

# LEADER-COACHES

## EP #63

“Do I need a life coach?” You’re listening to Episode 63, with Rhiannon Bush

Welcome to the Do I need a life coach? Podcast. We’re here to discuss the ins- and outs- of the life coaching industry and give you tools to use, to see for yourself. I’m your host, Rhiannon Bush. Mother, management consultant and a passionate, certified life coach.

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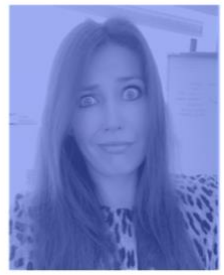
I've spent a lot of time wondering why it's so hard to be a leader and I'll be reading a book by Dan Ariely called Predictably Irrational and he talks about social and market contracts so social contract being like “oh hey mate would you come around home and help me with the lawn on the weekend? I just I don't have my mower, it's broken and I could really use your help”. “Yeah sure no worries I'll come round and I'll do it” and how nice it is to do that for your neighbour or for friends or whatever that might be, yes?

But as soon as that neighbour turns around and says “oh how much do I owe you?” it almost taints the goodwill that was involved in that transaction. You’ve taken what existed in the social contract realm into the market contract realm. By contrast, in a market contract, you go to your accountant and you say “hey could you do my tax return?” and they say “yes. I charge this much per hour and this is what I'll do for you” and it's immediately in the realm of a market contract. There is that financial transaction and that delivery required for a service or product. As a leader, I think there needs to be that facilitation not only of the market contract - you've got an employee, you've got an agreement, a contractual obligation to deliver certain outcomes, a KPI structure and there's an exchange of money involved in the way of payment but also as a leader, these days you're expected to have that social arrangement where you are actually looking after them as well - as in their well-being, and you have to demonstrate empathy, you're providing them with growth opportunities, you're supporting them when they need support, you're letting them take risks when they need to and you're creating that psychologically safe environment. So without understanding the protocol of social and market contracts and the cross-sections, it's really, really tough.

If you are a leader and not a coach, you're only as half affective as you could be. I've been thinking more and more about leadership and what are the qualities of a great leader. There are many publications and there's a lot of information about it, Brene Brown, Dan Pink and Simon Sinek are a few of the best in my opinion. And yet, even with all this research and publication, it is so personal and so subjective to individuals. And the reason for that is that so often, it's about how we've been raised, how we filter information and how emotionally intelligent we've been taught to become. Even with the research, leadership is like becoming a surgeon – it's not something you can learn from a book.

In this book I've been reading about social contracts and market contracts, one of the things Dan Ariely mentions is how social contracts are extremely vulnerable in comparison to market contracts. So the example he gives is if somebody does you a favour and then you offered to pay them – because there's a direct monetary amount attributed to the favour it's socially unacceptable unless the discussion has occurred prior to the favour. But if you buy the person who did you the favour a





gift of about the same value you think it would equate to if you'd had to have paid somebody to do it for you, then that gift is usually well received. This is part of the social contract. But... yes.. there's more... if you then happen to tell them the price of that gift you re-enter the land of market contracts, it takes away the generosity and goodwill of what your neighbour has done for you, and it makes it transactional which jeopardises the social relationship.

And when you shift a social contract into a market contract, it takes an awful lot to regain that social contract with someone. Opposed to a relationship which is established as a market contract from the get go, there's no blurred lines or mismanaged expectations because it's a transaction based on value exchange – often time or money in exchange for a goods or services.

This is why I believe Leadership is so difficult. Because the lines of leadership have become more about social contracts than market contracts and yet at the end of the day, if the basis on which a relationship exists is in the realm of a market contract, then the leader will have competing ideas about where they need to stand on certain issues. While leadership is both a social and market contract, it fundamentally is a social contract underpinned by a market contract, which means if in doubt the market contract needs to prevail, which makes, to a degree, a lot of the social contract element, fake.

People and teams in the workplace exist to produce value to make money. Yes there may be some social ROI or other values wrapped around it, but by definition, a business is designed to turn a profit and leaders are expected to not only safeguard and grow that profit margin, but to also create a healthy culture and psychological safety in the workplace, which is entirely about social contracts. Confusing right?!

If we consider the industrial revolution and do some degree still today, with manufacturing plants or more traditional roles, it is still heavily based in an exclusively market contract. You arrive, clock-in, work, clock-out and that's that. But as new generations are coming through that expect and almost demand a positive and engaging workplace, as well as the work they are doing, they expect to be looked after socially as well as financially.

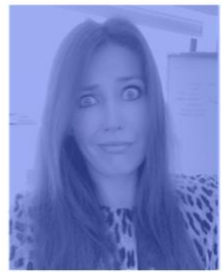
Which means a leader not only has to maintain that social contract by treating that person well and demonstrating empathy and empowering them to take initiative and providing them with support or growth opportunities to expand, but they also have to draw hard lines if the market contract isn't being met. And it's in that transition right there, that lines are blurred, morals are questioned and leaders get it wrong.

