Effectiveness of executive coaching in India

People and organization
Effectiveness of executive coaching in India
It gives us great pleasure to launch the EY-NHRDN Effectiveness of executive coaching in India report. In many ways, executive coaching is still a primitive and newly emerging field in the country. Both leaders and companies are struggling with the questions, “What’s the right approach to coach an Indian leader?” and “How does coaching deliver results for the organization and not just the coachee?”

The EY-NHRDN study in India is the first truly comprehensive attempt to understand the relevance and effectiveness of executive coaching in preparing and developing leaders to sustain and grow businesses in volatile, uncertain, complex and ambiguous (VUCA) times.

The purpose of this survey was to gain a deep understanding of executive coaching in companies and the results of such programs. The key questions – given tradition adaptation of business practices from the West, do Indian leaders now need an “Indianized” version of executive coaching? how and in what ways is executive coaching a focused and effective leadership-development intervention for developing senior leaders; is the orientation of coaching moving away from being a corrective measure to a proactive one of development, which enables leaders to be successful in VUCA times, and should it?

The survey was designed to gather relevant input from two critical stakeholders – buyers of the service, i.e., HR heads, and service providers, i.e., coaches.

We would like to thank all those who participated in the survey and express our special thanks to Dr. Gopal Mahapatra; Mr. Bhaskar Natrajan and Prof. Mousumi Padhi for their continuous support and guidance.

NHRDN and EY have remained committed to advancement of HR practices in the country and hope that this report will encourage HR leaders to rethink, retool, and in some cases, reinvent their leadership-development practices. As you go through the results of the study, we hope it will activate you to think about your organization and learn from the experiences and opinions of the respondents of the survey. And to paraphrase a legendary quotation attributed to the Buddha, “Use what works for you and let go of the rest!”
Executive summary
Executive summary

Executive coaching is the next evolutionary step in development of leaders. However, the coaching field is filled with ambiguity. HR leaders and coaches struggle to get clarity on the right processes they should implement and how they can articulate coaching goals and measure the success of these. Here is what you should know...

There is no question that future leaders in India need constant coaching. As the business environment becomes more complex, they will increasingly turn to coaches for help in understanding how they should act. Coaches will need to do more than merely influence their behaviour, but will be an integral part of leaders’ learning process, and provide them relevant knowledge, expand their horizons and share perspectives on critical areas.

The results of the survey reveal that HR heads categorise coaching into three broad segments – coaching for strategic change, to correct derailing behaviour and “life” coaching. According to 73% of the HR heads surveyed, they primarily hire coaches either for high potential leaders or senior leaders transitioning into new roles, who are expected to serve the larger strategic objectives of organizations. When their need is to manage strategic change, their preference shifts from coaches from a psychology or human resource background to business coaches.

The coaching Industry in India

The study reveals that HR leaders and coaches feel that the bar needs to be raised across various areas for the industry to mature in India, but there were fragmented views on how this can be done. While everyone agreed that the relevance of executive coaching in developing leaders has increased significantly and that coaching is more effective than any leadership programme conducted by the top B schools in the country, only 50% seemed to believe that the current construct of a coaching programme is effective in delivering the intended results.

When probed on what they considered was the weakest link in the chain, we discovered something unexpected – unclear coaching goals. According to 69% of the HR heads and 66% of the coaches, the generalized nature of coaching goals, the lack of consensus among stakeholders on coaching needs and the hasty buy-in of “coachees” are the primary reasons for the failure of coaching in the industry.

During our one-on-one discussions with HR leaders, it emerged that during the early evolution of executive coaching in India, it was mainly directed at talented but abrasive executives, who needed help in rectifying their behaviour. Today, most coaching focuses on developing the capabilities of high potential performers. However, due to the broader mission of coaching, there is fuzziness around issues such as how coaches should define the scope of their engagements, measure and report progress, and the criteria on which organizations should base their selection of coaches.

Making the most of your coaching program

Our study emphasizes on three levers to help you make the most of your coaching programme. Any one of these, if not clearly understood or practised, can jeopardise the entire process.

