

Ridler & Co

developing leaders, delivering results



Ridler Report 2013

TRENDS IN THE USE
OF EXECUTIVE COACHING

IN COLLABORATION WITH EMCC UK



FOREWORD

By Professor David Megginson

I have welcomed and valued each successive Ridler Report and it is a pleasure and an honour to write the foreword for this one. The fact that this report builds on its predecessors is a substantial benefit as it enables readers of the report not only to assess the state of coaching now but also to see the trends and directions that the field is taking.

A strength of this series of reports is that they focus single-mindedly on the views of sponsors of coaching in large organisations – and quite a lot of them too (almost 150 on this occasion). This is a substantial sample, giving credence to the trends highlighted in this report.

Of course it is not just numbers that give readers confidence in a research report, it is also the intelligence and insight of the authors – and in this document we are fortunate to have clear guidance and analysis which highlight the key issues, including some illuminating case studies.

The 2013 Ridler Report has been the product of a very successful collaboration between Ridler & Co and EMCC UK. The Ridler Report Editorial Board, which includes members of Ridler & Co and EMCC UK, has increased substantially the number of completed questionnaires, compared with 2011, and further increased the quality of analysis.

What are the striking findings in this report from my point of view as a writer, researcher, scheme supporter and executive coach? The big trend, which we noticed in 2011 at the EMCC conference in Paris, is that sponsors of coaching have continued to become more sophisticated and more demanding in recent years. They are owning the space and setting the agenda. Some executive coaches are still behaving as if this hasn't happened, which is unfortunate. This report is another step in the process that makes such attitudes unsustainable, and I welcome this.

Another big trend is towards the use of internal rather than external coaches. This movement is not universal and not for all uses of coaching, but it is unmistakable. Internal coaching is seen to be growing by 79% of respondents. One of the principal reasons reported for the increase in internal coaching is that internal coaches understand their businesses better than external coaches. A corresponding challenge for internal coaches, of course, is that they can be so embedded in their organisation's corporate culture that they cannot help their clients take an objective perspective on it.

A challenging finding (for me) is the clear evidence for the growth of what people call 'team coaching'. For sceptics like me, who are not even convinced that such a process differs significantly from action learning, team building and other established interventions, the sharp question raised by the report is 'Do you want to get on board, or will you risk missing the bus?' The report shows clearly that team coaching is being used, particularly at senior executive level and that it is seen as complementary to one-to-one coaching, rather than replacing it.

An interesting issue to me is sponsors' views of the preferable background for an executive coach. The table on qualities that are seen as important shows that the ability to raise awareness of ingrained patterns of behaviour is now the most highly rated item, by 83% of respondents, whereas in 2011 (with a slightly differently phrased question) it was rated fourth out of nine (55%). By contrast, comparable seniority of coach and coachee (15%), and offering specific suggestions (13%), are the least chosen qualities in the 2013 report. So, skill is dominating experience in what sponsors are looking for.

I look forward to seeing in the 2015 Ridler Report where the trends in all the above key areas take us over the next two years.



David Megginson
EMCC Ambassador and Joint Founder

Emeritus Professor of Human Resource Development at
Sheffield Hallam University

April 2013



EMCC UK is part of the European Mentoring and Coaching Council which exists to promote good practice in mentoring and coaching across Europe. EMCC UK has 1,500 members, including individual coaches and mentors, public and private organisations, training companies, academic institutions and research bodies. EMCC is an independent, impartial and non-profit making organisation.

www.emccuk.org
tel 0845 123 3720

I am delighted to introduce the 2013 Ridler Report. This is the fifth Ridler Report, analysing strategic trends in the use of executive coaching. In common with the previous reports it draws exclusively upon data gathered from the professionals who champion, oversee and sponsor coaching in organisations.



We know from extensive feedback that the Ridler Report is regarded as a valuable source of benchmarking data, particularly by senior learning and development and talent professionals. They use the report as a key reference point to develop their organisations' own approaches and practices and as a source of insight into other organisations' perspectives on current and future trends. We also know that the Ridler Report is valued across the wider corporate coaching community.

We hope that the Ridler Report will continue to stimulate debate, expand perspectives and challenge assumptions.

Once again we have included a number of case studies to bring to life our analysis of the research data, all of which profile leading edge thinking and practice in various aspects of coaching:

- Cooperative Banking Group – internal coaching
- Freshfields – coaching evaluation methodology
- Grant Thornton – creating a coaching culture
- GSK – external coach selection

The Ridler Report is written for busy people. It uses a succinct style, with clear graphic presentation of the research data, to enable readers to grasp key conclusions quickly and easily. The report does not provide the type of detailed statistical analysis sometimes found in academic papers. The emphasis is on practicality and accessibility, within a rigorous research framework.

The 2013 Ridler Report has been produced by Ridler & Co in a collaboration, for the first time. Our partner is the European Mentoring and Coaching Council UK, one of the leading professional coaching bodies.

EMCC UK has brought to the Ridler Report research programme the expertise and market knowledge of the following individuals:

- Sara Hope, Co-Chair of EMCC UK's Internal Coaching Special Interest Group
- Ian Paterson, Managing Director of EMCC UK
- Paula Roberts, EMCC member and author of "External Executive Coaching: A Joint Study of Sponsors' Experiences and Perspectives" – EMCC and Institute of Consulting – July 2010.

Sara, Ian, Paula and myself, together with fellow Ridler & Co director Laura Taylor, have formed the Ridler Report Editorial Board, which has met monthly and guided the direction of the research programme. Laura and I have thoroughly enjoyed working with Sara, Ian and Paula. I am very

grateful for their hard work and dedication, which has brought a refreshingly wide breadth of professional insight to the research.

As a result of the collaboration with EMCC UK we have increased the number of organisations participating in the Ridler Report to the highest ever achieved. 145 organisations completed questionnaires for the report, for example Allen & Overy, Barclays, BBC, Boeing, Deutsche Bank, Maersk Line, News International, various NHS organisations, PricewaterhouseCoopers, RWE npower, Save the Children and Siemens. A more detailed list of participant organisations is given on page 19.

We were particularly delighted to receive twelve questionnaires from Turkish organisations, who responded enthusiastically to EMCC UK's invitations, via its European counterparts, to participate in the research. We hope that the international dimension of the Ridler Report will continue to expand with the next Ridler Report, in 2015.

The involvement of EMCC UK also opened up the research to the UK public sector to an extent that has not been achieved before and we welcome this too.

Besides the areas David Megginson highlights in his foreword, the report explores trends in the situations where coaching is most often used, contracting practices, size of coaching providers, remote coaching, trends in fee rates and sponsors' requirements for professional accreditation in their coaches.

The Ridler Report is made available first of all (and free of charge) to the organisations that complete the questionnaire. The report can be purchased by other organisations, in hard copy format, from Ridler & Co's web site www.ridlerandco.com from May to August 2013. From September onwards the soft copy of the report will be available free of charge from Ridler & Co or EMCC UK.

We hope to see even more organisations participating in the next round of research by completing a questionnaire for the 2015 Ridler Report.



Clive Mann
Managing Director of Ridler & Co

April 2013

Ridler & Co
developing leaders, delivering results

Ridler & Co is an executive coaching practice, based in central London, working with board members, senior leaders and their teams. Ridler & Co's core purpose is to help senior leaders to build the connection between who they are, what they do and the results they deliver.

www.ridlerandco.com
tel +44 20 7112 6750

WHAT QUALITIES DO SPONSORS MOST VALUE IN COACHES?

Research data and interviews with questionnaire respondents suggest sponsors of coaching are becoming more discerning in differentiating between coaching providers' offerings.

Personal chemistry

The 2011 Ridler Report found 'personal chemistry' was, by a significant margin, the highest rated characteristic which sponsors seek in an external coach. In the 2013 research we wanted to look in more detail at key aspects of personal chemistry and its role in coach selection.

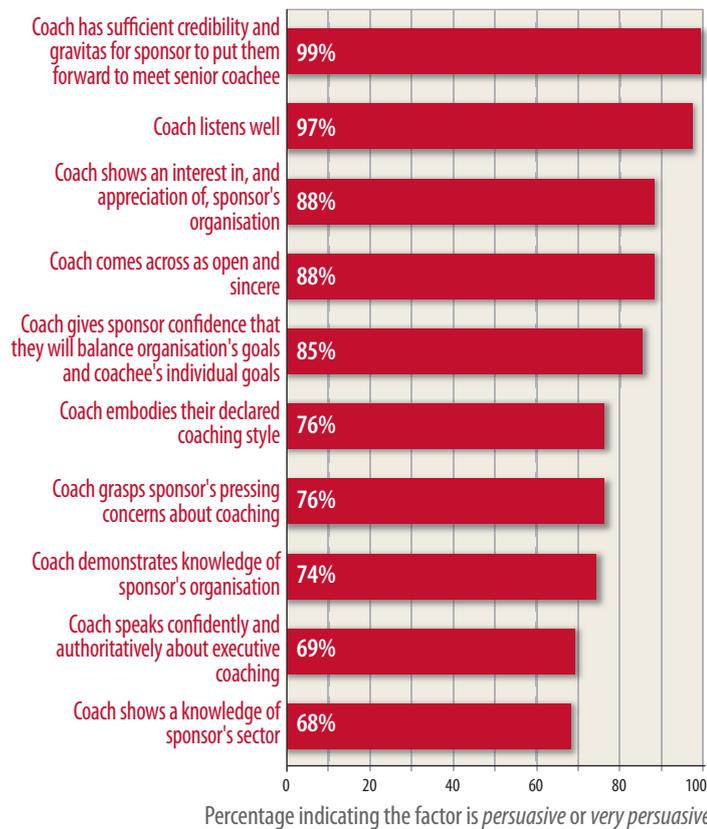


Chart 1: Indications and impressions which would persuade a coaching sponsor to include a coach on their preferred supplier list, when interviewing a coach

Credibility and gravitas are the most important factors (99%, including 66% who rated it 'very persuasive'). Interviews with sponsors revealed that these qualities are a function of the coach's personal impact and presence, which are related to the coach's:

- Track record of successfully coaching business leaders
- Broad business understanding and appreciation of the specific business context of the sponsor's organisation (which is underpinned by their business and coaching / consultancy experience)
- Generally sounding and looking like they would relate easily to senior business leaders

It is interesting to note that the coach's interest in and appreciation of the client's organisation (88%) is valued more highly than their knowledge of it (74%).

The coach's knowledge of the industry sector in which the organisation operates is the lowest rated factor (68%). This is consistent with the low rating of sector knowledge in the 2011 Ridler Report.

Empathy with the complexity of the client organisation's sector is critical but this is not the same as having specific sector knowledge or experience. The coach's ability to grasp quickly the different strands of the coachee's challenges, within their business context, is what matters.

"To be put forward for an executive coaching assignment with a senior leader in Deutsche Bank, the coach needs to have gravitas, relevant experience and an excellent understanding of the context within which our top leaders operate. A high level of commercial acumen is necessary to establish credibility and trust with the client and get the coaching relationship onto a secure footing quickly."

Mark Weller, Global Leadership Development, Deutsche Bank

Sponsors want coaches who can work with coachees' ingrained patterns

Once a coach is working in an organisation the most important qualities which sponsors seek are about professional coaching expertise.

