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# Building a Coaching Culture with Millennial Leaders



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## EXECUTIVE SUMMARY

Mass retirement of Baby Boomers and inadequate succession planning present an opportunity for coaching in the workplace. First-time people managers, along with Millennials in executive leadership positions, are primed to benefit from partnering with a coach and receiving training on how to use coaching skills with their peers and team. By applying coaching skills, managers and leaders of all ages are role modeling this skill set for younger employees and future leaders.

For the fourth consecutive year, the Human Capital Institute (HCI) and the International Coach Federation (ICF) partnered to research coaching cultures in organizations. This year's research focuses on coaching and leadership development for first-time people managers and emerging leaders—many of whom are members of the Millennial generation (i.e., individuals born between 1983 and 1996). In a study of 670 Human Resources (HR), Learning and Development (L&D), and Talent Management (TM) professionals; internal coach practitioners; managers; and individual contributors across multiple generations, the key research findings include:

### **Most generational differences appear to be myths.**

- ✓ The top three work preferences are the same across most age groups: development opportunities, career advancement and flexibility at work.
- ✓ Recognition for quality work, manager support and opportunities to share feedback with decision-makers are the top values endorsed by all age groups at a proportion of 67% or more.
- ✓ Values did not widely differ among the generations in this survey with regard to corporate social responsibility, narcissistic tendencies and short-term tenure.

### **Coaching skills are considered essential competencies for first-time people managers.**

- ✓ Coaching and developing others (44%), engaging and inspiring others (41%), and having emotional intelligence (35%) are the most valuable skills and competencies for first-time people managers according to respondents.
- ✓ Only 36% of organizations offer coach-specific training to these new leaders. Managers/leaders using coaching skills are trained most often by L&D departments, HR departments, and internal coach practitioners.
- ✓ Sixty-five percent of organizations aim to expand the scope of managers/leaders using coaching skills in the next five years.

### **A business case can be made for investing in a strong coaching culture.**

- ✓ Organizations with strong coaching cultures indicate recent revenues above that of their industry peer group (46% compared to 39% of other responding organizations) and report higher employee engagement (61% and 53%, respectively).
- ✓ Among those who have received coaching, a strong majority (80%) report positive impacts resulting from the coaching engagement. Among the areas where they report improvement are their work performance, communication skills, productivity, well-being, and business management strategies.

## DEFINITIONS OF KEY TERMS

**Coaching:** partnering with coachee(s) in a thought-provoking and creative process that inspires them to maximize their personal and professional potential.

**Professional coach practitioner:** someone who provides an ongoing partnership designed to help coachees produce fulfilling results in their personal and professional lives. The coach's job is to provide support to enhance the skills, resources, and creativity that the coachee already has.

**Internal coach:** a professional coach practitioner, who is employed within an organization and has specific coaching responsibilities identified in their job description.

**External coach:** a professional coach practitioner, who is either self-employed or partners with other professional coaches, to form a coaching business.

**Manager/leader using coaching skills:** a leader who uses coaching knowledge, approaches, and skills to create awareness and support behavior change.

**Coach-specific training:** training that teaches coaching competencies and/or how to apply technical skills in a coach-like manner and encompasses theories and core coaching competencies designed to prepare an individual to practice as a professional coach.

**Accredited coach training program:** any program consisting of coach-specific training that has met the rigid criteria required to be approved by a professional coaching organization.

The preferred management style is moving from command and control to a new style based on **inclusion, involvement, and participation.**

## INTRODUCTION

The generation identified as Millennials (born 1983-1996) makes up the largest part of the U.S. workforce.<sup>1</sup> Millennials are also predicted to make up half of the global workforce by 2020.<sup>2</sup> For some time, this demographic segment has been an intensive focus of research on workforce trends. The growth of Millennials into management and executive positions, however, prompts new consideration of the evolving capacity and needs of Millennial leaders. A study released in 2015, for example, found that 73% of Millennials aspired to positions of leadership within five years.<sup>3</sup>

Characterizations of generational demographic groups can yield valuable insights, but they can also over-generalize in misleading ways. Myths that Millennials require greater workplace recognition and guidance, and that they show less loyalty to the organizations to which they belong, have been largely debunked.<sup>4</sup> Instead, evidence shows that Millennials as a whole crave opportunities to explore career growth and develop their leadership skills<sup>5</sup>—a desire that is best understood by career stage and age rather than being from a particular generation. While 54% of Millennials desire additional technical training, 60% want training from their employer in leadership skills.<sup>6</sup> Most likely because they are figuring out their career paths and refining their skill sets, they also have a preference for more frequent feedback from their manager compared to other age groups.<sup>7</sup>

As management styles evolve, Millennials don't want "bosses." Instead, they want "coaches" who can help them reach career development goals.<sup>8</sup> The preferred management style is moving from command and control to a new style based on inclusion, involvement, and participation.<sup>9</sup> Most organizations understand the value of coaching but few have realized the full effect a strong coaching culture has on increasing employee engagement and sustaining high organizational performance.<sup>10</sup> The combination of external and internal coaches, along with training managers and leaders to provide coaching skills, appears to be key to developing a strong coaching culture and addressing the development needs of emerging leaders.

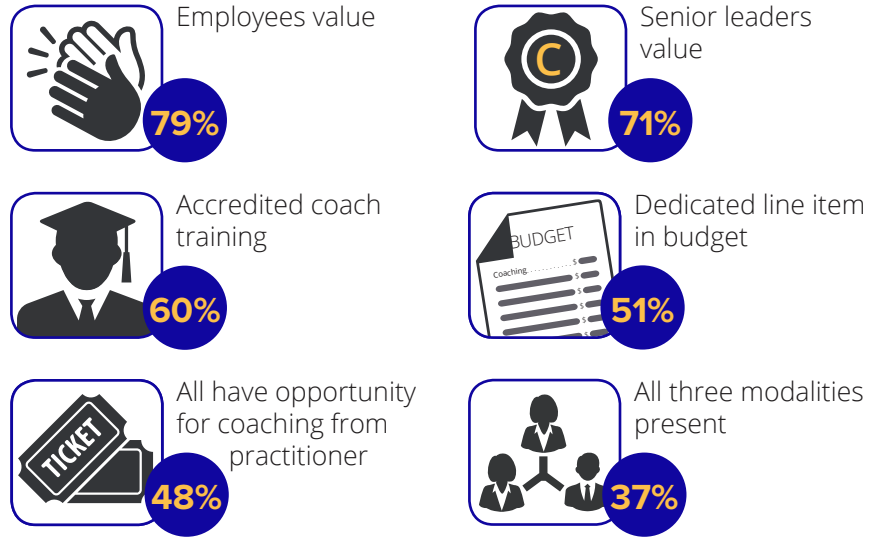
This *Signature Series* research, conducted jointly by HCI and ICF, explores how coaching strategies can be more effectively deployed to address the specific needs of both existing and emerging Millennial leaders along with the needs of other generations in the workforce. Using a combination of surveys and interviews with subject-matter experts, we continue to explore the best practices for building a strong coaching culture.

## BUILDING A COACHING CULTURE

Traditionally, coaching has been a powerful developmental tool reserved for executives. As more leaders see the power of coaching for optimized performance and higher engagement, they are expanding access to coaching for all employees through various modalities, including professional coach practitioners. Using an index of relevant criteria, it was determined that one in four (25%) of responding organizations have a strong coaching culture. Although this research series is not a longitudinal study and the composite has changed slightly over the years, the share of organizations holding this distinction has increased steadily since the first HCI/ICF study on coaching cultures was published in 2014 (13% in 2014, 15% in 2015 and 17% in 2016). In 2017, a total of 25% ( $n = 120$ ) of respondents have strong coaching cultures at their organizations, determined by meeting *at least* five of the criteria below:

- ✓ Strongly/somewhat agree that employees value coaching.
- ✓ Strongly/somewhat agree that senior executives value coaching.
- ✓ Managers/leaders (and/or internal coaches) received accredited coach-specific training.
- ✓ Coaching is a fixture in the organization with a dedicated line item in the budget.
- ✓ All employees in the organization have an equal opportunity to receive coaching from a professional coach practitioner.
- ✓ All three coaching modalities (internal coach practitioners, external coach practitioners, and managers/leaders using coaching skills) are present in the organization.

**FIGURE 1 Strong coaching culture composite with percentage of respondents who indicate the presence of each criterion.**



These criteria are most often met at medium-sized companies; organizations with 5,000-10,000 employees have the highest rate of strong coaching cultures.



“The minute you expose people to any type of coaching... **people immediately understand** the value.”

—**ALISON HOOKER**  
AMERICAS CHIEF TALENT DEVELOPMENT OFFICER, EY (RETIRED)

## The Value of a Strong Coaching Culture

Among the organizations surveyed by HCI and ICF since 2014, a growing proportion have strong coaching cultures, suggesting that coaching is a powerful tool to develop the potential of employees and drive business success. Similar to our previous findings, a strong coaching culture positively correlates with higher employee engagement and stronger financial performance. Organizations with strong coaching cultures report that 61% of their employees are “highly engaged,” compared to 53% from organizations without strong coaching cultures (Figure 2). In terms of financial impact, 46% of respondents from organizations with strong coaching cultures report their 2016 revenue to be above their peer group, compared to 39% from all other organizations (Figure 3).

