

A CCL Research White Paper

Creating Coaching Cultures: What Business Leaders Expect and Strategies to Get There

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Creating Coaching Cultures



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Executive Summary

This benchmark study is the result of a partnership between Cylient and The Center for Creative Leadership that gives voice to 347 leaders regarding the trends for utilizing coaching in organizations. While the strong trend toward growth in coaching continues across a wide base of industries, the variety of ways in which coaching is being used also seems to be expanding. In addition to individual coaching – which continues to be focused more on high-potential leaders than just on derailing leaders – coaching skills workshops, team and group coaching and coach-to-coach mentoring are emerging as additional coaching activities that organizations use as they expand the use of coaching.

Senior leaders in non-human resource functions represented 80% of the survey population so the voice of the business is clearly being heard, and for most of these leaders, creating coaching cultures is top-of-mind. The surveyed leaders believed that seismic shifts in their organizations' performance are possible if coaching is ingrained in their culture. The leaders believe that a coaching culture increases focus on developing others and managing performance; increases sharing and utilization of knowledge; leads to more participative and transparent decision-making; and makes learning and development a top priority.

The effective management of coaching as a strategic initiative appears to be lagging as coaching needs to be more fully integrated with talent management and other leadership-development initiatives. The expectations for what coaching can deliver still exceed what is being achieved. When leaders were asked what outcomes they expected from coaching and how effectively these outcomes were being realized, wide gaps emerged. Creating coaching cultures requires a new approach to change, and the leaders identified five key strategies to achieve the desired end:

1. Seed the organization with leaders and managers who can role-model coaching approaches.
2. Link coaching outcomes to success of the business. Develop a competency model with strategic coaching goals, tactics and measures around coaching behavior.
3. Coach senior leadership teams in creating culture change. Over twice as many leaders wanted team coaching as those who said they were receiving team coaching.
4. Recognize and reward coaching-culture behaviors. Highlight role models and the positive outcomes produced by these new behaviors.
5. Integrate coaching with other people-management processes.

The results of this study indicate that leaders are confident that coaching cultures benefit the business in ways that include: increasing employee engagement, job satisfaction, morale, collaboration and teamwork. Yet, these same leaders recognize that their organizations may be out of step in their current use of coaching compared with the potential of coaching. The outcomes and benefits of coaching cultures identified by the leaders in this

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study provide encouragement that the rewards for achieving these cultures will be well worth the investment. Assisting senior leaders and their teams to develop coaching skills, weaving these into an overall talent-management strategy, measuring the business impact and driving coaching deeper into the organization all represent rich opportunities for realizing the full potential that coaching offers.

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Cylient is a professional services firm that offers coaching-based leadership development, culture change and MetrixGlobal® evaluation services.

The Center for Creative Leadership is a nonprofit education and research organization whose mission is to advance the understanding, practice and development of leadership for the benefit of society worldwide.



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Introduction

A company's culture can exert a powerful influence on the company's business performance. By "culture" we mean the organization's unwritten rules, values, norms, behaviors and other practices that collectively define how work gets done. Many organizations have attempted to change their culture in order to better meet the demands for improved talent management in a more complex, diverse and global business environment.

One such example was recently reported at Caterpillar, Inc., the Peoria, IL-based manufacturer of heavy equipment (Anderson, et al., 2008). Operating in more than 70 countries, one of Caterpillar's business units, the North American Commercial Division (NACD), needed to change its culture to be a "customer-centric culture of service." While the NACD leaders embarked on their cultural journey, they clearly articulated where they wanted to take the organization, which was well-received by employees and service partners. However, they were less clear on how they would get there. A comprehensive team-coaching initiative was launched, and over the course of almost two years, demonstrated progress was made on creating the new culture of service. NACD leaders were effectively coaching their organization, embracing and being role models for new ways of working. Ingraining coaching into their culture produced business results, including a measureable increase in employee engagement.

This example highlights two important developments regarding the practice of coaching. First, coaching has moved beyond just being used to develop individual leaders. In-the-moment team coaching, group coaching, coach mentoring, coaching-skills workshops and other coaching-based approaches are being used in comprehensive change initiatives. Second, these initiatives are becoming increasingly strategic in nature. In the Caterpillar example, the coaching-based initiative was launched to change the culture in some very important and strategic ways.

The Caterpillar experience – and our experience with other organizations – suggests that creating coaching cultures holds the promise to achieve strategic objectives and improve business results. The purpose of this study was to first examine the practice of coaching – how it is expected to grow and evolve – and then learn from business leaders what they expect from ingraining coaching into their companies' cultures and strategies they suggest to get there.

The Survey Population

An invitation to participate in a Web-based survey was e-mailed to approximately 3,400 leaders drawn from the CCL database. Names were drawn based on titles: Those with C-suite titles, senior vice president or other titles indicating a senior position were included in the survey population. The e-mail invitation contained a link to the survey, which made it easy for leaders to participate. A total of 347 leaders responded, for a response rate of 10.2%. Leaders of a non-human resources function accounted for 79% of the population. Leaders of an HR function (including organization development, leadership development,

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training and development and coaching) accounted for 18%, while individual contributors accounted for 3% of the survey population. The data collection was concluded in September 2008.

Respondents were further asked to define their role with regard to coaching: 84% informally coach others as opportunities arise, while 13% have a part-time role of coaching others who are not their direct reports, 2% have a full-time coaching role, and 1% does not coach at all.

