



# Coaching 2.0: The Next Generation of Coaching in Organizations

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When you multiply the right individual by the right environment, success is inevitable.



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## Introduction

This paper considers the question “What does the next generation of executive coaching look like?”, or “What is Coaching 2.0?”. Conversations with our global community of clients and coaches have highlighted common experiences and ideas about the evolution of executive coaching.

Key themes explored by this white paper:

- The rising popularity and demand for executive coaching
- Insights about the current state of coaching from our clients and coaches
- Eight trends that we believe define the future of executive coaching
- What this means for organizations using coaching

Throughout the past century and into the current era, organizations have embraced the connection between leadership effectiveness and organizational performance. In pursuit of enhanced organizational outcomes, leadership development practitioners have applied a wide range of interventions to raise the capabilities of leaders. Amongst these approaches, one-to-one learning interventions, generally feedback-driven, have emerged as a core strategy for developing leaders, gaining wide use and acceptance across industries and geographies. This type of intervention is generally referred to as “executive coaching”.

In the past two decades, executive coaching became so widespread that it reached a point where both practitioners and buyers began to question whether this immensely popular learning approach was in fact being over-used, misapplied to situations for which it is unsuited, or generating a return on investment commensurate with the often considerable time and cost required. In response to these questions, forward-looking organizations are beginning to shape the next generation of executive coaching practices, seeking to capture the proven approaches and positive benefits realized from the historical models, address the shortfalls and problems, and leverage a more holistic view of leadership interventions that applies executive coaching in a way that is both targeted to the right situations, and part of a cohesive suite of interventions.

## Our Point of View

Kenexa seeks to enable client organizations to maximize the value of their human capital by providing state-of-the art solutions that enhance the effectiveness of organizations’ core HR processes, and connect these HR processes together as part of a coherent human capital strategy. We believe that leadership development is a driver, often the key driver, of organizational effectiveness. As a thread that is woven through all HR processes, leadership effectiveness emerges as the largest controllable factor that can move the needle on results in all other areas. We believe executive coaching, as part of a suite of leadership assessment and development interventions, plays an important role in driving both individual leader capability, and building an organizational culture that understands, values, and engages in leadership development at all levels. We also believe, however, that executive coaching should be used selectively, and carried out carefully. Through conversations with



client organizations and leading practitioners, we have observed eight trends that describe the forward-looking evolution of executive coaching:

1. **TARGETED:** From mass application to selective intervention.
2. **ECLECTIC:** From cookie-cutter approaches to application of a wide range of best practices.
3. **IMMEDIATE:** From meetings in an office to technology-delivered communities of learning.
4. **DISCIPLINED:** From black-box to transparent and business relevant approaches.
5. **INTEGRATED:** From ad-hoc fixes to an integral part of a holistic development approach.
6. **CATALYTIC:** From addressing a specific need, to creating a more developmental culture.
7. **GROUNDING:** From subjective impressions to evidence-based solutions.
8. **IMPACTFUL:** From vague outcomes to return on investment.

## The State of Coaching Today

While more and more organizations are using executive coaching, there remains a high level of confusion around the meaning of the term. Interventions ranging from informal mentoring programs to behavioral skill building to psychotherapy roll up under the “coaching” umbrella. At Kenexa we define coaching as an intervention where a coach uses their expertise in enabling people to learn to draw out coachees’ ideas, resources and commitment in order to address their personal wants and needs in the service of their organizational context and career aspirations.

While senior leaders express a high perceived value for executive coaching, which frequently costs the equivalent of a full time employee salary, few have any tangible measures of return on investment beyond vague anecdotes or subjective impressions of behavioral change. Similarly, coaching assignments often commence with fuzzy notions of the needs being addressed, driven by organizational perceptions of the perceived needs of the individual coachee or their boss.

Often, the approaches used in the coaching intervention are disconnected from the leadership development approaches being applied more broadly in the organization, and at times are even at odds with other development activities. Coachees may be subjected to novel diagnostic instruments or behavioral development techniques that may have merit, but are unknown and unsupported by the OD professionals in the firm. As a result, the organization can do little to support and perpetuate the learning following the close of the intervention.

All the while, the marketplace for coaching services has become larger, more diverse, and more fragmented than ever before. A veritable bazaar of services and service providers



awaits the HR professional tasked with finding a coach for someone. While there are standards and accreditations, these vary widely in popularity, content and credibility. The purchaser of coaching services often falls back on references and chemistry; these are not necessarily bad approaches, but certainly no guarantee of professionalism or successful outcomes.