The business and individual coaching outcomes help demonstrate its business value. Seventy-nine percent of respondents state that their employees value coaching and 71% report that their senior leaders value coaching.

FIGURE 2

### Highly engaged employees by coaching culture.

Percentage of employees who rated themselves “highly engaged”

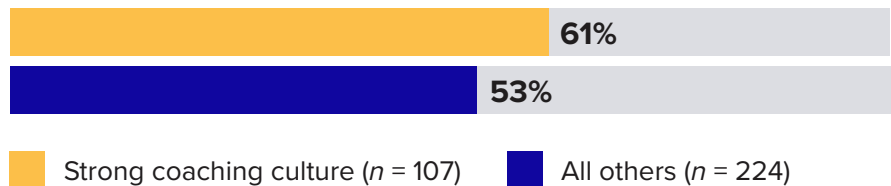
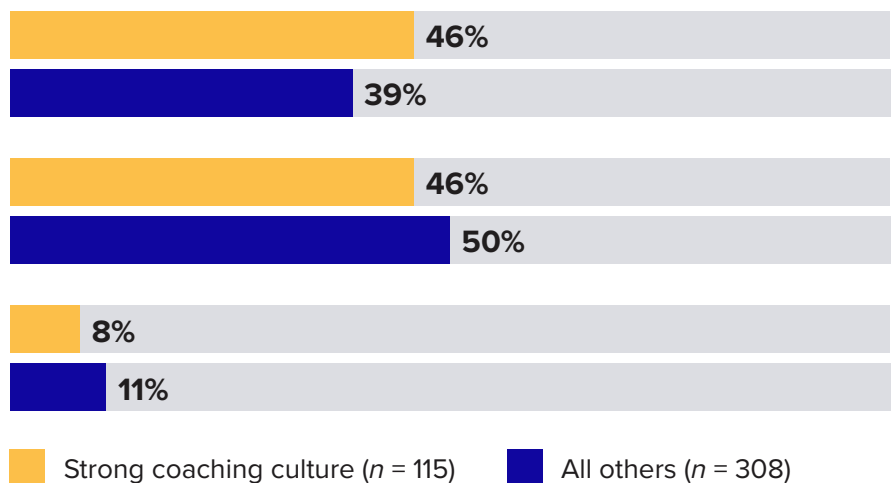


FIGURE 3

### 2016 revenue growth in relation to industry peer group by coaching culture.

2016 Revenue Growth

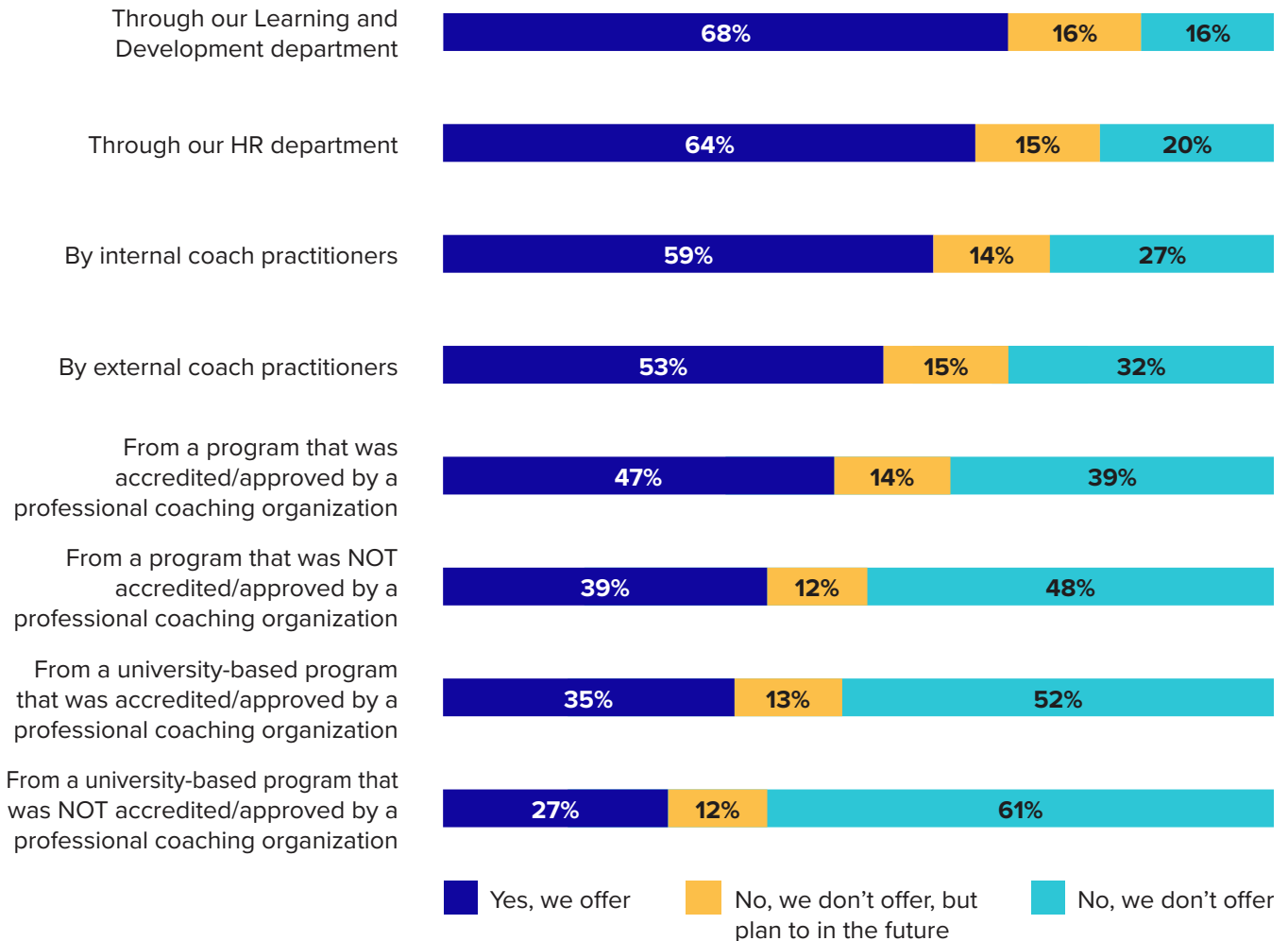
Above  
On par  
Below



## Coach-specific Training

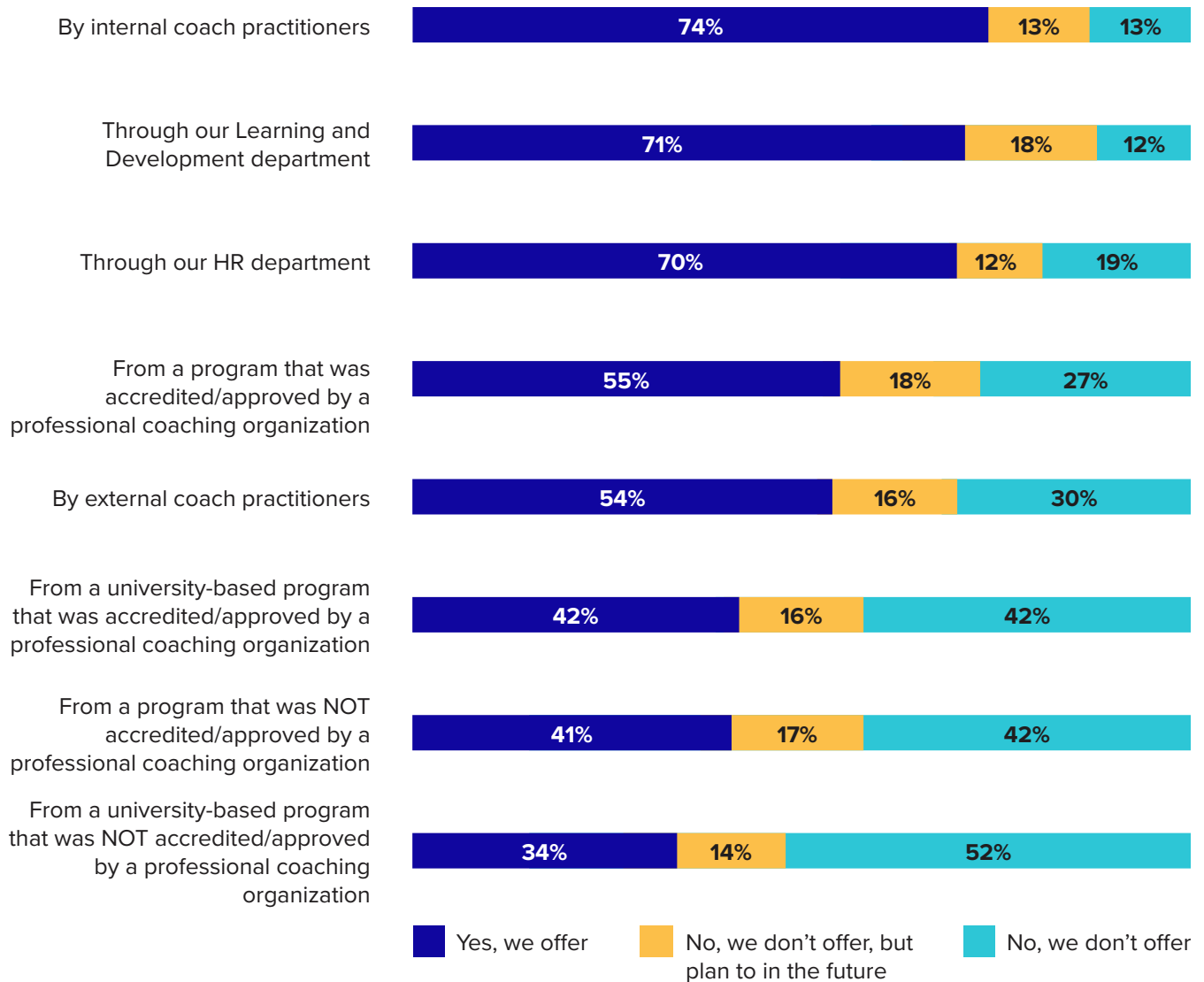
Regardless of the coaching modality, successful coaching requires experience and training. Researchers have found that it takes managers and leaders between three and six months to become comfortable with using coaching skills.<sup>11</sup> Managers and leaders who use coaching skills are trained most often by L&D departments, HR departments, and internal coach practitioners. Nearly half (47%) of all respondents reported that their organizations train managers/leaders from a program that was accredited/approved by a professional coaching organization (such as the International Coach Federation) and 35% said their managers and leaders receive training from a similarly accredited/approved university-based program (Figure 4). These options have increased from 32% and 16%, respectively, in 2016.

