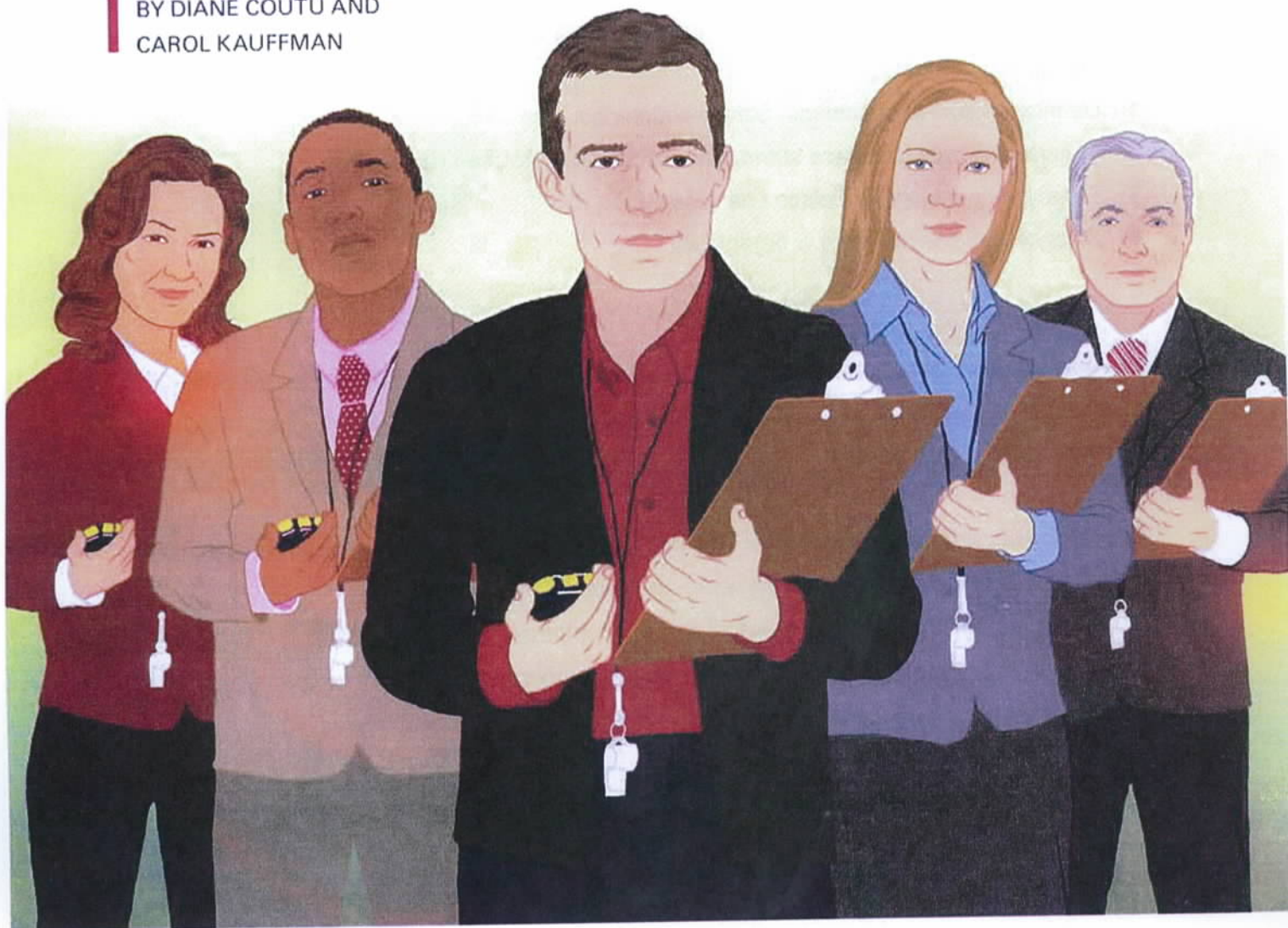


# HBR Research Report

BY DIANE COUTU AND  
CAROL KAUFFMAN



## What Can Coaches Do for You?

The coaching field is filled with contradictions. Coaches themselves disagree over why they're hired, what they do, and how to measure success. Here's what you should know.

