



Survey report
September 2011

THE COACHING CLIMATE



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INTRODUCTION

Welcome to the CIPD's *Coaching Climate* survey report. We started this survey in 2009 to help HR professionals and coaches working with HR to deliver coaching and mentoring and to develop the evidence base on practice. We also wanted to expand and deepen the coverage of coaching beyond what was possible in our annual *Learning and Talent Development* survey. Now we are delivering it for the second time. Reflecting back, it is interesting to see how things have changed and how coaching is developing within organisations. In this survey we look at the key indicators:

- What is the coverage of coaching: to what extent is it being used?
- What's being spent on coaching compared with last time?
- How are coaches being selected and deployed within organisations?
- What's the role and contribution of coaching in respect of the organisation?
- How is coaching being delivered within organisations, and what is its purpose?
- How is coaching being evaluated?

This year we also focus on two key trends:

- How is coaching helping to develop and improve the business awareness of HR professionals given that our Next Generation research points this up as a key challenge?
- What is the extent of mentoring as a distinct approach and how are mentoring relationships set up?

We thank the HR practitioners and coaches who responded. Their conscientious engagement is increasingly critical if we are to build an evidence-based profession.

SUMMARY OF KEY FINDINGS



Coaching and mentoring are used by many organisations. A total of 332 responses were received, constituting a response rate of 2%. They report that coaching and mentoring are used in about three-quarters of organisations. When we first launched this survey in 2009 against the full ferocity of the financial crisis and the retrenchment in business spending, we reasoned that coaching might be vulnerable. However, we find coaching in good health, though there are some long-term ailments which could cause problems in future. Compared with our 2009 survey the number of respondents using coaching has slipped from 90% to 77%. However, of those who use coaching, nearly 84% are using it more now than they were two years ago. Another health indicator is expenditure on coaching, which though not rising very fast is at least rising. When we take account of the number reporting that they have maintained their spending on coaching programmes, nearly seven in ten report that coaching expenditure is either increasing or stable. This almost mirrors the results of two years ago. The profile of coaching is also high. It is viewed as a key part of learning and talent development in just over two-fifths of organisations, for example. The data on who delivers coaching in organisations have changed subtly. Line managers were reported as the main delivery channel for coaching in 2009 by 37% of respondents. This has fallen to 32% while external coaches have been given more responsibility for delivery.

We now briefly outline the other key trends.

Coverage trends

- Compared with the level of coaching activity recorded in our annual *Learning and Talent Development* surveys over the last decade, the 90% usage reported in our 2009 coaching survey was a record. Although in the current survey the use of coaching has dropped to 77%, this is still a fairly high level of use and stable over the long term. Furthermore, of those who use coaching, more than four-fifths report that they have increased their usage over the last two years.

Expenditure trends

- The proportion who report that coaching expenditure is rising remains around one-third. There has been a slight increase in the number who report coaching expenditure to be reducing – roughly a quarter this year compared with a fifth in 2009. The trend, taking account of increased stable expenditure, is largely positive.

Role and contribution

- Coaching and mentoring are being used more than ever to improve performance. The proportions reporting their use in tackling poor performance and in lifting capability in good performers have both doubled. Coaching and mentoring are also increasingly used to improve employee engagement.

Responsibility for delivery

- Delivery continues to be largely the province of line managers and internal coaches. More than half of coaching is delivered through these routes. The proportion of coaching delivered by external coaches has increased from 14% to 20% since 2009.

Purpose of coaching

- In 2009 a quarter of respondents reported that coaching focused on improving good performance; now it's almost half. Another key purpose for coaching is to build employee engagement, which has moved from just under a tenth to around a quarter.

Evaluation

- Stories and testimony remain the focus of coaching evaluation (around 30%), although key performance indicators (KPIs) are not far behind as a measure of success. Return on investment (ROI) and return on expectation (ROE) are used by less than a tenth of respondents.

