



Hot topics

# TAKING THE TEMPERATURE OF COACHING

**Summer 2009**

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Coaching and mentoring (in this report, the term 'coaching' refers to both coaching and mentoring) are increasingly used in learning and talent development (LTD), in performance management and to support change. The CIPD's 2009 *Learning and Development* annual survey report (CIPD 2009a) of 593 respondents indicated that coaching is used by over two-thirds of the respondents within their organisations. CIPD surveys cover a range of organisations in every sector of the economy. High levels of coaching were also identified in the Corporate Research Forum (CRF) report (Lambert) as early as 2001. Coaching has therefore taken place at a high and stable level over time. However, as the economic environment has worsened, it seemed time to test whether coaching is still in such a healthy state. Could coaching be seen as a 'nice to have' – in contrast to other forms of training intervention that are perceived as more operationally critical? Could coaching be under threat as budgets and spending priorities come under renewed scrutiny? We therefore used this survey conducted in August 2009 to try to answer these questions.

We sought data on coverage, expenditure trends and the role and contribution of coaching. We also

wanted to test how coaching is being delivered and find out who are the main agents of delivery. Where coaching is being co-delivered between external consultants and internal resources, we tried to gauge the balance. We sought data on the purpose of coaching, for example for performance management or to promote organisational change and agility. The survey also looked at the procurement of coaching. We wanted to know how organisations were selecting coaches and whether they preferred accredited coaches belonging to the nascent coaching bodies.

Finally, evaluation is essential to measuring the true impact of coaching and realising the value for the organisation as well as the individual. Building upon previous surveys that gathered data on the incidence of evaluation, we probed much further into the detailed processes and methods of coaching evaluation. We will develop this further in the coming year with a detailed project on coaching evaluation, providing tools and insights to assist practitioners. We have summarised the insights from this report into a number of 'practice pointers' to help organisations as well as individuals drive value and lasting benefit from coaching.

### Coverage trends

- Coaching is reported as taking place by 90% of respondents. This is a very high level and may reflect a re-appraisal and re-labelling of other management practices and programmes.

### Expenditure trends

- Seventy per cent report that coaching expenditure is either increasing or being maintained, with only 20% reporting reductions.

### Role and contribution

- Just over half of our respondents describe coaching as primarily a learning and development intervention; the remainder say that it is used for organisational development and change management.

### Responsibility for delivery

- Line managers supported by internal coaches are responsible for delivery of coaching in 63% of cases. Main responsibility for coaching rests with line managers in 37% of organisations surveyed and with external coaches in 15%. This confirms our previous findings that coaching is increasingly being delivered by line management.
- External coaches and consultants are used in over 60% of respondent organisations, mainly for design and development of coaching programmes as well as providing a coaching service to executives.

### Purpose of coaching

- In 40% of the organisations surveyed the declared purpose of coaching is performance management.
- Leadership and change management is the purpose in just over one-third of respondent organisations.
- Employee engagement is the purpose in just over a quarter of organisations.

### Who receives coaching?

- A third of organisations report that coaching is given to all employees.
- Just under 20% report that coaching is reserved for 'high potentials' and 'future talent'.
- About a quarter reserve most coaching for managers and fewer than 10% use it just for executives and at board level.

### How is coaching procured?

- Coaching services are still procured largely through ad hoc processes using trusted previous providers (over 70%).
- About a quarter use formal tendering processes and a small minority use assessment centres.
- Only about one-third of respondents insist on their coaching service being provided by certified coaches licensed by professional bodies such as EMCC, AOC, ICF or APECS.

### How coaching is evaluated

- More than 80% of organisations report that they measure or evaluate the impact of coaching.
- Just under a fifth of respondents use evaluation practices developed at the outset. However under 3% report using return on investment (ROI) and about 8% use return on expectation (ROE) methods.
- Over 20% use measurements of key performance indicators (KPIs) and other corporate and HR metrics, while about the same number use 'stories and testimony' to prove the value of coaching.

