

EXECUTIVE COACHING SURVEY '14 EVIDENCE & INTERACTION

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EXCO
2014

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In-depth analysis from this study will be made available exclusively to attendees at EXCO 2014.

EXCO 2014 is the ninth annual Executive Coaching Conference, June 1-3, 2014 in Cincinnati, Ohio USA

Online registration is [available here](http://www.sherpacoaching.com).



In this public report, topics marked with the EXCO 2014 logo will be the subject of interactive presentations at the 9th annual Executive Coaching Conference, June 1, 2 and 3, 2014 in Cincinnati, with new in depth data and time to discuss it with experts.

Additional topics and research not reported here will be presented in detail at EXCO 2014, including:

Neuroscience and Coaching
Coach Training and Certification
Executive Coaching vs. Business Coaching

Internal vs. External coaching
Strengths vs. Weaknesses in Coaching
Industry Standards for Coaching

Ninth Annual Executive Coaching Survey 2014

Contents

Special Notes	2
Introduction.....	3
Publisher's Note	4
Theme One: Corporate Cultures.....	5
Who Gets a Coach?	8
Coaching Skills for Managers	9
Demand for Coaching	10
Theme Two: The Benefits of Coaching	11
Measuring the Benefits of Coaching.....	12
Who Benefits from Coaching?	14
Is It Working? The Results of Coaching	16
Theme Three: Neuroscience Soars.....	17
Client Assessments.....	19
Value and Credibility of Coaching.....	22
Delivery: The Client Connection	24
Defining the Industry	26
Coaching Processes	27
Web Resources for Executive Coaches	29
Global Impact	30
Analytics	31
Sponsors	33

2014 Executive Coaching Survey



Special Notes

From your publishers:

Here are a few things you will want to know as we publish more research this year, and look forward to 2015:

- 🎉 Special announcement: Our tenth annual Executive Coaching Conference, EXCO 2015, will feature a keynote address from Marshall Goldsmith, sharing his book, 'Triggers', slated for 2015 release.
- 🎉 The 2014 Coaches' Earnings Report will be published on or before March 15. The report will be available as a free program at the Sherpa Leadership Institute Online (SLI Online), a new online learning center. You will want to set up a user account, at no cost or obligation, so you can conveniently review research and other programs going forward. Visit www.sherpacoaching.com for details.
- 🎉 Next year, both the 2015 Executive Coaching Survey and the 2015 Coaches' Earnings Report will be available exclusively at SLI Online. Those who participate in the survey will be granted special benefits.

Publishers:

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2014 Executive Coaching Survey

Introduction

Welcome to the ninth annual Executive Coaching and Leadership Survey.

This market research is a service of Sherpa Coaching, a team of executive coaches, authors and educators based in Cincinnati, Ohio, USA. This year's research is sponsored by:

- § University of Georgia Center for Continuing Education, Athens, Georgia, USA
- § Howard University School of Business, Washington, D.C., USA
- § Change Partners, Johannesburg, Gauteng, South Africa

This year, as always, we polled coaches, clients, HR and training professionals, and a wider group of professionals with an interest in leadership development. Three themes emerged that tell us what is going on in executive coaching, and where the industry is heading:

THEME ONE: Corporate Cultures

In brand new research on what leaders do, we find positive news: More often than not, leaders encourage people to ask questions, communicate, and cooperate across their organizations. For the most part, they seem democratic, not autocratic. What do leaders need to do better? We will explore the results, and begin tracking trends in next year's 10th annual report.



THEME TWO: Benefits of Coaching

How are the benefits of coaching measured? Return on Investment (ROI) has been abandoned as a measure for coaching's effectiveness. Read on to discover today's most popular metrics.

Leaders and coaches alike say that 'self-awareness' is one of the major benefits of coaching. How do you measure that? What frameworks are evolving that help organizations make purchasing decisions?



THEME THREE: Neuroscience in Coaching

For the first time, we take on the study of the nervous system, and see how it sheds light on business behavior. A coach in China sees the application of neuroscience in coaching as the industry's most important trend, as do coaches and leaders in Europe, Africa, North and South America. New research from South Africa is starting to make its way into the most widely used coaching process.



What is corporate culture? It is the way we think, feel and act in relation to our workplace. Corporate culture includes the symbols, stories and traditions that we share with each other and pass on to new colleagues as they join our organizations. For the first time, our survey has collected responses from business leaders, training and human resource professionals about all those behaviors that executive coaches encourage: communication, cooperation, empowerment and engagement. There is still room for progress, but workplace cultures are often quite open and encouraging. There is an emphasis on the whole person, not just the results of their efforts.

