

TRENDLINES

The Employers' Association's monthly whitepaper on essential Business/Human Resources practices

The Employers' Association (TEA) delivers reports for businesses that contain relevant and up-to-date information based on our work with hundreds of employers each month. TEA is known to produce a number of essential benchmark survey reports every year and we also compile data and observations that provide organizations practical perspectives on important business trends.

Sustainable Coaching Essentials

What you should know

Organizations value employees who learn, grow, and develop while research shows that training, stretch assignments, feedback, mentoring and coaching can help attract, develop, and retain talent. The recent changes businesses have had to make because of COVID-19 have transformed previous mindsets and shifted HOW to communicate, influence, and collaborate with others. This new context provides a unique opportunity to develop new approaches, behaviors, and leadership skills. Coaching is fast becoming an integral part of the Talent Development offering for many organizations.

In 2016, the International Coach Foundation (ICF) and the Human Capital Institute (HCI) reported that a strong culture of coaching had a direct correlation with higher revenue generation when measured against peer group norms within the survey respondent's industry group. It was also reported (ResearchGate.net) that a strong coaching culture positively influenced the percentage of employees feeling "highly engaged" (62%) – significantly higher than national averages (15%). It is well known that engaged employees are often more innovative and productive (Source: Forbes Communication Council 2019).

Employers who invest significantly in their people and use all forms of coaching appeal to the emerging development needs of their workforces and can further differentiate their organization from others. According to the Global Leadership Forecast 2018, 67% of Gen X leaders said they would like more coaching than they are currently participating in. Competing for talent has become one of the biggest challenges organizations are facing today (Source: The War for Talent, McKinsey & Company). The values and culture of organizations will either draw people to the company or drive them away. Organizations that demonstrate a robust talent development offering including individual and team coaching will better attract and retain talent while developing the full potential of their workforce.

There are several distinct coaching types utilized to improve talent, productivity and profitability inclusive of Executive, Leadership, Career, Team, Business, and Life coaching. Each can dramatically improve the effectiveness of those being coached. A 2015 study of 100 Fortune 1000 executive leaders by The Leadership Development Group described impressive outcomes generated through leadership and management coaching concluding that:

- 77% indicated improved working relationships with their direct reports
- 67% noted significant improvements in teamwork (teams they led)
- 61% noted increased personal and employee job satisfaction
- 53% indicated improvement in their own productivity

Coaching alone will not encourage all employees to achieve their best (performance still needs to be managed effectively) but it can have a profound personal and organizational impact if executed thoughtfully and intentionally.

What we know

Employees grow and develop when they have challenging assignments, receive regular feedback and have ample opportunities for structured guidance from their manager. In our work with TEA member businesses over the years we have seen otherwise solid employees thrive when they receive practical and relevant advice such as that provided by a skilled personal coach. A recent TEA Membership Satisfaction Survey indicated that members expect to increase their use of coaching services by 42% within the coming year (as compared to last year). MarketResearch.com reports the U.S. business coaching industry increased by at least 7% (to well over a billion dollars) in the past year. Despite the continuing global pandemic, we feel the need for Executive and Leadership coaching will continue to grow as many organizations explore how to quickly re-engage their workforce by leveraging the abilities of well-coached leaders as this virus threat diminishes and businesses return to “normal.” Well coached leaders and individual contributors can better achieve the following outcomes:

- Shortened learning curves for persons in new assignments
- Improved personal effectiveness and impact
- Shifted mindsets, improved behavior and improved skill repertoires as an alternative to reassignment or termination
- Improved team functioning
- Increased employee engagement
- Increased productivity
- Improved employee relationships
- Faster leadership development

TEA has noted the following based on our coaching experiences and interactions with members:

Many companies are beginning to treat coaching as a necessity, rather than as a luxury. An increasing number of employers recognize Training and Coaching as a strategic and highly effective combination that can lead to rapid organizational development and individual growth.

The need for Leadership Coaching is increasing. Current Leaders (predominantly Baby Boomers) are retiring at the rate of 8,000-10,000 per day (source: SmartAsset.com) necessitating the emergence of Leadership Development programs (that rely heavily on coaching) to prepare new leaders.

Live Virtual is fast becoming a preferred Coaching method. The demographic shift described above is influencing the coaching relationship and is fast becoming the preferred coaching format for emerging leaders. COVID-19 has created a profound shift in the way we communicate and work AND has had a similar impact on the way we coach. Virtual coaching is convenient, cost-effective, and can produce outcomes that are similar to in-person conversations. TEA expects this practice to continue as most companies have had positive experience with the utility and cost-effectiveness of remote and virtual conferencing technologies.

