

COACHING: MAXIMISING BUSINESS IMPACT

RESEARCH BREAKFAST: 15 NOVEMBER 2022

CRF's research breakfast on 15th November 2022 brought together senior practitioners with responsibility for coaching in their organisations with other experts in the coaching field. The purpose of the session was to discuss the latest trends in coaching, how to create the conditions to optimise the impact of coaching in organisations, and how to overcome key barriers to success. The discussion will help shape CRF's research, which will be published in September 2023.

This summary shares some of the key insights from the discussion.

Gillian Pillans, CRF's Research Director, and **Nick Ceasar**, Head of Performance Consulting and Coaching at NatWest and Board Advisor at Ezra, introduced the discussion.

HOW IS THE COACHING INDUSTRY CHANGING?

- The coaching industry is undergoing an unprecedented amount of change, through a combination of technological advances; greater buy-in from organisations and their leaders; increasing investment in the industry; and changes to the traditional delivery methods.
 - There have been a significant number of innovations in this area: the introduction of virtual and AI coaching, critical targeting in the employee journey, transparency, pricing, changing use cases, and so on.
 - One of the key changes is that the increase in digital coaching platforms is a sign that *"the tech mindset is coming in and looking to disrupt."*
 - There is a big question around how coaching is being 'democratised', i.e. made accessible to a broader audience.
- The discussion recognised that coaching is being used for an ever wider range of applications in organisations, extending beyond its traditional focus on standalone executive coaching. This includes:
 - Integrated into development programmes
 - Supporting cultural transformation such as developing a more inclusive culture
 - Supporting people moving through role transitions
 - Integration coaching for new hires
 - Career coaching
 - Supporting returners from parental leave
 - 'Democratisation' of coaching, often accessed via technology platforms.

- Some of the fundamentals of the typical coaching process are also going through their process of changes:
 - Coach matching and selection – there is anecdotal recognition that pairing/chemistry is less significant than once thought and overengineering this stage can waste time in the process. In fact, participants cited research which suggests that the greatest benefit comes from coaches who are most distant from the coachee's own life experience – despite anecdotal evidence that coachees tend to seek people who are similar to them.
 - Time frame – there is growing recognition of the length of time required for coaching to elicit significant change, which is longer than previously thought.
 - Attitudes to coaching – it can sometimes be used as, or seen as, a 'remedial fix', but this attitude can disengage people from the process and even lead to them leaving. It is now more broadly understood that coaching offerings need to be wanted by the coachee, linked to the business context, and to people's individual development plans.
 - » Offering mass coaching – especially when framed as a fix for underperformance – can actually put people off coaching entirely!
 - Role of managers and leaders – including the manager in the initial conversation is helpful for the business and the individual. Starting with a diagnostic or conversation establishes goals and check ins help avoid leaving managers to 'outsource' performance problems they are experiencing with that person.

WHAT IS THE VALUE PROPOSITION FOR COACHING? WHAT IS THE IMPACT ON THE BUSINESS?

- Coaching impact can be difficult to measure – it 'feels good' to be coached, but tangible evidence that specifically identifies the impact of coaching can be difficult.
 - One organisation's coaching focus is on gender inclusivity, and the potential for long-term culture change. Another measures the number of vertical moves for women and interviews their direct reports on their improvements in leadership.
 - Coaching can also have benefits that don't look like benefits on the surface: for example, it can help people to realise that the company they're in isn't the one they want to be in, which may be helpful for the individual but reduces retention rates.
 - One organisation uses the question, *"does the individual feel like they have applied what they've learned to their job?"* However, this is not a rigorous experimental approach and is largely based on employee's individual perception of their own performance. In reality, there may be a difference between that and the coaching's actual impact on their contribution to business performance. Some organisations that use a similar approach do informally check in with managers as well, but this is limited.