**FIGURE 4** How is coach-specific training currently offered to your managers/leaders using coaching skills?



Internal coach practitioners are most often trained by other internal coach practitioners and through L&D and HR departments. The proportion trained in an accredited/approved program has increased since 2016. Fifty-five percent of respondents say their organization’s internal coach practitioners receive training from a program that was accredited/approved by a professional coaching organization and 42% say their internal coaches receive training from an accredited/approved university-based program (Figure 5). These options have increased from 45% and 24%, respectively, in 2016.

**FIGURE 5** How is coach-specific training currently offered to your internal coach practitioners?

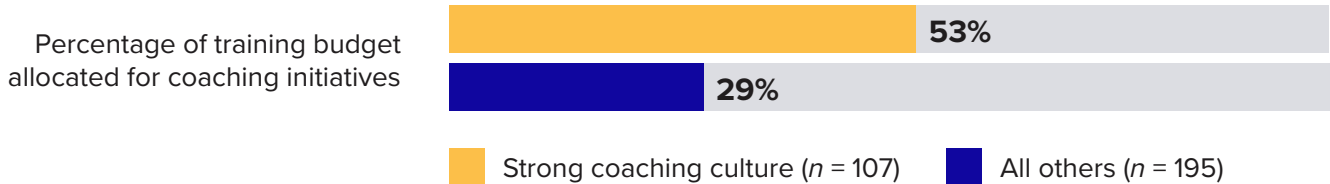


## The Budget for Coaching

Overall, 51% of organizations in our survey have a dedicated line item for coaching in their training budget, up from 31% in 2016. Organizations with a strong coaching culture are almost three times more likely to have coaching as a line item in their budget (95% versus 32% from all other organizations).

Overall, organizations allocate 37% of their training budget for coaching initiatives. This spend has increased over the past four years (11% in 2014, 14% in 2015 and 23% in 2016). Organizations with strong coaching cultures allocate significantly more (53%) of their training budget toward coaching initiatives (compared to 29% of all other organizations; Figure 6).

FIGURE 6 **Training budget allocation by coaching culture.**



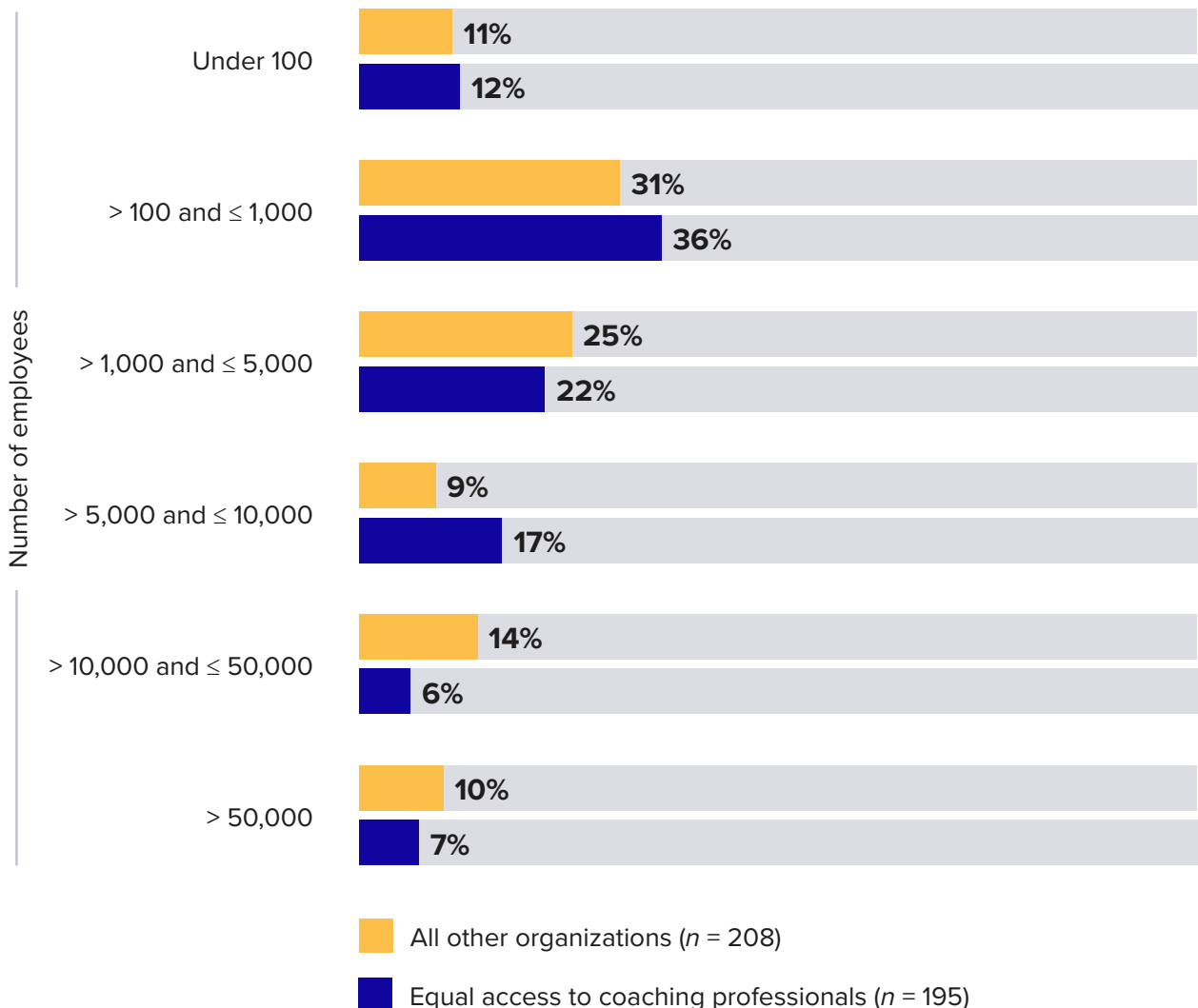
“There is a deeply held belief by our most senior leadership team that **supporting people and getting clarity** around where they are, what they want to contribute, and what’s getting in their way is paramount. There really isn’t a better dollar spent. Every year we see an increase in the budgetary support we get, the number of coaches that we have, and the amount of people we can reach.”

—**ALISON HOOKER**  
AMERICAS CHIEF TALENT DEVELOPMENT OFFICER, EY (RETIRED)

## Access to Coaching

Organizations with strong coaching cultures (89%) provide access to a professional coach practitioner across all levels of the organization. Overall, 48% of respondents report that everyone in their organization has an equal opportunity to receive coaching from a practitioner. This proportion has increased since 2015 (16%) and 2016 (30%), and smaller-sized organizations are more likely to offer this opportunity to all employees (Figure 7).

**FIGURE 7 Percentage of organizations with equal opportunity for coaching by a professional coach practitioner, by number of employees in respondent's organization.**



Most employee segments have access to managers/leaders using coaching skills and internal coach practitioners, but access to external coach practitioners appear to be reserved for those in senior-level positions and high potentials (Table 1). Compared to previous studies, there is a noticeable difference in the proportions of internal and external coaches present in organizations. The budget for coaching has also increased over the past four years. These changes may be due to sampling bias where individuals familiar with coaching at their organization were more likely to complete the survey.