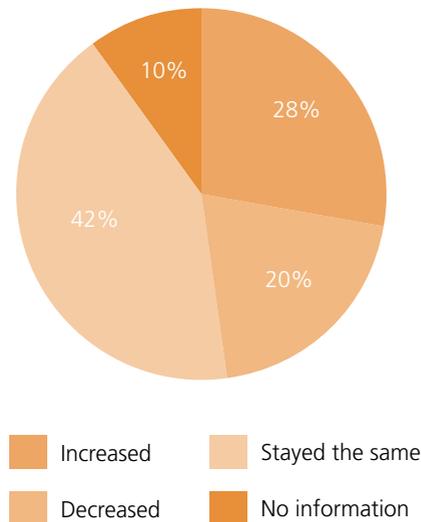
## THE SURVEY

To 'take the temperature of coaching' we conducted an online survey of members in both LTD and those responsible for the delivery of coaching within HR. Given the CIPD's membership in this area, this constitutes a sizeable number of practitioners involved in the purchasing, development and delivery of coaching within the UK. The survey attracted 598 responses – just over 10% of those invited. Of these, just over half are from the private sector (excluding manufacturing), 36% from the public sector, 5% from manufacturing and the remainder from the voluntary and community sectors.

### Coaching expenditure in the current environment

There is evidence that coaching spend is holding up robustly. Seventy per cent of respondents report that coaching expenditure is being maintained or increased, with 20% reporting a decrease. This is encouraging and suggests that coaching is not just perceived as a 'nice to have' intervention and is not facing the cuts elsewhere, as reported in our Hot Topic report *Innovative LTD: Positioning practice for recession and recovery* (CIPD 2009b).

Figure 1: Coaching expenditure compared with previous year



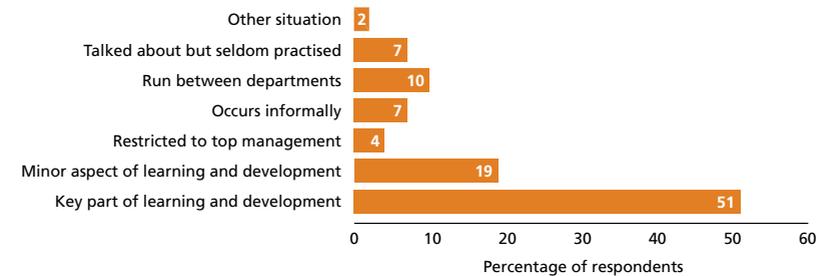
### The role and contribution of coaching

When asked which option best describes the role of coaching in their organisation, over half of respondents suggest it is a 'key part of learning and talent development'. Figure 2 shows this. It's also clear that coaching is no longer restricted to senior executives as was once the case, with just under 5% reporting that coaching is restricted to this group. Just under 20% report that coaching is a minor aspect of learning and development and about 7% report that it occurs informally. About 10% report that coaching is run between different departments, possibly an organisational or leadership development function.

### Extent of coaching: recent trends

The extent of coaching is high, with nearly 90% of respondents reporting that coaching is used within their organisation. This is an interesting finding because previous surveys have shown a high and stable level of reported coaching practice at around 70%. The finding may reflect a subset of active and engaged coaching practitioners rather than the group of learning and development professionals surveyed in our annual *Learning and Development* surveys. Around a fifth of respondents are heads of LTD, about a quarter are senior managers and business partners in LTD, a similar number are HR team

Figure 2: Role and contribution of coaching in organisations



members with responsibility for coaching, and the balance come from other roles such as organisational development. This increase in usage is therefore being reported by a diverse range of practitioners.

Additional comments from the free response section show the variety of ways in which coaching is being used. We looked at comments representative of where coaching is 'stagnant' or failing, where it could be classed as 'growing' and where it was being considered as a new or fresh initiative – 'emergent'. Some of the comments representative of these states are shown in Figure 3.