So the challenges and considerations involved in being an effective leader in today's multifaceted business world.

Moving from employees being seen solely as transactional components of a business, driven by financial incentives and moving towards a more socially-conscious and people-centric approach is no longer optional.

Here's why the best leaders are also coaches. This social contract involves empathy. Effective leaders understand and resonate with the emotional needs of their people. They create an environment where individuals feel heard, valued, and respected. During coach training, we're taught the difference between sympathy, empathy and compassion. We're taught as a coach to have





compassion, not empathy but as a leader it builds rapport for your people to know you've felt what they're feeling. You've been there. It builds credibility and trust.

Leaders empower their team members to take initiative and make decisions, fostering a sense of ownership and engagement. Coaches empower clients by asking questions and letting the client choose the right path for them instead of imparting opinions and advice on the client to get them to do what the coach thinks. Instead of it being "here's what I think you should do", it's "what do you think the best option is moving forward?". By letting them present it, you can support it and troubleshoot it with them while they take the lead. Understanding coaching techniques as leader will aid in empowering others by letting them think things and problem solve for themselves instead of you doing it for them, or god forbid, micromanaging.

As a leader, to fulfill the social contract, you must provide opportunities for personal and professional growth. This can include mentorship, training, and career development. As a coach, you're given a plethora of tools to help you elicit this from people around you, as well as understanding how people best communicate, helping them move forward and grow in the way they choose to.

While leaders need to have these soft skills, they must also uphold the market contract, by making sure that employees deliver on their contractual obligations, meet performance expectations, and contribute to the organisation's financial success. When leaders lean too heavily into the social contract at the expense of the market contract, there's a risk of performance or accountability issues because the leader is considered a friend, safe and open. This can be exploited and taken advantage of. There needs to be a power imbalance in a leader-employee relationship, see episode 61. If a leader is too focused on the market contract, they can be considered a 'hard ass' and this can erode trust and morale. We've all met people referred to as 'big swinging, d\*cks'. This is that.

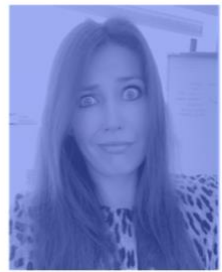
If this is something you notice in the workplace and you need to manage up... or it's something you as a leader struggle to navigate, consider the following points.

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1. Balance. Understand that leadership is a balancing act between the social and market contracts. Recognise that both are vital for a thriving and productive workplace. It's important to demonstrate empathy, kindness and create that coaching culture where you empower others. It's also important to hold people accountable to their commitments and obligations for the good of themselves, their team and the organisation as a whole.  
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2. Communication. Communicate expectations clearly (see episode 13.- The Communication of Managing Expectations). People you lead and interact with should know what's expected of them, especially in a market contract. This is in terms of their performance, as well as the support and growth opportunities they can anticipate. As Brene Brown says.. clear is kind.  
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3. Feedback and Accountability: Provide feedback when needed and in a timely manner to ensure that they're meeting your expectations in accordance with the market contract. Helping someone be accountable for their own results helps them in the long run. By letting that accountability slip, you fail them in so many ways, not just in the workplace.  
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4. Walk the Talk. Don't even think about calling people out for things you're not willing to do yourself. Demonstrate the values and behaviours you expect from others. Understand you'll make mistakes and that's ok. When you do, apologise genuinely, forgive yourself and take action to ensure that mistake doesn't happen again.
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5. Continuous improvement. Keep learning and adapting as you grow. Understand that different people may require different amounts of social and market contract engagement and the people you're most triggered by will most likely be very different to you... or sometimes very similar. Be patient, first and foremost with yourself.
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Leadership. Wow. The art of balancing social and market contracts is an ongoing journey that demands adaptability, self-awareness, and a deep commitment to both the financial and emotional well-being of you and your team. By navigating this delicate equilibrium, leaders can create workplaces that thrive on trust, engagement, and productivity, ultimately leading to the collective success of all stakeholders. A leader without the ability to coach is like a ship without a rudder. While leadership and coaching are distinct skills, they are closely intertwined and often complement each other.

Next time you go to say something, do your best to stop and instead ask a question. Come from a place of curiosity as to how that person landed on that decision or conclusion, and go from there. You'll be amazed at where you end up, especially if you've been coming from a place of judgement instead.

I'll see you next week.

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Hey! Before you go, I always find reviews really helpful when looking for new information or insights...

If you've found this podcast valuable, please take a minute to write a quick review about what you've found most beneficial for you, so other people can benefit from your insights, and listen in too. I would LOVE that!

Also, if there are any topics you'd like me to cover specifically about life coaching or the life coaching industry, visit [rhiannonbush.com](http://rhiannonbush.com) to contact me. Thanks for joining and I'll see you in the next episode of Do I Need A Life Coach?!

Please note, this transcription may not be exact.