We have learned that a 'numbers' approach to measuring performance has never told the whole story. Organizations increasingly look at behavior, in addition to skills, to get a true picture of what makes leaders successful. Coaches tell us they produce positive results when they create self-awareness in their clients. Compared with last year's research, comments about self-awareness were significantly higher. When we take every comment offered about the benefits of executive coaching, we see the importance of awareness. Here is a 'word cloud' that reflects the frequency with which words appear in our comments on the benefits of coaching:



In years past, business leaders told us that a background in psychology or counseling was the least desirable basis for a career in executive coaching. As a result, we have been slow to ask questions about psychology, psychiatry and science as they relate to leadership development and coaching. This year, we asked about neuroscience. An overwhelming majority of respondents said that neuroscience should have a role in executive coaching. Along with the openness we see in many corporate cultures, and the importance of self-awareness to performance, neuroscience coaching creates an emphasis on both the person and the performer.

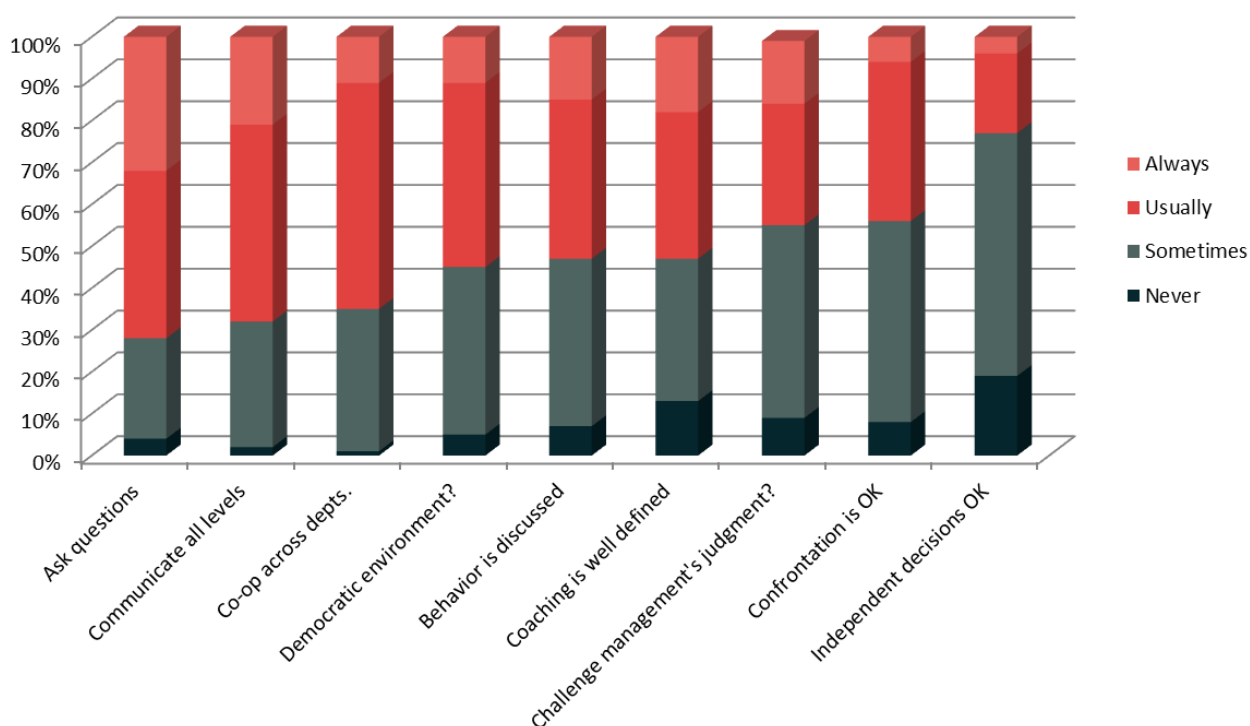
2014 Executive Coaching Survey

Theme One: Corporate Cultures

In this, our ninth annual survey, we maintain our research on the practice of executive coaching, and the ways in which coaches develop and succeed. On an entirely new front, we look at leadership and corporate culture. For the first time, we asked training professionals and business leaders to tell us about their working environment. In a series of nine new questions, we touched on all the benefits that executive coaching is designed to create: openness, empowerment, cooperation and communication. Here is what we asked our respondents to comment on:

I see communication between every level of management.
Coaching and managing are distinctly defined.
Low level employees make independent decisions.
People are encouraged to ask questions.
People are allowed and encouraged to challenge management's judgment.
Our leadership is democratic, not autocratic.
Business behavior is part of daily discussion, along with skills.
People cooperate across department lines.
Confrontation can be a positive thing.