Joshua Gorichov

**IN THE SEVENTEENTH CENTURY,** the French statesman Cardinal Richelieu relied heavily on the advice of Father François Leclerc du Tremblay, known as France's *éminence grise* for his gray monk's habit. Like the famous cardinal, today's business leaders have their gray eminences. But these advisers aren't monks bound by a vow of poverty. They're usually called executive coaches, and they can earn up to \$3,500 an hour.

To understand what they do to merit that money, HBR conducted a survey of 140 leading coaches and invited five experts to comment on the findings. As you'll see, the commentators have

conflicting views about where the field is going – and ought to go – reflecting the contradictions that surfaced among the respondents. Commentators and coaches alike felt that the bar needs to be raised in various areas for the industry to mature, but there was no consensus on how that could be done. They did generally agree, however, that the reasons companies engage coaches have changed. Ten years ago, most companies engaged a coach to help fix toxic behavior at the top. Today, most coaching is about developing the capabilities of high-potential performers. As a result of this broader mission, there's a lot more fuzziness around such issues as how coaches define the scope of engagements, how they measure and report on progress, and the credentials a company should use to select a coach.

Do companies and executives get value from their coaches? When we asked coaches to explain the healthy growth of their industry, they said that clients keep coming back because “coaching works.” Yet the survey results also suggest that the industry is fraught with conflicts of interest, blurry lines between what is the province of coaches and what should be left to mental health professionals, and sketchy mechanisms for monitoring the effectiveness of a coaching engagement.

Bottom line: Coaching as a business tool continues to gain legitimacy, but the fundamentals of the industry are still in flux. In this market, as in so many others today, the old saw still applies: Buyer beware!

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>> [hbr.org](http://hbr.org)  
See the complete results from HBR's survey of coaches at [coaching.hbr.org](http://coaching.hbr.org)

WHAT THE COACHES SAY

# Did you know...

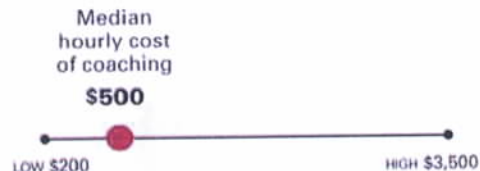
## Top 3 reasons coaches are engaged

Coaches are no longer most often hired to usher toxic leaders out the door.

- 1 Develop high potentials or facilitate transition **48%**
- 2 Act as a sounding board **26%**
- 3 Address derailing behavior **12%**

## How much it costs

Most often you can expect to pay about \$500 an hour – the cost of a top psychiatrist in Manhattan.



## Is coaching personal?

Companies may not hire coaches to attend to issues in executives' personal lives, but more often than not, personal matters creep in.

Are you frequently hired to address personal issues?



Have you ever assisted executives with personal issues?



## What to look for in a coach

Respondents had mixed views on what qualifications are important.

How necessary is certification?



How necessary is psychological training?



## The Coaching Industry: A Work in Progress

BY RAM CHARAN

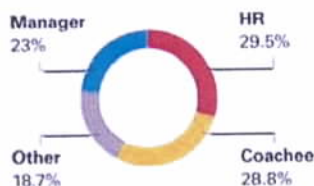
**THERE'S NO QUESTION** that future leaders will need constant coaching. As the business environment becomes more complex, they will increasingly turn to coaches for help in understanding how to act. The kind of coaches I am talking about will do more than influence

this direction, but most are still boutique firms specializing in, for example, administering and interpreting 360-degree evaluations. To get beyond this level, the industry badly needs a leader who can define the profession and create a serious firm in the way that Marvin Bower

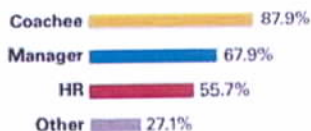
### Who is involved?

Though they acknowledged that confidentiality was central to successful coaching, respondents said that in most cases, they gave updates on coachees' progress to other stakeholders in the organization.

Who typically initiates the coaching relationship?



Who is kept apprised of progress?



### How long it takes



The industry badly needs a leader who can define the profession, the way Marvin Bower did for management consulting.

behaviors; they will be an essential part of the leader's learning process, providing knowledge, opinions, and judgment in critical areas. These coaches will be retired CEOs or other experts from universities, think tanks, and government.