The respondents came from a broad range of industries:

Manufacturing	9.6%
Food, beverage and tobacco	9.2%
Financial services	7.3%
Nonprofit	7.3%
Health products and services	6.5%
Government	6.5%
Pharmaceuticals	6.2%
22 other industries made up the remainder of the respondents.	

The respondents' organizations had an employee base that was fairly evenly distributed by size:

Under 1,000 employees	36%
1000 to 5,000	30%
Over 5,000	34%

Growth of Coaching Expected to Continue

The first set of questions was designed to understand the trends for utilizing coaching in organizations. Coaching was more broadly defined than just one-on-one coaching relationships to include, coaching-skills training, team and group coaching, and coach-to-coach mentoring.

Comparing 2007 with 2008

The respondents were asked if their organizations did more coaching, less coaching or about the same level of coaching in 2008 than in 2007. The results are shown in Figure 1. Forty percent said that their organizations did more coaching in 2008 than in 2007, while only 10% said that they did less. The remainder did about the same level of coaching (39%) or did not do coaching at all (10%). Those who indicated that their organization does no coaching were routed to the demographics questions at the back of the survey. (Note that rounding may create a set of values that do not add up to 100%.)

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This is the third consecutive year in which Merrill Anderson has been the principal researcher for industry benchmark coaching surveys. The first two surveys, conducted in 2006 and 2007 with Linkage, Inc., also explored how coaching was expected to be utilized in organizations (Anderson, et al., 2006) (Anderson, et al., 2007).

The findings of these earlier two studies are referenced in Table 1 along with the findings from the present study, although it should be noted that the survey population of the present study differed from the two previous studies. In those first two studies, over half of the respondents were from a human resources function, including training and development, leadership development, etc., while fewer than 15% were leaders in a line business or non-HR function. The remainder were individual contributors, consultants or in other roles. In the present study, the two main functional affiliations were flipped: 79% of respondents were from a line business while 18% were human resources-related.

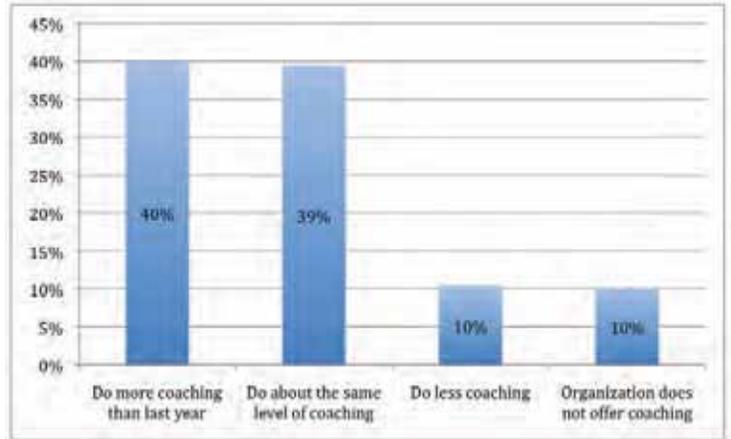


Figure 1
The percent of respondents comparing the level of coaching in 2007 to the expected level of coaching in 2008

Overall, Table 1 shows that the coaching-utilization estimates across the three years are fairly similar, with at least a 4 to 1 margin for those organizations doing more coaching than in the previous year to those doing less. This finding underscores the tremendous growth in coaching across a wide base of industries.

Table 1
Estimates of the Utilization of Coaching

	2006	2007	2008
More coaching	48%	44%	40%
About the same	38%	19%	39%
Less coaching	4%	9%	10%
Did no coaching	10%	18%	10%

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Outlook for 2009

The respondents were then asked about the level of coaching they expected to see in their organizations in 2009. Looking at these results in Figure 2 suggests that the level of coaching will continue to increase this year. Over half (53%) of the respondents said they expected their organizations to do more coaching in 2009 than in 2008, while only 4% said they expected less coaching. The remainder (42%) said that the level of coaching would stay about the same.

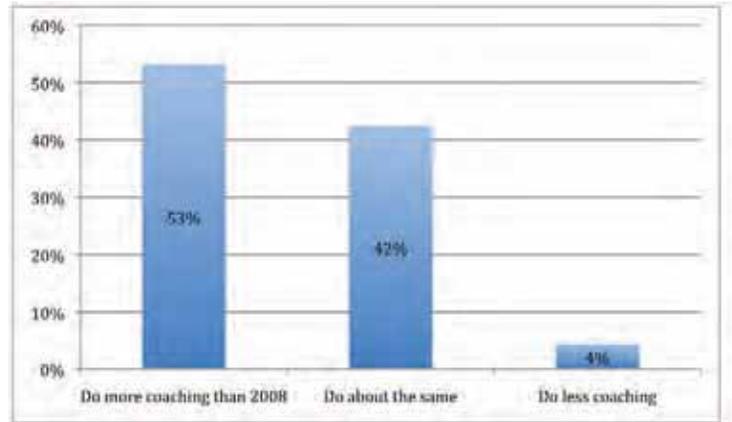


Figure 2
The percent of respondents comparing the expected level of coaching in 2009 to the expected level of coaching in 2008

A Wide Variety of Coaching Activities is Emerging

The coaching profession began as a development process primarily for senior leaders, and according to 43% of the respondents, noted in Figure 3, this remains the case. The prevalence of individual coaching drops as we look lower in the organization. Mid-level managers receive coaching according to 28% of the respondents, and the utilization of coaching drops to 20% for front-line supervisors.

