



Seven Ways to Build a Coaching Culture for Competitive Advantage



Introduction

In what is being called “The Great Resignation,” millions of people are quitting their jobs, leaving organizations scrambling to keep employees and fill open positions. This mass exodus further emphasizes the need for companies to invest in their people beyond providing higher wages. A coaching culture offers a proven way to accelerate your overall talent strategy and propel your organization to greater success.

45%

Or nearly half of all **managers aren't confident** about their ability to develop employee skills.

70%

Of human resources professionals feel that **managers should be more involved** in coaching employees.¹

26%

Of employees are currently **happy with the feedback** they receive.²

Creating a robust Coaching Culture can put you and your team at a competitive advantage. Here are a few ways:

- ▶ Employees who use coaching to better know their strengths and apply them well can **increase your profits by 14–29%**.³
- ▶ A coaching culture provides **emotional, social, and process support** during a change (33%).
- ▶ It also **accelerates and improves performance** when a company is undergoing change (13%).⁴

Despite repeated studies confirming the benefits of coaching, too often companies take a limited, tactical view. They either offer coaching as part of an employee's basic career development plan or they use it to bridge skill gaps. How do we know that these individualized achievements are benefiting the entire company?

A systemic approach enhances the power of individual success to produce value for the entire company. The Human Capital Institute (HCI) found **organizations that have intentionally created coaching cultures are more than two times likely to outperform their peers**.⁵

A coaching culture is defined as the consistent use of multiple types of coaching across and at all levels of an organization, using a formalized process that includes the provision of appropriate training and resources, involvement of top management, clear communication of the benefits of coaching, and alignment with organizational values.⁶

In addition, a coaching culture links coaching and learning to value creation for all stakeholders.

In a coaching culture, leaders at every decision-making level engage coaching competencies when leading a team toward better performance. Standard coaching that does not incorporate a systemic approach can reinforce employee and departmental silos. Instead, a well-implemented coaching culture becomes a powerful human capital management tool that impacts every level.

A well-implemented coaching culture becomes a powerful human capital management tool that impacts every level.

Just one-quarter of organizations have a dedicated line item to coaching in their training budgets. Mostly, organizations use it to train leadership (55%), which denies them the benefits of instituting an organization-wide coaching culture.⁷

There is growing evidence that a clear connection exists between a culture that embodies coaching to one that creates extraordinary value for all stakeholders — customers, employees, stockholders, and the broader community.

This white paper outlines the need to rethink coaching approaches and their link to measurable value. It also shares actionable steps to reach (and sustain) value from a coaching culture.

The HCI lists six traits of a coaching culture. A company must meet at least five of these to qualify:⁸

- ▶ Frontline employees value coaching.
- ▶ Senior executives value coaching.
- ▶ There is a dedicated coaching budget.
- ▶ Coaching is accessible to all.
- ▶ In-house personnel have coaching certifications.
- ▶ Three primary methods - internal, external, managerial - are practiced.

Seven Ways to Create Your Culture of Coaching

1. DEFINE SUCCESS WITH KEY STAKEHOLDERS

If you were to start implementing a culture of coaching in your organization today, what differences would you like to see a year from now? **Defining the best outcome possible is one of the key elements in setting a foundation for establishing your coaching culture.**

Identify and interview key stakeholders, such as the CEO or department heads, about how they see success. In doing so, you will begin to demonstrate and model the very coaching culture you hope to create.

In creating a picture of your amazing future state, it is a good idea to break down the value to be achieved from coaching into three levels: organizational, learning-oriented, and individual. Here are some questions to ask yourself to extend coaching benefits systematically through the organization.

ORGANIZATIONAL SUCCESS:

- ▶ How much is the organization hoping to grow in the coming year?
- ▶ How else does the larger corporation define its success in the coming year?
- ▶ What does success look like for your key stakeholders: customers, stockholders, employees, and the broader community your organization serves?

