



10 Trends Driving Organizational Coaching

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About this Report

What does the future of coaching in organizations hold? This white paper synthesizes what surveys are saying with what coaching leaders are thinking about emerging trends.

The survey results cited come from the International Coach Federation (ICF), Human Capital Institute (HCI), Conference Board, DDI, Sherpa Institute, American Management Association, Deloitte, and DDI.

The stories behind the statistics come from confidential interviews with dozens of North American coaching leaders, plus panel presentations on The Future of Coaching in Organizations at the 2015 Capital Coaches Conference in Washington, D.C.

Interviewees represent market leaders in aviation, defense, energy, environmental engineering, financial services, health care, management consulting, pharmaceuticals, technology, and telecommunications, plus non-profit organizations and agencies in the U.S. and Canadian governments. Each person addressed three key questions:

- How does your organization use coaching today?
- What is the outlook for coaching in your organization over the next 2-3 years?
- Looking into your crystal ball, what do you see as the future of organizational coaching?

To a person, these subject matter experts were eager to share and compare experiences with their industry peers. The hope is that this paper will enlighten and stimulate discussion among the leaders who are creating the future of coaching in organizations.

Executive Summary

This research revealed 10 important trends:

1. Coaching cascades through organizations

Coaching is no longer reserved for the C-suite. As Baby Boomers retire, emerging leaders and millennial managers are benefitting from coaching.

2. Coaching goes strategic

One in five ICF/HCI survey respondents finds it “very difficult” to secure funding for coaching. Those who successfully found funding did so by linking coaching to key strategic goals.

3. Coaching becomes a key leadership competency

Coaching skills are being recognized widely as leadership skills. Yet only one-third of leaders today display proficiency in core coaching competencies.

4. Coaching skills training expands

Workshops on coaching skills for managers and leaders are becoming staples of many leadership development programs.

5. Coaching cultures gain traction

The term “coaching culture” has entered the corporate lexicon, thanks to studies showing that organizations with strong coaching cultures have higher levels of revenue and employee engagement than those that do not.

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6. Coaching professionals come indoors

To contain costs while satisfying growing demand for coaching, organizations are expanding their internal coaching capabilities.

7. Coaching Centers of Excellence (CCOE) emerge

Organizations are experimenting with different models for standing up a CCOE.

8. Coach mentoring and coaching supervision grow

Internal coaches want to receive mentoring and supervision from external coaches in their quest to be the best at their job.

9. Coaching metrics evolve

Leaders look beyond ROI metrics for meaningful ways to measure the value of coaching.

10. Coaching enters the digital age

New technologies are changing the coaching experience.

Inside the Trends

Let's explore each of these top 10 trends.

1. Coaching cascades through organizations

No longer is coaching just a C-suite perk. For much of its 20-year history, coaching in organizations had been reserved for the CEO, COO, CIO, and other chief officers who sit at the pointy part of the plane. Now coaching is being “democratized.”

More than 40% of respondents to the American Management Association's *Global Coaching Survey* reported that coaching is being used at all leadership levels – from managers on up. Demographics explain why. The current exodus of Baby Boomers from the workforce and elevation of Gen Xers into top slots have put the spotlight on developing younger leaders. According to Deloitte's 2015 report on *Global Human Capital Trends*, 50% of millennials say that within their first few years on the job, they are managing 3-4 direct reports whom they don't know how to lead.

This is where need and opportunity converge. Human capital leaders recognize that frontline and mid-level managers need to develop the foundational skills that will help them lead in the future. DDI ranked “coaching and developing others” as the number one way to do that in its 2014/15 *Global Leadership Forecast*.

Other studies support these findings.

The Sherpa Institute has been surveying global organizations for 10 consecutive years for its *Executive Coaching Survey*. Survey respondents estimated in 2008 that 27% of senior managers in their organizations had received coaching in the past year. In

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2015, a record 2,000 survey respondents reported a 10-point jump – to 37% of senior managers receiving coaching in the past year. While executive-level coaching also has increased (from 19% to 26%), coaching for managers is growing twice as fast.

The Conference Board surveys the world's largest organizations every two years for its *Executive Coaching Survey*. In 2014, 43% of the 142 multinationals responding to the survey reported a jump of 16% in their use of internal coaches to develop managers.

The 2014 ICF/HCI report on *Building a Coaching Culture* also predicted healthy growth rates for organizational coaching. Of the 500 survey respondents:

- 81% will expand the scope of managers/leaders using coaching skills
- 72% will expand the scope of internal coaching
- 35% will increase the scope of external coaching

As coaching reaches up and down the leadership ladder, the emphasis is on strengthening the middle rungs. Learning experts agree that providing coaching early in one's career is one of the most effective ways of preparing today's managers to be tomorrow's leaders. DDI says that missing the window to close the skills gap "can be a costly mistake" in the long run.

2. Coaching goes strategic

Recognizing the value of coaching is one thing. Funding it is quite another. Nearly one in five respondents to a 2015 ICF/HCI survey of 300 organizations said that it is "very difficult to find or secure funding for coaching in the organization."

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The biggest mistake that coach evangelists make is to think that the power of coaching will sell itself.

