

Coaching – Business Essential or Management Fad?

“Is coaching just another management fad or fashion? Effective coaching requires clear articulation of the business need and why coaching is the best solution, well-defined coaching goals, selection of a highly skilled coach, and thorough evaluation of outcomes.”

Gillian Pillans, Report author.

Coaching – Business Essential or Management Fad?

Gillian Pillans

Contents

Foreword	4
Acknowledgements	5
Executive Summary	6
1 The state of coaching	8
2 Does coaching work, and if so how?	16
3 What makes a good coach?	23
4 Making the most of coaching	27
5 Conclusion and recommendations	33
6 References and recommended reading	36



Guy Beaudin
Senior Partner,
RHR International

Foreword

When CEOs are polled about their most significant concerns one issue is consistently at the top of the list: developing the talent they need to deliver their strategy. Over the years, many solutions have helped fill this gap and more recently, coaching has become one of the most common development tools used by companies in addressing their talent needs.

RHR's 70 years of experience in the sector would highlight four conditions for effective leadership development:

1. Development happens at the intersection of the leader and the business: there is a definable and measurable set of leadership behaviours that a business will require to get it from where it is today to where it wants to be in the future.
2. Behaviour change is accelerated by the involvement of trusted and aligned stakeholders: input, support and engagement from a manager and key supporters is critical in helping an individual develop.
3. Business impact from development requires discipline, courage and intentionality: development is hard work and requires a targeted development plan, rigorous focus and measurement, and commitment from the leader to do the real work of behaviour change.
4. Finally, development requires insight: awareness of strengths and weaknesses, understanding of learning styles, and clarity around gaps relative to business needs leads to focus and success in development.

Too few development programs get these right, which is why one of the themes of this report is that organisations need to ask for more rigour and accountability from the coaches they hire.

Another important theme we would particularly endorse from this report is the fact that coaching should not be an abdication of responsibility for developing talent on the part of the organisation, but instead a process by which it hires experts in leadership development in the spirit of collaborative partnership. If, as research shows, development comes mostly from the stretch assignments that leaders are provided along the way, coaches should first and foremost help the leaders they coach integrate and derive the most benefit from these opportunities. This is where internal development programs and external coaches can collaborate in a synergistic manner to accelerate the growth of talent and progress towards bridging the talent gap.

CRF's excellent report raises the bar for coaching and will help to guide this practice for the benefit of both practitioners and the organisations they serve.

Guy Beaudin
Senior Partner, RHR International



Gillian Pillans

About the author

Gillian Pillans

Gillian Pillans has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor. Gillian was author of *'Developing an Effective HR Strategy'* and has co-authored several other CRF reports.

Acknowledgements

I would like to thank all the people who agreed to be interviewed for this research, for generously sharing their time and expertise. I would also like to thank CRF members who participated in our online survey. Special thanks are due to Eve Poole for editing.

CRF would like to thank RHR International for their sponsorship of this report, and for writing the Foreword.

About CRF

Founded in 1994, Corporate Research Forum (CRF) is a membership organisation whose international focus is on research, discussion and the practical application of contemporary topics arising from people management, learning and organisation development. CRF has become a highly influential focal point and network for over 140 members representing a cross-section of private and public sector organisations.

- Its annual programme of research, events and publications fully reflects members' interests, in addition to the annual international conference. Side meetings and interest groups are also initiated to meet challenges that members might have.
- Contributors are acknowledged experts in their field with a worldwide reputation as leaders and innovators in management thinking and practice.
- Sharing and collaboration among members is a key feature of CRF's activities. We actively encourage networking at all events, and especially through member lunches and HR director dinners.
- CRF is led and managed by highly-regarded former HR professionals who have a passion for delivering excellence in the leadership and development of organisations and people.

CRF's goal is to be valued for excellence, rigour, relationship building and providing an independent view which, together, lead to measurable improvement in members' people and organisation performance.

For more details on how your organisation can benefit from membership to CRF please contact Richard Hargreaves, Commercial Director, on +44 (0) 20 7470 7104 or at richard@crforum.co.uk. Alternatively, please visit our website at www.crforum.co.uk.

Executive Summary

“There is a challenge with ‘everything’ being solvable by coaching – this is not the case. It is not the be-all and end-all solution, nor should its impact be diminished when it is done well.”

Respondent to CRF member survey

- 1 This report considers the state of the coaching market, current trends within organisations, the evidence that coaching works, and how coaching can be evaluated.
- 2 We define coaching as a series of results-focused conversations between coach and client, designed to help the client come up with their own solutions to the issues discussed.
- 3 The coaching market has seen rapid growth over recent years, with both coaching spend and the number of practising coaches having increased considerably. A CRF member survey found that 56.2% of respondents had 'increased' or 'significantly increased' spending in the last three years. Similarly a majority of respondents expected spend to 'increase' or 'increase significantly' over the next three years. The supply of coaches remains fragmented, with one-man-bands and small coaching companies predominating.
- 4 The principal reasons companies use coaching are:
 - helping leaders prepare for the transition to a more senior role
 - to provide ad hoc support for leaders' personal development
 - integrated into leadership development programmes to help embed learning
 - providing an independent sounding board for CEOs and other senior executives.

There has been a move away from 'remedial' coaching, with much greater focus on helping high performers get even better.
- 5 There is, however, a risk that coaching is simply a management fad or fashion. Common criticisms of coaching include:
 - it is simply a substitute for good management, which should be the responsibility of line managers, not coaches
 - having a coach has become a 'badge of honour'
 - coaching has become a 'panacea', when other development interventions such as training, mentoring or a stretch assignment may be a better solution
 - inadequate assessment of coaching's contribution to business outcomes.
- 6 We find that organisations have become more professional about how they manage coaching, and the internal and external coaches who deliver it. Many organisations coordinate coaching centrally, although budgets are usually held in business units. Coaches are increasingly selected from pre-vetted supplier lists, with consistent application of well-defined selection criteria.
- 7 A key trend is the rise of internal coaches, with expenditure increasingly being diverted from external coaches to developing in-house capability. The reported benefits of internal coaches – aside from lower cost – include a better understanding of the business context, greater flexibility, and the opportunity to make coaching available to more junior populations who largely miss out on executive coaching.
- 8 We found little scientific evidence that coaching works, as there have been no large-scale trials measuring the greatest impact of coaching. However, research suggests that trials which have found psychotherapy to be effective can be applied to coaching. The research identifies the following active ingredients, which appear to have the greatest impact:
 - the characteristics of the coaching client, such as their commitment to change and their work environment
 - a strong, trust-based relationship between coach and client
 - the quality of goals set during a coaching assignment

“If you did nothing else ... other than go around your organisation requiring a far higher standard of clear goal-setting, that alone would be transformational.” **Anne Scoular, Managing Director, Meyler Campbell**

- in contrast, the techniques and approaches selected by the coach appear to make little difference to outcomes.

We also find the quality and calibre of the coach to be critical.

- 9 Practical reasons why coaching works were identified, including:
- providing space to think, consider issues and options in depth, and practise new techniques in a safe environment
 - greater commitment to implementing ideas that the individuals develop themselves.

We also note that successful coaching is highly dependent on the support of the employer, and the organisational context within which the client works.

- 10 We considered how to find a good coach. First, clarity about business needs and objectives is critical. Second, the process for selecting a coach needs to be rigorous. Good practices include conducting a sample coaching session before engaging a coach, and checking their references. We found that the bodies that accredit coaches are increasing their influence, but accreditation does not provide a guarantee of quality.

- 11 Criticisms commonly levelled at coaches are discussed. These include:
- a lack of senior-level business experience
 - insufficient understanding of – and ability to apply – psychological tools and techniques.

- 12 We describe a four-stage process highlighting good practice that can be applied to obtain maximum benefit from coaching. The stages are:
- establish the business case and goals for coaching
 - select and manage suitable coaches

- set up and manage coaching assignments
- review and evaluate effectiveness.

- 13 The difficulties of evaluating the business impact and effectiveness of coaching are recognised. Suggestions include:
- designing the evaluation approach before coaching commences
 - establishing a baseline against which outcomes can be measured
 - focusing on outcomes, not inputs or activity.
- However tricky evaluation may be, it is vital that organisations build this into their coaching activities.

- 14 Throughout the report, we consider the potential impact of some key trends in coaching, including:
- increasing use of technology
 - the impact of positive psychology and neuroscience
 - the growth of team coaching.

- 15 We conclude that coaching has the potential to help individuals improve performance and learn new skills, but that success is highly dependent on having clear business objectives for coaching, selecting high quality coaches, setting specific, measurable goals for coaching assignments, and the commitment of the individual who is coached. There are examples of good practice, but for many organisations, current approaches fall short. This is an area where HR has the opportunity to set an example, ensuring a clear ‘line of sight’ between the use of coaching and business outcomes.

1

THE STATE OF COACHING

Topics covered

1.1	The coaching market	9
1.2	How is coaching used?	11
1.3	Who's responsible for coaching?	13
1.4	Internal vs external coaches	14

Introduction

In this chapter, we consider what coaching is, and how the market has developed over recent years. We also look at trends in the use of coaching within organisations.

“Coaching needs to lead with what the business needs – coaching is just a vehicle to achieve that.”
Orla Leonard, Partner, RHR International

Coaching has become a big industry over the last two decades, and has continued to expand through the recent economic crisis. Companies are continuing to make sizeable investments in coaching, both through engaging external coaches and developing in-house coaching capabilities. In this report we explore:

- whether coaching is just another management fad or fashion, and what evidence there is that it works
- the state of the current coaching market
- how coaching is used within organisations
- latest trends in coaching
- good practices with regard to selecting and managing coaches, and deploying coaching to support business performance
- whether, and how, coaching can be evaluated.

Coaching has been around for some time. Indeed, some writers trace its origin to the development in Ancient Greece of the Socratic method of questioning to help people acquire knowledge and wisdom for themselves.

But what is coaching? Tim Gallwey, author of *‘The Inner Game of Tennis’*, says: “Coaching is unlocking people’s potential to maximise their own performance.” A fuller definition is provided by Rock & Page in their book *‘Coaching with the Brain in Mind’*: “Essentially, coaching is a series of conversations, a mutually respectful dialogue between a coach and a client for the purpose of producing identifiable results. Coaches help clients solve their problems by asking a series of questions and supporting and encouraging clients to formulate answers. Coaches examine and challenge their clients’ basic assumptions (paradigms) with a view to what more is possible.” In the column we highlight the differences between coaching and other one-to-one interventions.

The key features of coaching are:

- a series of respectful conversations
- a relationship of equals between coach and client
- the eliciting of ideas and solutions from the client
- a focus on performance and results.

1.1

The coaching market

The global coaching market has grown rapidly over recent years. The International Coach Federation (ICF) estimates that there were approximately 41,000 active coaches globally in 2012, generating an estimated \$2bn annually. The highest concentration of activity was in Western Europe (41.8% of total spend) and North America (35.7%). However, the ICF notes that coaching appears to be growing more rapidly in emerging regions than in these established regions.

Coaching, counselling, therapy and mentoring distinguished

How is coaching different to other forms of one-to-one, talking-based interventions?

Mentoring

Mentoring and coaching are similar, and the terms are often used interchangeably. However, mentoring usually involves a more experienced person helping someone to learn by sharing their expertise and offering advice. It is usually an ongoing relationship that may last longer than a typical coaching assignment. In contrast, coaching is more likely to be non-directive, although opinions differ on the degree to which coaches do or should advise based on their experience.