The first of these demands that coaching interventions should be able to demonstrate how they can bring about change and have clear methodologies for measuring results. The focus needs to be on coaching for results that matter to organisations and not just the coachees. There are disputed views on why coaches need to be hired, what they can do and how they report progress made through their coaching. Moreover, organisations are fussy about whether they are getting the intended value from executive coaches. Our study revealed that 50% of HR leaders rely on multi-stakeholder feedback (MSF) after coaching to measure its effectiveness. However, while an MSF can lead to a quantifiable outcome when coaching relates to behaviour, this is not necessarily the case when the need for coaching is functional or business-oriented, e.g., it is aimed at expanding the coachees’ strategic orientation or building leaders’ comfort with ambiguity.

The second lever relates to the capability of coaches. According to a recent study conducted by Harvard Business Review on coaching, it has not been demonstrated conclusively as yet what makes an executive coach qualified to meet an organisation’s particular need or what makes one approach to executive coaching better than another. To add to
these challenges, barriers to entry are almost non-existent in the case of coaches in India, with many self-styled executive coaches knowing very little about business and some very little about coaching. At best, coaching certificates offered by various self-appointed bodies are difficult to assess and methods for measuring returns on investment questionable. When asked about the importance of certification, 94% of HR leaders were of the opinion that coaches' credentials and experience mattered more than the certificates awarded to them. However, there seems to be a divergent view when it comes to the coaches’ point of view.

Coaching is a relationship between a coach who provides a service, the coachee who receives this and the organisation that pays for it. The third lever relates to organisations and clearly demands the commitment of their top management in developing executives. Top management needs to keep track of coaching programmes till these are over. Moreover, when each of the stakeholders contributes to a coaching programme, the chances of its success are higher.

The Indianised version of coaching

What works in the West will not necessarily work in India in its “as-is” form. In the West, coaching is exploratory in nature with the coach helping coachees to explore their mind space by asking questions and letting them find the answers. However, this way of coaching is different from traditional modes of coaching in India. We are used to learning from our bosses and supervisors. Coachees in India expect coaches to share their personal experiences and suggest clear paths on which they can move towards identified goals. Therefore, in order to ensure that coaching delivers positive results, coaches in India need to customise their coaching methodologies to accommodate cultural differences that affect the way we learn.

Coaching needs to be part of the ecosystems of organisations and involve all stakeholders. The boundaries of what needs to be shared with stakeholders have to be defined, but coaching should not be limited to an exercise that is carried out between coaches and coachees in isolation. Coaching should be integrated with the larger developmental plan of a coachee with input from the development anchor, typically the reporting manager or HR manager, to ensure that organisational imperatives are met through the intervention.

Bottom line: As a business tool, coaching continues to gain in its legitimacy, but the fundamentals of the industry are still in a flux. To make the process of developing leaders more effective, coaches (and their coaching methodologies) need to overcome a fundamental assumption – “If I am aware of my limitations, I will act on them and change.”
Approach and methodology of the survey
Approach and methodology of the survey

1. Defining the study construct
   We identified the key themes to be covered in the study, based on our understanding of executive coaching as a practice and discussions with academicians and practitioners.

2. Design and validation of questionnaire
   We covered various themes that are relevant to coaching as a tool to develop leaders and the executive coaching process through a series of questions validated by academicians. We also focused on the key hurdles facing coaching in India and compared this with practices followed in the West.

3. Interviews
   In addition to the survey, we conducted several in-depth interviews with the HR leaders of organisations across industries and certified executive coaches.

4. Coverage
   The respondents for the survey were carefully selected to ensure pan-sector coverage and garner responses from organisations that have opted for executive coaching programmes.

5. Reporting of the findings
   The results of the survey are summarised in this report.

We received a total of more than 50 valid responses from the participants who were a mix of HR leaders and executive coaches. In addition to the online survey, we conducted one-on-one interviews with HR professionals and executive coaches.
Theme 1: Relevance of executive coaching
Increasing relevance of executive coaching

The competencies and skills being asked of leaders today are constantly increasing, and the speed of information, ideas and decision-making has resulted in even the most proficient executives grappling with challenges. Consequently, executive coaching is increasingly gaining the acceptance of talent development leaders as a tool to develop leaders in this fast-paced business world.