**TABLE 1 Which modalities are available for each of the following employee segments?**

Modalities	Internal coach practitioners			External coach practitioners			Managers/leaders using coaching skills		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Available to:									
High potentials	79%	37%	39%	67%	41%	39%	74%	72%	58%
Entry-level	69%	36%	27%	42%	10%	3%	75%	77%	69%
Mid-level	81%	38%	40%	54%	23%	14%	79%	78%	74%
Senior-level	74%	32%	33%	79%	55%	61%	70%	65%	48%

## Presence of the Coaching Modalities

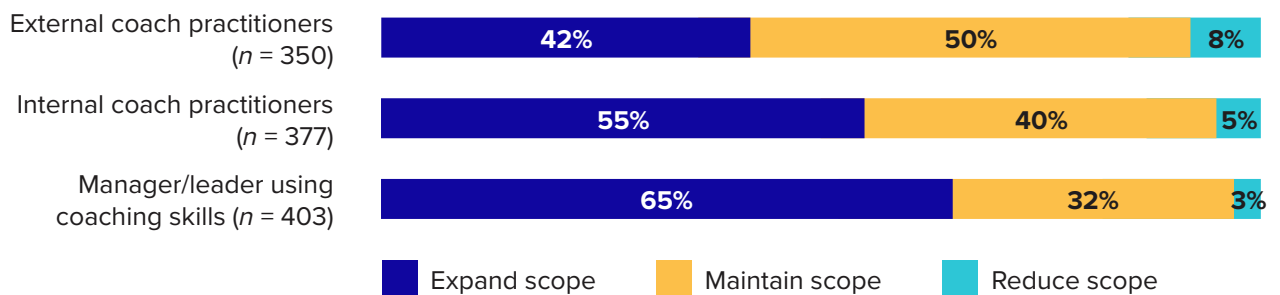
Perhaps unsurprising given the results from previous studies, managers and leaders using coaching skills is the most prevalent modality (Table 2). However, organizations with strong coaching cultures realize the unique value contributed by each of the three coaching modalities. Seventy-six percent of organizations with strong coaching cultures use all three modalities, while one-third (37%) of other organizations use all three.

Sixty-five percent of organizations indicate that they intend to expand the scope of managers/leaders using coaching skills in the next five years (Figure 8). As the presence of managers/leaders using coaching skills becomes more mainstream, the proportion of organizations that say they plan to increase scope is down from 81% in 2014 and 73% in 2016. For external coach practitioners, half the respondents report the intent to maintain current levels, while a still notable share (42%) indicate plans to expand this modality. An even larger share of respondents (55%) indicated plans to expand their use of internal coach practitioners.

**TABLE 2** Percentage who offer the three types of coaching modalities at their organization.

Modalities	4 yr. mean	2017	2016	2015	2014
External coach	59%	60%	58%	65%	53%
Internal coach	57%	66%	55%	57%	50%
Manager/leader using coaching skills	85%	84%	91%	84%	82%

**FIGURE 8** What are your organization’s plans for this modality within the next five years?



## UNDERSTANDING THE NEEDS AND VALUES OF MILLENNIAL LEADERS

A transition to a strong coaching culture requires a change in management style. We asked respondents to describe the predominant management style at their current organization and then to describe the

“Coaching is one of the instruments that we see can **really boost performance** and also help **realize potential** for people. We see it as something that is important to leverage our culture. So especially now that we are trying to be a more progressive and attractive employer, we’re trying to move from a culture of more top-down approach to a more collaborative approach in the more engaging leadership style.”

—ALEJANDRO CAMPOS  
HEAD OF TALENT MANAGEMENT AND ORGANIZATIONAL DEVELOPMENT, CONTINENTAL TIRE WORLDWIDE

most effective management style. A total of 91 unique categories emerged; the most frequently cited are displayed in Figures 9 and 10. While the typical respondent used words like “direct” or “authoritative” to describe the *predominant* management style at their organization, terms like “coaching” and “supportive” were used more often to describe the *most effective* management style. Most respondents understand that managers and leaders using coaching skills are more effective for performance and engagement. Among the

hallmarks of a coach-like management style are a less directive form of management, more employee empowerment, and a stronger focus on growth and change.

FIGURE 9 **What three words would you use to describe the predominant management style at your organization?** (Larger-sized words are more frequently cited.)





FIGURE 10 **What three words would you use to describe the most effective management style at your organization?** (Larger-sized words are more frequently cited.)



### Generational Similarities and Differences in Workplace Preferences

As the workforce ages and more Millennials enter management positions, it is important to invest in their development to prepare them for current and future leadership roles. Respondents from a variety of seniority levels and age groups report that developmental opportunities and flexible work arrangements are the most appealing benefits and workplace characteristics (Table 3). We also found that male respondents appear to be looking for feedback and recognition more so than female respondents, while female respondents find flexible work arrangements attractive.

Much has been written and said about the differences in working styles and values between older and younger generations. As part of this research project, we wanted to uncover the differences that exist and the implications on strong coaching cultures. However, for the most part, we discovered more similarities than differences among the generations.

The most appealing organizational characteristics reveal more about the individual's stage of life than implicit differences in personality or attitudes. For example, Generation X and Baby Boomer employees place a high priority on work flexibility. Members of this “sandwich” generation with responsibilities for children and aging parents want

to control when, where and how they work. Millennials strongly prefer developmental and advancement opportunities as they grow in their career. There are no meaningful differences for feedback and recognition (commonly considered strong needs for Millennials) among the age segments in this study. In sum, employers should focus on developing their employees and creating opportunities for advancement while allowing flexible work, as these would have the greatest impact on individuals of all ages.

**TABLE 3 Which of the following organizational characteristics/activities most appeal to you? (Select your top three; displayed by generational segment.)**

	Generation Z Born 1997-99	Young Millennials Born 1993-96	Core Millennials Born 1987-92	Mature Millennials Born 1982-86	Generation X Born 1965-81	Baby Boomers Born 1946-64	Total
Developmental opportunities	35%	34%	41%	33%	50%	43%	39%
Flexible work arrangements	28%	30%	32%	30%	65%	52%	39%
Advancement opportunities	7%	31%	38%	32%	23%	19%	28%
Better benefits than competing organizations	37%	28%	27%	20%	19%	19%	24%
Continuous feedback from manager	28%	29%	25%	20%	22%	16%	24%
Recognition for performance	20%	24%	22%	27%	14%	27%	23%
Collaboration among team members	22%	14%	20%	20%	24%	37%	22%
Higher starting salary than competing organizations	35%	19%	31%	22%	12%	11%	21%
Managers use coaching skills	13%	12%	17%	18%	26%	27%	19%
Commitment to mission, values, and vision	4%	14%	4%	16%	23%	23%	15%
Diversity and inclusion efforts	15%	12%	9%	14%	7%	8%	11%
Employer branding	11%	18%	11%	8%	6%	2%	10%

“Who does not want to be **acknowledged, listened to, and appreciated** in the workplace? Millennials may be more vocal about this desire for acknowledgement and wanting feedback, but I think it’s actually cross-generational.”

—**PAULA BUCK**  
OPERATIONS MANAGER,  
BEYOND EMANCIPATION (B:E)

## Generational Similarities and Differences in Values

Along with workplace preferences, we wanted to understand the similarities and differences in values across the generational segments. Values for career advancement and recognition (*My productivity should be measured by the quality of my output and not by my hours on the job; It is essential that my manager supports my career development; and I expect opportunities to share ideas and feedback with key decision-makers*) are the top values endorsed by all age groups at a proportion of 67% or more (Table 4).

Overall, younger employees endorse a wider range of values, making them less polarized and more accommodating to different ways of being. Older employees have more family needs, such as childcare and eldercare, and are more established in their career choices; thus, the range of endorsement for values is narrower.

Our results revealed that some of the stereotypes associated with specific generations may be inaccurate. Corporate social responsibility values do not vary widely across generations. Also, narcissistic tendencies do not tend to be different among the various age segments. Finally, we learned that less than 28% of all employees indicated that they desired a short-term tenure in their organization (i.e., are job hoppers).

The results of this section highlight the need to pay more attention to similarities rather than differences among the generations in your workforce. In sum, employees are looking to grow and learn in their careers. As Baby Boomers retire and Millennials become first-time people managers and future leaders, employers need to focus on their development, particularly through coaching.

TABLE 4 Percentage of agreement for the following values by generational segment.