Coaching agendas

- We found that coaching assignments tended to focus more on developmental and personal effectiveness issues than on issues such as business awareness, which was always addressed by only 5% of respondents and never in 10% of settings. Personal effectiveness was the focus of coaching in about 25% and skills and capabilities around 15% of respondent organisations.

Coaching commercial capability in HR

- Coaching assignments which address business savvy and commercial awareness tend to be based on development plans to help individuals rise to the challenge. A quarter of respondents chose that route, with about 15% focusing on reflective logs and helping individuals build in time to review and reflect on key company data and information.

Developing mentoring capability

- Mentoring is a distinct intervention using coaching skills but with different timescales and agendas. About 75% use mentoring in some way and most are happy to see it established as an informal set of relationships affording the time for individuals to pair up. Mentoring is available to most employees.



Coverage and expenditure

Nearly 84% of our survey respondents reported that, compared with 2009, they are doing more coaching, while 16% said they are doing less. As Figure 1 shows, just under one-third are seeing increased expenditure on coaching, just under a quarter are seeing coaching budgets reduced and for 38% expenditure on coaching remains stable. This compares with 40% of respondents to our 2011 *Learning and Talent Development* survey who saw a decrease in terms of general learning and talent development (L&TD) expenditure, and only 16% who saw an increase.

Profile and positioning: still focused on learning and development

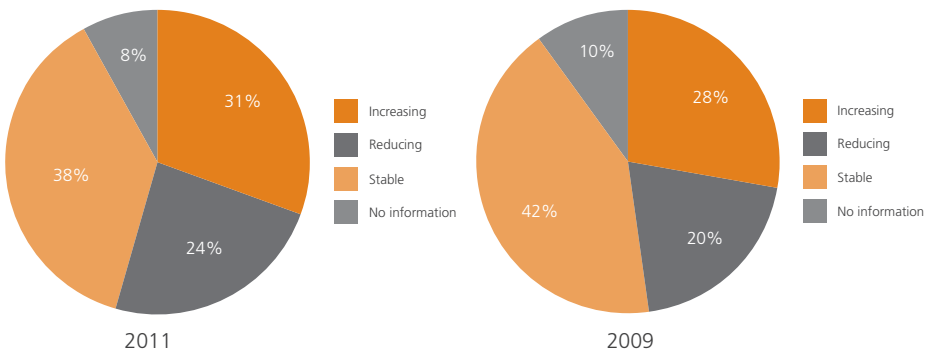
The profile of coaching was tested by asking respondents what best describes the role and contribution of coaching within their organisation. Most see it as part of learning and development. In a rich range of additional comments, respondents told us that the profile ranged from '90% of employees are qualified coaches – this is what we do', to 'it is generally reserved for senior managers and executives'. Other comments include 'It is part of staff development', and 'it has become just another initiative'.

Who delivers coaching and mentoring?

Although line managers and internal coaches continue to share primary responsibility for delivering coaching, increasing use of external coaches shows

Figure 1: Coaching expenditure trends

Base: 256



a move towards more professional delivery, as shown in Figure 2. This probably represents a re-focusing of organisations on coaching capability, which generally requires more specialist support from coaching consultancies.

Our 2009 *Taking the Temperature of Coaching* survey report identified a trend towards co-delivery. This year's survey findings reinforce this trend, with about two-thirds of respondents saying they use external coaches in some capacity.