Keep in mind, people who take part in this survey are interested in coaching and leadership, and our results probably reflect that. To be sure, our results on corporate culture are quite reassuring. Our queries involved statements that demonstrate a positive corporate culture. Positive answers included responses of 'always' and 'usually'. In five of our nine questions, positive answers were in a clear majority.



As we ask these questions in years to come, we will be able to tell you where things are going. For now, let's talk about the state of leadership and corporate culture, looking at a current snapshot:

Here's what is working:

What are organizations best at? Most of our respondents said these are true "always" or "usually".

- *People are encouraged to ask questions.* (73%)
- *Respondents see communication between every level of management.* (68%)
- *People cooperate across department lines.* (66%)

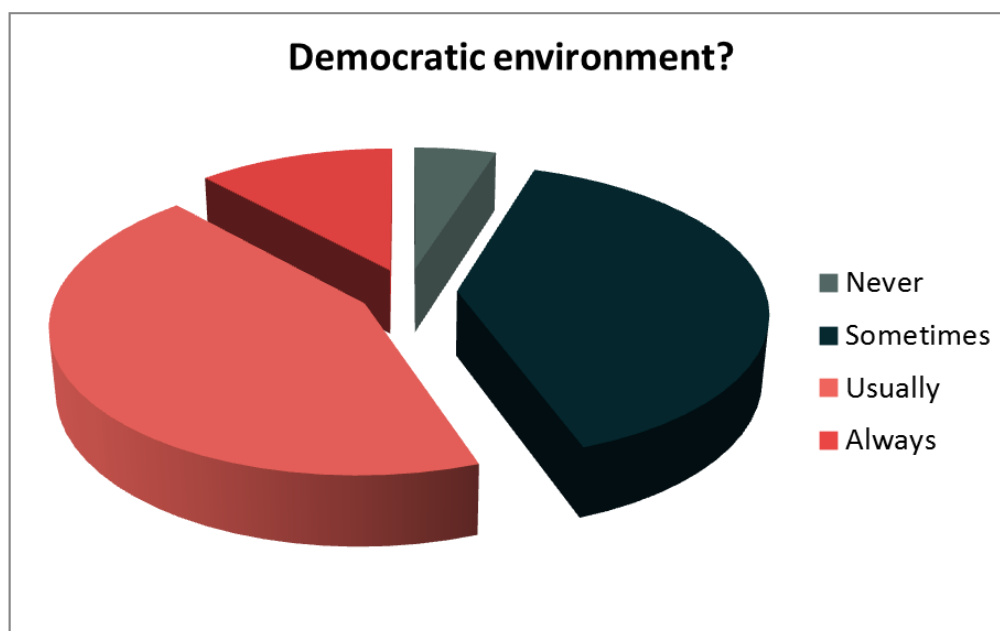
For the same series of questions, the highest mark would be the 'always' answer:

- In one of every three organizations, people are *always* encouraged to ask questions. (32%)
- Just one in five organizations say communication across management levels *always* takes place. (22%)
- One in ten organizations reported communication across departments *always* takes place. (11%)

Room for improvement:

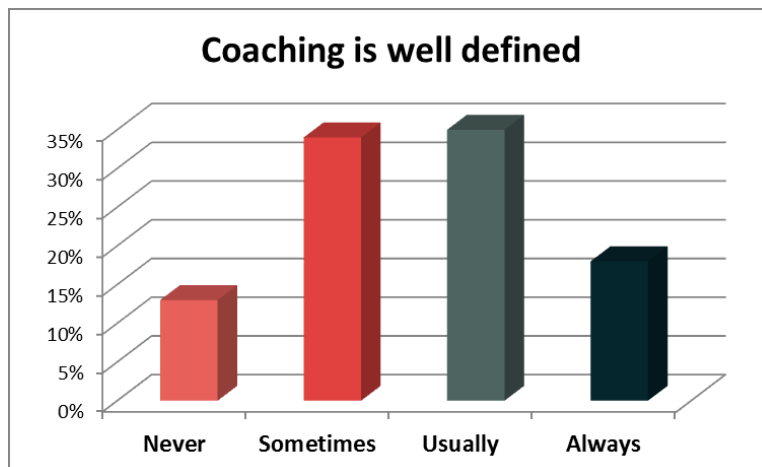
A democratic mindset is part of an overall corporate culture, a set of shared rules and norms developed over time. From an employee's point of view, democratic rule is a good thing. However, it is not necessarily required for an organization's success.

