

The Rise of Coaching in Organizations

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Workplace dynamics have dramatically changed over the past two decades. Globalization, increased competition and regulations, emerging technologies in the cloud, global connectivity and social media, evolving workforce demographics, and a shorter shelf life of knowledge have not only shrunk world borders but have also all converged to make the workplace more fluid, complex, and ambiguous (Meister & Willyerd, 2010). These sweeping changes may have unleashed the need for a new breed of leaders with new skills and competencies. Gone are the days of superhero CEOs who swooped down to rescue organizations (Senge, 2000). Globalization and inter- and intraconnectedness have destroyed the cult of the hero-leader and made it mandatory for organizations to develop leadership capabilities throughout the organization.

Businesses today operate in an environment where the pace of work will continue to accelerate, talent will be the single most important factor in driving competitive advantage, and the skills and capabilities needed tomorrow may not exist today (Elliott, 2010). This focus on talent and human capital in an evolving business environment has also been the primary and most critical challenge that CEOs globally have identified (Mitchell, Ray, & van Ark, 2013). This was the most important insight to emerge from the responses of 729 CEOs and presidents from across the globe to the 2013 edition of The Conference Board CEO Challenge survey.

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Building internal strength and creating value requires an unflinching focus on people, as well as an enterprise-wide dedication to excellence, regardless of the task or the external landscape. For leaders to focus on the human side of business and manage in a highly future-oriented business environment requires them to have new competencies: the ability to lead change, possession of a global thinking and mind-set, the ability to retain and develop talent, and collaboration with others (see exhibit 1.1).

Despite the critical need for leaders to demonstrate these competencies today and be prepared for the future, a recent study conducted by The Conference Board (Abel, Ray, & Roi, 2013) to examine strategic leadership practices found that 40 percent of leaders were not prepared at all or only marginally prepared to meet the business challenges of the next twelve to twenty-four months (see figure 1.1). For any one organization, this could mean that a large number of the leaders do not have the required competencies to meet strategic business goals and objectives. In addition, this lack of preparation of leaders may have further impacts on organizations, especially in the United States and Europe, that will soon have to also face the inevitable vacuum in the senior leadership pool created as the baby boomers begin to retire. With only 9 percent of leaders identified as very prepared to address current and future dilemmas, the study exposes gaps in leadership developmental efforts and a need for organizations to develop their new and existing leaders in order to promote continuity and seamless business growth (see exhibit 1.1).

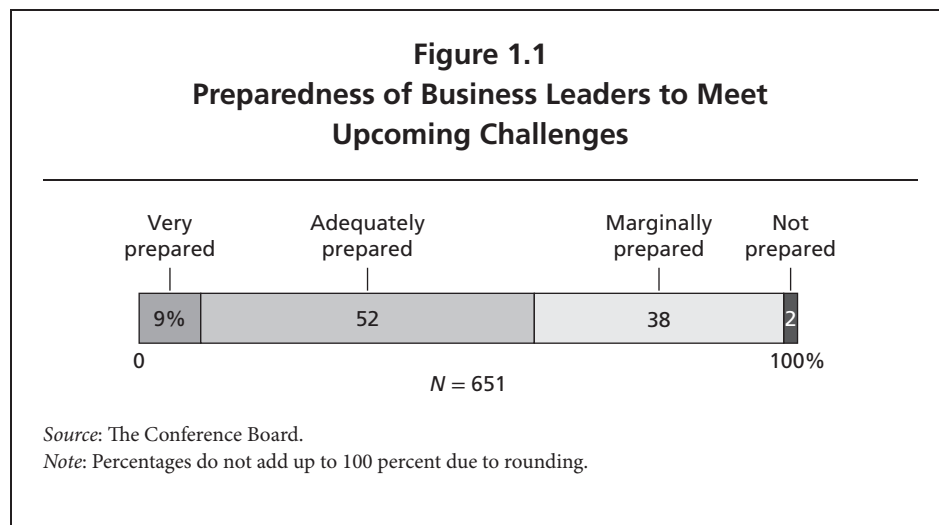


Exhibit 1.1

Research Insights: Impact of Leadership Development

Leadership development programs have become laboratories of change. Leaders going through executive developmental programs are introduced to skills and competencies that will help them empower and engage their workforce. Leaders may be born, but there's a growing school of thought that because most aspects of leadership are behavioral, leaders can be developed through a well-crafted leadership development program (Watkins, 2012).

Several studies show the benefits of a successfully implemented leadership development program to improve business outcomes (Coffman, 2000), including these:

- Retention
- Productivity
- Profitability
- Customer loyalty
- Safety

Additional impacts include (Lamoureux, 2007):

- Driving organization and bench strength
- Improving the efficiency and effectiveness of leaders
- Increasing the successful execution of business strategies
- Improving management communication and alignment

Studies by the CCL highlight four benefits of investing in leadership development programs (Center for Creative Leadership, 2008):

1. Improved bottom-line financial performance
2. The ability to attract and retain talent
3. A performance culture
4. Increased organizational agility

With numerous studies drawing a direct linkage from leadership, to profitability, to financial success, few would argue against the need for an explosion and proliferation of new leadership development methods.

INTERNAL COACHING FOR ACCELERATED LEADERSHIP DEVELOPMENT

Based on context and need, leadership development approaches have changed over time. While classroom-based programs and seminars on functional knowledge may have worked in the past, fierce global competition and transitions require organizations to depart from one-size-fits-all solutions toward personalized and customized approaches that target leadership and organizational changes (Byrne & Rees, 2006). Holistic development (Michaelson & Anderson, 2008) has replaced professional growth, which means that personal mastery and work/life integration are considered as important as leading high-performance teams and creating the best places to work. Holistic behaviors and competencies enhanced through targeted approaches can help leaders balance corporate and individual goals, thereby gaining a competitive advantage in the workplace.