An Organization Development (OD) manager at a Fortune 100 firm spoke for many peers in saying, “Those of us who’ve been trained and transformed by coaching are so passionate about it that we think our bosses will immediately see the benefits. They don’t. We can’t sell coaching by saying how much happier and healthier our employees will be. We need to make the business case.”

NASA learned that lesson long ago.

Coaching was already being used in all 10 NASA centers in the 1990s – albeit in very different ways. Leaders from each center convened at the turn of the 21st century to create a strategic vision for using coaching organization-wide to achieve NASA’s tripartite mission of building great leaders, achieving technical excellence, and creating an effective organization. Each center appointed a coaching manager to bring NASA’s coaching initiatives into alignment and regularly share best practices. Today, internal and external coaches provide a full spectrum of integrated coaching services to support NASA’s key strategic goals.

Strategic thinking, plus dogged efforts, also led to coaching success at a leading tech firm. Says an OD manager there, “The first time I pitched a pilot program for coaching, it was based on passion. I received a polite turn-down. The next time,” she said, “I linked internal coaching to an employee insight survey showing that for a majority of employees, career development is a critically important area that we don’t do well.” Now an internal coaching program tied to improving that metric is in the pilot stage.

Then there is the financial case to be made. Ironically, one prominent financial services firm didn’t know how much it was

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spending on coaching until an HR staffer was asked to investigate.

“My back-of-the-napkin calculations showed that we were spending millions of dollars on external coaches,” she said. “Rates were all over the board – from \$100 an hour to \$75K for a 6-month engagement. HR had zero knowledge about who these coaches were, what they were working on, or what we were paying them. I made the case that we could do it for half that amount.”

She estimates that aligning external coaching rates and assigning coach-trained HR staff to coach lower-level employees saved the firm \$600K during the first year of the program.

Following are three examples of coaching champions successfully linking coaching to key strategic goals.

Talent management

Acquiring, developing, and retaining talent are the trifecta of corporate HR concerns. In the span of one lifetime, we’ve gone from our grandparents’ tradition of working for one sole employer until retirement, to today’s young workers changing companies every few years. According to Deloitte’s 2015 *Global Human Capital Trends* report, millennials consider a loyal employee to be someone who stays with the organization for seven months.

Changing demographics and business environments are creating leadership shortages in key economic sectors. DDI identifies health care, manufacturing, and STEM (science, technology, engineering, mathematics) as critical areas where organizations need to accelerate leadership development and attract talent from nontraditional sources.

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So how can organizations entice top talent to join – and emerging talent to stay – in a tight labor market?

“Salary isn’t always the deciding factor,” says a Fortune 100 executive recruiter. “Often it’s professional development and personal growth. Many desirable candidates are coming in with the expectation that a coach will be part of their package. Coaching can be a real differentiator in the market.”

An HR manager at a Big Four accounting firm adds that “coaching also can be a great retention tool.” Senior associates at the firm receive several group and 1-on-1 coaching sessions upon getting their first promotion. “Sometimes,” she says, “what causes people to stay is the sense that the firm is investing in them.”

Small wonder that DDI rates the *“Heavy Use of Internal Coaching/ Mentoring”* as a top distinguishing trait of Best Places to Work.

Onboarding & transition

Acclimating to a new culture or job is often a haphazard, figure-it-out-for-yourself affair. Not at CareSource. This Ohio-based managed health care firm uses professional coaching to support its onboarding and transition strategy.

Hiring was exploding under health care reform in 2008, explains Matt Becker, CareSource Coaching & Mentoring Manager and co-chair of the ICF Internal Coaching Community of Practice (CoP). “We were promoting a lot of people into new leadership roles, as well as bringing in people from the outside,” he explains. “In 2009 we introduced a coaching program to help new hires understand what we wanted and needed from leadership.”

Coaching grew so quickly that Matt began coaching nearly full time a year later and hired a second ICF-credentialed coach in 2014.

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Customer care

Coaching has completely transformed the customer care experience at Rogers Communications, Canada's preeminent wireless and cable provider. Call center agents had not been taking their managers' advice on how to improve customer satisfaction. Rogers wanted to turn that around by training managers to "ask, not tell" agents what to do.

Starting in 2013, managers were trained in the ICF core coaching competencies and tasked with spending 30 minutes per week, per call center agent, in coaching conversations (approximately 8-9 hours of their time per week). Managers would observe the agent on actual customer calls and then debrief the call by asking coaching questions like: "What do you think went well? What could you improve? What will you do differently next time?"

Evaluations have shown remarkable results. Each call center site exceeded its own historical performance levels, as well as the performance of other sites where coaching had not yet been deployed. Revenues increased by double digits over comparable periods year-over-year. With a reported 9% increase in employee engagement, 40% decline in attrition rates, and 400% increase in customer satisfaction, Rogers earned an ICF Global Prism Award for excellence in organizational coaching.

3. Coaching becomes a key leadership competency

Ask people to describe the best leader they've ever had and you'll hear comments like: "She's a great listener. He asks a lot of questions. There's authenticity. You walk away feeling like you've been heard, so that even if you disagree with the ultimate decision, you can support it."

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Coaching skills are being recognized widely as leadership skills. The old top-down, command-and-control management style of yesteryear is giving way to a more collaborative, interactive style of leading that utilizes coaching skills.