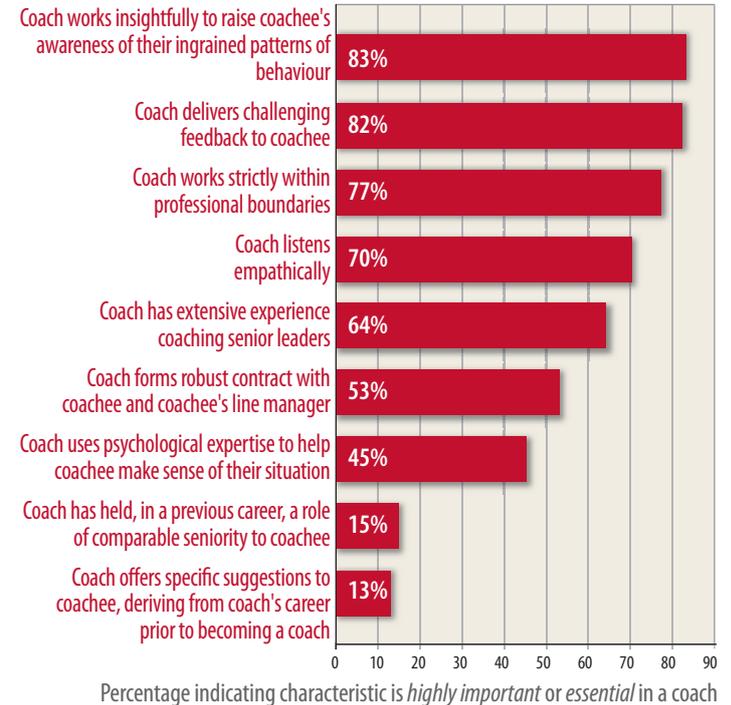


Chart 2: Importance of senior level coach qualities and abilities, once coach is working in an organisation

In the 2011 Ridler Report 55% of respondents rated as 'highly relevant' or 'essential' a coach's ability to work insightfully with a coachee's ingrained psychological patterns.

In a similar (albeit slightly differently worded) question in the 2013 Ridler Report, 83% of respondents said it was 'highly important' or 'essential' for a coach to work insightfully to raise the coachee's awareness of their ingrained patterns of behaviour. This was the most highly rated option.

Ingrained patterns are areas that individuals frequently do not know about themselves which can give rise to pre-programmed responses (good or bad). Once a coachee's awareness of an ingrained pattern is raised they may consider the impact their ingrained pattern has on others and consider whether it is a suitable way to continue to act.

To find out what underpins a coachee's ingrained patterns a coach needs to probe 'below the surface' of what their coachee says (or does not say), questioning its face value. If they do not do this sponsors see a significant risk of the coaching assignment being unsuccessful (see Chart 15, page 17).

"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. When a client engages with this work in a coaching relationship change becomes sustainable."

Claire Hack, Head of Organisational Development, AB Agri

Given sponsors' general view that coaches' work on their own ingrained patterns of behaviour is central to their ability to work with their clients' ingrained patterns, an interesting question for sponsors is what are the most relevant ways in which coaches can attain the required level of self-knowledge to be able to work with coachees' patterns? Also, how should sponsors judge a coach's understanding of their own ingrained patterns and overall level of personal development?

Challenging the coachee

Sponsors see coaches demonstrating their true value when they deliver challenging feedback (82%) to coachees.

Giving challenging feedback is underpinned by working within professional boundaries (77%). This involves building a degree of professional distance in the coaching relationship, for example working within an ethical code or coaching in a private room rather than in an airport lounge or hotel lobby.

Challenge is not the same as confronting. The timing of the challenge needs to be right and it invariably follows empathic listening (70%). Challenge may be thought of as being about reframing a problem in a way the client has not thought about it before. It needs to be respectful, yet firm and honest.

The coach's business experience

As noted in the section above, on personal chemistry, the coach's business experience may be an important factor in building their initial credibility with the coaching sponsor and in establishing common ground with the coachee in the early stages of a coaching relationship.

However, sponsors rated the coach's business experience (15%) and the coach's suggestions deriving from their prior career (13%) as the least important qualities they look for once a coach is working in their organisation. Senior executives can find mentors if they are looking for advice but the coach's central role is to help the coachee to come to their own understanding and conclusions.

A coach's prior business experience can build their credibility and be influential in giving them access to working with a senior coachee but sponsors see professional coaching expertise (for example working with coachees' ingrained patterns, providing challenge and working within professional boundaries) as more important ongoing qualities.

Sponsors appear to have moved their interest towards professional coaching expertise and away from business experience in the last four years. When asked in the 2009 Ridler Report by which criteria they selected coaches, the 'relevance and depth of the coach's business experience' was the highest rated factor, above 'professional coach training' and 'high professional coaching standards'.

Differences in coach qualities required at board level

Having extensive coaching experience with senior leaders is the most important differentiating requirement for coaches working at board level (60%). The most senior coachees evidently want the most experienced coaches.

There is also evidence that board directors value a heavyweight business background in their coaches (for example, see GSK case study on page 6). 48% of respondents said that it was more important or much more important for board level coaches to have held in a previous career a role of comparable seniority to the coachee.

Interestingly, the coach's suggestions to the coachee during coaching are not seen as more important at board level than lower down (63% rated coach's suggestions at the same level of importance at board level). It seems that board level executives are no more likely to be looking for suggestions than less senior executives. It is (arguably) not the same-level business experience itself which board level executives want in a coach, but the impact that such experience has on the coach's initial credibility and gravitas.

Sponsors see the delivery of challenging feedback and the coach's ability to work with ingrained patterns being more important at board level which is a key factor in why they look for more extensive experience in their board level coaches.

An interesting question remains: how many executive coaches are there who can truly claim to combine experience of having worked at board level with the advanced level of personal development and professional training to be able to work in depth with board members' ingrained patterns of behaviour?

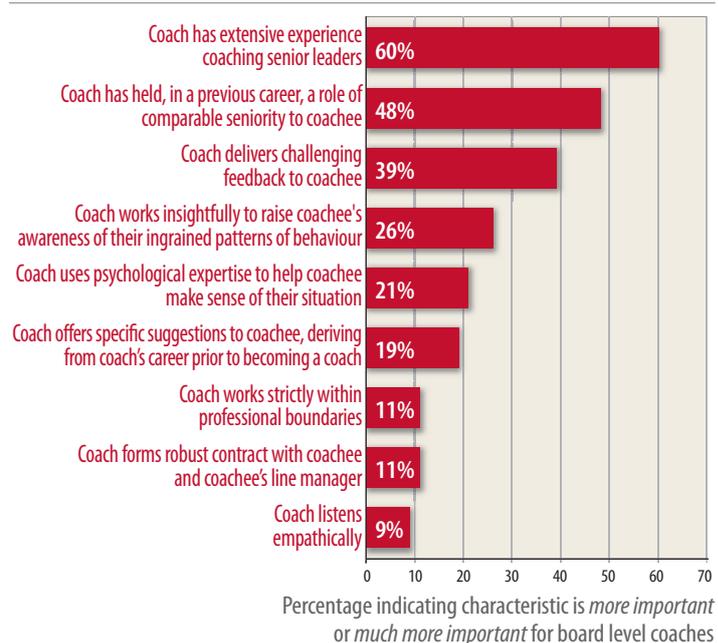


Chart 3: Qualities and abilities of board level coaches compared with coaches operating two or three levels below board

HOW GSK SELECTS ITS SENIOR LEVEL EXECUTIVE COACHES

The selection of executive coaches for GSK's senior and Board level executives is an ongoing and evolving process. At one level it is relatively straightforward (define the criteria, carry out assessments, conduct interviews, observe coaching on real issues, carry out reference checks). And yet, like coaching itself, coach selection requires art and intuition.



Fundamental coach requirements

GSK asks for accreditation with a respected coaching body to a 'Professional' level, that is ICF at PCC level, EMCC, APECS etc. Coaches must also demonstrate regular supervision with a professionally qualified supervisor.

GSK assesses the effectiveness of the coach's coaching process, looking at the solidity of the contracting process, method of reviewing progress on coaching assignments, involvement of clients' line managers in the coaching, membership of a professional body in case of recourse and capacity of the coaching organisation to provide a professional service to a global organisation.

Business and leadership credibility

GSK coaches demonstrate an understanding of the context in which senior executives work. This involves either having worked in a senior leadership position in global / multinational blue chip organisations or having carried out many coaching assignments in such organisations.

Sally Bonneywell, VP Coaching at GSK, says *"We look for coaches who appreciate the pressures, the constraints, the accountabilities and the ways of working that are expected of our senior executives. They quickly grasp the essence and the climate of GSK. It is not essential that they have held senior positions within a similar organisation – what is more important is that they gain credibility with their client through an understanding and appreciation of GSK's business context."*

Inner awareness

GSK requires coaches who are highly self aware and actively curious about their interior world. They will have undergone significant personal development work over many years which may include therapy and / or intensive development retreats such as Hoffman or Landmark – and active engagement in regular self reflective practice such as meditation, journaling or retreats. Such work enables coaches to be extremely clear about boundaries, giving them the ability to distinguish very clearly between what is their stuff and what is their client's.

Bonneywell says *"Of all the aspects to judge, self awareness is the hardest. Where there is limited awareness it is relatively easy – people talk of going on courses or learning skills or just own that they haven't really done much here. It becomes trickier when a coach is aware of what personal development work comprises and therefore is skilled in the language but has not really done the work. This, to coin a Buddhist phrase,*

'near enemy' is the most difficult coach to assess accurately. They may harbour deep seated issues which are hidden in their public face. It is only when dealing with their private face that the issues can be seen. For example, when dealing with the logistics of contracts or paperwork, previously centred, aware and calm individuals can display outbursts of petulance and immaturity."

One way of identifying the coaches who have genuinely done the work on themselves is by observing their ability to step in and out of the coaching role, as appropriate. They have the flexibility to stop being the coach when they are not actually contracted to be the coach, for example when dealing with the client organisation. These coaches have proven to be capable of delivering transformational and therefore sustainable change for clients. The 'near enemy' coaches may have an initial impact but rarely do they have the capacity for sustainable, deep change because they have not yet walked that path themselves.

Board level coach selection

Looking at the selection of coaches who are able and appropriate to coach at Board or Corporate Executive Team (the top 16 executives responsible for GSK's global businesses) level brings some interesting challenges.

Bonneywell says *"This arena is different from the broader senior executive population. Board level clients are people who have risen to the highest ranks of the organisation – and often the upper echelons of the industry. Their reasons for having a coach vary considerably but, unlike senior executives below them, the goals do not usually include career direction or progression. It is more often about assimilation into the organisation's culture and ways of working, or integration into a new industry sector."*

Board level clients call forth something different from GSK's executive coaches. Besides being utterly discreet, confidential, authoritative and at the top of their game their inner awareness must be evident without needing to disclose it. Board members frequently have little tolerance for anything regarded as 'soft' (though they will willingly engage with their personal and professional development once trust has been established).

The most noticeable difference in what coaches need, to work with Board level clients, is in their business experience. Having held a similar position to their client helps the coach to connect with the Board member through a shared understanding of the pressures, the responsibility, the loneliness and the way of being that such a position requires. Coaches who have this level of experience are more at ease in the C Suite – they are not awed by Board level clients but are relaxed and in tune. This experience is highly valued by Board level clients and often leads to an impression in them that they are working with peers whom they can respect for what they have done in their business life, not just for their expertise as a coach. This fast won credibility is vital. Board members have little patience. They do not have the time to spend getting to know the coach – decisions are made quickly and summarily.

