

# **Executive Coaching:**

**A Perception of the Chief Executive Officers of the Most Successful  
Fortune 500 Companies**

by

**Sam Fanasheh**

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*Executive Coaching: A Perception of the Chief Executive Officers of the Most Successful  
Fortune 500 Companies*

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**The Perception of Executive Coaching  
Among CEOs of America's Top 500 Companies**

A Dissertation Presented to  
The Faculty of the Graduate School of Education and  
Psychology

Pepperdine University

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In Partial Fulfillment of the  
Requirements for the Degree

Doctor of Education  
in  
Organizational Leadership

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By

Husam A. Fanasheh

March, 2003

This dissertation, written by

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under the guidance of a Faculty Committee and approved by its members, has been submitted to and accepted by the Graduate Faculty in partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

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Finally, this dissertation is dedicated to my mother Khadra Mousa, and my father Abdalla Fanasheh. May "Alla" bless them.

VITA

## EXPERIENCE

1998-Present: Production Manager, C-17 Aircraft, The Boeing Company.

1996-1998 The Boeing Company: Quality Engineering, C17 Program.

1995-1996 JDA Associates, Airport Modeler (TAAM Software).

1994-1995 USAir : Crystal City, VA. Strategic Planner and Market Analyst.

1993-1994 ERAU : Daytona Beach, FL. FAA licensed repair station, Reciprocating Engines Overhaul.

1991-1993 NCATO : Cairo, Egypt, Airframe & Powerplant, Cessna-172.

1989-1991 Egypt Air : Cairo, Egypt, B737 Airframe & Powerplant .

1988-1989 Anderson Consulting: Cairo, Egypt.

1987-1987 Tourism, Marriott: Cairo, Egypt.

**HONORS**

- Silver Eagle, The Boeing Company, 2000.
- Employee of The Month, Aug. 1998, A&T, The Boeing Company.
- Three Dale Carnegie Leadership Awards, 1999-2000.
- Lead Man Award (Cairo Airport), NCATO's Leadership Award, Delta Mu Delta Honor Society, Who's Who in American Universities and Colleges 1995/96, Dean's List, and Honor Roll.
- Member of the American Association of Airport Executives (AAAE).

- Member of Boeing's Leadership Development Program, Long Beach, CA.

### EDUCATION

- **Master of Business Administration: Embry Riddle Aeronautical University, Daytona Beach, Florida, 1997**
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ABSTRACT OF THE DISSERTATION

THE PERCEPTION OF EXECUTIVE COACHING  
AMONG CEOs OF AMERICA'S TOP 500 COMPANIES

BY  
HUSAM ABDALLA FANASHEH

DOCTOR OF EDUCATION IN ORGANIZATIONAL LEADERSHIP

THE GRADUATE SCHOOL OF EDUCATION AND PSYCHOLOGY

PEPPERDINE UNIVERSITY, 2002

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The study explored the perception of executive coaching among the chief executive officers (CEOs) of America's largest 500 companies as shown on *Fortune* magazine list of April 15, 2002.

This study utilized an instrument of 12 questions. The questionnaire was sent to the CEOs of the top 500 American companies. A cover letter and a self-addressed, postage-paid envelope were provided. Attribute responses were coded and analyzed using several descriptive statistical tools.

Out of the 500 targeted CEOs, 143 participated in this study. Seventy-six percent of the respondents demonstrated a good understanding of the basic concepts of executive coaching. Eighty-three percent were able to distinguish coaching from consulting, 61% stated that coaching can make their life somewhat better, 49% agreed on the idea of hiring

executive coaches, and 32% declared that they had hired coaches.

Those who never hired a coach showed a great deal of willingness (37%) to hire one. Sixty-two percent of the respondents indicated a preference for coaches from outside their organizations, 51% would search for one through human resources, 31% preferred sites off their company premises for coaching sessions, and 43% would keep their coaching relationship confidential.

Thirty-nine percent of the participants expressed the belief that coaching should not be limited to a specific management level, and 37% said they supported research related to executive coaching.