In parallel to these trends, organizations seeking to gain greater control of both the cost and quality of coaching in their organizations are focusing more on building internal coaching capacity, in addition to being more disciplined in how external coaches are selected and deployed. For some organizations, this internal capability-building has yielded benefits beyond cost and quality, in fact embedding coaching as a core expectation for people-leaders, and making development a part of the culture, not just a one-off activity when someone needs to be polished up before a big move.

## What is Driving Demand for Executive Coaching?

- **Leadership passages.** Ten years ago, when Harvard University's Ram Charan published *The Leadership Pipeline*<sup>i</sup>, he brought the concepts of "leadership passages" into the popular language. WellPoint's CEO Michael Schaeffer<sup>ii</sup> and others have contributed to the conversation with the concept of the "leadership journey". While organizations have always embraced the imperative to provide future senior leaders with key experiences thought to enhance their readiness for the next move, the concept of key moments in the leader's journey has brought certain development milestones into greater focus. Indeed, many organizations now have detailed roadmaps of what leaders need to know, do, and be in order to succeed at each stage. These rites of passage are often seen as key situations for using executive coaching. Frequently, senior leadership has deemed someone high potential and ready for the next step, yet retains nagging doubts about an individual's readiness.

The executive coach helps identify gaps in development that need attention before moving, or post-promotion, that if not addressed could derail the leader's progress. Development plans are created that target key gaps, the coach helps the leader stay on track with a learning agenda, and provides feedback along the way. Importantly, leaps in level expose latent limitations in leaders. Negative behaviors and dysfunctional personality traits that had minimal impact at the manager level become organizational toxins at the leadership level. Coaching can help flag these issues and potentially offer mitigation before the damage is done. However, as Berglas pointed out in his seminal Harvard Business Review article "The Very Real Dangers of Executive Coaching,"<sup>iii</sup> deep-seated psychological problems are risky fields of practice for executive coaches lacking the genuine expertise, or time, required to address those issues. Robust contracting between coach and coachee and well thought through matching of a coach with the right expertise is essential to appropriately address or refer on these underlying concerns.

- **The culture of the urgent.** In a "do more with less" business environment, every project, business goal, and market threat emerges as equally urgent and pressing. Everything is a priority to be addressed right now. Change has moved beyond being the



constant, to having persistently high levels of speed and unpredictability. Leaders no longer navigate organizational waters; they are surfers on mercurial waves of change. By the time you master what is, it is no longer. Research by Cockerill, Schroder, and others has concluded that leaders needed more and different behaviors to master high levels of dynamism and uncertainty.<sup>iv</sup> Leaders who were more than adequate to the task in times of growth and stability are suddenly and shockingly underwater, their capabilities now ill-suited to the times, their confidence now deeply shaken.

Executive coaches are finding these times, and the leaders who are trying to cope with these times, a rich ocean of opportunity. While well-meaning, some coaches approach these situations with shop-worn coaching models. We believe that a well-connected community of coaches, sharing experiences and learning through established forums and peer mentoring, is best placed to be as responsive as their coachees to the rapidly shifting business context.

- **Indecision, procrastination, and avoidance.** In the face of all this change, many leaders freeze, like proverbial “deer in the headlights”, while the future rushes towards them. In the face of overwhelming stress, performers frequently return to their habits and personalities to find comfort. Technical experts regress to solving problems again, rather than face the profound discomfort of not knowing how to define the problem in the first place. The “people-person” runs into the comforting arms of relationships, when he or she knows full well that what is needed is decisiveness, clarity, and confidence. Coaches are helping leaders face their many avoidances, and apply their strengths to demystify the challenges facing them.
- **Making tough decisions that impact people’s lives.** The authors recently dealt with a very strategic selection situation in which the candidates knew that they would be, as part of their new role, closing and consolidating several manufacturing and logistics facilities. These types of decisions take an enormous emotional toll on leaders. Coaches can help leaders handle these situations with the right mix of tough-mindedness, integrity, and compassion. After the smoke clears and the survivors of organizational upheaval begin to clear away the rubble, leaders are challenged to re-engage shell-shocked workers. Often, the leaders themselves are traumatized and dealing with their own inner conflicts about the state of the organization. Coaches can help leaders rediscover their sense of mission in the midst of the aftermath, to focus their attention on people and results, and to make sense of their own emotions.
- **Demanding a shift to more entrepreneurship and innovation.** In our most recent conversations with organizations, we found many who have gone as far as cost reduction and consolidation can take them. You can only squeeze expenses for so long. Eventually, you need to embrace new markets, new products, and new ways of going to market to grow revenue and market share. Yet the organizations who need to act in this way have been trained to focus on operational efficiency, risk avoidance, and personal survival. By contrast, innovation requires the willingness to take risks, and as MacMillan and Van Puten so eloquently stated, “Fail Fast, Fail Cheap, and Move on to the Real Winners.”<sup>v</sup> Coaches can help leaders let go of legacy behaviors and discover more creative mindsets and management methods.