Selection and accreditation of coaches

An important aspect of working with external coaches, especially in resource-constrained times, is that they are properly selected and engaged in order to deliver organisational value. We asked organisations how they selected external coaches. Methods included formal

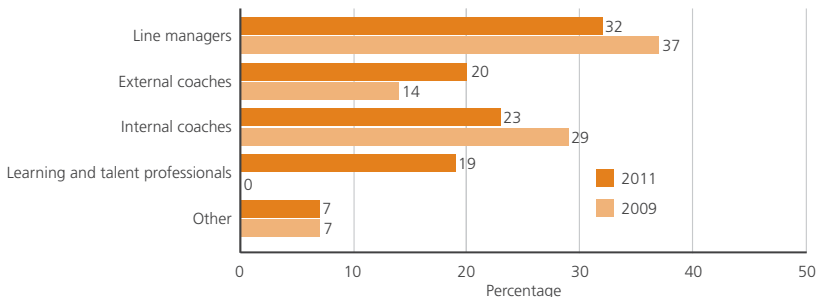
tendering (19%) and assessment centres (4%) to test for coaching competence.

These approaches are fine for large organisations such as the NHS and large banks and consumer goods companies that can gain economies of scale by developing a pool of coaches, but for the majority (53%) ad hoc engagement of coaches on a consultancy basis seems to be the preferred route. That said, around a quarter of organisations seek to invite bids from coaches they have used previously and may even recommend these to others, leading to what is in effect a shared pool.

A perennial argument rages on whether coaches should be accredited and licensed. Coaching bodies such as the European Mentoring and Coaching Council (EMCC), the Association for Professional Executive Coaching and Supervision (APECS), the British

Figure 2: Primary responsibility for coaching delivery

Base: 256





Psychological Society (BPS) and the International Coach Federation (ICF) are seeking to drive demand for accredited and trained coaches who are able to deal with the complex demands of organisational coaching and operate within stringent professional codes and standards. Our data show that there has been a fairly significant increase in the proportion of respondents insisting on accreditation – just over two-fifths compared with just a third in 2009.

Internal coaches are just as critical to the process of delivery – indeed more so – as external coaches. As we explained in the 2009 survey, they are increasingly the load-bearers of organisational coaching. This means that, on the one hand, line managers can be conducting basic coaching conversations as a way of managing their supervisory workload, but on the other hand, highly qualified coaches can be working with talent and succession pools and often delivering to executives outside of their own business area. Thus the requirement for internal coaching capability to be resourced and allocated is a key issue. We asked how internal coaches are selected and appointed in organisations. We had a low response rate to this question, suggesting, as in the case of external coaches, that the line of sight for HR is obscured. This could be because of conflicting or competing organisational policies and pockets of coaching expertise.

Evaluation: still an Achilles' heel?

Evaluation is enough of a concern – arising from the findings in our 2008 *Learning and Development* survey that only 20% of organisations actually carried out any evaluation of coaching and mentoring – that we have made it a focus of our coaching effort. Our research culminated in the publication of our *Real-world Coaching Evaluation* guide in 2010. The guide reviews the evidence of poor practice and mindsets that are obstacles to effective evaluation of the impact of coaching. It examines the tools and data sources available for evaluation and recommends an integrated approach.

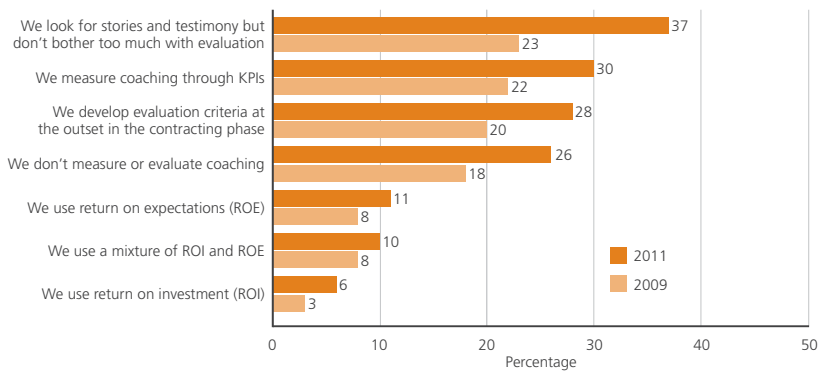
Having developed a significant amount of research around coaching evaluation, we were able to test in the *Coaching Climate* survey how the message was being received and indeed heeded. We can see in Figure 3 that the softer side of evaluation around 'stories and testimony' seems to be dominant, with just under two-fifths recording this as the method of evaluation they use the most. In 2009 it was just under a quarter. The use of key performance indicators and business metrics is a fairly close second. It is heartening to see that 28% are developing a set of evaluation criteria at the outset in the contracting phase – a practice we have long encouraged. The use of return on investment (ROI) – often seen as the holy grail of coaching evaluation and just as elusive – is the

