

# Chevron Uses Coaching to Develop Global Leaders at Scale



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# An Integrated Global Energy Company

Chevron Corporation is one of the world's leading integrated energy companies. Headquartered in San Ramon, California, it is one of the successor companies of Standard Oil Co. of California (Socal). Chevron works to provide reliable, affordable, and ever-cleaner energy for the world.

The company was founded when a group of explorers and merchants established the Pacific Coast Oil Co. in 1879. As of August 2021, Chevron employed nearly 43,000 people.<sup>1</sup> In the 2021 Global 500, Fortune ranked Chevron as the 75th largest public company in the world.<sup>2</sup> The company is active in 53 countries.

With more than 140 years of experience navigating the energy market and being one of only 29 companies listed on the New York Stock Exchange for more than a century, Chevron faces an important transformation—how to respond to a dynamic energy future.

## A Human Energy Company

Chevron has been one of the most successful energy companies in the world, even while operating in a very challenging cyclical environment. Despite the swings in energy prices and demand, the company believes strongly in delivering energy for human progress with the lowest possible carbon footprint, minimal environmental impact, and a positive effect on society.

<sup>1</sup> "Chevron Company Profile," Fortune 500, #27, Forbes, 2021.

<sup>2</sup> "Chevron Company Profile," Global 500, #75, Forbes, 2021.

### Summary

#### Challenge

- Thriving in a highly cyclical industry and being continually adaptive amid the challenges of the pandemic.
- Developing a new performance management process to make it easier for people to give and receive feedback.
- Identifying a coaching program that allows leaders to coach and develop employees in a positive way while also addressing their own needs.

#### Solution

- Chevron revamped its performance management process to address the issues and challenges faced by all employees.
- The company rolled out the BetterUp coaching at-scale program to frontline managers and supervisors in mid-2020 and then went further in early 2022 to add individual contributors, many of whom had never had a coach.
- Coaching offered through the BetterUp platform focused on key topics such as feedback, resilience, listening, and psychological safety.

#### Results

- The L&D team used BetterUp's coaching program to develop a performance process focusing on communications, wellbeing, leading others, and influence.
- More than 1,200 Chevron leaders received personalized development, with 94% of these leaders saying that "coaching makes them more effective at their job."
- Chevron's adoption of coaching circles among its leaders resulted in an 18% increase in psychological safety, an 11% increase in social connection and belonging, and a 10% increase in resilient work behaviors.

The company will invest in low carbon technologies, reduce operating expenses, and transform itself into a new energy company over the next few years. To meet this objective, Chevron is strongly focused on being “the human energy company”—with a strong emphasis on human capital management, diversity and inclusion, and creating prosperity around the world. Chevron’s CEO, Mike Wirth, summarized this message to investors in four words: “high returns, lower carbon.”

## Focus on Operational Excellence and Transformation

The global pandemic caused oil prices to fluctuate wildly and impacted workers in all locations, but Chevron was prepared. With a program in place for pandemic and crisis management, the company continued to operate efficiently and effectively throughout this time. Chevron’s dividend has grown by more than 7% per year since 2005, and its stock has outperformed the S&P 500. And, in early 2022, the company reported annual earnings of \$15.6 billion, one of the best-performing years in the company’s history.

Meanwhile, the company is investing in natural gas, carbon capture and energy efficiency programs, and funding future energy startups around the world. As one can imagine, the company’s strong focus on operational excellence—coupled

with dramatic transformation—impacts every one of the 6,000+ leaders and supervisors at Chevron.

## Shift In Performance Management Philosophy

In 2020, Chevron changed its performance management process to address the company’s need to transform. The prior process was modeled after the traditional goal-based, forced ranking process (we call it the “competitive assessment model”<sup>3</sup>), which did an excellent job of creating a focus on execution. While this process served the company well for many years, it did not always promote strong employee and manager conversations, and it often let managers off the hook by saying, “I’m sorry about your rating, the process just ended up like this.”

The new approach focuses on both the “what” and the “how” and encourages managers to act as coaches, creating a two-way feedback culture and enhancing psychological safety. Additionally, as Chevron continues to advance a diverse and inclusive workforce and work environment, it was important to create a program that would also align with its four pillars (see Figure 1) and provide resources to support development, including coaching, mentoring, and growth for all employees, not just managers or leaders.