DDI defines *managing* as time spent planning and doing administrative tasks, and *interacting* as engaging in coach-like conversations. In surveys, leaders/managers estimate spending 41% of their work time managing, and nearly 20% of their time coaching. Given a preference, they would flip those numbers – doubling the amount of time they spend interacting with employees, and halving the time they spend managing them.

The term *manager-coach* is now in common use. The Conference Board defines a manager-coach as “a leader who works with his or her subordinates within the organization to create awareness and support behavior change [using] coaching knowledge, approaches, and skills.”

More organizations than ever now expect their leaders to coach their people effectively. In a 2015 ICF/HCI survey, 84% of respondents said that coaching is part of a manager/leader’s job – up 2% from the previous year.

Still, most leaders lack core coaching skills.

DDI has evaluated thousands of leaders in simulated work environments to assess their proficiency in such coaching competencies as active listening, responding with empathy, building trust, and providing support without removing responsibility from the coachee. The result: fewer than one in three leaders displays high proficiency in those areas. [DDI *Global Leadership Forecast 2014/15*]

Not surprisingly, this gap leads to the next emerging trend...

4. Coaching skills training expands

Workshops on developing coaching skills are being added to many leadership and business development programs. Generally speaking, these are one- or two-day trainings where participants practice the core coaching competencies of asking questions, listening, and recapping what they've heard the coachee say to ensure shared understanding.

This training trend is especially strong in the areas of health care, technology, and management consulting.

Just as CareSource uses coaching to develop its leaders, Canada's progressive Nova Scotia Health Authority has one full-time coach and several coaches-in-training to help physicians transition into leadership roles. LifeBridge Health, owner of four large Maryland hospitals, embeds coaching skills training in its leadership development for physicians. Many former MDs and surgeons now specialize in the niche of coaching physicians. An online coach training program has even sprung up that leads to the designation of Professional Medical Coach (PMC).

"A physician could be in the operating room in the morning and in the boardroom that afternoon," explains one coach. "Coaching can help physicians learn leadership and self-management skills that will help them be effective in both places."

In the oil and gas sector, a mid-sized management consulting firm wanted to expand its business opportunities with a finite customer base. "Selling our clients on new ideas required talking and working with them differently," says a corporate VP. The pitch was made to train internal managers in coaching skills.

Project managers (PMs) are now put through a training program called Coaching with an Edge™ that focuses on core coaching competencies. One week of practice coaching their colleagues on

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actual work challenges is sandwiched in between two weeks of classroom training. Trainees must document tangible results with their coachees in order to complete the certification program. Once certified, PMs are assigned to a project team to prepare, attend, and debrief client meetings using their new coaching skills. Sales metrics measure the degree to which additional business results from the coaching engagement.

Three years into the program, 110 of the firm's 200 managers have gone through coaching skills training. The goal is to have everyone certified by the end of 2016.

Google, Microsoft, Cisco, Oracle, and Hewlett-Packard are among the name-brand tech firms that leverage the power of coaching in their leadership development programs.

One of these firms trains leaders at all levels to use a peer coaching process called Action Learning to help people solve their own problems by asking questions, rather than giving advice. Typically a group of 4-8 peers from different parts of the organization form an Action Learning team. One participant presents a real-life problem or challenge. Team members then help the problem owner refine, reflect, and ultimately resolve their challenge by "asking, not telling" them what to do. The less that teammates know about the issue, the better – as it keeps them in coaching (and out of advising) mode. More than 100 certified Action Learning coaches inside the organization now work with teams from the U.S. to China.

"Asking questions had been kind of counter-culture here," says one early Action Learning coach. "Over time, we started hearing people say, 'This is changing how I think about myself as a leader.' And that's been very impactful to our culture."

5. Coaching cultures gain traction

Increasingly, organizations talk about the need to “create a coaching culture.” Why? Because coaching cultures make good business sense. Coaching leads to higher employee engagement levels. Higher engagement levels increase retention, productivity, and profits. According to research from The Conference Board:

- 60% of surveyed organizations report that their managers/leaders leverage coaching skills to help improve employee engagement.
- 60% of employees in organizations with strong coaching cultures see themselves as highly engaged, vs. 48% of employees in all other organizations.
- 63% of organizations with strong coaching cultures reported higher revenue growth than their industry peer group in 2014, compared to 45% of all other organizations.

Of course, an organization can always *claim* to have a coaching culture without fully understanding the term. One long-time coach was told upon joining a name-brand firm that she would have a relationship coach, career coach, and mentor coach as part of her onboarding process. Soon, she discovered that these “coaches” saw their jobs as answering questions and explaining how things are done around here. Likewise, a young manager tells of emailing a report that he had written to his boss, and getting back a heavily redlined version under the subject line: *Coaching Tips*.

Among respondents to the ICF/HCI *Building a Coaching Culture* survey, only 13% reported having a strong one. Building a coaching culture takes time, commitment, and an internal champion who understands what coaching is – and is not.

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One major success story shows how a coaching culture evolved at an international environment consulting firm. Its global HR director had come on board after having a transformational coaching experience that changed his relationship with work.

“One of my strategic objectives in coming here was to create a coaching culture,” he says. Four years later, he has the following infrastructure in place:

1-on-1 coaching for high-potentials. External coaching is provided to 21 high-potentials (“hi-pos”) in the firm’s Global Leadership Development Program. About 60% of Global Leadership graduates retain their coaches afterwards.