Almost half (44%) of our respondents answered "sometimes" or "never" when asked whether their leadership is democratic, not autocratic. Only one in eight (12%) said their environment was 'always' democratic.



Confusion in the ranks:

Coaching is a hot subject, a modern-day ‘buzzword’ that means different things to different people. When we talk about coaching, we are not always talking about the same thing. When asked whether coaching and managing are distinctly defined, almost half our respondents (46%) answered “sometimes” or “never”



What are we talking about?

The goal of executive coaching is to change business behavior. It is important, but often neglected. How often do people talk about business behavior? When asked whether business behavior is part of daily discussion, four in ten answered “sometimes” or “never”. That leaves room for across-the-board education in coaching skills, and a broader dissemination of a common definition of coaching.

This is not going to be easy:

So, the last thing you want to do is tell your boss that he is wrong. However, if we have democratic organizations, our elected representatives (executives) should hear the voice of the people (employees). How often does that happen? When commenting on the statement: “People are allowed and encouraged to challenge management’s judgment”, a majority said “sometimes” or “never”.

A difference of opinion:

Confrontation does not necessarily mean conflict. A disagreement is not always a fight. In fact, open discussion about differing ideas and points of view can often bring out the best in people and in organizations. Executive coaching should produce calmer, more rational behavior. That should lead to a culture in which people can share ideas without becoming adversaries. How often do people feel that confrontation can be a positive thing?

2014 Executive Coaching Survey Who Gets a Coach?

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2014**

Executive coaching, years ago, was being democratized, spreading across 'all levels in the organization'. Now, it is once again becoming the province of senior leaders and top executives. Coaching is becoming more exclusive. The number of organizations that reserve coaching for top executives only is growing, year by year, with a six-year winning streak in place.

Up until 2008, lower-level management received a larger share of coaching services each year. Senior managers and execs were 'sharing the wealth'. As the economy paused in 2009, we noticed a slight move downward. In 2010, far fewer organizations allowed people 'at every level' to participate in coaching. This drop continued into our 2013 report.

In 2014, we finally see coaching 'at all levels' flatten out. The results below do not reflect coaching engagements paid for by private individuals.

Who Gets a Coach?



2014 Executive Coaching Survey

Coaching Skills for Managers



Managers, executives and supervisors are increasingly expected to ‘coach’ through issues. How do they learn to do that? They attend a coaching skills program. Most organizations in our survey have coaching skills programs in place, but are they working?

First, let’s explore definitions for coaching. As we saw in our research on corporate culture, not every organization is good at defining what coaching actually is.

Managers, executives and supervisors are increasingly expected to ‘coach’. Unless we have a clear definition of coaching, we can’t clearly state the goals of a coaching skills program, or decide what the content of that program should be.

There is a need, and there is also a surprising development: Year after year, new coaching skills programs are introduced. Many of them fail. Different programs are tried. After several years of this trial and error, the number of organizations with coaching skills programs in place has actually fallen for the first time.

Survey sponsor Sherpa Coaching differentiates between executive coaching, mentoring, training and other exercises by saying that coaching focuses on ‘business behavior’.

Not everyone applies that distinction. Some definitions of coaching explicitly say it is the same thing as training.

- The U.S. Office of Personnel Management says: “Coaching, in its simplest form, means to train, tutor or give instruction.”

Some definitions use the terms ‘consultant’ and ‘coach’ interchangeably:

- An influential leadership group calls coaching a “relationship between a manager or senior leader and a consultant (internal or external) with the purpose of improving work performance.”

Executive coaching does not have an influential trade association. There is no standard source for training. No licensing board for coaches has been established as of yet. Until one of those roles in the industry is filled, we are likely to see continued confusion about what coaching really is, and how we define it.

2014 Executive Coaching Survey Demand for Coaching

Every year, we have a chance to see what people predict about coaching, and then look at what actually happens. We know, without any doubt, that coaching has been firmly established in the modern organization. The perceived value and the credibility of coaching climb each year, and stand at record highs.