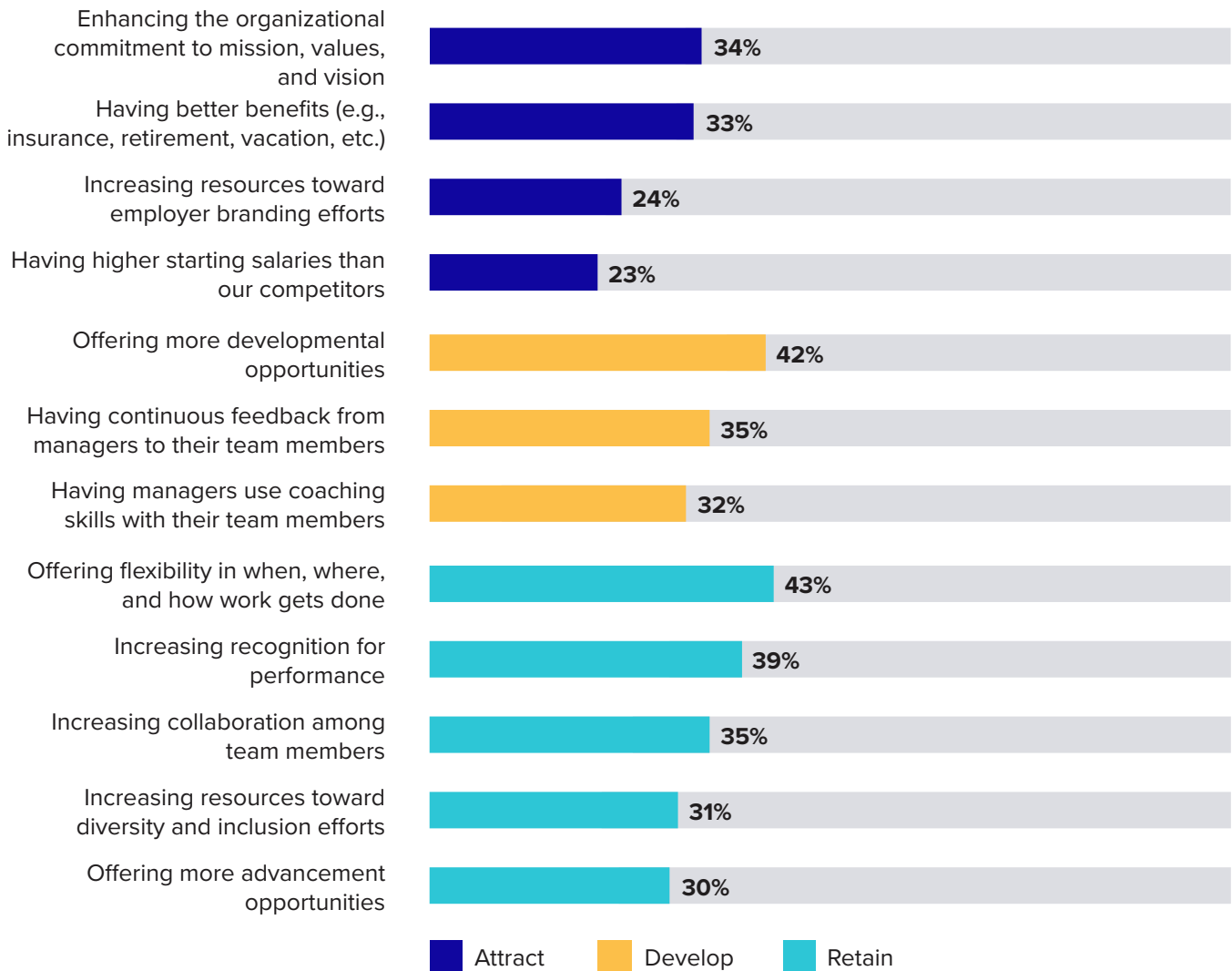
	Generation Z Born 1997-99	Young Millennials Born 1993-96	Core Millennials Born 1987-92	Mature Millennials Born 1982-86	Generation X Born 1965-81	Baby Boomers Born 1946-64	Total
<b>Social and Community Values</b>							
I prefer social technologies to be embedded throughout the workday so I can connect with others digitally.	61%	61%	61%	57%	50%	46%	56%
I enjoy team projects at work.	72%	76%	70%	71%	81%	89%	76%
It is important to have a strong community with my work colleagues.	70%	86%	79%	79%	83%	79%	81%
I desire to work at an organization with strong commitments to philanthropy and/or volunteerism.	50%	51%	63%	60%	66%	63%	59%
<b>Separation of Work and Life Values</b>							
I prefer a shorter-term tenure at organizations.	30%	38%	32%	35%	12%	13%	28%
A good job is one with lots of opportunities to travel.	44%	45%	49%	47%	23%	25%	40%
I have a higher commitment toward personal life/experiences than toward work.	44%	53%	49%	57%	37%	26%	46%
<b>Career Advancement Values</b>							
I am open to taking risks in order to advance my career.	65%	64%	69%	68%	75%	73%	69%
The path to leadership in my organization should be transparent.	54%	68%	76%	78%	88%	92%	77%
It is essential that my manager supports my career development.	74%	75%	85%	78%	90%	82%	81%
I expect opportunities to share ideas and feedback with key decision-makers.	76%	75%	84%	78%	95%	94%	83%
<b>Need for Recognition Values</b>							
I expect to be promoted quickly when I perform well.	61%	60%	67%	59%	27%	30%	52%
My manager should provide me with frequent feedback about my performance.	70%	73%	76%	78%	90%	76%	78%
My productivity should be measured by the quality of my output and not by my hours on the job.	67%	76%	87%	82%	96%	94%	84%
I expect to be recognized by others for a job well done.	50%	74%	66%	76%	73%	63%	70%
<b>Organizational Fit Values</b>							
Having flexible work arrangements is more important than my compensation.	54%	64%	43%	57%	60%	43%	55%
I prefer to work with people who respect positions of authority.	72%	68%	58%	65%	39%	27%	56%
My company's values should align with my personal values.	54%	65%	68%	75%	88%	94%	75%
<b>Narcissism</b>							
I am an important person inside my organization.	57%	68%	66%	69%	78%	70%	69%
Nobody can do my job better than I can.	46%	41%	42%	45%	23%	18%	36%

## DEVELOPING YOUR MILLENNIAL, FIRST-TIME PEOPLE MANAGERS

As Millennials are poised to become the majority demographic in the workforce and assume leadership roles, it is wise for employers to pay more attention to their development. Our research found that individual contributors become first-time people managers between the ages of 31 and 35. They are relatively new to their roles; more than half of Millennial respondents in management/leadership roles have been in that role for five years or less. Flexible work arrangements, developmental opportunities and recognition opportunities are the top ways organizations are attracting, developing and retaining employees aged 21 to 35 (Figure 11).

FIGURE 11

**Which of the following is your organization currently doing to attract, develop, and retain employees ages 21 to 35? (Select all that apply.)**



## Competencies of First-time People Managers

Survey respondents were asked to indicate the three most valuable skill and competencies for first-time people managers. Coaching and developing others (44%), engaging and inspiring (41%), and having emotional intelligence (35%) are the most valuable skills and competencies for first-time people managers according to respondents (Table 5). Younger employees tended to see their coaching and development opportunities coming from outside of their managers as they were less likely to endorse this competency compared to older generations.

TABLE 5 **What do you consider to be the top three most valuable skills/competencies for first-time people managers to have? (Select your top three responses?)**

	Generation Z Born 1997-99	Young Millennials Born 1993-96	Core Millennials Born 1987-92	Mature Millennials Born 1982-86	Generation X Born 1965-81	Baby Boomers Born 1946-64	Total
Coaching and developing other employees	41%	33%	43%	29%	68%	57%	44%
Engaging and inspiring other employees	46%	35%	40%	43%	44%	45%	41%
Having strong emotional intelligence	22%	26%	33%	31%	50%	51%	35%
Managing and successfully introducing change	26%	37%	31%	35%	33%	37%	34%
Helping team members accomplish their work	35%	31%	30%	36%	25%	30%	31%
Having comprehensive knowledge of the business	33%	34%	30%	34%	17%	19%	29%
Identifying and developing future talent	22%	35%	29%	29%	16%	16%	26%
Dealing with ambiguity and uncertainty	26%	18%	20%	15%	37%	29%	23%
Continuing to perform tasks and projects	13%	23%	20%	19%	11%	17%	18%

Across the age segments, there is a consistent view that first-time managers should be focused on people rather than tasks. This mindset shift is important while making the transition from individual contributor to manager as explained by Nick Halder, Global Head of Learning and Development at Fidessa:

“I think the most valuable skill in a first-time manager is making that transition from an individual contributor to someone who can effectively organize and manage individual contributors. People will make the move into a manager role, but will still cling to the things that they are comfortable with and can do really well. An open mindset and ability to see that what the organization needs from you in a management role is different from what it needed from you as a contributor is really crucial.”