The CEO Challenge report highlights the top three human capital strategies to address talent needs: grow talent internally, provide employee training and development, and raise employee engagement (Mitchell et al., 2013). These strategies can be implemented using approaches that have been found to have the most impact for developing leaders: executive coaching or mentoring, action learning initiatives, and focused skill development (Abel et al., 2013). An analysis of these approaches shows that experience-based learning has greater impact than all other types of learning, a finding also explored and supported in depth in CCL's recent book, *Experience-Driven Leader Development: Models, Tools, Best Practices, and Advice for On-the-Job Development* (McCauley, DeRue, Yost, & Taylor, 2013). Experiential learning is learning through action, through experience, and by doing. Unlike traditional classroom situations where instruction is highly structured, instruction in experienced-based learning is designed to engage leaders in direct experiences tied to real-world problems and situations. In this approach, leaders are evaluated on how well they function individually and collectively and in their ability to translate challenges into decisive actions and goals.

Executive coaching is an experiential and individualized leader development approach that is used to build a leader's capability to achieve short- and long-term organization goals. It is conducted through one-on-one and group interactions, driven by data from multiple perspectives, and is based on mutual trust and respect. The organization, the executive, and the executive coach work together in partnership to achieve individual and organizational goals (Executive Coaching Forum, 2008). While coaching is a way for leaders to continue to develop

and become more effective, it may no longer be considered a remedial tool to help failing executives solve serious behavioral and technical problems. It is most useful for succession grooming, performance coaching, interpersonal skills development, business etiquette grooming, promotion support, transition management, and conflict resolution. Executive coaching, integrated with a holistic menu of leadership assessment and development tools, may help release many leaders' potential and build an environment that understands, values, and engages leadership capabilities at every level of the organization (Foster, 2014).

Trends show that there may be growth in organizational investments for executive coaching in the future (see table 1.1). According to The Conference Board report on executive coaching, the organizational focus on coaching will continue to grow in the next five years (Abel & Nair, 2012).

INTERNAL COACHING

Internal coaching is a one-on-one developmental intervention supported by the organization and provided by a colleague within the organization who is trusted to shape and deliver a program yielding individual professional growth (Frisch, 2001). Coaches are engaged by organizations to help leaders align personal

Table 1.1
Future Investments in Development Approaches

Developmental Approach	
Executive coaching or mentoring	48%
Action learning initiatives (business challenges, simulation)	41%
Focused skill development	33%
Executive assessments	31%
Executive education/academic university programs	28%
International assignments	28%
Rotational programs	22%
Social learning	5%

Source: The Conference Board.

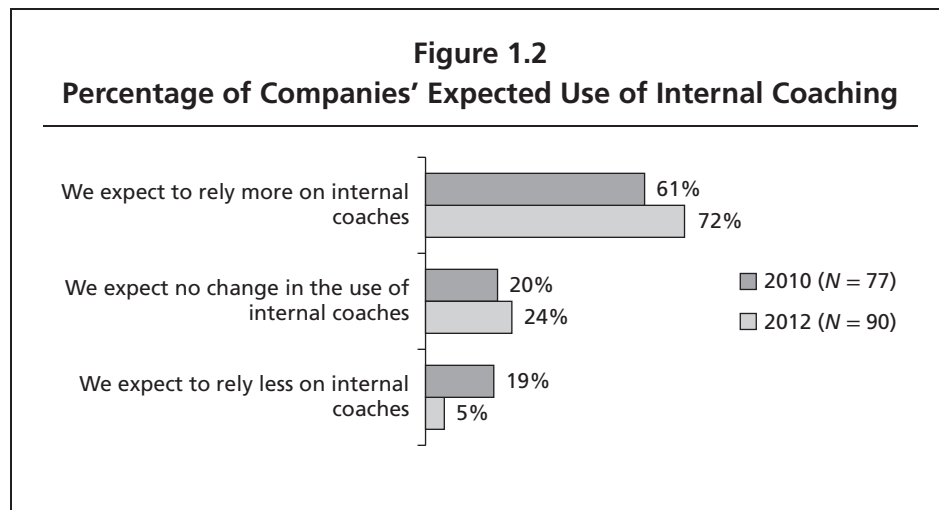
Note: The question asked was, "Where is your organization allocating greater resources in the next twelve months?" *N* = 654. Multiple selections allowed.

development with business strategy. Until recently, executive coaches were almost always external to the organization. However, recent trends and research suggest that coaches are being developed internally to create greater capacity for the ever-growing demand for ready leaders. In a survey conducted in 2010, 61 percent of companies said that they expected to rely more on internal coaches in the next few years. This reliance on internal coaching increased to 72 percent when companies were asked again in 2012 (see figure 1.2).

The reasons driving increased reliance on internal coaching may include the following factors:

1. A need to develop more leaders lower in the organizational hierarchy
2. An increased demand for coaching
3. Internal coaches better understand the business and culture
4. A need to reduce external spending

While costs and external spending may have been assumed to be prime reasons for choosing internal coaches in this slowly recovering economy, these findings clearly indicate that the need to cut costs is not as much a consideration for organizations as the growing need to develop leadership capabilities across all organizational levels and functions.



INTERNAL COACHING VERSUS EXTERNAL COACHING

The Conference Board 2012 Executive Coaching Survey revealed that organizations consider the interplay of a number of factors when choosing between using an internal coach and hiring an external coach (see figure 1.3). The top two issues related to this decision deal with the type of development need and the level of coachee. The other determinants are costs, availability of a coach, and coachee preference.