Therapy/Counselling

While some coaching may shade into the therapeutic in order to achieve deep shifts in executive behaviour, the majority of business coaching addresses work issues rather than those that are more personal.

For many organisations, this is an ethical boundary, where they have every right to ask an employee to improve their work performance, but cannot insist that an employee undergoes any deeper or more personal process unless they choose to do so.

In this report, we focus on *business coaching*, funded by the client’s employer, as distinguished from *life coaching*, which is normally paid for by the individual and includes issues outside of work.

Research approach

Our research consisted of:

- Interviews with approximately 20 companies who make extensive use of coaching
- Interviews with coaches, coaching providers, trainers, and academics
- A CRF member survey of 195 participants
- A review of relevant books and studies.

“Coaching has become endemic in the design of all our training, including technical, business development and personal skills.” **Andrew Wright, Firm Wide and Markets Learning Leader, EY**

Trends in coaching fees

What has happened to coaching fees in recent times? Our research indicates that the market is split in two. Fees at the top level have remained firm, and highly experienced, credible coaches can charge premium prices. However, many interviewees reported downward pressure on fees at the lower end. We expect this may have a bearing on the quality of people who choose to enter the coaching profession in future.

Professionalisation

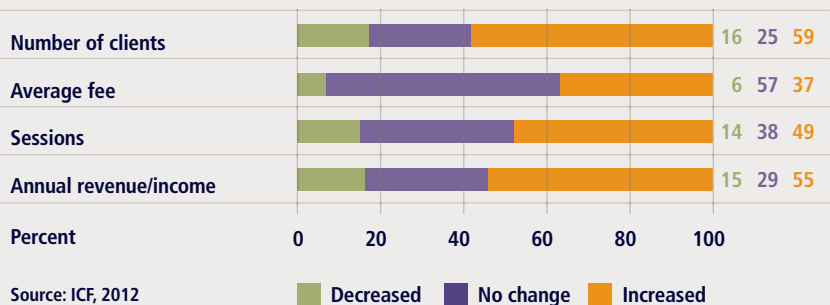
A key theme emerging from our interviews was the increasing professionalisation of coaching:

- Buyers of coaching are becoming more sophisticated in their procurement practices. Many of those who commission external coaches are trained coaches themselves, and have a better understanding of what good looks like
- Better processes for coordinating coaching across large organisations and managing the relationship with external coaches. HR and procurement are more involved – although many coaches resist the involvement of procurement, particularly if they treat purchasing coaching like buying ‘widgets’
- Better coordination has led to increased consistency in deploying coaching within organisations, which makes it easier to evaluate coaching
- The development and increasing use of internal coaches
- Coaches becoming better trained in psychological tools and techniques.

As we detail in chapter 3, many large organisations have invested in developing pre-vetted banks of coaches, often managed by a central team within HR. This allows for a more consistent approach to quality control and cost management.

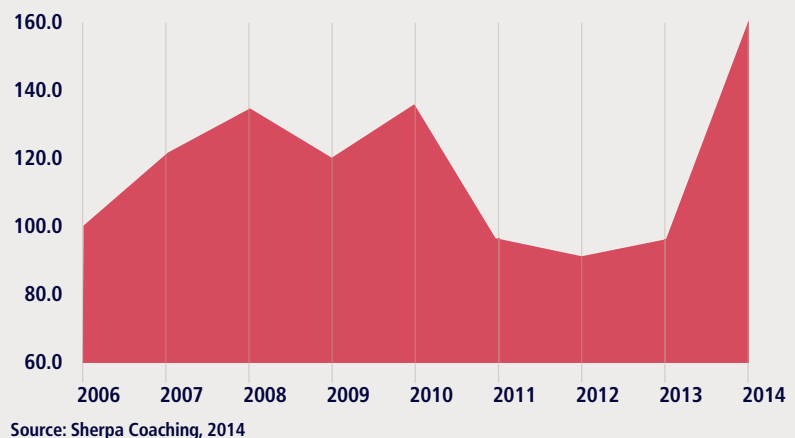
The ICF’s 2012 Global Coaching Study also reported an increase in fees, hours worked, numbers of clients, and revenues over the previous twelve months (see graphic below). In spite of the recession, demand has remained buoyant.

Change experienced – last 12 months



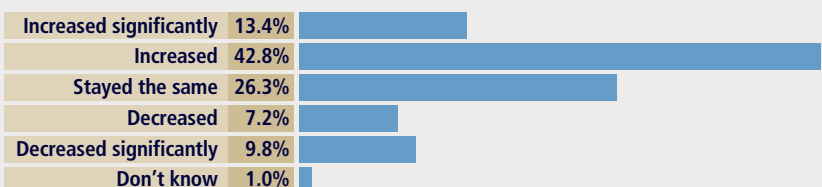
Similarly, Sherpa Coaching’s annual Coaching Confidence Index (calculated based on fee rates, numbers of clients, predictions of demand and marketing spend) reached a record high in 2014 (see graphic below).

This year’s index has taken a significant leap, to arrive at a record high of 166 (2006 =100)



A survey of CRF members conducted as part of this research also found that expenditure on coaching has increased over the last three years. 56.2% of respondents reported that spending had ‘increased’ or ‘increased significantly’. Furthermore, over half of respondents expected spending to ‘increase’ or ‘increase significantly’ over the next three years (see graphics below).

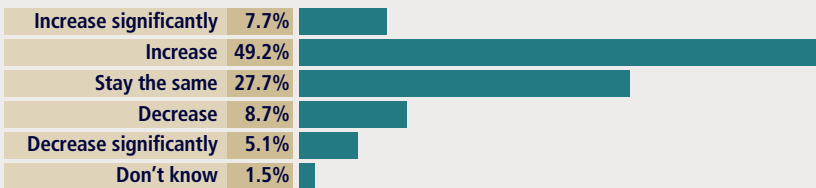
Compared to three years ago how has your organisation’s coaching spend changed?



Source: CRF Member Survey, January 2014

"It seems to me, the real purpose of coaching is to provide the conditions for people to think for themselves." **Nancy Kline, Founder and President of Time to Think, Inc.**

How do you expect your organisation's spending on coaching to change over the next three years?



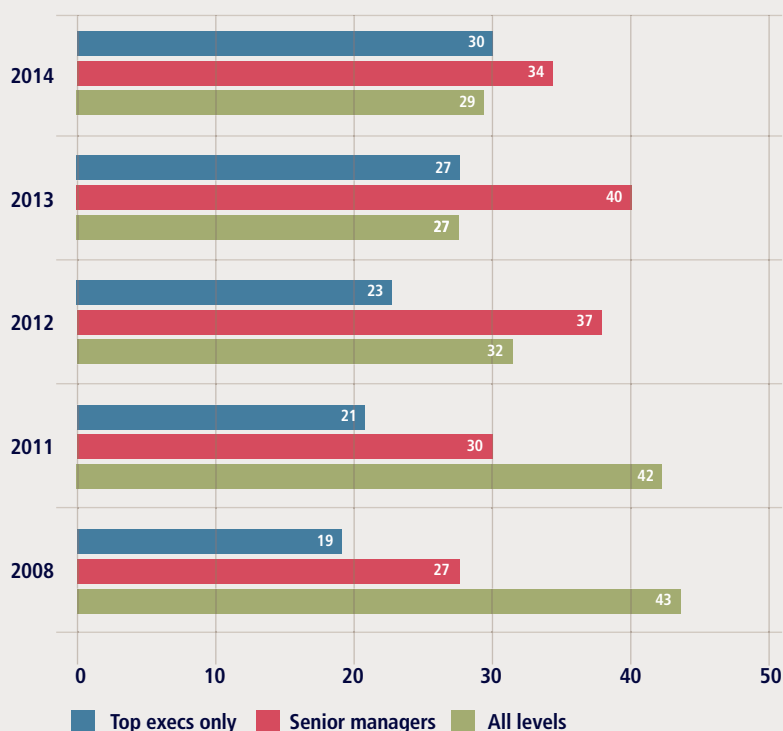
Source: CRF Member Survey, January 2014

While demand for coaching continues to grow, the supply side remains fragmented. There are few large coaching providers, and large organisations generally have to bring together several players to meet coaching needs globally. The domination of one-man-bands and small coaching companies makes coach selection and quality control an onerous task.

1.2

How is coaching used?

Overall, the coaching market may have held steady during the recession, but it has become more 'exclusive'. Sherpa Coaching's 2014 survey found that, whereas coaching had previously become 'democratised', i.e., spread across all organisation levels, in recent years it has become more focused on senior leaders, top executives and high potentials (see graphic below).



Source: Sherpa Coaching, 2014

Other uses of coaching

Some other developments in coaching use include:

- **The role of coaching in diversity initiatives**, particularly boosting the pipeline of women (see Case Notes on page 12). Previous CRF research on diversity (*Diversity and Business Performance*, 2011) found that women often need more encouragement than men to push for stretch assignments that accelerate career development.
- **Enabling culture change or developing a 'coaching culture'**. Companies such as BT are moving from a 'tell' towards a less directive culture (see the BT case study on page 22). Some organisations have been working at this for some time. For example, coaching has become embedded in the culture at PwC over the last twenty years; the principles of coaching are woven into all development and performance management processes.
- **Coaching to support business turnaround**. For John Renz, Director of HR at Novae, coaching helped a new executive team rescue the business from crisis and deal with a highly uncertain situation. "Coaching helped individuals in the executive team get clarity around their personal operating frameworks, think longer term and focus on issues that would make a difference to business results. The pace of change meant the timescales between critical decisions were short. There was no road map. Coaching helped each member of the executive team create their own."
- **Coaching's role in learning and development strategy**. Many organisations use coaching as part of a blended approach to learning. This model, originating from the Center for Creative Leadership, suggests that effective managers learn 70% on-the-job, 20% from other people, and 10% from courses and reading. Erica Gee, Partner Development Delivery Manager, John Lewis says: "We are an omni-channel business; we need to offer omni-channel learning."

"We are now moving into a phase where managers are seeing coaching as an aid to performance improvement, even when performance is already acceptable or good." Respondent to CRF member survey

Case Notes

Coaching support for diversity programmes

As part of their women's leadership development programme, which is designed to increase the number of female partners, Linklaters offers group coaching. Groups of 5 women work with an external coach throughout the programme to apply learning, build confidence, and share experiences. This gives the women a sense of being all in it together, and builds their network across the firm. Participants are also assigned a partner from another office as an internal coach for the duration of the programme, giving them a mix of internal and external coaching.

Chris Parke, CEO of Talking Talent, a coaching firm specialising in developing women leaders, agrees that coach-facilitated peer-to-peer groups of high potential women, meeting over longer time periods of a year or more, is much more effective in helping women move into leadership positions than a one-off leadership development intervention. He advises focusing on women at or just below the level where women's progression typically stalls. Such groups create an open environment where women can discuss and develop strategies to deal with the issues that hold them back. "It's like walking into a decompression chamber."