LEARNING & DEVELOPMENT SUCCESS:

- ▶ How do you see coaching integrating with other L&D activities?
- ▶ What would an outstanding, comprehensive strategy implemented around L&D activities look like?
- ▶ What would it look like to have coaching embedded as the foundational means of developing?

INDIVIDUAL SUCCESS:

- ▶ How will coaching increase engagement and satisfaction at work?
- ▶ What are the key behavioral skills or competencies employees as a whole would benefit most from developing?
- ▶ How can you use coaching to support clearer career paths?

Defining the best outcome possible is one of the key elements in setting a foundation for establishing your coaching culture.

2. IDENTIFY COACHING CANDIDATES

Traditionally, the criteria for identifying potential coachees has focused solely on the individuals - whether they are considered high-potential, have taken on a new role, show leadership ambitions, or are struggling in some way.

These are well and good, but these questions approach coaching in a silo-oriented way. It's still helpful to use these questions to identify your first cohort. **To create systemic impact, research has found that it is helpful to also consider the organizational impact of who is chosen.**

Consider these additional queries:

- ▶ How many regular contacts does this potential coachee have in your company?⁹
- ▶ How frequently is this potential connecting with others?
- ▶ How influential is the department that this employee or employees are in?

Considering powerful connecting nodes in an organization and those who operate them can accelerate the process of integrating a coaching approach throughout the organization. Sometimes this may mean passing over a high-potential employee – for now – in lieu of someone who can showcase this shifting approach more powerfully and widely. Sometimes it can mean providing coaching to an entire department that has vast influence.

Considering powerful connecting nodes in an organization and those who operate them can accelerate the process of integrating a coaching approach throughout the organization.

3. DEPLOY COACHING

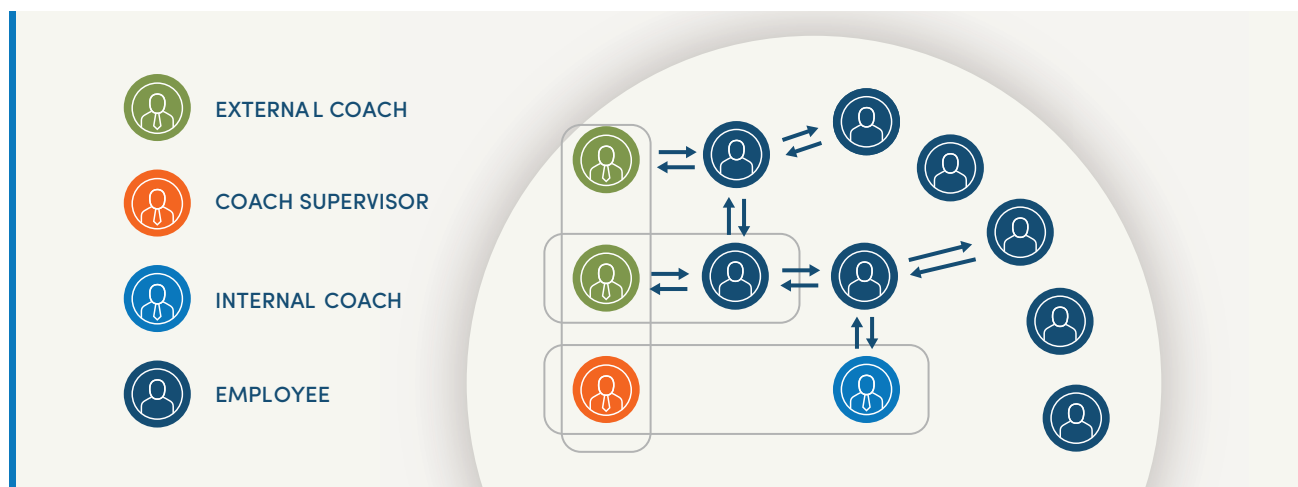
At this stage of building a coaching culture, it is advisable to work with external coaches, informed by years of coaching experience who can quickly grasp the employee’s needs, understand the best way to address them, and guide the employee.