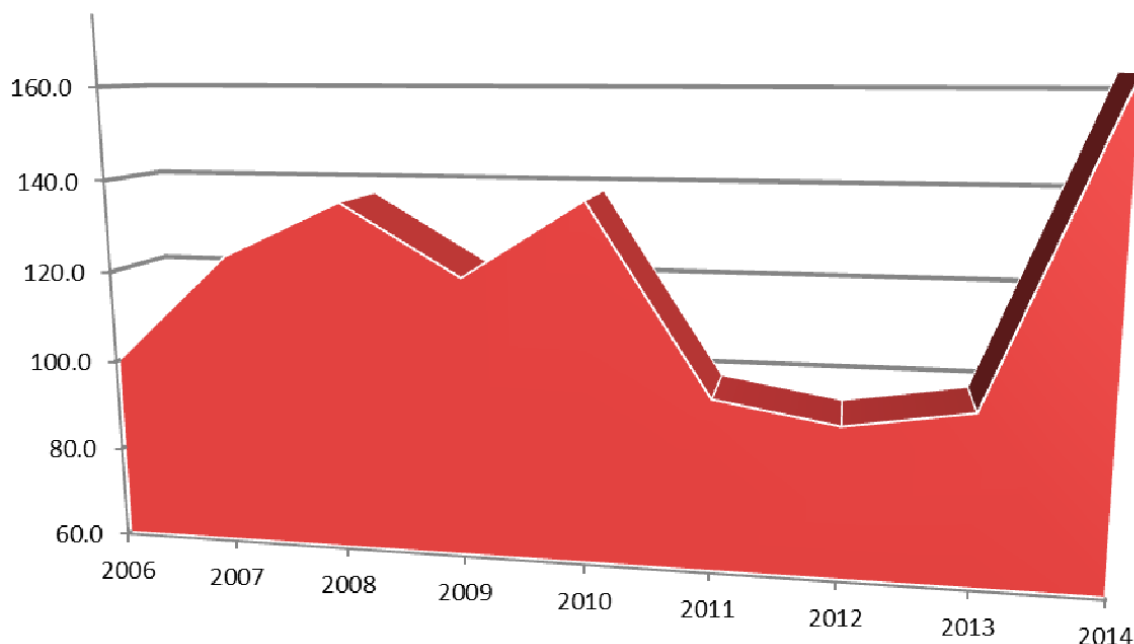
Optimism about demand for coaching has been trending slightly in a positive direction, as well. But, in terms of the way people spend money, what is really going on in the world of executive coaching?

The significant factor in evaluating demand for coaching is the point of view of HR and training professionals, who actually make recommendations and purchasing decisions about executive coaching. While they are less optimistic than coaches are, but their optimism grew slightly both this year and last.

The Coaching Confidence Index (CCI):

We have been through several stops and starts in world economies, and have tracked demand for coaching over the years. To create a snapshot of the industry's direction, we have developed the Coaching Confidence Index: (CCI). To calculate the index, we consider rates charged by executive coaches, the number of clients they serve, predictions about demand for coaching and the amount of time executive coaches spend in marketing their service, among other factors.

This year's index has taken a significant leap, to arrive at a record high of 166 (2006 = 100).



EXCO Sometimes, there
2014 is more to a
survey than
questions and answers.
We asked our contributors
to leave free-form
comments about the
benefits of executive
coaching. This year, we
saw a 20% jump in
comments that included
the term 'self-awareness'.



How can executive coaching encourage self-awareness? Executive coaching is designed to “create positive changes in business behavior”. That seems to require self-awareness, which leads to change.

If we cannot judge our own level of self-awareness, then who can? Outside of the laboratory and in the workplace, properly trained executive coaches can provide an accurate appraisal. They can offer an independent point of view that allows their clients to be more self-aware, more honest about themselves, and more open to changes in behavior.

By definition, people must become self-aware before they can change. Before a client can change their behavior, they need to acknowledge it. At several universities, 'The Sherpa Guide' is the textbook for coaching certifications. In Sherpa literature, the published process for overcoming weaknesses starts with acknowledgement of behavior. That is the first point of engagement for client and coach. It makes the formulation of replacement behavior possible. Acknowledgement, which is built upon observation of self, comes first. This aligns with what Self-Awareness Theory tells us. Change comes when we think about our behavior and how it differs from our standards and values.

2014 Executive Coaching Survey

Measuring the Benefits of Coaching



Performance management is the way an organization ensures that its goals, large and small, are being met proficiently and efficiently. Performance management can focus on the entire organization, a department, specific processes and, of course, people. When individuals are the focus, data is collected, performance is measured against ideals and results are shared in an event called the performance appraisal.

Is everyone perfect? Frankly, no. There is usually a difference between ideal results and actual results. That difference calls for activities defined in the performance management system that are designed to improve performance. That can mean any number of things, from one-on-one coaching to training in coaching skills.

Our interest is in the way coaching is built into performance management, a topic we explored for the first time last year. Australia and Brazil continue to lead the world when it comes to incorporating coaching into performance management. South Africa has risen in the ranks this year, while the United States is not far behind.