Figure 1: Chevron’s Four Pillars to Support an Inclusive Culture



Source: Chevron, 2020

<sup>3</sup> We have written before about the differences between the “competitive assessment” and the “coaching and development” models of performance management. The former is based on a philosophy of competition and survival of the fittest; the latter is based on a philosophy of moving people to the right jobs and coaching them to succeed. Obviously, both models work together, but most companies tend toward one or the other.

In a company with 6,000+ managers in 53 countries around the world, how could Chevron drive this change? With an organization the size and global scale of Chevron, several initiatives were built to support leaders and employees through the change. At its core, the company needed to build a coaching culture that would make it easier for people to give and receive feedback. In addition to teaching people how to do this, they chose to partner with BetterUp to give leaders the coaching experience and use their coach to help them work through the challenges of adopting this new mindset and process around performance management.

Typically, companies find it difficult to train thousands of frontline managers. Chevron, working with BetterUp, found a way to reach this audience with personalized impact.

## Precision Development at Scale

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As with most large companies, Chevron had a variety of coaching programs in place. Historically, coaching was reserved for executives and senior-level leaders, resulting in a small number of leaders receiving coaching. The new program allows for coaching at scale and the ability to reach deeper into the organization to reach frontline supervisors and middle managers who also need the support.

By giving all frontline supervisors and managers access to coaching, Chevron is having a larger impact on all people leaders who are critical to delivering the business and executing on talent management processes like performance management. Chevron also recognized these frontline supervisors and managers face many of the same issues and in addition to challenges with workload, stress, and the pandemic, they must empathize with, listen to, and coach their teams. Having the support of an external coach and access to the learning resources provided by BetterUp helped supervisors face these challenges with increased confidence and competence.

This program was designed to democratize coaching at Chevron, and it offered targeted coaching to all supervisors and managers globally. Chevron used BetterUp's Identify AI® engine, which takes into account both organizational and individual factors to identify which leaders can benefit the most from 1:1 coaching. This also bypasses the traditional

"nomination process" that is time-consuming and unproductive for the organization.

Identify AI optimizes Chevron's investment in coaching through what BetterUp calls "precision development at scale." The integration of science-backed assessments, AI technology, and a portfolio of human-led experiences all enable the platform to identify the right type of 1:1 or group coaching, and then personalize it to the needs of each manager or supervisor.

After rolling out the BetterUp program to frontline managers and supervisors, the company is going one step further. In early 2022, Chevron added a new cohort of 1,000 individual contributors in IT, finance, and HR. These individuals, many of whom have never had a coach, are finding the program is helping them deal with focus, stress, and interpersonal relations, as well as their own leadership roles. As one Chevron finance professional put it, "having a coach is like a dream come true in my busy, complicated life."

## A Bet Worth Making

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The Chevron coaching at-scale program (called We Coach) was implemented in the summer of 2020, right in the middle of the pandemic. At the time, senior leaders were reluctant to embrace new programs. Despite this hesitation, senior HR leadership understood the compelling value proposition. It was a bet worth making. Chevron selected BetterUp and asked its managers to take the Whole Person™ assessment (see Figure 2 on the following page).

Based on the results of the assessment, coaching was offered through the BetterUp platform with a focus on four key topics: feedback, resilience, listening, and psychological safety.

In a very short period, supervisors and managers told HR that "this was one of the best experiences of my career" and "I'm learning things that I never knew before" from the process. BetterUp lets users select their key topics and tracks their activity. This allowed the learning and development (L&D) team to see where people needed help. The biggest topics were communications, wellbeing, leading others, and influence. These were all priorities in Chevron's new performance management process, allowing the company to use BetterUp coaching to focus on and reinforce the right topics.



## Business Results

As a scalable change program, coaching can produce impressive results. And Chevron has seen some pretty amazing results. Since the start of the program, more than 1,200 Chevron leaders have received personalized development. The net-promoter score of the experience is +65 (our last study of corporate L&D found that the L&D function itself has a negative net-promoter score), and 94% of these leaders said that “coaching makes them more effective at their job.”

