

## Today's Executive Coaching: 3 Key Purposes

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Why are organizations hiring executive coaches? To help a “problem child” employee improve performance? To further develop a leader’s capability? To assist with transition from one position to another? Or even help a leader decide what job they should take next?

In 2005, CoachSource conducted the industry's most ambitious global study of executive coaching with an in-depth look at the profession from a multidimensional perspective. In 2018, CoachSource updated this study for a third time since 2005 by surveying approximately 1,000 respondents from four distinct rater groups: organization sponsors, leaders who have been coached, internal coaches and external coaches. The following uncovers how these respondent groups think about the purposes of coaching – why a coach is being hired (see chart).

### **Purpose #1: Leadership Development**

We identified five purposes for coaching in our 2005 study: leadership development, transitions, fixing performance problems, career and life coaching. Executive presence was added in 2013.

In our 2018 study, we found that all four rater groups chose leadership development as the predominant purpose among the choices, with 96% of external and 93% of internal coaches rating it in their top three purposes for coaching. Organizations and leaders were slightly lower at 83% and 64% respectively. For coaches, it is apparent that leadership development is a critical competency for effective coaching. Executive coaching focused on leaders as leadership training also matches this definition.

This should broaden how coaches think about coaching. It is an essential insight regarding coaching’s value and commerce given that organizations spend \$1,252 per employee on training, according to the Association for Talent Development's 2016 State of the Industry report, with the majority of that focused on leadership development. Looking just at executives in our 2018 study, we found organizations spend on average \$19,060 per executive on coaching.

Finally, despite leadership development receiving the highest responses in our studies since 2005, in 2018 we saw a minor decline in popularity by 13% in organizations when compared to our 2013 study.

### **Purpose #2: Transition**

Coaching generally involves assisting a leader's transition from one position to another, or onboarding them into an organization in the first place.

In our 2018 study, we found transition coaching and executive presence roughly tied as the second most frequent response from all four rater groups, with 55% of organizations rating transition in their top three purposes for coaching. Internal (46%) and external (42%) coaches were similar with rating it in

their top three respectively.

Leaders, however, were much lower; specifically, only 28% rated transition in the top three purposes – lower than career coaching. We found that leaders chose career coaching far more frequently (43%) than organizations did (9%). This difference continues from prior studies and we speculate the difference is simply the difference between how coaches define career coaching versus those who receive coaching like the leaders in our study. Those in the coaching profession typically recognize career coaching as a specific practice area focused in helping individuals select a career, prepare for interviews, polish their resume, and plan a career change. Leaders in organizations appear to be more likely to see coaching as a tool for self-development in general which inevitably benefits their careers.

### **Purpose #3: Executive Presence**

The importance of appearance for leaders is so accepted that it is not uncommon to hear the phrase "they look like a leader," when a leader is described. It has only been as recent as 2012 that Hewlett et al. defined executive presence as gravitas, communication, and appearance.

In our 2018 study, 55% of external coaches rated executive presence in their top three purposes of coaching. Organizations rated it slightly lower at 45%; internal coaches were even lower at 35%. Leaders were lowest of all with only 24% of them rating presence in their top three purposes of coaching.

Executive presence is based on how others perceive the leader (their reputation), rather than by how they see themselves (their identity). Executive coaching focused on executive presence appears to be a unique opportunity for external coaches. It may be that it is easier for external coaches to work with leaders on executive presence given their external perspective and ability to be more candid with clients on how they show up without fear of retribution from a senior leader. It might also be that leaders are more open to this type of coaching from individuals outside of their organization. Nevertheless, it is a vital coaching competency for coaches to be skilled at given that almost 50% of organizations identified it in their top three purposes for coaching.

Notice how “fixing performance problems” appears fourth in order, at only 25% of organizations selecting it. This continues a gradual decline from our prior studies (35% in 2013) – likely good news for coaches.

Finally, in both the 2013 and 2018 studies, life coaching received few responses. Two percent of organizations selected life coaching in their top three purposes for coaching. Internal and external coaches were slightly higher with 9% and 5% respectively. This may not come as much of a surprise given professional boundaries and business focus of coaching.

The 2018 Executive Coaching for Results research may be found at [www.coachsource.com/research](http://www.coachsource.com/research)