**Figure 3: How coaching is being used in organisations**



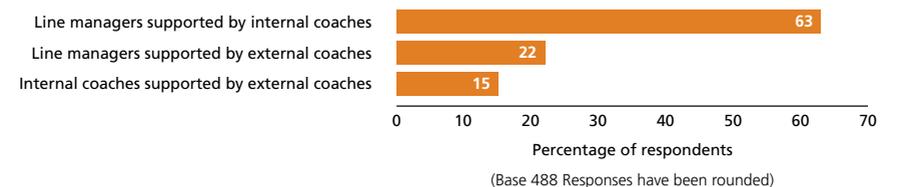
**Responsibility for coaching delivery**  
Our previous surveys on coaching have shown a marked trend towards coaching by line managers and specialist internal coaches. Our recent report, *Coaching at the Sharp End: The role of line managers in coaching* (Anderson et al 2009), examined and identified the behaviours and processes needed for effective line manager coaching. Our latest report suggests some ambiguity in terms of the nominal responsibility for coaching and the reality of coaching delivery.

When our survey respondents were asked, 'Who is responsible for coaching?' 37% indicated that line managers have the primary responsibility. Roughly a third report that specialist internal coaches are responsible. External coaches

were identified as the main deliverers of coaching in fewer than 15% of the responses. In reality, coaching is developed and delivered by different 'agents', both within and external to the organisation.

We wanted to gauge how coaching is delivered when different parties are involved. Figure 4 shows that 85% of respondents say that it is delivered by line managers with support from internal or external coaches. Thirty-seven per cent are using external coaches to support their internal resource. There is evidence from other sources that external consultants play a role in getting coaching off the ground, to a so-called 'tipping point' (see *Developing Coaching Capability in Organisations* (Knights and Poppleton 2008)). Generally, when coaching is introduced, external consultants help develop, deliver and usually undertake individual coaching for senior roles. The key issues therefore, as identified in our *Coaching at the Sharp End* report, is that line managers are increasingly being used as the load-bearers and deliverers of coaching with

**Figure 4: Co-delivery of coaching**



external consultants fulfilling the role of architects and designers of coaching.

The CIPD has been at the forefront of driving up standards in coach selection. Our *Coaching and Buying Coaching Services* guide (CIPD 2008a) (updated from the 2004 original) provides key guidance on coach selection. Given the importance of external coaching providers, we wanted to look into the coach selection process. Of the respondents who use external coaches, about a quarter select trained and accredited coaches through a formal tendering process. Fewer than 2% use assessment centres for coach selection. It's clear that the most widespread practice in coach selection is through ad hoc consultancy and the use of preferred providers.

From the 'other' category (where none of the options set out described practice), we obtained further examples of coach procurement. The NHS for example uses regional coaching pools, as do some local authorities and police forces. Other respondents rely on individuals to find their own coaches and some have no

knowledge of how coaches are selected and appointed. This may well be because much of the informal contracting would be between senior executives and coaches, with LTD firmly out of the loop. In those cases the benefits for the organisation may not be fully realised because coaching can be perceived as a standalone, almost furtive process. The costs involved in large-scale coach assessment and tendering may be beyond the resources of most organisations, but the tendency for people to engage coaches on an ad hoc and informal basis is still dominant.

### Accreditation

These issues were explored in some detail by the Corporate Research Forum:

*'Given the widespread concern among buyers of coaching services about the unregulated nature of the coaching industry and variable quality, the obvious answer has been for coaches to agree some standards. That process started in the 1990s, but has accelerated since 2001. However, this has not solved the problem, and has actually created new challenges.'* (Lambert 2008)

The need for coaches to be accredited and qualified with a recognised body like the European Mentoring and Coaching Council (EMCC) is expected to drive future coaching practice. However, the survey shows that this is not yet that widespread a practice. Around one-third of organisations insist on such credentials. This could mean that a lot of

unqualified coaches are being engaged or that organisations see the badge of professional membership as unnecessary. There could also be a lack of knowledge about the value of qualified coaches and whether they are any more effective or indeed add value. It's also likely that insisting on the selection of professionally qualified coaches could have a knock-on effect, with the same requirements being applied to internal coaches, who may currently have only one or two days, coach training. As the industry seeks to drive up coaching standards and the purchasers seek to extract better value out of coaching, this could be a major emerging issue.