Factoring individual performance into the decision of who gets coached is also prevalent. High-potential leaders receive coaching, according to 57% of the respondents, while derailing leaders and managers receive coaching in 31% of the respondents' organizations.

As organizations expand the use of coaching, the variety of ways in which coaching is utilized also seems to be expanding. (Field, 2007). Other coaching activities, in addition to individual coaching, are emerging. Coaching-skills workshops are conducted in 29% of the organizations, team or group coaching in 20% and coach-to-coach mentoring is conducted in 6% of the organizations.



Figure 3
The percent of respondents who identified coaching activities currently being performed in their organizations

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Wide Gaps Remain Between What Leaders Expect From Coaching and What's Been Achieved

Talent Management and Leadership Development

Coaching often serves as a stand-alone strategy for developing leaders or as one of several fundamental building blocks within leadership development programs (Hernez-Broome and Hughes, 2004). As coaching expands in both its utilization and in the variety of ways in which it is used, integrating it with other developmental processes is critical. This is especially the case if coaching approaches are expected to be a foundation for corporate culture. Integrating coaching with talent-management processes such as selection, staffing and succession ensures that people who are hired and promoted are role models for the coaching culture. Integrating coaching with leadership development ensures that leaders have the required developmental experiences to incorporate coaching approaches into their leadership styles.

Figure 4 reveals that leaders believe their respective organizations are falling short of integrating coaching with talent management and leadership development. While the leaders feel that this integration is extremely important (30% and 26%), few believe their organizations are extremely effective at doing so (3% and 7%).

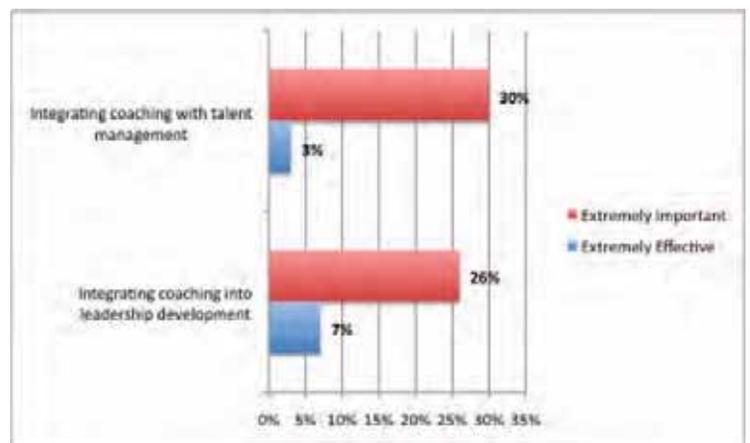


Figure 4
The percent of respondents who think integrating coaching into talent management and leadership development are extremely important and the percent who think their organizations are extremely effective in doing so

Progress on Achieving Coaching Outcomes

Figure 5 presents the respondents' views on the importance and effectiveness of four coaching outcomes. According to 29% of the respondents, making coaching a part of the company culture is extremely important, while only 6% say that their organization is extremely effective at doing so. They voiced a similar assessment for developing a coaching-based leadership style (30% important; 6% effective).

Less important for the respondents were leaders becoming formal coaches (13%) and developing a cadre of internal coaches (13%). Effectiveness was also rated low for these two outcomes (3% and 2%, respectively). The respondents seem to be saying that while it's important for coaching to be

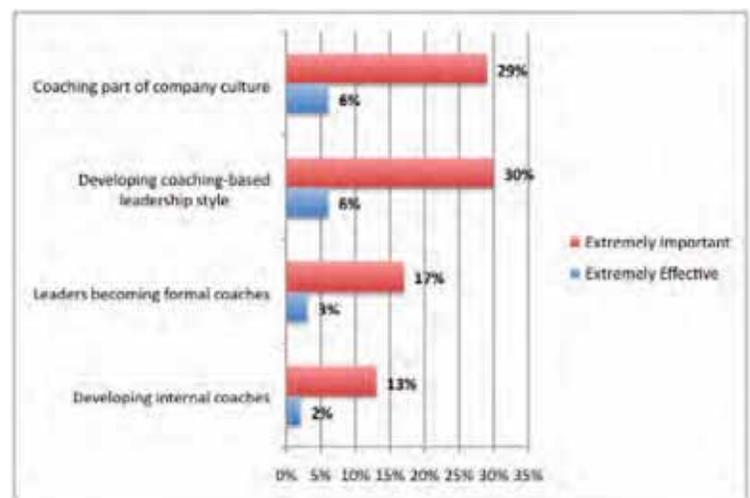


Figure 5
The percent of respondents who think these coaching outcomes are extremely important and the percent who feel their organizations are extremely effective in achieving these outcomes

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an integral part of the culture and their leadership style, it's less important for the organization to develop formal coaches.

Business Value

When initiatives to create coaching cultures are viewed as business initiatives rather than as just learning and development initiatives, continued investment and senior-leader support are strengthened and sustained (Anderson, 2004). Leaders are more likely to “stay the course” with initiatives that hold the promise to produce business results.

