Coaching at Work

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Executive coaching rides recession:

Ridler Report 2013

This year's Ridler Report reveals solid growth in a number of areas of coaching, despite the economic downturn. Here we take a look at seven key findings from the report.

Ridler Report 2013: executive coaching rides recession.

Executive coaching, internal coaching and team coaching are all on the increase, while fees for senior executive coaches are on the rise, despite the recession, according to further findings from the Ridler Report 2013.

The report is an ongoing collaboration between Ridler & Co and the European Mentoring & Coaching Council UK. It analyses data from 145 questionnaires, submitted by organisations including Allen & Overy, Barclays, BBC, Boeing, Deutsche Bank, Maersk Line, News UK, NHS, PricewaterhouseCoopers, RWE npower, Save the Children and Siemens. More than 70 of the participating organisations were interviewed in depth and four agreed to case studies profiling leading edge thinking and practice in areas of critical interest to coaching sponsors, including:

- Selection of senior-level external coaches at GSK
- The development of internal coaching capability at The Co-operative Banking Group
- Evaluating the outcomes of coaching at Freshfields
- Embedding a coaching culture at Grant Thornton

Here, we take an in-depth look at seven key findings from the report.

1. Executive coaching is becoming more and more prevalent in large organisations Since the Ridler Report 2011 was published, organisations have become more likely to use executive coaching across a range of situations. An internal promotion is still the most common situation to give rise to coaching, with the same high incidence as in 2011. Some 59 per cent of organisations report that transitions around internal promotions often or very often give rise to executive coaching assignments. The likelihood of coaching being used for external senior appointments has increased since 2011, from 20 per cent to 34 per cent, reflecting an increased recognition of executive coaching's value add in supporting senior

executive transitions into new roles in new organisations. Between 2001 and 2013 the likelihood of executive coaching being used as an ongoing sounding board for a CEO has risen from 18 per cent to 33 per cent.

Sue Blight, head of Learning and Development at Dairy Crest, says: “As executives get promoted into the most senior leadership positions in Dairy Crest, it is more and more difficult to find opportunities to reflect on their leadership. Sources of honest feedback also become fewer and fewer. Executive coaching is increasingly sought by senior leaders as a space in which they can have reflective conversations about their work and be challenged on thinking and approach.”

2. Internal coaching is expected to grow strongly over the next three years Some 79 per cent of organisations expect to see a small (40 per cent) or a large (39 per cent) increase in internal coaching over the next three years. Internal coaching is seen to have some key advantages over external coaching, including: Internal coaches bring a deeper knowledge of their organisation to their coaching relationships. Internal coaching is seen as better value for money than external, enabling a larger number of executives to have access to coaching for a given budget. Managers who coach internally, learn to use a coaching style in leading their teams and influencing colleagues, which supports the development of an organisation’s ‘coaching culture’.

3. The most senior leaders prefer to work with an external coach than an internal coach Some 85 per cent of organisations agree that their most senior leaders prefer to use an external coach. Explanatory factors include: Some 76 per cent of organisations feel that external coaching is a safer space than internal coaching for their senior executives to discuss sensitive personal or organisational issues. External coaches are not part of the client organisation’s hierarchy, which can confer authority on them. External coaches bring fresh and broad perspectives, drawn from coaching senior leaders in a variety of organisations.

James Hutton, head of Talent and Development at News UK, says: “The focus of internal coaching at News UK is mainly on high potential talent. Our most senior leaders often prefer to have an external coach, valuing the external coach’s wide experience of coaching senior leaders in a variety of organisations and situations, and the external coach’s position outside News UK’s hierarchy.”

4. When selecting external executive coaches for their organisation, coaching sponsors look first at business credibility and gravitas When asked what factors would persuade them to select a coach for their preferred supplier list, 99 per cent of questionnaire respondents rated credibility and gravitas as persuasive or very persuasive. Interviews revealed credibility and gravitas to be a function of the coach’s: Track record of successfully coaching business leaders. Ability to grasp quickly the complexity of the sponsor’s organisation and the strategic challenges facing it and the potential client. Generally looking and sounding as if they would relate easily to senior business leaders.

Coaches were also (unsurprisingly) judged in selection interviews on their ability to listen well. The coach’s interest in and appreciation of the sponsor’s organisation were valued more highly, at 88 per cent, than their knowledge of it (74 per cent).

5. Successful outcomes of coaching assignments depend on the coach's professional coaching expertise, rather than their business credibility. Once an executive coach is selected to coach in an organisation, their business experience is taken as a given. It is necessary to establish credibility with the client, but not enough to ensure a successful outcome to the coaching assignment. The two most highly rated characteristics of coaches once they are working in an organisation are: Their ability to raise their client's awareness of their ingrained patterns of behaviour, rated by 83 per cent of organisations as highly important or essential. Once a client's awareness of their ingrained patterns is raised they become much more able to consider the impact this pattern has on others and whether it is a suitable way to continue to act. The coach's delivery of challenging feedback to the client, rated by 82 per cent of organisations as highly important or essential.

Challenge is not confronting, but is about reframing a problem in a way the client has not thought about it before. Claire Hack, head of Organisation Development at AB Agri says: "The essence of executive coaching is about working below the surface. With this approach, the coach helps the client to understand who they are, why they are like that and how this influences their behaviours and responses."

6. Team coaching is expected to grow steadily over the next three years
Ridler Report data shows the wide reach of team coaching in large organisations in 2013. Only 5 per cent had no plans to introduce team coaching in the next three years. Between 45 per cent and 65 per cent (depending on team seniority) of organisations expect to increase their use of team coaching over the next three years. Lars Even Rasmussen, head of talent management at Maersk Line says: "In Maersk Line, we have increased our focus on executive and senior team performance. An executive and senior role includes not only being a team leader, but even more a team member."

7. Coaches' fee rates at the more senior levels have increased over the past two years
Over the period 2011-12, coaches' fee rates at senior levels increased, particularly notable as this was a period of recession. Some 33 per cent of organisations saw an increase in coaches' fee rates at main board level, while only 3 per cent saw a decrease. Some 34 per cent of organisations saw an increase in coaches' fee rates at senior executive level compared with only 7 per cent who saw a decrease. The simple rules of economics would lead to the conclusion that, despite recession, there has been an excess in demand for executive coaching at the more senior levels or a restricted supply of coaches considered equipped to coach at these levels (or possibly both).

Clive Mann is editor of the Ridler Report and managing director of Ridler & Co, the London-based senior level executive coaching practice. Download the free report from www.ridlerandco.com

About the report

The Ridler Report is an ongoing programme of research that analyses trends in the use of executive coaching. It seeks to challenge assumptions and stimulate debate about the use of executive coaching in large organisations. One of the ways in which Ridler Report research is so distinctive is in its use of data exclusively from coaching sponsors – the professionals who champion and oversee coaching in large organisations. Since its first publication in 2007, the

Ridler Report has been used by coaching sponsors to benchmark their organisation's coaching strategy against best practice among their competitors and other leading organisations.

Ridler & Co, the London-based senior level executive coaching practice, launched the Ridler Report research programme and was responsible for producing the first four Ridler Reports, in 2007, 2008, 2009 and 2011.