### Internal coaches

Most organisations use internal coaches, whether line managers or the specialist internal coaches often used in larger companies. The selection process for these coaches is critical to the success of coaching programmes, so we delved into how these coaches are selected. We asked the respondents to select the two options they most use. Figure 5 shows that while a significant minority seek volunteers, most task line managers to deliver coaching. A small number provide a cadre of specialist coaches. We know from our *Developing Coaching Capability* research that many organisations, such as Orange, the BBC and the NHS, have competitive selection processes to appoint internal coaches. The larger number of organisations in this survey suggests that this process

is less common than that of tasking line managers with coaching responsibility. The implications for this were expressed by leading internal coach Martin Howe in our report *Latest Trends in Learning, Training and Development* (CIPD 2008b):

*'The easier choice of pathway at this crossroads is to remain in relative confusion, by tacking coaching on to an ever-growing list of line manager responsibilities, as if it were just another devolved HR function. The harder road leads to a clear, embedded, fully aligned strategy that deploys dedicated coaches to impregnate the entire organisational culture. It is the more difficult option because it involves engagement at every level and the commitment of resources to training internal coaches. It is sad, but hardly surprising then, that only a quarter of respondents formally write coaching into their learning and development strategy.'*

These comments suggest that LTD professionals are always involved in

coaching strategy. Sometimes, though, LTD practitioners have no part in the decision. This is especially the case when the process is in the domain of individual departments and perhaps an organisational development consultant. But LTD should be aware of the problem given coaching's importance as a learning and development intervention.

### Who gets the most coaching?

Over one-third reported that most coaching is available to all employees. We were interested to find out who receives most coaching in organisations in practice, since recent research, such as our *Fighting Back through Talent Innovation* (CIPD 2009c), suggests that those defined as top talent benefit more from coaching. Just under a fifth of respondents reported that high-potentials and others identified as 'top talent' receive the most coaching. About 12% reported that it is senior management and just fewer than 10% that it is primarily executives and those at board level. Just over 10% reported that coaching is focused mostly on line managers.

Figure 5: How are internal coaches selected and trained?



Figure 6: Other uses for coaching



### The purpose of coaching

Coaching is used for a variety of purposes. Leadership development was identified as the main purpose in 23% of organisations, while coaching is used for performance management in over two-fifths of respondent organisations. There is a perennial debate about whether coaching that is seen as ‘remedial’ and aimed mainly at poor performers is less productive. About a fifth of our respondents reported that coaching is used primarily for managing poor performance. Engagement is also being seen as an area where coaching can be used. Just fewer than 10% reported using coaching for this, and roughly the same number as part of a change management process. About 15% are using coaching primarily for talent and succession planning. Other uses for

coaching fall into the broad categories of developmental, performance and transitional.

### Coaching evaluation

In our *Learning and Development* survey report (CIPD 2009a), we sought to understand how coaching is evaluated within organisations. Two-fifths review objectives between the coach, line manager and coachee. Around a quarter reported that a ‘bilateral’ review involving only the coach and coachee is used at the start of the coaching assignment. Over a quarter use the ubiquitous 360-degree appraisal tool and about one-fifth use the ‘happy sheet’, or post-course evaluation form.

One of the challenges for LTD and indeed for HR in the current climate

of recession and retrenchment is to justify and promote the value of our interventions to the organisation. In our recent report, *Promoting the Value of Learning in Adversity* (CIPD 2009d), we explained the need for LTD to prove its value to the organisation. LTD needs a convincing narrative to explain how it contributes to the organisation. It also needs to be constantly aligned with the aims of the organisation and to show a compelling evidence base for the impact of interventions. In that report we coined the mnemonic RAM: **R**elevance, **A**lignment and **M**easurement. This advice applies to coaching. Often coaching is perceived as a ‘nice to have’ or a ‘visionary’ and even ‘fluffy’ activity whose value is opaque. These perceptions are damaging, but we invite them if we do not evaluate coaching consistently.