Our study reveals that 100% of the HR leaders who responded to the survey think that the relevance of executive coaching in developing leaders in the current volatile, uncertain, complex and ambiguous (VUCA) economy is increasing rapidly. Organisations that are looking to constantly update their talent development offerings to compete in the modern world are keen on evaluating and adopting executive coaching. They see it as a tool that can help leaders deal with the increasing dynamism of the modern economy. The executive coaches who responded to the survey echoed this viewpoint.

Quoting one of the coaches:
“The level of credibility and perceived value of coaching has increased over time and organizations have now started to believe in the effectiveness of coaching programmes.”

Gleanings from the survey

Increasing importance is being paid to executive coaching due to the ever-changing business challenges faced by business leaders today. In the view of the majority of HR leaders, coaching is the most effective tool for developing senior leaders. However, according to 27% of the respondents, mentoring/coaching by reporting managers is more effective than executive coaching.

According to 53% of the coaches who responded to the survey, executive coaching is the most effective tool for developing leaders. However, the leadership programmes of B schools were preferred by 27% of the respondents.

<table>
<thead>
<tr>
<th>Gleanings from the survey</th>
<th>Most effective tool for development of senior leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive coaching</td>
<td>58% 53%</td>
</tr>
<tr>
<td>Leadership programmes of the top B schools</td>
<td>15% 27%</td>
</tr>
<tr>
<td>Mentoring/Coaching by reporting managers</td>
<td>27% 20%</td>
</tr>
</tbody>
</table>

When is executive coaching the most effective?

The results of the survey indicate that there has been a clear shift in the perception of benefits derived from executive coaching. In the view of talent development leaders, it has moved from being a remedial measure to a developmental tool.

According to 38% of the HR leaders who responded to the survey, executive coaching is most effective when it is used to develop high-potential professionals into leaders. Around 35% of the respondents believe that it is most effective when it is used to help leaders transition into new roles. When this question was put to coaches, 37% were of the opinion that executive coaching is most effective when it is used to develop high-potential professionals into leaders.
Gleanings from the survey

<table>
<thead>
<tr>
<th>Reasons why coaches are engaged</th>
<th>HR leaders</th>
<th>Coaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>To develop high-potential professionals</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>To help leaders transition to new roles</td>
<td>35%</td>
<td>27%</td>
</tr>
<tr>
<td>To act as a sounding board</td>
<td>15%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Scope for improvement

Although executive coaching has grown in terms of its acceptance as a leadership development tool, a lot needs to be explored and established in terms of how coaching interventions can be effectively designed and executed. While executive coaching is now a relatively common method for developing leaders, it is not conducted in a consistent and structured manner in the majority of the respondents’ organisations. The construct of coaching programmes needs to be strengthened and customised, depending on organisations’ objectives and expectations.

An interesting fact garnered during the interviews was that coaching programmes failed in a lot of organisations when they were launched without a clear understanding of the needs of professionals as well as an unclear understanding of the objective of and benefits to be derived from such programmes.

Therefore, talent-development leaders need to make a concerted effort to understand the concept of executive coaching and establish a clear need for coaching programmes before they are launched.

The following are quotes from the HR heads we interviewed:

“It is still difficult to explain to the top management what to expect at the end of a coaching engagement.”

“There is little clarity in organizations of how they define coaching programme for their needs.”
Theme 2: Process of executive coaching
Selection of coaches

Selection of coaches is one of the most critical steps in any coaching programme, and if done correctly, can go a long way in making it successful. However, most organizations find it one of the most difficult steps of a coaching programme. Moreover, with the ever-increasing pool of coaches in the industry, finding the right one has become a challenge for most organisations. Fact-finding and establishing the credibility of coaches was seen as a tedious task by most the respondent organisations.

Another question that all organisations need to answer is whether they should hire external coaches or groom coaches in-house. Our survey results indicate that external coaches are preferred by the majority of organisations, as proven by the responses of 65% of the respondents. The majority of HR leaders were of the opinion that external coaches bring in their diverse experience and offer comfort and space for coaches, which enables them to confide in the former. However, external coaches’ inadequate understanding of the operations of organisations is a challenge most of organisations face.

