

The Big Read Management

## New Year, New You! The boom in executive coaching

Having a coach was once a sign of weakness in business. But now it is like an athlete using a trainer

Emma Jacobs in London JANUARY 2 2020

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New Year is a busy time for Catherine Devitt. “People are thinking, ‘What next?’” she says. Grappling with such existential questions is a fundamental part of her working life, though she is not a religious minister. For the first week in January is when the chief executive of Meyler Campbell, a London-based executive coaching group, receives a surge in the number of inquiries from people requesting a coach.

After all, she says, the festive period is not just a chance to make merry but a rare opportunity to reflect on work, away from the distractions of meetings, bulging inboxes and the constant hum of chatter in open-plan offices.

The role of an executive coach is to help a client achieve professional and personal ambitions by honing their performance. Unlike a mentor, the relationship should be one of equals and involve regular meetings, either in person or by Skype.

Until only a few years ago, it might have been seen by many in the business world as a sign of weakness to be assisted by a coach — an indication that an executive had many challenges that needed to be overcome. But these days, it often indicates a serious corporate player, someone who is valued by their employer — much in the way an elite athlete is honed and sharpened by a personal trainer.

Michelle Walder, chief executive of TXG, which organises coaches for multinationals, says the perception of executive coaching has changed dramatically. “Coaching used to be remedial, then it was kudos,” she says. “Now [it’s] a pragmatic tool.”

The new year's boost swells a business which has transformed over the last two decades from a quirky sideshow into a multibillion-dollar industry, one that draws on the culture of self-help and self-improvement that pervades the corporate world.

According to the International Coach Federation, which started in 1990 to establish standards for the industry, the US spent \$2.35bn on coaching in 2017 (the last year it compiled figures). In western Europe the figure was \$898m. Its membership has grown from 22,135 members in 2013 to 33,739 at the end of 2018.



Jerry Colonna, CEO whisperer and coach of US entrepreneur and venture capitalist Brad Feld

While some individuals find their own coaches, large employers hire coaches to develop top leadership teams and embed coaching into learning and development programmes. The boom in coaches has produced the growth of middlemen like TXG and Praesta that match coaches with blue-chip companies. Most business schools too, offer coaching.

Carsten Schermuly, professor of business psychology at SRH Berlin University of Applied Sciences, says: “In the beginning if someone said you need coaching [you would] think, ‘Oh God, I’m going to be fired.’”

Yet some chief executives credit coaches for a role in their success. Eric Schmidt, the former Google CEO, co-wrote a book (*Trillion Dollar Coach*) about the late Bill Campbell, who advised Silicon Valley leaders, for giving him insights on his performance because “the one thing people are never good at is seeing themselves as others see them”.

Brad Feld, a US entrepreneur and venture capitalist at the Foundry Group, describes the role of a coach to developing an athlete as “similar to the role of a coach in the development of a business leader or entrepreneur”. He hails his own coach, Jerry Colonna, sometimes dubbed the “CEO whisperer” as “simply the best in the world”.

**Coaching is a broad church** — executive and business coaches exist alongside happiness coaches and “wantologists” (who, unsurprisingly, help clients identify wants). It is not regulated and has no barriers to entry. In theory, a sacked executive could start touting for coaching work

the next day. So how did business become addicted to coaching, which is rooted in sports, therapy and positive psychology and has no standardised measure for return on investment?

Business coaching's birth is partly a product of the slow demise of the company man, in which an employee could rely on one employer to see them through his working life (for in the postwar period, it was typically men). Today, the advice of a coach might be sought to help workers navigate several complex organisations. As longevity and rising pension ages increase working lives, so workers will also change careers multiple times, perhaps seeking the advice of a coach to help do so.

At the same time, an almost religious mysticism has evolved about work, so that its function is no longer just to provide money but purpose and passion. A small self-help publishing industry caters to this demand, for example, Shawn Achor's *Happiness Advantage: The Seven Principles of Positive Psychology That Fuel Success and Performance at Work*, or Angela Duckworth's *The Power of Passion and Perseverance*.



The rise of business coaching is a result of changes in organisations, which have shifted from command-and-control management to flatter hierarchies © Rawpixel Ltd.

Erik De Haan, director of the Ashridge Centre for Coaching, says the industry has filled some of the gap created by these changes in society.

“Work in the past would be more predictable. In private life, there was support from religion, in particular, to help people come to terms with the harshness of their lot. That has fallen away.”

Existential questions about the meaning of work set in earlier than in previous generations, he says. “Lots of people choose a profession and have questions about that in their 20s.” To meet that need, inevitably, an industry of quarter-life crisis coaches has sprung up to deal with young professionals' worries about their careers.

The surge in executive coaching is also a result of the change in organisations, which have shifted from command-and-control management to flatter hierarchies, demanding greater entrepreneurialism, innovation and autonomy from its workers.

Tony Aponte who was coached ahead of becoming an audit partner at EY, a professional services firm, says that in large organisations it can be “hard to decipher how to achieve your goals”. Coaches promise to help develop increasingly-important soft skills such as leadership, teamwork and networking.

Bob Sutton, professor of organisational psychology at Stanford, observes that the higher people move up the organisation, the less likely they will be told the truth. Senior executives will tell you “how much funnier they’ve got and how much better looking,” he quips.

Coaching does not come cheap. The average session in the US costs \$231 per hour, according to the ICF, though this varies according to experience. Those with 10 years under their belts charged on average \$330 per hour, while those with less than a year’s experience charged \$120. In western Europe, the ICF says an hour’s coaching costs \$288. Though for the most sought-after coaches, costs can be significantly higher.