Coaching skills workshops for top leaders. Half of the firm’s 170 principals and partners have attended a 2-day training to incorporate coaching skills into their leadership style.

Leadership champion training. Another 2-day coaching skills workshop for executives trains “leadership champions” to coach Global Leadership participants and graduates, as well as directors in the firm. Those directors in turn are expected to take a coaching approach to developing their staff and teams.

Individual coaching. A “significant” number of employees request and receive coaching to support their individual development plans. Leadership and management coaching is recommended for the top two levels of managers.

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While personal experience inspired the HR director to champion a coaching culture, it was C-suite support that made it possible.

“From Day One, I had support for these initiatives from my COO – despite skepticism from my CEO,” he adds with a laugh. “But once the CEO started seeing positive behavioral change, he became a fan of coaching. Now he’s very supportive.”

6. Coaching professionals come indoors

HR leaders agree that “the appetite for coaching is growing.” As one HR manager put it, “Coaching has gone from being perceived as a remedial measure for people who are under-performing, to a status symbol for hi-pos. People are now coming up to us and asking, ‘How do I get a coach?’”

A federal government coaching manager concurs. “We’re actually trying to keep the coaching program under wraps,” he says, “because we can’t afford to give coaches to everyone who wants one.”

And therein lies the challenge. Demand for professional coaching far outstrips the supply of dedicated funds.

As mentioned, organizations typically spend \$15K per quarter on an executive coaching engagement. “With hourly rates of \$500 and above, external coaches are too costly for anyone but our top execs,” says a corporate OD leader. “So we’re developing internal resources to meet the growing demand for coaching at lower levels of the organization.”

Which leads to perhaps the most significant of our top 10 trends: the growth of professional internal coaches.

ICF uses the term “coach-practitioner” to distinguish professional coaches with a minimum of 60 hours of coach-specific training

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from managers/leaders who have taken a one- or two-day coaching skills workshop. As the ICF website states, “There is no single, industry-wide standard” for training internal coaches.

That said, here’s a look at three viable approaches that large organizations are taking to create an internal coaching bench:

Hire full-time credentialed coaches

On the high end of the cost spectrum is the approach of recruiting or developing credentialed coaches to work as full-time internals. Typically the job description includes delivering coaching skills workshops, group and team coaching, and 1-on-1 coaching to senior managers on up to directors. External coaches generally work with upper-level executives (SVPs through C-suite).

Boeing, Northrop Grumman, and Capital One are among a handful of large corporations with full-time internals earning six-figure salaries. The CEO of Capital One became a coaching champion after experiencing its benefits himself. Now the firm has four full-time ICF-credentialed coaches on staff. Even when the banking industry was under extreme pressure to costs, the coaching program wasn’t touched.

Develop part-time credentialed coaches

A less costly and more common approach involves training full-time employees to coach as part of their jobs. This may involve:

- sending employees to an accredited coaching school (at a cost of \$10-15K per person)
- bringing in an accredited external coach training company to deliver internal training
- developing an internal coaching curriculum that meets the standards of ICF or another credentialing body

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Deploy coaches already on staff

Most organizations prefer the low- or no-cost option of having current employees with coaching credentials coach on top of their full-time jobs.

Often a coach who works in OD, HR, or Learning & Development (L&D) spearheads the recruitment effort by asking for a show of hands among staff who want to coach internally. Such was the case with Cisco lead coach Beth Huebner, who shared her story at the 2015 Capital Coaches Conference.

“We put out the word that we were looking for people who were interested and qualified to coach in addition to their current jobs,” she said. “Out of 75,000 employees, we found 30 who had certifications in coaching or psychology. They’re now listed as internal coaches on the Cisco website. Any manager can click on our website and register to get six sessions of coaching and a 360 assessment. This is all volunteer-based; coaches get no pay for this. It’s all for the love of coaching.”

The U.S. federal government takes a similar approach. The Federal Coaching Network is compiling a registry of federal employees across the civilian and defense space who possess the 60 hours of coach-specific training required for ICF membership. Once the registry is complete, federal employees will be able to arrange pro-bono coaching on their own time with a trained coach.

European organizations are way ahead of the internal coaching curve. Speaking at the 2015 World Business and Executive Coach Summit (WBECS), a panel of global coaching directors from Google, GlaxoSmithKline (GSK), and PwC (Pricewaterhouse Coopers) reported that 79% of companies in the U.K. are increasing their use of internal coaches.

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Many veteran external coaches wonder if the trend toward developing internals represents a net positive or negative for the coaching profession. The widely shared answer: both.

On the plus side, mid-level employees who wouldn't otherwise have access to a coach get the benefit of internal coaching.

"It's good for everyone because it's expanding the pie," most coaches agree. Also, internal coaches who need practice and hours toward their coaching credential have access to a ready-made clientele.

On the minus side, internal coaches generally have less training and experience than external coaches. People who coach on top of their full-time jobs spend a small fraction of their work week coaching – often only 1-3 hours a week. Federal employees must coach on their own free time. "That means evenings and weekends," says one coach working in the Defense Department. "It's very hard to accumulate hours when your time is so limited. It's also hard, with so little practice and no supervision, to develop your skills as a coach."