Based on an analysis of the factors leading to increased use of internal coaching and the determinants that help organizations choose between internal and external coaches, it would appear that organizations may use internal coaching more frequently to develop emerging leaders and potential leaders identified earlier in their careers and groomed to assume diversified leadership roles in the future. External coaches may still be used extensively to coach the executive and C-suite levels of an organization.

While organizations in the past may have hired external coaches to “fix” a high-performing leader with a serious issue, both internal and external coaching also encompass assignments focused on transforming a leader with good performance into a high-performing leader (Abel, 2011). Based on an analysis of the advantages and limitations of both internal and external coaches shown in table 1.2, it is important for organizations to remember that it is not so much a question of which type of coaching is better and that the two types of coaching

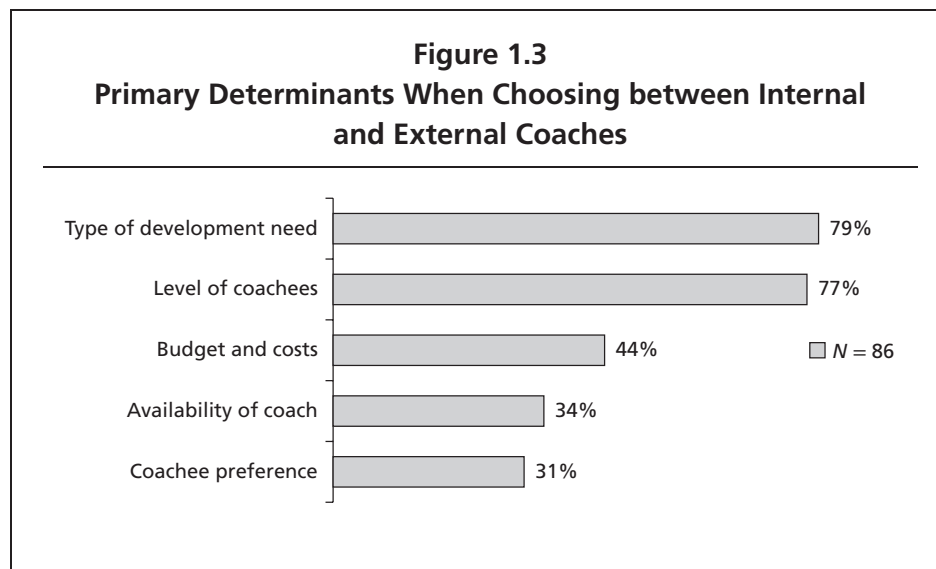


Table 1.2
Comparing External and Internal Coaches

Internal Coaches	External Coaches
<ul style="list-style-type: none"> • Have an insider view of the company’s culture, processes, goals, and important stakeholders • Have a keener sense and awareness of the executive’s developmental need based on internal performance data • Help save cost since coaching becomes part of their job description, with no extra expense for the business • Are easily accessible and flexible • Can see leaders in action and be able to provide just-in-time responses • May have varying levels of formal training and experiences and may have less credibility • Can have a difficult time earning a coachee’s trust and confidence for fear of information leakage within the organization • May lack cross-organizational perspectives and insights into industry trends and best practices when suggesting solutions • May treat coaching engagements as secondary to their other deliverables and hence allocate less time and attention to them • Can have less influence if they are lower in the organizational hierarchy than their coachees 	<ul style="list-style-type: none"> • Can bring an outsider’s perspective to issues and are better able to be objective and neutral • Are not bound by internal constraints or “political agendas” • Can be very expensive • May be less available for quick and easy access • Are more likely to be professionally trained and certified as a coach • May instill greater faith in confidentiality, increasing their credibility and trust with coachees • Can provide external benchmarking criteria and insights into industry trends • May suggest external networks, associations, and resources relevant for coachee development • Operate only for a finite period of time • May be subject to the organization’s concerns about corporate confidentiality and sensitive data being shared external to the organization

Sources: Abel (2011); Abel and Nair (2012).

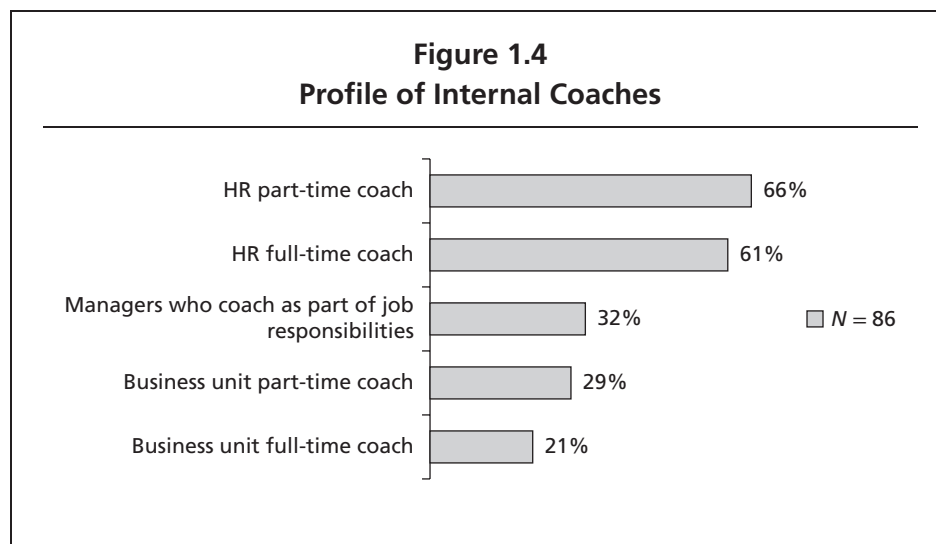
need not be viewed as competing with each other. Both types of coaching can be included within the broader leadership development strategy.