According to Figure 6, 22% of the respondents felt it was extremely important for coaching initiatives to demonstrate business value, and 29% felt it was extremely important to link coaching outcomes to business outcomes. Only 3% felt that their organizations were extremely effective at doing so.

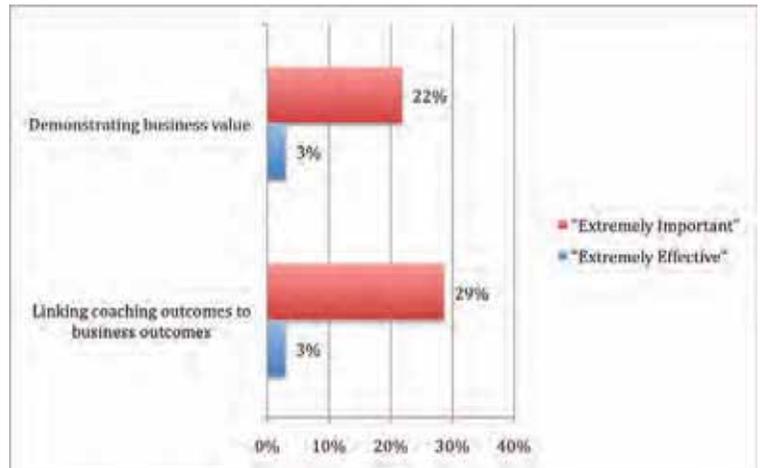


Figure 6
The percent of respondents who think having coaching demonstrate business value and linking coaching to the business are extremely important and the percent who feel their organizations are extremely effective in doing so

This suggests that those who design and deploy coaching-culture initiatives need to build a credible business case for those initiatives that clearly link to the key business outcomes of the organization. Given that most of the respondents are line-business leaders, it would appear that these efforts would be most welcomed.

Leaders Expect Profound and Positive Change from Coaching Cultures

The respondents were asked to describe in their own words the current culture of their respective organizations. “Culture” was defined as the organization’s unwritten rules, values, norms, behaviors and other practices that collectively define how work gets done. The responses were fairly evenly divided between those who described their cultures in positive terms (39%) and negative terms (37%) with about a quarter (24%) of the respondents describing their cultures as in transition.

Current Culture Described in Positive Terms

Respondents who described their cultures in mostly positive terms often referred to *team orientation, empowerment and effective communications*. The following comments were typical:

“Our culture is team-oriented and one of openness and innovation supported by accountability. Reasonable risk-taking is encouraged. Mistakes are accepted as a price for success. Individual and team performance is valued and rewarded. Organization success and rewards are shared among the members.”

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"Our culture is getting healthier through a major strategic push to improve communications (listening as well as imparting information). Doing better at inviting creativity and participation. Rewarding "out-of-the-box" ideas. Much stronger emphasis on developing the managers to be better coaches, talent scouts, delegators and listeners."

"Our culture is transparent and empowering with the employees working towards well-defined company goals."

Current Culture Described in Negative Terms

Respondents who described their cultures in mostly negative terms often faulted decision-making and disconnects between what senior leaders say and what they do or reward. The following comments were typical:

"Every decision can be challenged and overridden by any higher manager, which is often done. Very little rationale is given, and it's done behind closed doors. Training is almost nonexistent except for the school of hard knocks. Some years it gets emphasis but is the second thing that's shut down if the numbers have to be met."

"Top-down management: We are told we can be open and express ideas, but it seems as though the decisions are made before the input is given. A person can't be as candid as one might like to be without fear of retribution."

"Paternalistic, hierarchical, old school, old boys' club, inwardly-focused, undisciplined, soft. Knowledge is power."

Current Culture Described as Being in Transition

"Our culture is in transition and evolving just as our leadership team is in transition ... we are moving from a tighter, siloed organization to a more collaborative and transparent organization."

"Expressed values are egalitarian and employee-focused, but values in action reflect long-standing barriers caused by silos and a lack of leadership development in those who are now senior managers. We are creating a cultural shift towards placing increasing value on, and action towards, employee development and coaching. I would anticipate continued improvement in the development of a coaching leadership culture."

"We believe that senior management must drive decisions, but everyone should be able to then challenge them. We desire that decisions be driven from the bottom up, not the top down. We are struggling with how to make that happen."

Expected Changes From Achieving a Coaching Culture

Respondents were asked to further describe their company's culture according to a series of attributes. They then were asked to describe what a coaching culture would look like in their company. Contrasting the two sets of responses enables us to determine how the respondents believed that achieving a coaching culture would impact

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each cultural attribute. Figure 7 presents these results (note that a positive value means that the respondents expect the cultural characteristic to *increase*, while a negative value means that the respondents expect the cultural characteristic to *decrease*.)

The respondents believed that some seismic shifts in their respective cultures were possible.

- Achieving a coaching culture would increase how leaders actively contribute to the development of others (36%) and how they routinely review and manage people's performance (32%).
- Knowledge would be widely shared and utilized (31%) as opposed to information being controlled and viewed as a source of power (6%).
- Decision-making would be open, participative and transparent (28%) in a climate of trust and openness that would permeate the organization, as opposed to harboring silos that limit cross-functional collaboration (4%).
- Learning and development would be viewed as a top priority (27%) where innovation is valued and supported (10%).
- Coaching cultures are those in which "making the numbers" is no longer paramount (16%).