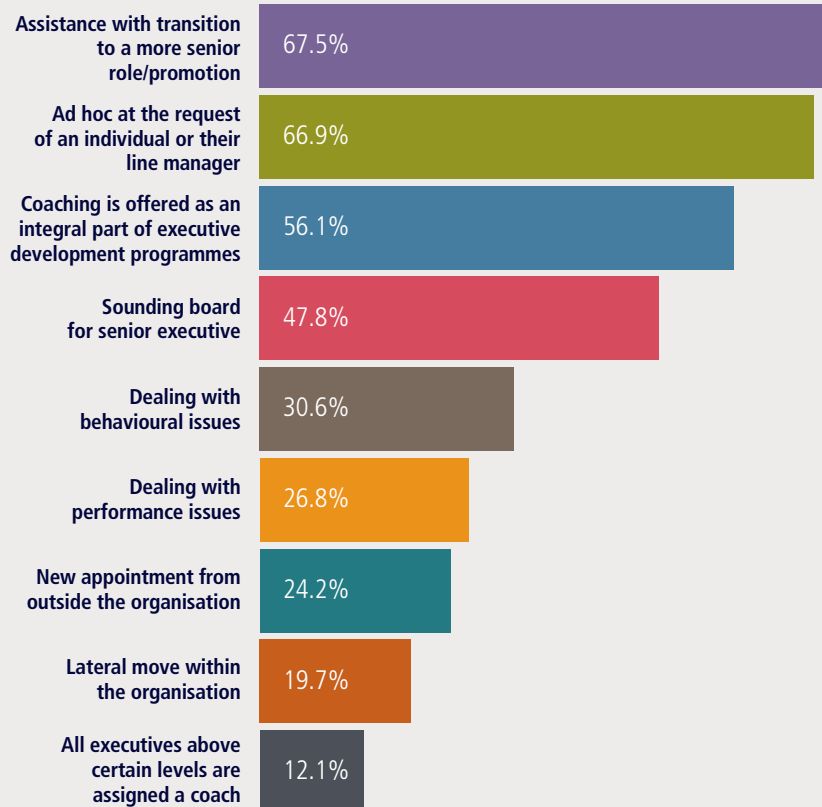
Coaching to aid transition/promotion

EY has mandatory transition coaching for new partners for at least six months after promotion, to ease the often difficult move to partner. Coaching is provided by existing partners, who train as coach-champions. According to Andrew Wright, Firm Wide and Markets Learning Leader: "Transition coaching is targeted at a specific need and a clearly defined population. We can gather the data on impact and we can see that the time for new partners to assimilate has reduced." EY has been able to review outcomes, including sales pipeline figures, to measure the effectiveness of this approach.

According to Clive Mann, Managing Director of Ridler & Co, publishers of the Ridler Report, the squeeze has come at middle management level. In larger organisations, coaching at this level is increasingly provided by internal coaches (see page 14).

We asked our members the extent to which they use coaching in various situations. The findings (see graphic below) were echoed in the qualitative interviews we conducted with both purchasers of coaching and coaching providers.

In what circumstances do you use executive coaches within your organisation?



Source: CRF Member Survey, January 2014

Some of the key themes include:

- Other than the 'classic' situation of an individual being coached to support a particular development need, the most common uses of coaching are to assist the transition to a more senior role, and coaching that is integrated with existing leadership development activity
- Coaching appears to be especially useful in helping leaders move out of silo-based functional management into general management roles
- There is demand for senior executives to have an independent adviser to act as a sounding board. Coaching needs at the most senior levels are different (see page 13)
- Specialist coaching is common in areas such as maternity, outplacement and retirement planning.

“We have to guard against senior managers thinking they can send someone off to a coach to be ‘fixed’ and they do not need to do anything themselves.” Georgia McHardy, Talent Manager, Jardine Lloyd Thompson plc

We found that coaching is becoming less frequently used in the following situations:

- Although it is common for senior executives to have an adviser or ‘sounding board’, few organisations allocate a coach as a matter of course
- There has been a move away from ‘remedial’ coaching. Coaching is still used to address performance issues, but tends to be focused on high-potential people.

In spite of this, we have some concerns about particular aspects of coaching:

- **Coaching is often used as a substitute for good management, or as a means of ‘outsourcing’ the management of difficult people.** The reality is that few senior executives make the time for in-depth development discussions with their staff. And many lack the skills to have these conversations, even if they are able to make the time.
- **There is a ‘trophy’ aspect to coaching.** There is a danger of coaches being assigned to those who shout loudest rather than in response to real business need.
- **Coaching is seen as something of a ‘panacea’.** Before investing in a coach, organisations should think carefully about what the specific development need is and whether other solutions such as mentoring, training, a secondment, or a different role, might be more suitable.
- **Coaching should not be used as a shortcut for proper assessment of development needs.** Sometimes coaches are paid large amounts to do the assessment the organisation should have done.
- **There is very little evaluation taking place.** Many organisations simply take it on trust that coaching is worth the spend. Evaluation is difficult to do well, but our view is that all companies that are coaching in any numbers, should be evaluating how good the coaching is and what difference it makes. This is an important – but often neglected – role for HR.

Is coaching just another management fad and fashion? We return to a key theme of this and other CRF research: you need to define clearly what the business need is and why coaching is the best solution, establish clear goals for the assignment, make sure the coach selected is skilled in dealing with these issues, and evaluate coaching’s effectiveness.

1.3

Who’s responsible for coaching?

In our research, we were interested to find out how coaching is organised within large companies. We found that, whereas ten years ago coaches may have been engaged predominantly by line managers, with little or no coordination across the firm, there is a trend towards greater coordination and consistency in coach selection and allocation.

Our member survey found:

- Just over half of respondents (58.9%) coordinate the selection and ongoing management of coaches centrally
- Responsibility for selecting coaches and assigning them to clients predominantly lies with the leadership development or talent management function (72.3%). An example of this is GSK, who have recently moved their coaching Centre of Excellence from the Employee Health and Sustainability (EHS) team to sit within the Talent, Leadership and OD Centre of Excellence. This indicates that coaching has become more widely accepted – it was originally sited within EHS because it was felt that the business would have greater confidence that coaching would remain confidential if it was separate from HR

C-suite Coaching

The most senior executives often have different coaching needs:

- Senior leadership can be lonely, and CEOs often have no one in whom they can confide their doubts, insecurities and weaknesses
- Coaching can provide a safe place to talk about confidential issues like difficult board dynamics or strategic business decisions
- Coaches at this level often act more as a sounding board or trusted advisor. They typically need to have had relevant career experience to have credibility
- Top executive coaching is often more directive – akin to a mentor providing advice based on their business experience. This might include helping with specific objectives, such as dealing with the City. However, according to Peter Hogarth of JCA, who coaches many CEOs: “it’s not so much about telling them the answer as steering and helping them to get there themselves”
- Rather than being an engagement for a limited time period, according to John McCarthy, Partner at Stork & May, ‘often the timeline is extended’
- Often coaching assignments at this level are initiated by a chairman who is concerned that a new CEO is not ‘cutting it’, and HR may not be involved.

Peter Hogarth thinks that any stigma associated with coaching has gone. “Almost everyone now gets the fact that coaching can help the most senior executives improve their performance.”

"If the development focus isn't clear, a coach will be engaged and paid to do the development that managers should be doing." Gail Sulkes, Leadership Assessment & Development Consultant, Thomson Reuters

Team coaching

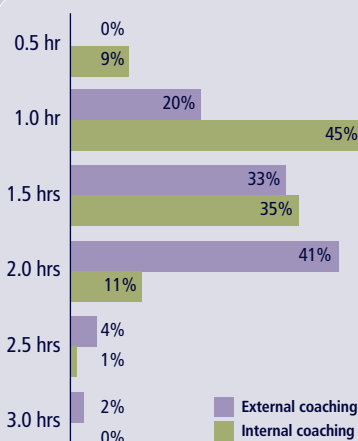
Team coaching appears to be a key area of growth in the coaching market. In theory, team coaching involves applying the concepts and techniques of individual coaching to teams. However, we are sceptical about how different in reality team coaching is from other techniques for building high performing teams, such as team facilitation. We are concerned this may be something of a fad. Supporters of team coaching argue that coaching should help a team set up and maintain its own processes for goal setting, decision-making and dispute resolution, and build trust within the team.

What we do observe is:

- The organisations that are using team coaching tend already to be reasonably sophisticated users of individual coaching.
- It tends to be used in situations where teams need to make a performance shift, for example in transitions, where new teams are forming, or to respond to challenging business goals.

How internal coaching differs

A key difference between internal and external coaching is the average length of a coaching session. Data from the 2013 Ridler Report (see graphic below) shows that internal coaching sessions tend to be shorter.

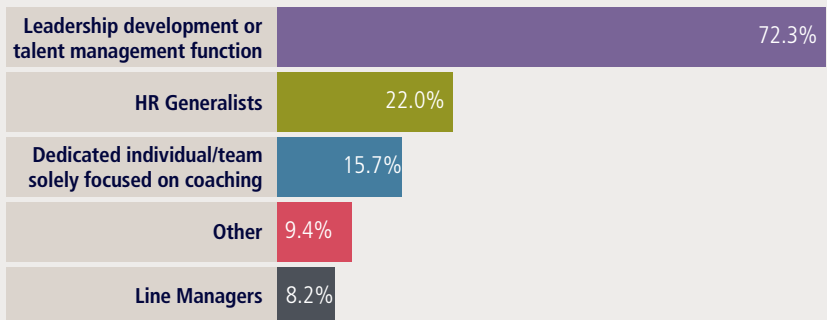


Average length of a coaching session

Source: Ridler & Co, 2013.

- 15.7% have a dedicated team or individual solely focused on coaching (see graphic below).

Who is responsible for selecting coaches and assigning them to coaching clients?



Source: CRF Member Survey, January 2014

Central coordination allows for:

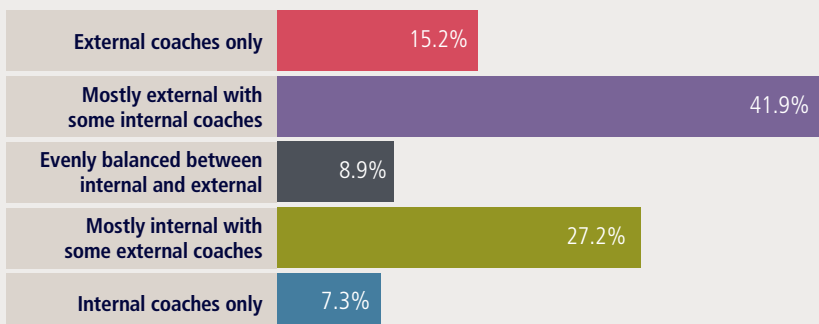
- better quality assurance and consistent standards
- evaluation of coaching effectiveness and return on investment
- visibility of spending, although coaching is usually funded from divisional – rather than central – budgets.

1.4

Internal vs external coaches

More than half our respondents (57.1%) source either all or the majority of their coaches externally (see graphic below). However, this picture is changing, with many organisations investing in developing internal coaches (34.5% of survey respondents use internal coaches predominantly or exclusively). In many cases expenditure on external coaches is being diverted to develop in-house capability. For example, in 2013 GSK's internal coaches completed assignments that would have cost £3M had they been delivered by external coaches.

What is the balance between internal and external coaches in your business?



