

HCI

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Building Strong Coaching Cultures for the Future



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EXECUTIVE SUMMARY

For the sixth consecutive year, the Human Capital Institute (HCI) and the International Coach Federation (ICF) partnered to research coaching cultures in organizations. Since 2014, HCI and ICF's research collaboration has benchmarked the criteria for strong coaching cultures and explored topics including coaching and employee engagement, training and professional development for managers and leaders using coaching skills, coaching and leadership development for millennials and first-time people managers, and coaching and change management. This year's research is designed as an update to prior studies, with an emphasis on the activities associated with building a strong coaching culture; namely, program design and implementation, professional development for internal coaches and managers/leaders using coaching skills, and evaluation of coaching impact.

There was a total of 366 participants in this study, which included Human Resources (HR), Learning and Development (L&D), and Talent Management (TM) professionals.

Key research findings include:

✓ **Manager/leaders using coaching expand access to coaching modalities.**

Thirty-two percent of organizations use internal coach practitioners, external coach practitioners and managers/leaders using coaching skills simultaneously. More than four in five (83%) organizations plan to expand the scope of their managers/leaders using coaching skills during the next five years.

✓ **Most organizations turn to coaching for employee development and performance management.**

When asked how coaching activities are used to address their organizations' goals and strategies, the top three cited purposes were leadership development (55%), talent development (51%) and performance management conversations (49%).

✓ **Trust and credibility are essential factors for selecting coaches.**

Organizations primarily use referrals from trusted individuals or consulting firms to select a professional coach. Previous coaching experience and credentials and certifications are the most important qualifications for external coach practitioners.

“Providing leaders with **coaching and tools/resources** to be effective coaches is key to facilitating the development of a learning organization to **grow and change** in support of long-term engagement and performance of its employees.”

—SURVEY RESPONDENT

✓ **Coaching is a visible activity appearing in the budgets of many organizations.**

Overall, one in four (25%) organizations have a dedicated line item for coaching in their training budget. The organizations that participated in this study allocated 21% of their overall training budget for coaching initiatives.

✓ **Developing coaching skills is an ongoing process.**

Organizations with strong coaching cultures tend to offer more resources for coaches and managers/leaders using coaching skills (e.g., ongoing practice supervision, coaching resources, templates) and ensure that their internal coach practitioners and managers/leaders using coaching skills have obtained more coach-specific training hours. Most respondents indicated that their organizations would benefit from additional technology and training resources for coaching in their organizations.

✓ **Evaluating the impact of coaching is an ongoing challenge for organizations.**

Most respondents say their organizations do not incorporate any evaluation methods or tools for coaching. This inability to measure coaching impact was considered one of the main obstacles to building a strong coaching culture. However, this study found that a strong coaching culture is correlated with some of the indicators of a high-performing organization, including employer brand attraction, high-performer retention and senior leadership bench strength.

Definitions of Key Terms

Coaching: partnering with coachee(s) in a thought-provoking and creative process that inspires them to maximize their personal and professional potential.

Professional coach practitioner: someone who provides an ongoing partnership designed to help coachees produce fulfilling results in their personal and professional lives. The coach's job is to provide support to enhance the skills, resources and creativity that the coachee already has.

Internal coach: a professional coach practitioner, who is employed within an organization and has specific coaching responsibilities identified in their job description.

External coach: a professional coach practitioner, who is either self-employed or partners with other professional coaches, to form a coaching business.

Manager/leader using coaching skills: a leader who uses coaching knowledge, approaches and skills to create awareness and support behavior change.

THE BUILDING BLOCKS OF STRONG COACHING CULTURES

In order to achieve a strong coaching culture, it is important for organizational stakeholders to be very thoughtful during the design stage and, ideally, draw from any industry best practices that they can identify. Over the past six years, HCI and ICF have studied how organizations build a strong coaching culture in which the development of all employees through coaching is a priority.

Responding organizations who met at least five of the criteria in the coaching culture composite were determined to have strong coaching cultures (Figure 1). Strong coaching cultures comprised 11% of the organizations that participated.¹

FIGURE 1 **Strong coaching culture composite** (Percentage of respondents indicating the presence of each criterion)

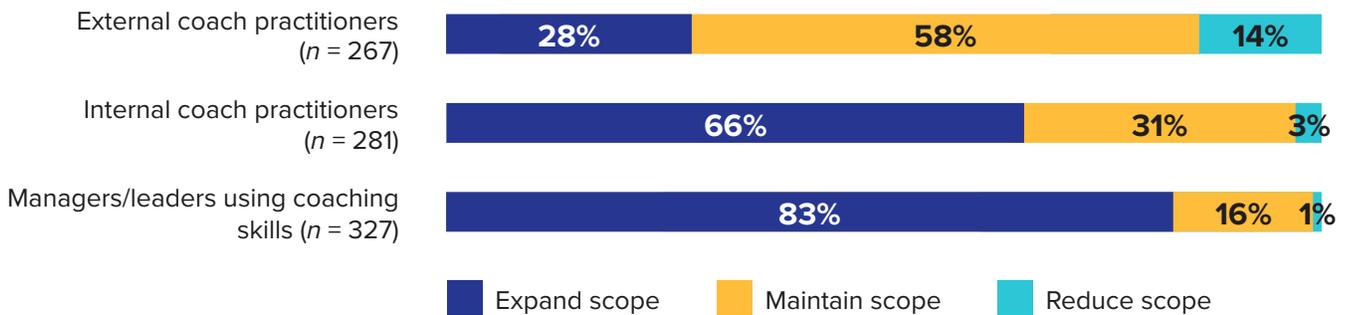


Since 2014, managers and leaders using coaching skills continues to be the most commonly deployed coaching modality for organizations that have participated in this research. Over the prior six years, the average frequencies for offering the coaching modalities are as follows:

- ✓ External coach practitioners (60%)
- ✓ Internal coach practitioners (57%)
- ✓ Managers/leaders using coaching skills (82%)

When asked how these offerings might be differentiated in the future, 83% of respondents plan to increase the use of managers/leaders using coaching skills within the next five years (Figure 2).

FIGURE 2 What are your organization’s plans for this modality within the next five years?

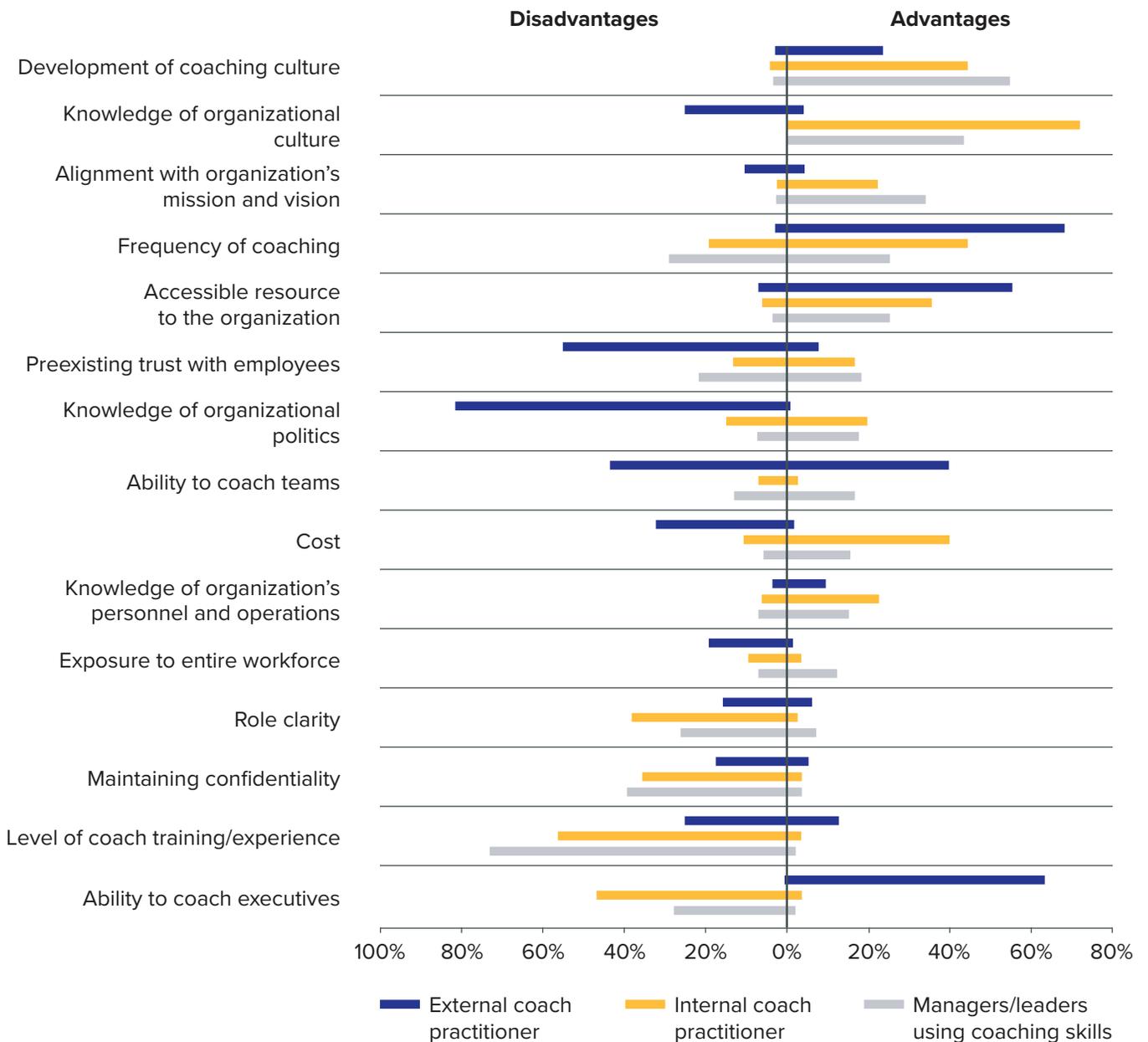


One of the hallmarks of a strong coaching culture is that the organization will leverage all three coaching modalities simultaneously to achieve its goals. It could be said that this combination of modalities balances the perceived benefits and drawbacks of each. From the organizations with all three modalities present, those respondents reported the top three advantages and disadvantages for each (Figure 3).

According to the survey respondents, the chief advantages of external coach practitioners are the frequency with which they can provide coaching, their ability to coach executives and their accessibility to the organization. On the other hand, respondents see external coaches’ limited knowledge of organizational politics, their lack of preexisting trust with employees and their potentially limited ability to coach teams as key disadvantages of the modality.

Respondents cite internal coaches' and managers/leaders using coaching skills' knowledge of organizational culture as a significant advantage of the modalities. They cite cost as another advantage. However, respondents felt that both internal modalities were comparatively disadvantaged by a lack of coach training/coaching experience, poor role clarity, inability to coach executives and/or maintain confidentiality.

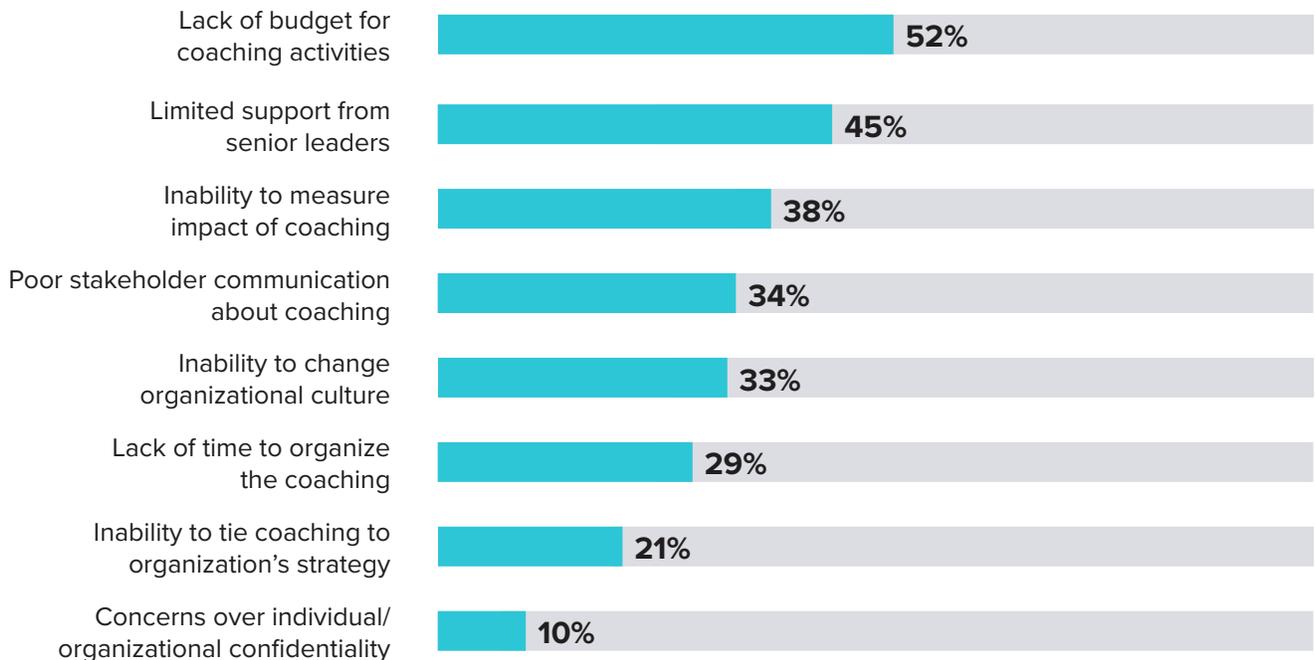
FIGURE 3 What are the top three advantages and disadvantages of each modality? (Organizations with all three modalities only, n = 115.)



While HR, talent development and L&D practitioners may see the value of coaching, scaling coaching can become an obstacle from their perspective. Twenty-three percent of overall respondents (and 63% of those in organizations with strong coaching cultures) report that everyone has an equal opportunity to receive coaching from a professional coach practitioner. Smaller organizations are more likely to offer access for all employees.² While larger organizations are more likely to use internal coach practitioners³ and external coach practitioners⁴ and have all three coaching modalities present,⁵ less than 9% of organizations with 5,000 employees or more have equal opportunity for coaching by a professional coach practitioner. In contrast, 28% of organizations with fewer than 100 employees offer this benefit.

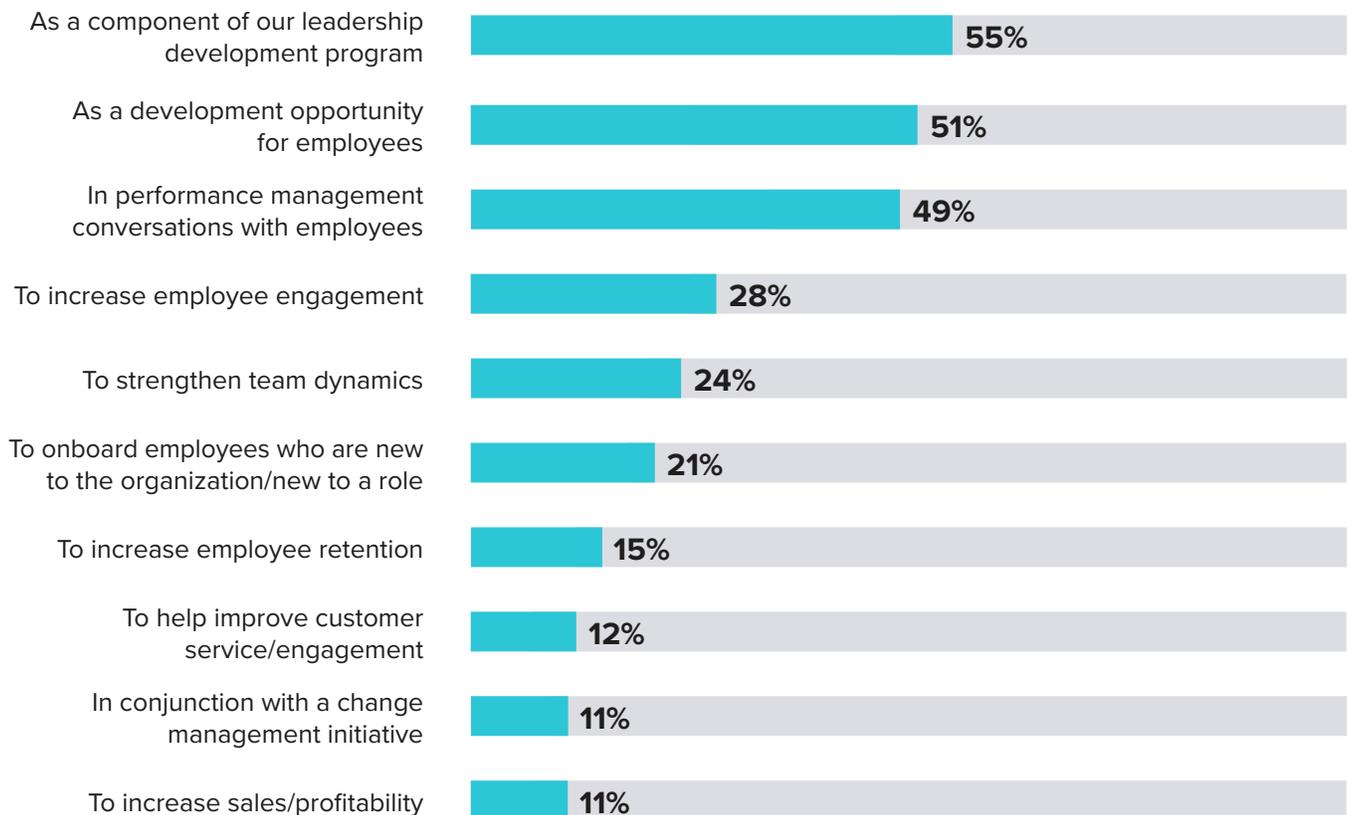
One way to strengthen a coaching culture is to increase access to managers and leaders who use coaching skills with their team members. Another option is to build the business case for coaching. Budget and senior leaders' support are the most-cited obstacles to building a strong coaching culture (Figure 4). Budget for coaching can be used to find and train professional coach practitioners, managers and leaders.

FIGURE 4 What do you perceive as potential obstacles to building a strong coaching culture inside an organization? (Select your top three obstacles.)



Among the key learnings from this ongoing research is that coaching initiatives are most successful when they are aligned with the strategic goals for the organization. This allows coaching to remain a process that will maximize the personal and professional potential of the workforce. Organizations' top two reasons for investing in coaching activities are leadership development (55%) and talent development (51%). There's a significant gap between the third- and fourth-most-cited reasons for investing in coaching: 49% of respondents said their organizations use coaching in performance management conversations with employees, while 28% said they use coaching as a means of increasing employee engagement (Figure 5).

FIGURE 5 How are coaching activities used to address your organization's goals and strategies? (Select your top three. n = 336)

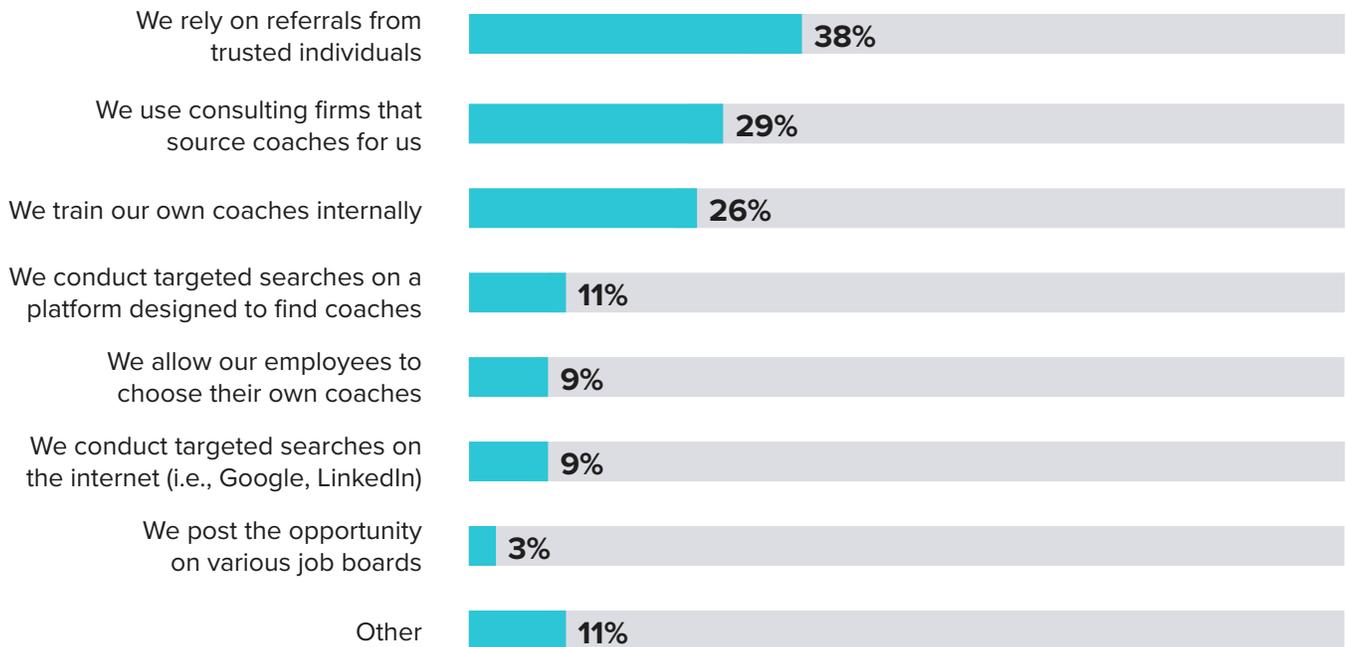


FINDING AND TRAINING COACH PRACTITIONERS AND MANAGERS/LEADERS WHO USE COACHING SKILLS

When the organization is ready to begin supporting coaching activities, the coaching program manager likely will be faced with a series of decisions. Beyond deciding which coaching modalities to utilize, the organization may need to develop its internal coaching capacity while also onboarding one or more external coach practitioners.

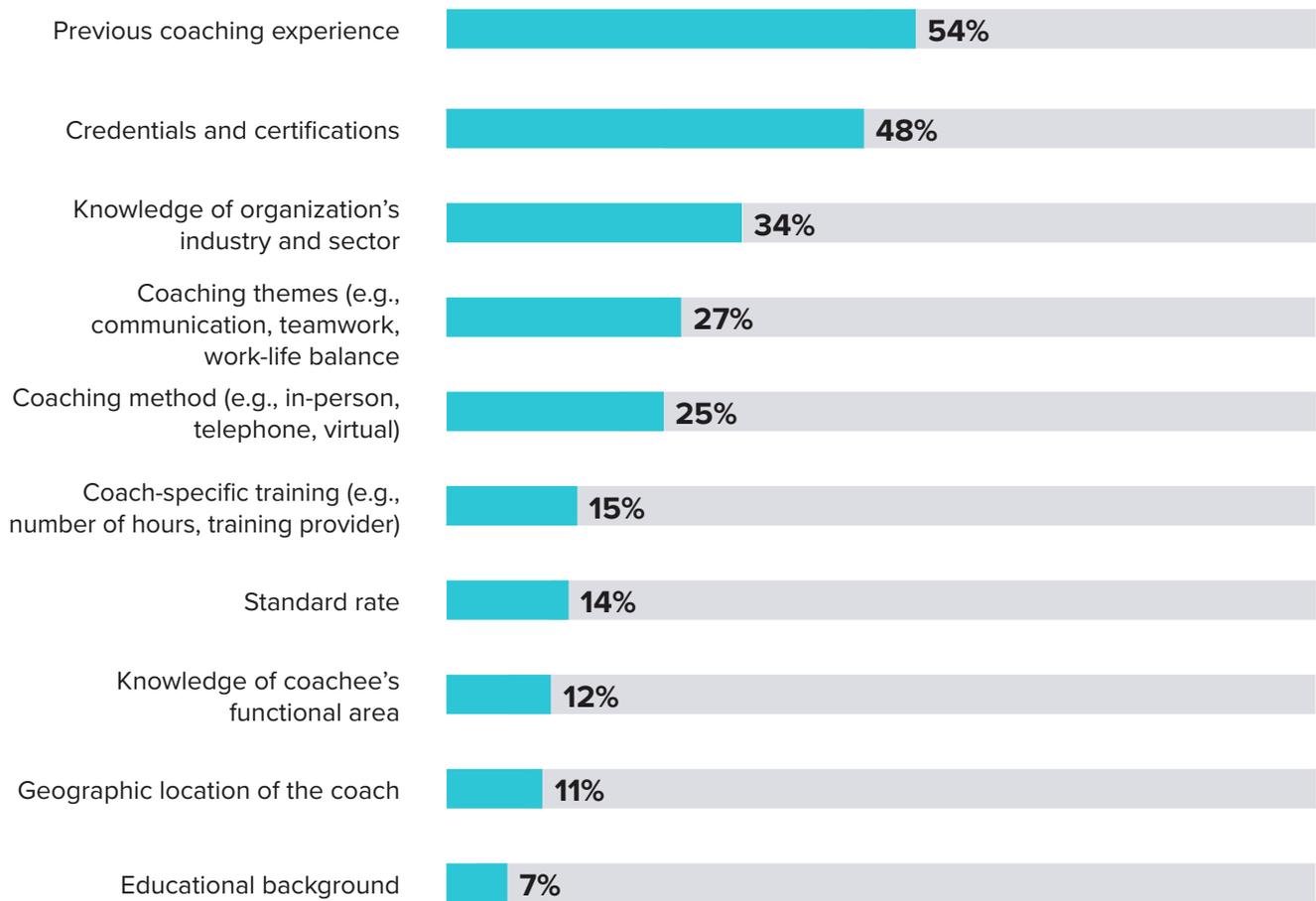
Respondents to this study rely heavily upon their networks to find their professional coaches. Organizations use referrals from trusted individuals (38%) or consulting firms (29%) to select a professional coach (Figure 6). Twenty-six percent of respondents' organizations train their own coaches internally.

FIGURE 6 Which of the following methods are used by your organization when selecting a professional coach? *(Select all that apply.)*



When asked to indicate the most critical considerations for coach selection, respondents cited previous coaching experience and credentials and certifications as the most important qualifications for external coach practitioners (Figure 7). Those who represented smaller organizations are more likely to consider the coaching method (e.g., in-person, telephone, virtual).⁶ Educational background, geography, functional-area knowledge, standard rate and coach-specific training appear to be less important criteria for selecting external coach practitioners.

FIGURE 7 What criteria are most important for selecting external coach practitioners? (Select your top three. n = 210)



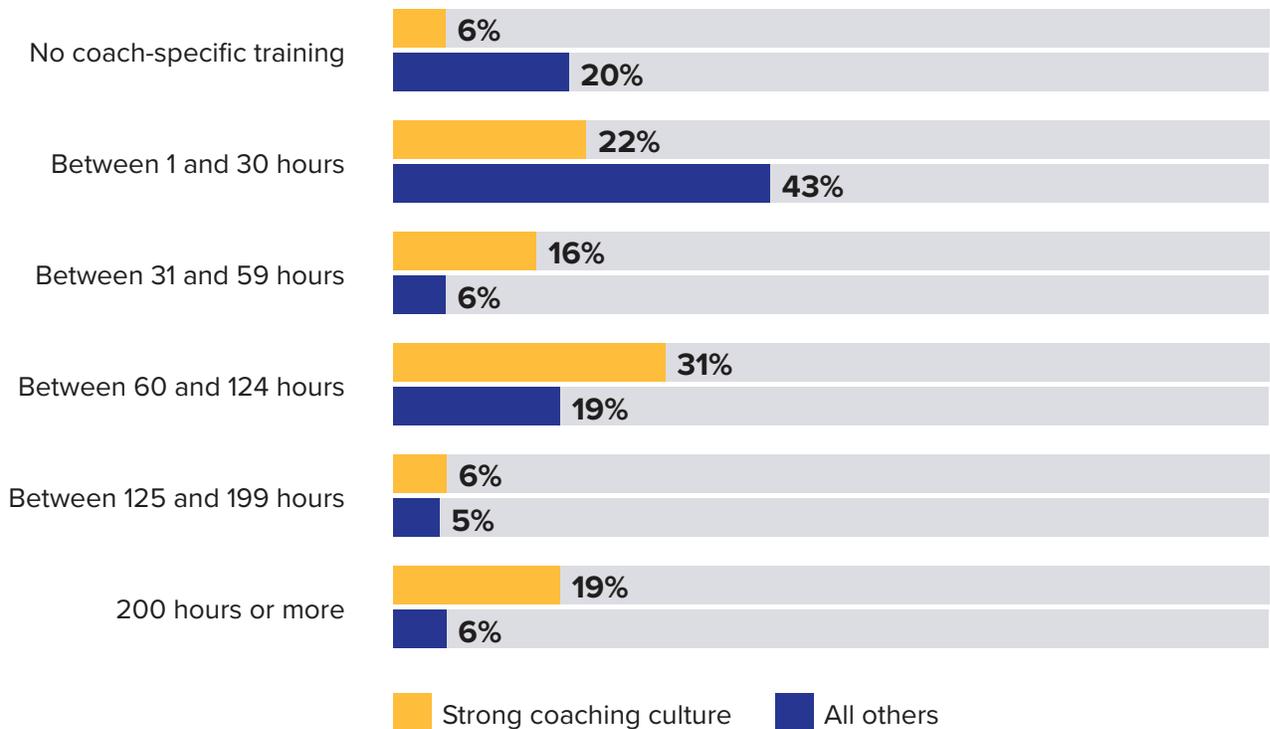
“We are attempting to move managers to a **coaching mentality**. What is difficult is that many of the managers have not received good coaching. There is a **strong education need** for what coaching is, how it works and how it helps.”

—SURVEY RESPONDENT

Another distinguishing characteristic of a strong coaching culture is that managers/leaders and/or internal coaches have received accredited coach-specific training. Internal coach practitioners are primarily trained by other internal coach practitioners (62%), L&D departments (61%) and HR departments (53%). Forty-eight percent of respondents’ organizations train internal coach practitioners from a program that was accredited/approved by a professional coaching organization and 20% train from an accredited/approved university-based program (up from 17% in 2018). In general, organizations with strong coaching cultures utilize internal coach practitioners who have completed more coach-specific training hours (Figure 8).

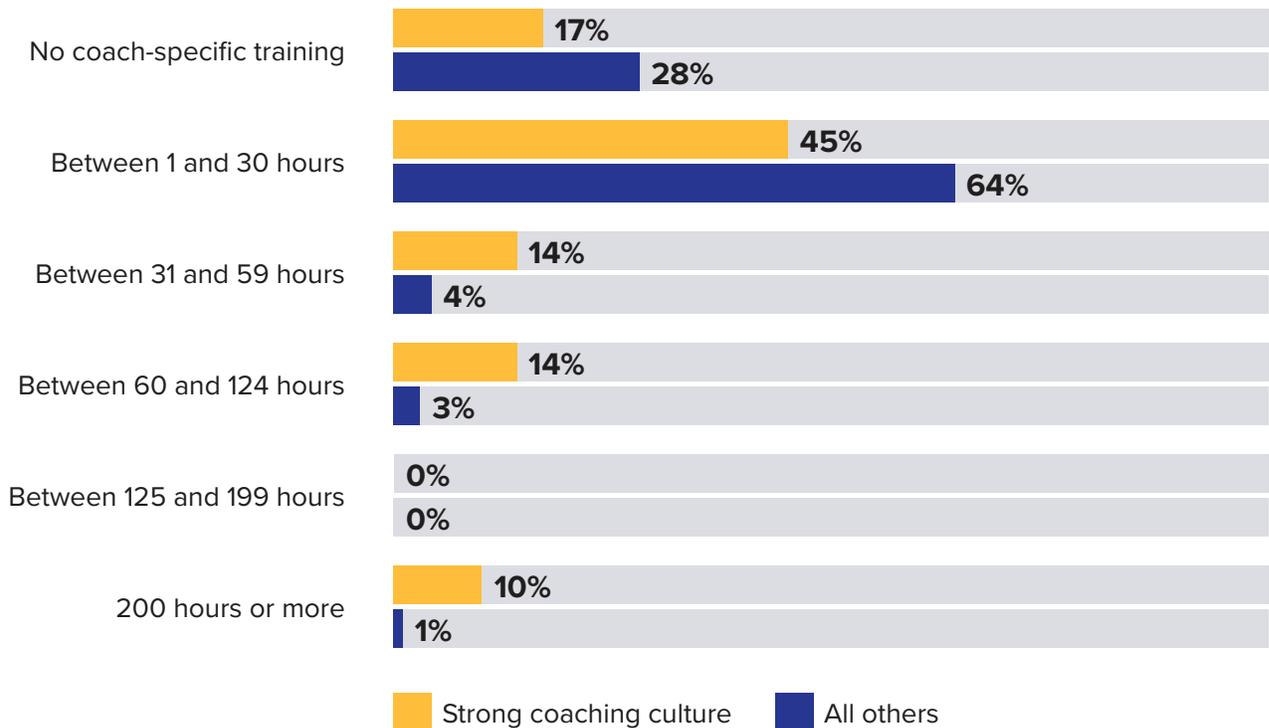
FIGURE 8

What is the average number of coach-specific training hours completed by your internal coach practitioners?



Managers/leaders using coaching skills are trained most often by L&D departments (65%), HR departments (54%) and internal coach practitioners (46%). Twenty-five percent of respondents' organizations train managers/leaders from a program that was accredited/approved by a professional coaching organization and 13% train from an accredited/approved university-based program. Organizations with strong coaching cultures have managers/leaders with more coach-specific training hours (Figure 9).

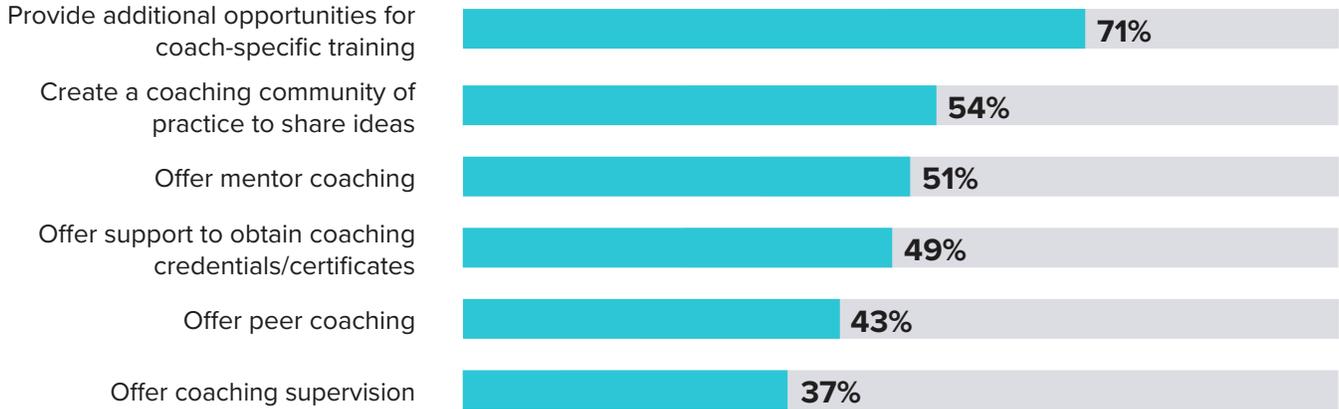
FIGURE 9 What is the average number of coach-specific training hours completed by your managers/leaders using coaching skills?



Professional coach practitioners and managers/leaders who use coaching skills need training and development opportunities to establish and improve their skills. Respondents' "wish lists" for ongoing coaching skills development in their organization (Figure 10) included additional opportunities for coach-specific training (71%), a coaching community of practice (54%), mentor coaching (51%) and support to obtain coaching credentials/certificates (49%).

FIGURE 10

Which of the following things should your organization do to help support ongoing coaching skills development? (Select all that apply.)



“We have measured a **significant improvement** in engagement, retention, career progression and business impact with those employees who received coaching.”

—SURVEY RESPONDENT

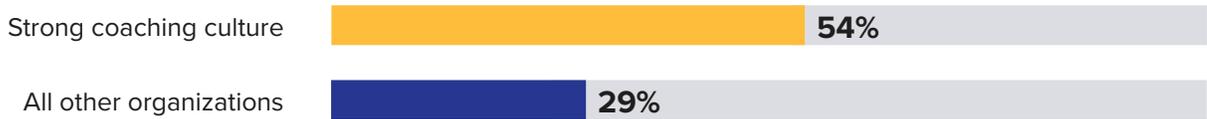
IMPLEMENTING COACHING AND EVALUATING SUCCESS

A coaching initiative should be designed to meet the current and future needs of the organization; therefore, both short and long-term budgeting for the coaching initiative is a vital conversation topic during the implementation phase.

Another hallmark of a strong coaching culture is when the organization develops a budget with a dedicated line item for coaching. Eighty-three percent of organizations with strong coaching cultures have this compared to 17% of all others. Overall, 25% of respondents’ organizations have coaching as a dedicated line item in their training budget. Of that budget, organizations allocate, on average, 21% of their training budget for coaching initiatives.

Many organizations that utilize coaching may, at some point, be asked to consider how impactful the coaching has been to their particular organization. A dedicated budget for coaching may depend on visibility into the talent and business outcomes of coaching. In other words, what is the return on the investment? High-performing organizations have better talent and business outcomes (see pages 22-23 for a description of this index). Among organizations with a strong coaching culture, 54% are also classified as high-performing organizations. Among organizations without a strong coaching culture, only 29% are also classified as high-performing organizations and these indices are positively correlated⁷ (Figure 11).

FIGURE 11 Percentage classified as high-performing organization



In particular, some of the indicators of a high-performing organization including senior leadership bench strength, high-performer retention and employer brand attraction have statistically significant differences between organizations with strong coaching cultures and all others (Figure 12 and Figure 13).

FIGURE 12 How have the following talent and organizational outcomes changed at your organization over the past two years? (Percentage “Slightly Higher” and “Much Higher”)

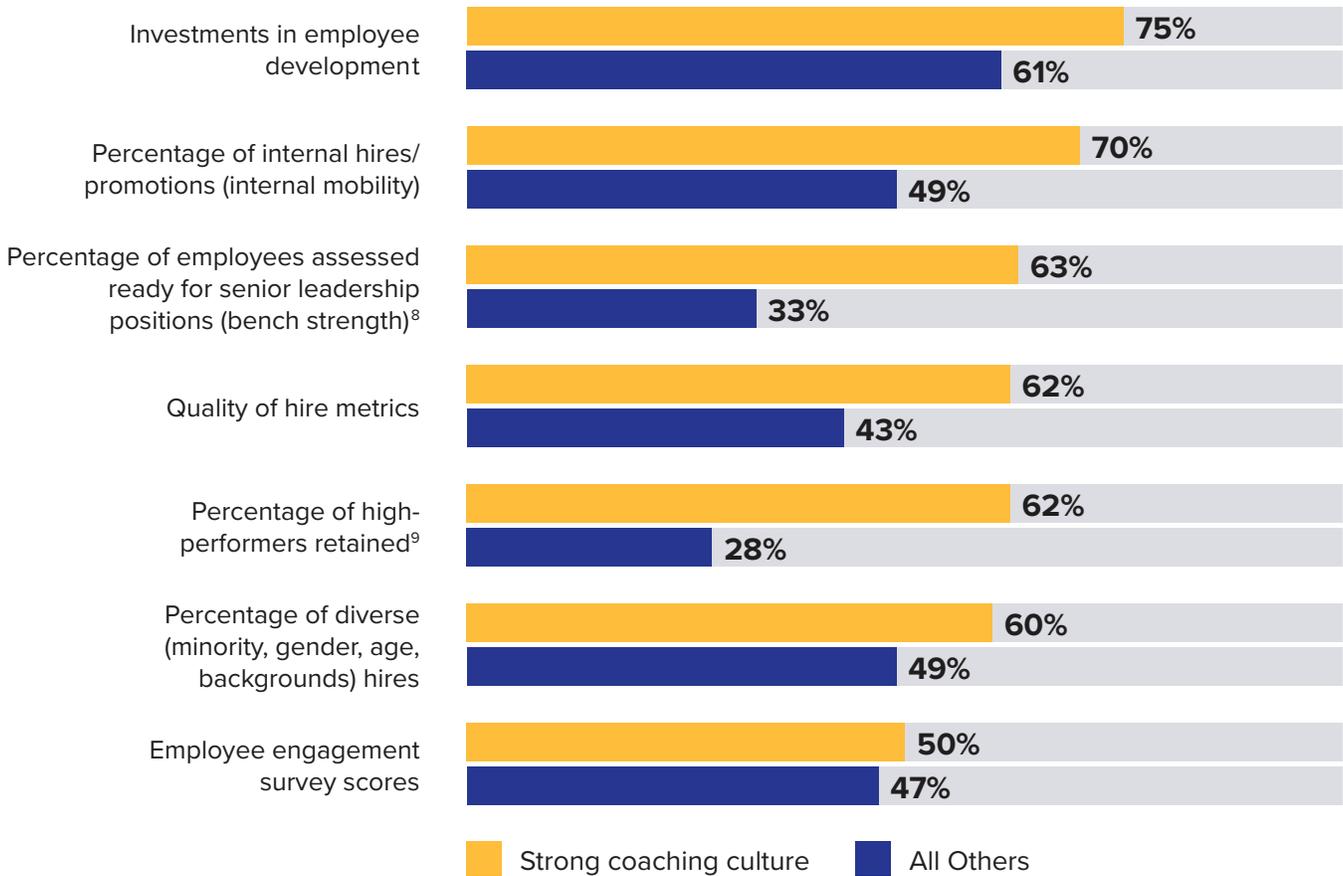
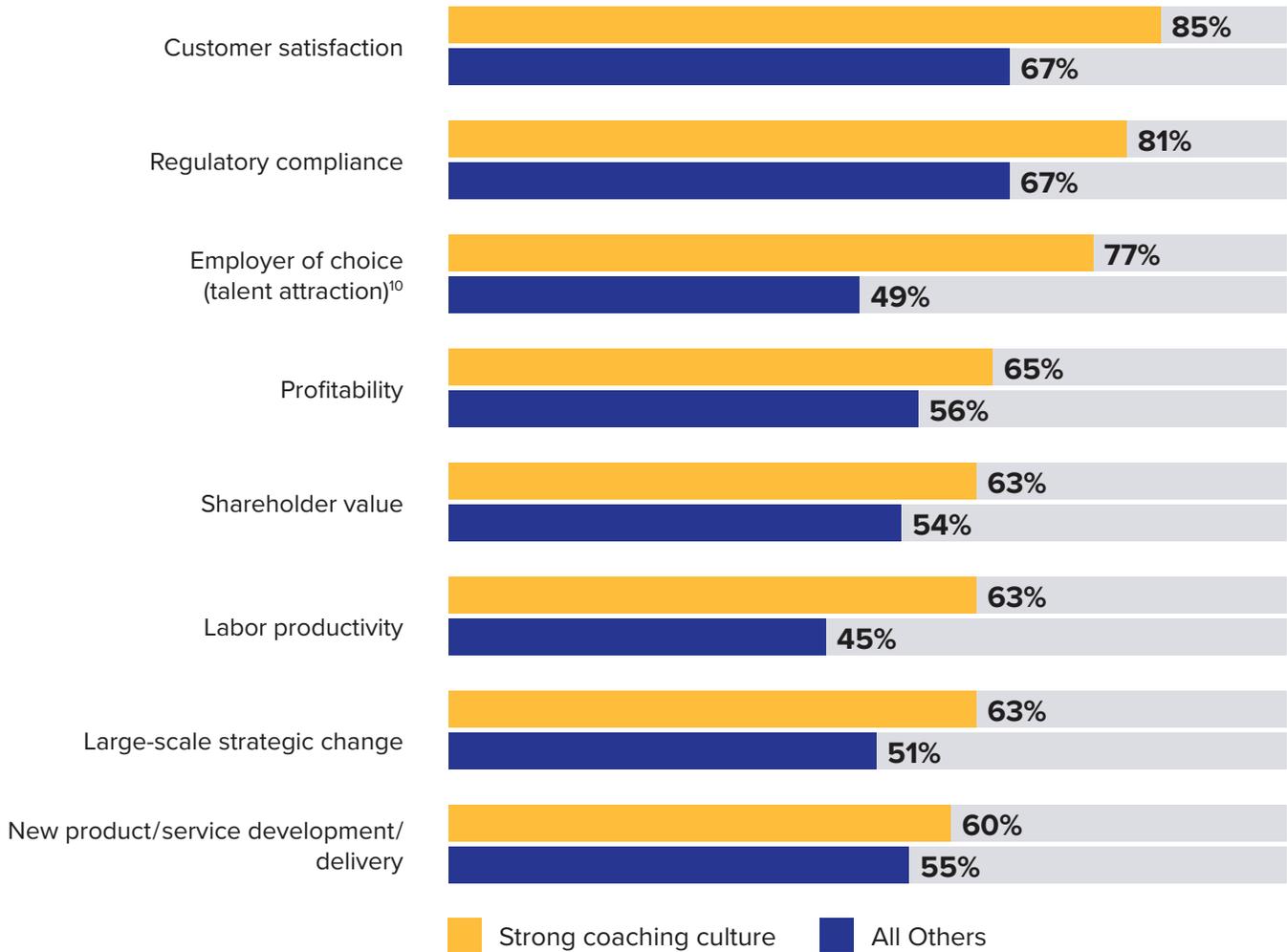


FIGURE 13 Compared to your industry competitors, how has your organization fared in the following business dimensions over the past two years? (Percentage “Above Average” and “One of the Best”)



Although impact measurement may help obtain senior leader support and budget allocation, many respondents struggle to measure and articulate the impact of coaching. There does not appear to be a “one size fits all” solution for measuring coaching impact, as the possibilities are largely influenced by the overall culture of the organization and their relative thirst for this information. In this survey, 38% of respondents report the inability to measure the impact of coaching as a potential obstacle to building a strong coaching culture inside an organization (Figure 4).

LOOKING TOWARD THE FUTURE

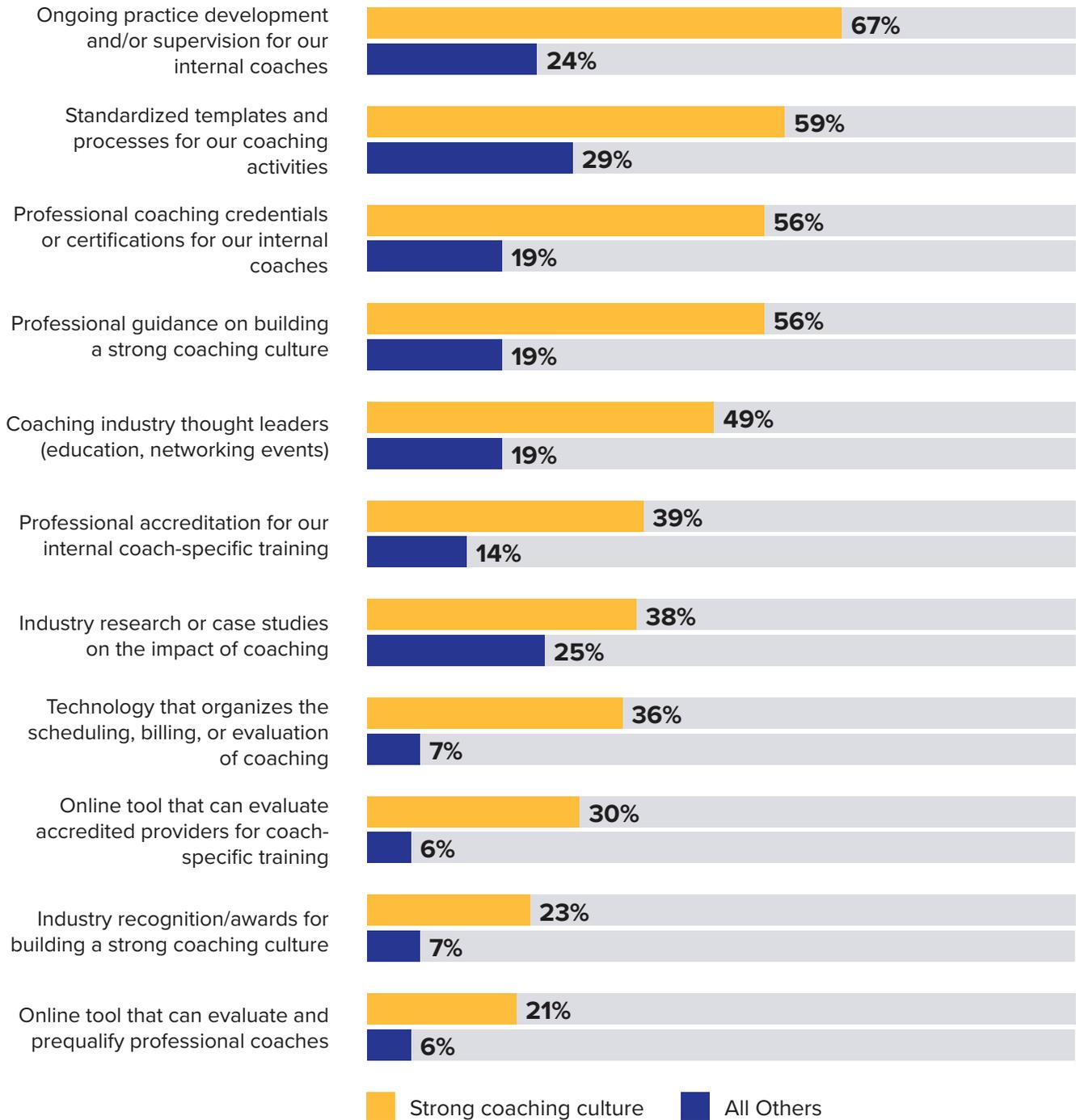
Perhaps unsurprisingly, organizations with strong coaching cultures offer more coaching resources (Figure 14). The most common resources for coaching are those which help support ongoing practice development and/or supervision for internal coaches, standardized templates and processes for coaching, credentials or certifications for internal coaches, and professional guidance on how to build a strong coaching culture.

Among all respondents, there is a high demand for guidance, technology and training. Nearly 70% of respondents reported that their organization lacked professional guidance on building a strong coaching culture, but that they need this. Sixty-four percent of respondents said they don't offer but need ongoing practice development and/or supervision for internal coaches, and 63% said they don't offer but need standardized templates and processes for their coaching activities.

Respondents also had the chance to express their sentiments around the intersection of coaching and technology. Currently, few organizations use technologies for sourcing coaches (27%), maintaining coachee privacy (37%) or measuring the impact of coaching (23%).

As the workforce continues to become more technology-dependent, coaching will remain a uniquely human activity with the ability to maximize the personal and professional potential of people. One-fourth of respondents agreed that artificial intelligence will help organizations enhance their coaching activities. However, fewer than 10% of respondents agreed that artificial intelligence will one day replace coaches.

FIGURE 14 What resources are available at your organization?



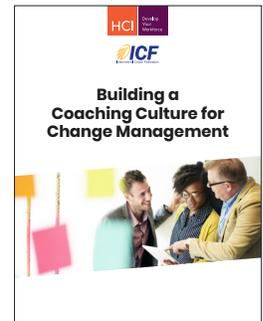
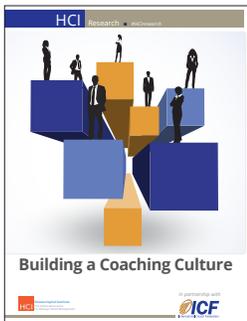
CONCLUSION

In an era where retaining high-performing talent and maintaining bench strength are strategic imperatives for HR and talent development, the value of a strong coaching culture is undeniable. However, recognizing the value of coaching is only the first step in the journey. As we approach a new decade and examine past research on building coaching cultures, several findings remain constant. Among those are the desire for organizations to develop their own internal capacity for the training and delivery of coaching. Perhaps because manager/leaders using coaching skills remains the most commonly utilized modality, those occupying the HR, talent management and learning and development functions in their organizations want to expand, train and support managers and leaders to use coaching skills.

Because budget and senior leaders' support are the most-cited obstacles to a strong coaching culture, it will be vital for talent development and HR professionals to become students of organizational strategy, and clearly demonstrate the relationship between coaching activities and the pursuit of mission, vision and strategic goals. Only by clearly mapping coaching onto strategy and evaluating the metrics that matter for their organization can the architects of coaching programs gain the support necessary to move from the presence of coaching to the construction of a robust, impactful coaching culture.

Learn More

To understand how coaching has been used to address areas in strategic talent management and leadership, [check out HCI and ICF's previous research studies.](#)



APPENDICES

Endnotes

1. A mean of 16% for the HCI-ICF studies' years 2014-2019.
2. $r^s = -.24, p < .01$
3. $r^s = .17, p < .01$
4. $r^s = .31, p < .01$
5. $r^s = .23, p < .01$
6. $\chi^2 = 9.91, v = .222, p < .01$
7. Strong coaching culture and high-performing organization index,
 $r = .18, p < .01$
8. $\chi^2 = 13.84, v = .220, p < .05$
9. $\chi^2 = 22.05, v = .271, p < .01$
10. $\chi^2 = 13.466, v = .212, p < .01$

About the Research

This research report was developed in partnership between the Human Capital Institute (HCI) and International Coach Federation (ICF). Between May 20 and July 8, 2019, a survey was distributed via email to HCI members who opted into the HCI Survey Panel and the L&D Community, and to professional coach practitioners and HR and L&D contacts on ICF's mailing list. HCI and ICF also promoted survey participation on their social media channels.

After removing duplicate entries, external coach practitioners, internal coach practitioners, and those who are not a professional in L&D, HR or talent management, we analyzed 366 completed questionnaires.

The questionnaire for this research report was divided into five sections.

The first section determined what subsequent questions the respondent would receive in the questionnaire. If the respondent indicated that he or she was an external coach practitioner ($n = 243$), an internal coach practitioner ($n = 130$), a manager or leader ($n = 92$), a manager or leader who uses coaching skills ($n = 161$) or an individual contributor ($n = 49$), it was explained that the survey was geared toward individuals who are employed within an organization as an HR professional, talent management professional or L&D professional. He or she was asked to share the questionnaire with the appropriate contact and received no further questions. Respondents who indicated that they work in HR, talent management, or learning and development (regardless of whether they use coaching skills) were guided to the second section. If the respondent selected that none of the above applied ($n = 30$), he or she was directed out of the questionnaire.

The second section contained questions on individual and organizational demographics. It included items that assessed talent and organizational outcomes. HCI researchers developed an index of seven talent outcomes (investments in training, internal mobility, employee engagement, diversity and inclusion, quality of hire, retention and leadership bench strength) and eight critical business performance indicators (large-scale strategic change, customer satisfaction, regulatory compliance, talent attraction, innovation, profitability, shareholder value and labor productivity) for evaluating the relative strength and weakness of respondents' organizations. These inventories are composed of items with five-point rating scales.

Scores from these items are aggregated to create a composite score that reflects the overall strength of each organization in terms of its performance. Those scoring 56 or greater on this inventory are considered high-performing organizations and consisted of 30% of the total.

The third section included questions about the coaching modalities available at respondents' organizations. If no coaching modalities were present, the respondent skipped the rest of the questions in the third section and questions from the fourth section were displayed. In addition, the third section included questions about the coaching modalities used and for whom, the frequency of coaching, budget, training sources, coaching resources and evaluation. If the question was specific to a type of modality, the respondent only received it if he or she indicated that the modality was present in his or her organization.

The fourth section asked a question about obstacles to building a strong coaching culture. The fifth section asked for additional comments regarding the topics in the survey.

Survey Respondent Demographics

Global Region	Percent
North America	68%
Asia	12%
Europe	8%
Middle East and Africa	7%
Oceania, Latin America and the Caribbean (combined)	5%

Number of Employees in Respondents' Organizations	Percent
> 50,000	5%
> 10,000 and ≤ 50,000	12%
> 5,000 and ≤ 10,000	10%
> 1,000 and ≤ 5,000	24%
> 500 and ≤ 1,000	14%
> 100 and ≤ 500	22%
Under 100	13%

Industry	Percent
Manufacturing	13%
Finance and Insurance	12%
Other Services (except Public Administration)	12%
Professional, Scientific and Technical Services	12%
Health Care and Social Assistance	11%
Government/Public Administration	10%
Educational Services	7%
Construction	4%
Information	4%
Utilities	4%
Transportation and Warehousing	3%
Retail Trade	2%
Accommodation and Food Services	1%
Administrative and Support and Waste Management and Remediation Services	1%
Arts, Entertainment and Recreation	1%
Management of Companies and Enterprises	1%
Mining	1%
Real Estate Rental and Leasing	1%
Wholesale Trade	1%

Respondent Type	Percent
HR/Talent Management/Learning & Development (Traditional)	27%
HR/Talent Management/Learning & Development (Using Coaching Skills)	73%

Seniority	Percent
I manage my own work and contribute to teams and projects.	41%
I manage my own work and lead a team of people.	20%
I lead and am responsible for other people managers below me.	8%
I am responsible for a business unit or function.	26%
I am responsible for an entire organization.	5%

Functional Area	Percent
Human Resources	49%
Learning and Development	17%
Talent Management or Organizational Development	16%
Other	18%

About the Research Partners



Client by client, International Coach Federation (ICF) coaches help their clients improve lives, relationships and business performance. They make a real and measurable difference in people's lives, which is why we're passionate about making sure our coaches and the institutions that train them are well equipped to do their jobs. As the leading global organization dedicated to advancing the coaching profession, ICF is committed to setting high standards, providing independent certification and building a worldwide network of trained coaching professionals.

Founded in 1995, ICF offers the only globally recognized, independent credentialing program for coach practitioners. Achieving credentials through ICF signifies a coach's commitment to integrity, understanding and mastery of coaching skills, and dedication to clients. ICF also accredits programs that deliver coach-specific training. ICF-accredited training programs must complete a rigorous review process and demonstrate their alignment with ICF's definition of coaching, Code of Ethics and Core Competencies.

Learn more at coachfederation.org.



Human Capital Institute is the first choice for HR professionals and organizations who have decided to accelerate their journey from traditional, tactical specialists to strategic, high-impact business partners.

HCI seeks to educate, empower, and validate strategic talent-management professionals to impact business results through the acquisition of insights, skills, and tools that are contextualized through research, practice, expert guidance, peer learning, and self-discovery. Visit HCI.org to learn more.



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Authors:

Jenna Filipkowski, PhD (Jenna.Filipkowski@HCI.org)

Abby Heverin (Abby.Heverin@coachfederation.org)

Mark Ruth (Mark.Ruth@coachfederation.org)

1130 Main Street | Cincinnati, OH 45202

www.hci.org