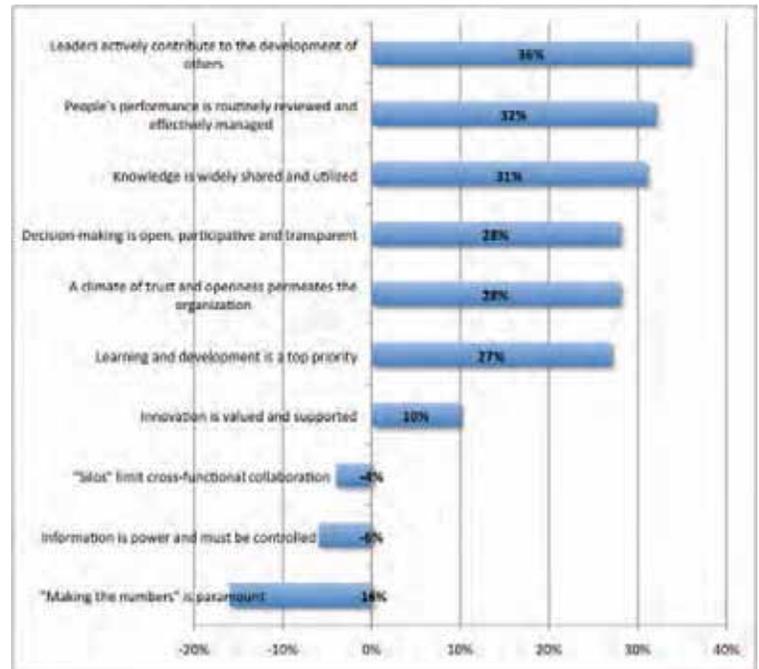


Figure 7
The percent of respondents who believe that achieving a coaching culture will impact each cultural attribute; increasing some attributes (on the right side of "0%") and decreasing other attributes (on the left side)

The respondents were asked to describe in their own words what ingraining coaching in their organizations would look like. Forty-eight respondents offered descriptions that mostly amplified their previous responses, although several added that coaching cultures would be higher-performing and more successful. Representative comments included:

"I believe that the organization will be able to realize its full potential and the market position it deserves rather than where it is today."

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"We would be a culture that aims at 'growing' people for sustainable business results."

"An organization with clear values and norms around our mission where everyone is coached in their strengths and expected to contribute to the excellence of service."

Leaders Identified Strategies to Achieve Coaching Cultures

Changing the culture of an organization is a daunting task. The respondents – 80% of whom were senior leaders – were asked how a series of coaching activities could best contribute to achieving a coaching culture. Specifically, the respondents were presented with ten activities and asked to select the five that would most contribute to achieving a coaching culture. These results are presented in Figure 8. Five themes emerged from their responses:

1. "Seed" the organization with leaders and managers who can role-model coaching approaches.

Developing strategies to change a company's culture soon leads to confronting the issue of scale. Specifically, how can a sufficient number of people in the organization gain the learning experiences they need in order to initiate, grow and sustain culture change? The key to addressing this issue of scale is to select the right people, invest in their development and position them as role models for the new coaching culture. In turn, as these people coach others, those who are coached will place special emphasis on utilizing and improving their own coaching capabilities (Hernez-Broome, 2002; Frankovelgia and Martineau, 2006).

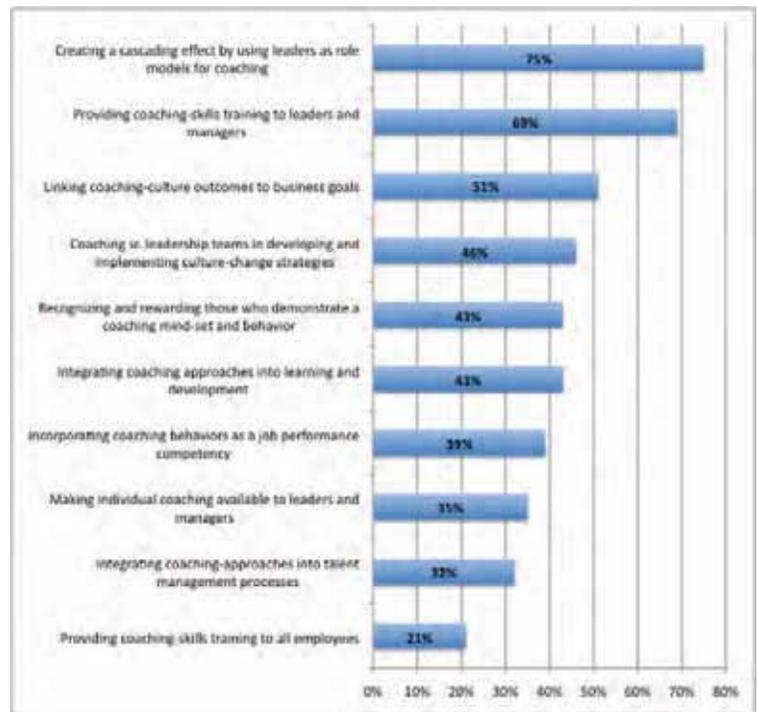


Figure 8
The percent of respondents who believe that each coaching activity can contribute to achieving a coaching culture

The respondents recommended creating a cascading effect by using leaders as role models for coaching (75% selecting this activity) and providing them with coaching-skills training (69%).