Working with an external coaching firm has the benefit of establishing your cultural foundation with the best coaching culture practices available. That said, with your long-term success plan in hand, you can begin to work with an internal coach. Sometimes the first external coach hired is to coach the internal coach.

It’s important to determine the right coaches to work with you and your identified coachees. Research shows the most important factors to consider are:

- ▶ A coach has experience coaching in similar settings (65%).
- ▶ A coach has strong testimonials from impressive prior clients (50%).
- ▶ A coach has certifications in the desired coaching method (29%).¹⁰

Whether internal or external, this group of coaches gets to better understand your organization and its goals and therefore, brings greater awareness about how to help achieve them. **When working with a cohort of external coaches, you get the best of both worlds – coaches who know your company but also aren’t tethered to its norms, good or bad, and who can bring more outside ideas to the table.**



4. DEPLOY COACHING MORE BROADLY

Once key influencers start to get formal coaching, the chain reaction begins. The external coach interacts with the primary coaching candidate, who, in turn, influences the secondary coaching candidate and then has an internal coach assigned to the secondary candidate. Coached employees share their excitement and success stories, both informally and through intentional promotional activities facilitated through the HR department, in conjunction with internal marketing.

If coaches have not been formally supervised yet, now is the time. Formal coaching supervision follows industry standards set by the European Mentoring and Coaching Council (EMCC). Coach supervisors act as a bridge between the program and your company’s larger business mission, getting you to your desired value faster.

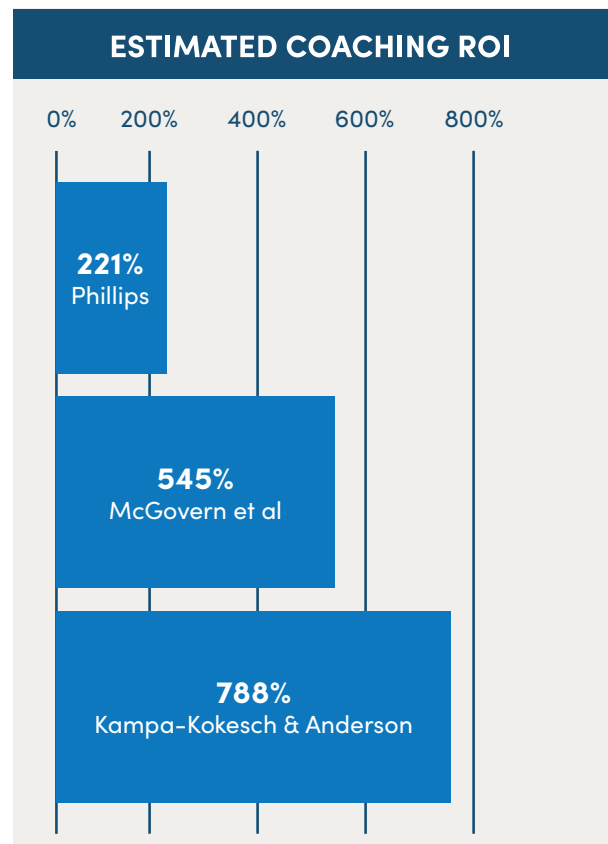
This launches your culture of coaching. **Rather than isolate the benefits to one employee or team, you draw intelligent correlations that extend coaching impact across the widest breadth of the organization.**

5. EVALUATE YOUR RETURN ON INVESTMENT (ROI)

Every company wants to know how this coaching investment is going to pay off. Earlier, in defining what a great coaching culture would look like, we determined the desired value to be derived from the coaching culture. It is important to attempt to measure its impact as much as possible. This can be done by evaluating your ongoing programs (formal) and ongoing workplace relationships (in-formal) to gauge how coaching techniques, methodologies, and mindset are pushing the needle in the right direction. Consider connecting the impact of coaching on:

- ▶ Skill and competency development
- ▶ Employee engagement
- ▶ Retention
- ▶ Performance and productivity

Source: “ROI is a poor measure of coaching success,” by Anthony M. Grant, *Coaching: An International Journal of Theory, Research and Practice*, May 18, 2012 (Routledge)



In a culture of coaching, you need to collaborate with all of the stakeholders, take stock of business improvements before and after the program, and draw correlations for an accurate picture of the ROI. It is only by keeping this holistic framework in mind that companies can enact a culture of coaching that, while it is implemented at grassroots nodes, is driven by business goals.