INTERNAL COACHING PRACTICES

The demand for flexible but targeted leadership development options and the widespread acceptance of coaching in organizations have paved the way for the growth of internal coaches who, as either a formal or informal part of their job, develop leaders within their own organization. While no definitive guidelines exist for the design, development, and implementation of internal coaching programs, The Conference Board 2012 Executive Coaching Survey results provided insight into the emerging role of internal coaches and their current coaching practices.

Profile of Internal Coaches

The survey revealed that internal coaches were mostly HR professionals who coached on a part-time or full-time basis. Managers and coaches from the business units were also found to coach as part of their job responsibilities, but their numbers were significantly lower than coaches from the HR functions (see figure 1.4). HR partners have historically been doing some form of coaching already. But now, with increased focus on using internal coaching as an effective



tool for leadership development, the process is becoming more formal and coaches are offered training and support when needed.

Selection of Internal Coaches

Organizations select internal coaches based on a variety of factors, such as credibility as a coach (84 percent), prior training and experience in coaching (70 percent), and strong people skills (70 percent). Business acumen and strong executive presence are also important, emphasizing the need for internal coaches to build on their business knowledge in order to earn the trust and respect of businesses and leaders whom they support (see table 1.3). Prior training and experience with assessment tools, formal coaching certifications, and academic degrees ranked lower on the selection criteria scale in our survey, which may not necessarily suggest a disregard for formal certification programs and education but relatively less emphasis in comparison to the other factors. Membership in coaching and related

Table 1.3
Criteria for Selecting Internal Coaches

Criterion	
Credibility as a coach	84%
Reputation for being a strong people manager or feedback provider	70%
Prior training and experience in coaching	70%
Business acumen	59%
Strong executive presence	58%
Prior training and experience with assessment tools	49%
Interest of internal coach	46%
Formal coaching certifications, academic degrees	36%
Minimum performance criteria	28%
Minimum tenure criteria	17%
Professional coaching association memberships	12%
Other	2%

Source: The Conference Board.

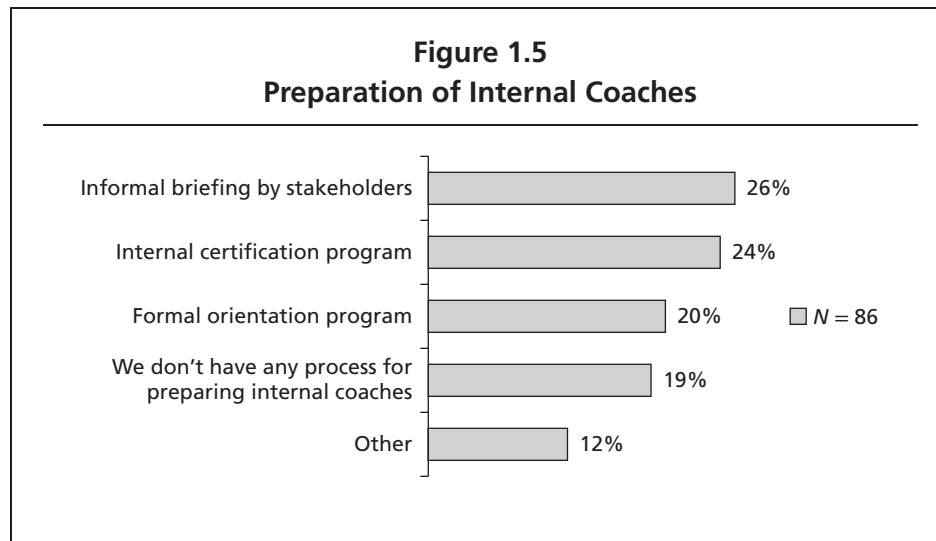
Note: N = 86. Multiple answers were allowed.

professional organizations was ranked the least significant criterion considered when selecting internal coaches.

Organizations have found that many individuals are already coaching informally or have demonstrated passion for coaching and have developed a reputation for being strong people developers. Though they would appear to be natural recruits, their eventual selection as internal coaches is determined by their credibility as a coach.

Preparation of Internal Coaches

Although formal certification was not a crucial selection criterion in figure 1.5, it has been found that many internal coaches come with an academic degree in organizational psychology, HR, or adult learning, as well as experience with organizational development and consulting efforts. From an organizational perspective, since internal coaching is a relatively new field of leadership development, there is an apparent lack of consistency in the preparation of internal coaches (see figure 1.5). The most common types of preparation for internal coaches that companies reported in the survey are informal briefing by stakeholders (26 percent), an internal certification program (24 percent), and a formal orientation program (20 percent). Lack of any form of institutionalized standards or processes in 19 percent of companies raises serious concerns about the quality, credibility, and selection of coaches. However, trends show that the



professionalism and credibility of the practice of coaching are slowly increasing as organizations develop standard criteria for internal and external certification processes, articulate competencies, and create foundational training curricula for coaches.