## First-time People Manager Development

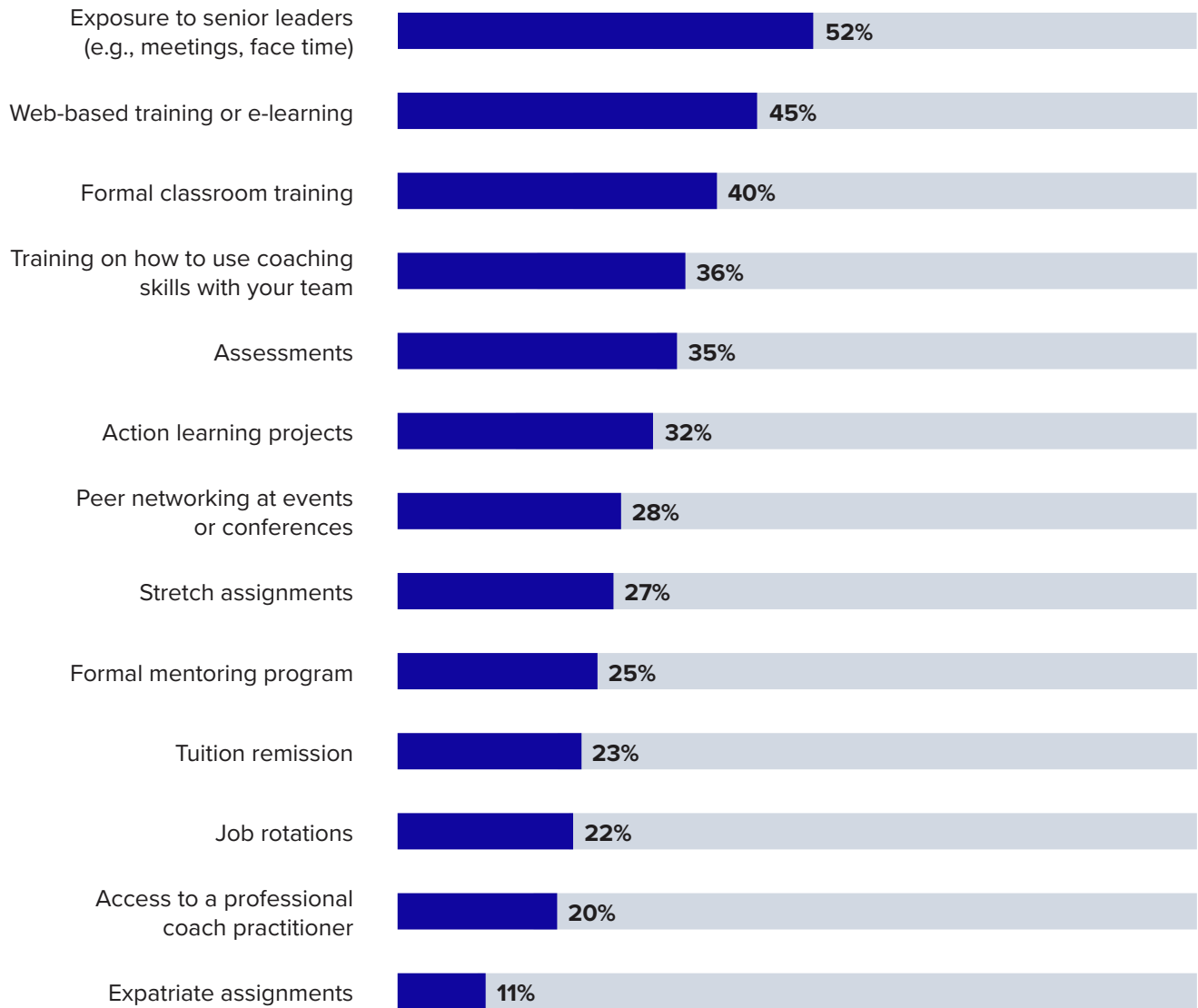
Face time with senior leaders (52%), e-learning (45%) and classroom training (40%) are the most frequent developmental methods offered to first-time people managers (Figure 12). Coaching and developing others was the top-rated competency for first-time people managers (Table 5), yet only 36% of respondents' organizations offer training to use coaching skills. Furthermore, only 20% offer first-time people managers access to a professional coach practitioner. However, exposure to senior leaders who use coaching skills with them is an opportunity for development, as illustrated by the following quote from our interviews:

“For first-time managers, it's about allowing them the opportunity with their supervisor—which is a director on our staff—to ask questions and to have those weekly meetings where they have space to vent. They have space to think of creative solutions to typical problems experienced in management. We ask our managers to be curious and determine, ‘What's going on behind that?’ It's not always a performance issue. If we step outside and see that bigger picture, it allows all of our staff to flourish and develop and really engage with their manager in a way that will be sustainable.”

—Paula Buck

Operations Manager, Beyond Emancipation (B:E)

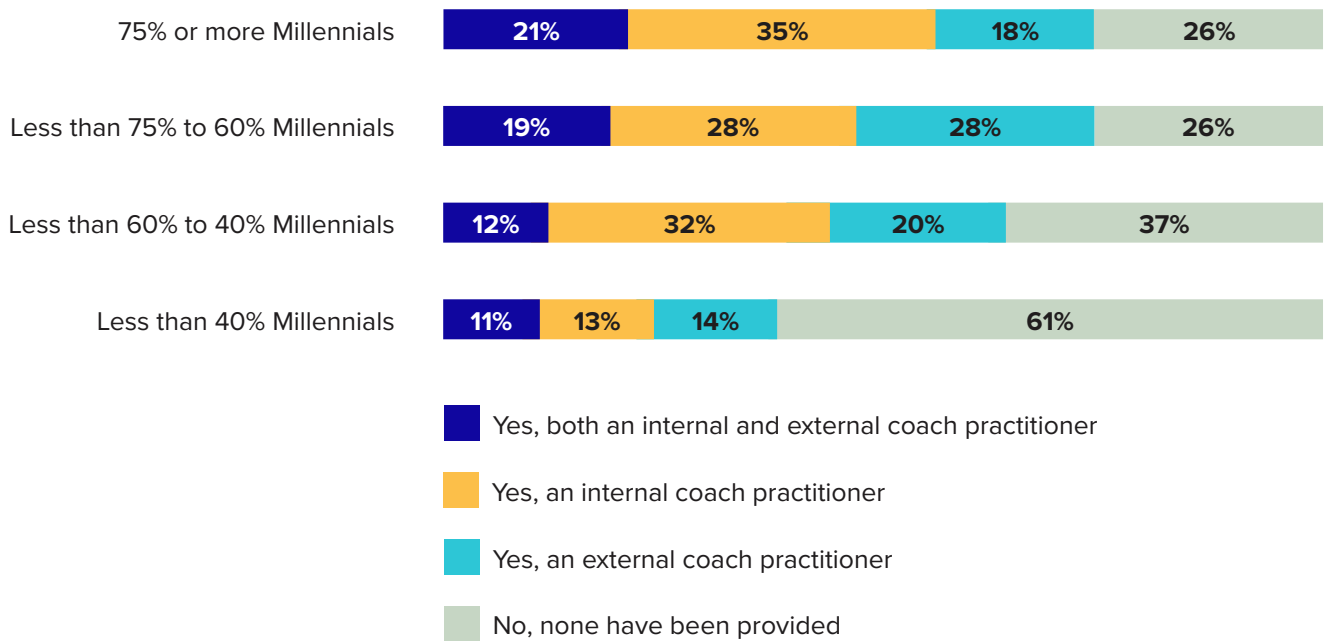
**FIGURE 12** What opportunities are available for first-time people managers at your organization? (Select all that apply.)





However, the higher the percentage of Millennials (and younger leaders) working inside the organization, the more likely the employer is to provide access to a professional coach practitioner (Figure 13). The following sections describe how coaching is used for managers' and leaders' development and how managers and leaders can be trained in coaching skills to build a strong coaching culture.

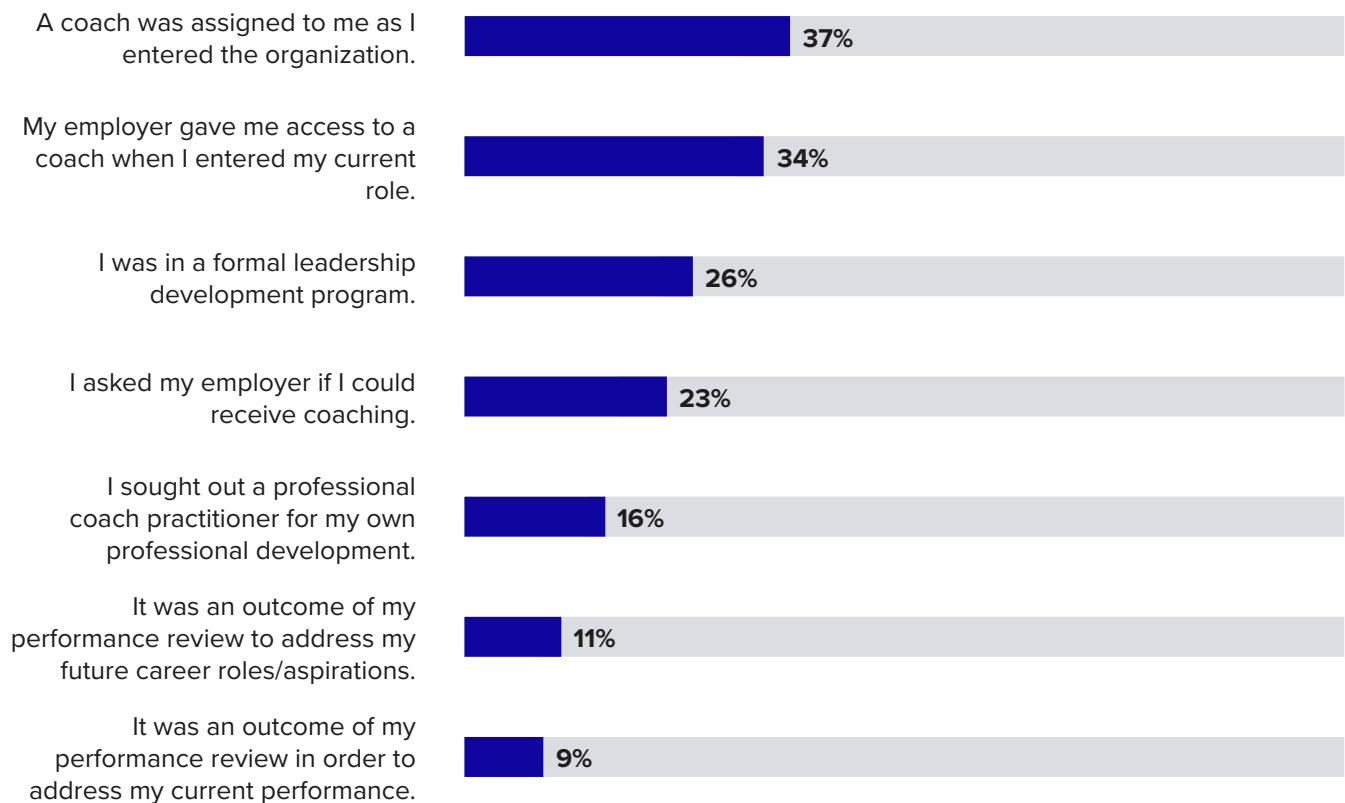
**FIGURE 13** Has your current organization provided you with access to a professional coach practitioner? *(By percent Millennial workforce.)*



## Coaching for Leadership Development

For over one-third of respondents who were partnered with a professional coach practitioner, this coaching engagement resulted from an assignment as they joined the organization or entered a new role (Figure 14). Among the top goals for coaching engagements were optimized work performance, increased productivity, and improved communication skills (Figure 15).