With these constrictions, how do organizations foster and maintain excellence in internal coaching? Enter the next two trends.

7. Coaching Centers of Excellence emerge

Wikipedia defines a Center of Excellence (COE) as an entity "that provides leadership, best practices, research, support, and/or training for a focus area. [Also] known as a competency center or capability center."

Now, Coaching Centers of Excellence (CCOE) are beginning to emerge in organizations such as Accenture, Ernst & Young (EY), GSK, and PwC . What these coaching centers share is a

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commitment to building internal coaching capabilities in the ways that *Wikipedia* describes. Where they differ is in their respective locations on the org chart and business models for deploying their coaches.

Says a leader in one CCEO, “It used to be that coaching was part of the HR domain, and you got it because there was a problem. We had to change the mindset in our organization from coaching being remedial to it being a reward and development opportunity.”

To distinguish between the two, “remedial” coaching usually remains within HR and gets delivered by external coaches and/or coach-trained HR staff. “Leadership” or “executive” coaching below the upper echelons is delivered by coaches who work in a CCOE housed with OD, L&D, or a business strategy unit.

Four business models are evident:

The first model treats coaching as an investment in developing the organization’s current and coming leaders. EY formed its CCOE in 2009 with seven coaches focusing on partner transitions (i.e., those who are entering the partnership, repatriating, joining the firm from outside, or rejoining after a leave of absence). Currently 19 full-time EY internal coaches spend about 70% of their time delivering transition coaching to leaders throughout North and South America. They also have responsibilities to develop and mentor nearly 90 part-time in-house coaches, who play a role in coaching managers and senior managers. EY calls on a list of roughly 15 external coaches for other types of work.

The second business model treats coaching as both an internal resource and an external revenue stream. CCOE coaches may work one day with an internal leader, and the next day with external leaders who want to create a coaching culture in their own organizations. Leaders at one CCOE in the management

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consulting world are now pricing out a menu of client services ranging from providing coaches on contract, to building coaching skills in identified leaders, to helping clients set up internal coaching programs of their own.

Says a veteran in the firm, “Management consultants already know that using coaching skills helps to develop more business with clients. Now the question is whether clients will pay us to help them develop their own coaching culture and/or build their own internal coaching resources.”

A third business model relies on cost-shifting or covering the coaches’ salaries in creative ways. One large organization that spent \$2 million to stand up its CCOE actually *saved* money by replacing 12 externals with 12 full-time employees who spend 50-60% of their time facilitating internal trainings and workshops. When not facilitating, these internals coach hi-pos and partner candidates. “Our hope,” the center’s director explains, “is that leaders who get coaching will realize that they can’t get along without a service they didn’t know they needed.”

A fourth business model builds on the trend of adding coaching duties to someone’s full-time job. Fittingly, such employees are called Job Plus coaches at one multinational firm. The center’s director shared how this CCOE started five years ago:

“Coaching began here as a response to a global survey showing that while our leaders and managers performed effectively in their jobs, they scored low in developing people,” he says. “We were already using coaching to develop our senior leaders. How could we bridge the gap and offer coaching to anyone who wants it?”

Championed by an enterprising leader in the U.K., the organization set about developing a pool of certified internal, external, and Job Plus coaches all trained in the ICF core competencies. Some

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500 employees have since completed a 3-day intensive coach training, plus 3 months of peer coaching, followed by 3 supervision sessions conducted by credentialed external coaches. (More on supervision below.) Trainees are then assessed for certification as a Job Plus Coach. In 2015, this team of 500 completed roughly 1,500 global coaching engagements.

8. Coach mentoring and coach supervision grow

Emerging leaders aren't the only people in organizations who need coaching and development. So do internal coaches. A group of federal coaches all voiced similar concerns about their own professional development at the 2015 Capital Coaches Conference:

- “How do we know whether we're doing good coaching?”
- “How can we get feedback and mentoring to hone our coaching skills?”
- “How do we continue our professional development?”
- “How can we safely think through dilemmas and options without going to our boss?”

To address these needs, most CCOEs provide ongoing coach mentoring and coaching supervision. ICF defines the two terms this way:

- **Mentor Coaching** focuses on the development of coaching skills mainly in the context of initial development.
- **Coaching Supervision** is the interaction that occurs when a coach periodically brings his or her coaching work experiences to a

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coaching supervisor in order to engage in reflective dialogue and collaborative learning for the development and benefit of the coach and his or her clients. In Coaching Supervision, the coach is invited to focus much more on what is going on in their process and where the personal may be intruding on the professional.

In coaching supervision, an experienced coach (usually external) meets regularly with a group of internal coaches to review case studies and issues from their practices. (The coaching agreement protects client confidentiality.) Peer coaches offer questions and feedback to the presenting coach, while the coach-supervisor facilitates the call and provides subject matter expertise. Internal coaches express a strong preference for working with a qualified external coach-supervisor (rather than a boss or other employee) in order to gain perspectives from outside the organization and increase their own feelings of safety.

ICF either requires or recommends that its members get mentor coaching at all three levels of credential (ACC, PCC, MCC). Supervision is not required as a condition of ICF membership, as it is in professional psychology and counseling associations. That may soon change.