Types of Internal Coaching

Leaders have varying types of developmental needs. To address these diverse needs, internal coaches engage in different types of coaching. The study identified these most commonly used types of coaching:

- 360-degree debriefing and other assessment tools (e.g., DiSC, Myers-Briggs Type Indicator, Hogan)
- Career coaching (e.g., providing future direction, addressing job-fit issues)
- Development-focused coaching (e.g., building on strengths, preparing for new experiences)
- Performance-focused coaching (e.g., changing behaviors or building new skills to improve performance)
- Onboarding coaching (e.g., helping new leaders align to the organizational structure and vision)
- Transition coaching (e.g., new internal job, business function, or geography)
- Team coaching (e.g., enhancing effectiveness of intact teams)

Exhibit 1.2 provides an example of how one company developed and refined its own 360-degree assessment to better facilitate leader development.

Size of Coaching Group

The number of internal coaches selected to support organizational needs can range from one coach to more than fifty coaches (see figure 1.6). The study revealed that 37 percent of companies employed anywhere between one and five coaches per year; 24 percent of companies between six and fifteen coaches; 7 percent used sixteen to twenty-five coaches; 12 percent between twenty-six and fifty coaches; and 16 percent of companies employed more than fifty coaches per year.

Exhibit 1.2
Fidelity Investments: 360 Degrees of Coaching

In 2011, Fidelity Investments implemented a newly revised leadership development competency model and an enhanced, customized 360-degree tool for leaders. Because the company was committed to providing all leaders taking the assessment with an in-depth debriefing of the results, Fidelity established a process to train and certify internal debriefing facilitators and coaches.

Previously all leaders who took an older 360-degree tool received a debriefing with someone from HR to discuss the results and implications. That HR professional would also coach the leader in developing an action plan. However, there was significant variance in the quality of debriefings and coaching provided, in part because any HR professional who completed a one-day certification workshop was allowed to conduct this debriefing and coaching session. In an effort to raise the quality of the debriefing coaching sessions for Fidelity's new leadership competency 360-degree tool, the organization redesigned the qualification and certification processes for their internal debriefing of facilitators and coaches.

A separate competency model was developed for the practice of debriefing facilitation and coaching. Heads of HR across business divisions were asked to nominate HR generalists who demonstrated "natural coaching abilities" and a mind-set to be a coach. Approximately 10 percent of the eligible HR generalist population was nominated. These few nominated individuals had to complete a newly designed certification program prior to starting a coaching assignment.

The certification process had two components. The first provided participants with details about the design and approach of the 360-degree tool, content about coaching skills, and the opportunity to practice these skills while receiving feedback in small group exercises. The second component involved pairing up participants to go through the entire process and then discuss the 360-degree tool and its results. This real-life "simulation" provided participants with the experience of what a leader would go through, an increased understanding of the 360-degree tool itself, and a framework that encouraged them to be more empathetic as they delivered potentially

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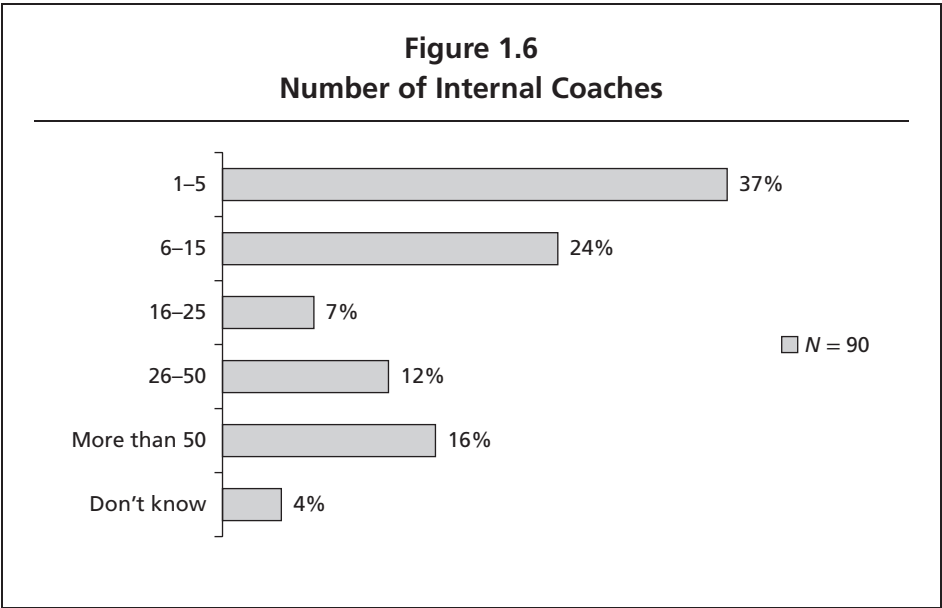
difficult feedback to individuals. “The internal coach needs to model development, openness to growth, and continuous learning for themselves and those they work with,” explains William H. Hodgetts, vice president of enterprise coaching and assessment at Fidelity Investments.

During the simulation exercise, a master coach assessor observed and evaluated the participant’s coaching approach. Nominated individuals who attended this program were not automatically certified simply because they completed the course. While a majority of nominated HR professionals did become certified, it was the master coach assessor who made the final determination of whether a participant was ready for certification. A master coach assessor is another level of internal certification offered within the organization.

Evaluation of coaching sessions from individuals shows consistently higher satisfaction levels and much less variance in ratings of coach performance since the launch of the new certification process. Internal coaches have also provided anecdotal feedback on their own increased effectiveness in coaching discussions and their desires to continue their development as a coach by pursuing additional external training programs.

Fidelity recently certified sixty additional debriefing facilitator coaches as the demand for internal coaching support continues to increase. In the four years since its inception and launch, Fidelity’s Leadership Success Profile 360 tool has gained widespread use throughout the organization, both as an assessment used with individual leaders and as part of the organization’s high-potential leadership development programs. Internal coaches continue to support the debriefing and action planning activities around the 360-degree results. In the high-potential leadership program, internal coaches are also enhancing their roles beyond the debriefing by assisting in action plan development, ensuring alignment between the action plan and the direct manager’s goals, and working with high-potential leaders throughout the year to implement and evaluate results of the action plans. What began as a limited internal coaching role for debriefing facilitation is gradually expanding to encompass additional coaching activities.

