EXECUTIVE SUMMARY:

2013 ICF Organizational Coaching Study

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International Coach Federation

pwc

ICF

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Formed in 1995, today the International Coach Federation (ICF) is the leading global organization, with more than 20,000* members, dedicated to advancing the coaching profession by setting high professional standards, providing independent certification, and building a network of credentialed coaches. We exist to support and advance the coaching profession through programs and standards supported by our members and to be an authoritative source on coaching information and research for the public.

*Numbers as of December 2012. Numbers are subject to change month to month.

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Introduction

In mid 2012, the International Coach Federation (ICF) formed a Core Team of volunteers whose primary focus was to ensure that ICF, and its member coaches, would one day become 'the preferred resource for the business community.' In order to advance this strategy, the Core Team identified a need to examine the many different ways that coaching was being applied in organizations today. This charge became the impetus behind the development of the *2013 ICF Organizational Coaching Study*.

ICF contracted the services of PricewaterhouseCoopers LLP International Survey Unit (ISU) to undertake a Global Organizational Coaching Study designed to gather reliable, in-depth information from people within organizations who make decisions about coaching. The objectives of this important study were:

- To find out **how coaching fits into organizational structures**, which departments coaching falls under, and how our interviewees fit into this structure;

- To find out, historically, **why the firm initiated coaching** and discover if there are now **specific criteria that trigger the use of coaching**;

- To find out **how coaching is defined within the organization** and how the roles are defined;

- To find out the **perceived pros and cons of different types of coaches** used across the organization;

- To **ascertain the level of training, qualification and/or accreditation** that organizations require of their internal coaches;

- To discuss the **criteria that organizations use to identify the most suitable coaches**;

- To ascertain how coaching decision-makers go about **finding the most suitable coaches;** and

- To find out **how coaching is evaluated in organizations** and what tools/methods are used to quantify this.

Before the final qualitative research approach for the Study was chosen, over the latter part of 2012, various pieces of research were reviewed by the Core Team that enabled the development of a more thoughtful topic guide for the *2013 Organizational Coaching Study*. In addition to completing a secondary scan of several other organizational coaching studies, the following pieces of research were examined by the Core Team:

- Interviews held with ICF Human Resource (HR) Advisory Panel members

- Survey delivered to ICF Internal Coaches Community of Practice members

- World Cafe session hosted for internal/external coaches at ICF Global event in London, UK

- Draft topic guide piloted during focus group with HR and Learning & Development professionals

The consideration of these individual data points contributed to a more refined and comprehensive qualitative research approach on the subject of organizational coaching. However, by gaining this knowledge incrementally, it also allowed us to recognize that many other coaching stakeholders are currently providing additional research perspectives on how organizations are leveraging coaching in this day and age.

Therefore, rather than following this qualitative research effort with a survey of organizations, the decision was made to share our current findings with different audiences and gauge their ongoing reactions to this Summary. The hope is that resulting dialogues will occur and we may continue to gain insights that will enhance several strategic areas of focus for the ICF. This report summarizes the outcomes of the *2013 ICF Organizational Coaching Study.*

Our Approach

Following on from the success of previous studies, the ICF assisted PwC with the development of a 'registration site' that enabled participants to register their interest in taking part in the study. PwC then invited those who had registered and met the recruitment criteria, to take part in the study.

A topic guide was created collaboratively, incorporating the knowledge of organizational coaching from the ICF and PwC's qualitative research expertise.

A pilot phase was conducted in advance of the main study to test the topic guide and subject areas covered. The ISU held this with internal PwC decision makers and buyers of coaching. This pilot phase consisted of one depth interview and one focus group of three individuals. The main fieldwork phase took place between 25th February and 10th April 2013, where a total of 24 telephone depth interviews were conducted with respondents across the globe. The regional breakdown is as follows:

REGION	NO. OF INTERVIEWS
North America	13
Western Europe	4
Oceania	3
Latin America	2
Asia	1
Eastern Europe	1
Total	**24**

The study achieved a good spread across industry sectors, with the Health and IT industries being among those most highly represented in the interviews.