When we look at nine years of data, we see the credibility and the perceived value of executive coaching continuing a constant climb. Our research tells us that its use in performance management has risen over the last year. This is an important development with epic consequences.

Look at one larger employer, the government of the United States. Not counting the military, they employ almost three million people. The United States Office of Personnel Management says: "Coaching is an excellent skill that can be used to enhance growth and performance. Performance coaching and feedback helps managers improve the productivity of their employees, develop and improve an employee's capability to perform and correct poor performance."

One employer, three million employees. That means a huge investment. If coaching is going to be an important part of performance management, then we need to know it really does produce benefits, properly done. We also need to know when it's *not* being properly done.

This year, we looked for answers. How are the benefits of coaching being measured? Many years of research tell us that a quantitative 'Return On Investment' measurement (ROI) is not the answer. Look for statistics about the ROI for coaching, and you will find nothing, neither relevant nor recent. In a startling discovery, we found that the number of consultants who use ROI to measure coaching's value dropped from 33% to 22% this year. Only 11% of executive coaches attempt an ROI measurement.

To frame the question, we researched the measurements for the value of executive coaching that appear most often in industry literature. That led us to ask about 360 feedback, taken before and after coaching. That's a method pioneered many years ago by Marshall Goldsmith. Other methods we found widely mentioned were 'effectiveness of learning', 'well-being and engagement' and performance reviews. Rounding out the field were traditional ROI, and the newest measure, IOB, Impact on Business.

All Respondents Summary

<u>Question</u>	<u>Response</u>	<u>Percentage</u>
9th Executive Coaching Survey (2014)	1/1/2014	845 responses
In my experience, the benefits of coaching are most often measured by:	1. 360 assessments before and after (Goldsmith method)	28%
	2. Well being and engagement framework	21%
	3. Performance reviews	20%
	4. IOB: Impact on Business (Sherpa method)	13%
	5. ROI: Return on Investment formula	11%
	6. Effectiveness of Learning (Kirkpatrick method)	7%

Overall, Goldsmith's method wins handily. The 360 is the preferred measure used by external coaches. 'Well-being and engagement' places second, and is the preferred measure used by internal coaches. Performance reviews are the third most popular way to measure the benefits of coaching.

In fourth place is the newest measure on the market, IOB. ROI trailed, and 'effectiveness of learning' came in last. Male coaches are more likely to opt for 360's than women are. Female coaches use 'well-being and engagement' more often than men do.

In South Africa, rankings are right in line with the global tally:

In Australia, 'Effectiveness of Learning', rated sixth and last worldwide, actually comes in first. Results are numbered and appear in sequence according to global popularity:

Among executive coaches In the United States, performance reviews are used to measure the effectiveness of coaching far less often than elsewhere in the world. Performance reviews drop from third place globally to fourth place in the USA. IOB moves into third place, bested by 'well-being and engagement'.