Source: Abel (2011).



The number of coaches employed by an organization is also related to the company's revenue. An analysis of the number of full-time and part-time coaches by company revenue reveals that the smaller the company, the lower the number of coaches employed per year, which is not surprising (see figure 1.7). Most companies with revenues under \$5 billion engaged one to fifteen coaches per year. Companies with revenues between \$5 billion and \$10 billion were found to hire more than fifty coaches per year. There was a greater range in companies with revenues of more than \$10 billion, which were found to hire anywhere from one to more than fifty per year. Larger companies with more employees were expected to have more internal coaches to cover larger populations of leaders and their teams.

Average Length of Time per Month Spent Coaching

In 41 percent of companies (see figure 1.8), internal coaches spend one to two hours coaching per month while 20 percent of coaches spend three to four hours in coaching. This is interesting, especially in comparison to The Conference Board 2010 Executive Coaching report (Pomerleau, Silvert, WanVeer, Desrosiers, & Henderson, 2011), which found that most coaches were spending three to four hours per month coaching their coachees. At the lower and higher extremes, coaches were found to be active for less than one hour per month in 3 percent of companies,

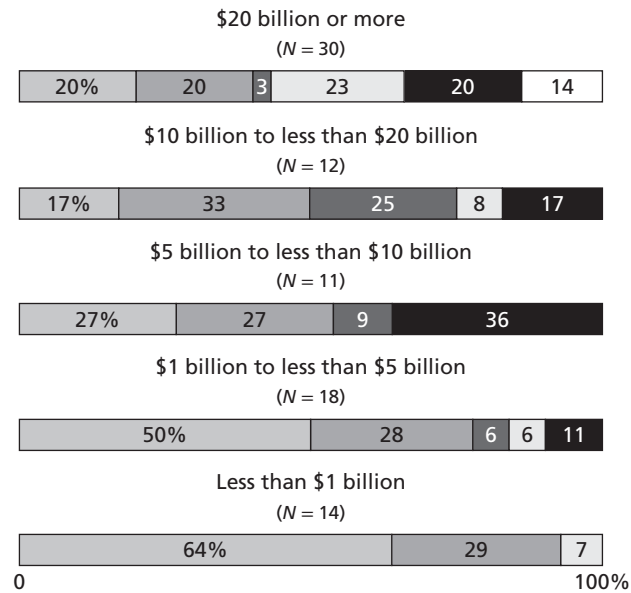


Figure 1.7
Internal Coaches per Year

1 to 5 6 to 15 16 to 25 26 to 50 More than 50 Don't know/
 don't track

By revenue

Companies in the \$5 billion to less than \$10 billion category are most likely to employ more than 50 coaches.

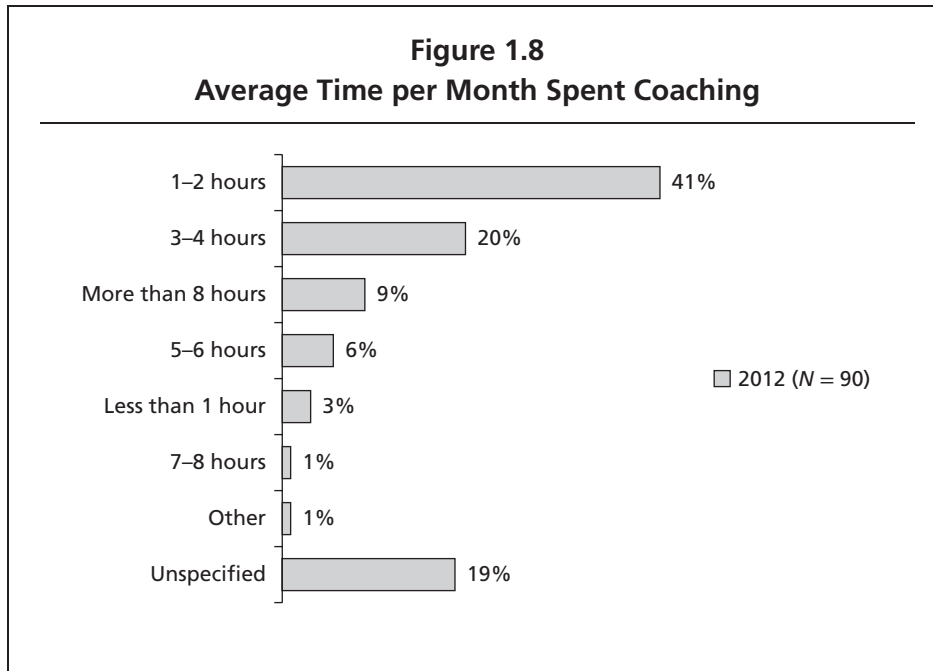


whereas in 9 percent of companies, coaches spent at least eight hours a month actively coaching.

Ongoing Development Opportunities

An internal coaching program can be a cost-effective tool for developing talent. If structured properly, it can be an effective method for developing leaders. The effectiveness of internal coaches can be increased by providing them with ongoing developmental opportunities (see table 1.4), such as sharing new coaching tools and practices, peer support groups and mentoring programs, and sharing themes





regarding their coachees’ developmental needs. The other ongoing opportunities for organizations to enhance the quality of their internal coaching include educating coaches on business updates, providing regular and ongoing updates on coaching policies and procedures, and creating learning curricula based on coaching competencies. Learning from others, especially other coaching experts, is helpful for refining skills and working through issues that arise during coaching engagements. Being ill informed about industry trends and practices may not only affect a coach’s ability to do his job well, but may also affect the coachees who rely on the coaches to guide them through complex developmental challenges and provide them with candid directions and best practices for future.