INDUSTRY	NO. OF INTERVIEWS
Health, Pharma and Science	6
IT and Social Media	5
Manufacturing, Engineering and Defense	4
Retail and Consumer	3
Public Sector or Non-profit	3
Consulting and Financial Services	2
Transport	1
Total	**24**

Across the interviews the 'type' of respondent varied, however, the majority of these individuals came from within the Human Resources (HR), Learning & Development (L&D) or Organizational Development functional areas. Some internal coaches were also interviewed, and these respondents had varying levels of responsibility with regards to budgets and designing coaching programs.

Throughout the course of the interviews it was discovered that the organizations represented were at different stages of the company life cycle, and this also meant that they were at different stages in terms of implementing coaching and embedding it into their culture. These points should be taken into account when considering the findings of this study.

Organizational Decision to Choose Coaching

Coaching tended to evolve in organizations over time rather than as a response to a specific event. It has been utilized as an effective response to issues including leadership development, succession planning and executive "burn-out." Some respondents mentioned specific changes including organizational transformation and expansion which required a coaching solution to assist the organization.

In some cases, coaching was something that leadership had tried for themselves and as a result they felt that it provided benefits. These individuals became 'coaching advocates' and assisted in rolling out coaching on a wider scale across the organization. Over time, these benefits became widely recognized, and for some, this led to coaching being further embedded in the daily life of the organization. For a small minority of respondents, coaching was established before they joined the organization.

In some organizations coaching is offered to individuals at specific grades—generally the more senior levels (C-suite/ senior executives). In addition, some organizations offer coaching to high potentials, middle management and to some specific types of role. In other organizations coaching is offered as a result of specific situations that the organization is experiencing, such as a period of significant change, for leadership or talent development and succession planning.

More often than not, it tends to be very senior level executives who are coached, and in most organizations they will have an external coach. Less senior grades who are considered "high potential" are also often offered coaching as a mechanism to assist their development and progression. In a minority of organizations coaching is open to anyone who wishes to avail of it.

Definitions within the 'Coaching Continuum'

Most respondents described the 'types' of coaching on offer in their organization and the use of internal and external coaches. This varied among the organizations who participated, but for the most part, organizations were using a mix of internal and external coaches. The balance between the two varied considerably—with some organizations using more internal coaches. These tended to be companies who were more advanced in the implementation of coaching into the organization. A small minority of organizations were using external coaches only and these tended to be regional locations of large global organizations (i.e. not the headquarters).

INTERNAL VERSUS EXTERNAL COACHING

In terms of differentiating between internal and external coaching, respondents outlined the benefits and drawbacks of each. It was interesting that, when considering opinions of external versus internal coaching, a number of the benefits of an internal coach were considered to be the drawbacks of an external coach and vice versa.

Internal coaches were felt to have an **inherent knowledge and understanding of the company culture** which is something that (for the most part) external coaches could not provide.

Internal coaches were recognized as generally being a **"free" resource** to the organization and this was a huge benefit to some respondents. Internal coaches are also seen to be **accessible**. Being part of the organization means that the time invested in sourcing internal coaches is significantly reduced.

Some respondents also mentioned how internal coaches led to the **development of a skill set**—for example, if someone goes through the training to become an internal coach, they will have coaching skills at their disposal. These skills will then be used on a daily basis with their own teams, and ultimately filter through the organization over time.

Drawbacks of internal coaches tended to center around internal politics, the potential for bias and confidentiality. Internal politics was seen as an issue because the internal coach may be in a position where they know things or have opinions about aspects of the organization which may impact their work (knowingly or unknowingly). There may also be some degree of bias that an external coach would not have.

While most respondents did not doubt the ability of the internal coach to maintain confidentiality, there was an issue around what is appropriate for internal coaches to know. There may be times that, as a coach, they become aware of information that they would not otherwise be aware of.