Source: CRF Member Survey, January 2014

“Our leadership philosophy is based on helping leaders navigate their personal leadership journey, and identify their unique individual style. Coaching plays a big part in this.” **Samantha King, Group Head of Executive and Team Development, Standard Chartered Bank**

There are several drivers for this shift:

- reducing the spend on external coaches, although this is not always the main driver
- where demand for coaches exceeds available resources
- a recognition that it can be very helpful for coaches to understand the particular business context, culture and nuances of the organisation
- flexibility, because internal coaching can be less formal, more time-efficient, and allow different models of contracting
- it builds capacity to make coaching more widely available, especially to more junior populations
- the desire to build a ‘coaching culture’.

One of the positives of investing in internal coaching is that the people skills of line managers who train as coaches often improve as a consequence. In many firms, the employee survey ratings of managers who have trained as coaches improves after training.

Our observation is that **the most sophisticated users of external coaches are also investing in a strong internal coaching capability**. They meet the bulk of their coaching needs internally, with external coaching reserved for the most senior levels. Most firms we interviewed are moving towards greater use of internal coaches, and are at varying stages on the journey. The 2013 Ridler Report found that 79% of organisations expected to see a small (40%) or large (39%) increase in internal coaching over the next three years.

We note the dilemma for organisations in freeing up internal coaches who coach in addition to a busy day job. We would echo Orla Leonard, Partner at RHR International: “Companies need to think carefully about whether internal coaches have the time and resource to deliver the quality of coaching needed.”

Case Notes

Standard Chartered

Standard Chartered Bank’s approach to leadership development at the most senior levels is heavily focused on developing and sustaining the bank’s unique culture, and helping individual leaders go through a personal journey to identify and lead from their own values. Coaching plays a key part in helping leaders make this journey. According to Samantha King, Group Head of Executive and Team Development, “Coaching helps leaders become aware of how everyday decisions – both small and big actions – shape our culture.”

This has translated into a coaching strategy that differs from the other large global organisations we interviewed. Coaching support to top leaders is provided by five ‘Lead Effectiveness Facilitators’ who are full-time internal coaches. Each LEF is experienced in coaching top executives, and is assigned to a specific business area, where they coach 30-50 clients a year. Being embedded in the business allows the LEF to develop deep insight into the strategy and issues of each division. Samantha King finds that internal coaching at this level is a powerful lever for the culture change aspect of leadership development, and the LEFs play a key role in maintaining the corporate culture.

The bank makes limited use of external coaches – they tend to coach the levels below the most senior people and are mostly used to deal with specific issues such as helping a leader improve their communication.

In terms of selection, Standard Chartered expect their external coaches to have accreditation from more than one source, and to use at least three different approaches/schools of thought. Reflecting the international nature of the bank, their coaches must have experience of working across cultures and geographies.

The bank has also defined the criteria used to select coaching recipients:

- (1) people in high impact jobs
- (2) business opportunity such as growth in emerging markets
- (3) people in transition or change.

2

DOES COACHING WORK, AND IF SO HOW?

Topics covered		Introduction
2.1	So what is the evidence that coaching makes a difference?	17
2.2	Does therapy work, and if so, what can coaching learn from therapy?	17
2.3	Practical reasons why coaching works	19
2.4	The neuroscience of coaching	20
2.5	The role of the organisation in coaching	21
2.6	Summary	22

We consider what users of coaching say can be achieved, and what evidence exists for the effectiveness of coaching. We also consider what the emerging field of neuroscience tells us about coaching.

“Everyone has seen someone who has really benefitted from the experience of being coached. People often say ‘if they got so-and-so to change, it must really work’.” **Adrian Furnham, Professor of Psychology, University College London**

Proponents of coaching can reel off lists of the sort of areas where coaching can help. The figure below sets out just some of the things they claim can be improved through coaching.



2.1

So what is the evidence that coaching makes a difference?

The gold standard of research to test the effectiveness of coaching would be to conduct a longitudinal, double-blind, randomised, placebo-controlled trial with a large number of participants. However, no such studies have been attempted to date, and given the high costs involved, we do not expect to see any studies of this nature in the near future. There is very little research directly addressing the question of whether coaching actually works. Many of the studies that have been done were led by coaching practitioners, who have a vested interest in finding positive outcomes.

We therefore have to rely on:

- research into the effectiveness of psychotherapeutic approaches, which can give some insights into how and why coaching might work in a business context
- existing studies into the effectiveness of coaching, all of which have some limitations.

Our aim here is not to conduct a comprehensive review of the available literature (many of the sources in the References and Recommended Reading provide more detail), but simply to highlight some key points.

2.2

Does therapy work, and if so, what can coaching learn from therapy?

Many studies exploring the effectiveness of talking therapies have found a positive effect on personality. For example, Wampold (2001) found the average psychotherapy client had a trait change outcome higher than 80% of people in a control group. Studies have also found:

Personality change theory – plaster or plastic?

Is it possible for adults to change their personality? If the answer are ‘no’, attempts at personality change through coaching are likely to be a waste of time and money.

The prevailing academic view has shifted in recent decades. Early studies suggested that personality does not change much in adulthood:

- Large, longitudinal surveys such as Costa & McCrae (1994; 1997), found no meaningful changes in personality after age 30
- Mischel’s ‘Marshmallow’ test found that self control in early childhood predicted a number of adult outcomes forty years later, including educational attainment, relationships and drug use
- The Dunedin study in New Zealand found that differences in temperament in childhood have long-term influence on adult personality, with strong effects on life outcomes such as mental health, marital status and alcohol dependency.

As a result of these and other studies, the ‘plaster’ hypothesis of personality became widely accepted.

More recently, innovations in scientific techniques and improvements in data have yielded different results. The pendulum has swung towards recognising that personality may be more ‘plastic’ than originally thought:

- Research by Roberts et al (2006) found that personality continues to develop beyond the age of 30, although changes are more dramatic in young adulthood
- Developments in neuroscience (see page 20), suggest that the brain continues to create new neurons in adulthood. While this may not affect personality directly, it may have implications for learning, memory, and behavioural change.

Supporters of both the ‘plaster’ and ‘plastic’ hypotheses appear to have valid data to support their positions. As new techniques and better data emerge, it will be interesting to see if it is possible to reconcile these two positions. Either way, it seems that **behavioural** change through coaching is certainly possible, and this may be sufficient in a work context.

"Some people question how leadership development programmes apply to the real life challenges they face and feel they don't have time to pay attention to things beyond their immediate concerns. Coaching allows them to receive tailored one-to-one development; it's possible to do so much more with them in individual sessions." **Jason Rabinowitz, Head of Pine Street EMEA, Goldman Sachs**

Research on the effectiveness of coaching

There are a small number of studies that consider the effects of coaching.

A meta-analysis by Theeboom et al (2013) found that coaching had a significant positive effect on the following six factors (see below):

Factor	g Score
Performance/skills (measured by a combination of objective performance data such as sales or supervisor ratings, and behavioural outcome measures such as leadership behaviours).	0.60
Well-being (including levels of stress and burnout).	0.46
Coping (including the ability to deal with future and present job demands and stressors).	0.43
Work attitudes (including job satisfaction, organisational commitment, and career satisfaction).	0.54
Self-regulation (including measures related to goal-setting, goal-attainment, and goal-evaluation).	0.74

Source: Theeboom et al (2013)

Smither et al (2003) found that managers who work with an executive coach are significantly more likely to:

1. Set specific goals
2. Solicit ideas for improvement from their superiors, and
3. Obtain higher ratings from direct reports and supervisors.

Finally, a study by Olivero, Bane & Kopelman (1997), found that combining training with follow-up coaching led to significantly higher productivity (an 88% increase compared with 22.4% arising from training alone).

- change can take place relatively quickly (within six months)
- a negligible difference in effectiveness between different psychotherapeutic techniques
- better results when the client has to go through discomfort to make changes.

Research by Asay & Lambert (1999), identified four common factors that contribute to the positive effects of therapy. The researchers also identified the percentage each factor contributed to the overall outcome:

- **Client/extratherapeutic factors (40%).** The characteristics of the client (e.g., commitment to change) and the environment outside of therapy (e.g., their work environment) account for the biggest share of difference.
- **Relationship factors (30%).** The quality of the relationship between therapist and client is the second most important factor.
- **Hope, expectancy and placebo effects (15%).** Clients on waiting lists sometimes improve without treatment; those who expect to improve through therapy do better than those who don't.
- **Theory and techniques (15%).** The approach used is much less important than the other factors. However, there is strong evidence to suggest that Cognitive Behaviour Therapy (CBT) is effective, and has strong applicability to coaching.

McKenna & Davis (2009) found several factors from psychotherapy research that can be applied to coaching. They concluded:

- The most powerful active ingredient in coaching is not the abilities of the coach, but the unique circumstances of the client
- Coaching is much more likely to be successful where a client has a high readiness to change
- Coaches should focus on establishing a strong alliance with their clients, particularly focusing on goals, tasks, and the client's readiness to change
- Helping clients build their own hopes for the results of coaching can lead to better outcomes.

Work by Erik de Haan of Ashridge Business School and colleagues also supports the applicability of psychotherapy research to coaching. They found:

- The most important factor in a successful coaching outcome is the quality of the coach/client relationship
- The success of coaching is much less predicted by the technique or approach used, than by factors common to all coaching, such as the quality of this relationship.

In summary:

- Coaching appears to have the potential to work, in the right circumstances.
- The key factors for success are: a willing, well-prepared client; an expert coach skilled in building strong client relationships; and a task-focused coaching contract with clear and achievable goals.
- Change is uncomfortable. Having a cosy chat is unlikely to lead to significant change: good coaches really challenge their clients to stretch themselves.

“Good coaches get people to practise. Sometimes it’s about the number of times you try something, sometimes it’s just about trying out a different approach.” **Gail Sulkes, Leadership Assessment & Development Consultant, Thomson Reuters**

2.3

Practical reasons why coaching works

Although there is limited scientific evidence that coaching works, practitioners are convinced of its effectiveness, and organisations continue to invest many millions of pounds every year. Our interviews highlighted some practical reasons why coaching seems to work.

Goal-Setting

People who set goals perform better, have greater self-confidence, are happier with their performance, and suffer less stress and anxiety. Locke & Latham (2002) established a strong link between goal setting on the one hand and motivation and performance on the other. Research has found that effective goals are:

- Specific so action can be targeted
- Time-defined
- Measurable to provide for clear evaluation of success
- Challenging enough to provide stretch but not too challenging to induce high stress.

The SMART acronym is perhaps overused, but does provide a useful shorthand for checking that goals are well set.

The most effective coaching engagements are those that take great care to establish clear goals, both at the beginning of the assignment, and at the start of each coaching session.

Thinking

The coaching environment provides an ideal place for clients to spend time reflecting and developing their own ideas to deal with the challenges they face:

- Senior executives often take little time to attend to themselves or their own development. Coaching creates a space to stop and think about things they otherwise wouldn’t be able to
- Coaching creates a safe place where the client can explore and experiment, and try things that would feel risky in the normal work setting
- Coaches can help their client develop insight into the challenges they face, as well as potential solutions and actions
- Coaching can surface things people would not have otherwise noticed
- The self-analysis that happens in coaching often allows solutions to emerge in-and-of themselves.

Could it be argued that coaching is just an excuse for an executive to take time to think, and they could achieve the same if they simply set aside the same amount of time to reflect on their own? Perhaps. However, neuroscience has found that the focused attention that good coaches give to their clients actually alters their brain state, allowing different thoughts to emerge. Nancy Kline’s powerful *Time to Think* approach (briefly described in the column on page 21) explores this in more depth.