Additionally, through another offering that BetterUp calls Coaching Circles™, Chevron leaders can come together in small global groups to discuss and learn through expert, facilitated discussions. (We do this through our Big Reset groups in the Josh Bersin Academy with tremendous results). These programs have now reached more than 3,000 Chevron leaders in 15 languages. A “coaching circle” is a safe, facilitated experience that lets these 3,000+ leaders meet and interact with global peers around important leadership topics. Chevron

has focused on resilience, feedback, building a culture of trust, and return-to-work strategies. The leaders who participated report an 18% increase in psychological safety, an 11% increase in social connection and belonging, and a 10% increase in resilient work behaviors. And interestingly, our latest Employee Experience research<sup>4</sup> points out that trust, belonging, and coaching are among the top drivers of financial performance, employee engagement, and innovation.

## Coaching at Scale: A Big Idea

Coaching at scale is an enormous new market. Through the use of video conferencing, AI, and intelligent assessment, companies can now use tools like BetterUp to provide individual and group coaching with enormous scale and cost effectiveness. While it once cost thousands of dollars to identify and set up a coaching session, BetterUp, leveraging digital and video solutions, has dramatically reduced Chevron's costs, and gives the company vital data to drive change.

Figure 2: BetterUp's Whole Person™ Model



Source: BetterUp, 2021

<sup>4</sup> The Definitive Guide: Employee Experience, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

Coaching circles, which are built on the idea of collaborative or cohort-based learning, are both a leadership development and change-enablement solution. Chevron leaders say things like “through coaching I have become more confident in providing feedback without softening the message where it loses intent or accountability” or “I now listen more and demonstrate the value of inclusion as I open the door for every member of our team to voice their thoughts and concerns.”

Other benefits from leaders (analyzed through self-reflection and assessment) at Chevron include a 15% increase in employee recognition, 12% improvement in business alignment, 13% improvement in problem-solving, and 16% improvement in strategic planning.

And in the case of Chevron, this initiative has helped the company transform and improve its entire performance management process. As the energy industry goes through massive change, this benefit alone more than cost-justifies the investment.

## The Future of Employee Development

Coaching networks have been around a long time, but never has there been the ability for AI and intelligent assessment to find, connect, and support a coach online. Offerings like BetterUp are clearly a major new market for leadership development and change, and Chevron’s experience proves that this type of solution can work at all levels and all over the world.

As one of Chevron’s senior HR leaders stated, “This is the future of employee development. People don’t always need a top-down education program to grow; they want a personal experience that develops their skills and capture opportunities.” This essential part of coaching at scale—the focus on transforming individuals to help transform the company—is clearly happening at Chevron.

## Conclusion

Personalized, tailored coaching has become one of the most valued and essential development programs in business. When deployed at scale, every employee, regardless of job, role, or location, can experience the benefits of personal and professional growth. Even conservative organizations like Chevron are now learning that by using solutions like BetterUp, every employee has the opportunity to grow, and the organization can thrive as a result.

“*I now listen more and demonstrate the value of inclusion as I open the door for every member of our team to voice their thoughts and concerns.*”  
Chevron leader

## About the Author



### Josh Bersin

Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. He is frequently featured in publications such as *Forbes*, *Harvard Business Review*, *HR Executive*, *The Wall Street Journal*, and *CLO Magazine*. He is a popular blogger and has more than 800,000 followers on LinkedIn.

## The Josh Bersin Company Membership

The Josh Bersin Company provides a wide range of research and advisory services to help HR leaders and professionals tackle the ever-evolving challenges and needs of today's workforce. We cover all topics in HR, talent, and L&D. The Josh Bersin Academy—built on our research and powered by Nomadic Learning—helps HR practitioners grow key foundational skills. Our corporate membership program provides HR teams and senior leaders with the skills, strategies, and insights to build cutting-edge HR and people strategies through a combination of research, assessments, professional development, exclusive events, and community. In 2022, The Josh Bersin Company introduced the Global Workforce Intelligence (GWI) Project to guide market-leading businesses and their leaders through the challenges of industry convergence while remaining future-focused.

For more details, contact us at [info@bersinpartners.com](mailto:info@bersinpartners.com).