Charge for Use of Internal Coaches

While the developmental need and level of coachee have already been identified as key factors contributing to the rise of internal coaching, another factor may be that only 10 percent of companies “charge back” to the coachee’s line of business for the services provided by the internal coaches (see figure 1.9). In 74 percent of companies, no line item engagement charges are incurred for the use of internal coaching, while in 11 percent of companies, even if the coach’s time is paid for, it is

Table 1.4
Development Opportunities Provided to Internal Coaches
by Their Companies

Ongoing Development Opportunities	Rank
Share new coaching tools or practices	1
Peer support groups or mentoring programs	2
Share themes regarding coachees' developmental needs	3
Educate coaches on business updates	4
Update coaching policies and procedures	5
Learning curriculum based on coaching competencies	6
We don't offer any ongoing development	7

Source: The Conference Board.

Note: N = 86.

charged through the wider central corporate budget with minimal impact on the direct business unit. This can be a contributing factor for the continued reliance on and growth of internal coaching. However, as internal coaching takes center stage and becomes part of the organizational norm for development, it will be interesting to see if costs emerge as an important part of the business conversation and if internal charges will be handled differently in the future. Exhibit 1.3 offers an example of how one organization has used internal and external coaches to gain momentum and achieve success.

Evaluation of Internal Coaching

Evaluation, a critical part of the executive coaching process, is necessary for the establishment of accountability, the determination of returns on investment, the linking of behaviors to performance goals, and fine-tuning the coaching process, as discussed in detail in chapter 4 of this book. According to David B. Peterson (2009), director of executive coaching and leadership at Google, “Coaching is a time-intensive and expensive engagement, and organizations should insist on getting regular and formal progress reviews, even if they are only qualitative” (p. 95).

Figure 1.9
Charge Back for the Use of Internal Coaching

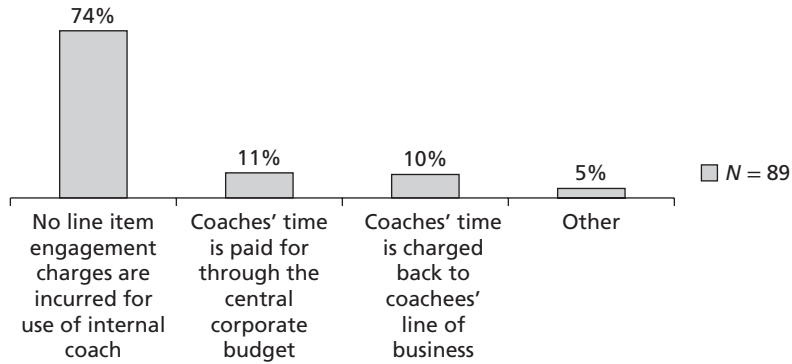


Exhibit 1.3
Gaining Momentum: Executive Coaching Practices at Ernst & Young

Ernst & Young (EY), one of the Big Four accounting firms with assurance, tax, transaction, and advisory services, is one of the largest professional service firms in the world, employing 152,000 people worldwide.

EY recognizes coaching as a core component of how it develops its people. The organization is gaining momentum with targeted use of external coaches and the growing use of internal coaches. Executive coaching is “seen as a desired benefit for high-performers and a valuable asset to the firm,” noted Jackie Bayer, former director of the Americas’ Executive Coaching Team. Coaching also serves as a means of support for new partners, newly titled partners taking on the firm’s leadership positions, and partners on overseas assignments, as well as legacy partners who are nearing retirement. Focused coaching is used to help leaders transition to new roles and overcome barriers to accelerated performance and growth.

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Exhibit 1.3 (Continued)

EY manages its external coaching practice throughout the coaching engagement to best support a leader's needs. External coaches are selected based on their experience with senior management in similar industries, business experience, and good references. The initial screening process includes a standardized interview protocol that is conducted at the enterprise level, and selected coaches are added to the firm's directory. Contracting and monitoring of engagements are handled locally. Although there is an existing companywide onboarding orientation process for external coaches, most onboarding occurs informally by stakeholders since new coaches are brought in at the local office level. Fees for external coaches are set at the enterprise level with global differences. While travel expenses are compensated for, travel time is not, and assessment fees are paid on approval. Currently evaluation of coaches is conducted informally at local offices, with progress monitored and results evaluated. Over the past five years, dependence on external coaches has diminished, with such coaches being brought in for special development needs or when an internal coach is unavailable.

In a shift of coaching practices, EY has developed a robust internal coaching team made up of full-time professional coaches. Internal coaches coach the senior-level partners in leadership transition and oversee the selection, training, and development of new part-time internal coaches who support lower levels of executives to reach deeper in the organization. While internal coaches are chosen from the senior ranks of the HR organization, their eventual selection is based on tenure with the firm, an understanding of the firm's business and culture, high performance in past roles, and a reputation for strong people and coaching skills.