- **Embracing a changing workforce.** While “diversity and inclusion” has been discussed ad-nauseum, the bar moves ever higher in mastering what this means. Just when you thought gender, race, ethnicity, sexual orientation and spirituality were enough to keep HR Vice Presidents and General Counsels up at night (though probably at different watering holes), the issue of generational differences shakes the whole snow-globe once again. The new worker, becoming known as the “digital native”, expects lots of information on a variety of topics with instant answers right now, in rich-media format, hand-held or tablet delivered. The concept of coaching sessions with a distinguished gentleman or energetic woman talking about self-awareness and reflection are about as foreign as a rotary telephone. (Though record-players and vinyl are making a come-back now!) The new generation of workers want access to multiple coaches and real-time answers. This trend is going to shake up the coaching world.

Clearly, the organizational pull for leadership development, including executive coaching, has never been more acute than in 2011, and the case for a shift from traditional models to new paradigms never more compelling.

## Eight Trends that Define the Future of Executive Coaching

In response to this situation, we propose there will be eight changes in the world of executive coaching that will shape the future of its practices.

### 1. **TARGETED:** From mass-application to selective intervention.

We propose that organizations will become more selective about when they use executive coaching, and more discriminating about the coaches they use. Similarly, they will be much more thoughtful about the methods being employed in coaching interventions. In addition to being more targeted, clients and practitioners will be more intentional about the level of intervention. In the past, the one-on-one face-to-face meeting between the executive and coach was the gold standard. Going forward, we are seeing more interventions at the team level, combining team engagement with individual development. This demands different mindsets and skills from coaches, and broadens the playing field of practice with the promise of greater organizational impact.

### 2. **ECLECTIC:** From cookie-cutter methods to diverse best practices.

We propose that the best practitioners, as Clutterbuck and others have noted, will be diverse and eclectic in their approaches. My father-in-law recently underwent treatment for a very serious form of cancer. He did not have a “doctor” as such, but rather a team of experts comprised of surgeons, radiologists, and experts in chemo-therapy. They came together to jointly build a highly-tailored treatment plan. Similarly to the world of medicine, executive coaching will no longer be focused on one practitioner’s particular expertise, but rather the supplier’s ability to bring to bear the very best approaches suited to the situation. That means working as part of a team, and knowing when to recommend someone else to come into the situation. That means relevant practitioners will struggle as solo-acts, and be challenged to build strong networks of the best peers



from beyond their particular school of thought such as Gestalt, NLP, Adler, or NTL.<sup>vi</sup>

- 3. IMMEDIATE:** From meetings in an office to technology-delivered communities of learning.

However you label the new generation of workers, they do indeed have different expectations than many of us did. They want to learn, but they want to learn right now, and have access to “Google-esque” jungles of information and alternative approaches, and panels of coaches, not just one person. They want real-time access, not flying someone in next Tuesday morning. The content and delivery of coaching is changing.

In our own practice, we are deploying on-line coaching suites that provide access to best-practice thinking on a laptop or iPad. The technology is still developing, but this is where the field is going. These can be scary times for the coaches who believe that nothing can substitute for signing in with security and grabbing a decaf before an hour or two-hour session with a coachee on-site. But a coach’s expertise in facilitating an individual’s learning can be deployed in a multitude of ways. The most progressive coaching providers are embracing the new forms of giving access to the huge benefits of coaching.

- 4. DISCIPLINED:** From black box processes to transparent and business-relevant approaches

One of the benefits of traditional executive coaching was the ability to “hand-off” the problem (or person) to a coach who would disappear, behind closed doors, and make Svengali-like behavioral change emerge on the other side. The future, we propose, will be more transparent, with greater up-front involvement from the line manager, HR professional, and other business sponsors. This transparency and engagement not only cements the commitment to change, and clarifies the expectations up front, but enhances the on-going support before, during, and after the intervention. A disciplined approach with up-front goals and regular check-points models the kind of accountability organizations would like their leaders to demonstrate.