Bonneywell says *"The stakes are high. Introducing external people to Board level executives is high risk. In some ways my reputation is on the line with every coach I introduce. Coaches who can combine Board level experience and the ability to coach at deep, often psychological levels in a subtle, credible way are rare – and greatly needed."*

USE OF TEAM COACHING IS EXPECTED TO INCREASE STEADILY OVER THE NEXT THREE YEARS

There has been much talk about team coaching over the last couple of years, accompanied by new trainings in team coaching and even a specific accreditation in team coaching by a professional coaching body (APECS). In this context we wanted to find out if the increased profile of team coaching was reflected in increased interest among coaching sponsors.

The exploration of team coaching in this report is in its early stages and many questions remain as yet unanswered. However interest in the area has confirmed team coaching as a theme for deeper investigation in future Ridler Reports.

It appears that there is not yet a clear consensus among sponsors about the definition of 'team coaching' and how it differs (or not) from established interventions such as 'team building' or 'team facilitation'.

Team coaching is perceived as a relatively advanced intervention which is often introduced after an organisation's introduction of one-to-one coaching. Most of our interviews with sponsors about team coaching were with organisations where coaching is well established.

Steady growth of team coaching expected

"I think the whole area of team-based coaching is going to grow significantly in our organisation and coaches need to be agile at dealing with the shift from individual to group work, including all the boundary sensitivities and interpersonal issues that this shift may bring."

Lynne Chambers, Global Head of Executive Development, Rolls-Royce

The Ridler Report data shows the wide reach of team coaching in 2013. Only 5% of organisations have no plans to introduce team coaching in the next three years.

Team coaching is anticipated to show growth over the next three years. Chart 4 shows growth in 45% to 65% of organisations. The growth is expected to be steady rather than dramatic – in each seniority category the number of organisations expecting a small increase is significantly greater than the number expecting a large increase.

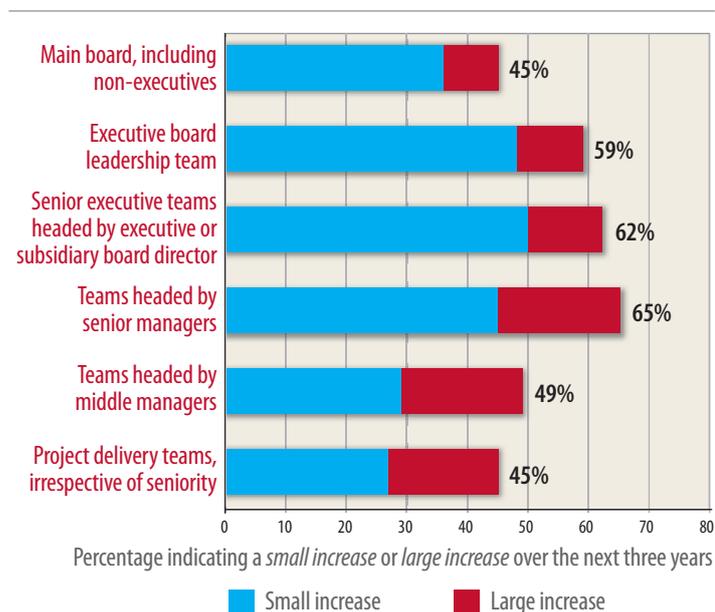


Chart 4: Expected changes in the use of team coaching over the next three years

"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 being a team member. Consequently, developing and coaching teams have increasing attention."

Lars Even Rasmussen, Head of Talent Management, Maersk Line

The greatest growth in team coaching is expected to happen in teams led by either a senior executive (62%) or a senior manager (65%). This pattern is consistent with research data from the 2011 Ridler Report which found that one-to-one coaching is most frequently used at senior executive and senior manager levels, reflecting leaders' developmental potential at these levels.

The data suggest one-to-one and team coaching are seen as complementary in the majority of organisations. 68% of organisations said they did not expect team coaching to replace one-to-one coaching in the next three years.

One organisation commented "There is no obvious reason why the one should replace the other, given the different needs they serve".

Drivers of the increased use of team coaching

Strategy development and behavioural dynamics were two commonly identified reasons for initiating team coaching interventions.

There is also evidence from interviews that many organisations see team coaching as part of wider organisational development interventions, aimed at shifting the organisational culture towards being more collaborative and empowering.

There were some examples of team coaching addressing dysfunctional team dynamics. However, interviews indicate that team coaching is more likely to be used in high performing teams going through change (for example, newly formed teams or teams where new members are joining) which need to achieve optimal performance within a short period of time.

Outstanding questions

We stated at the start of this page that our exploration of team coaching is in its early stages. Some of the questions which have not yet been answered will be addressed in future Ridler Reports, for example:

- Will a commonly agreed definition of team coaching emerge and how soon?
- How can contracting for team coaching be structured, to maximise the chances of a successful outcome for the team coaching assignment?
- Do the kinds of issues addressed in team coaching assignments differ in very senior teams, compared with less senior teams?
- On what criteria will team coaches be selected in the future? How will the selection criteria differ from one-to-one coaches?
- To what extent is team coaching likely to be delivered in the future by internal coaches or external coaches? (at present both deliver team coaching, sometimes in combination)
- How, if at all, does supervision for team coaching differ from supervision for one-to-one coaching?

TRENDS IN THE USE OF INTERNAL COACHING

Growth in internal coaching is expected to continue...

79% of organisations expect to see a small (40%) or large (39%) increase in internal coaching over the next three years. Internal coaching is seen as a key means of supporting the development of a coaching culture, encouraging managers to use a 'coaching style' in leading their teams and influencing others.

"Amgen Europe sees many benefits in internal coach training for managers, including getting them to coach more to increase team members' performance, increasing their capability to have difficult corrective conversations within their team and taking from HR the responsibility for Talent Management in their teams."

Gary Sagar, Director, Talent Acquisition and Development, Amgen Europe

The availability of internal coaching is giving a wider population of managers and leaders access to coaching, especially those who are not the most senior leaders. High quality external coaching is expensive. Providing external coaching to all the individuals who want it would be too costly for the great majority of organisations.

Cost efficiency continues to be a significant driver of the growth in internal coaching. The 2011 Ridler Report found that internal coaching was seen as better value for money than external coaching. The 2013 Ridler Report data supports this finding – 44% agreed that internal coaching is better value for money than external coaching, compared with 13% who disagreed.

Internal coaches are recognised for the depth of their understanding of their organisation's business context and political environment, which should help them to 'hit the ground running' in their coaching assignments (although, interestingly, more organisations disagreed (33%) than agreed (18%) with the statement 'internal coaches get to the heart of the matter more quickly than external coaches').

More organisations disagreed (45%) than agreed (29%) with the statement 'internal coaches are easier to organise and manage than external coaches'. Expanding internal coaching provision is seen as a worthwhile but often complex endeavour.

There were suggestions in some interviews that internal coaches keep in touch with their coachees longer than external coaches, due to easier access, which supports their ability to embed the learning from the coaching.

"There has been a big drive in TNT Express UK over the last three years to develop the organisation's performance culture through adopting a coaching approach. Training and developing a faculty of internal coaches has enabled us to make coaching available to the management layers below our top executives and has seen a real return on the investment. These coaches play a critical role in supporting our managers to translate learning from leadership development programmes into sustainable and practical improvements in their own performance and that of their teams."

Malcolm Pickup, Head of People Performance & Development, TNT UK

...but the most senior leaders still prefer an external coach

85% of organisations agreed that their most senior executives prefer an external coach to an internal coach. 76% agreed that external coaching is

a safer space than internal coaching for senior executives to discuss sensitive personal or organisational issues. The following reasons were given in interviews, all of which echo the findings of the 2011 Ridler Report:

- External coaches are separate from the client organisation, which is a key reason why senior leaders feel more at ease disclosing sensitive material to them.
- External coaches are not part of the client organisation's hierarchy, which can be helpful in conferring authority on them.
- External coaches bring fresh and broad perspectives, drawn from coaching senior leaders across a variety of organisations.
- External coaches are more inclined to challenge the assumptions which the coachee and internal coach may (often implicitly) share about their organisation.
- External coaches tend to be perceived by their clients as coaching experts (whether or not this is justified) as they spend most of their time coaching. 70% of organisations agree with the statement 'external coaches have higher levels of expertise and experience than internal coaches'.

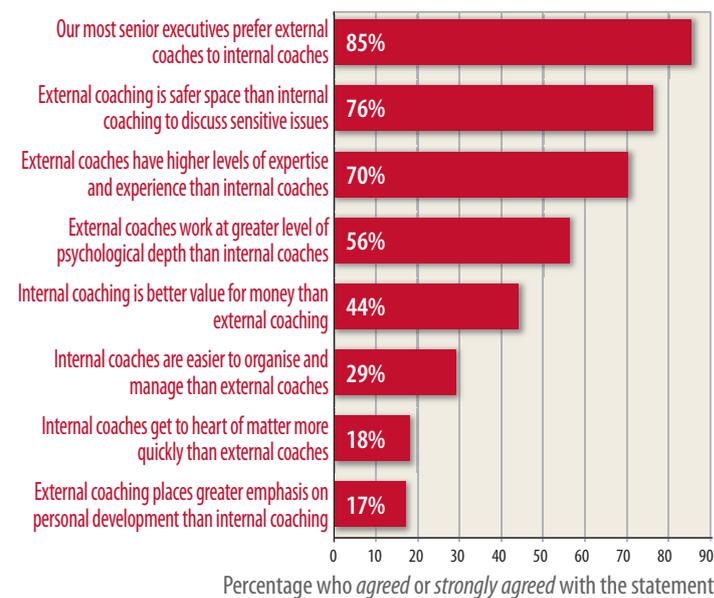


Chart 5: Internal versus external coaching – views

"The focus of internal coaching at News International 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 International's hierarchy."

James Hutton, Head of Talent, News International

The average length of an external coaching session is longer than an internal coaching session

79% of organisations said that internal coaching sessions were either one or one and a half hours in length, compared with 74% which said external coaching sessions were either one and a half or two hours long.

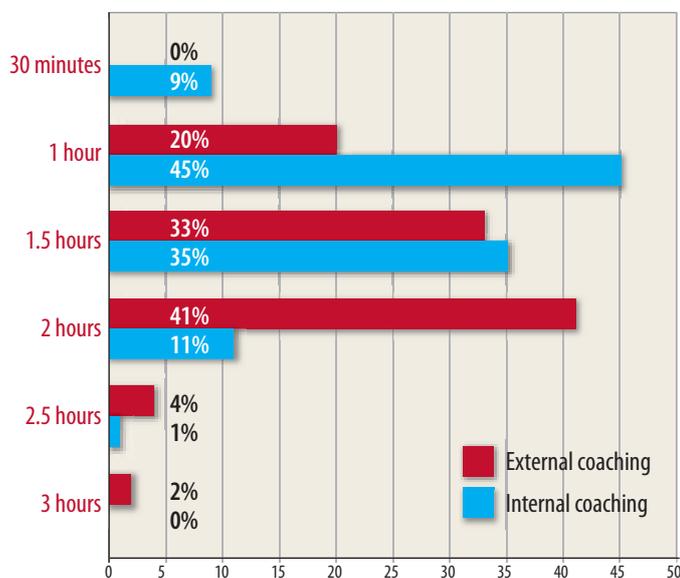


Chart 6: Average length of a coaching session for internal and external coaching

The scarcity and opportunity cost of internal coaching time may go some way to explaining the difference. The great majority of internal coaches are part-time and many are hard-pressed to spare more than one or one and a half hours from their ‘day jobs’ for a coaching session.