Clearly, this is not a description of what most coaches do today, as the survey results demonstrate. What we think of as coaching is generally a service to middle managers provided by entrepreneurs with a background in consulting, psychology, or human resources. This kind of coaching became popular over the past five years because companies faced a shortage of talent and were concerned about turnover among key employees. Firms wanted to signal their commitment to developing their high-potential executives, so they hired coaches. At the same time, businesspeople needed to develop not just quantitative capabilities but also people-oriented skills, and many coaches are helpful for that. As coaching has become more common, any stigma attached to receiving it at the individual level has disappeared. Now, it is often considered a badge of honor.

The coaching industry will remain fragmented until a few partnerships build a brand, collect stellar people, weed out those who are not so good, and create a reputation for outstanding work. Some coaching groups are evolving in

did when he invented the modern professional management consultancy in the form of McKinsey & Company.

A big problem that tomorrow's professional coaching firm must resolve is the difficulty of measuring performance, as the coaches themselves point out in the survey. I'm aware of no research that has followed coached executives over long periods; most of the evidence around effectiveness remains anecdotal. My sense is that the positive stories outnumber the negative ones – but as the industry matures, coaching firms will need to be able to demonstrate how they bring about change, as well as offer a clear methodology for measuring results.

Despite the recession, I agree with most survey respondents that the demand for coaching will not contract in the long term. The big developing economies – Brazil, China, India, and Russia – are going to have a tremendous appetite for it because management there is very youthful. University graduates are coming into jobs at 23 years old and finding that their bosses are all of 25, with the experience to match.

**Ram Charan** has coached CEOs and other top executives of *Fortune* 100 companies. He is the author of 14 books, including *Leadership in an Era of Economic Uncertainty* (McGraw-Hill, 2009).

## Does Your Coach Give You Value for Your Money?

BY DAVID B. PETERSON

**FORTY YEARS AGO**, no one talked about executive coaching. Twenty years ago, coaching was mainly directed at talented but abrasive executives who were likely to be fired if something didn't change. Today, coaching is a popular and potent solution for ensuring top performance

ance. It's rare that companies hire business coaches to address non-work issues (only 3% of coaches said they were hired primarily to attend to such matters), yet more than three-quarters of coaches report having gotten into personal territory at some time. In part this reflects



Fewer than one-fourth of the respondents said they provide any kind of **quantitative data** on business outcomes of the coaching.

from an organization's most critical talent. Almost half the coaches surveyed in this study reported that they are hired primarily to work with executives on the positive side of coaching – developing high-potential talent and facilitating a transition in or up. Another 26% said that they are most often called in to act as a sounding board on organizational dynamics or strategic matters. Relatively few coaches said that organizations most often hire them to address a derailing behavior.

The research also revealed an important insight about what companies ask coaches to do and what they actually end up doing. Consider work/life bal-

the extensive experience of the coaches in this survey (only 10% had five years or less experience). It also underscores the fact that for most executives, work and life issues cannot be kept entirely separate. This is particularly true of senior executives who spend grueling hours on the job and are often on the road and away from home. Many of them feel some strain on their personal lives. Not surprisingly, therefore, the more coaches can tap into a leader's motivation to improve his or her home life, the greater and more lasting the impact of the coaching is likely to be at work.

The problem is when organizations ask for one thing and get something else.

Often companies have no idea what the coaches are really doing.

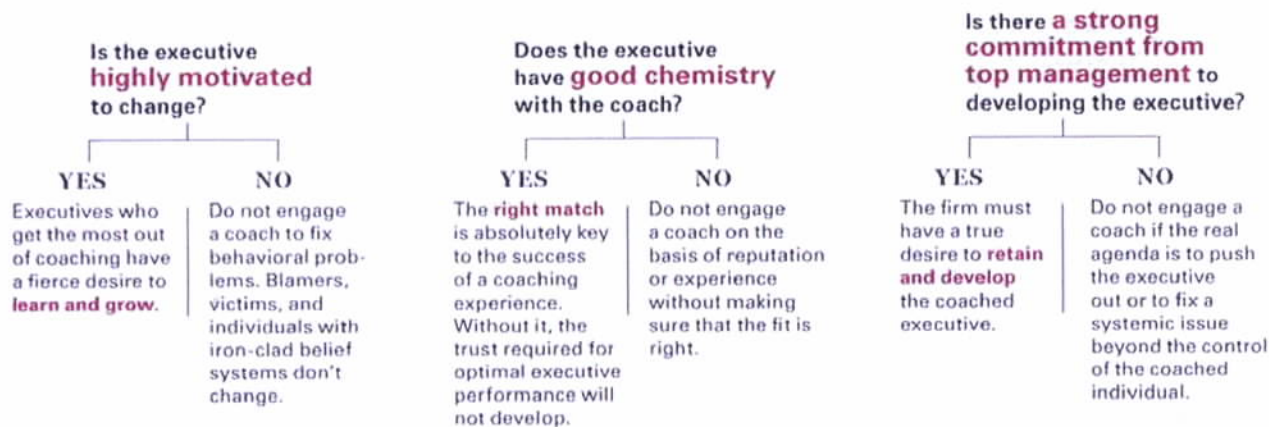
One reason seems to be that coaches can be very lax in evaluating the impact of their work and communicating results to executives and stakeholders. While 70% of coaches surveyed said they provide qualitative assessment of progress, fewer than one-third ever give feedback in the form of quantitative data on behaviors, and less than one-fourth provide any kind of quantitative data on business outcomes of the coaching engagement. Even this may represent a somewhat optimistic picture, given that this data comes from the coaches themselves.