Based on these findings, executive coaching can be considered as a worthwhile investment. Future studies may take a closer look at the details and characteristics of the coaching session, and may explore what is called the "trusted advisor," someone who is believed to be much closer to the client than is the coach.

## Chapter 1

### Introduction

The collapse of Enron Corporation and the mysterious conduct of its accounting consultant, Arthur Anderson, are strong indications that leadership is no longer simply a matter of technical and business knowledge. Rather, leadership is more about interpersonal relationships and the political skills that are crucial for the survival of the organization in today's competitive business environment.

Bianco and Lavelle (2000) reported that in today's fierce environments, chief executive officers become victims as a result of technological change and poor execution. Even the best CEOs drop "like flies due to enormous expectations, impatient investors, slowing economy...and the little time they were allowed to prove themselves" (p. 86). In recent years (Figure 1), the mounting turnover at the top has taken on the aspect of a crisis as one CEO after another has been given the boot or forced to resign (Bianco & Lavelle, 2000).

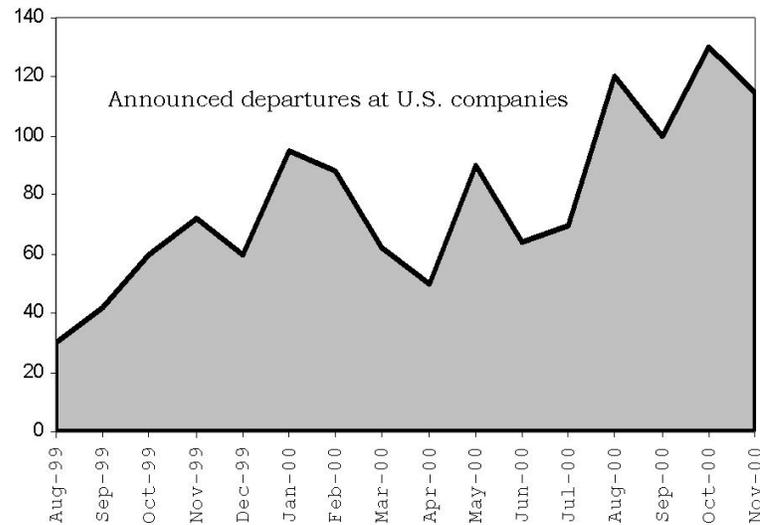


Figure 1. CEO turnover.

Note. From "The CEO Trap," by A. Bianco and L. Lavelle, 2000, BusinessWeek. Copyright 2000 by A. Bianco and L. Lavelle. Reprinted with permission.

To reverse this trend, more and more executives from the United States and Great Britain are opening their doors to executive coaches. Literature from the United Kingdom indicates a strong and positive perception of executive coaching among English executives. Surveys carried out in the Kingdom indicated that many English executives not only believe in executive coaching but also spend somewhere around 15% of their salary on coaches (Carter, 2001).

The objective of this study was to take a closer look at the perception of this service among the chief executive officers of America's top 500 companies, those companies ranked by *Fortune 500* according to their annual revenue. The

study not only defines the executive's perception of this service in the United States but also gives coaches a clearer idea of the strategies and styles most clients prefer. The study was inspired through research carried out by the Institute of Employment Studies in Great Britain which produced a wealth of knowledge about executive coaching in the new millennium.

*Problem statement*

The high rate of turnover among American CEOs creates out of executive coaching, from the coaches' view, a viable tool. Yet a broad question persists: what level of help, considering the turnover rate, can executive coaching offer?

*Research Questions*

The study responds to the following questions:

- 1.1 What proportion of CEOs of America's top 500 companies are aware of executive coaching services?
- 1.2 Of CEOs who are aware of executive coaching, what proportion are able to distinguish coaching from consulting?
- 1.3 What proportion of CEOs believe in the benefits of executive coaching?
- 1.4 What proportion of CEOs are willing to hire an executive coach?

- 1.5 When hiring a coach, do CEOs prefer coaches from outside their organization?
- 1.6 What proportion of CEOs prefer to keep the entire coaching process confidential?
- 1.7 What channels do CEOs use to hire coaches?
- 1.8 What proportion of CEOs believe that executive coaching should be limited to a particular management level?
- 1.9 What proportion of CEOs have preferences as to location where coaching sessions should be conducted (at company headquarters or somewhere else)?
- 1.10 What proportion of CEOs support research for executive coaching?