Not only is coaching supervision encouraged in Europe and other parts of the world; it is required by many hiring organizations. Says a coach in a multinational CCOE, “We work in the U.K. with the retail giant Marks & Spencer, several banks, and civil service organizations that all have internal coaching programs similar to ours. Coach mentoring and coaching supervision are both part of the mix.”

9. Coaching metrics evolve

In a poll at the Conference Board's 2014 Executive Coaching Conference, attendees were asked to name the top challenges facing their coaching programs. The winner (31%): *Measuring the impact of coaching*.

Coaching leaders know that metrics matter. They also know that coaching defies hard ROI calculations. "Sure, you can measure and put a number on anything," says one coaching expert, "but what does getting a 500% return on your investment in coaching actually mean?"

Organizations have long struggled to quantify the dollar benefits of this highly personal approach to development. More than 27% of respondents to an ICF/HCI survey said that they do not evaluate the effectiveness of coaching at all. Among those who do, most rely on subjective feedback from either the coachee (58%) or the coach (42%).

Soft measurements on employee satisfaction, engagement levels, and feedback surveys are seen as much better measures of coaching than ROI. But how well do these measurements help to build the business case? One OD leader speaks for many in saying, "We need to find meaningful ways to demonstrate value if we're going to justify more money for coaching."

Here's a look at how organizations are measuring coaching now:

360 feedback surveys

Assessment instruments and feedback surveys from supervisors, peers, and direct reports are still the most popular means of evaluating the effectiveness of coaching. Respondents to the Sherpa Institute's 10th annual *Executive Coaching Survey* in 2015 said that 360 assessments figure into 30% of engagements.

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Unfortunately, such assessments do only half the job. Most surveys and stakeholder interviews are conducted on the front-end of the coaching and not after the engagement ends. While coaches know *what* behaviors their clients need to change, they don't know *whether* or *how* they've changed in the real world over time. Has the client really taken the promised actions? Are others in the client's work environment seeing the same changes that the client perceives in him or herself? Are new behaviors sticking when old buttons inevitably get pushed?

Investing in both pre- *and* post-coaching surveys or interviews can help organizations better assess the longer-term results and real value of their coaching investment.

Performance reviews

While still widely used to evaluate the effectiveness of coaching (by 21% in the Sherpa survey), the annual performance review may be going the way of the dinosaur. "We're blowing up the old system and finding new ways to engage people in ongoing development and performance conversations," says one OD manager in a leading management consulting firm.

Scorecards and competitive rankings are being replaced by frequent feedback conversations between boss and employee. The trend is especially strong in sectors like technology and professional services, where the workforce is young (80% of PwC employees are millennials) and turnover is high.

Recognizing millennials' preference for transparency and collaboration, one global technology manufacturer uses an open forum of peer reviews in which managers calibrate each other's performance. This type of feedback could be used in the coaching engagement to help the coach and client assess progress and course-correct as the engagement proceeds.

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Comparative group surveys

Surveys to assess employee morale, well-being, and engagement levels are used by 19% of Sherpa respondents to evaluate the effectiveness of coaching. The most sophisticated organizations use control groups to measure performance differentials between employees who have, and have not, been coached. The control groups are then compared on key metrics such as retention levels, promotions, pipeline readiness, revenue gains, etc. Canada's Rogers Communications, mentioned earlier, compares customer satisfaction levels in corresponding quarters year-over-year as one key measurement of coaching ROI.

Pulse surveys

Many CCOEs use online surveys to take the "pulse" of participants at key points in the coaching. The coach begins the engagement by conducting three conversations: a 1-on-1 rapport meeting with the client; a 1-on-1 meeting with the client's supervisor or sponsor; and a 3-way conversation in which coach, client, and sponsor all agree on goals. The data is then loaded into a system, and a survey is sent to both coachee and sponsor at the mid-point and end-point of the engagement to gauge progress and assess results.

Perceived value

Still, the simplest and most widely used metric is how the individual client evaluates the coaching experience. The former director of coaching at Humana speaks not of ROI, but of ROC (Return on Coaching). He found that organization-wide, employees consistently attributed "56-58% of the impact they're having solely to their coaching experience." While certainly subjective, this metric nonetheless helps the organization compare the perceived value of the coaching experience to its actual cost of delivery.

10. Coaching enters the digital age

Technology-wise, there are three kinds of coaches: high-tech, low-tech, and no-tech.

In the past, all a coach really needed to set up shop was a client, pad of paper, and pen. Many coaches eschewed coaching by phone. As recently as three years ago, 93% of Sherpa survey respondents coached their clients in-person all or part of the time. Today, that number has dropped to 40%.

Virtual coaching via high-definition video conferencing, Skype, and Facetime is overtaking in-person coaching. And that's just the tip of the trend line.

Coaching is poised to experience a tech revolution. Experts such as Dr. David Petersen, director of executive coaching and leadership at Google, see unlimited possibilities for coaches to leverage new technology to reach clients and reinforce desired behaviors. A CoachTech panel at the 2015 Capital Coaches Conference spoke of high-tech tools for delivering learning prompts, homework reminders, provocative questions, and feedback in between coaching sessions. Pick a behavior you want to support and there's probably an app for that. Here are a few examples on the market today:

Headspace is a popular smartphone app that teaches clients how to calm their nerves and clear their heads through meditation. It offers 10 meditation practices in 10 lessons lasting 10 minutes. Similarly, the iPhone app *Breath* includes 15 meditation recordings of varying lengths, like Mindful Breathing, Body Scan, Be Present, Mindful Walk, and Gratitude.