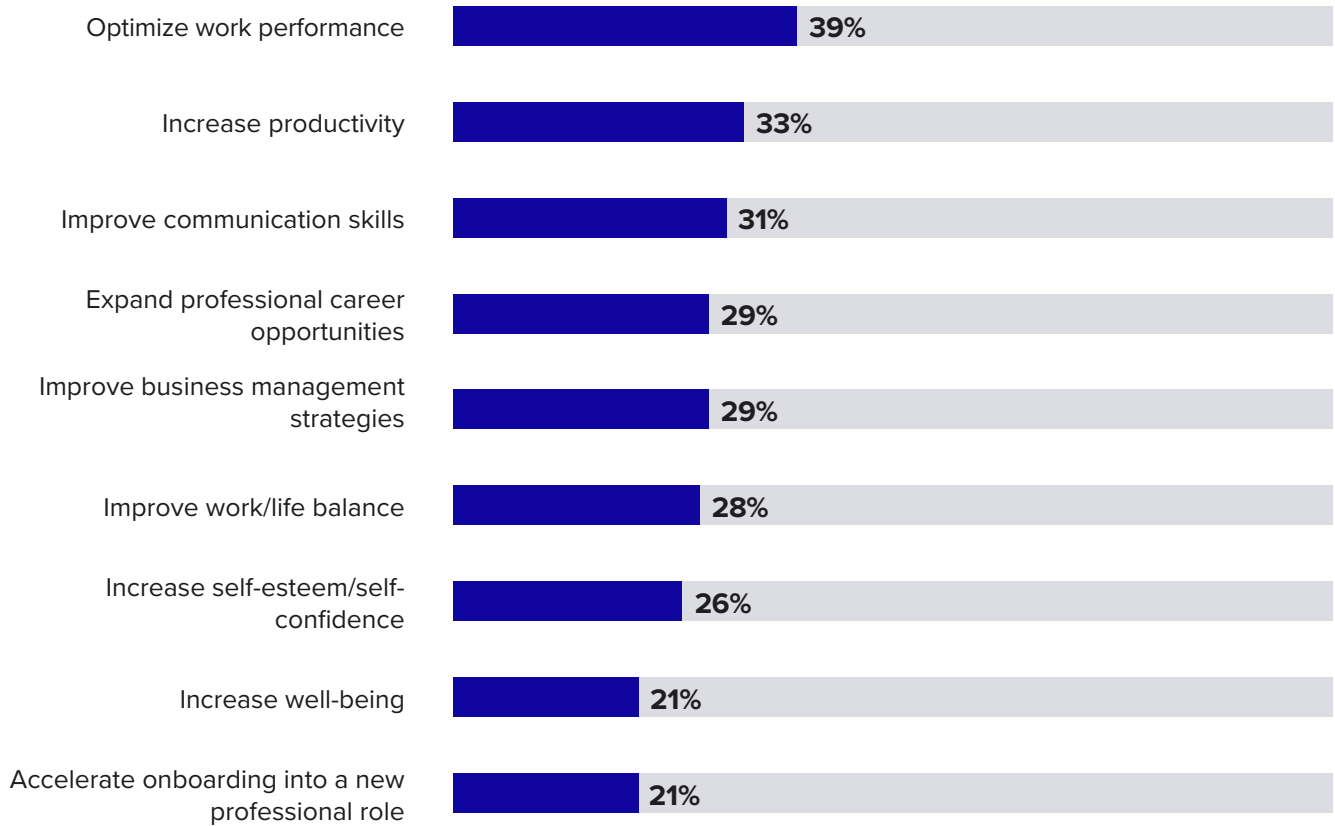
FIGURE 14 **What were the circumstances that led you to partner with a professional coach practitioner?** *(Select all that apply.)*



**“Coaching really helps** first-time supervisors. Many feel like they don’t want to be too directive or bossy. But, knowing when they need to be more directive, and when to be less directive, and how to do each, is important.”

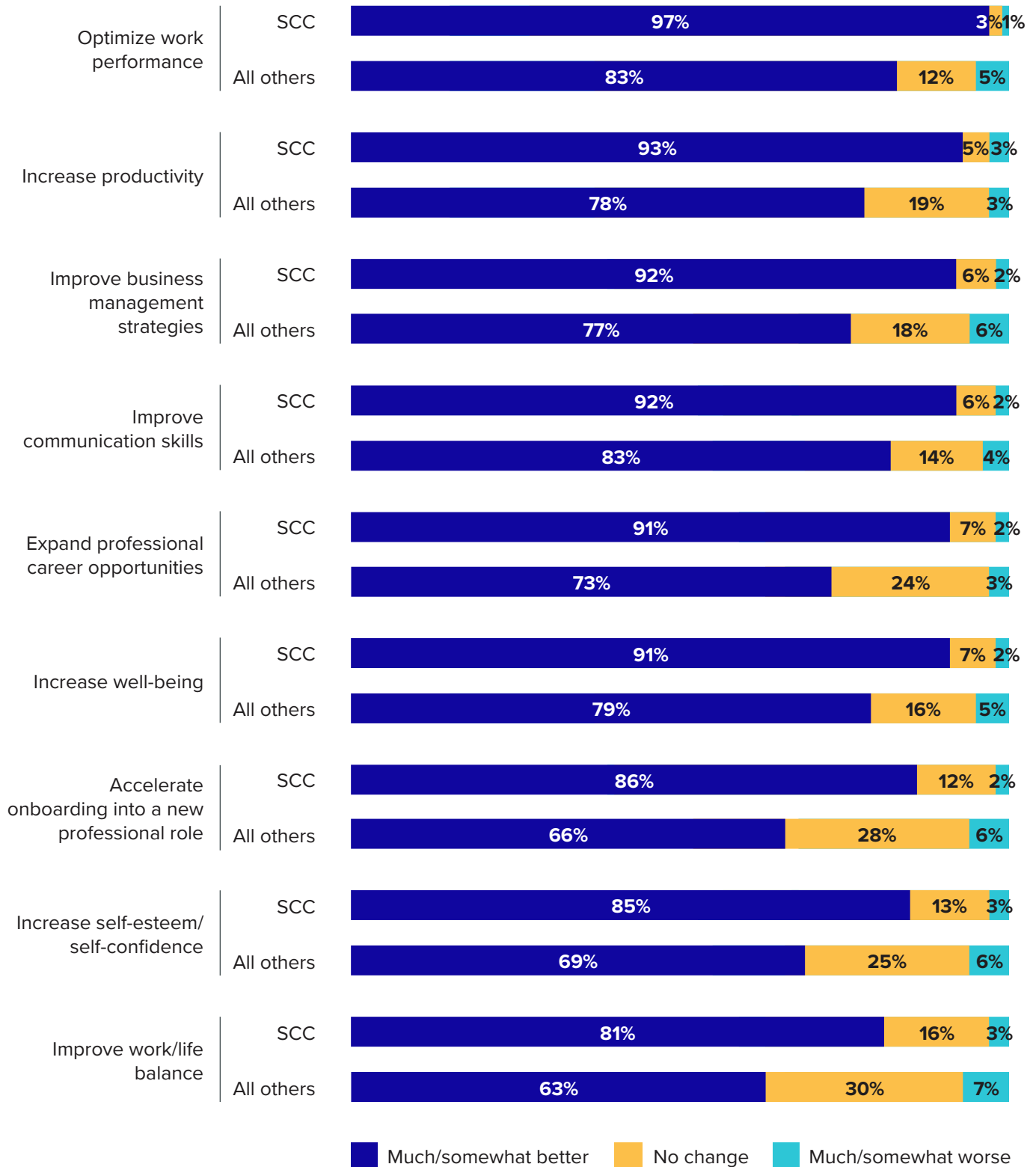
—**NICK HALDER**  
GLOBAL HEAD OF LEARNING AND DEVELOPMENT, FIDESSA

**FIGURE 15** What were the top three goals of your most recent coaching engagement? (Select the top three goals.)



Most of the individuals reported positive changes for each of the coaching goals selected. These changes were more pronounced for organizations with a strong coaching culture (Figure 16). The evidence clearly shows that coaching works, and its efficacy is heightened among employees who work in organizations with strong coaching cultures.