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- Some organisations use 'temperature checks' at beginning, middle and end, and many use questionnaires at various stages – but there is scepticism about the accuracy and effectiveness of these.
 - » Another issue with periodic checks was that people's scores in their final session tended to dip, so retroactive feedback for the 'first' session can help avoid this, for example asking a participant to think back to their performance on a specific outcome at the start of the coaching and comparing with where they were now, can help them see the progress they have made.
 - » Viewing the coach-coachee relationship as a two-way street can improve engagement, like asking coachees for feedback on coaches and their experience of the coaching process.
- One organisation used 'matched pairs' to assess the impact of coaching – comparing individuals who received coaching with those who didn't on measures including retention, promotion rates, line manager feedback, and leadership ratings of direct reports.
- More compelling evidence can be drawn from programs run at scale, but there are few of these: proving that coaching works is difficult on a small, almost exclusively executive scale as it doesn't create useful data. Moreover, focusing on the impact of any one small element of the coaching process won't demonstrate its effectiveness either.
- One organisation seeks evaluation from the direct reports of coachees instead of the coaches themselves, to see if their manager having been coached helps them. They also start the process with a tripartite meeting between the coach, coachee and coachee's manager, to establish parameters and clarify the relationship for everyone involved. Anecdotally, this increases buy-in from all parties. However, one challenge that sometimes arises is the line manager specifies the outcomes they are looking for their team member to achieve from coaching, but the coachee comes into the sessions with a completely different set of priorities.
- One organisation experimented with using coaching to accelerate change and measured impact on customer service outcomes, like 'time to market'. It was limited and not scientific but did demonstrate impact and translated it compellingly in business language. However, a more comprehensive evaluation of their coaching program over 5 years showed that it had a limited impact on retention: 40% of coachees left within 2 years.
- Using business metrics such as 'customer service' can be tricky in practice, as it's difficult to trace a direct link between the coaching intervention and measurable business outcomes. One attendee pointed out that, often, the marketing and finance directors are using the same measures to demonstrate the value of actions they are taking. One suggestion was to develop a broader 'impact strategy' that combines a number of different measures.
- One of the biggest problems is that many people don't understand what coaching is! This can make measurement even more difficult, because people can look to it to do something other than what it actually does.
 - Crucially, they may also not understand what coaching isn't – and leaders sometimes use poor metaphors to describe it, like sports coaching, which creates unhelpful messaging.
 - The word 'coaching' can put people off if they don't understand it, so it can be framed as bespoke personal education instead. By establishing that people want their organisations to improve overall, it can help to sell people on the end result of coaching rather than on the process itself.
 - » It may also help to provide additional context about what coaching is and isn't to people before they embark on the process. Education for coachees about what coaching is supposed to be will help to establish the purpose of the relationship: for example, *"it's not cheerleading or a new friend"*, it's work-based development. Clarity of purpose also helps with measurement.
- Some of the results of coaching that have been measured have revealed unexpected insights.
 - Some organisations have found that coaching for executives can lead to them eventually leaving to join another organisation, which prompts a difficult question: are the coaches there for the individual or the business?
 - » For example, losing a lot of up-and-coming executives, especially in small organisations, could indicate that the coaching is working but there's not that many places for those people to go within their current company.
 - » In contrast, one attendee has found that coaching senior level hires can increase retention by reducing 'tissue rejection' in the transition to a new organisation.
 - Impact measurement can be flawed – lots of other tools are offered. One participant said they asked individuals to rate all of the interventions they received to see which were ranked as most helpful, which revealed that some preferred coaches to mentoring by senior leaders.
 - People need to assess the coaching's impact on them and their impact on the business, but that's only possible if they understand what the impact on the business is – people need help to connect the business' purpose to their own journey.
 - One participant suggested that the coaching 'theory of change' can help to establish the different factors within coaching; one of which is that the quality of the relationship/connection is paramount.
 - One organisation that's quite advanced in developing a coaching culture has found that it's important to support the ecosystem around coaching, and not just provide targeted coaching interventions. That meant devolving responsibility to divisions and departments to decide how to implement the coaching ecosystem in practice, creating a communications strategy with clear messaging around the role and value of coaching, and being clear about the behaviour change that's desired/expected. Also redesigning the annual cycle of performance management and regular check ins between managers and their teams to be rooted in coaching conversations, and skilling managers in having those conversations.

COACHING: MAXIMISING BUSINESS IMPACT RESEARCH BREAKFAST: 15 NOVEMBER 2022

WHAT IS THE POTENTIAL IMPACT OF THE COMING RECESSION ON THE COACHING FUNCTION?