There is anecdotal evidence that even when internal coaches are able to offer two hour sessions they may find it more difficult than external coaches to get coachees to commit to two hour sessions.

Situations where internal coaching is more likely to be used

The only situation where internal coaching is more likely to be used than external is lateral moves into a different part of the organisation (39% internal compared with 21% external), indicating that external coaching is still more prevalent than internal coaching.

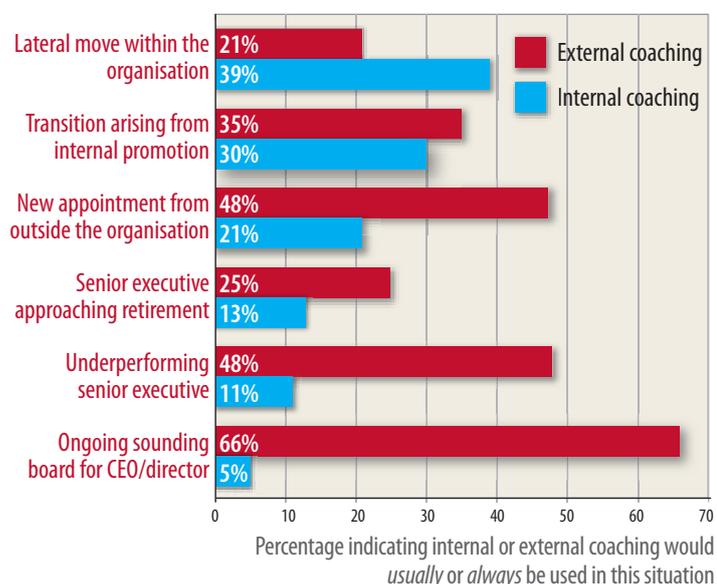


Chart 7: Situations where internal or external coaching is used

Internal coaching is used frequently for internal promotions, reflecting internal coaches’ greater depth of understanding of the business context and culture of the part of the organisation their coachee is entering.

Internal coaches are least likely to be used as an on-going sounding board for CEOs and board directors, supporting data in Chart 5 which points to board level coachees preferring external coaches.

A few organisations have particularly highly developed internal coaching functions

A small minority of organisations participating in the research have developed their internal coaching into particularly sophisticated functions. At least one of these internal coaching functions is independent of Human Resources.

Some well-known professional services firms fall into this category. They employ some highly experienced full-time internal coaches whose coachees include senior leaders (although, interestingly, external coaches are still usually selected for board level coaching assignments).

The credibility of internal coaching has become very well established in these organisations. Their focus is on ‘professionalising’ the coaching offering so that the experience for the coachee is comparable to having an external coach.

The central role of supervision, in managing complex boundary management issues which can arise for internal coaches, was emphasised in interviews with these organisations.

There is some evidence of internal coaches in these organisations focusing their attention on new senior appointments from outside the organisation. Internal coaches’ knowledge of their organisations can be very useful to new recruits who need to learn quickly how to navigate their way around a new culture.

The increasing demand for executive coaching and the cost differential between internal and external coaching are major drivers of the expansion of internal coaching in these organisations.

External coaching is still used, selectively, in these organisations. Internal coaches are influential in the selection of the organisation’s external coaches. Situations where external coaches are brought in include:

- The coachee is a board member.
- The internal coach is conflicted from working with a coachee, for example because they are working with a close colleague of the coachee.
- There are tensions between the coachee and the organisation. The coachee might be actively considering leaving the organisation.
- It is hard for the internal coach to set aside what they already know about the coachee before the start of a potential coaching assignment.
- The coaching agenda includes tough decisions about people in the organisation, perhaps including redundancies.
- The coachee insists on an external coach.

It will be interesting to track, over time, whether more organisations develop their coaching strategies along the lines of this model of internal coaching.

DEVELOPING INTERNAL COACHING CAPABILITY AT THE CO-OPERATIVE BANKING GROUP

The journey of embedding an internal coaching capability at The Co-operative Banking Group (CBG) reflects many of the challenges and opportunities faced by other organisations. This case study highlights the key factors which have ensured the internal coaching resource is fit for purpose and delivering value to the business.

Background

Coaching now plays an integral part of the overall development agenda at CBG and is recognised for adding value by supporting leaders and the organisation as it goes through tremendous change.

The journey towards internal coaching

The focus at CBG has shifted in the last two years towards the use of internal coaches. When Angela Ryrie started her role as Coaching Manager in 2010, she inherited a pool of 50 internal coaches. Many of these coaches had started coaching as part of the Britannia organisation, prior to merging with CBG. The coaches were motivated and inspired to coach and the team had grown organically over a number of years. Angela wanted to build on the team's strengths whilst enhancing the infrastructure and rigour with which internal coaches were being utilised and developed.

In March 2011 the CBG coaching team implemented a new approach to internal coaching, in line with the changing needs of the organisation, including:

- Clearly communicating the target audience for internal coaching, namely all leaders, managers and high potential individuals (a population of circa 1500 individuals)
- Launching a new set of coach standards, including a coach handbook detailing coach role and expectations, code of ethics and coach competencies
- Creating streamlined processes to support individuals in accessing coaching (including the coaching end to end process: central matching, chemistry session, three-way contracting, up to six coaching sessions and mid and end point reviews)
- Introducing a new approach to coaches' continuing professional development (CPD), utilising the coaching team and external coaches
- Introducing coach supervision through both partnering with an external coach to deliver group supervision and investing in one internal coach to become a qualified supervisor
- Creating a 'Coaching Zone' portal, to support coaches and clients to access and market coaching

After a year of embedding the new approach, in March 2012, CBG invested in a team of four internal consultants, from within the Talent / Leadership team, to support a quality assurance programme for all internal coaches. The purpose was to establish which coaches remained motivated and able to coach in line with the new ways of working. This included a paper-based process for coaches to evidence their coaching practice (including coaching hours, CPD, supervision) and a half-day development centre that invited each coach to undergo a practical assessment of their coaching, with feedback, measured against the coach standards and competencies.

The impact of adopting the new approach

CBG has now reduced the number of internal coaches from 50 to 20. The remaining internal coaches support 65% of the total number of coaching

requests across the business. This equates to approximately 20-30 hours out of their day jobs per annum, delivering coaching. When asked about the financial investment in internal coaching, Angela said *"We invest circa £5,000 per new internal coach we train. If our coaches coach one client, we are cost neutral compared to them working with an external coach. If they coach two, we're in a saving position. There is definitely a financial pay back and a commercial benefit in our internal coaching model."*

The co-operative banking group

The internal coaches adopt the same approach to their practice as the external coaches so that there is one seamless process and quality standard for all coaching clients. The only difference between internal and external coaches that Angela cites is that the external coaches have absolutely no linkage to the business so there is no conflict of interest. The impact of the new approach is that she can confidently challenge any client on their case for preferring to work with an external rather than an internal coach.

The confidence and capability of the internal coaches has also increased and this in turn has had a positive impact on the profile of internal coaches. Leaders and managers are now more open to engaging an internal coach to support their development.

Angela comments *"I know all of the internal coaches and manage them in the same way I manage our external coaches. It is important that I explore carefully who the ideal coach might be for our clients."*

Approach to external coaching

Angela recognises that there are occasions where the support of an external coach may be more appropriate than an internal coach, at senior levels in the organisation. This could be due to the neutrality required or sensitivity of the coaching agenda. At CBG external coaches are offered, to support the executive team, directors and high potential individuals (a population of circa 40 individuals), based on individual needs and the business case. As a trend, most of CBG's executive team and directors who have coaches are coached by external coaches. That said, there is a growing appetite to explore the potential of internal coaches, particularly for high potential individuals.

The external coaches are viewed as an extension of the internal team and are also instrumental in growing the capability of the internal coaches. They have designed and facilitated a number of CPD learning sessions on topics including transformational coaching, coaching high potential individuals, coaching toolkit, coaching constellations and emotional intelligence. The external coaches also supervise the bimonthly internal coach group supervision sessions.

Looking ahead

CBG believes it is unlikely that they will introduce full time internal coaching roles. Most coaches in the current cohort are leaders or managers from within the business, bringing added value in terms of credibility in the eyes of their clients. Clients like the fact that their coaches have a broader skill set and understand their world commercially.

The focus through 2013 and beyond is to continue to promote and develop the internal coaching pool and to train a small group of leaders to become accredited coaches, to strengthen the existing pool.

SIZE OF EXTERNAL COACHING PROVIDERS

– BIGGER IS NOT NECESSARILY BETTER

Independent coaches have the largest share of the coaching market...

The 2007 Ridler Report questionnaire asked what size of coaching provider sponsor organisations used. The results showed 89% of sponsor organisations used independent coaches, 46% used medium-sized coaching providers (up to 12 coaches) and 21% used large providers (more than 12 coaches).

The 2013 Ridler Report shows that the largest organisations in the world are still routinely commissioning coaching direct from independent coaches. Independent coaches, sourced direct, supply nearly half (47%) of the coaching hours which sponsor organisations commission – more than any other size category of coaching provider (see Chart 8).

Many of the most experienced coaches choose to offer their services independently and many sponsors develop close and trusting relationships with them. Independent coaches can offer lower fee rates than multiple coach providers because of their lower cost bases. This can be a significant advantage, especially for the most price conscious commissioning organisations and sectors.

- It is more practical for specialist coach providers to coordinate feedback from their coaches on organisational themes which emerge from coaching assignments, without compromising confidentiality, than it is for independent coaches to pool their knowledge and feedback collectively on organisational themes.

Specialist coaching providers also tend to be more active in developing their coaches, for example organising group supervision.

“Rathbone Brothers finds feedback from coaching providers on broad organisational themes which have emerged in their coaching work interesting and helpful. Coaching providers with several coaches working in our organisation can synthesise themes emerging from multiple coaching clients, giving us very useful feedback without compromising the confidentiality of their individual clients.”

Carole Gibson, Learning & Development Director, Rathbone Brothers

Coach brokers and HR consultancies

Some sponsors find coaching brokers useful sources of coaches as they have a larger number of coaches on their books and can access specialist coaches for specific client situations. In interviews sponsors also pointed out that specialist coaching providers tend to know their coaches better than coach brokers which is an advantage in a number of ways, including matching coach and coachee.

Some sponsors use large HR consultancies, especially valuing their ability to manage large scale, mid-level coaching programmes. They also observe that more experienced coaches often move away from large HR consultancies' coaching arms once they have become established as coaching professionals, preferring to work independently or for specialist coaching providers.

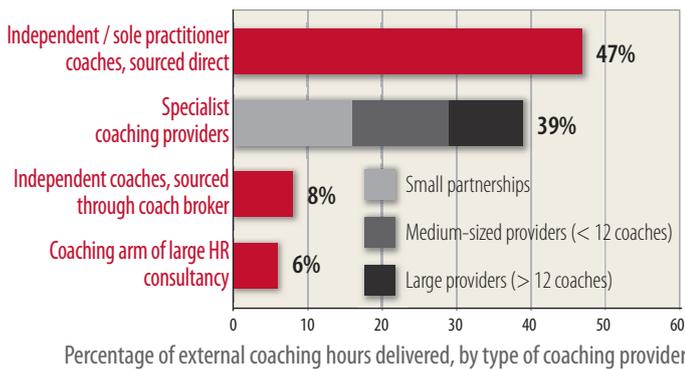


Chart 8: Proportion of external coaching currently supplied by different types of coaching provider

...but specialist providers with multiple coaches may be catching up

Specialist coaching providers with multiple coaches have 39% market share. They can offer their coaches a sense of belonging and working together with a common aim which can be motivating for the coaches and is a solution to the potential isolation of the independent coach.