Some respondents pointed out that internal coaches would generally not be as well trained or have accreditations that would be expected of an external

External Coaching

"We call for external coaches because we don't have many coaches within the company."
—Senior Human Resource Practice Consultant

Internal Coaching

"You build a skill set internally. People have another tool in their toolkit they can use working with their own teams."
—Manager Regional Performance Consulting

Developing an Internal Capability

"Undoubtedly we need to be smarter about this. There is a need for more hybrid models to suit the very differing needs of organizations worldwide."
—Director of Executive Development

Creating a Culture

"If an organization would like to create a coaching culture, one way to do that is to have internal coaches so that coaching is happening all the time so that it is part of the skills in the system."
—Senior Project Director

Benefits of Internal Coaches

"They have internal context and an intimate understanding of how things work."

—Learning and Development Consultant

"There is no extra cost to the company."

—Human Resources Development Senior Professional

Drawbacks of Internal Coaches

"It can be a case of sharing the same blind spots."

—Lead Consultant, Culture, Change & Engagement

"They have full-time jobs to begin with so it's difficult to carve out the time to have a robust engagement."

—Talent Management Program Manager

Benefits of External Coaches

"It is about independence, bringing in a different perspective, and it is about the skill level as well."

—Learning and Development Consultant

"You are bringing in an objective person to provide leaders an external view of what is happening."

—Senior Manager Learning and Development

Drawbacks of External Coaches

"It can be cost prohibiting for certain organizations."

—Senior Project Director

"Sometimes they only hear the mentee's perspective. Sometimes there is another side to the story that they have missed."

—Learning and Development Consultant

coach—although this was not a huge issue and played little part in the decision to choose between an internal or external coach.

For the most part, internal coaches have another role they need to consider within the organization and most are coaching as a small aspect of their role. This can lead to conflict and coaching may get put to one side as it is not always considered to be their priority.

However, external coaches are thought to be **100% focused** as this is their main and only job. This 'focus' has led to external coaches becoming very specialized in their field and experienced in a variety of coaching models.

External coaches are seen to be totally **independent**, and this is considered to be one of the main benefits of using an external coach. There is a view that external coaches come without any preconceived ideas about the organization and are unaware of any internal politics.

External coaches were felt to have more **training** and tended to have some level of **accreditation** that internal coaches seemed to be lacking in some organizations.

Many external coaches were felt to have **experience with 'leadership'**—again something that internal coaches tend to lack. Some external coaches may have held senior positions in organizations in the past, although this is not always the case. Experience of coaching other senior leaders in other organizations is highly desirable. This experience was considered to be extremely important to the success of the relationship as the external coach is perceived to have an understanding of the issues faced by this level of coachee.

Unsurprisingly, the main drawback with external coaches is the cost—almost all respondents mentioned this. Generally, external coaching was considered to be expensive, and this was one of the main reasons why external coaches tend to only be used for the most senior level executives.

At times, external coaches were felt to have a lack of understanding of the company culture (an understanding already held by internal coaches). However, many organizations tend to use the same external coaches meaning this drawback tended to become less prevalent over time as the external coach spent more time in the organization.

As external coaches are not a daily fixture in the organization, they do not have the opportunity to observe the coachee at work—this is a benefit that would be available to some internal coaches. Some respondents felt that observing the coachee in their role may lead to insights that could not be gained through conversations alone.

Some respondents mentioned that external coaches may lack a 'rounded perspective'. On a few occasions it was felt the coach only heard the perspective of the coachee and there was not enough knowledge around the individual from a wider perspective.

SPECTRUM OF TRAINING MADE AVAILABLE TO INTERNAL COACHES

| "Coaches" with minimal internal training | Internal "on the job" coaches with training aligned to ICF | Internal coaches with mixed levels of accreditation and/or certification | Small number of internal coaches with accredited training | Bank of internal coaches with accredited training |

CONFIDENTIALITY

Confidentiality is a key issue in all coaching relationships and was discussed by all of the respondents interviewed. Confidentiality is something that coaches take very seriously and the importance of this was stressed throughout many of the interviews.