most favoured practice in a small number of cases. This approach needs caution, given the way in which ROI can be used without baseline and with the implicit inflation of the denominator (big project and small coaching cost equals massive ROI). Perhaps those dogged practitioners using an ROI approach are employing the sophisticated augmented ROI of Phillips and Phillips (2007) rather than the crude calculation of cost over benefits. ROI's hybrid cousin, the more reflexive return on expectations (ROE) approach, is favoured by just over 10% of respondents. A worrying quarter still carry out no evaluation of coaching.

The implications of this are quite clear. Without evaluation practitioners cannot answer the value question. In an increasingly value-driven learning and talent environment this is likely to be detrimental. Evaluation is a rich and rewarding area of practice and we would suggest that practitioners devote as much attention to it as they allocate to delivery and technique. Keddy and Johnson (2011) have some excellent suggestions for evaluation based on, among other things, chains of evidence in the criminal justice system and the net promoter score used in marketing. Creativity and innovation in evaluation will help to lift us from the dead hand of crude ROI and unverified anecdote towards a more productive approach.

Figure 3: Coaching evaluation

Base: 246





The purpose of coaching

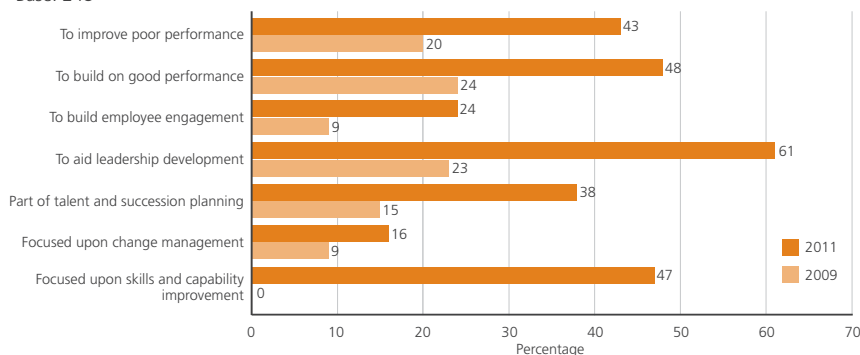
Coaching is utilised most as a tool for improving performance, as Figure 4 shows. We found that coaching is used nearly as much to improve poor performance as to build on good performance. One interesting point is the increase for both these purposes – in each case the proportion of usage has doubled since the 2009 survey. Thus we are seeing an honest focus on coaching as a remedial and talent acceleration proposition. This reflects the need to manage poor performers, to prepare future leaders and to retain talent. Open responses on the purpose of coaching range from its being considered ‘part of a lifelong learning strategy’ and ‘part of culture change’ – an example of the highest level of ingrained purpose, to its being thought to have ‘no purpose’.

Coaching agendas

This year we wanted to focus on what is covered in coaching agendas. Perhaps confidentiality has got in the way of coaching topics and agendas being transparent and understandable. Confidentiality should be a backstop towards inappropriate disclosure of damaging information, not a systematic response. HR professionals responsible and accountable for coaching need to have some visibility of the agendas and topics for coaching to be able to reflect on what coaching assignments involve, as ultimately they are paying for the service. Our survey asked respondents to report on the extent to which they work on specific agendas, and we found that most coaching assignments focus on building skills and capability. As shown in Figure 5, a quarter always focus upon improving personal effectiveness and only 1% never