In interviews, sponsors highlighted some of the advantages of working with specialist providers who have multiple coaches, as follows:

- Specialist coaching providers build up a more in-depth understanding of the sponsor organisation through their multiple relationships and coaching assignments.
- Specialist providers offer a single-point-of-contact relationship manager who can provide advice and access a range of coaches who all bring the provider's brand attributes and values.
- Larger providers have project management and administrative resource which enables them to respond to clients' needs more efficiently and quickly.

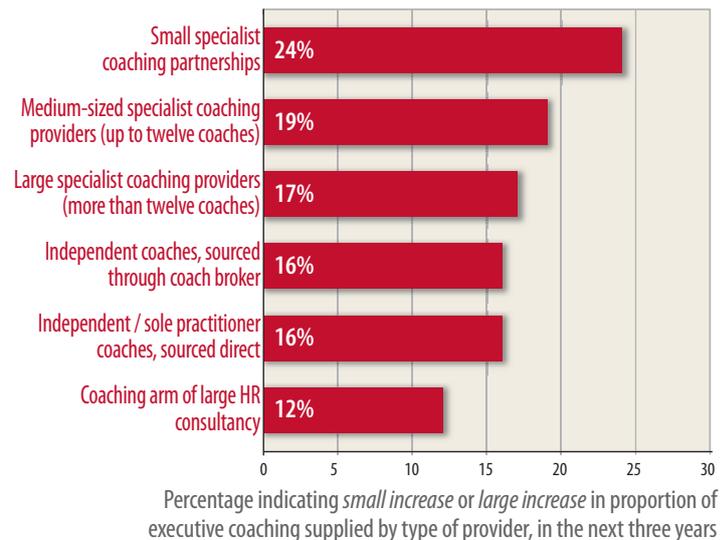


Chart 9: Expected change in proportion of external coaching supplied by different types of coaching provider in the next three years

Chart 9 shows that sponsors expect the proportion of executive coaching commissioned from specialist coaching providers to grow over the next two years at a higher rate than independent coaches, coach brokers or large HR consultancies.

CONTRACTING ARRANGEMENTS FOR COACHING ASSIGNMENTS

Earlier in this report (page 5) the importance of the coach working within professional boundaries and the critical role of professional boundaries in enabling the coach to challenge the coachee are highlighted. Contracting arrangements are the core mechanism by which the professional boundaries of the coaching relationship are defined and agreed at the start of a coaching assignment.

Confidentiality

Agreement of confidentiality conditions is central to establishing a relationship of trust between coach and coachee.

The 2009 Ridler Report asked how sponsor organisations handled the confidentiality of coachee material during the coaching. 36% said there was no formal corporate policy and that contracting for confidentiality was left to coach and coachee.

The 2013 Ridler Report found that 86% of sponsor organisations 'often' or 'always' included agreement of confidentiality conditions between coach, coachee and the sponsor organisation in their contracting processes.

Good contracting practices build the foundations for evaluation processes...

74% of sponsor organisations often or always include joint agreement of coachee's objectives between coach, coachee and coachee's line manager in their contracting processes. The central role of joint agreement of coachee's objectives in coaching evaluation is illustrated in Freshfields' case study (page 13). The 'return on expectations' approach to coaching evaluation, where expectations are based on jointly agreed coaching objectives, was widely identified in sponsor interviews as a favoured evaluation approach.

"At Three we have aligned executive coaching with our business strategy. This involves tying individual coaching objectives into the organisational improvements, such as better cross-functional working. We particularly value our ability to evaluate the outcome of each coaching assignment against our strategic goals."

Amanda Leaning, Leadership and Capability Consultant, Three UK

...and successful coaching outcomes

Professional contracting processes are also seen as an important determinant of successful coaching outcomes. Where coach, coachee and sponsor organisation agree up-front and continue to observe the professional boundaries of the coaching relationship, sponsors see a greater chance of a successful outcome to the coaching assignment. This is at least in part due to the coach's enhanced capacity to challenge the coachee if the coaching relationship is clearly defined and mutually understood (see page 5).

Three-way meetings between coach, coachee and the coachee's line manager are seen as a key mechanism to agree coaching objectives. 70% of sponsor organisations' contracting processes include agreement on the procedure for three-way meetings.

Ethical codes

It is perhaps surprising that only 56% of sponsor organisations include the ethical code to which the coach subscribes in their contracting process. Accountability to the coach's professional body for upholding their

ethical code can give sponsor organisations much needed reassurance that the coach will work in an ethical way. After all, an organisation can make a complaint to the coach's professional body if the coach breaches their ethical code.

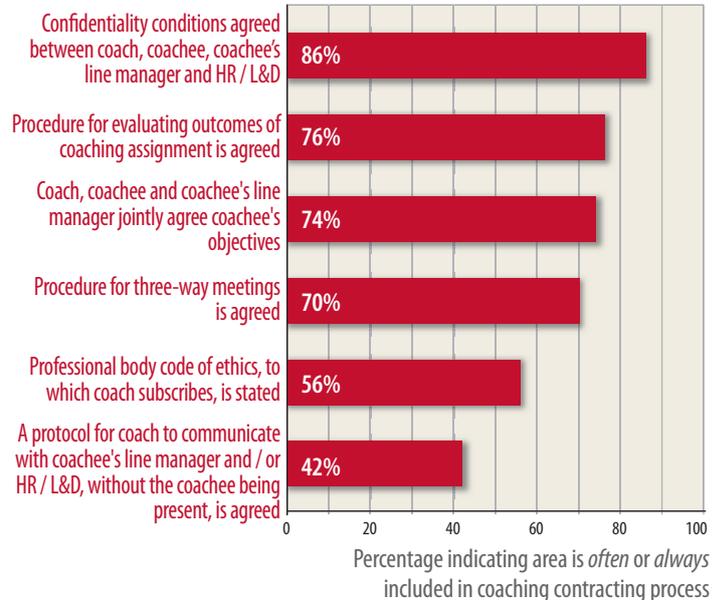


Chart 10: Areas of contracting included in senior level executive coaching assignments

Coach contact with the coachee's organisation when the coachee is not present

The 2009 Ridler Report found that, in 29% of organisations, coaches meet representatives of the coachee's organisation to review coaching assignments, without the coachee being present (these meetings are sometimes known as 'off-line meetings'). It is interesting to note that only a minority of sponsors in the 2013 Ridler Report (42%) often or always include a protocol for off-line meetings in their contracting process.

Important professional issues are raised by off-line meetings, such as whether:

- The organisational representative should be encouraged to attend a three-way meeting instead of having an off-line meeting
- The coachee's permission should be obtained before an off-line meeting takes place
- The aims of the off-line meeting and areas to be covered / not to be covered in the meeting should be agreed in advance with the coachee

"At Thomson Reuters we have seen a relationship between the quality of initial contracting and the eventual success of coaching assignments. For example, when confidentiality conditions are agreed up-front and coaching objectives are set with the input of the coachee's line manager our confidence grows that the coaching will yield the return on investment which we hope for."

Kate Brown, Director, Talent and Development, Thomson Reuters

An example of an organisation which has developed a robust approach to coaching evaluation is leading international law firm, Freshfields Bruckhaus Deringer LLP.

Freshfields Bruckhaus Deringer

Freshfields makes use of executive coaching to support key strategic programmes for both the lawyers and business services (support staff). Coaching forms an integral part of the year long Transition into Partnership programme for the firm's newly elected partners each year and coaching is an important element in the firm's gender diversity leadership initiatives. For business services, coaching forms part of the pre and post work for the SMARTLeader programme which focuses on developing leadership capability in the firm's senior management in business services.

As well as these global initiatives, Freshfields engages executive coaches to build leadership capability in senior high performing lawyers and support staff in its different regions, using local suppliers. The 2000 strong London office is taking a lead in developing more robust processes to identify the most suitable coaches and evaluate the effectiveness of coaching.

Its development of an evaluation process, launched in January 2013, is part of a wider drive to better identify, engage and demonstrate the value of coaching. Nick Blandford, Senior Manager, Learning and Development, explains that the objectives of this drive are to:

- Deepen the understanding of what a coaching conversation can do and educate the firm on how best to use and deploy coaching
- Ensure that coaching relationships are set up with a rigour which is maintained throughout the relationship
- Highlight to sponsors their ongoing role in supporting coaching assignments and the coachee in particular
- Ensure high and aligned standards across all coaching assignments and providers, with a focus on both individual and business benefits
- Build the firm's reputation for best practice within the legal sector, more widely in the coaching world and also with the firm's clients

"This is a high performance organisation", says Nick Blandford. "It is important that coaching supports this environment and that we can articulate the value derived by the individual and by the firm." "We have ambitious people leadership aspirations", adds Kathryn Rousin, Global Head of Learning and Development, "and we see high standards in coaching as critical to our investment in our people."

Nick was clear that the evaluation approach had to be light touch but still be robust enough to provide valuable data, using jargon-free language. *"I think we should be measuring return on expectation, based on coaching objectives, rather than return on investment", he comments, "And I think tripartite meetings need to be at the heart of this – one towards the beginning of the relationship and one at the end, once the formal coaching relationship has ended."*

Having given considerable thought to the firm's needs from coaching evaluation, Nick was keen to draw on expertise, both internally and from the firm's external preferred supplier pool. He convened a meeting in late 2012 to share ideas and experience with five of Freshfields' key providers of coaching.

Following a discussion about best and current practice, a six step process for executive coaching was agreed:

1. Chemistry meetings result in a coach being chosen, following which Freshfields sends an engagement letter to the coaching organisation.
2. Coach and coachee agree and document coaching objectives.
3. Coach and coachee's sponsoring partner / line manager discuss the coaching objectives, typically by telephone. The coach may also wish to speak to other stakeholders to build an accurate and rounded picture of the coachee.
4. A tripartite meeting between the coach, coachee and the coachee's sponsoring partner / line manager takes place during the first half of the coaching relationship, to review and agree coaching objectives and discuss measures of success.
5. At the end of the assignment the coach and coachee meet to review progress against coaching objectives and close the coaching relationship.
6. The evaluation takes place through another tripartite meeting within three to six months of the end of the assignment, during which the coach records the outcomes of the coaching on Freshfields' evaluation form and sends the form to Learning and Development.

The evaluation meeting explores the following questions:

- What would have happened anyway, if no coaching had taken place?
- What has been affected by the coaching?
- What would not have happened without the coaching?
- What has the impact of coaching been on the coachee, the firm, the coachee's colleagues and clients?

Nick draws upon the expertise of the firm's experienced coaches to help the firm manage the evaluation process intelligently, and to use opportunities to demonstrate to sponsors and coachees how to maximise the learning potential of the coaching assignment. There is scope within the framework adopted for coaches to use their judgement and discretion as to how best to respond to the individual coachee's and sponsor's needs.

Coaches are also expected to manage the boundaries around confidentiality of any personal coaching objectives (which the coachee may prefer not to disclose to anyone other than the coach) and any individual personal challenges which underlie those objectives.

Freshfields is confident that the journey towards rigorous and meaningful evaluation is well under way. The aim is to build on what is already happening in many of the firm's coaching relationships, to deepen and extend existing best practice across the firm and to do so in a way which suits the firm's culture. There has been considerable learning in this initiative for Freshfields. It is hoped that other organisations involved in the professionalisation of coaching can benefit from this learning.