Almost all respondents highlighted that a confidentiality agreement is set out at the start of the coaching relationship and both coach and coachee must sign up to this. In some cases where there is a tripartite relationship or coach sponsor, they too must sign up to the agreement.

Some respondents also mentioned that the coachee's perspective of confidentiality is important—while the internal coach is aware of their own capability to maintain confidentiality, the coachee may be apprehensive and feel "safer" with someone from outside the organization.

INTERNAL COACH CAREER PATHWAYS

The majority of organizations that we spoke to had internal coaches, but the number of the individuals in these roles varied considerably between organizations. There was also considerable variation among organizations with regard to the amount and level of training that their internal coaches had received.

At the lower end of the spectrum there were a few organizations with "internal coaches" as they were described, but who had received very minimal internal training, a couple of days or even less. Moving along the spectrum there were organizations who had many internal coaches across the organization who had received training which was aligned to the ICF core competencies, but did not include any formal qualification or accreditation.

Some organizations had a pool of internal coaches who came from a variety of backgrounds and who had varying levels of coaching qualification and accreditation—in some cases the coach had sourced and paid for their own training and this was then used to the benefit of their employer. In other cases there were internal coaches who had been through accredited training, and again in some of these cases the individual had sourced and paid for their own training.

A minority of organizations had a bank of internal coaches who had been through an accredited training program and were identified as having the skill set of an internal coach.

Confidentiality

"If confidentiality is broken then it can really undermine both our mentoring relationship and the program."
—Learning and Development Consultant

"Coaches are responsible for delivering progress to outcomes to the leader of the client, but not the content of the conversation. This is outlined at the start of the relationship and the relationship is not initiated until the document is signed by the client, the coach, the leader of the client and the HR Business Partner."
—Talent Management Program Manager

"It is not the case that internal coaches cannot maintain confidentiality, it's the ease of the senior leaders being able to openly talk to someone and have someone who is totally unbiased."
—Manager Regional Performance Consulting

"It doesn't matter how often I tell them that their conversations are confidential, it is their perception that they are safer with an external coach."
—Organizational Development and Training Consultant

Choosing the Right Coach for Your Organization

Almost all organizations pointed out the importance of the reputation of the coach, as with the investment involved in hiring an external coach, buyers want to be confident they will see results.

Referrals and **recommendations** were also seen to be important, and many respondents placed a lot of trust in colleagues and contacts.

Experience was highlighted as key, particularly for those coaching at very senior levels. Number of days logged was not as important as 'who' coaches had experience working with. Chemistry between coach and coachee was also mentioned, and this was something that could not be accounted for during the matching process.

Interestingly, **credentials, certification, accreditation and academic background** were important to some organizations but not all. These were treated as more of a 'bonus' that the deciding factor.

Finding/Accessing Coaches

Almost all respondents stated that they had a "pool" or preferred supplier list they used to find and access their coaches, and very few had actively sought out any coaches.

Especially for larger organizations, coaches come to them directly as they want to have experience of working with them on their resume, however, relationships with coaches 'on their books' tended to be built up over time and some organizations only reviewed and refreshed this every couple of years.

Other methods used to source coaches were minimal. One respondent mentioned using the ICF coach referral service; however, none of the respondents were currently using any other online searches or tools to aid them in their search.

"We have a pool of about 20-25 coaches that we access on a regular basis."
—Senior Project Director

"I have not actually gone out and done any active searching for them."
—Learning and Development Consultant

"We know a lot of people who are coaches and we have worked with a lot of coaches. We draw on this pool of people that we have worked with."
—Organizational Development Consultant

"In a perfect world, we would just go right off the database that is sitting within the coaching federation."
—Senior Manager Learning and Development

The Value, Impact and Effectiveness of Coaching

Respondents were passionate in talking about value, impact and effectiveness of coaching. Almost all organizations stated that they "know" coaching has been effective, but the evidence to support this is mostly anecdotal. Measuring the success of coaching was considered to be a challenge, and the methods used varied among the organizations.