HeartMath incorporates biofeedback technology into its *Inner Balance App and Sensor* to show clients their heart rhythm

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patterns as they experience various emotional states. Clients can plug into their smartphones or computers to get “real-time coaching” (though not a real coach) on how to change, and eventually control, their state.

SuperBetter uses gaming technology and neuroscience to build the user’s “resilience muscle.” Described as a game that you play in real life, SuperBetter provides quests, tests, and tracking programs that assess the coaching client’s progress on managing everything from moods to To Do’s. Higher game scores indicate higher levels of strengths and skills.

Also building on behavioral science is an online program called *Tiny Habits*. Developed by Dr. B.J. Fogg of the Stanford Persuasion Tech Lab, it operates on the idea that the easiest way to install a new habit is to piggyback on an existing one. Take the example of a person who wants to adopt the bedtime habit of flossing. *Tiny Habits* suggests that the person add just one small step to his or her nightly brushing routine – such as flossing one tooth – and then report to the coach on whether or not s/he did it. Since flossing one tooth takes about the same amount of effort as flossing them all, a new habit gets established one tiny step at a time.

Finish Agent supports and strengthens client accountability using the power of peers. This group coaching platform grew out of a coach’s experience helping doctoral students complete their thesis. Recognizing the students’ common struggles and needs, she created an integrated platform that supplements live group coaching sessions with an online daily progress grid, coaching questions emailed to the group, peer support, a discussion forum, and a chat room for groups of people working toward any type of common goal (book project, weight loss, etc.). The software can help coaches expand their practice, and clients connect with other people like them.

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Ternio (like Uber) leverages our modern desire for instant gratification by providing a coach on demand. Users can choose a coach from a database of bios, click to connect, and pay for the session via the credit card on file.

And then there's the evolving realm of neuroscience and coaching. Dr. Dario Nardi, a neuroscientist and neuro-technology pioneer who teaches at UCLA, uses imaging technology to conduct brain-based assessments. Picture a client who is wearing a wireless headset doing random tasks while a computer records his or her brain functions through an EEG. The data is then uploaded to a cloud website, and a report is generated that offers the client customized coaching suggestions to improve performance.

Writing in *HR* magazine, Dr. Nardi explains that "like the mobile app *Shazam*, which can rapidly identify just about any song, brain imaging is coming to the fore to deliver similar magic for identifying our skills and personality traits. Its growing use in work and educational institutions will be facilitated by sophisticated wireless, consumer-friendly technologies."

Virtual reality (VR) could be the next frontier in coaching.

Game enthusiasts have long been wearing VR goggles to experience all kinds of virtual adventures. A CoachTech panelist invited the audience to imagine the motivational and behavioral impact of having coaching clients use VR technology to see, hear, feel, and fully experience themselves accomplishing a big stretch goal in advance of taking action. As product development costs continue to drop, many experts believe that VR will soon bring the client's future into the now.

Future Trends

At the start of this research project, coaching leaders were asked to share their thoughts on three key questions:

- How does your organization use coaching today?
- What is the outlook for coaching in your organization over the next 2-3 years?
- Looking into your crystal ball, what do you see as the future of organizational coaching?

Responses to the first two questions generated our list of 10 top trends. The crystal ball question sparked the following thoughts and predictions for 2020 and beyond:

Everybody wants a coach

Just as Google CEO Eric Schmidt tells a YouTube audience that “everybody needs a coach,” soon everybody will want one.

“After years of pushing this rock up a hill,” says a Fortune 100 coaching manager, “leaders who’ve been telling me this is not the right time to scale up are now saying, ‘We need and want coaching.’ Directors and managers are saying, ‘I don’t have time for classes. I need a trusted advisor.’ Employees are saying, ‘Help me manage my career.’ HR is saying, ‘We want people to come here because they are going to grow. We need to invest in our managers as leaders.’”

In the not-too-distant future, coaching will become a routine part of MBA and doctoral programs, and a must for current and aspiring C-suiters. Cisco’s Beth Huebner predicts that “coaching will be mainstream in the next 5-10 years.”

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Leaders have a coaching mindset

Tomorrow's leaders won't just have coaching competencies. They will have a coaching mindset – one that evolves and adapts to constant change in the VUCA age (volatility, uncertainty, chaos, and ambiguity).

“The earlier that leaders experience coaching and coaching skills training in their careers,” says one OD manager, “the sooner they will take a coach-like approach to developing the next generation of leaders.” Coaching will be woven into all future leadership development programs, and a growing number of leaders will decide to get trained as a coach.

Coaches embrace consulting

“Pure” coaching will give way to a “hybrid” model that combines coaching and consulting approaches – especially for C-suite clients. No longer will coaches feel obliged to check their prior career experience at the door. Those with particular subject matter expertise will market themselves as informed thought partners and sounding boards to leaders in the sectors that they know best.

“Business leaders want that mix of industry experience and great coaching credentials,” says Marshall Calman of CoachSource.

“They expect some level of advice at appropriate points. If the coach has some insight or advice that the client hasn't known to ask for, we've come to the point where it's OK for the coach to say, ‘We have similar backgrounds. I have a thought or two. Would it be OK to share?’”