SITUATIONS IN WHICH EXECUTIVE COACHING IS USED

Shifting trends

Since the 2011 Ridler Report the likelihood of coaching being used across the various situations tested has generally increased.

CEOs and board level executives have become significantly more likely to use coaching as an ongoing sounding board (33% in 2013 compared with 18% in 2011). Coaching for senior people who have been identified as underperforming has also increased significantly (31% in 2013 compared with 15% in 2011).

Both sets of data (see Chart 11) are consistent with a period of abnormally prolonged economic uncertainty. The challenges facing senior leaders in many sectors have been relentless and protracted. It is therefore unsurprising that a board level executive is increasingly likely to seek opportunities for regular reflective dialogue with a coach.

Many executives who in more buoyant times would have moved on, of their own accord, may be remaining in roles for which they are no longer a perfect fit. From the organisation's perspective there are often persuasive reasons to retain them, providing a strong business case for investing in coaching.

“As executives get promoted into the most senior leadership positions in Dairy Crest, they find it 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 where they can have reflective conversations about their work and be challenged on their thinking and approach.”

Sue Blight, Head of Learning and Development, Dairy Crest

Coaching to support transitions

59% of respondents said that coaching was often, or very often, used to support executives with significant internal promotions. There has been virtually no change in this percentage since 2011. Internal promotions remain, by a substantial margin, the situation most likely to give rise to executive coaching.

Coaching is used less frequently to support executives recruited from outside the organisation (34%). However there has been a significant increase in this since 2011 (20%). Recognition of the benefits of coaching external recruits is increasing.

Internal promotions typically fall within the remit of an organisation's talent management processes, which have an inbuilt and stigma-free assumption that people have development needs when they are promoted. Talent executives who manage such moves have access to a wide range of formal and informal data on the individuals concerned and develop a good sense of the job mover's development priorities for their new role. They are also well placed both to arrange coaching and to help shape the coaching agenda.

By contrast external recruitment sits outside these established processes. It is also a costly and lengthy process which, when completed, encourages all parties to adopt a 'finished article' mindset about the new arrival that is prone to overlook development.

Yet in many organisations it has become the norm for new external executive hires to undergo some form of formal assessment during the recruitment process. The majority of organisations do in fact have valuable

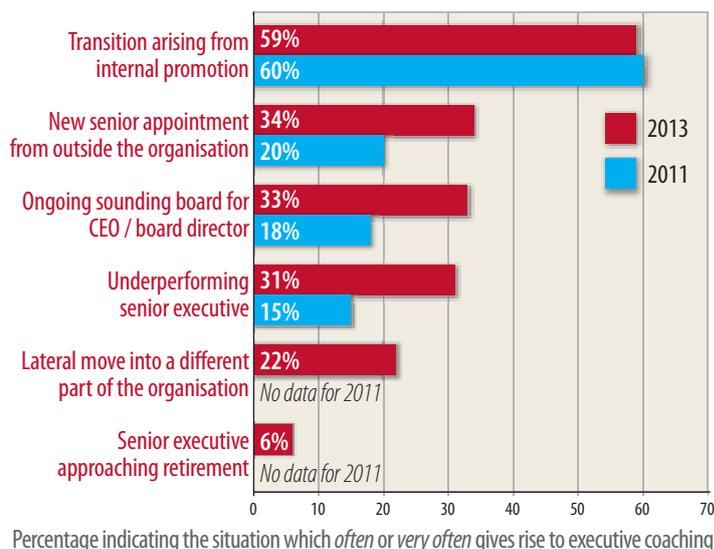


Chart 11: Situations giving rise to coaching – 2013 compared with 2011

data about their new hires' development needs that could be drawn upon to support transition coaching.

Organisations participating in the 2013 Ridler Report were for the first time asked to consider the use of coaching to support lateral internal moves that did not involve promotion. 22% indicated that lateral moves often or very often gave rise to executive coaching (compared with 59% for significant internal promotions and 34% for external hires). This suggests that a 'rank order' of challenge and complexity exists in the minds of coaching sponsors around job transitions, with lateral movers the least favoured category for coaching support. Interviews with coaching sponsors suggest that decisions to arrange coaching for lateral movers and external hires are taken on a more discretionary and arbitrary basis than decisions to provide coaching to support significant promotions, which are more likely to be built into standard talent management processes.

Sponsored coaching provision for senior people approaching retirement is offered relatively infrequently (6%) and is usually regarded as a niche area of coaching.

UNLOCKING POTENTIAL FOR GROWTH: EMBEDDING A COACHING CULTURE IN GRANT THORNTON

Grant Thornton UK LLP is a leading financial and business adviser. Led by more than 200 partners and employing nearly 4,500 professionals, Grant Thornton provides personalised assurance, tax and specialist advisory services to over 40,000 individuals, privately held businesses and public interest entities. Grant Thornton UK LLP is a member firm within Grant Thornton International Ltd, one of the world's leading international organisations of independently owned and managed accounting and consulting firms.



and has set exciting goals for a new way of working – both with clients and colleagues. In order to adapt to the changing landscape, the new proposition focuses on Grant Thornton offering a combination of reason (technical excellence and rigour) and instinct (experience and intuition). Together reason and instinct can get to the root of challenges, enable a different way of thinking about a problem, and deliver valuable insight. The firm wants its strength to be beyond delivering solutions to the client to coaching the client to establish the most valuable way to grow their business. Coaching, therefore, is a key area of focus for the firm as it embraces the philosophy of unlocking potential for growth.

A coaching culture

In 2011 it was recognised that the people in the firm would need a deep appreciation of coaching themselves to then offer this coaching approach to clients. Kylie Roberts, Talent Development Director says *“a different approach to development was needed to develop people with the mindset and behaviours for this proposition. A new team of senior talent development specialists was assembled, their focus to redesign every aspect of the development programme, aligning them to this strategy.”*

In Grant Thornton, coaching is rapidly becoming a way of being – in internal meetings, external meetings, corridor conversations and formal bids for business. Kylie is working with the National Leadership Board, senior partners and her team to create a culture where a coaching style to every day conversation is common place.

Leveraging experience from the internal coach group

Since 2008 the firm has seen the benefit of its senior people developing coaching skills for use with clients and colleagues. Working in partnership with an external provider, 66 professionals (majority of which are fee earning partners and directors) have qualified as a coach, with many making the additional commitment to gain EMCC accreditation.

The role of the internal coach has developed from supporting those who were struggling in their work to now focused on enabling the coaching culture across the firm. The internal coaches are critical to achieving the firm's value proposition, coaching leaders and line managers across the firm to use coaching behaviours with their team to enhance every day performance. Senior partner and coach, Terry Back has been with the firm for over 20 years: *“I love the direction that we are taking as a firm and the continuing*

investment in coaching. The potential for continuous improvement in the firm's performance through coaching is enormous.”

Coaching fundamentals

The firm has recognised and adopted the wisdom of thought leaders. One key philosophy is the use of Nancy Kline's principles for creating a thinking environment (including listening with respect without interruption, suspending judgment, remaining curious and sharing thoughts and feelings).

Another is to enable people at every level to use both reason and instinct in their communication. Leaning on the GROW coaching model and David Rock's Dance of Insight, the firm is delivering workshops (led by the partner and director coaching pool) on Insightful Conversations for all its people, encouraging the behaviours and mindset of a coaching approach in every interaction.

Agenda-free meetings are encouraged. One senior partner mentions that he now creates space in his week to meet with each of his direct reports with no agenda. He adopts the coaching approach of listening and asking questions to enable his team to shift their performance to an even greater level.

Coaching approaches to business development and client relationships

With the firm's 4,500 people benefitting from the coaching approach to their own development and internal relationships, there is an equal desire to use this insightful approach in client conversations. Clients want even greater value from their adviser, and to enable this all of Grant Thornton's business development learning programmes are focused on developing understanding and insight through coaching. *“A coaching approach to conversations is now critical to how we win and conduct business and how we communicate with each other”,* says Kylie.

The premier business development programme led by Sacha Romanovitch (National Leadership Board) and Melanie Wombwell (Head of Talent Development and Resourcing) titled Exceptional Connections, asks participants to identify a specific business opportunity to explore and requires them to articulate a related audacious goal for the next six months. The blended programme consists of workshops, coaching, self-directed and action learning.

The change in behaviours reinforced on this programme has quickly resulted in new business opportunities. *“Partners are sharing their stories to encourage each other to adopt the new coaching approach. One partner mentions that to promote a more meaningful conversation with a tax client, he arranged a general catch up meeting. Instead of creating an agenda around taxation, the partner had a broader coaching conversation about the client's business, identifying new areas of growth for the client”,* says Kylie.

Why would you not coach?

The feedback from within Grant Thornton on the coaching approach has been overwhelmingly supportive. The consistent application of coaching approaches to both internal and external conversations has created a new energy in the firm that is being actively shared through social media on twitter and linkedin.

From the National Leadership Board and across the entire firm, the increasing belief is that coaching is the way to deliver the firm's promise of unlocking potential for growth.

FINDINGS IN BRIEF

The purpose of the Findings in Brief pages is to present 2013 Ridler Report data for which there is not space in the rest of the report, in brief.

Chart 12: Comparison of external executive coaching with business school programmes, as a form of senior leadership development



Executive coaching is more highly rated as a form of senior leadership development than business school programmes on all criteria tested in the questionnaire – and by a substantial margin, except ‘means of stimulating new thinking’.

Executive coaching is seen as a more individualised form of senior leadership development which is more likely to result in sustained behavioural change.

The above conclusions are consistent with the 2011 Ridler Report which found that executive coaching (both internal and external) was more highly rated than business school programmes as a method of developing leadership capacity in senior executives and also better value for money.

Interestingly, many sponsors interviewed for the 2013 Ridler Report see executive coaching and business school programmes as complements rather than substitutes. Interviews revealed that business school programmes are particularly valued for the opportunities they give participants to network with members of their own and other organisations, giving them exposure to valuable and diverse perspectives at a critical stage of their careers. Business school programmes are also valued by participants as a public recognition of their professional achievements to date.

“We see a place for both business school programmes and executive coaching in developing leaders at Linklaters. Business school programmes provide a great environment for networking and stimulating new thinking. We find executive coaching is best for embedding behavioural change. The combination of a business school programme followed by individual, tailored coaching sessions can be a particularly powerful combination.”

Angela Ogilvie, Head of Partner HR, Linklaters

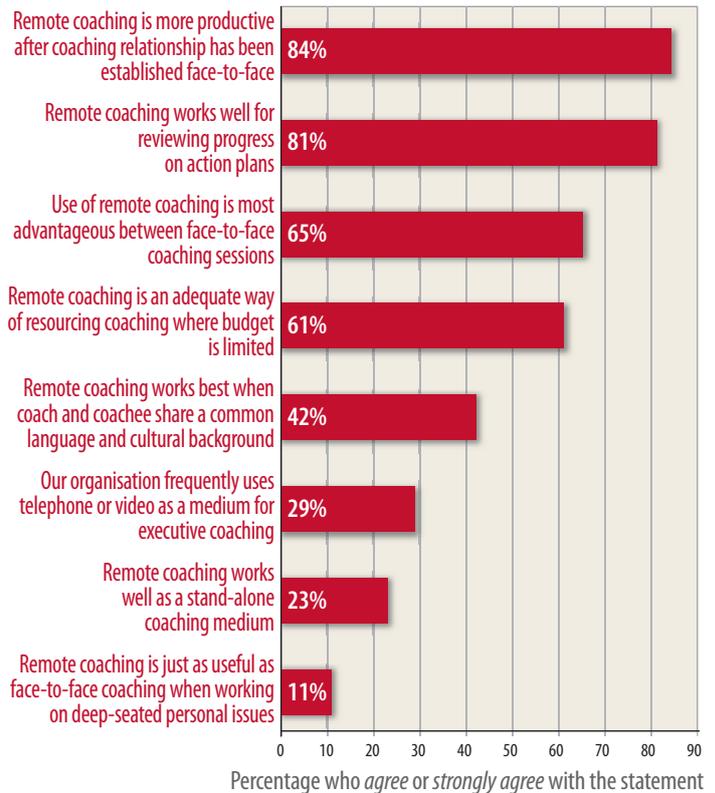
Chart 13: Trend in external coaching fee rates



Percentage indicating *small increase* or *large increase* in fee rates over the past two years

There has been a firming in external coaching fee rates over the period 2011 to 2012. Only 3% of organisations at Group CEO / main board level and 7% at senior executive level saw a decrease in fee rates over this period. The only category where more organisations saw a decrease than an increase in fee rates was ‘middle manager’.