Figure 4: Purpose of coaching

Base: 248



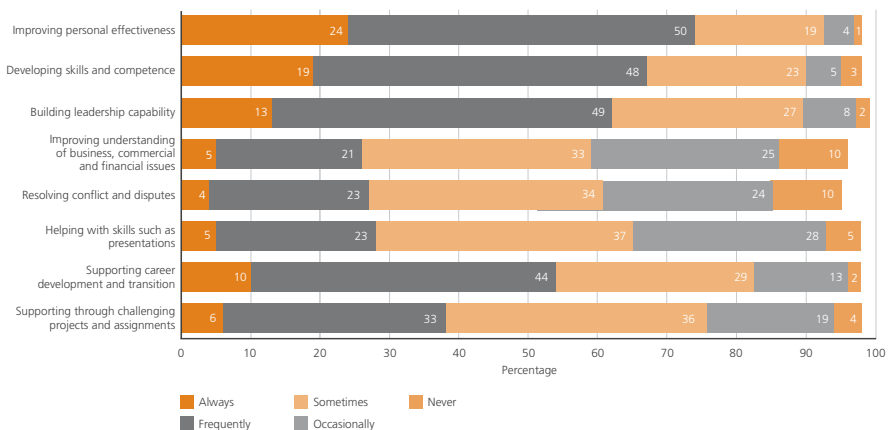
focus on this aspect. Roughly a fifth always focus on developing skills and competence and about 3% fail to address this aspect at all. Supporting career transitions is also a key area. Understanding business and commercial issues came quite low down the list, with only 5% always doing this and double that proportion never addressing that issue. We thought this was a noteworthy finding, as we explain below.

Coaching business savvy: the new capability challenge and opportunity

The proportion of practitioners who report continuously pursuing business awareness and commercial issues in coaching assignments is low. The CIPD has identified a capability need in the HR profession for developing what we term *business savvy*. Our Next Generation HR research project challenged practitioners to develop and trade upon their insight

within the organisation and link this to the business, driving real insight about how good people management can make the difference. While HR people are seen as having strong organisational savvy, the weakness in business savvy was viewed as holding the profession back and posed a threat to the senior profile of HR. The debate about whether HR is 'getting a seat at the table' or at least influencing major board decisions needs to be seen in the context of the appointment of professionals from marketing, legal and customer service roles into senior HR portfolios. This is often because these individuals are perceived as having greater business awareness and what might be called strategic agility than HR professionals. The CIPD is seeking to address these issues through our forthcoming Business Savvy research project and our ongoing Next Generation

Figure 5: Coaching agendas





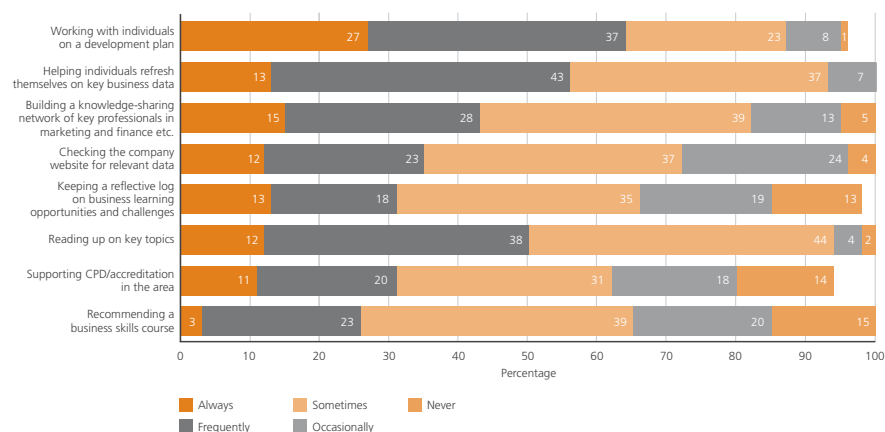
HR research around the insight-driven professional. Coaching has a major role to play here.