The study revealed that larger organisations are increasingly training their employees to work as executive coaches. In the opinion of HR leaders, internal coaches have a better understanding of organizational dynamic, and are consequently used by organisations to conduct mid-level coaching programmes. According to 35% of the respondents who have attended executive coaching programmes, a mix of external and internal coaches conducted these engagements. However, the challenge associated with internal coaches is their lack of coaching skills and experience. Managers, executives and supervisors are being increasingly expected to coach professionals in organisations, which do not realise that considerable training and grooming are required for professionals to become competent coaches.

Gleanings from the survey

<table>
<thead>
<tr>
<th>CHOICE of Coach</th>
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<tbody>
<tr>
<td>External coaches</td>
<td>65%</td>
</tr>
<tr>
<td>Mix of external and internal coaches</td>
<td>35%</td>
</tr>
</tbody>
</table>

Coach-selection criteria

Organisations have different criteria for selecting coaches who meet their needs. Coaches’ experience in the field was cited as the most important criterion for their selection by 65% of HR leaders. References/Recommendations were the second important criterion considered by them.

Today, most organisations invest significant time and effort in selecting the right coaches. Some of them have rigorous processes, involving detailed interviews, to create a pool of organisation-fit coaches. However, the majority of them select coaches with the help of their preferred consulting partners.

According to 40% of the coaches surveyed, experience is the most important criterion for organizations in their selection of coaches; 33% cited references/recommendations as the most important criteria considered by them.

Gleanings from the survey

<table>
<thead>
<tr>
<th>Commercial</th>
<th>References</th>
<th>Coaching certification</th>
<th>Coaching experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;3%</td>
<td>4%</td>
<td>31%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Interestingly, the commercial value of coaches was ranked as the least looked for criteria by HR leaders as well as coaches.

Quote from an HR leader we interviewed:

“Internal coaches have the will to coach, but they lack the skills.”
Measuring the effectiveness of coaching

How the effectiveness of a coaching programme can be measured has been a question taxing most organisations, and coaches do not have a clear answer for it. However, there seems to be increasing acceptance of the fact that measuring the quantitative Return on Investments (ROI) of coaching is not the best way of measuring its effectiveness.

The majority of HR heads as well as coaches were of the opinion that structured multi-stakeholder feedback is the most effective method coaches can use to design and conduct focused programmes. Validated psychometric instruments were cited as the second preference for assessing coachees before coaching programmes.

Interestingly, the outcomes of these assessments are also used to establish the coaching goals of engagements.

Gleanings from the survey

Tools used to assess pre-coaching

<table>
<thead>
<tr>
<th>Tools used to measure impact/effectiveness</th>
<th>HR leaders</th>
<th>Coaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting manager and team’s feedback</td>
<td>42%</td>
<td>54%</td>
</tr>
<tr>
<td>Coachee’s feedback</td>
<td>27%</td>
<td>13%</td>
</tr>
<tr>
<td>Targeted ROI</td>
<td>23%</td>
<td>13%</td>
</tr>
</tbody>
</table>

While it is difficult to draw out the exact relation between a coaching programme and the performance of a participant, it is easy to observe the change in the person’s behaviour. However, trying to measure the impact immediately at the end of the engagement is not a good idea. According to one of the respondents:

“The participants take time to internalize the coaching and the impact is observable only after 6-9 months.”
Who is responsible for ensuring a successful coaching programme?

There is lack of understanding about who is responsible for managing a coaching intervention, implementing it and analysing its results. Our data reveals that the majority of our respondents believe that the responsibility for ensuring the effectiveness of a coaching programme lies with HR, the reporting manager of the coachee and the coachee and that all these stakeholders need to play their parts well to ensure that the coaching programme is a success.
Theme 3: Key challenges
Why do coaching programmes fail?

Failure to establish clear coaching goals emerged as the most important reason for the failure of coaching programmes. According to 46% of the HR leaders, unclear goals constitute the most common reason for the failure of such programmes. The likelihood of the success of a coaching engagement is higher when the coach and coachee are clearly aligned on the goals and expectations of the program before it begins. This eliminates confusion, lack of accountability and a limited assessment, and ensures progress is made.