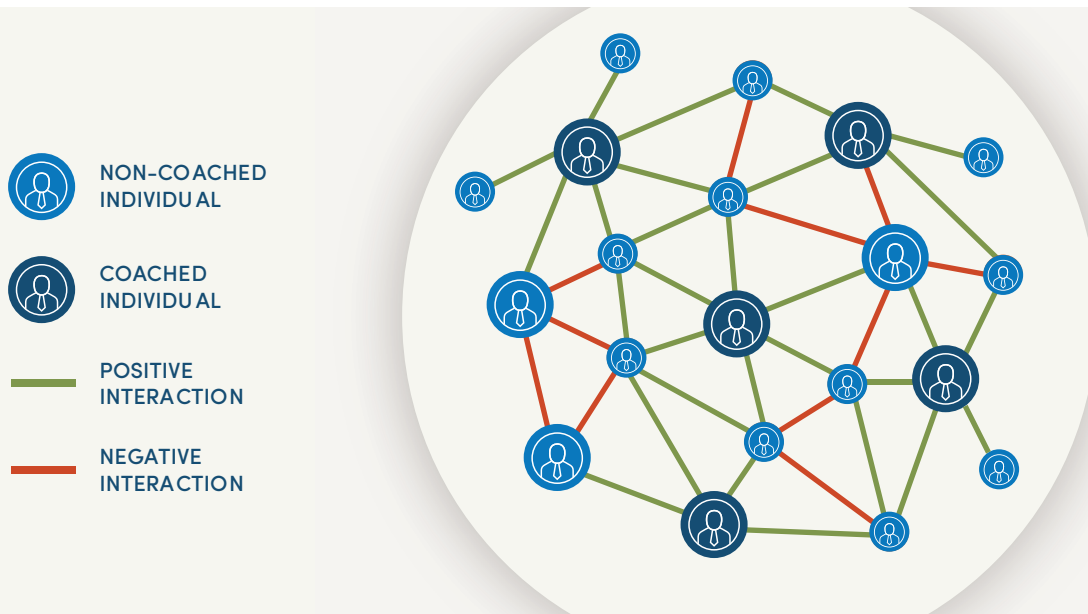
6. CREATE COACHING MANAGERS

While it's great to have employees getting coached, the real goal is to get employees employing a coaching approach to management — move from a results culture to a learning culture.¹¹

Your coached employees will de facto begin to bring a coaching approach to managing up, down, and vertically as an effect of getting coached. And there's more that can drive you toward your coaching culture vision.

Your coached employees will de facto begin to bring a coaching approach to managing up, down, and vertically as an effect of getting coached.

The good news is that you've already got a number of players that are already engaging in this new coaching approach and are becoming more strongly committed to creating a learning and innovating culture because they are experiencing how impactful it is.



7. SUPERVISION

In a perfect coaching culture, the entire company works as a coaching neighborhood, with the benefits multiplying every time an individual candidate gets coached or gets coaching training. This is how creating a coaching culture improves the world. And your corporation becomes a central node in effecting this global change for the better, ensuring your company's success for years to come.

To do this most effectively, you need coaching supervision. Having your coaches formally supervised provides three valuable services to your firm. Coaching supervision:

- ▶ **Provides consistency** by determining the best coaching approach for your organization and sharing insights with each other about how to best coach your employees.
- ▶ **Ensures quality** by navigating challenges that may jeopardize growing your culture and finding ways to maximize the experience for greater impact.
- ▶ **Holds the larger systemic value creation vision in mind** by considering all stakeholders and the entire system.