Assessment and Measurement are Key. Many people move into a coaching relationship with an incomplete view of their own strengths and weaknesses. Assessments like the Leadership Navigator (Data Driven Decisions, Inc.), DiSC Style Assessment (Wiley), The Leadership Practices Inventory (Wiley) and the AcuMax Index (which TEA utilizes with many coaching engagements) can affirm existing reality while uncovering new

opportunities for growth and development. Proper assessment sets the stage for measuring and evaluating the success of a coaching relationship.

Coaching Relationships Require a Strategic Commitment. Effective coaching relationships inspire new mindsets, knowledge, and skills but require clear, achievable agreements between the organization, the coach, and the person being coached. Understanding and agreeing on the coaching process itself, the responsibilities of each player, and commitment to the overall ground rules of the coaching relationship helps ensure confidentiality, commitment, and follow-through. Some of the “commitment considerations” needed to make coaching effective include:

- A Coaching Agreement signed by the Coach, the person sponsoring the coaching and the person being coached that defines specific accomplishable objectives
- An Introductory Meeting to explain the coaching process, guidelines, roles, and “check points” during the journey
- A Coaching Development Plan (self-reflection questions completed by the person being coached)
- A Coaching Action Plan detailing action steps, support needed from the coach and others, individual commitment and targeted completion dates

The success of a coaching relationship requires organizational commitment. Time to conduct each coaching meeting is usually not considered an issue but what can become challenging for the individual being coached is the work that is often required between coaching sessions. Developing any new skill(s) takes time and persons being coached need time to reflect, plan, and try out new skills without unnecessary time restraints or encumbrances. Supervisors will do well to check in with their coached employees and encourage open and transparent progress checks along the way.

Confidentiality Creates Trust in a Coaching Relationship. Coaching relationships often start with a transparent meeting between the coach, the person to be coached, and their supervisor to establish the coaching process, roles, and expectations (including a description of what confidentiality is and is not). Coaches should not discuss how coaching is going, insights and discoveries, or anything that is personally attributable to the employee being coached unless explicit permission has been given. The person being coached should meet regularly with their supervisor to provide updates, discuss challenges, and to seek support.

What it means

Impactful coaching occurs best with a plan. It is not a casual relationship or great advice from a supervisor. Coaching is a deliberate process that ties the development and growth needs of the individual with the desired needs and outcomes of the organization. Coaching is not simply a series of events but is more reflective of a focused, trusting relationship over time. Employers that want to experience the benefits of coaching need to invest the proper amount of time and resources for employees to commit to, and willingly pursue the changes that will help make themselves more highly skilled and valuable to the organizations they serve.

It is important to shift from a mindset that simply uses coaching to address problems to one that utilizes coaching to transform thinking, knowledge, and behavior. Coaching can (and should) be used to help employees to more positively influence stretch goals, as well as to create motivation and support to pursue their next career position. Coaching can be instrumental for developing “high potential” employees as well for building the capability of persons who just need a bit more guidance and support.

What you can do

Understanding the business opportunity is a great first step to exploring the potential of coaching. Other suggestions TEA recommends for an organization investing in coaching as a tool would include:

1. Formulate strategy, goals, budget and systems to identify the primary candidate(s) for coaching and determine the coaching capability needed.
2. Start small. Get some experience and evaluate the initial impact of coaching based on observations and feedback from everyone involved.
3. Align coaching process and commitments with organizational values and culture.
4. Be transparent and honest when communicating coaching expectations.
5. Use the SMART criteria to establish measurable coaching goals that are well defined and based on data including direct observation, performance reviews, development conversations and appropriate assessments.
6. Maintain confidentiality and trust all the time. If there is a lack of trust in the coaching process the integrity and effectiveness of coaching can degrade.
7. Acknowledge and be clear that coaching is not a solution for everyone. Budgets are always a consideration so being strategic about the investment is always important.

Coaching is not a “one size fits all” approach but rather an integral and strategic part of an organization’s talent development process. Developing employees is a smart choice and should follow well-designed processes so that both employee and company will benefit. Coaching is not – and never should be considered – a “win/lose” initiative but rather a “win/win” opportunity. Design the process and communicate the expectations/outcomes in a way that reinforces that objective.