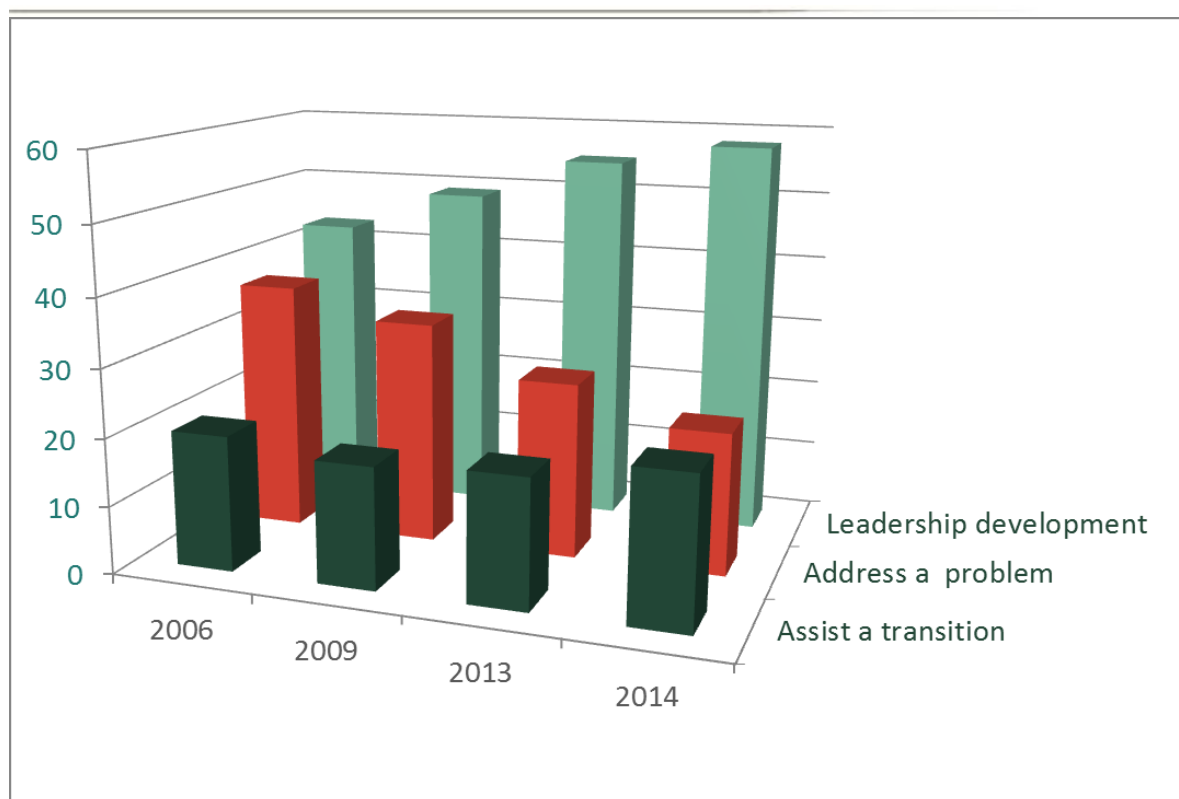
Worldwide, younger coaches (ages 45 and under) use Impact on Business (IOB) more often as older coaches. Coaches 46 and older use 360's most often, followed by performance reviews.

2014 Executive Coaching Survey Who Benefits from Coaching?

Coaching has been used to solve specific behavioral problems, to assist in transition and to develop 'up and coming' leaders. Over the years, coaching has shifted away from problem solving and toward pro-active leadership development.

Here you have nine years' data. In our earliest survey (2006), behavioral problems were a big part of the rationale for executive coaching. Now, the emphasis has clearly moved to something different. Our data in 2009 started to show this change. Over the next three years (2010-2013), the figures stayed constant, and we said; "this is a shift that won't be reversed."

In our 2014 report, there is another significant upward move in the proactive use of coaching, and another decline in the use of coaching to solve problems.



- Male coaches are more likely than women to work with people in need of leadership development.
- Female coaches are more likely than men to work with individuals in transition.

Geography makes a difference. Cultures can be different even from one region to another in the same country. Local culture might well have an effect on how coaching is applied.

Coaches in America's Southwest and South Central regions are less likely to deal with 'problem clients' than coaches in the Central and Eastern US.

Executive Coaches By Location		9th annual/ 2013-2014 Executive Coaching Survey	
Question	Response		
9th Executive Coaching Survey (2014)	1/1/2014	844 responses	
Who needs an executive coach most?			
Canada	a. People with a specific problem or challenge	19%	
	b. People who need leadership development	72%	
	c. Individuals in transition (new job or promotion)	9%	
USA - Midwestern	a. People with a specific problem or challenge	19%	
	b. People who need leadership development	55%	
	c. Individuals in transition (new job or promotion)	26%	
USA - Northeast	a. People with a specific problem or challenge	17%	
	b. People who need leadership development	59%	
	c. Individuals in transition (new job or promotion)	24%	
USA - Northwestern	a. People with a specific problem or challenge	21%	
	b. People who need leadership development	68%	
	c. Individuals in transition (new job or promotion)	11%	
USA - South Central	a. People with a specific problem or challenge	9%	
	b. People who need leadership development	55%	
	c. Individuals in transition (new job or promotion)	36%	
USA - Southeast	a. People with a specific problem or challenge	28%	
	b. People who need leadership development	55%	
	c. Individuals in transition (new job or promotion)	18%	
USA - Southwestern	a. People with a specific problem or challenge	6%	
	b. People who need leadership development	71%	
	c. Individuals in transition (new job or promotion)	23%	

Age and seniority makes a difference, as well. Earlier in their careers, coaches are more likely to deal with individuals who have specific problems with their business behavior. .

2014 Executive Coaching Survey

Is It Working? The Results of Coaching



How effective is executive coaching? Actually, it's working. Only one percent of our participants had problems with the results of coaching, while 58% described results as 'excellent', and better than forty percent described results as 'good'. This represents a slight improvement over last year's results. Among HR and training professionals, 7% have seen results they describe as 'fair', and only 1% have seen poor results.