ICF Global's CEO, Magdalena Mook, agrees that it's fine for coaches to switch hats between coaching and consulting when needed – provided that they clearly distinguish between the two and seek clients' permission before offering advice. Coaches who

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model professional coaching can set a powerful example for clients in leadership roles who are expected to coach as part of their job.

Coaching credentials matter

Internal and external coaches in the near future will be expected to earn certifications from an independent, accredited credentialing body such as ICF. Already the U.S. government requires ICF certification in most of its calls for coaching proposals.

Corporate coaching managers have been busily weeding out self-proclaimed, uncredentialed leadership coaches who got their foot through the revolving glass door through C-suite connections. As one corporate coaching manager says, “You wouldn’t hire a plumber or lawyer who hadn’t received the proper training or certification. Why would you hire a non-credentialed coach?”

External supervision becomes the norm

The addition of coaching duties to managers’ and leaders’ jobs will increase demand for coaching supervision from a qualified outside provider (vs. the internal coaching program manager).

Internal coaches share widespread concern over their bosses either providing, or attending, coaching supervision sessions in which personal issues and concerns are shared. “You don’t want the person you report to being part of those conversations,” says one internal coach. “We need that safe, sacred space to explore issues in total confidence.”

Most observers agree that coaches who possess that rare combination of coach mentoring, training, and supervision skills – along with prior experience working as a full-time internal coach – will be in the best position to understand and meet the unique challenges of the internal coach.

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Coaching buyers know their stuff

“Clients are becoming more sophisticated in their coaching decisions,” says Dr. Amanda Buschi, director of coaching for North America at Right Management. “It used to be that clients came to us just for external coaches. Now we’re having more strategic conversations about the use of internal and external coaches, developing coaching skills for managers, and cascading coaching through the organization.”

Just as Amanda earned her doctorate in coaching studies, an increasing number of OD, L&D, and HR professionals will pursue advanced degrees in coaching. “While I don’t think we’ll see a Chief Coaching Executive,” one OD leader observes, “we will have more people at the table who possess a deep understanding of coaching.”

Team coaching goes global

Whereas most coaching and coach-training engagements focus on developing the individual, future leaders will seek the help of coaches in building cross-functional and cross-geo teams.

“Most of the coaches I know have more of an OD and systems theory background,” says one longtime expert, “and aren’t really equipped to help companies build global teams that are agile and well-equipped to work across cultures.” She believes that opportunities will only grow for coaches who possess the cultural awareness and cross-cultural skills to work with virtual global teams.

Big data drives coaching

“There’s long been a belief that there’s no place for data in coaching,” says a coach-consultant in the data field. “Yes there is. You can identify the drivers of behavior in any organization – the

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drivers of engagement, retention, attrition, business results, teamwork.” She sees a big trend in organizations moving away from individual 360s, which are just about one person, and toward using focus groups and surveys to analyze and understand precisely what is needed to drive desired results.

Coaching becomes an employee benefit

Some leaders envision the day when coaching becomes as common in large organizations as a health club, cafeteria, or child care center. Notes one HR director, “Progressive companies recognize how providing everything from massages to meals benefits productivity and morale. Why not offer coaching, as well?” At least one university in southern California already does. And California, as we know, is where trends are born.

Final Thoughts

Perhaps the best way to end a paper on the future of coaching in organizations is to consult an oracle – specifically, an OD manager and early coaching champion at Oracle.

“In my crystal ball,” says Oracle’s Christine Barnes, “I see the biggest growth coming in the areas of internal coaches and coaching skills training for managers. Organizations will have a cadre of internal coaches who take care of front-line managers and maybe directors. These would be ICF-certified coaches who coach as part of their jobs – maybe coaching two or three people at a time. At Oracle, we have eight part-time internal coaches now.” She hopes to have 100 in another five years.

“Let’s face it,” she continues, “budgets aren’t going to suddenly start flowing with money for coaching. But as coaching becomes more credible, organizations will look for low-cost, effective ways to do it. That’s where internals come in. My dream is that anyone who wants a coach at Oracle can get one.”

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As for external coaching, everyone interviewed for this report agreed that there will always be a role for externals to work with organizations as contract coaches, trainers, mentors, and coaching supervisors – especially those externals with internal coaching experience.

“External coaches will definitely be part of the solution,” concurs Oracle’s Barnes. “I would hope and think that coaching in organizations will increase as our world becomes more specialized, and coaching is accepted as a results-driven activity. Over time, it will be extended as a development option throughout the organization. People will think of coaching as a privilege that they earn the right to receive. That’s the future I see.”

About the Author

Carol Goldsmith is a certified coach, coach trainer, and thought leader with more than 15 years' experience coaching leaders on four continents. She is a former director of PwC's Leadership Coaching Center of Excellence. Carol served as 2014 president of ICF Metro D.C., the world's largest ICF city chapter, and chair of its Prism Awards honoring excellence in organizational coaching. She is a member of the ICF Internal Coaching CoP and four-time chair of the Capital Coaches Conference, where she moderated a 2015 panel on The Future of Coaching in Organizations. A certified NLP trainer, ICF mentor coach, and Action Learning coach, she lives near Washington, D.C. 703-860-6178. carol@carolgoldsmith.com

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