

## HR Zone Feature

### International executive coaching: Trends for 2008 and beyond

Dr Sabine Dembkowski, Fiona Eldridge, Prof David Lane, Wendy Johnson, and Stephan Oberli exchange views on the developing profession of executive coaching and share the conclusions of their discussions.



It's that time of year when we develop a Janus-like approach – reflecting back on the past year and looking forward to the new. We have exchanged views with a circle of leading international executive coaches and those who watch emerging trends in the developing profession of executive coaching.

This article explores the conclusions of our discussions and focuses on six key trends:

- Driving for professional standards
- Coming of age – more professional services
- Initiating corporate coaching cultures
- Growing your own – internal coaching activity
- The growth of differentiation
- Meeting the demands for integrating methods

#### **Driving for professional standards**

Executive coaching is still a relatively young profession which presents both opportunity and challenge. At the moment 'executive coach' is a title which anyone can use to describe themselves and their professional service offering. Unlike other professional services there are very few barriers to entry and no formal requirements before you can describe yourself as an executive coach. While this is common in the developmental stage of a profession, it does lead to confusion.

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Buyers of coaching services are also confused by the multiplicity of business and executive coaches. With no clear professional qualifications and standards they lack guidance about whose services to use. In addition, the lack of defined standards can create problems for the acceptance of the profession as a whole.

In an attempt to standardise coaching many organisational buyers are proactive and initiated standards for their own organisation. These are then used for pre contract assessment centres. Organisational buyers feel more comfortable knowing that the coaches in their pool have been through a proper assessment. However, there is little sharing of these standards and coaches can find themselves going through new assessments for each organisation. Whilst the development of standards is to be applauded it is surely a poor use of resources for each organisation to 'reinvent the wheel'.

So, who can lead the development of universally accepted standards? The profession has responded by developing competencies and standards within leading bodies such as the International Coaching Federation, the Worldwide Association of Business Coaches, the European Mentoring and Coaching Council and the Association for Coaching.

So far, no universally-agreed standards have been developed and different organisations adopting slightly different standards does nothing to clarify the issue. Prof David Lane has initiated the Global Convention on Coaching to facilitate the development of a global standard and individual organisations have started to talk with each other to identify common ground.

Coaching organisations and training institutions can view the development of assessment centres by client organisations with some scepticism and concern as they feel the "industry does not always understand what needs to be assessed". As a critical observer can see there are real signs that parallel worlds are emerging and, in the interest of all parties, a unified view needs to be developed.

### **'Coming of age' – more professional services**

Over the last two years we have seen a marked growth in the professionalism of companies and individuals providing coaching. This is a sign that the coaching profession is maturing and also an indicator of the increasing demands placed on coaches by their clients.

This move towards adopting professional practices seen in other professions ranges from providing formal contracts setting out roles and responsibilities and clarifying expectations about intended outcomes/results to well-produced websites and other marketing materials. Less immediately visible, but equally important, is a continuous intellectual debate in academic and professional journals.

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A profession builds on a common platform of expertise – agreement marks the point at which a profession can lay claim to expert status. However, executive coaches cannot just claim professional status they must find a common understanding with their potential clients.

### **Initiating corporate coaching cultures**

Surveys by The School of Coaching and the CIPD in the UK indicate that between 92 per cent and 97 per cent of organisations use coaching. However, some organisations are fully committed to developing a coaching culture to create a new management style. However, many others are still in the process of working out how to move away from old 'command and control' cultures.

The benefits of changing to a coaching culture are many and in line with the trends towards flatter organisational structures with clear accountabilities. The benefits include; creating a more open and honest climate, increased perception of organisational commitment to individual development and career advancement, a more rapid spread of behaviours which support organisational values and a decrease in expenditure on external support.

However, introducing a coaching culture to any organisation faces the same challenges as other culture change programmes. With an increase in the size of the organisation the challenge will grow. International, cross-cultural and diversity aspects will receive increasing emphasis and are an integral part of developing a sound coaching culture.

We anticipate that the trend towards the development of coaching cultures within organisations will continue to increase in the future although new ways of naming this type of culture may emerge.

### **Growing your own - internal coaching activity**

Cost control has contributed to the trend within some large organisations to develop their own internal coaching capabilities. Generally, the HR team undertake a programme to develop internal coaches. These coaches receive varying degrees of training and supervision.

In leading organisations we have observed two main types of programmes. In some, individuals take on coaching responsibilities in addition to their existing day-to-day activities. In other programmes, individuals are trained as coaches and then devote all their time to providing coaching across the organisation and, in some cases, to other external organisations. In this way the organisation develops an entirely separate coaching service.

Internal coaching activities are perceived to be a cost effective option for organisations especially for entry, lower and middle management levels and hence this is a trend which is likely to spread more widely.

However, internal coaches tend not to operate at senior levels. For external coaches operating at the lower levels this trend presents a potential threat to market share, business growth and puts pressure on professional fees. However, within organisations strongly committed to a coaching culture, external coaches are often used as trainers and supervisors of the internal coaches – this is an emerging area of business for coaches.

### **Growth of differentiation**

As mentioned above, the provision of internal coaches is beginning to have an impact on the marketplace. This is intensified by a constant flow of new coaches into the market. Pressure on fees is most marked for coaching services at the lower management levels.

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These market forces are leading towards more differentiated coaching services tailored to the level of the individual client. In particular there is a small premium market emerging for senior executives.

For this group it is particularly important that coaches market their full profile including such things as their educational level and past career history together with their intellectual capital in the area of executive coaching. The service offering has to be pitched at the level of the client or to the level to which he aspires.

By matching the profile of the company to those they seek to coach, coaching providers can deliver a differentiated service which gives them a competitive advantage.

### **Meeting the demand for integrating methods**

In the early days of executive coaching it was usually sufficient for a coach to be trained within one field of expertise. Today's market is more sophisticated. The trend is for buyers to demand a greater breadth of techniques, experience and training from their coaches.

In response, coaches (particularly those in the premium market segment) now follow several training programmes and understand a great variety of methods and techniques. Increasingly, methods and techniques are integrated which equips experienced coaches to work with a diversity of clients and situations.

This trend is reflected in the executive coach training field where, particularly at Masters level, course content is drawn from multiple disciplines to produce coaches with a great breadth of techniques in their toolkit.

Another way of achieving integration is through coaches' supervision arrangements. For example, coaches with a psychology background choose a supervisor from the business world and vice versa. We regard this as an increasingly valid path to ensure integration and see it as strengthening the knowledge base within this growing profession.

Where did our discussions lead us? It seems to us that the profession is gaining in confidence and status and what once was regarded as a passing management fad has become widely used and accepted.

However, with increased maturity also comes increased challenges. For the profession as a whole the challenge is to define, agree and monitor professional standards. For individual coaches and coaching companies, the challenge will be to stay agile in response to client demands and provide a differentiated service.

### **About the authors**

Dr Sabine Dembkowski is founder and director of [The Coaching Centre](#) in London & Cologne.

Fiona Eldridge co-founded The Coaching Centre and is MD in the UK. Much of her work centres on supporting leaders across the public sector.

Professor David Lane is director of the International Centre for the Study of Coaching Middlesex University UK and of the [Professional Development Foundation](#).

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