Assigning a coaching supervisor can reinforce coaching capabilities (88%) and verify the quality of the learning experience (86%), which is particularly useful when trying to build internal coaching competencies on your culture transformation journey.¹²

Conclusion

Professional coaching brings about positive behavioral change that lasts. One research study found that coaching could aid in positive behavior that impacts long-term goals, such as employee well-being, hope, resilience, and motivation.¹³ These cognitive results should be among the biggest incentives for establishing a coaching culture at your organization.

When you develop entire coaching neighborhoods, you witness clearer communication, better conversations, more productive meetings, more efficient work delegation, and more focused time management across the company, which leads to true value creation for customers, employees, stockholders, and the broader community.

About AceUp

AceUp empowers professionals at all levels to maximize their impact through transformational coaching enabled by technology, empowered by science, and backed by data. We combine the power of one-on-one executive coaching, group training, and behavioral technology to foster a culture of coaching within organizations that drives systematic impact.

LEARN MORE ►

¹ Baker, Mary. "Gartner Says 45% of Managers Lack Confidence To Help Employees Develop the Skills They Need Today." Gartner, September 18, 2019. <https://www.gartner.com/en/newsroom/press-releases/2019-09-18-gartner-says-45--of-managers-lack-confidence-to-help->

² Wigert, Ben, and Nate Dvorak. "Feedback Is Not Enough." Gallup, May 16, 2009. <https://www.gallup.com/workplace/257582/feedback-not-enough.aspx>

³ Robison, Jennifer. "Give Up Bossing, Take Up Coaching: You'll Like the Results." Gallup, January 17, 2020. <https://www.gallup.com/workplace/282647/give-bossing-coaching-results.aspx>

⁴ "Building a Coaching Culture for Change Management." ICF/HCI Research, 2018. <https://coachfederation.org/research/building-a-coaching-culture>

⁵ Robinson, Shauna. "The Case for a Coaching Culture," TD Magazine, January 2018. <https://www.td.org/magazines/td-magazine/the-case-for-a-coaching-culture>

⁶ Milner, Julia, Trenton Milner and Grace McCarthy. "A Coaching Culture Definition: An Industry-Based Perspective From Managers as Coaches," The Journal of Applied Behavioral Science, February 15, 2020.

⁷ Golden, Ryan. "Coaching to become talent development mainstay, study suggests." HR Dive, February 4, 2020. <https://www.hrdiver.com/news/coaching-to-become-talent-development-mainstay-study-suggests/571682/>

⁸ Robinson, Shauna. "The Case for a Coaching Culture," TD Magazine, January 2018. <https://www.td.org/magazines/td-magazine/the-case-for-a-coaching-culture>

⁹ O'Connor, Sean, and Michael Cavanagh. "The coaching ripple effect: The effects of developmental coaching on wellbeing across organisational networks," Psychology of Well-Being: Theory, Research and Practice, 2013. <https://link.springer.com/article/10.1186/2211-1522-3-2>

¹⁰ Kauffman, Carol and Diane Coutu. "The Realities of Executive Coaching," HBR Research Report, January 2009. <http://vitaleducation.org/media/HBRReport.pdf>

¹¹ Milner, Julia, Trenton Milner and Grace McCarthy. "A Coaching Culture Definition: An Industry-Based Perspective From Managers as Coaches," The Journal of Applied Behavioral Science, February 15, 2020.

¹² Hawkins, Peter, and Gil Schwenk. "Coaching supervision." Paper prepared for the CIPD coaching conference. London: Chartered Institute of Personnel and Development, September 2006.

¹³ Green, L.S., L.G. Oades and A.M. Grant. "Cognitive-behavioral, solution-focused life coaching: Enhancing goal striving, well-being, and hope," The Journal of Positive Psychology, July 2006. <https://langleygroupinstitute.com/wp-content/uploads/Green-Oades-Grant-2006-Cognitive-behavioral-solution-focused-life-coaching-Enhancing-goal-striving-well-being-and-hope.pdf>

James A. Lopata

Vice President of Coaching Supervision,
AceUp