Practice

Another practical reason why coaching seems to work is that good coaches encourage their clients to practise:

The benefits of non-directive coaching

Research by Erik de Haan and colleagues at Ashridge Business School shows why the non-directive aspects of coaching appear to be effective:

- Coaching outcomes were significantly more positive for clients who believed they were being helped to make discoveries, that their thoughts and actions were being challenged, and that they were supported
- Outcomes were reported as less positive for clients who felt they were being provided with information or simply helped to release emotions
- There was no link to positive outcomes where clients felt they were being advised or told what to do.

Positive psychology and coaching

There is much excitement in the coaching field about the contribution that positive psychology can make. Founded by renowned psychologist, Martin Seligman (author of *Learned Optimism*), researchers in the field of positive psychology (such as Professor Barbara Frederickson at University of North Carolina) have found that positive emotions have a beneficial effect on individuals’ ability to generate solutions, think more expansively, and perform better on complex tasks. This links closely with the philosophy of coaching, which focuses on creating an environment for individuals to come up with their own answers to the issues they face.

There does appear to be a solid evidence base that positive psychology is effective in helping improve performance. According to Vernon Bryce, Chief Commercial Officer of Capp & Co, a strengths-based leadership assessment provider, playing to strengths also increases wellbeing, job satisfaction and commitment to the employer.

Standard Chartered Bank uses positive psychology as one of the foundations of their approach to developing their top 500 leaders, which includes coaching. The bank uses strengths-based techniques, designed to shine a light on what is working, and to understand how positive experiences and successes can be spread more widely across the organisation.

The combination of positive psychology, and the developments in neuroscience discussed on page 20, have the potential to transform our understanding of adult learning. Those who are interested in coaching would do well to keep up to date with developments in these fields.

“Coaching can help clients respond in a different way to emotional or stressful situations, helping engage the rational – rather than the emotional – parts of the brain.”

Andrew Day, Director, Ashridge Consulting

Six reasons why coaching works

Anne Scoular, Managing Director of Meyler Campbell, suggests six simple, practical reasons why coaching works:

- **Pause.** The pace of work in today's 24/7, global, interconnected workplace, means senior executives rarely take time to stop and consider what they are doing and where they need to go. Perhaps simply making time in the diary for regular reflection, without using a coach, would have the same effect, but the reality is that any time available is invariably taken up with other immediate priorities.
- **Clearing your head.** A coaching session allows the client to pull back and take a broader view of what is important, and to be re-energised and re-motivated.
- **Venting.** Senior executives often have no-one to confide in, and do not feel able to risk revealing their fears to colleagues. Coaching is a safe, confidential, environment to discuss issues and concerns.
- **Time.** Few people block out time in the diary to think. Coaching creates time and space for thinking without interruption.
- **Sounding board.** Particularly for very senior executives, a coach is an independent sparring partner who can be trusted to help make sense of the options available.
- **Speaking truth to power.** In many organisations, subordinates are unwilling to challenge. Coaches can push back or deliver unpalatable messages in a less threatening way.

Source: Scoular (2011)

- Coaching provides an opportunity to reflect on and internalise formal learning
- Coaching allows leaders to develop their own leadership style and to experiment with an approach that suits them
- Adrian Furnham, Professor of Psychology at University College London, suggests that good coaches set their clients regular exercises to allow for new behaviours to become embedded through practice.

Commitment

Coaching may also work because it builds motivation and commitment to change, and enhances job satisfaction:

- People are more likely to implement ideas they have thought up themselves, so a client-directed coaching process generates 'sticky' solutions
- Coaching can help refresh people and get them energised about their job, as well as developing strategies for resilience and coping with stress.

Where coaching should not be used

- Where the client is unwilling or not ready for coaching. Assigning someone a coach without buy-in is a waste of resource.
- Where the issue is a personality disorder, or the issue properly requires therapy.
- Where a different development intervention is a better answer – for example training, mentoring, or a job move.
- Where coaching is a thinly-veiled attack on personality. Coaching cannot change someone's basic nature, but it can help the client see the effects of their behaviour on those around them.

2.4

The neuroscience of coaching

The emerging field of neuroscience appears to offer many possibilities for understanding better how adults learn and what is going on in the brain when they are being coached. We do not yet have a full picture, but can identify some key themes.

- The brain is more plastic – capable of changing its structure – than previously thought, and brain structure can change as a result of experience.
- The concept of 'focused attention' is essential to long-term plastic change in the brain (see Doidge (2008)). Focused attention encourages the development of new neural connections, allows new connections to be consolidated, and electrical signals within the brain to move faster. So deep listening, calmness in the face of a stressed client, and targeted questioning may actually change the brain.
- Stress inhibits learning. When feelings of fear are engaged, the 'fight or flight' instinct takes over, releasing the stress hormone cortisol and diverting energy from the higher order thinking parts of the brain in the neocortex. This means less energy is available for intellectual processing – hence the inability to think properly when under stress. "Excessive fear renders peak performance neurologically impossible." (HBR Guide to Coaching your employees, (2013)).

"A deep disconnect between the organisation's values and goals and those of the [coaching client] is problematic. Coaching aims to align an executive's values and vision; it doesn't help people to contort themselves to a space in which they don't fit." **HBR special report, January 2009**

- The types of issues that are tackled in coaching – difficult relationships, challenging business targets etc – are often stress-inducing. A key role of the coach is to use 'focused attention' to help the client regulate negative emotions such as anxiety. This allows the client to engage the thinking functions of the brain to tackle the issues at hand, and may be one of the reasons the relationship between coach and client is so important to coaching success (see page 17).
- Over time, the new connections made by focusing attention become hardwired. According to Rock & Page (2009): "if we shine our spotlight on something new that represents the change we wish to make, our brain makes new connections."
- This is also why practice is so important – practice allows new patterns to become embedded in neural connections, and old patterns of behaviour to become redundant.

Neuroscience suggests, therefore, that the optimum environment for learning may be focused attention; the sort of environment that the best coaching can create. According to Nancy Kline, "People think best when they are safe, not under threat."

2.5

The role of the organisation in coaching

Much has been written about what good coaching looks like and what makes an effective coach. However, the success of coaching is also highly dependent on the kind of support provided by the employer. We see this as a key – but often neglected – success factor.

Anecdotally, one reason for poor take-up of post-programme coaching is that people are unclear about the extent to which the coach will report back on them, or be used as a tool of management. This makes contracting particularly important (see 4.3 on page 29), but also suggests that the employer needs to be very clear about boundaries, and why coaching is being offered.

We would caution that, where coaching fails, it may be the fault of the organisation rather than the coach or the client. This particularly arises where someone is brought in as a change agent, and they suffer 'organ rejection'. Trying to 'fix' someone through coaching and then putting them back in a 'sick' organisation will not make any difference. Similarly, where the organisational culture does not support the new behaviours being explored in coaching, it will not succeed.

Organisations usually find it easier to tackle issues with individuals than problems with the organisational context, and coaching in this scenario can be like trying to use a sticking plaster to treat a broken leg.

The ten components of a Thinking Environment

Nancy Kline has developed the concept of the 'Thinking Environment' over years of work in educational and business organisations. She finds that thinking has been squeezed out of modern organisations by practices and interactions that inhibit thinking. "In most circles, particularly in places that shape our lives ... thinking for yourself is regarded with suspicion." Kline has found that the quality of outcomes depends on the quality of thinking. Furthermore, the quality of one person's thinking is determined by the quality of attention they are given by others around them. By creating an environment that encourages people to think for themselves, the performance of individuals and teams can be transformed.

Kline has identified ten components of the Thinking Environment:

1. Attention: listening with respect, interest and fascination
2. Incisive questions: removing assumptions that limit ideas
3. Equality: treating each other as thinking peers by giving equal turns and attention, and keeping agreements and boundaries
4. Appreciation: practising a five-to-one ratio of appreciation to criticism
5. Ease: offering freedom from rush or urgency
6. Encouragement: going to the unexplored edge of thinking by moving beyond competition
7. Feelings: allowing sufficient emotional release to restore thinking
8. Information: providing a full and accurate picture of reality; dismantling denial
9. Place: creating a physical environment that says to people, 'you matter'
10. Diversity: improving thinking quality because of the differences between people.

According to Kline, coaching can create an environment for people to think for themselves, where it is set up as a Thinking Environment. "Coaching [within a thinking environment] allows people to take their thinking into areas and to a depth they could not have done, had the coach decided for them what to think."

“Real help ... consists of listening to people, of paying respectful attention to people so that they can access their own ideas first.” **Nancy Kline (1999)**

2.6

Summary

To an extent, coaching has become so widespread and well accepted that many organisations do not even stop to consider whether it works. Indeed, Clive Mann of Ridler & Co finds that we may even have reached a point where large organisations feel at risk of falling behind if they do not invest in coaching. However, there remains little evidence to justify this blind trust. We still hold that it is necessary to determine how coaching meets specific business objectives, to seek out the highest quality coaches, and to evaluate outcomes. Our research shows that many organisations are not doing the basics in this regard.

In the next chapter, we consider how to identify and select good coaches.

Case Notes

BT

Recent moves by BT have sent a strong message to the markets that the strategy is changing, moving towards a focus on profitable growth. BT has moved aggressively into markets occupied by other players, placing big bets on TV and sports content along the way. Behind the scenes, the shift in strategy is underpinned by a culture change programme with coaching at its heart.

BT's culture has historically been highly 'authoritative', based on telling people what to do and strong command and control management. While this had served well in time of turn-around, the leadership team realised that organic growth could not be sustained without a fundamental change in culture to support innovation, agility of decision-making, and continuous capability improvement. David Young, Head of Executive Development, describes this as a move from an 'authoritative' to a 'challenging' culture. Whereas 'authoritative' leadership is about building compliance, 'challenging' leadership is about aiming high and getting commitment through coaching. The Executive Committee of the Board (EC) agreed that they needed to role-model the change in behaviours they expected, and lead the way through the programme that followed.

David Young's team implemented a top-down coaching-focused leadership programme.

- First the EC attended a bespoke coaching-focused leadership programme, sending messages across the organisation about expected behaviour change.
- This was followed by the top 600 leaders attending 4-days of workshops, supported by learning sets and individual coaching.
- Phase 3, beginning this year, is to roll the programme out across over 7000 middle managers.

According to David Young: "This has been the biggest top-down leadership programme in the FTSE 100 over the last two years."

What steps are being taken to embed new behaviours?

- Internal coaches sit in on 1-2-1 coaching sessions programme attendees have with their staff to help guide their application of coaching to their job.
- Developing a cadre of internal coaches to meet the majority of the company's coaching needs and support the new culture.
- Running annual follow-up programmes for BT's leaders. The next phase focuses on 'putting the customer first'.
- Rethinking BT's systems and processes to support a different culture.

How has success been evaluated? The company is using several approaches

- Surveying 3000 staff whose managers have attended the programme to ask "have you seen a positive change in your manager?"
- Engaging an independent external assessor to evaluate the programme end-to-end.
- Measurement of change through staff surveys.
- The majority of spending on external coaches was stopped when the leadership programme was launched.

David Young also hears stories on the ground of how behaviours are changing: "We've had so many moments of insight. Lots of people have said 'what have you done with my manager?'"

So far, the latest business results for Q3 2013/14 are looking positive, and BT's share price has increased around 50% in the last year. To what extent did coaching contribute to this? We will never know for sure, but David Young thinks the change in mindset – a key objective of the programme – has had an impact on business outcomes.

