HDA Executive Coaching Survey Results 2010

HDA is a Human capital consultancy that has worked in the area of coaching for 15 years, developing a reputation for a highly successful, outcomes-focused approach to achieving objectives. As part of our sustained commitment to refining and developing our coaching capability we recently undertook a detailed survey, incorporating views from across a broad sector base, to measure opinions surrounding executive coaching.

Current trends indicate that coaching remains a valuable tool for developing leaders at all levels in spite of (or perhaps even more importantly during) the down turn in the economy – but what does this actually mean in reality? What are organisations doing differently? How has coaching been impacted? What return on investment can individuals and the business expect? This brief report outlines the findings of the 2010 HDA Executive Coaching Survey, which goes some way towards answering these questions.

Headlines and major trends...

- **97%** of organisations believe that executive coaching impacts positively on business performance. This has risen 10% since the 2008 HDA Survey.

- **97%** of respondents believe that coaching enhances the ease with which changes are accepted and implemented.

- Individual and/or team performance improvement was rated as the main business benefit observed from executive coaching.

- Over **70%** of organisations surveyed offer coaching to employees at all levels – this has increased by 24% since 2008. Where coaching is offered only to certain levels, they tend to be the senior management team, directors or high potentials.

- The majority of those responding (97%) are looking for value for money and experienced coaches in their coaching provider.

- **88%** of organisations state that executive coaching provides value for money. This is down 6% on the 2008 HDA Survey results.

- **94%** of organisations offer face-to-face rather than online/telephonic coaching.

- A growing number of Line Managers are acting as coaches within organisations.
Key Demographics:

Industries:
Responding organisations came from various industries, including financial services, Public Sector, professional services, retail, construction and engineering, energy and defence, aerospace, manufacturing, IT and media.

Organisation Size:
Responding organisations range in size from <100 employees to over 50,000 employees. The largest number of responses (21%) came from those organisations with either 101-500 employees or those with between 10000-50000 employees.

Locations:
Over half of the organisations that responded have Global or International offices. The remaining responses came from organisations with offices within the UK – either Southern, Northern or nationwide.

Who receives coaching?

Just over half (58%) of responding organisations offer coaching to their employees. This is down 36% since 2008. Where coaching is offered, 70% of organisations offer to employees at all levels, while the remaining organisations tend to offer coaching to senior executives or high potential employees only.

Line Managers operate as coaches in over 67% of organisations surveyed. However, as we found in 2008 very few organisations have a formal coaching structure in place for these Line Managers to operate within. Albeit that a small proportion of those responding have plans in place to develop and implement frameworks in 2010.

Has the Recession Impacted Coaching?

Responding organisations seem to have mixed views as to the impact of the downturn on the provision of coaching. The majority of organisations feel that the downturn has not impacted how they provide coaching within their organisations. A significant proportion view coaching as more valuable than ever as it is seen as ‘a cost effective means of delivering results’. For example, one respondent noted that “With recruitment freezes in place, coaching has enabled teams to look at different options to grow their business without recruiting new people.” These organisations are placing more emphasis on coaching as an alternative to formal, paid-for training courses as means of retaining and engaging talent in order to drive the business forward. In contrast, 20% of organisations have cut back on coaching as a result of the downturn. Financial constraints have forced these organisations to minimise the use of coaching and indeed any significant learning and development programmes over the last 18 months.
Why is coaching offered?

It would appear that there is a trend towards offering coaching on a reactive basis – for e.g. where a skills gap exists or where there is a specific skills requirement – with over 55% of the organisations offering coaching, doing so on this basis. Since the 2008 survey organisations are increasingly beginning to recognise the tangible business benefits coaching can bring; with 24% of organisations employing coaching for various reasons, including: Reducing a skills gap, a dictate from above, a tool to motivate and engage staff, or even as part of a package to attract new talent.

What are the Benefits?

“What business benefits has coaching delivered?”

The results of this survey reaffirm that coaching delivers significant business benefits to the organisation, while also providing value for money. In fact in terms of broad business benefits, over 97% of organisations surveyed believe that executive coaching impacts positively on business performance and enhances the ease with which any changes are accepted and implemented. It also appears (76% of respondents) that offering executive coaching to employees is an important component of building a successful employer brand. These findings are consistent with previous research which indicates that coaching can be a powerful factor in improving both individual and business performance (Consulting to Management, 2002; The Business Journal, 2003; Psychology Today, 2003; CIPD 2008; HDA, 2008).

When asked about more specific benefits that are realised through coaching, over 60% of the organisations believe that individual and/or team performance can be improved as a result of coaching. In addition, over 12% of organisations are of the view that coaching is a useful means of supporting those managers that are technically skilled but do not possess the required skills be an effective leader.
“What has the coachee gained through coaching?”

As expected, the individual being coached has the opportunity to gain considerably through the experience. Almost half of respondents believe that the greatest benefit to individuals is that they obtain a sense of achievement through the completion of a coaching programme. It motivates and engages them and drives them to succeed within the organisation; overcoming obstacles that were previously holding them back. The coachee also appears to benefit by having access to a trusted sounding board to bounce ideas off.

**Trends in coaching programmes**

As part of the 2010 survey we were keen to establish whether there is a trend in the type of coaching provided in terms of length of programme or face to face versus telephonic support. It would appear that the majority of coaching programmes offered are delivered face-to-face over a period of between 3 and 6 months; with the length of programme correlating to level within the organisation for up to 82% of organisations.
Choosing a coaching provider...

When asked what factors would influence their decision in choosing a coaching provider, 97% respondents stated that the experience of the coaches and value for money were important. In addition, 94% stated that excellent client feedback and testimonials would be a factor that they would consider when choosing a coaching provider. The qualifications that the coaches possess and whether they are supervised were also important to 88% of those responding. Less important factors were the provision of online services to support face to face coaching session and specific knowledge of the industry.

Measuring Success...

With organisations becoming increasingly concerned with understanding the return on investment from coaching programmes it is reassuring to note that over half of those responding have a formal process in place for determining effectiveness and measuring success. However, consistent with recent CIPD findings, our survey indicates that a small proportion of respondents use anecdotal evidence from those being coached or feedback from line managers as a means of measuring success.

While this can be an effective means of measuring success it is also highly subjective and it would be beneficial for organisations to combine this method of analysis with a more formal approach, such as setting measurable objectives to be reviewed or incorporating assessments (for e.g. 360 degree) into the process. Worryingly, over 30% of organisations do not have an approach to monitoring the results or value of coaching undertaken within their organisation. With a global spend on coaching estimated at over $2bn (Pennington, 2009), it is hard to believe that these business leaders do not demand to see a tangible return on investment from coaching.
Summary

The use of executive coaching is becoming increasingly common and this is only set to continue. As the results of this survey confirm, it is widely recognised that coaching can be a key factor in enabling individuals to improve their performance which in turn can lead to improved business performance. Alongside improved individual and business performance, coaching offers the organisation a ‘value for money’ means of attracting, engaging and retaining key talent. However in order to fully realise the benefits of coaching within your organisation, it is imperative that HR implement a formal process of monitoring success and measuring return on investment.

For more information on any of the above or to understand how HDA can add value to your organisation through coaching, please contact Melissa Gallagher, Client Partner & Project Manager – mag@hda.co.uk / 0207 484 5065