Eric Schmidt, former Google CEO, has hailed the benefits of business coaching in Silicon Valley © Bloomberg

However, Prof Schermuly says coaching has shown itself to be effective. Studies show coaching “improves the health of people, wellbeing and work satisfaction, performance and self-regulation”. Mr de Haan says randomised control tests showed that 85 per cent of coachees were better off than those in the control group — not just in their own view, but also in the opinion of their line managers.

“Most clients will do well out of coaching and better than if they hadn’t taken coaching,” he says. “Those with high resilience and self-efficacy — self-motivation — benefit the most.” He also found that coaching has a “small but significant calming, balancing and responsibility-enhancing effect on personality”.

Raj Tugnait, chief executive of Fresh Direct Group, a food business, has found coaches to be invaluable and adds that friends who might have been expected to be helpful tend to give “very general advice”. Mr Aponte agrees: “I wouldn’t want to burden my family with all this. Friends and family tell you what you want to hear.” His coach, Dawn Pons, says that she tells clients:

“My role is to make you feel a bit uncomfortable, to make you feel challenged and enlightened. It’s not my job to be a polite friend. That might happen, but I am meant to challenge you.”

**In an industry with** sometimes vague objectives and standards, however, the difference in quality can be dramatic. Sally Bonneywell, a senior executive coach who previously set up GlaxoSmithKline’s Coaching Centre of Excellence, says: “There are some fabulous coaches and there are unfortunately people who go on a weekend course and think they are an executive coach.”

As with therapy, 40 per cent of coaching’s effectiveness comes from the person’s willingness to change, says Adrian Furnham, professor of psychology at UCL. Sometimes a client is not ready to be coached, says Ms Pons. “It’s not a deficiency but timing. They have to be open and vulnerable and willing to develop greater self-awareness. Some people aren’t up for that.”

It might be that work issues conceal mental health problems, says Prof Schermuly, citing examples of coaches misdiagnosing depression as burnout. Coaches can also abuse their power. “This can happen,” says Prof Schermuly, when the “coach is a narcissist or when [they try] to make a lot of money with a client”, for example, by ramping up the number of coaching sessions they might need.

It can be difficult for a coach to challenge a senior executive on whom they rely for income. Coaches, Ms Bonneywell says, walk a “knife-edge” between “telling the truth and being fired”. Inexperienced coaches, she says, might be “tempted to placate the client and not challenge them in a sufficiently robust way”.



Catherine Devitt of executive coaching group Meyler Campbell says requests surge in January © PR handout

Coaches have to get over that. “Otherwise it’s a nice chat.” She adds, “when people get very senior you might be the only person to tell the truth”. Anger and disbelief are not uncommon. “Sometimes it touches a nerve. You have to be able to take it and defuse it.”

John Blakey, founder of the Trusted Executive Foundation, says that the work of being a coach can be intense. “If you describe the job to people, they think it’s great, just shooting the breeze

with people over coffee. It can be difficult to work with people who are powerful.”

Prof Schermuly says that coaches can end up emotionally exhausted, be afraid of the client, feel guilty that they are not doing enough for their clients — sometimes they may become angered or bored by them.

While at the high end, coaches can earn high sums, many do not work regularly as coaches. According to Prof Schermuly in one study he found that only one-third of German business coaches' yearly income was coaching, the rest was training and organisational consulting. “That can create problems for coaching. If you only do it once a month, then you don't get the experience.”

It might also mean that coaches quit. One anonymous coachee says: “Three sessions in to a 10-session coaching course, my coach disappeared completely. No phone call, not even an email. When I tried to make the next appointment, he just wasn't there. I subsequently discovered he'd gone back to his previous career as a senior manager.”

Konstantin Korotov, professor of organisational behaviour at the European School of Management and Technology, says there have been reports of a much darker side, which includes the coach acting as the employer's mouthpiece, psychological abuse or even a coach encouraging dependency on them.

“People have the right not to want to change,” he says. “But they have to be ready to live with the consequences — and the coach may need to help them evaluate the cost of changing versus not changing.”

In some cases, companies use coaches to try to change an individual's conduct, rather than examining the broader corporate culture.

One female executive describes being assigned a coach by her employer to temper her perceived aggression. In her own eyes, it was institutional sexism that deemed her ambition and direct manner a problem to be fixed, whereas the same traits in her male peers were seen favourably. Ms Devitt says: “An organisation [might not] recognise that it needs to change and blames the messenger. That's not as common as it used to be but not uncommon.”

Andrea Kramer, co-author of *It's Not You, It's the Workplace*, says in those organisations that are predominantly led by men, “coaches will focus on getting their clients to incorporate these organisational norms as part of their clients' normal expectations”. The company, she says, will want the coach to “help women learn how to not ‘rock the boat’ or how to not stand out for criticism, as a complainer or difficult employee”.

There is a tricky balance to strike between individualised self-development and the goals of an organisation: a senior executive's ambitions might not be the same as their team's. A coachee might end up wanting to leave the company — good for the client but bad for the employer that paid for the sessions. Carol Braddick, an executive coach, says that coaches can help a client find

internal opportunities, and if they do decide to leave, help them do so in a way that benefits the employer and the executive.

Coaches can also be used by organisations, says Mr Blakey, “as a surrogate for effective leadership”. In other words, the leader focuses on matters of business and outsources feedback and professional development to a coach.

Ms Bonneywell agrees. “If line managers aren’t doing their job correctly, and not developing their reports, they say ‘lets get a coach’. Sometimes it’s line management or performance management that isn’t sufficient.”

“Organisations with a genuine coaching culture are few and far between,” says Ms Walder. “They might mean they are managing people better. Coaching [as a term] is diluted and misused.”

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