Once they are selected, internal coaches undergo a forty-hour rigorous training program spread out over six months. The program includes classroom training of coaching skills, telecourses, action learning groups, one-on-one mentoring sessions, and written and oral exams. For continued development of internal coaches, the firm conducts education conferences

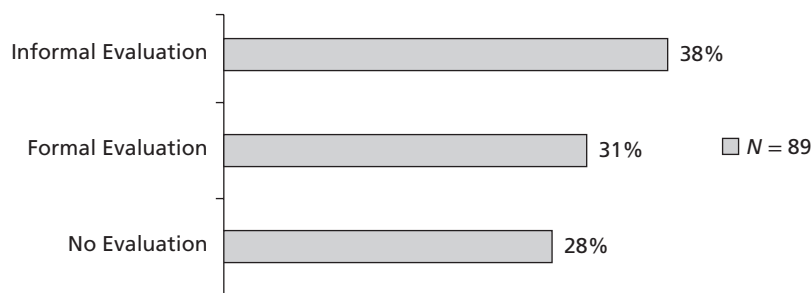
Exhibit 1.3 (Continued)

periodically, provides financial support for external learning, and maintains a virtual community of practice for anyone involved in or interested in coaching within the firm. The evaluation process for internal coaches is well developed and involves formal evaluations by survey and interviews at the midpoint and end of an engagement.

Source: Abel and Nair (2012).

In The Conference Board 2012 Executive Coaching Survey, the fact that 28 percent of companies said they had no evaluation process in place to measure the coaching effectiveness of the internal coaches may well be a reflection of an internal coaching process still in its nascent stages of development (see figure 1.10). However, in 69 percent of companies, internal coaches are given evaluations formally (31 percent) or informally (38 percent). Informal evaluation usually involves conversations with critical stakeholders, while formal evaluations measure the effectiveness of coaching deliverables agreed on before the start of the coaching

Figure 1.10
Evaluation of Internal Coaches



engagement. Organizations keen on developing a robust coaching practice may also consider the following evaluation methods:

- Assessments or surveys of coachee satisfaction
- Assessments or surveys of behavioral change by managers of coachees
- Turnover rates and retention rates for coachees
- Promotion rates of coachees after coaching
- Business performance (revenue or operational metrics) of coachees
- Employee engagement scores of teams or divisions of coachees

Formal Recognition for Efforts

Internal coaches were recognized in different ways by companies in The Conference Board survey. Common practices include recognizing internal coaches by including their coaching responsibilities in their individual performance goals or giving them credit during annual events or performance reviews. A small number of companies also offer bonuses and other monetary benefits. While it could be seen that many companies have some form of a recognition program in place, an equal number do not. Coaching efforts that are unaccompanied by any kind of formal recognition programs for sustained periods of time may result in a motivational freeze, thereby affecting the quality of the coaching partnerships over time.

A COACHING CULTURE FOR THE FUTURE

As markets and businesses become more complex and global, the need to develop leaders who can adapt to rapidly changing business realities will continue to grow. Executive coaching, especially internal coaching, is emerging as an effective response to this environment, but there remains a need to formalize its processes and structures. Creating benchmarks and standards for the certification and training of internal coaches, measures to chart the effectiveness of coaching engagements, and clearly defined metrics to evaluate the impact of the programs will add credibility to coaching as a powerful approach for enhancing talent capabilities.

This increased credibility and acceptance have the potential to contribute to a coaching culture across the enterprise, allowing leaders and executives at all levels to reap its benefits for greater organizational impact and individual success. A coaching culture can promote dialogue and feedback between leaders and teams

at all levels of the organization, not just for the few. Forward-looking organizations are already seeking insights and approaches related to successfully supporting and encouraging a culture of coaching to prepare their employees for the challenges of the future.

SUMMARY OF KEY FINDINGS

- Human capital is the main challenge identified by CEOs across the globe. The top three strategies identified to address these talent challenges are develop talent internally, provide employee training and development, and raise employee engagement.
- Top competencies for leaders to adapt to current and future business demands are leading change, retaining and developing top talent, and a global mind-set. These competencies are in direct response to emerging trends like globalization, changing demographics, and technological advancements.
- Companies are investing in leadership development approaches that show maximum impact: executive coaching, action learning programs, and focused skill development.
- Organizations can create and deliver solutions that are personal, customized to address distinct regional and global needs (as one size does not fit all), and multifaceted in nature. Executive coaching can be used as an effective tool for preparing leaders who are unprepared or only marginally prepared to meet the business challenges ahead. Future challenges also include creating a successful pipeline of competent leaders.
- Of those using internal coaches, almost three-quarters expect to increase their use over the next few years.
- When senior leaders are choosing between internal and external coaching, the type of developmental need and the level of the coachee are important factors for them to consider in decision making.
- According to survey participants, the most common types of internal coaching are 360-degree debriefing, development-focused coaching, and other assessment tool debriefings.
- In terms of efforts to support their internal coaches, respondents ranked sharing new coaching tools and practices, peer support groups or mentoring

programs, and sharing themes regarding coachees' developmental needs as their most important development opportunities.

- There is further need to structure and formalize internal coaching programs, especially in relation to selecting and preparing internal coaches, the average length of the program, the evaluation process, and the formal recognition of internal coaches for successful implementation of coaching engagements.
- There is typically no charge-back to the business unit for the use of internal coaches currently; this practice may evolve as internal coaching becomes more common within organizations.
- Creating a coaching culture requires a multifaceted strategy of training and supporting managers to adopt a coaching style, investing in developing coaching capability in senior leaders and HR professionals, and preparing internal coaches for maximum impact.
- While best practices are helpful, it is important to remember that coaching is less about transactional and technical perfections and more about who is engaged in coaching and about the quality of partnerships created between the coach and the coachee.

Our hope is that organizations use these studies not only to benchmark against their own practices but also to create engagements that have results to support an individual's development and the organization's bottom line.