in coaching sessions is that development cannot focus solely on the professional side, but that it must also include the personal. A single-dimension view robs both the firm and the individual of fully realizing all possibilities.

The approach and tool used to integrate the personal with the professional is the creation of a learning plan that begins with the articulation of one's life vision/goal. Research on adult development has shown that people who make intentional changes do so primarily by establishing clearly defined goals. Regardless of the domain of change, the identification and articulation of a goal helps the change process. Unfortunately, not knowing where we are relative to a desired future can create a great deal of confusion, stagnancy, or indecisiveness in our life.

The purpose of articulating a life vision/goal is to help maximize the use of limited development time and resources. Most people who do not have a clear life goal and a way to go about achieving it—what we call a learning plan—are at a disadvantage. They may still achieve their life goal, but the probability of them doing so effectively or efficiently will not be as high as those who have a clear, compelling life goal and a well-developed learning plan. The life goal/vision and the learning plan are key ingredients in reaching one's ideal future.

The professional coach works with the individual to help with the refinement of a life goal and then with the integration of that individual's values, dreams, vision of the future, and results of competency-related feedback and analysis into a learning plan. This learning plan contains learning goals, milestones, and a concrete set of action steps and practices to achieve these goals focused on the next phase of the individual's life. Learning plans are holistic and consider a range of domains including career, personal growth, relationships, spiritual, health, finances, and community.

Participants have described the development program and the opportunity for one-on-one personal coaching, which enables them to look at all aspects of themselves and their longer-term development, as a *gift*. They say such a gift is rare in professional services firms where the climate often is grimly numbers driven. We say to them, pass on this gift to others through the medium of coaching.

## Conclusion

What has been the aftermath of the competency development program? Are there changes in individuals? If so, what kind and when do they tend to occur? What role does coaching play over the longer term?

As we mentioned, the highlight of this program or development center is the opportunity for a "development pause" in the midst of rapid and ongoing change. In the common parlance of our firm, it is the opportunity to take a personal audit of oneself. The results have been as varied as the individuals themselves, but the common thread underscoring all of this is a recognition of the importance of having people connect with what is central to them as people—not just with some corporate ideal.

What are some of the results?

- Many who have gone through the program have said that they were able to carve out time for the areas they realized were most important and that they felt more focused and less overwhelmed by events day in and day out.
- Others have made adjustments in their lives so their learning plan retains a share of their mind, even though they may rarely refer to the actual written document, and they express an increased level of focus, of control, and of movement toward longer-term goals.
- Some have referred to an increase in self-awareness, mindfulness, and an increased sensitivity and connection when working with or coaching others.
- Even the few people who failed to see a benefit for themselves believed it was extremely valuable for others!

Additionally, this process does raise significant issues with many individuals, for example, whether there is a fit with the firm or with the job or career they have been pursuing. The people who choose to stay after this sometimes profound experience do so with renewed commitment and energy after looking at all the options and making a conscious choice to be here.

Of course, not everyone chooses to stay. Some have realized that the path they are on—and the life they are living—are not congruent with their values and the life they envision for themselves and their loved ones, and these people have chosen to leave the firm. Usually, these people reconnect with their coach from the program in order to work through the issues with which they are wrestling.

Fortunately, the firm accepts the risk of losing a few valued people in this process, for they share the realization that it is only through a process such as this that individuals can gain true clarity, true commitment, and hence true, deep, fundamental development and transformational change.