#### *Purpose of The Study*

The purpose of this study was to identify the perception of executive coaching among chief executive officers of America's top 500 companies. The study targeted the extent to which executives are willing to deal with executive coaches and which approaches to coaching they would be most likely to accept.

The study assessed the following:

- CEOs' understanding of the term *executive coaching*.
- CEOs' exposure to studies of executive coaching.
- Whether CEOs believe in the benefits of executive coaching.

- CEOs' attitude toward hiring an executive coach.
- What settings CEOs preferred for coaching sessions.
- What level of support CEOs would provide for executive coaching.
- Whether coaching should be limited to a particular executive level.

#### *Importance of The Study*

The outcome of this study set forth how executive coaching is viewed among CEOs of the top 500 companies in the United States as of Summer 2002. The study also lays a solid foundation for those who choose coaching for their career. In addition, it introduces coaching to the general public as a professional service, one that can be clearly distinguished from consulting. Armed with the information and insights gathered by this study, executives and executive coaches should be able to put their new knowledge to work and to increase the profitability of their companies.

#### *Limitations of The Study*

The study was limited in the following ways:

- The study was conducted among United States-based businesses (Appendix A) and does not reflect the international opinion of executive coaching.

- Since CEOs resist spending the time to answer open-ended questionnaires, the study utilized a closed-end questionnaire (Appendix B).

#### *Assumptions*

The following assumptions were central in this study:

- The CEOs themselves, not someone else from their office, responded to the questionnaire.
- The respondents gave valid responses to all sections of the questionnaire.

#### *Definition of Terms*

##### *Executive Coaching*

Stefanie Pryor (1994) of the Boston University School of Management defined *executive coaching* as:

A process in which a coach and a client work together in targeting a personal and/or career effectiveness need or opportunity and setting concrete goals to improve the behavior in a limited period of time through open questioning, private feedback, and exposure of one's self esteem, i.e. personal vulnerability. (p. 2)

##### *Perception*

According to the Webster's New World Dictionary, *perception* can be defined as the awareness, knowledge and belief of a certain concept.

*Chief Executive Officer*

The title *Chief Executive Officer*, or *CEO*, is often interchangeable with *president*. The term *CEO* is widely accepted for describing the head of the executives; internationally the president or CEO is often called *managing director* (Benton, 1996).

*Fortune 500*

Headquartered in New York, the Fortune500 magazine is "not only ... the ultimate measure of American business; it's also the story of American business, one year at a time... . Criteria for membership in this elite club [remains] constant: revenues, revenues, revenues" (*Fortune*, 2002, p. 1).

Chapter 2  
Literature Review  
*Introduction*

Ellen Stuhlmann of the *Executive Insider* newsletter, claimed that "four out of ten executives fail within the first 18 months in their new positions" (2000, p. 2). A year earlier, Charan and Colvin, in an attempt to explain the causes of such failures, stated, "it's rarely for lack of smarts or vision. Most unsuccessful CEOs stumble because of one simple, fatal shortcoming" (1999, p. 68). And while many executives prefer to work this issue out on their own, few call on executive coaches for help. This chapter defines executive coaching, examines the need for it, and identifies the process of executive coaching.

The complexity of today's business environment, on the one hand, and the pressures executives may be experiencing in their lives, on the other, often cause them to develop fatal blind spots. Such blind spots, if not detected early and remedied immediately, could lead to the ruin of both their business and their life. The impaired vision of their CEOs drove "two-thirds of all major companies worldwide to replace their CEO at least once since 1995, and more than 1,000 United States CEOs have left office over the past 12 months alone" (Bianco & Lavelle, 2000, p. 86).

Although chief executive officers tend to be dedicated, intelligent, and articulate, they still have a need for honest feedback to which they must adapt (Dastrala & McLarney, 2001). Executive coaching is probably one of the most powerful techniques of feedback simply because a coach, in contrast to any other staff member, will communicate directly to the executive about difficulties created by adopting a particular track or strategy. If staff members apart from other executives mention problems at all, they tend to gloss over them for fear of alienating their bosses and losing their jobs.