Gleanings from the survey

Key reasons for the failure of coaching programmes

<table>
<thead>
<tr>
<th>HR leaders</th>
<th>Coaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unclear coaching goals</td>
<td>46%</td>
</tr>
<tr>
<td>Lack of efforts made by coachee</td>
<td>23%</td>
</tr>
<tr>
<td>Lack of support from reporting manager</td>
<td>23%</td>
</tr>
<tr>
<td>Lack of coach-coachee compatibility</td>
<td>23%</td>
</tr>
</tbody>
</table>

Is getting the coachee’s buy-in still a challenge?

Interestingly, coaching is still perceived as a corrective measure by employees, and participants selected to participate in coaching programmes often feel that they are being specifically targeted. Coachees’ lack of preparation and efforts before and during coaching sessions was cited as another reason for failure of coaching programmes by HR leaders who responded to the survey. Therefore, it is clear that there is a need to educate participants about the concept of executive coaching and get their buy-in before the initiation of coaching programmes to ensure that they make the requisite effort and preparations to reap the benefits of coaching. Such programmes need to be positioned as an enabler for harnessing talent in selected people.

Organisations where the coaching opportunity is well received are those that promote and brand it as a development opportunity for which only a selected few are eligible.

Do coaching goals evolve during the course of a programme?

The majority of coaches who responded to the survey were of the opinion that coaching goals evolve during the course of the programme. During our interactions with coaches, lack of focus in coaching goals emerged as a common concern.

An interesting consequence of this is that during a coaching program the majority of coaches end up addressing the personal issues faced by the participants. However, since most coaches are not trained to deal with personal and psychological issues, this de-rails coaching programmes and results in their deviating from the objectives of the programs and renders them ineffective. Therefore, it is important for organisations to conduct progress reviews on an ongoing basis and monitor whether the direction of coaching engagements is in line with their agreed construct.
Theme 4: Coaching in India vis-à-vis in western countries
What are the reasons that are consistent for implementation of executive coaching around the world?

The reasons for which organisations are implementing executive coaching programmes are consistent across geographies. Globally, coaches are being hired to facilitate development of high-potential executives into leaders and help leaders transition into new roles. The practice of using coaching as a tool to addressing deviant behaviour has declined rapidly.

Furthermore, in terms of the duration of such programmes, their commercial implications and their architecture are consistent. The duration of coaching programmes ranges between six to nine months in western countries as well as in India.

Where does the difference lie?

The difference lies in the level of maturity coaching has reached, which has made it a solution that can be utilised to effectively address leadership development challenges. There is a clear difference in the way the process is approached today. Organisations in the West expend significant effort on finding the methodology a coach should deploy during such sessions. If the coaches do not have clarity on this, they are not engaged. However, in India, the focus is largely on the experience of coaches and their methodology is not generally probed.

The level of buy-in for coaches is another major differentiator between executive coaching in the West and in India, where executives are apprehensive about being selected to participate in coaching programmes. They perceive it as a corrective measure that is being implemented to address their shortcomings. Usually, this lack of congruence with the objective of coaching results in low levels of participation, which leads to the failure of coaching programmes. On the other hand, coachees in the West perceive it as a developmental tool. They engage with coaches with the intent of exploring and making the most of the opportunity. However, this has a downside, coaches frequently become overly dependent on their coaches.

Another difference is in the style of coaching and the expectations of coachees. In the West, coaching is more exploratory in nature and coaches only help coachees to explore the space, enhance their mental capacity and discover their own paths. However, in India, coaching is still generally directed by coaches and coachees expect the former to play the role of mentors or advisors.
1. Executive coaching is gaining acceptance and relevance as a tool for developing senior leaders. However, before launching their coaching programme, organisations should have clarity of purpose. They should identify and position coaching as a development tool through constant internal communication.

2. Significant attention needs to be paid to the processes of selecting coaches and goal-setting in order to ensure the success of coaching programmes. Coaching programmes deliver expected results only if organisations focus on these details.

3. The construct and architecture of executive coaching is still at the development stage in India, and there is significant scope for its enhancement in the Indian context.

Coaching is no different from any other performance improvement or talent management tool and its effectiveness is closely tied to how clearly its goals are articulated. The more precisely an organisation can define what it wants from its coaching programme, the greater the chances that the results will meet its expectations.
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