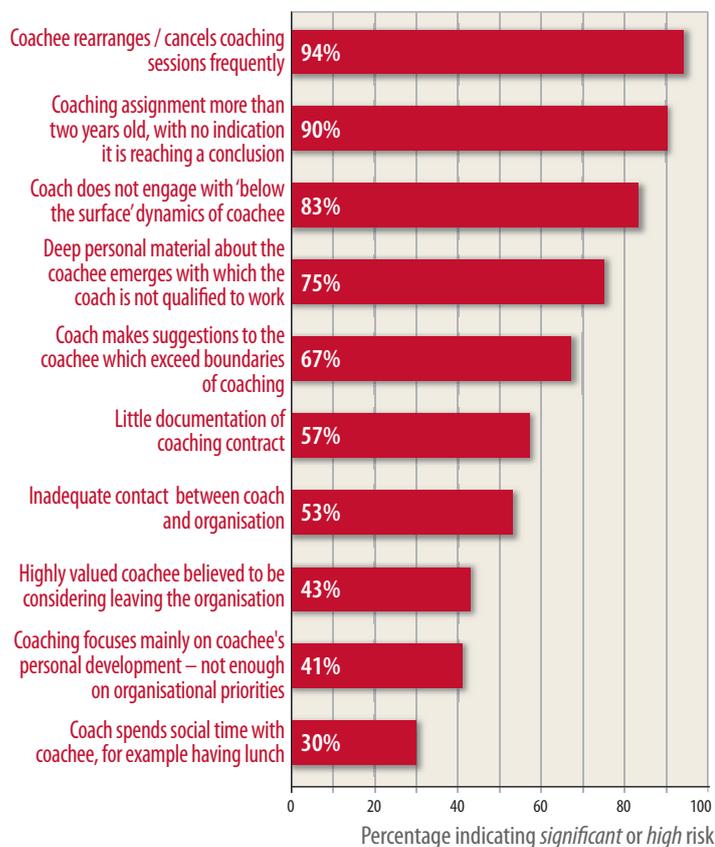
Chart 14: Use of remote executive coaching



At a point in time where high definition video is becoming more widely available there are still some concerns about the potential usefulness of remote coaching. More disagree (50%) than agree (23%) with the statement ‘remote coaching works well as a stand-alone coaching medium’.

Sponsors see a strong case for coach and coachee to meet face-to-face, at least at the outset of a coaching assignment. 84% see remote coaching being more productive if the coaching relationship has been established face-to-face.

Chart 15: Developments which would indicate a risk to the success of an executive coaching assignment



More sponsors view coaches who rearrange or cancel coaching sessions frequently as presenting a risk (94%) to the success of their coaching assignments, than all the other options presented in the questionnaire. Such behaviour may show coachees' lack of commitment to the coaching work. Cancellations increase the intervals between coaching sessions, reducing the momentum of the coaching. They may also prove costly to sponsor organisations in the form of short notice cancellation fees.

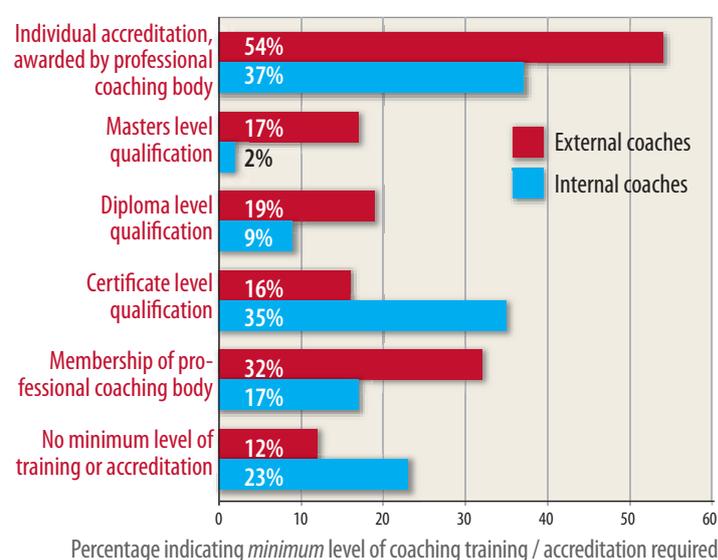
Sponsors see a high chance that success in a coaching assignment may be compromised if the coach does not engage with the 'below the surface' dynamics of the coachee (83%). This is consistent with the earlier section of this report, on coach qualities (see page 4), where the ability to work 'below the surface' is seen as key to addressing the all-important ingrained patterns of behaviour of the coachee.

Interestingly, only 30% of sponsor organisations saw a risk to the success of a coaching assignment if the coach spends social time with the coachee. An alternative (and solid) view would be that the coach might thereby erode the professional distance between themselves and their coachee.

“As internal coaches at PricewaterhouseCoopers we believe that spending social time with a coachee can blur the boundaries of the coaching relationship. Working internally there are more occasions where additional unexpected contact may take place with coachees, and we aim to limit this where possible. It is more likely that the coach may self-disclose in a social or quasi-social setting, such as having lunch with a coachee, which can potentially be unhelpful to the coaching work.”

Sarah Edwards, Executive Coach, PricewaterhouseCoopers

Chart 16: Minimum levels of coaching training / accreditation required for internal and external coaches



The majority of sponsor organisations (54%) now expect their external coaches to be accredited by a professional coaching body. Accreditation is seen as a 'quality badge' – an acknowledgement that coaches are established and operating at a certain level. Accreditation builds trust in sponsors that the coach is in supervision and is committed to their continuing professional development.

Sponsors require higher levels of training and accreditation from their external than from their internal coaches, supporting their perception (see Chart 5, page 8) that external coaches have higher levels of expertise and experience than internal coaches.

Chart 17: Perceptions of having an executive coach

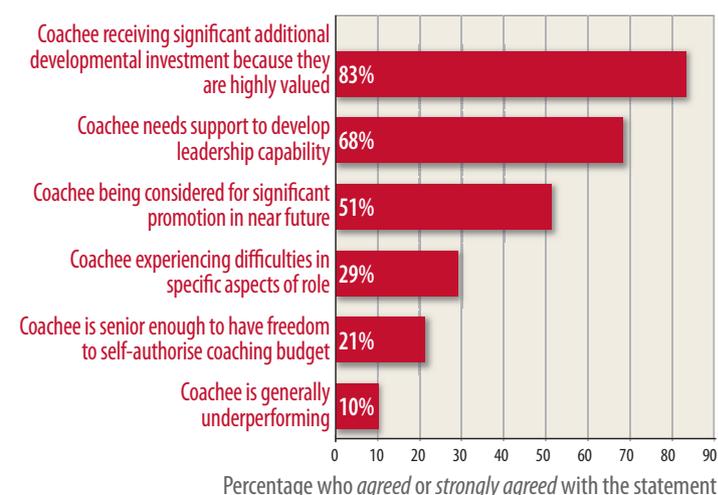


Chart 17 is further evidence that executive coaching is seen as an investment in high performing executives whom sponsor organisations wish to develop as leaders.

There is not enough space in the 2013 Ridler Report to include data and commentary on the importance of various factors for executive coaches trained in the West operating in diverse international cultures. This data can be obtained from Ridler & Co on request.

The central research objective of the 2013 Ridler Report (and its four predecessor reports) is to analyse strategic trends in the use of executive coaching in large organisations.

The 2013 Ridler Report is based on an intensive programme of research which took place in 2012 and the first half of 2013. The research methodology was developed and agreed by the Ridler Report Editorial Board, led by Clive Mann, Editor, and including three members from EMCC UK.

Research data was gathered by means of an online questionnaire with twenty questions. Decisions about which areas to cover in the questionnaire were made collectively by the Editorial Board with some input from outside the Editorial Board, for example INSEAD. The policy for questions was to combine some areas which had been covered in previous Ridler Reports, to facilitate longitudinal comparisons of data (for example, coaching situations and internal coaching) and some new areas to the Ridler Report (for example, fee levels and remote coaching). The questionnaire can be viewed at www.ridler-report.com until the end of 2013.

145 completed questionnaires were received between June 2012 and February 2013. Questionnaires were completed by the senior professionals who manage their organisations' provision of coaching and who set (or are influential in setting) coaching strategy, including commissioning external coaching, providing internal coaching and developing more broadly their organisations' 'coaching cultures'. In the report we have referred to these individuals as coaching 'sponsors'. 90% of the job titles of questionnaire respondents included the words 'Talent', 'Learning and Development', 'HR', 'Coaching' or equivalent. Some typical job titles of questionnaire respondents were 'VP Talent Management and Executive Development', 'Global Head of Leadership Development', 'Senior Director Talent Management', 'HR Director', 'Director of Coaching' and 'Head of Global Learning'.

Many of the individuals who completed questionnaires are also trained coaches who spend a significant proportion of their time (in some cases, all of their time) working as internal coaches. All 145 questionnaires were received from organisations who use coaching. In addition, 8 questionnaires were mistakenly completed by external coaches or coaching providers – these were not included in the research data.

Questionnaire respondents were identified from the population of individuals and organisations who had filled out previous Ridler Report questionnaires and professional contacts of Ridler & Co, EMCC UK and Editorial Board members. EMCC UK originated 54 questionnaires of which 22 were from the public sector. In addition organisations such as Coaching at Work

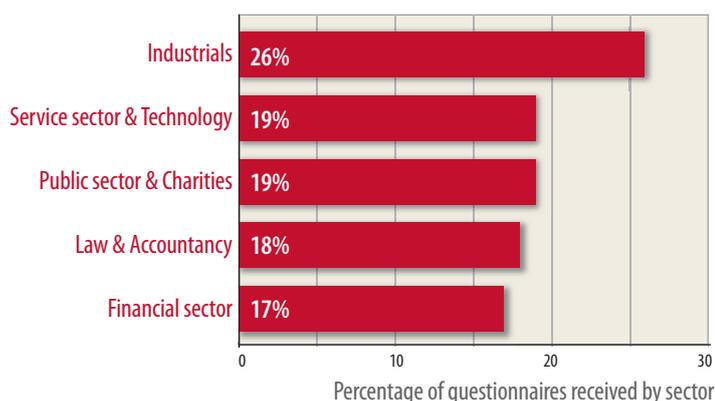


Chart 18: Industry sector analysis of the 2013 Ridler Report questionnaire respondents

magazine and the International Consortium for Executive Development Research helped source questionnaires by providing publicity and contacting their members, respectively. Several coaches unconnected with Ridler & Co encouraged their organisational contacts to complete questionnaires.