Coaches are much more likely to speak frankly, because it is their responsibility to detect problems and make their clients aware of them. "If people knew how to spot CEOs headed for failure - even if the company's results still looked fine - they could save themselves much pain. Trouble is, they usually look in the wrong direction" (Charan & Colvin, 1999, p. 68).

#### *What is Executive Coaching?*

Coaching is "not a subset of management, but rather the heart of management" (Evered & Selman, 1989, p. 18). It's an ongoing, specific, and both short and long range process (Kroeger, 1991). It is a continuous process of

improvement in the technical and people sides of any business (Stone & Stowell, 1990).

Birch (2002, p. 1) defined executive coaching as "a systematic approach to improvement through questioning and guidance that focuses on incremental changes in current performance to reach a target level." And in the business world, where victory "is garnered by those with the courage to push themselves to the very edge of their capability," Burdett claimed that coaching remains "the secret weapon of many outstanding organizations" (1998, p. 142).

Carter (2001) defined executive coaching as:

An interactive process that is designed to help individuals to develop rapidly. It is usually work related and focused on improving performance or behavior. It is a goal-oriented form of personal tailored learning for a busy executive. Coaching offers feedback and objectivity that cannot easily be gained from within the organization. (p. 11)

Responding to a 1999 survey carried out in the United Kingdom by *The Journal of Management Development*, a senior executive defined executive coaching as "a gift and a positive and energizing experience which above all enables an executive to shake off what may in fact be deeply held

automatic beliefs and behaviors that are inhibiting performance and career development" (p. 2).

From a different perspective, O'Shaughnessy (2001) defined coaching as:

The route to liberating not only the full potential of careers, but also the full potential of an organization. It is exciting, fulfilling and it takes organizations to new realms of achievement. Like sports, coaching, too, focuses not only on technical issues, but also on psychological considerations. The executive and the coach will work together to identify areas of strength that can be used more effectively, blind spots in self-awareness and areas of weakness that need to be managed better. (p. 196)

Coaching is a process that "requires the very best from all aspects of our humanity. It is not a path for the weak-hearted or for people who are afraid to grow. It is a path for the courageous and for people who are committed to making a difference in the lives of those they touch through coaching" (Crane, 1998, p. 215).

Although the two are related, coaching is different from consulting (Table 1). Consulting focuses on business formulas and gives external directions for executives to follow for better business results. However, executive

coaching works with the executives' internal strengths and weaknesses to overcome their weaknesses and better utilize their strengths.

Table 1

*Differentiating Executive Coaching From Other Processes*

Features Process	Originating tradition	Primary concern	Focus
Executive Coaching	Sports	<ul style="list-style-type: none"> <li>• Solutions</li> <li>• Action</li> <li>• Individual performing better in the present</li> </ul>	Rapid acquisition of knowledge, skills and behavior
Psychotherapy	Social	<ul style="list-style-type: none"> <li>• Understanding past experiences and current ways of behaving</li> <li>• Reflection</li> </ul>	Dealing with long-standing emotional issues, thoughts and ways of behaving
Counseling	Social	<ul style="list-style-type: none"> <li>• Preventing negative aspects from individual's past inhibiting future performance</li> </ul>	Coming to terms with event(s)
Mentoring	Apprenticeship	<ul style="list-style-type: none"> <li>• Preparation</li> <li>• Individuals performing better in the future</li> </ul>	Enhancing networking and career progression
Organization Development	Change	<ul style="list-style-type: none"> <li>• Processes preventing team and organization performance</li> </ul>	Rapid implementation and adaptation to change

Note. From "Executive Coaching: Inspiring performance at work," by A. Carter, 2001, The Institute for Employment Studies. Copyright 2001 by A. Carter. Reprinted with permission.

While consulting provides business reports and instructions, executive coaching changes the way people think (Hargrove, 1995). Coaching in its several techniques and approaches doesn't point out solutions; instead, it