3

WHAT MAKES A GOOD COACH?

Topics covered		Introduction
3.1	Being clear about what you are looking for	24
3.2	Selecting a quality coach	24
3.3	Do coaches need to be trained psychologists?	25
3.4	Supervision	26
3.5	Common criticisms of coaches	26
		<p>This chapter considers the characteristics of good coaches, and looks at how to select high quality coaches. We also examine the role that accreditation and supervision play in quality control.</p>

“Good coaches need to have committed to ‘serious’ personal development, be able to build trust and credibility from the outset, and combine good listening with being prepared to push back and challenge.” **Clive Mann, Managing Director, Ridler & Co**

GSK selection approach

Sally Bonneywell, who heads up GSK’s coaching Centre of Excellence, uses the following criteria to select external coaches.

All coaches must:

- Be accredited with a professional coaching body
- Be undergoing regular supervision with a qualified supervisor
- Demonstrate expertise in three key knowledge areas:
 - o The philosophy of coaching
 - o Adult learning
 - o Change theories
- Have appropriate experience and track record, and be able to articulate what has worked, what didn’t, and why
- Have leadership credibility: have worked in similar organisations to GSK; credible in front of senior leaders
- Be self-aware: have they done the ‘inner work’ on themselves? Are they continually learning?
- Perform in a sample real-life coaching situation, lasting around ten minutes.

Bonneywell advises watching out for the ‘near enemy’ – the coach who can talk the talk but hasn’t done the work on himself. This is difficult to spot, but the coach’s behaviour outside the interview can be instructive: pay attention to how they deal with secretaries or procurement, for example.

Buyers of coaching are becoming ever-more sophisticated. However, given the number of coaches looking for work and the fragmented nature of the market, buyers often have difficulty distinguishing between good and bad, and handling the overwhelming volume of applicants. Chris Lynch, HR Director at Linklaters, echoed the experience of many buyers: “As a buyer of coaching, I get approached all the time. Even if they’re accredited, hiring a good coach is like finding a needle in a haystack. This makes word of mouth and referencing so important.”

So what does good look like, and how can organisations refine their coach selection and management processes to make sure they deploy the best?

3.1

Being clear about what you are looking for

The same principle applies to buying coaching as any other leadership development intervention: **start by clarifying the business need and objectives**. This will drive the types of coaches selected, and indeed whether coaching is the right solution in the first place. For example, the selection approach for a coach to help a new CEO bed in will be very different to hiring a cadre of coaches to support the roll out of an up-and-coming leaders programme.

Points to consider include:

- Do you need providers who can cover the geographic and cultural footprint of the business?
- Do you want to ‘outsource’ the management to a coaching company who will manage the coaches on your behalf, or are you prepared to put in the time and effort to identify the best individuals you can find?
- What balance do you want to achieve between internal and external coaches?

A theme emerging from our interviews is that many organisations have streamlined the number of external coaches on their preferred supplier lists. This makes it easier to:

- co-ordinate coaches
- keep them informed of developments within the business
- gather feedback from the coaches on common themes emerging from coaching assignments.

Some organisations have also invested in systems that allow clients and line managers to rate their coaches – along the lines of the star rating systems used by Amazon and eBay.

3.2

Selecting a quality coach

Each organisation will have different needs and expectations of their coaches. However, one of the reasons coaching can be hit and miss is that buyers are often unsure what to look for in a coach. Adrian Furnham, Professor of Psychology at University College London, advises focusing on:

- The prospective coach’s training and experience (both of coaching and business)
- Their coaching style and ability to form rapport
- The intellectual frameworks they use

“Coaching takes the good bits from psychology and puts them in a suit.” Anne Scoular, Managing Director, Meyler Campbell

- How they measure success
- Whether and how they are supervised, which shows the extent to which they actively review their own practice
- How self-aware they are and how they have applied coaching techniques to their own development.

It is also important to consider how well the coach gels with the culture of the organisation.

Other methods of checking the quality of coaches include:

- **Checking references.** Many of the organisations we interviewed recruit coaches through word-of-mouth, but it is good practice to check their track record with previous clients.
- **Rigorous interviews.** Treat a prospective coach in the same way as hiring a critical employee, and use structured interviews to test their experience and ability.
- **Sample coaching session.** Many companies ask prospective coaches to conduct a short coaching session on a live issue. This is also an opportunity to test other key attributes of a good coach, such as their ability to establish credibility, listen actively and how prepared they are to push back and challenge their client.

Business credibility is clearly important, but does the coach have to have worked in your industry? Understanding the context is important, but sometimes an external perspective can bring new insights. For example, William Hill has recently moved away from insisting their coaches have gaming industry experience. This also reflects how William Hill's view has changed of who their competitors are and who they should benchmark against to stay ahead.

3.3

Do coaches need to be trained psychologists?

We asked buyers and providers of coaching whether coaches need to have a background in psychology, and the jury is out. Coaching engagements cover a range of scenarios, from helping an executive turn around years of ingrained negative behaviours, to the purely practical, such as developing a plan for the first hundred days in a new role. The degree of psychological input required will differ accordingly. However, **our view is that it is dangerous for a coach to practise without – as a minimum – a solid understanding of psychological tools and techniques, and the ability to ‘call out’ deeper problems that need onward referral** (see the column for more detail).

There are two particular aspects of psychology theory that we find coaches **must** understand:

- **Adult learning theory, and the importance both of reflection and practice.**
- **Cognitive behaviour therapy techniques.** CBT has been shown to work. It is a good technique to help define the problems at hand clearly, and consider thoroughly the solutions available, as well as testing whether change has occurred or not.

It is also important that coaches can deploy a range of coaching techniques, and not just use one model or approach such as GROW (John Whitmore's model of Goal Reality Options Will) or systemic coaching (an approach that looks at the ecology and health of a person's professional interfaces).

Psychological vs business expertise

- As an absolute minimum, coaches need to be able to distinguish between situations that fall within their field of competence, and those that lie beyond the limits of what coaching can achieve, requiring specialist training. For example, can they detect when they are dealing with a personality disorder and know what to do?
- Nancy Kline's view is that coaches need to understand how the human psyche works and how that understanding can be applied in practice – that does not necessarily require a psychotherapeutic qualification
- Whatever the nature of the engagement, as Peter Hogarth of JCA points out, the coach “needs to get under the skin to understand their clients’ basic, primeval motivations”
- Particularly at the most senior levels, the coach needs to have a high degree of business credibility, which might exclude coaches with a purely psychological background
- Many psychological concepts are not especially palatable when delivered by a psychologist but can be safely delivered by a psychology-savvy business person
- On the flip side, sometimes coaches need to act as something of a therapist, allowing their client to talk and giving reassurance. This situation may be closer to therapy disguised as coaching, but some clients would run a mile if it was labelled as therapy.

"Some coaches say they 'park' psychological issues, but in practice it is impossible to divorce the practical from the psychological." Adrian Furnham, Professor of Psychology, University College London

Do coaches need to be accredited?

There are numerous accreditation bodies – the International Coach Federation, the Association for Coaching, the European Mentoring and Coaching Council, the Worldwide Association of Business Coaches, etc. – who promote professional standards and accredit both individuals and coach development programmes. Each body has different geographic reach or different areas of focus (some cover both 'life' coaches and business coaches, for example). There is no single body that has emerged as the predominant player, and no agreed standards for all coaches. So does accreditation matter?

On the one hand, some organisations (e.g. GSK) insist all external coaches are accredited with one of the recognised bodies. Although this is not a guarantee of quality, they are confident that accreditation means minimum standards are met.

On the other hand, practitioners and buyers express concerns about the coaching bodies:

- Some view accreditation as little more than a box-ticking exercise with no guarantee of quality
- Accreditation may indicate that minimum standards have been met, but does not help to distinguish good and bad coaches.

In fact, our member survey found that only 28.5% of respondents currently require their coaches to be accredited.

However, it would appear that the trend is towards accreditation becoming more important. For example, the 2013 Ridler Report found that companies increasingly emphasise coaching expertise over business experience. There may also be a push for consolidation among the coaching bodies, to move towards common global standards. However, the current consensus seems to be that good supervision is a much more important indicator of quality (see section 3.4).

Some organisations are pragmatic about this issue:

- Where for example a senior executive takes on a new role and needs help with issues such as strategy development and reshaping the team, a coach who has similar executive experience may be a better fit and have more credibility
- In contrast, where for example sensitive behavioural issues have arisen from a 360 assessment, psychological skills may be more important.

In short, there is a minimum standard that all coaches must attain, but there is space within the coaching industry for people from a range of different backgrounds.

3.4 Supervision

For most of our interviewees, it was much more important for a coach to have adequate supervision than for them to be accredited. Anne Scoular, Managing Director of Meyler Campbell, differentiates coaching supervision from the similar concept in the world of psychotherapy: "Supervision here describes a very focused set of checks and balances. [Coaches] pay an expert to work with them regularly to maintain an independent check on the quality of their work ... and to keep learning." Supervision differs from accreditation in that it is tailored to the individual and is ongoing.

Chris Parke, CEO of Talking Talent, advocates group supervision as more powerful than one-on-one supervision. This involves small groups of coaches working together with a professionally trained supervisor. This allows for a deeper exploration of coaching themes, and for group members to share tools and experiences.

3.5 Common criticisms of coaches

The research discussed in chapter 2 shows that – although it may not be the number one factor in successful coaching – the quality of the coach is critical to achieving the desired outcomes. In our interviews we came across the same criticisms of poor coaching time and again:

- Some coaches 'dabble' in psychology but are not sufficiently well trained or experienced to apply the principles properly
- Lack of regulation or recognised standards means some coaches can practise without relevant qualifications
- Many coaches have not been senior business managers – so do not have first-hand knowledge of the client's situation, and the tough business context they have to deal with. This criticism is often levelled at the high numbers of coaches who come from an HR background.

It is therefore all the more important that your processes for selecting coaches, and for ongoing quality control and performance measurement, are robust and linked to business goals.

4

MAKING THE MOST OF COACHING

Topics covered		Introduction
4.1	Establish the business case and goals for coaching	28
4.2	Select and manage suitable coaches	28
4.3	Set up and manage coaching assignments	29
4.4	Review and evaluate effectiveness	30
4.5	Summary	32
		What is good practice in managing coaching within organisations? Here, we consider what business processes are involved and how organisations can organise coaching to obtain maximum benefit. We also look at options for evaluating coaching.

“We are sometimes surprised by the lack of an obvious link between a coaching intervention and the broader business strategy. Coaching is viewed by some less strategically than it might be.”

John McCarthy, Partner, Stork & May

Remote coaching

Although the traditional model of face-to-face coaching prevails, technology is increasingly being used to enable remote coaching. Webcams, Skype, video conferencing and telephone coaching are common. Usually there is an initial meeting between coach and client, but some companies are now using telephone coaching as a way of making it more widely accessible at a lower cost. Sherpa Coaching has found that the use of in-person meetings has declined over the last two years, while use of webcams and Skype has quadrupled over the last four years.

Does remote coaching work? Some coaches say it can be even more effective than face-to-face, as it minimises distractions, allowing both parties to concentrate on the content of the conversation. Indeed, many people find that they listen better on the phone, without the peripheral distractions of body language. However, the technology used must have minimal delay, as that kills rapport.