"I like the Ridler Report's condensed format which helps me to communicate clear messages from the report to ScottishPower's HR management team. The Ridler Report's reporting and analysis of trends in executive coaching has been the catalyst for some significant changes we have made in our executive coaching policies, particularly the centralisation of monitoring and evaluation of coaching across our company."

Pamela Malkin, Learning and Development Senior Consultant, ScottishPower

77% of questionnaire respondents were from the UK, many of whom have global responsibility for coaching in their organisations; 8% were from Turkey; 7% were from the rest of Europe and 8% were from outside Europe.

Data from completed questionnaires is held in the strictest confidence by Ridler & Co. Access to this data is restricted to the directors of Ridler & Co, Clive Mann and Laura Taylor. This was made clear in the introduction to the questionnaire. No other individual, in Ridler & Co, EMCC or elsewhere, can access individual questionnaire data unless the written permission of the questionnaire respondent has been obtained.

Data from the 145 questionnaires was entered into a results spreadsheet by Ridler & Co to produce the aggregate results shown in the report. The accuracy of input of data into the results spreadsheet and the construction of the spreadsheet were subsequently tested by EMCC UK. A detailed and comprehensive audit procedure was carried out, based on checking a random sample of questionnaire results from questionnaires, with reference numbers on them, into the results spreadsheet. The audit found the data entry into the results spreadsheet to be 100% accurate and the results spreadsheet itself to have integrity.

Telephone interviews were conducted with questionnaire respondents across the range of countries and industry sectors from which the questionnaires were received. 73 telephone interviews were carried out, of which Ridler & Co carried out 65 and EMCC UK carried out 8. Detailed interview notes were written up. The notes were analysed in successive rounds, with key themes and narratives being developed and iterated during each round of analysis.

A decision was made not to use qualitative data analysis software, to avoid becoming 'seduced' by the process of data coding and hence losing some of the nuance of the data.

The Ridler Report uses a succinct written style, with clear graphic presentation of the research data, to enable readers to grasp the key points quickly and easily. The report does not provide the type of detailed statistical analysis sometimes found in academically orientated papers. The emphasis is on practicality and accessibility, within a rigorous research framework.

Quotations which highlighted key themes from the data and, in some cases, minority views, were extracted from the interview notes.

Ridler & Co owns the rights to the intellectual property, research data and copyright of the Ridler Report. Extracts from the Ridler Report may be reproduced by permission of Ridler & Co, provided that the source is acknowledged.

Research for the 2013 Ridler Report was carried out by Ridler & Co in collaboration with the European Mentoring and Coaching Council UK. Ridler & Co acknowledges EMCC UK's invaluable contribution and commitment to the collaboration, especially the EMCC members and officials (Sara Hope, Ian Paterson and Paula Roberts) who served on the Ridler Report Editorial Board, and the Executive Board of EMCC UK, including John Leary-Joyce and Jeremy Gomm, who gave the collaboration their full support right from the start. The 2013 Ridler Report was truly a team effort.

We would like to express our thanks and gratitude to all the organisations who participated in the 2013 Ridler Report research by submitting completed questionnaires and to those organisations who were subsequently interviewed. All the participating organisations who gave their consent to be named are listed below.

Four organisations contributed case studies to the 2013 Ridler Report. We are grateful to Angela Ryrie of The Co-operative Banking Group, Nick Blandford of Freshfields Bruckhaus Deringer, Kylie Roberts of Grant Thornton and Sally Bonneywell of GSK for generously giving their time and valuable insights into coaching in their organisations.

A number of organisations also contributed quotations to the report. We are grateful for their illuminating views.

We extend our thanks to the lead writers of pages of the Ridler Report: Paula Roberts (situations), Sara Hope (internal coaching) and Caroline Horner (team coaching). We also thank the reviewers of Ridler Report pages: Paul Ellis, David Findley, Sara Hope, Ian Paterson and Paula Roberts.

We are grateful to the International Consortium for Executive Development Research (Doug Ready and Jackie Dufault) for generously circulating the questionnaire to their list of member organisations.

Several coaches circulated the questionnaire to their professional networks, resulting in completed questionnaires being submitted. We thank these individuals who include Kathy Denton, David Goddin, Jane Harders, Diana Hogbin-Mills, Sara Hope, Riza Kadilar, Sue Mortlock, Ian Paterson and Katharine St John-Brooks.

"I have always found the Ridler Report helpful as it approaches the topic with key themes which we always need to consider: for example, in the professional services sector there has been a lot of debate about utilising internal coaching faculties, and so it is helpful to see sections in the report which cover this topic of 'external vs internal' and some examples and quotes from different firms on their experiences and choices in these areas."

Dr Nigel Spencer, Director of Learning & Development – EME, Reed Smith

We thank Liz Hall for giving coverage to the Ridler Report, and the questionnaire in particular, in the magazine Coaching at Work, of which Liz is Editor.

We are grateful to the INSEAD Global Leadership Centre for their early involvement in the Ridler Report and their contribution of ideas for the questionnaire, in particular Professor Jean-Francois Manzoni, Mary Carey and Elizabeth Florent-Treacy.

Laura Taylor, a director of Ridler & Co, was involved in all aspects of the Ridler Report from start to finish, including serving on the Ridler Report Editorial Board.

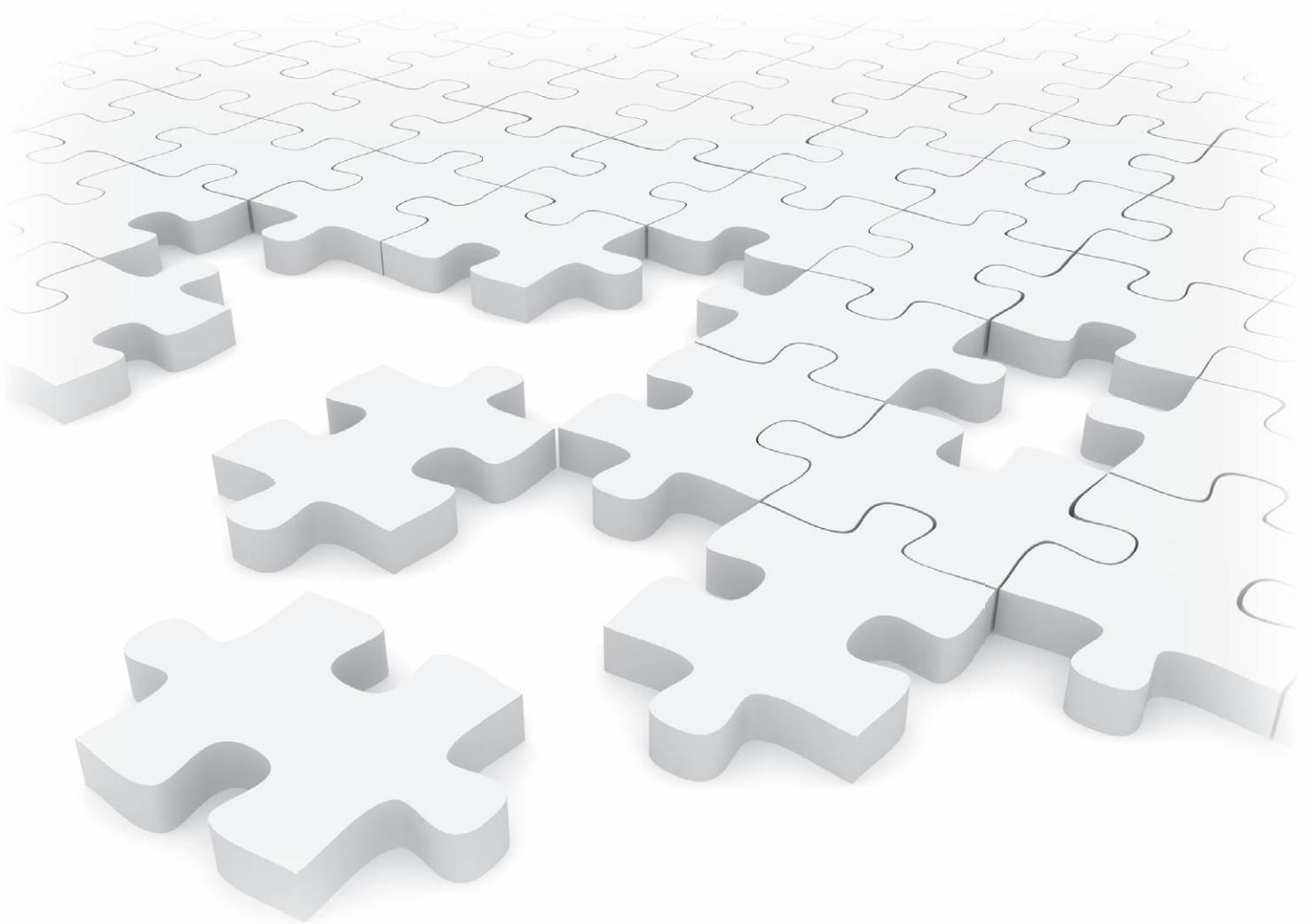
Finally, we thank Nick Smith from Word Smiths for his dedication and excellence in the report layout, design and typesetting, for the fifth time in five Ridler Reports, and Sarah Edwards from Pavoni Creative, for her technical expertise in building the bespoke online questionnaire.

Organisations which completed questionnaires for the 2013 Ridler Report, and gave consent for their company name to be disclosed, are listed here:

AB Agri	Compass Group	Metropolitan Police
Advancing Quality Alliance	Co-operative Banking Group	Mills & Reeve
Aegon UK	Dairy Crest	Network Rail
Alcatel-Lucent	Dannon Company	News International
Allen & Overy	Danone	NHS
Amgen Europe	Deloitte	Pearson
Anadolu Group	Deutsche Bank	Pfizer
ASDA	DLA Piper	PricewaterhouseCoopers
Ashurst	E.ON UK	Rathbone Brothers
Avea İletişim Hizmetleri A.Ş.	Ernst & Young	Rexel UK
Baker & McKenzie	European Bank for Reconstruction and Development	Rio Tinto
Baker Tilly	Freshfields Bruckhaus Deringer	Rolls-Royce
Balfour Beatty Construction Scottish & Southern	Fujitsu	Royal Bank of Scotland
Barclays	GlaxoSmithKline	RWE npower
Barclays Wealth & Investment Management	Grainger	Sabancı Holding
BBC	Grant Thornton	Santander
BDO	Hachette UK	Save the Children
Belron International	Herbert Smith	ScottishPower
Berwin Leighton Paisner	Hogan Lovells International	Siemens A.Ş.
BlackRock	Holman Fenwick Willan	Simmons & Simmons
Boeing Company	HTC	Société Générale
Borusan Holding	Hutchinson 3G	T. İŞ Bankası
Borusan Mannesmann	Kent Fire and Rescue Service	Thames Water
Bupa Health & Wellbeing	KPMG	Thomson Reuters
Carglass Belgium	Linklaters	TNT Express UK & Ireland
Centre for Defence Leadership and Management	Lloyds Banking Group	Ventana Medical Systems
Civil Service Learning	LV=	Vivento Group
Coca-Cola Amatil	Maersk Line	VTB Capital
Colt Technology Services	McBride	Wood Group PSN

Ridler & Co

developing leaders, delivering results



EMCC **UK**
*European Mentoring &
Coaching Council*



www.emccuk.org