- 5. INTEGRATED:** From ad-hoc fixes to an integral part of a holistic development approach

Coaching interventions offer a rare opportunity to reinforce key cultural messages and shape the culture itself. Similarly, organizations with well-formed leadership development programs have a short-list of development themes that they seek to impress upon the leadership talent pool. Coaching interventions that work seamlessly in terms of content, methods, and timing with the rest of the leadership development curriculum will yield extraordinary benefits compared with one-off engagements. Excellent coaching practitioners will seek to fully understand the organization’s leadership development philosophies and methods, and seek to complement those approaches in the coaching engagement. Moreover, on an aggregate level, a massive amount of learning about the organization and development needs can be captured from coaching engagements, and fed back to the client organization to help inform their broader leadership development efforts. While it is critical to protect individual confidentiality, it is essential to capture and share group themes with the HR and business sponsors.

## 6. **CATALYTIC:** From addressing a specific need to creating a more developmental culture

We have observed that the “magic” in leadership development happens when an organization has or aspires to a developmental culture. We define a developmental culture as one in which the senior leadership models self-awareness, reflection, and continuous learning, and themselves experience what good development feels like. They then cascade that experience to their people, through the whole organization, so that everyone feels it is safe, even expected, to be developing. They build skill in assessing and developing others through meaningful coaching conversations so that talking with each other about how to get better becomes “part of how we work here” rather than some strange HR conversation that happens once per year. This kind of culture yields benefits in terms of growing organizational capacity, and gaining competitive advantage over others who are unwilling or unable to admit they need to be learning. Coaching interventions are truly catalytic events which, if done well, create ripples in the organizational waters with far reaching effects. The authors have noted numerous instances in which a successful coachee takes back his or her learning to their team and peers, who then continue the process. It’s like striking a match on dry kindling – in an organization thirsty for some honest conversations about what’s working and what needs to change, start with the leaders.

## 7. **GROUNDING:** From subjective impressions to evidence-based solutions

Since Gestalt is one of the tools in the authors’ eclectic tool bag; we certainly value the holistic impression of what is happening now as very important data, not to be ignored. However, being practitioners in the front-line of business, government, and not-for-profits, we recognize the need to go past instinct and be informed by evidence. Human measurement and social science are imperfect, to be sure. But by providing some consistent “mirrors” that create analytical insight to both the coach and the coachee about personality and capability, assessment tools and frames of reference can be extraordinarily valuable. While nothing can replace the human reflection of the coachee, the insights provided by research-driven frames of reference, such as Cockerill’s High Performance Behaviors, are an invaluable way to move past words to development actions. At some point as a coach, you have to move the relationship past the conversation to what the participant is committing to do differently tomorrow to make a difference for their organization. Evidence-based assessments help ground coaching and make it applicable and real for the participant.

## 8. **IMPACTFUL:** From vague outcomes to return on investment

The authors have heard many generations of conversation about return on investment. For some executive sponsors, anecdotal evidence is enough. We would argue that success stories are some of the most powerful persuaders for the effectiveness of any particular intervention. Success stories do not mean, however, that the interventions were actually worth the money and time invested. A six-month coaching engagement that might cost upwards of \$30,000 for the coach, and an equal amount of opportunity cost for the participant’s time, needs to do more than make the CEO feel good about someone. In our experience, the ability to show that sales improved for a particular team, or that engagement rose for a particular work group, or that turnover decreased, or



inventory went down or cash went up, helps an organization really know if their coaching engagements are working. Yes, these are not easy calculations, but they are not that hard either. Our experience has been that if you plan for the Rol up front, you can usually measure it along the way and at the end. It means talking about the relevant business metrics up front, not just individual behavioral indicators. Doing this well means linking the coaching engagement to specific business outcomes. Leading-edge practitioners will help their clients with the process of measuring Rol.

## Concluding Thoughts

So, what does this mean for organizations using coaching? It is clear that major shifts in all our working lives are placing new and increasing demands on leaders. In this environment coaching is a fit for purpose development intervention, but only if it is practiced with rigor, delivered in innovative ways and aligned with identifiable business need. Organizations must ensure that each coaching intervention sets out to create tangible benefits and delivers robustly measured outcomes. Those that integrate coaching with their broader strategy and people policies will reap the greatest rewards.

We believe executive coaching, integrated with a holistic menu of leadership assessment and development approaches, is crucial to releasing leaders' potential and building an environment that understands, values, and engages in developing leaders at every level. Creating a coaching culture requires a multi-faceted strategy of training and supporting managers to adopt a coaching style, investing in developing coaching capability in senior sponsors and HR professionals, and targeting executive coaches for maximum impact and return on investment.

If you would like to discuss how you can leverage the eight trends to ensure that the value of coaching is maximized in your organization, then please contact one of the following:

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