We believe that coaches working with senior HR teams will have some insight into the development needs of professionals in this area. Thus we asked to what extent, when addressing the development needs of HR professionals, coaching assignments looked at developing skills which promote business awareness and commercial understanding. We were surprised, firstly, that only a third (109 of the 332 respondents) felt in a position to answer the question. Of that third, only 43% said they focus upon developing HR professionals' awareness and capability in these areas. The CIPD believes that coaching is pivotal in this respect and is making an early

recommendation that coaching addresses business and commercial awareness as a priority agenda. Figure 6 shows some activities typically used to develop 'business savvy', and the extent to which respondents are using them.

Focusing on those approaches which are used most and least, we can see that working on an individual development plan to raise awareness of any capability gaps and issues was the first choice in that it is always the option in 27% of cases and only 1% never use it. Helping practitioners refresh themselves on key business data is always an option for 13% and none recorded that they never use this option. Coaches often recommend the maintenance of a reflective log to help people learn in situations of challenge, such as taking on a new role or moving

Figure 6: Extent of use of activities/approaches to develop business savvy in HR professionals



to a new organisation. This might well be a productive avenue of learning for practitioners seeking to develop their business and commercial awareness. This option is always part of the coaching support offer in 13% of the organisations that responded, but just as many never use it. Recommending a business skills course was the least favoured option. This data, though indicative, does show some of the options for coaching assignments concerned with building business savvy. We acknowledge that question phrasing may have deterred some respondents and perhaps the level of business-awareness coaching is higher than is suggested. That said, we will be challenging coaching at all levels to develop and embed this critical aspect of HR capability.

Mentoring coming into its own?

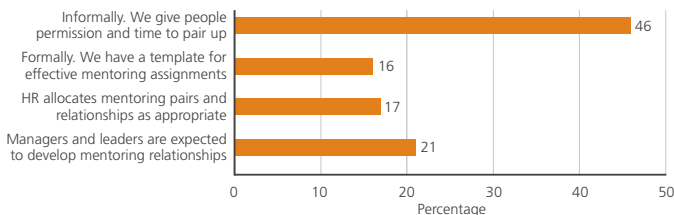
Mentoring is often mentioned as an adjunct to coaching. The skills of mentoring are very similar but the focus is different. Many organisations use a mentoring approach to release the energy

and capability of the organisation. Mentoring is especially useful for organisational learning, though it needs to be properly planned and developed. Nearly three-quarters of respondent organisations have some sort of mentoring scheme in place. We asked respondents to reflect on mentoring practice in their organisations in order to ensure that we could begin to track the development of mentoring as a distinct aspect of practice.

First we asked how mentoring is initiated, given that it is likely to be developed internally. We were interested in how mentoring programmes get going and nearly half of respondents who answered this question reported that it takes place informally as shown in Figure 7. Only 16% have a formal mentoring set-up with documentation, such as a mentoring contract or template to support the programme. Around a fifth put the onus on managers and leaders to develop mentoring relationships.

Figure 7: How mentoring happens

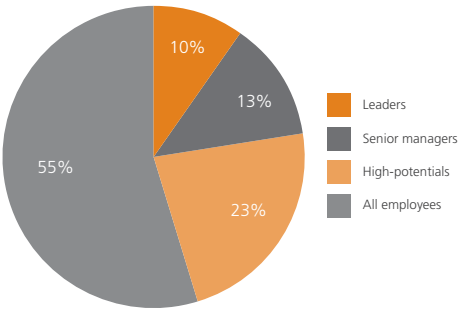
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We then asked who was most likely to receive mentoring and contrasted this with coaching. As Figure 8 shows, mentoring is generally not targeted at senior managers and high-potential employees; it tends to be offered to all employees in more than half of the organisations surveyed.