Companies including Unilever and Tesco are using telephone coaching as a means of making coaching available to a wider audience at a lower cost than the traditional face-to-face model. In some cases, companies are offering telephone coaching to hundreds or even thousands of staff, for example to support the roll out of a company-wide change programme.

Paul Neville, European Managing Director of Coach in a Box, the leading provider of telephone coaching, says his organisation has coached around 15,000 people since it was founded in 2005. “Remote coaching allows coaching to be taken to people and places it otherwise would not reach.” According to Neville, the telephone model allows clients to be coached at a much lower cost than face-to-face. There are no travel costs, coaches spend more hours per day coaching, and little time is wasted on ‘niceties’ before the real business of coaching starts. A typical telephone coaching session lasts an hour rather than 1.5-2 hours for face-to-face, which means less time out of the business for clients. Coaching can also be made available in markets where good coaches are hard to find.

Much of the focus in coaching centres on selecting coaches and what actually happens during a coaching assignment between client and coach. While these are clearly important, we would suggest seeing coaching as an end-to-end process, with a clear set of steps both before and after the coaching engagement, which encompass determining the business objectives, and checking the desired results have been achieved (see figure below).



4.1

Establish the business case and goals for coaching

Too often, companies invest in coaching without giving enough thought to the problem they are trying to solve and whether coaching is the right solution. This is particularly true in today's environment, where coaching is very much in fashion, and there is almost a sense of being behind the times if your organisation does not have coaching in its development toolkit. (CRF's report *'Developing Commercial Acumen'* provides more information on how to link development activity to business needs).

We suggest:

- **Clearly linking your objectives for coaching as an organisational development tool to the overall business strategy.** For instance, sales coaching may be a valuable investment for a company seeking rapid growth.
- **Setting SMART goals for any coaching interventions.** We discuss in chapter 2 how crucial goal-setting is to a successful coaching engagement, and the same applies here.
- **Designing your approach to evaluation before you begin a coaching programme.** Many of the companies we interviewed are looking to retro-fit evaluation after coaching has taken place. While this is better than nothing, we think an opportunity is being missed to align evaluation to goals at the outset.

4.2

Select and manage suitable coaches

We cover selection of coaches more fully in chapter 3. However, there are actions that can be taken to improve the ongoing management of the external coaches on your preferred supplier list, or in managing your internal coaches:

- A number of the organisations we spoke to have regular briefing sessions with their external coaches to brief them on what's happening in the business and what issues they can expect to encounter. For example, Goldman Sachs gets coaches together 2-3 times per year, and includes peer coaching in these sessions to discuss common issues and share techniques
- This is often also a two-way process. Coaches have a window on the soul of the organisation, and can provide key insights into systemic issues and cultural problems. However, it is important that the information is fed back to senior people in the organisation who can take action as a result. In Standard Chartered Bank, for example, information from twice-yearly meetings with external coaches is shared directly with the CEO

"I'm surprised at the lack of clarity of the business objectives around coaching. Too often organisations think coaching might solve a problem, without really thinking about whether it's the best solution for that particular business objective." **Chris Parke, CEO, Talking Talent**

- Make sure coaches are briefed about any specific business agenda or objectives for particular individuals
- Keep your supplier list up to date, and make sure the coaches you use are continuing with their development
- Some organisations have invested in technology to allow their people to access the database of coaches. For example, Civil Service Learning has developed a database with the profiles of over 200 internal and pre-selected external coaches. This is accessible to everyone who is registered with CSL, and allows users to rate coaches they work with
- Don't forget internal coaches. For example, John Lewis organises an annual conference for internal coaches, where they can find out more about what's happening across the business and share experiences.

4.3

Set up and manage coaching assignments

Once you have decided coaching is the right answer and you have identified suitable coaches, how can coaching assignments be set up to obtain maximum benefit for both the individual and the business? Here, we highlight the typical issues encountered when setting up and managing coaching assignments, and highlight some good practices.

Matching

Given the evidence regarding the importance of the coach-client relationship to outcomes, matching is clearly critical:

- It is important to drill down and understand what the issues are so the right coaches can be put forward to the client for consideration
- Standard practice seems to be to offer the client a choice of 2-3 coaches, followed by a 'chemistry' meeting with one or more. **It is important that the client is able to choose who they work with, as an unwilling participant in coaching is unlikely to achieve much.**

Top tip: Professor Adrian Furnham recommends asking the coach to explain the process they use and how it is likely to be special for the particular client. It should be clear and understandable. "If you can't understand what a coach is saying, assume the problem is with them, not you."

Contracting

The contracting process that follows is extremely important, and should cover:

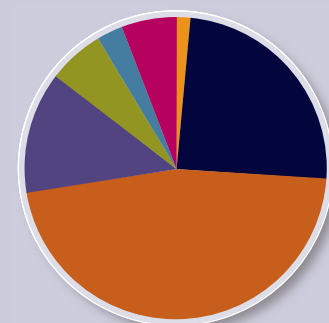
- Goals for the engagement
- Making explicit the expectations of the organisation and the client – unrealistic expectations should be uncovered and dealt with here
- Forming a basis for evaluation; establish success measures
- Issues of confidentiality and what information may be fed back to the company
- Information the coach needs to know such as upcoming business changes
- Agreeing what feedback will be gathered as input to the coaching. 360 feedback gathered by the coach talking to colleagues may be better than filling in forms.

Length of assignment

One of the consistent messages from our interviews is that engagements should not be open-ended. People often enjoy being coached, and the relationship can drift if it is not kept in check. But what is the optimal length of assignment?

- We found the typical length is 6-18 months. There are usually 6-8 sessions at the outset, with the possibility of some further sessions, depending on the issue
- At board/CEO level, some people may have an ongoing relationship with one or more trusted advisors, but typically coaching relationships have an end point
- It seems to be that meaningful change requires sustained work over at least six months. It takes this time to unlearn old habits and embed new behavioural patterns
- The gap between sessions also depends on the issues. The consensus view is that 3-4 weeks – particularly in the early stages – is best to allow time for practice without too long a gap between meetings.

Research by Harvard Business Review in 2009 found that almost two thirds (63%) of coaching engagements lasted between 7 and 18 months.



1 month or less	0.7%
2-6 months	27%
7-12 months	45%
13-18 months	18%
19-24 months	5%
25-36 months	1.4%
More than 36 months	2.9%

Source: HBR, 2009

Coaches also report that the time available for individual sessions is critical. Whereas clients may struggle to clear much more than an hour at a time from their diaries, coaches find that 1.5-2 hours per session allows much more to be achieved.

“Any coach worth their salt will have lots of intelligence on the organisation that can be fed back in to improve engagement and culture change.” Gail Sulkes, Leadership Assessment & Development Consultant, Thomson Reuters

Case Notes

Here are some examples of how companies are evaluating coaching:

- GSK focuses on assessing ‘return on expectations’: measuring how coaching delivers against the expectations set through jointly agreeing coaching objectives at the start of the assignment
- William Hill considers links between coaching and changes in employee survey scores
- BT is about to ask 3000 people whose managers have attended their Leadership Challenge programme (see case notes in chapter 2) whether they have seen a positive change in their manager since attending
- BT is also planning on using an external expert to evaluate their leadership coaching programme
- At the time of writing, John Renz, Director of HR, Novae, was planning to engage an independent consultant to interview each executive who had been coached, and their line manager and coach, to assess the outcomes of the company’s coaching programme. The results of this assessment will be used to determine whether the coaching was value-for-money, and to evaluate the internal process for managing coaching.

Good contracting should involve three-way conversations between coach, client and a representative from the organisation who is not the client (often the client’s line manager). Other key stakeholders should also be involved as necessary. We also think that this three-way discussion should not be a one-off, but can be repeated during the assignment to check things are on track, and at the end to check results and agree any ongoing support required:

- If contracting is done correctly, any issues arising through the engagement should be resolvable by revisiting what was agreed here
- Sometimes this initial conversation acts as a catalyst for conversations between the line manager and employee that otherwise might not have happened.

During the assignment:

- Don’t wait until the end of the assignment to check if it is making a difference
- Link actions arising from coaching to performance management measures
- Some organisations require their coaches to provide regular reports on activity and process
- One respondent to our member survey suggested: “Use as many touch points as possible to evaluate progress and success.”

Embedding the learning

Just as diets tend to result in all the weight lost being regained, coaching is pointless if the individual reverts to type once the engagement is over. Here, we highlight various actions that can be taken to sustain change over the longer term. Whilst coaching engagements should have a limited duration to avoid dependence, there can be some benefit in thinking about any ongoing support that may be needed to help embed change over the long term:

- Consider how you might measure change, not just immediately after the assignment ends, but six months or more later
- It may be helpful to allow some limited ongoing contact with the coach for a time period after the initial coaching contract has ended. This should be built into the commercial contract between the organisation and the coach
- Consider linking the objectives and outcomes of the coaching to personal development plans, performance management and reward.

4.4

Review and evaluate effectiveness

Coaching – as with other development interventions – can be difficult to evaluate effectively. Not only is it difficult to establish that something has had a positive impact, where results can be demonstrated, it is even more difficult to prove that the intervention caused the results observed. Clearly this is something that companies find hard to do well – only 42.3% of CRF members surveyed undertake evaluation. Some of the organisations we interviewed are only just beginning.

“There is a need for ongoing support for people who have been coached – not ongoing coaching as such, but some way of maintaining the conversation so the individual continues to be committed to exploration and learning.” **Sally Bonneywell, VP Coaching, GSK**

As a minimum, there should be a review of every coaching engagement to check whether it achieved its objectives and to obtain feedback on the coach. Some organisations ask both coaching clients and their line managers to complete an evaluation. We would also recommend checking with a third party who works with the client (e.g. the line manager’s boss or the budgetholder), whether the improvement seen as a result of coaching was worth the cost. It may be impossible to put a figure on what has changed, but an objective observer should be able to see a difference.

Evaluating business impact

Successful evaluation relies on clearly articulating the objectives of the coaching up-front, and then assessing whether the results have been achieved. The difficulty with this is that companies are often poor at setting good targets. It is therefore critical to take time before commencing an engagement to think about how outcomes might be assessed.

- **Design the evaluation process before you start coaching.** Some companies we interviewed are looking to evaluate after-the-event. While this may be better than nothing, it can only provide a partial picture, as a critical piece – an accurate view of the situation before coaching commenced – is missing.
- **Establish a baseline.** Where measures are identified, what are their ratings before coaching? If the measures are more qualitative or intangible, consider asking an independent third party such as an academic or a consultant to conduct a qualitative analysis of the ‘as-is’ situation. Where an independent assessor is hired to evaluate a coaching programme, we think they should be involved at the outset when objectives are set, as well as after-the-event.
- **Triangulate as many measures as possible,** to see whether they all give the same message.
- **Focus on outcomes,** not activity or inputs. Outcome measures might include retention rates of key staff, increases in sales, or reduced costs.
- **Keep it as light touch as possible.** People will be put off completing lengthy, onerous surveys or forms.

Many of the large organisations we spoke to have huge amounts of data available, and some have data insight teams within HR, who can help design and track good measures. Increasingly the data from regular employee engagement surveys can be used to measure the impact of coaching. Some companies compare ‘before’ and ‘after’ data at team and even individual manager level.