The key is to make this training available on a selected basis, and not necessarily to provide coaching-skills training to all employees (21%). This approach effectively deals with the issue of scale. Training all employees would be time-consuming and expensive. Whereas, focusing the training on leaders and selected managers and

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then having them be role models and cascade coaching behaviors throughout the organization ensures maximum return on investment and leverages scale to an advantage.

About one-third (35%) of the respondents selected individual coaching for leaders and managers as a top-five activity. It seems that *training leaders and managers to be coaches* rather than *being coached* was much preferred by the respondents.

2. Link coaching outcomes to the business.

Linking coaching culture outcomes to business goals was recommended by half (51%) of the respondents. This finding reinforces what we learned earlier about the gap between the importance and effectiveness of demonstrating the business value of coaching and linking coaching outcomes to business outcomes (Figure 6). While it is viewed as extremely important to do so, 97% of the respondents' organizations were not viewed as being effective at doing so. This gap represents a major opportunity for those who desire to create coaching cultures.

One respondent suggested that "strategic goals and tactics be developed around coaching and specific performance metrics be developed for coaching behaviors," as might be found in a competency model, thus further linking business outcomes to individual coaching outcomes.

3. Coach senior leadership teams in creating culture change.

Almost half (46%) of the respondents recommended having their leadership teams receive coaching on how to create culture change. Earlier (Figure 3), we learned that only 20% of the respondents indicated that team or group coaching was being done. This may represent another potential gap in what is needed to create culture change vs. what is currently being done. Closing this gap is important because teams whose members focus on providing each other timely feedback, learning together and building upon their interdependent strengths typically show greater capacity to achieve organizational improvement than teams who do not follow these practices.

4. Recognize and reward coaching-culture behaviors.

Once the behavior change kicks in, it is important to reinforce the change to increase its sustainability. Forty-three percent of the respondents ranked this activity among their top five choices.

5. Integrate coaching with other people-management processes.

Institutionalizing the change is critical for sustainability. Coaching approaches and behaviors must be integrated with the appropriate people processes so that these become a natural way of doing business. The respondents felt it was important to integrate coaching approaches into learning and development (43%), job-competency models (39%) and talent-management processes (32%).

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The New Strategy Represents a Shift in How Coaching is Currently Being Utilized by the Respondents' Organizations

The five strategic themes for creating a coaching culture seem out-of-phase with how coaching is currently being utilized in the respondents' organizations. These five themes emphasize leaders being role models for change, with leadership teams being coached in the change process and coaching-skills training being offered to leaders and managers.

Referring back to Figure 3, the current application of coaching places stronger emphasis on individual coaching – much of it focused on high-potential and derailing leaders and managers – than on training, team coaching and mentoring. When the respondents were asked (Figure 5) about coaching being a part of their company culture, 29% said it was extremely important and only 6% said that their organization was extremely effective at doing so. It seems reasonable to draw from these data that most organizations discussed in this study are not effectively integrating coaching into their respective cultures. Should this become a priority (and the purpose and expectations for doing so are clear), then some major shifts in how coaching is utilized appear to be in order.

Challenges to Creating Coaching Cultures

The respondents were each asked to identify challenges to creating a coaching culture in their organizations. These results are presented in Figure 9. Each of these challenges was organized into three themes and will be discussed along with some possibilities for addressing the challenges.

1. Three of the four top challenges (identified by over half of the respondents) dealt with the purpose and approach for creating cultures:

- *The purpose and expectations regarding a coaching culture are unclear, according to 60% of the respondents.* Collectively, the respondents painted a compelling picture of what a coaching culture would represent, e.g., higher trust and openness with more emphasis on learning and knowledge-sharing (Figure 7). One way of addressing this challenge may be for senior leadership teams to engage each other in dialogue regarding their expectations for becoming a coaching culture. Being more purposeful about creating a coaching culture will open up possibilities for linking this culture to the business.

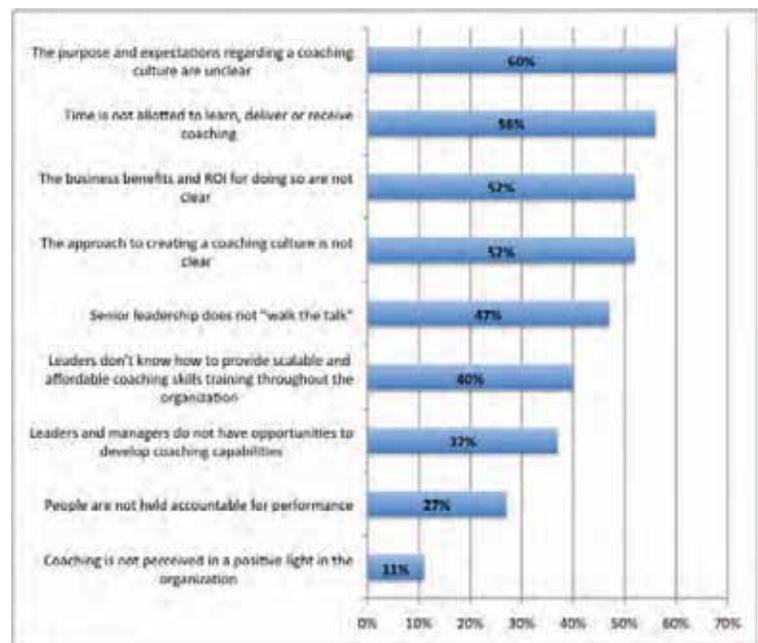


Figure 9
The percent of respondents who cited each area as a major challenge to creating coaching cultures

