

The Case for Executive Coaching



By **Tony Hawk**, CEO
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The American Management Association Institute for Corporate Productivity team defined coaching in a relatively conventional way as “a short- to medium-term relationship between a manager or senior leader and a consultant (internal or external coach) with the purpose of improving work performance” (Douglas & McCauley, 1999).

The American Management Association’s Global Study of Successful Practices in Coaching

This study included a survey of 1030 respondents, in-depth interviews, a literature review, discovery of best practices and forecasting for the future of executive coaching. It surfaced the following key findings:

- *Coaching is used by about half of today’s companies.* In the North American sample, 52% report having such programs in place, and, in the international sample, the proportion is 55%.
- *Coaching continues to gain in popularity.* Among respondents who say their organizations don’t yet have coaching programs, a sizable proportion (37% in the North American sample and 56% in the international sample) say such programs will be implemented in the future.
- *Coaching is associated with higher performance.* Correlations do not necessarily imply causation, but respondents from organizations that use coaching more than in the past are also more likely to report two kinds of advantages:
 - They’re more likely to report that their organizations have higher levels of success in the area of coaching.
 - They’re more likely to say that their organizations are performing well in the market, as determined by self-reports in the combined areas of revenue growth, market share, profitability, and customer satisfaction.
- *Coaching is primarily aimed at boosting individual performance.* The desire to improve individual “performance/productivity” is the most widely cited purpose of coaching.
- *Clarity of purpose counts.* The more a company has a clear reason for using a coach, the more likely that its coaching process will be viewed as successful.
- *Evaluating coaching’s performance may help boost success rates.* The more frequently respondents reported using a measurement method, the more likely they were to report success in their coaching programs.
- *It pays to interview.* Having an interview with the prospective coach has the strongest relationship with reporting a successful coaching program.
- *It pays to match the right coach with the right client.* Matching people according to expertise and personality seems to be the best strategies.
- *External training seems to work best.* Externally based methods of providing training on coaching are most strongly correlated with overall coaching success, though they are less often used.
- *Coaching’s international future looks bright.* Compared with the North American sample, organizations in the international group have not had coaching programs in place for as long, but more in this group plan to implement coaching programs in the future.
- *Peer coaching needs to become more effective.* Although a little over half of responding organizations use peer coaching, only about a third of respondents who use it consider it to be very effective or extremely effective.

Internal or External? That is the Question

This AMA study looked into this question and found that internal coaches may be more cost efficient in the long term, while external coaches are preferred by the individual and thus more effective in helping them achieve desired results. Internal coaches tend to be considered less credible and less confidential, while external coaches bring greater objectivity, fresh perspectives and greater credibility. Additionally 59% of individuals selecting coaches preferred external coaches versus 12% who preferred internal coaches.

The reason for the preference for external coaches may be found in the SherpaCoaching study of 2013, which states that 75% of external coaches report five or more years of business experience, while less than 40% of internal coaches report a similar level of experience.

This study also found that there is a significant shift in how executive coaching is being utilized. In 2006 it was used primarily to solve problems. Today, while coaching for remedial purposes is still seen to be of great value, over 60% of survey participants report using coaches for development purposes.

The SherpaCoaching survey found that Coaching helps people in three ways:

- First, a coach allows leaders to reflect about their decisions, and about themselves. A great many coaches used the term 'awareness' in describing the benefits of coaching.
- Second, people usually avoid difficult truths. Coaching brings reality front and center. As one coach put it: "Executives don't have anyone to trust and tell the truth about where they need development."
- Third, people don't know how to change. A coach can guide a client to find replacements for behavior that's not working. As leaders themselves make changes, they can help their organizations deal with change more effectively.

This survey also found that Human resources and training professionals report a double-digit increase in their confidence in the value of coaching. HR and training professionals who now see the value of executive coaching as 'very high' jumped from 63% to 75%.

Generally speaking, the AMA and SherpaCoaching team believes that coaching will continue to expand and mature as an important leadership development practice. **"We expect that coaching will become one of the keys to developing and retaining scarce talent in the future, and we think companies that learn to leverage it well will have a significant competitive advantage in the global marketplace."**

At Hawk Coaching we help leaders achieve their leadership development business objectives. Our coaching model is designed to achieve results, i.e. those outlined by the participant as well as those outlined by the company who is often funding these services.

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