The good news from this survey is that the proportion who fail to evaluate at any level has fallen slightly and there seems to be better awareness of evaluation techniques and models. We asked how coaching is being evaluated. Of 511 respondents, those who develop evaluation criteria at the outset account for about 20%. Approximately 3% use return on investment (ROI) processes where an ongoing cost–benefit analysis is conducted. Twenty-two per cent evaluate coaching through improvements in key performance indicators (KPIs), such as retention rates, turnover, absence, and talent and succession criteria. Just under 8% use the hybrid technique

recommended by our research in 2007 with Portsmouth University (Anderson 2007), which is derived from an American practice known as ‘return on expectations’, or ROE. This is a process where desired changes and outcomes are specified and improvements recorded using a number of measurement techniques. Just over a fifth agreed with the statement that their evaluation practice is about looking for ‘stories and testimonies and did not bother much with measurement’. This means that nearly half are not measuring the value of coaching or are relying on methods which, used alone, tell us very little about the value coaching is delivering for the organisation. One respondent suggested that it is ‘absurd to even try to measure so abstract and evanescent an intervention as coaching’.

Some coaching practitioners and LTD specialists as well as some major academics share this view. They point to the transformative impact of coaching on individuals as evidence of its effectiveness. Individuals may well feel enriched, there may be a good ‘buzz’ about coaching, but in the current climate what does not get measured can be vulnerable to cuts. There is evidence of this in our recent report (CIPD 2009b). Coaching may – because it is a relatively low-cost intervention, especially when delivered internally – be better placed than other interventions, but its value needs to be explained.

**Practice pointers**

Coaching has been seen as a benefit to the individual but it also has considerable benefits to the organisation. At its core coaching is about awareness and responsibility. Employees who accept awareness and responsibility are better focused to deliver. Employees who are focused on goals, allied to the appraisal system and aligned to the organisational strategy can learn better, manage relationships better, be better team members and deliver better performance.

Coaching can also unleash the potential for innovation and adaptation needed in today's environment. Greater agility and responsiveness can be developed through coaching and mentoring. In essence, coaching builds human capital by strengthening the resource of both people and organisations. However, for coaching to deliver effectively for the individual and the organisation, the organisation must itself accept *awareness* and *responsibility* for coaching. For that to happen, several conditions need to be present: we call it OPRA.

**Ownership:** Coaching works best and delivers best when it is owned from the top of the organisation and its relevance and value is explained throughout. This means ensuring sponsorship at senior levels, involving the key managers in delivery and ensuring that coaching initiatives are aligned within the organisational context and strategy.

**Positioning:** Coaching needs to be properly positioned, defined and aligned. The organisation must develop a coherent explanation of what coaching is expected to deliver, the level at which it will take place, who will receive coaching and the purpose for which it is needed. The focus should be on the organisational benefits. This focus will also drive the individual benefits.

**Resourcing and procurement:**

Coaching should be appropriately resourced. The organisation must choose the level of coaching that it wants to implement and follow this through with appropriate training and development and a clear linkage to strategy and systems such as performance management. The time and cost demands of coaching should be properly assessed and 'make' or buy decisions taken on how coaching will be procured, designed and delivered.

**Assessment and evaluation:**

Coaching should be constantly and systematically evaluated. This should occur at the start process using a variety of methods, from rigorous measurement to stories and testimony. Valid evaluation is paramount. The absence of systematic evaluation could be taken as evidence of the absence of impact.

Our summer 2009 survey on coaching indicates that coaching is in relatively good health. Coaching continues in organisations at a high level. The expenditure on coaching is either increasing or remaining the same, with only a small fall in expenditure. Coaching is increasingly being used for performance management, change and leadership development, as well as talent management and employee engagement. The delivery of coaching is increasingly undertaken by line managers supported by external coaching consultants, who provide the design and development capability. A minority of coaching buyers are seeking coaches with professional qualifications and most are buying services from previous providers

through less formal and more ad hoc systems than the tendering seen in other forms of provision. The evaluation of coaching betrays a patchwork of practice with a small minority using return on investment criteria and other forms of comprehensive evaluation, though many more are linking coaching to KPIs and other business metrics.

Overall coaching has proved resistant, even vibrant. But expenditure has held up and it is becoming more embedded. In organisations the challenge is to prove its lasting value. In the CIPD's view, only when coaching is seen through from conception to evaluation will we get there.

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