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- *The business benefits and ROI are not clear for coaching cultures (52%).* Earlier we learned (Figure 6) that while demonstrating the business value of coaching and linking coaching outcomes to business outcomes were important, the organizations were not effective at doing so. Leadership teams that set the purpose, expectations and outcomes for coaching may consider the next step of developing an evaluation strategy to measure and better manage the culture-change process. This strategy could include business metrics and analysis to demonstrate the return on the investment in the culture-change effort.
- *The approach to create a coaching culture is not clear (52%).* In the previous section, we learned that the way coaching is currently utilized is not viewed by the respondents as the most effective approach to create a coaching culture. The five strategic themes that emerged from Figure 8 may represent an effective approach for moving forward. Leadership teams may find it useful to review these themes and adjust how coaching activities are being utilized.

2. Leaders and managers lack learning opportunities:

- *Time is not allotted to learn, deliver or receive coaching, according to 56% of the respondents.* In part, this lack of time may reflect learning and coaching not being a top priority. Setting the course for creating a coaching culture and explicitly making the links to the business will likely shift priorities and increase the time for learning. The respondents indicated (in Figure 7) that one of the larger shifts created by a coaching culture was that learning and development would be a top priority (27%).
- *Leaders and managers do not have opportunities to develop coaching capabilities (37%).* In the previous section it was noted that a stronger shift to offering coaching-skills training would have to be made to achieve coaching-culture outcomes. The challenge with increasing the training is how to effectively deal with the issue of scale.
- *The respondents indicated that their organizations did not know how to provide scalable and affordable coaching-skills training throughout their organizations (40%).* Not successfully addressing this issue may account for the relatively lower use of coaching-skills training (Figure 3) in spite of this training being viewed as an important contributor to culture change, especially for leaders and managers. Training all employees was pretty much ruled out (Figure 8).

The five strategic themes offer a way of addressing the issue of scale: Be selective in how leaders and managers are trained in coaching skills – seed the organization, cascade their influence to others, provide team coaching and mentoring – all against the backdrop of a clear purpose and expectations.

3. The respondents identified three cultural barriers in their organizations.

- *Senior leadership does not “walk the talk,” according to 47% of the respondents.* This finding is somewhat surprising, given that most of the respondents are senior leaders. However, it does suggest that should senior leaders decide to embark on culture change, many in the organization would meet this new direction with

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some skepticism. This underscores the importance of establishing the senior leaders as role models for change. They must embody the change and truly integrate coaching approaches into their leadership styles in order for others in the organization to accept and embrace coaching as an integral part of their culture.

- *People are not held accountable for performance (27%).* This is an issue not just for coaching and should be addressed to improve general personal and business performance. One way of addressing this accountability issue for creating coaching cultures is by linking coaching outcomes to business outcomes (where we learned in Figure 6 a gap existed) and evaluating progress on these outcomes. Assigning clear responsibilities for achieving these outcomes and periodically tracking the progress will reinforce the accountabilities for success.
- *Coaching is not perceived in a positive light in the organization (11%).* While this percentage is low, it still represents a barrier for many organizations. This may be due in part to the fact that, for 31% of the respondents' organizations, coaching is used for derailing leaders and managers. In these organizations it may be that being identified as a candidate for coaching suggests that a serious performance issue has been detected.

Coaching is Expected to Impact a Broad Range of Intangible Benefits

The respondents were asked about how they thought that coaching would impact the organization according to ten intangible benefits. These results are presented in Figure 10. At first blush, it's clear that coaching is expected to have a high impact across all of the intangibles (42-to-67% high impact) with all but two of these selected by more than 50% of the respondents.

Topping the list was increased employee engagement (67%) followed closely by increased job satisfaction and morale (62%). Given the importance and emphasis being placed on engagement across corporations and government organizations, coaching promises to make strong contributions to increasing employee engagement.

Increasing collaboration and teamwork (both 58%) are also expected to be impacted by coaching. Earlier in this report, leaders who described their organizations as in transition pointed to the breaking down of silos as an important part of the transition. Coaching positively impacting collaboration and teamwork would presumably contribute to this transition.

Earlier we learned (in Figure 3) that more respondents (57%) identified coaching high potentials as the most prevalent coaching activity. This kind of coaching presumably would contribute to increasing the bench strength of leadership, on which 57% of the respondents said that coaching would have a high impact. Of course, keeping the bench in place by retaining these leaders is important, and 45% of the respondents said that coaching would have a high impact on retention.

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Organizational climate is also expected to be impacted by coaching. Overall, working relationships will be improved and there will be an increased sense of organizational community. These findings track with how the respondents believe a coaching culture would contribute to a climate of trust and openness (Figure 7).

According to the respondents, coaching would also improve people's ability to execute strategy (52%) and be more adaptable to change (42%). Thus, as an organization increasingly becomes a coaching culture, its capability to execute increases, which presumably would contribute further to achieving a coaching culture.