Return on Investment

Sherpa Coaching finds that “Return on Investment (ROI) has been abandoned as a measure of coaching’s effectiveness.” (2014 Executive Coaching Survey). Indeed the 2014 survey found that only 11% of respondents use ROI as a measure of coaching effectiveness.

It is certainly extremely difficult to measure ROI in any meaningful way:

- It’s difficult to determine the degree to which financial outcomes can be directly attributed to coaching
- The effect may be more visible at the very top level, where share price, revenue and profit are visible measures of a CEO’s performance. At lower levels, it is much more difficult to trace the effect of an individual’s contribution to financial metrics
- A narrow focus on financial results can be misleading: other benefits of coaching such as employee wellbeing, commitment and motivation can be overlooked.

However, some organisations have made an attempt to calculate ROI. GSK, for example, has estimated a 400% return on investment from its Enterprise Leadership Programme, half of which involved coaching. An objective of the programme was to prepare leaders for promotion to the corporate executive team. Of the 28 participants, five are considered ready for an immediate move. The avoided costs of recruiting and integrating external hires justify spending on the programme.

Our view is that it is difficult – if not impossible – to measure ROI in any meaningful way, but evaluation is essential.

According to Sally Bonneywell, VP Coaching at GSK, “It’s not so difficult to show correlation between coaching and measures such as employee survey results. It’s much more difficult to put a monetary figure on the impact.”

“Companies don’t bother to measure ROI because they can see the results walking around the building.” **Anne Scoular, Managing Director, Meyler Campbell**

4.5

Summary

There are a number of practical steps firms can take to maximise the impact of coaching. These include:

- Establish clear links between strategic business objectives and goals for coaching
- Make sure the processes for hiring quality coaches and evaluating performance are robust
- Ensure goal-setting gets enough time at both the outset of coaching and in every individual session
- Make goals measurable as far as possible, and involve key stakeholders in goal-setting
- Link business results with relationship and skills issues
- Gather feedback on how clients are progressing towards results, and the contribution made by coaching
- Look for ways to build in evaluation from the start of a project.

Case Notes

GSK

GSK has had a coaching Centre of Expertise in place for nearly four years, with a team of six led by Sally Bonneywell, VP Coaching. The team’s mission is to:

- Provide access to world class coaching
- Make coaching integral to talent and leadership development
- Support organisational transition and culture change
- Develop the capacity to deliver a coaching approach
- Make coaching well understood and responsive to business needs.

Bonneywell says the team’s achievements include:

- Selecting a bank of external coaches – vetted against set criteria (see column at 3.2 above)
- Implementing a common process to access a coach
- Building a global coaching network internally
- 6,500 leaders in 30 countries have attended a ‘Practical Coaching in the Workplace’ course
- 450 line managers have trained as ‘Job Plus’ coaches

- Staff survey results show leaders who have been coached have significantly higher scores on manager effectiveness, team engagement, and team empowerment
- Job Plus coaches also have higher scores than their peers on team engagement.

Bonneywell estimates that the external cost of assignments carried out by internal coaches in 2013 would have been in excess of £3M.

The company is increasingly using coaching at a strategic level for specific areas of change. For example, future areas of focus will include how coaching can increase the numbers of women in the leadership pipeline.

GSK is one of the few organisations to have attempted to measure the return on investment in coaching. In spite of the difficulties of measuring ROI, the company estimates spending on coaching as part of its top leadership programme has returned over 400%. Sally Bonneywell also points to the share price, which has increased by around 50%, but notes that it is impossible to prove a causal link. She finds it is better to focus on ‘return on expectations’, making sure coaching delivers on the objectives set at the outset of an assignment.

5

CONCLUSION AND RECOMMENDATIONS

Topics covered		Introduction
5.1 Conclusion	34	We briefly conclude our discussions about coaching, and make a number of recommendations regarding how firms can optimise their investment in coaching.
5.2 Recommendations	34	

“An interesting question remains: how many executive coaches can truly claim to combine experience of having worked at board level with the advanced level of personal development and professional training to be able to work in depth with board members’ ingrained patterns of behaviour?” **Ridler Report, 2013**

5.1

Conclusion

- Coaching now makes up a formidable part of spending on leadership and organisational development. All the evidence suggests the market will continue to grow. It is therefore timely to consider how organisations buy coaching and how they can obtain maximum benefit.
- The purpose of coaching has branched out in recent years, away from bespoke development for individuals towards greater alignment with leadership development programmes and to support change and transitions. We expect coaching to be used increasingly as a way of embedding all types of organisational change, including implementing new strategies, managing turnarounds, and promoting leaders from minority groups.
- There are criticisms that can be levelled at coaching, including that it is sometimes used as a substitute for good management, and that it is seen as something of a panacea. We think organisations need to be more discerning about whether coaching is always the right solution, or whether other interventions such as training or stretch assignments are better solutions.
- Organisations need to be absolutely clear about how coaching helps deliver business objectives. This may sound simple, but too many organisations are poor at this.
- The evidence points towards coaching having the *potential* to have a positive effect on performance. However, the success of coaching depends on selecting good quality coaches, the support of the organisation, and the commitment of the individual who is coached.
- It is no accident that we have reiterated the importance of goal-setting throughout this report. We find it is possibly the most critical factor in successful use of coaching.
- In most organisations, too little is being done to evaluate the impact of coaching on business outcomes.
- Linking coaching objectives to business strategy, having robust processes for setting objectives and measuring outcomes, and taking steps to ensure that changes achieved through coaching are sustained in the longer term are important steps that organisations can take to avoid coaching being just another fad.

5.2

Recommendations

1. Before investing in coaching, consider carefully:
 - what business objectives you are trying to achieve
 - why coaching is the best way of achieving those objectives, and whether there are more cost-effective ways of achieving the same, such as a secondment or stretch assignment, mentoring or training
 - how you will evaluate whether the results have been achieved.
2. If coaching is the right answer, make sure you hire the best coaches you can. Ask the following questions:
 - Would they be credible in front of the people they are going to coach, and their line managers?
 - Do they have enough business experience at the level of seniority we require?
 - Do they understand and show ability to apply psychological principles and techniques?
 - What results have they achieved with other clients? Do their references check out?
 - How have they demonstrated application of the principles of coaching in their own career?

“People say ‘I want a coach’ and it’s easy to say yes without digging deeper and finding out what’s really needed and what would really add value.” **Paul Taylor, Group Talent Manager, William Hill**

3. Consider whether there are missed opportunities within your organisation to use coaching, particularly in areas such as: helping line managers improve how they manage, providing ongoing support following training to embed learning, or to develop internal coaches.
4. Avoid falling into the trap of coaching being the answer to everything. Don't let managers get away with outsourcing their problems to coaches.
5. Think about how well coaching is coordinated within your organisation:
 - Do you have a preferred supplier list and is it kept up to date?
 - How do you gather feedback on which coaches are good and not so good?
 - Is there a consistent approach to coach selection?
 - How do you keep your coaches informed about what's happening in the business?
 - How do you gather feedback on trends emerging from coaching assignments? Do you feed these messages back to people in the organisation who can do something about it?
 - Does the way in which coaching is coordinated help or hinder effective measurement of the impact of coaching on business outcomes?
6. Measuring return on investment in coaching is virtually impossible, but it is really important to evaluate the impact of coaching in your organisation. Current practice in evaluating coaching is patchy and needs to improve. We would challenge the HR function to take ownership for this, and put mechanisms in place to check coaching is delivering on its promises and offers value for money. Steps that can be taken include:
 - Evaluation should start before a coaching assignment begins. For an individual who's coached, you need to establish their current performance level and what you expect to be different as a result of coaching.
 - After coaching, ask the person who's coached, their line manager, and someone independent, what has changed and whether they think the difference observed was worth the cost of the assignment.
 - Just asking the client is not enough, as they may have enjoyed being coached but will have difficulty making an objective assessment of the impact. Similarly, the coach is likely to view the coaching as successful, and HR generally has a vested interest in coaching being perceived to have worked.
 - The independent person could be the budget holder or a director who sees the client in action but is not involved day-to-day.
 - For larger coaching programmes, a more sophisticated evaluation process may be required. This should be designed at the start, with an assessment of the 'as-is' situation before coaching begins, and clearly defined objectives for the programme. Evaluation after the event needs to compare the new state with a baseline set at the outset.
 - Consider engaging an independent evaluator with considerable experience of behavioural change, to assist. This could be an external advisor, academic, or colleague from another division in the business. The key point is that they should be involved in establishing the baseline, and helping judge whether the objectives set are valid, as well as evaluating after the event.
7. If you only do one thing, make sure that each coaching engagement has robust goal-setting at its heart.

6

REFERENCES AND RECOMMENDED READING

CRF Research

Wallace W and Pillans G, *Diversity and Business Performance*. CRF, 2011.

Pillans G and Kind J, *Developing Commercial Acumen*. CRF, 2013.

Reports and Studies

ICF, *Global Coaching Study*, International Coach Federation, 2012.

Sherpa Coaching, *Executive Coaching Survey*, Sherpa Coaching, 2014.

Ridler Report, *Trends in the Use of Executive Coaching*, Ridler & Co, 2013.

Coutu D, and Kauffman, C, *The Realities of Executive Coaching*, HBR Research Report, January 2009.

de Haan E and Page, N, *Outcome report: conversations are key to results*, *Coaching at Work*, Vol 8, Issue 4, July 2013.

de Haan E and Duckworth, A, *Signalling a new trend in executive coaching outcome research*, *International Coaching Psychology Review*, Vol 8, No 1, March 2012.

de Haan E, Duckworth A, Birch D, and Jones C, *Executive Coaching Outcome Research: The contribution of common factors such as relationship, personality match, and self-efficacy*, *Consulting Psychology Journal*, 2012.

McKenna, D and Davis S, *Hidden in Plain Sight: The active ingredients of executive coaching*, *Industrial and Organizational Psychology*, Vol 2, pp244-260, 2009.

Theeboom T, Beersma B and van Vianen A, *Does coaching work? A meta-analysis on the effects of coaching on individual level outcomes in an organizational context*, *The Journal of Positive Psychology*, 2013.

Books

Brown P and Brown V, *Neuropsychology for Coaches: Understanding the basics*, McGraw Hill, Maidenhead, 2012.

Doidge N, *The Brain that Changes Itself*, Penguin, London, 2008.

Gallwey T, *The Inner Game of Tennis*, Random House, New York, 2010.

HBR, *Guide to Coaching Your Employees*, Harvard Business Review, Boston, 2013.

Kline N, *Time to Think: Listening to ignite the human mind*, Cassell, London, 1999.

Rock D and Page L, *Coaching with the Brain in Mind: Foundations for practice*, Wiley Hoboken, 2009.

Rogers J, *Coaching Skills: A handbook*, McGraw Hill, New York, 2012.

Scoular, A, *The Financial Times Guide to Business Coaching*, FT Prentice Hall, London, 2011.

Seligman, M, *Learned Optimism: how to change your mind and your life*, Vintage Books, New York, 1990.

Whitmore J, *Coaching for Performance: Growing human potential and purpose*, Nicholas Brearley, London, 2009.



CORPORATE RESEARCH FORUM

Corporate Research Forum

One Heddon Street Mayfair London W1B 4BD United Kingdom

T + 44 (0) 20 7470 7104 F + 44 (0) 20 7470 7112

www.crforum.co.uk enquiries@crforum.co.uk @C_R_Forum