Broad ranging impacts of coaching include:

- Leadership development and performance;
- Increased levels of employee engagement;
- Reduced attrition; and
- Improved team working.

Very few organizations reported having a formal quantitative process in place to measure the impact of coaching. However, most organizations collect some feedback on coaching engagements but these tend to be informal and the information received is not always centrally collated.

For the most part coaching is measured using 360 feedback programs and employee engagement/ satisfaction surveys that could be linked back to those who had received coaching. Mostly these tools were readily available in the organization and were not designed specifically to measure the impact of coaching. Respondents also reported changes in behavior as a result of coaching but as these changes are qualitative, they are difficult to measure.

Some respondents believe that coaching is particularly effective compared to other methods, such as, training or mentoring, due to the flexible nature of a coaching assignment and the ability to tailor this to the needs of the coachee.

When discussing the terms 'Return on Investment' (RoI) and 'Return on Expectation' (RoE), the majority of respondents found these difficult to define. None of the respondents had attempted to attribute a value in terms of RoI.

A few respondents mentioned that RoI would possibly help to gain senior level buy-in for implementing or expanding coaching, but Return on Expectation was thought to be a more qualitative measurement around adding value to the coachee.

The majority of respondents were receptive to the idea of a standardized toolkit to assist with measuring the impact of coaching on their organizations. Most respondents thought that this type of guidance would be beneficial, but they would like to find out more about it before deciding to implement it across the board.

Conclusions

A number of conclusions and implications for the coaching industry can be drawn from the study findings including:

- ## UTILIZATION OF COACHING

    Many organizations are utilizing coaching effectively, but the extent to which this method is used varies widely.

- ## COACHING HAS EVOLVED

    In general, there was no specific event that initiated coaching, more so that the use of coaching has evolved over time.

- ## COACHING CAN BE AVAILABLE TO ALL GRADES

    In most organizations it is the senior level executives that are coached, but in some organizations this also extended to key talent and those in specific roles.

- ## ORGANIZATIONS TAKE ADVANTAGE OF A 'HYBRID' MODEL

    The majority of organizations are using a mixture of internal and external coaches, with a small number of large global organizations using external coaches only.

- ## CONFIDENTIALITY IS KEY

    Confidentiality is treated with the utmost importance, regardless of whether internal or external coaching was used.

- ## TRAINING OF INTERNAL COACHES DIFFERS ACROSS THE BOARD

    In terms of internal coaches there was wide spectrum of training offered, ranging from a few days to full accredited training.

How do you evaluate the Coaching Impact?

"The impact is measured during the survey which happens every two years. This is how we evaluate our leaders."
—Internal Executive Coach

"We considered how to do this so we are using a 360 feedback measurement. This was already in place in the organization."
—Human Resources Development Senior Professional

"Coaching is in our culture now and we don't have to prove that we are adding value."
—Manager Regional Performance Consulting

"It is hard to measure something we haven't really identified. Its very hands-off in terms of the metrics."
—HR Business Partner

When is Coaching Most Effective?

"Coaching has its place one-on-one and should be focused on good performers."
—Manager Organizational Development

"Coaching can sometimes be the only modality that identifies and removes the barriers getting in the way of the success of the leader or team."
—Lead Consultant, Culture, Change & Engagement

- ## REPUTATION AND RECOMMENDATIONS ARE ATTRACTIVE QUALITIES OF A COACH

  Recommendations or having a good reputation is seen to be extremely attractive to buyers of coaching.

- ## BUYERS DO NOT ACTIVELY SOURCE COACHES

  Organizations use a "pool" of coaches which they have developed over time.

- ## COACHING IMPACTS ORGANIZATIONS IN A POSITIVE WAY

  Organizational impacts such as improved leadership and employee engagement have been recognized, but are not being formally assessed.

- ## MEASUREMENT OF THE SUCCESS OF COACHING CONTINUES TO BE CHALLENGING

  Tools such as 360 feedback and employee surveys are being used to assist in the measurement of coaching impacts.

Notes: