



# **Making the case for coaching: Does it work?**

***Jessica Jarvis***



**The Good News:  
Coaching has arrived and is  
here to stay!**



## The good news

- Nine out of ten organisations use coaching by line managers
- Two out of three organisations use external coaches
- 84 per cent regard coaching by line managers as ‘effective’ or ‘very effective’
- 92 per cent judge coaching by external practitioners to be effective.

A high level of usage  
and belief in the  
power of coaching

# The good news (2)



**HR practitioners believe it can deliver benefits to individuals and organisations**

	<b>% who agreed</b>
<b>Coaching can deliver benefits to both individuals and organisations</b>	<b>99</b>
<b>Coaching is an effective way to promote learning in organisations</b>	<b>96</b>
<b>Coaching and mentoring are key mechanisms for transferring learning from training courses back to the workplace</b>	<b>93</b>
<b>When coaching is managed effectively it can have a positive impact on an organisation's bottom line</b>	<b>92</b>

## But, some large issues remain ...



- Few organisations have a strategy
- Only 5 per cent claim to have 'all' their line managers trained to coach
- Very little evaluation is taking place
- Confusion over terminology and standards

**Unless coaching is managed and designed effectively, the results may not measure up to expectations.**

# Looking for answers: does coaching work?



- A number of significant questions remain
- Limited research exists
- Pressure to prove the value of coaching is coming from all sides
- The big question: Does it actually work?

**The continuing popularity of coaching is dependent on whether it can be shown to improve business performance.**

# New CIPD research



**What does the research evidence tell us about the impact and power of coaching in organisational settings?**

- We review research looking at :
  - Manager coaches
  - Internal coaches
  - External or executive coaches
  - Organisational conditions for effective coaching

# Case study organisations



BBC	Glenmorangie plc	Panasonic Europe
Blackrock International	Greater London Authority	Perkins Shibaura Engines
BPB Paperboard	High & Mighty	Pertemps Recruitment Partnership
Bovis Lend Lease	Glasgow Housing Association	Regal Fish Supplies
Boxwood	Kwik_Fit Financial Services	Rugby Cement
Canada Life	London School of Economics	Selfridges
Courtenay HR	Lloyds TSB	Shell
Castle Cement	Loughborough University	Stephenson Harwood
Dixons	Midland Area Housing Association	Surrey and Sussex Strategic Health Authority
Everest Limited	Nationwide	Tate
Exeter City Council	Norfolk, Suffolk and Cambridgeshire SHA	United Utilities

# Manager-coaches



Of the different roles that the manager performs, the coach is 'the most difficult one to perform'.

(Gerber, 1992)

- Large growth area – 88% organisations train manager-coaches
- But not 'new'
- What is driving its popularity?
  - Culture change/business goals
  - Managers need to support development of their teams
  - Low levels of managerial skills
  - Cutting costs?
  - Reaching a wider audience

# Manager-coaching



- How is it different?
  - Fairly narrow form of coaching
  - Managerial relationship is not one of equals
  - Coaching agenda restricted – focus on improving performance and technical skills
- Benefits of manager-coaches
- Limitations of manager-coaches
- Implications for skills and training

**Allows broader audience to receive coaching, but managers unlikely to have the same high level of skills as internal/external coaches**

# Manager-coaching: Does it work?



- 19% - very effective; 65% effective (CIPD, 2005)
- Lack of research looking at impact on business performance, but a wealth of case studies eg Vodafone
- Wageman (2001): Coaching + team design interact positively to impact on performance

**Very little research to draw on at this stage, but can review case study experiences**

# Results from our case studies



## Impact of manager coaching - 10 main areas:

- changes the culture or helps to embed a coaching culture
- improved management skills and capability
- behaviour change in the coaches
- benefits for the coachees as a result of receiving coaching
- greater employee engagement and commitment
- improvements to business indicators or results
- savings in HR time/costs
- achievement of external awards and recognition
- unexpected spin-offs
- accelerated talent development

# Quotes from our case studies



‘The construction industry has traditionally been known for having a 'command and control' management culture. What we've started through coaching is a more empowering and creative culture where people don't need to wait to tell someone what to do or wait to be told themselves ’

‘Coaching can have a very positive impact on individuals for whom traditional learning modes such as classroom teaching has very negative associations.’

‘Feedback from the coachees is that managers have created better working relationships and were more effective in communicating with their teams – resulting in improved team results .’

## Quotes from our case studies



‘Business results were growing steadily and the staff survey results were improving so the programme must have been doing something right.’

‘Feedback from participants’ managers was positive – they noticed improvements in their performance and ability to manage their teams. And comparison of the initial and final 360-degree feedback results demonstrated real improvement in leadership and management competencies

‘The organisation has identified clear performance differences between those who are coached and those who are not in terms of meeting targets and quickly addressing issues that arise.’

## Quotes from our case studies



‘Within just five months, the sales team had met their targets for the first time and within a year were continually surpassing them.’

‘Through these efforts, the organisation has seen evidence of performance improvements. For example, product quality was improved by 19 per cent last year and sickness/absence was down from 7 per cent to an average 2.4 per cent.’

‘Change is quicker as well as more focused as a result of the coaching interventions.’

## Quotes from our case studies



‘In the *Sunday Times* poll of 100 Best Companies To Work For we went from 78th to 42nd to 30th and we were voted Scotland’s Learning Employer of the Year 2004 by Learndirect Scotland ’

‘With this new approach to people management and development, we achieved an Investors in People award within 12 months and turned around their reputation from being a "hire and fire" company to a company people actively seek to join. This represents a significant improvement in HR time and costs: "We used to be hiring every week and I haven't had to recruit for the last four months." Disciplinary events are much less common .’

# Internal coaches



***‘A one-to-one developmental intervention supported by the organisation and provided by a colleague of those coached who is trusted to shape and deliver a program yielding individual professional growth’ (Frisch, 2001)***

- A relatively new form of coaching
- Often a mixture of HR professionals and managers with additional coach training
- Why are they popular? Build internal expertise, control costs, deliver coaching to more people, knowledge of the organisation etc.
- Roles of internal coaches: development, skills, business change, supporting other coaching initiatives etc.

# Internal coaches: Does it work?



- All case study organisations believe it is effective, but coaching by HR seen less positively
- Examples from research:
  - Olivero et al (1997) – 22.4% increase in productivity after management training but 88% increase after internal coaching
  - NHS Leadership Centre (Woolnough et al 2004) - 41% of coachees were promoted compared to 15% of the non-coached group, & leadership skills and job satisfaction improved

# Results from our case studies



‘Feedback from individuals is that they have never received anything like this before and are grateful for the support. Being picked out for "special attention" when the intention is clearly positive can be a driver for positive changes in behaviour.’

‘We are seeing a number of results:

- reengagement with role and organisation
- increased proactivity and capacity for addressing issues
- increased confidence
- greater awareness of management/leadership styles
- more effective management of challenging people
- greater awareness of career options and choices.’

# Quotes from our case studies



'Coaching in conjunction with the process review teams has had a positive impact on the business in terms of cost reduction and business growth. It has also made staff more aware of and responsible for delivering the customer proposition '

'Three of the original cohort of twelve on the programme were promoted within nine months, and five more are now working in broader work streams .'

'Coaching is having a positive impact on patient care. It has proved particularly valuable when challenging established practice and when problem-solving around service development.'

# Quotes from our case studies



‘Trained internal coaches acquire skills which are transferable to other development programmes providing an internal resources to support other initiatives. This has been a big and unexpected bonus for our organisation.’

But, other unexpected results as well

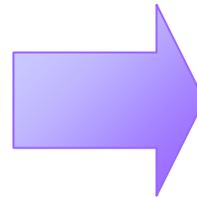
‘But there have also been instances where coaching has resulted in people leaving the business as they have realised that they want a change.’

# Problems/issues with internal coaches



## Issues

- Credibility
- Trust and confidentiality
- Conflicts of interest
- Fuzzy boundaries
- ‘Corporate blind spots’ (DeHaan & Burger, 2005)
- Demand over capacity



## Implications

- Need for supervision
- Thorough training
- Careful recruitment
- Regular review of activities

# External or executive coaches



- Growing resource for UK businesses
- 4,000 professional coaches in the UK (FT)
- 64% of organisations use external coaches (CIPD, 2005)
- 69% - effective; 23% - very effective (CIPD, 2005)
- History:
  - Remedial ‘rescue fantasy’
  - ‘Coaching envy’
  - Huge growth area
  - But indications of a decline?

Large scale investment by UK organisations, but an increasing demand for evidence to verify its value and impact.

# Executive coaching



- Organisations' reasons for using executive coaching (IES, 2001; Horner, 2003)
- What is the role of an executive coach?
  - Free agenda coaching
  - Set agenda coaching by organisation
  - Skills, performance and development coaching (Cavanagh & Grant, 2005)
  - Support development of internal coaching capacity/ coaching culture
- How are executive coaches different from other coaches?

The different roles have implications for the skills executive coaches need

# Executive coaching: Does it work?



- Dawdy (2004): 90% thought coaching was effective
- Free agenda coaching:
  - Wales (2003): Improved self-awareness & confidence → better communication skills → improved behaviours
  - Laske (2004): Improved mental-emotional growth
- In conjunction with other development activity:
  - Smither et al (2003): Compared performance of coached and non-coached executives – improved 360 results
  - Thatch (2002): overall percentage increase in leadership effectiveness 55% (phase 2) and 60% (phase 3)

# Executive coaching: Does it work?



- Return-on-investment
  - Right management consultants – 5.7 ROI
  - Philips (2005) – 221% ROI
- Colone (2005): Major international bank (case study)
  - Improved senior staff retention
  - Decreased in recruitment costs
  - Decreased in executive development costs
  - Productivity gains
  - Measuring ROI is possible, but requires thoughtful reflection by HR

‘Demonstrates the value of the internal organisational researcher.’

# Quotes from our case studies



‘Coaching has enabled us to move from justifying our existence, to becoming creators of value to our parent group and in two year-long phases, deliver significant shareholder value and both strategic and competitive advantage.’

‘The company has seen visible improvements in how people relate to each other. Staff are more open about their plans in life and how they feel about their work. Rather than sitting on a plan or issue, people now come and discuss it with their manager.’

‘With the help of the partner coaching company, X is further developing its high-performance and learning culture. When coaching is at the centre of an organisational culture, it improves morale and accelerate talent development. It helps us continue on our dramatic growth path.’

# Problems/issues with executive coaches

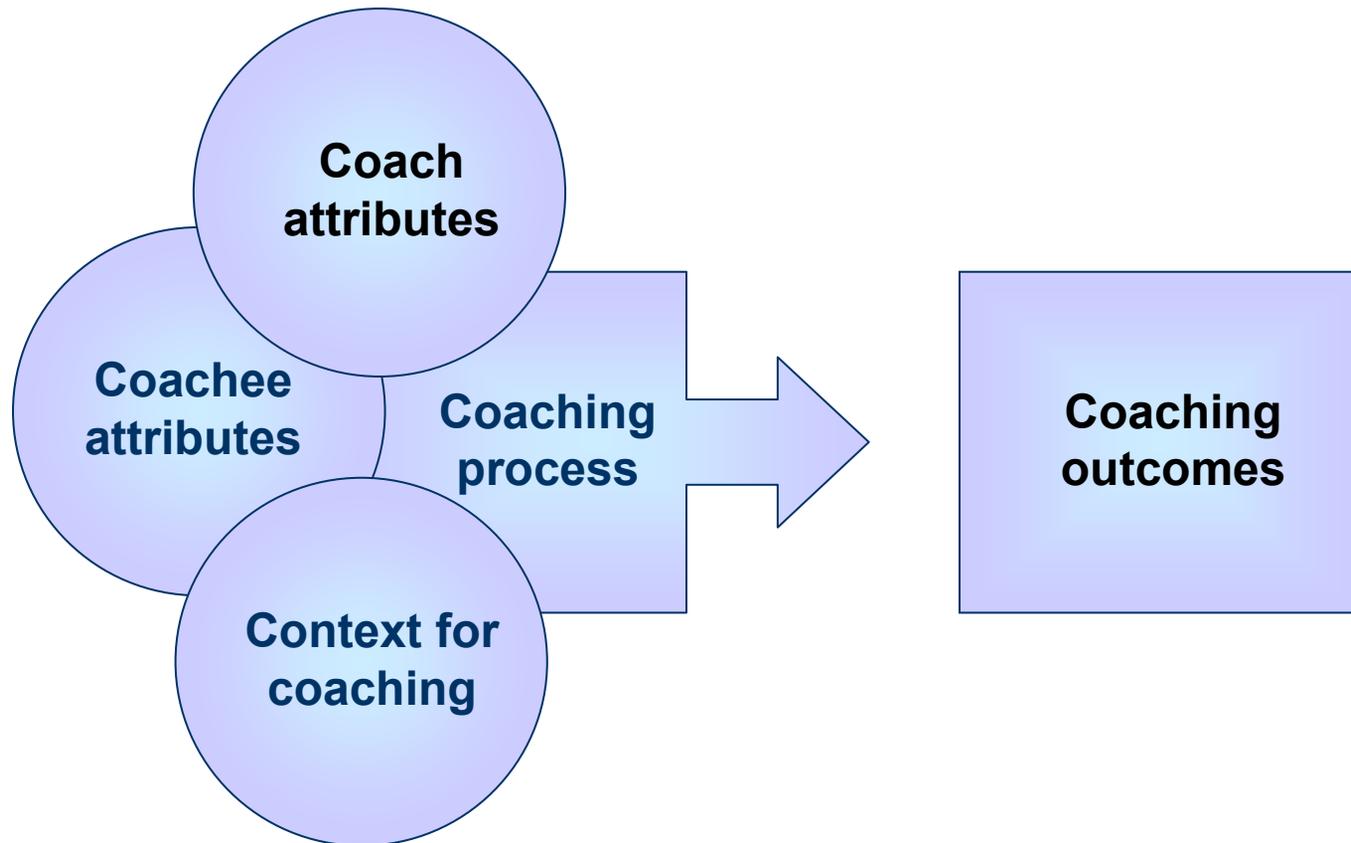


*'We would like to have external coaches we can trust however we are often subjected to the hard sell and there is no current way to verify their qualifications or their competency....'*

## Existing issues

- Confusion in the marketplace
  - Cost
  - Recruitment difficulties
- Lack of internal knowledge

# Conditions for effective coaching



# Conditions for effective coaching



- Skills, qualities and attributes
  - Eg Dingham : interpersonal skills, communication skills, instrumental support
  - EMCC – 3 defined levels of skills and practice
- Selecting the right type of coach
- Understanding of the wider organisational context

# Conditions for effective coaching

A light blue circle with a thin dark blue outline, containing the text 'Coachee attributes' in bold dark blue font.

## Coachee attributes

- Coachee receptiveness and desire for behaviour change
  - Wasylyshyn
  - Kilburg
- Coachees being informed and educated about coaching
- Types of coachee who may benefit most
  - Personality types?
  - Gender
  - Learning styles
  - Lack of psychopathology

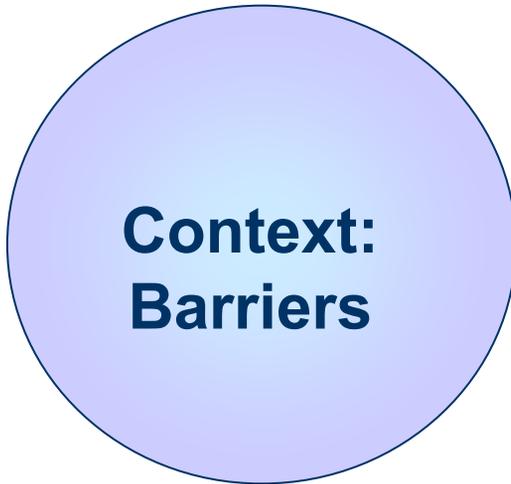
# Conditions for effective coaching



## Context for coaching

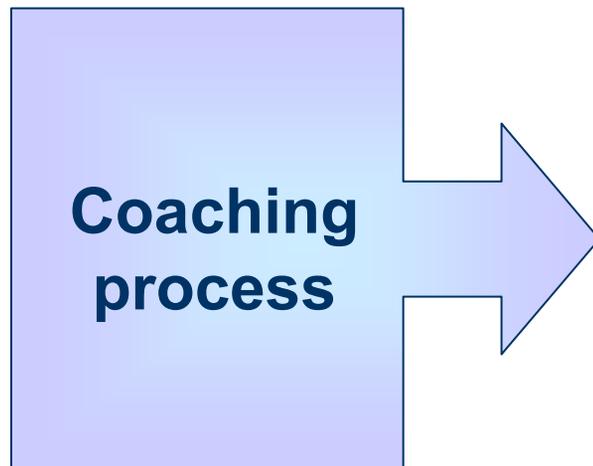
- An appropriate culture is vital
- A coaching culture?
- CIPD (2004)
  - Buy-in of senior management
  - Committed and motivated managers who were rewarded for coaching
  - Adequate resources
  - Encouragement and support for learning
  - Understanding of employee preferences
  - Clear strategic intent

# Conditions for effective coaching



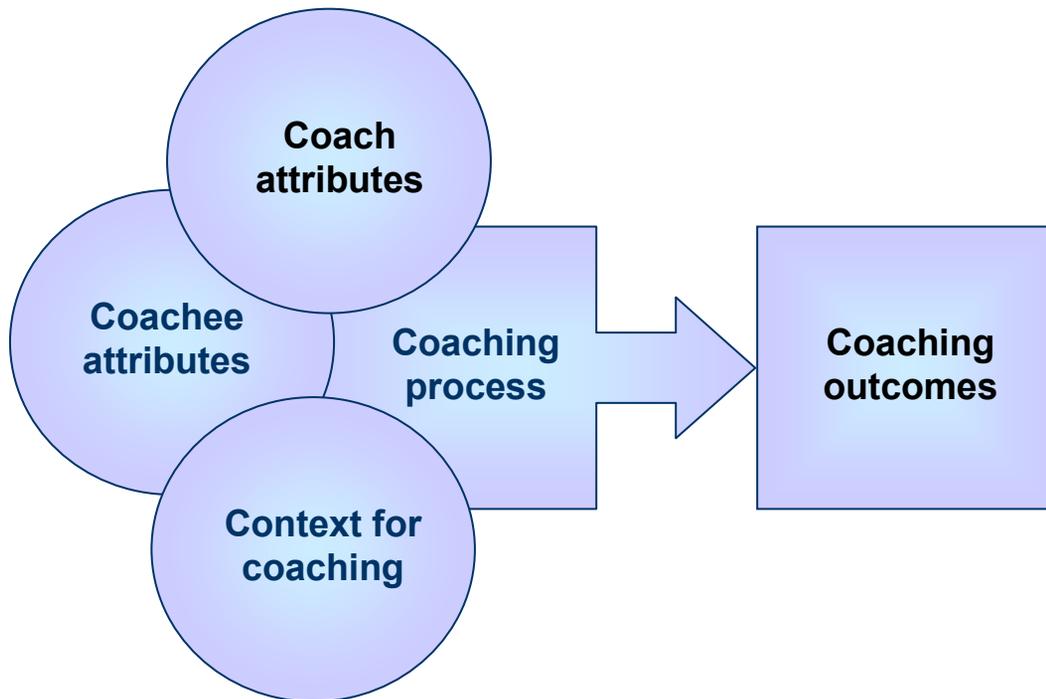
- 'Senior executives have to be willing to make the necessary investment without 'cast iron' guarantees or immediate payback.'
- 'Receptivity of coachees can be a barrier.'
- 'The pressure of maintaining targets can mean that people don't want to try anything different in case it doesn't work.'
- 'A belief that coaching is a nice to have. A lack of understanding of the benefits.'
- 'Ensuring that the business is in the right place to embrace such a change in culture.'
- 'Coaching needs to be properly funded and resources to support the whole process.'

# Conditions for effective coaching



- Coach-coachee relationship
- The duration and structure of coaching relationships
- An appropriate coaching definition, goals and model of practice for the organisation

# Conditions for effective coaching: Summary



- Effectiveness is mediated by a wide range of factors
- Behaviour and attitude of coach and coachee is important
- Matching and ensuring a positive working relationship is critical
- Culture can often be a barrier

# Summary: Does coaching work?



- Research and case studies indicate that coaching can work
- But, a number of contextual factors need to be in place
- Positive results seen from manager, internal and executive coaching
- But each type has barriers/issues to be addressed
- Each organisation needs to design their coaching activities to fit their particular culture and business circumstances
- Need greater evidence base – more research needed!

Be cautious when interpreting the evidence – concerns remain about the robustness and design of some studies

# Evaluating coaching



*‘Evidence-based coaching is not complex or ethereal. At its simplest it involves the intelligent and conscientious use of best current knowledge in making decisions about how to design, implement and deliver coaching interventions to clients and in designing and teaching coach training programmes.’  
(Grant, 2003)*



# Why evaluate?

- Motivates people by highlighting performance improvements
- Persuade sceptics of the value of coaching
- Justifies the investment
- Identifies problems in the processes
- Allows you to benchmark with other organisations
- Provides an ongoing dialogue about the success of coaching in the organisation
- Negative feedback can help to improve the design of future programmes

Builds credibility of HR by providing evidence of the impact, as well as identifying possible improvements



# Evaluating coaching

- Pragmatic approach is needed
- Organisational culture is a key factor
- Need resources, time and expertise
- HR need to be selective
- Need more than happy sheets!
- Can't always calculate the ROI or prove impact on business performance
- Think laterally about how to prove the impact in your particular context

Confidentiality in coaching creates issues in evaluation

# Making the case for coaching



- Build your case using the research evidence
- Frame the case in the specific needs of your organisation – link with business strategy
- Consider stakeholders
- Consider the organisational environment/culture
- Persuade senior management
- Prepare for questions/scepticism

**Good luck!**



**Thank you.**

**Any questions?**