- The last recession proved that the coaching industry may well be de-prioritised during a downturn – coaching needs to be elevated to survive.
 - Coaching has benefited from relatively clear economic weather in the last 20 years – there was consensus during the discussion that we need to be proactively equipping leaders to support people who are scared during economic downturn about what it means for work.
 - Linking themes from coaching conversations to the business strategy can reveal ‘pinch points’ – and point out what senior leaders are not thinking about!
- Conversely, there may be situations where coaching is not the right investment, which is important to recognise.
 - One suggestion was that leaders need to be interrogating the ‘pain points’ for the business, and asking whether coaching is actually the right tool to address them.
 - Another problem scenario is when demand for coaching outstrips supply and moves beyond the original purpose. This can ‘blindside’ HR, where the volume of interest in coaching reveals people’s broader concerns within the organisation, like over-allocation of work or burnout, which it is not equipped to deal with.
- There was also an important question raised in this regard: what responsibility do coaches have to bring up the business context in sessions? Should this change your coaching strategy?
 - One organisation conducts thematic business reviews with the ExCo to identify upcoming business issues and feeds these into their coaches so they are primed to have the right conversations with their clients about how they can prepare for the business challenges they are likely to face.
 - The reality is that coaching tends to take a solution-focused approach, offering tools, rather than asking broader strategy questions.
- For some organisations, building internal capability through managers-as-coaches is crucial, to find ways to coach in a lower cost way.
 - However, internal coaching can be very difficult to govern and can create conflicts of interest.
 - It was also highlighted that there’s a difference between building internal coaches/bringing in external and giving leaders a ‘coaching approach’.
 - In addition, ‘generating a coaching conversation’ through role-modelling with senior leaders can lead to conflict and dissonance. It can create a rift between senior leaders who don’t get on board and people further down who do and see how positive the tool can be for change.
 - One participant suggested that it is better to offer training in coaching as a benefit to leaders as leadership development, than as a benefit to the organisation – otherwise, people may acquire new coaching skills and leave to become full-time coaches, leaving the pipeline like a ‘leaky tap’.

WHAT ARE THE RECENT INNOVATIONS IN THE COACHING SPACE?

- AI and virtual coaching has confidentiality and convenience benefits – people can access it anytime, anywhere, and they know they aren’t talking to someone from their own organisation. That said, there are other issues: for example, the significant difference in age demographics between users of traditional coaching and digital coaching software.
 - Some organisations have trialed with VR coaching, including one business in the healthcare field which was already accessing that equipment for other means. In their words, *“the idea worked really well, but the delivery was still quite cumbersome.”* They also noted that the software gave limited dialogue options for the conversation and was animated using an actor.
 - Another organisation already uses VR for scientific lab-related training and tried it for coaching – the technology isn’t new to employees, which helped to normalise it for other uses, but the headsets are uncomfortable and are difficult to navigate when wearing makeup or glasses. They cited research which suggests that people have less judgement in virtual conversations, but some generations are more receptive than others.
 - Attendees noted that younger generations appear more comfortable with – and some even prefer – being coached by a non-human bot or AI coach than older colleagues. This has the potential to disrupt the coaching market.
- Automation can help to remind people that coaching is available and to act as a prompt for managers to have conversations about transitions or changes in employees’ lives. Examples included platforms and dashboards which automatically hand out coaching platform licenses to those who need them, like parents returning from leave.
 - However, this can have an unintended consequence of bypassing the relationship between manager and team member, or even lead managers to abdicate responsibility for development conversations, because it will be handled automatically without their intervention.
 - It’s also important to remember that at the heart of any effective coaching intervention, there needs to be a coaching client with a real and clearly felt need, clarity around outcomes and a commitment to engage in the process. By automating this process, there’s a risk that coaching becomes a solution in search of a problem.
- One attendee who had completed a competitive review of the coaching platform market pointed out that different platforms offer different benefits, but these benefits may not be aligned to the needs of your business. Some provide a lot of supporting content as well as access to coaches. However, the content may not be suitable if it’s promoting behaviours that are different to the ones the organisation is seeking to develop. On some platforms, coaches would be unable to access the same coach for multiple conversations, so it’s difficult to follow through on a developmental journey.

FURTHER READING

CRF. 2021. **Careers, Development and Succession**. Research Report. <https://www.crforum.co.uk/wp-content/uploads/2021/01/Talent-Careers-Development-and-Succession-Speed-Read.pdf>

CRF. 2014. **Coaching: Business Essential or Management Fad?**. Research Report. <https://www.crforum.co.uk/research-and-resources/coaching-business-essential-or-management-fad-2>