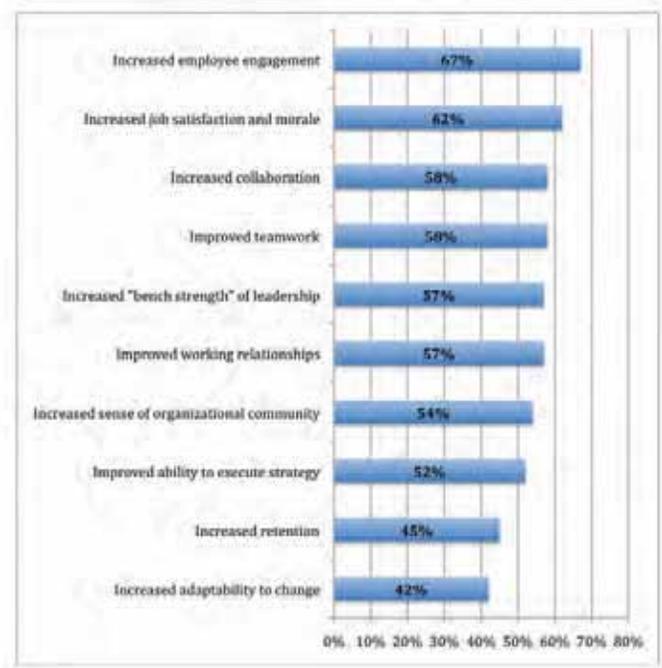


Figure 10
The percent of respondents who expected coaching to have a high impact on each benefit area

Conclusion

The perspectives of almost 350 senior business leaders have shed new light on the evolving practice of coaching, and what the leaders expect from coaching cultures and suggestions on how to achieve these cultures. Five key findings have emerged, each of which will now be discussed.

1. The practice of coaching in organizations is evolving.

According to the leaders in the study, coaching will not only increase in 2009 over 2008, the ways in which coaching will be utilized also seems to be expanding. Other coaching activities, in addition to individual coaching relationships, are emerging as well. Examples include coaching skills workshops (conducted in 29% of the organizations), team or group coaching (20%) and coach-to-coach mentoring (6%).

2. The management of coaching as a strategic initiative appears to be lagging.

The leaders identified several areas where their organizations are falling short of managing coaching more strategically. Coaching is not being adequately integrated with talent management and with other leadership development initiatives. Much more needs to be done to link coaching outcomes to business outcomes and for coaching to demonstrate value to the business.

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3. Expectations for what coaching can deliver still exceed what is being achieved. When leaders were asked what outcomes they expected from coaching and how effectively these outcomes were being realized, wide gaps emerged. Organizations were not effectively ingraining coaching into their culture, and leaders were not effectively developing a coaching-based leadership style.

On the other hand, the leaders felt it was less important for them to become formal coaches or to develop a cadre of internal coaches. Ingraining coaching into the culture means making coaching an integral part of the business with shared accountability and not simply embodying the practice of coaching in formal coaching roles.

4. Coaching cultures benefit the business. The leaders indicated that creating a coaching culture would increase employee engagement (which was the case with Caterpillar cited in the Introduction), increase job satisfaction, morale, collaboration, teamwork and other intangible benefits.

5. Creating coaching cultures requires a new approach to change. Leaders were asked to compare and contrast their current company cultures with a potential coaching culture of the future. This exercise revealed expected changes. The leaders said that coaching cultures would increase how leaders developed others and managed their performance. Knowledge would be more widely shared and utilized. Decision-making would be more open, participative and transparent. Learning and development would be viewed as a top priority, with less emphasis on “making the numbers.”

The leaders identified five strategies for achieving coaching cultures that represented a departure from how coaching is currently being utilized in organizations:

Strategy 1: “Seed” the organization with leaders and managers who can role-model coaching approaches. Creating a coaching culture is not simply a training exercise. Even if everyone in the organization were trained in coaching skills (which would be too expensive anyway), the end result would not be a coaching culture. Selecting the right people, investing in their development, cascading and reinforcing behavior change represents a strategic approach to culture change and one demonstrated to be effective (Anderson and Anderson, 2006).

Strategy 2: Link coaching outcomes to the business. Those who design, manage and lead strategic coaching initiatives need to do more to articulate the business case for these initiatives. Ideally, creating a coaching culture is viewed as a business initiative rather than just as a people initiative. This was certainly the case at Caterpillar referenced in the Introduction: Culture change was positioned as critical to the success of the business unit.

Strategy 3: Coach senior leadership teams in creating culture change. More than twice as many leaders wanted team coaching than those who said they were receiving team coaching. Team coaching enables the leaders to gain insights into the change process and feedback on the progress that’s being made.

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Strategy 4: Recognize and reward coaching culture behaviors. As people's behaviors change to be more in line with the emerging coaching culture, it is important to reinforce these behaviors through communications and recognition activities. Highlighting role models and the positive outcomes produced by these new behaviors.

Strategy 5: Integrate coaching with other people-management processes. In order for coaching to get traction in the organization, it must be better integrated with people processes such as learning and development, talent management and job competency models.

Given the results of this study, the ball is clearly in the court of those who design, manage and lead strategic coaching initiatives. According to the leaders who responded to the survey, creating coaching cultures is clearly on the corporate agenda for many organizations. There are serious challenges and performance gaps that have to be overcome to create these cultures. The business case for creating a coaching culture must be articulated, a broader array of coaching-based activities utilized and new change strategies implemented. Viewing culture change as simply a training exercise is not getting the job done. The outcomes and benefits of coaching cultures identified by the leaders in this study provide encouragement that the rewards for achieving these cultures will be well worth the investment.

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