Figure 8: Who receives mentoring

Base: 231



CONCLUSION AND PRACTICE POINTERS

As we gauge the coaching climate, we find this key learning and organisational intervention in good health. The extent and coverage of coaching and mentoring has remained high and stable. Expenditure trends, though by no means moving spectacularly upwards, have not shifted significantly downwards. The profile of coaching as a crucial organisational intervention remains high, though there is still real concern over the need for effective evaluation to prove its impact.

The delivery of coaching is split between internal and external coaches, with a slight increase in the proportion reporting that delivery is mainly the province of external coaches. This shows that a productive balance is being established between external coaching consultants who can build capability and develop programmes, and delivery through internal coaches and line managers.

We are challenging coaching interventions aimed at developing HR professionals to start to focus on business savvy and commercial awareness. We believe that in developing assignments around these key capability needs we can help to build the capability and effectiveness of HR and increase the growing credibility that many HR professionals are demonstrating as business-aware people and performance professionals.

Practice pointers

- A high and stable level of coaching is an opportunity for HR and L&TD to use coaching and mentoring as a channel for effective interventions.
- Coaching designers and implementers should be aware of the mix of coaching delivery methods and work towards finding the best mix of external support, internal coaching focus and line manager up-skilling that delivers coaching effectively.
- Coaching which focuses on performance seems to be productive and grounded in business reality. Focusing on both poor and good performance is a good way to ensure that coaching is not seen as a remedial intervention or a talent path for the gifted, but as a key intervention.
- Integrating coaching with change management, performance and learning will ensure that coaching is delivering strategically as well.
- Evaluation is critical and we neglect it at our peril. Good evaluation is about more than stories and testimony; the responsibility for evaluation needs to be allocated appropriately.
- Coaching has a key role in helping build HR capability; L&TD professionals in the coaching space can make that happen. Putting business savvy and commercial awareness at the centre of assignments will ensure that coaching delivers both organisational value and career-enhancing capability for HR professionals.



- Mentoring is increasingly being used as a distinct approach to building capability, using basic coaching skills and techniques on a wider canvas. Mentoring programmes cannot be ad hoc; we still need to generate learning and insight, but a light-touch approach such as supporting documents and training events for mentors can help embed it.

Survey background

We distributed the survey to a network of 16,853 HR professionals within learning and talent development and obtained 332 responses, amounting roughly to a 2% response rate. This is well below the response rate from our last survey, to which roughly 550 responses were obtained from a slightly smaller sampling pool. It reflects a trend towards lower response rates more generally because of the increased scope and nature of surveys made possible by the proliferation of survey technology. However, the CIPD believes that as an aspect of measuring practice it is essential that we embed this survey and increase response levels.

Which sector?

Just under half of our survey respondents are in the private and commercial sector and just over a third are in the public sector, with around 15% in the increasingly important voluntary and community sector. Fewer than 5% are in manufacturing and production.

Private sector	48%
Public sector	34%
Voluntary/community	14%
Manufacturing and production	4%

Base: 332

Number of employees represented

The size of organisations covered is often a significant issue in coaching delivery. Micro businesses (those with fewer than ten employees) accounted for just over 10% of our survey respondents. SMEs accounted for just under 30% and large organisations about 60% of respondents.

Fewer than 10	11%
10–49	8%
50–249	20%
250–999	22%
>1,000	39%

Base: 329

Position in organisation

Head of learning and development	20%
Senior manager/business partner	35%
HR team member	22%
Other (responsible for coaching)	23%

Base: 329

REFERENCES

References

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Other CIPD resources

CIPD Next Generation HR research
cipd.co.uk/nextgen

CIPD *Learning and Talent Development* annual surveys
cipd.co.uk/learningandtalentdevelopmentsurvey



Chartered Institute of Personnel and Development
151 The Broadway London SW19 1JQ
Tel: 020 8612 6200 Fax: 020 8612 6201
Email: cipd@cipd.co.uk Website: cipd.co.uk

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