**FIGURE 16** Reported changes in individuals' goals for coaching by strong coaching culture. (SCC = strong coaching culture)



“The main challenge for managers in coaching conversations is how to **shift from the driver’s seat to the co-pilot seat**. The manager wants to be the expert and the one directing things and saying, ‘this is what you have to do.’ This transformation is the one that managers usually struggle with the most.”

—**ALEJANDRO CAMPOS**

HEAD OF TALENT MANAGEMENT  
AND ORGANIZATIONAL  
DEVELOPMENT, CONTINENTAL  
TIRE WORLDWIDE

## Training Leaders to Use Coaching Skills

Among the organizations that participated in the research, more than one-third (36%) indicated that they offer coach-specific training to new managers (Figure 12). Leveraging coaching to reach leadership goals has an impact on work performance and goal-attainment. For managers and leaders, being trained to use coaching skills with their teams also has an effect on their performance.

## CONCLUSIONS AND RECOMMENDATIONS

Access to coaching is a developmental opportunity for many executives and high-potential employees. The reach of this opportunity can extend to all employees when organizations invest in coaching by increasing the availability of internal and external coach practitioners, providing managers and leaders with coaching skills training, and offering continuing professional development opportunities for managers and leaders to sharpen those skills. Each of these three modalities are an integral part of strong coaching cultures, which are appearing more prevalent in our ongoing research series.

As the workforce ages and Millennials assume first-time people manager roles and eventually executive leadership positions, organizations need to ensure they are fully competent and ready to excel. Partnering with a professional coach practitioner and receiving training to use coaching skills are both effective for the ongoing development of managers and leaders. Based on the results of this research, we offer the following recommendations:

### **Understand a multi-generational workforce to address their development.**

- ✓ Observe that it may not be attitudes or personalities that contribute to differences in values and working styles across generations, but specific needs at certain life stages.
- ✓ Focus on developing employees and creating opportunities for advancement while providing flexible working arrangements, as these needs transcend all age groups.

### **Make professional coach practitioners available to managers and leaders.**

- ✓ Use professional internal or external coach practitioners to support managers and leaders in unlocking their potential and achieving their goals.
- ✓ If the supervisors of first-time people managers have received appropriate coaching skills training, encourage them to apply these skills.
- ✓ Build awareness around any resistance or challenge that exists in the transition from an individual contributor to a first-time people manager.

**Train managers and leaders to use coaching skills.**

- ✓ Offer managers/leaders additional opportunities to receive accredited coach-specific training.
- ✓ Provide managers/leaders access to professional internal or external coach practitioners to deepen their coaching skills.
- ✓ Provide managers/leaders using coaching skills examples, toolkits, videos, etc. on the coaching core competencies.
- ✓ Recognize that managers can apply coaching skills in the moment, or during more formal conversations—such as scheduled development conversations.
- ✓ Understand that when managers/leaders use coaching skills, they are present and focused on the conversation; actively listen to words, body language, and tone; and ask questions to move the team member toward his or her goals.

**Build a coaching culture for engagement and performance.**

- ✓ Make coaching available to individuals of all ages and experience levels.
- ✓ Use a combination of modalities based upon the unique needs of the organization and the strategic goals.
- ✓ Incorporate coaching skills into job descriptions for managers and leaders, and encourage managers and leaders who are willing to use coaching skills and see the value of development.

## APPENDICES

### Endnotes

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## About the Research

This research report was developed in partnership between the Human Capital Institute (HCI) and International Coach Federation (ICF). Between May 22 and June 13, 2017, a survey was distributed via email to HCI members who opted into the HCI Survey Panel and the Learning and Development Community and to professional coach practitioners and HR and L&D contacts on ICF's mailing list. In addition, participation in the survey was promoted on HCI and ICF's social media channels.

In addition to survey invitations delivered by HCI and ICF, we utilized an online panel provider (Qualtrics) to supplement international participation and access to managers and individual contributors in our targeted age bands. This third-party survey panel provider distributed the survey to employed individuals in targeted age brackets around the world and obtained 430 usable questionnaires. After removing duplicate entries, flagged careless respondents, external coaches, and those who are not an internal coach, manager, leader, employed individual contributor, or a professional in L&D, HR, or talent management, we analyzed 670 completed questionnaires.

The questionnaire for this research report was divided into three sections.

The first section determined what subsequent questions the respondent would receive in the questionnaire. If the respondent indicated that he or she was an external coach practitioner ( $n = 78$ ), it was explained that the survey was geared toward those in HR, talent management, and L&D roles. He or she was asked to share the questionnaire with the appropriate contact and received no further questions. For those who indicated that they are an internal coach practitioner; an individual contributor; a manager or leader; a manager or leader who uses coaching skills; an HR, talent management, or L&D professional; or an HR, talent management, or L&D professional who uses coaching skills, he or she was guided to the second section. If the respondent selected that none of the above applied ( $n = 30$ ), he or she was directed out of the questionnaire.

The second section contained questions on individual and organizational demographic, work preferences, professional values, and available developmental opportunities for first-time people leaders.

Internal coach practitioners did not receive the questions in the third and fourth sections. The third section included questions about access to a professional coach practitioner including reasons for partnering with a professional coach, goals for coaching, and impacts of coaching. It also included questions on access to coach-specific training. If no professional coach practitioners were provided to the respondent he or she skipped to the fourth section.

The fourth section asked questions about coaching within the respondents' organizations with regard to: the coaching modalities used and for whom, frequency of coaching, budget, and training sources. If the question was specific to a type of modality, the respondent only received it if he or she indicated that the modality was present in his or her organization.

As part of this project, researchers conducted in-depth interviews with experts on the topic, including:

- ✓ **Paula Buck**, Operations Manager, Beyond Emancipation (B:E)
- ✓ **Alejandro Campos**, Head of Talent Management and Organizational Development, Continental Tire Worldwide
- ✓ **Nick Halder**, Global Head of Learning & Development, Fidessa
- ✓ **Alison Hooker**, Americas Chief Talent Development Officer, EY (retired)

To supplement these methods, researchers reviewed relevant information from a variety of secondary sources, including academic journal articles, white papers, articles, books, blogs, and case studies. The results of this questionnaire, subject-matter expert interviews, and secondary sources form the basis of this research.

## Survey Respondent Demographics

Global Region	
North America	55%
Europe	19%
Middle East and Africa	10%
Asia	9%
Oceania	7%
Latin America	1%

Size of Organization (Number of Employees)	
Under 100	15%
> 100 and ≤ 1,000	31%
> 1,000 and ≤ 5,000	21%
> 5,000 and ≤ 10,000	13%
> 10,000 and ≤ 50,000	10%
> 50,000	11%

Industry	
Business/Professional Services	11%
IT Hardware/Software	10%
Financial Services/Real Estate/Insurance	10%
Manufacturing	9%
Health Care	7%
Construction	7%
Education	6%
Government	6%
Retail	6%
Non-profit	4%
Chemicals/Energy/Utilities	4%
Food & Beverage/Consumer Goods	4%
Transportation/Warehousing	4%
Bio/Pharmaceuticals/Life Sciences	3%
Media & Entertainment	2%
Higher Education	2%
Telecommunications	2%
Aerospace & Defense	1%
Travel	1%

### Survey Respondent Types

Managers/Leaders (Traditional)	19%
Managers/Leaders (Using Coaching Skills)	20%
HR/Talent Management/Learning & Development (Traditional)	9%
HR/Talent Management/Learning & Development (Using Coaching Skills)	25%
Internal Coach Practitioner	11%
Individual Contributor	16%

### Seniority

C-level	6%
VP-level	4%
Director-level	19%
Manager-level	41%
Individual contributor	30%

### Generational Segment

Generation Z: Born 1997-99	7%
Young Millennials: Born 1993-96	24%
Core Millennials: Born 1987-92	17%
Mature Millennials: Born 1982-86	22%
Generation X: Born 1965-81	17%
Baby Boomers: Born 1946-64	13%

### Gender

Male	38%
Female	62%

Note.  $n = 670$ .

## About the Research Partners



Formed in 1995, the International Coach Federation (ICF) is the world's largest organization of professional trained coaches, with more than 27,000 members in more than 135 countries worldwide. ICF is dedicated to advancing the coaching profession by setting high ethical standards, providing independent certification, and building a worldwide network of credentialed coaches. Coaching is a distinct service and differs greatly from therapy, consulting, mentoring, or training. ICF defines coaching as partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential. For more information, please visit our website at [www.coachfederation.org](http://www.coachfederation.org).



We believe that strategic talent management is the only long-term, sustainable competitive advantage left today, and that most organizations around the world are struggling in this critical area. At our best, we change both paradigms and practices, and enable executives to make better, faster decisions than they could on their own.

HCI seeks to educate, empower, and validate strategic talent management professionals to impact business results through the acquisition of insights, skills and tools that are contextualized through research, practice, expert guidance, peer learning, and self-discovery. Visit [HCI.org](http://HCI.org) to learn more.



Publication date: September 18, 2017

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