While it can be difficult to draw explicit links between coaching intervention and an executive's performance, it is certainly not difficult to obtain basic information about improvements in that executive's managerial behaviors. Coaching is a time-intensive and expensive engagement, and organizations that hire coaches should insist on getting regular and formal progress reviews, even if they are only qualitative. Judging from this survey, companies won't get them unless they ask for them.

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### WHAT THE SURVEY SAYS

## Ingredients of a successful coaching relationship



## The Dangers of Dependence on Coaches

BY MICHAEL MACCOBY

**ALL COACHES RECOGNIZE** that they should be making you more competent and self-reliant. If the coaching relationship isn't doing that, it's very likely that you're becoming overly dependent. Dependence isn't always bad, of course – friends relying on one another, for example, is a good thing. But we all know people who can't make a decision without first talking to their psychotherapists, and some executives defer to their coaches in the same way. They have conversations with the coach that they ought to be having with other executives in the C-suite or with their teams.

The data in this survey show that more than half of the respondents think their clients do not become overly dependent on them. In my view, that's unrealistic. Coaches have an economic incentive to ignore the problem of dependency, creating a potential conflict of interest. It's natural for them to want to expand their business, but the best coaches, like the best therapists, put their clients' interests first. Harry Levinson, the father of coaching, worked with the top executives of his day. He said that if a coach wasn't aware of the dependency dynamic, then he had no right

to be a coach. What this means for you is that before you hire a coach, you should ask him how he handles dependency in relationships.

A related finding of the survey deserves special attention: Although almost 90% of the respondents reported that they establish a time frame prior to starting an engagement, all but eight said that the focus of the assignment shifts from the original intent. There are no data in the survey about the mechanics of how those engagements shift, but



Coaches have an economic incentive to ignore the problem of dependency, creating a **potential conflict of interest**.

in my 35 years of working in the field, I have observed that it's typically a matter of coaches recontracting with executives. Coaches who are essentially consultants may have a contract with you to work out strategy, for example, and then may offer to stay on to help with implementation. Or if you hire a coach to help you be a better team player, she may suggest that you need additional work in managing upward or working with difficult

but creative subordinates. All this takes more time – and money. Extending contracts is not necessarily unethical. Just be aware that your coach may be asking you to recontract for more than you bargained for or really need.

Two particular kinds of shift in focus, though, are dangerous and should be avoided. One is when a behavioralist coach (my term for someone who monitors your behavior) seduces you into a form of psychotherapy without making that explicit. For example, he or she may say that you are now ready to explore deeper issues that keep you from realizing your full potential. The other is when personal coaches morph into business advisers. In these cases,

your coach becomes a kind of speaking partner – someone you can bounce strategic ideas off of. That can be just as dangerous because it's a rare coach who has deep knowledge about your business.

**Michael Maccoby** is the president of the Maccoby Group in Washington, DC, and is the author of *Narcissistic Leaders: Who Succeeds and Who Fails* (Harvard Business School Press, 2007).

### WHAT THE SURVEY SAYS

### Does the focus of coaching engagements shift?

All but eight of the 140 respondents said that over time their focus shifts from what they were originally hired to do.

**“Absolutely!** It starts out with a business bias and inevitably migrates to ‘bigger issues’ such as life purpose, work/life balance, and becoming a better leader.”

**“Generally no.** If the assignment is set up properly, the issues are usually very clear before the assignment gets started.”