Every external coach described results in a positive way, with 65% saying results were excellent. In a slight improvement over last year, every internal coach was positive about the results of coaching, with 37% reporting excellent results.

Looking at our response from training professional and purchasers of coaching, every report in companies with up to a thousand employees was positive. In larger firms, results were reported as 'fair' or 'poor' by fewer than ten percent of respondents, with the balance of results being positive.

Now that coaching is producing such great outcomes, what is next? The only apparent 'high ground' would be a move from good to excellent, across the board. Where is the path to that higher ground?

Some of the room for improvement comes from experience. Veteran coaches see better results. Coaches in the business for 2 years or less report results as 51% good, 49% excellent. Veteran coaches, those in business 15 years or more, see 23% of coaching as producing good results, and 76% of coaching arriving at excellent outcomes. These responses echoed our research from last year.

Female coaches report positive results in higher numbers, with two out of three reporting excellent results, while only 58% of male coaches report excellent results.

Coaches paid by their client's employer arrive at better scores than coaches with 'private pay' clients. 62% of 'employer paid' coaches rating coaching results as excellent, compared to 49% of coaches who work with private pay clients.

There is room for improvement in the eyes of those who hire and work with coaches. HR & training professionals say that only 35% of coaching is excellent, 57% is good, and 8% produced fair or poor results.

2014 Executive Coaching Survey

Theme Three: Neuroscience Soars



Awareness about neuroscience as a part of executive coaching is growing rapidly. Interest in neuroscience was reflected in comments people left behind last year, telling us about trends they see in coaching. That prompted us, for the first time, to ask a few simple questions:

- Should neuroscience have a role in coaching?
- How much should executive coaches know about neuroscience?
- How much should clients know about neuroscience?
- Does a working knowledge of neuroscience alter a coaches' credibility?

Neuroscience is a combination of medicine, applied science and research that explains human behavior and the way it changes. This field of study continues to build new information and evidence on a solid foundation. This is a rapidly growing body of knowledge that helps explain human behavior.

Justin Kennedy, professor of neuroscience at South Africa's University of Pretoria, says: "With the proper knowledge and training, you can use your conscious mind to change your physical brain. Really change it, so the way you think, the way you act, the way you feel can all be made better." He tells us about neuroplasticity, which refers to the brain's ability to change and adapt. "You really are in control, and you really do have choices. When you think new thoughts, you are actually changing the geography of your brain, changing the electric patterns that create and carry thoughts, changing the chemicals that control moods and energy levels."

Interest in neuroscience as a part of executive coaching is on the rise. Neuroscience deals with the anatomy and chemistry of the brain and nervous system and their relation to behavior and learning. Interest in neuroscience was reflected in comments people left behind last year, telling us about trends they see in coaching. That prompted us, for the first time, to ask a few simple questions:

- Should neuroscience have a role in coaching?
- How much should executive coaches know about neuroscience?
- How much should clients know about neuroscience?
- Does a working knowledge of neuroscience alter a coaches' credibility?

Neuroscience is a combination of medicine, applied science and research that explains human behavior and the way it changes. This field of study continues to build new information and evidence on a solid foundation.

- 76% of executive coaches say that neuroscience should have a role in executive coaching.
- 62% of executive coaches believe they and their peers should have a full understanding or at least a working knowledge of neuroscience. Both internal and external coaches agree. Female coaches support this notion more often than male coaches do, by about a 10% margin.
- 34% say their clients should have a full understanding or at least a working knowledge of neuroscience. Internal coaches favor this at a slightly higher rate than external coaches do.
- 49% say a background in neuroscience improves a coaches' credibility. Less than 10% feel it is a negative.

9th Executive Coaching Survey (2014)
1/1/2014

845 responses

In your opinion, should Neuroscience have a role in coaching? (NS)

a. Strongly Agree	31%
b. Somewhat Agree	45%
c. No Opinion	16%
d. Somewhat Disagree	6%
e. Strongly Disagree	2%

In your opinion, how much should executive coaches know about Neuroscience? (NS)

a. Full Understanding	9%
b. Working Knowledge	53%
c. General Awareness	35%
d. Nothing	3%

In your opinion, how much should executive coaching clients know about Neuroscience? (NS)

a. Full Understanding	4%
b. Working Knowledge	30%
c. General Awareness	50%
d. Nothing	15%

In your opinion, how does a background in Neuroscience affect an executive coaches' credibility? (NS)

a. Highly Positively	14%
b. Somewhat Positively	35%
c. Moderately	44%
d. Somewhat Negatively	5%
e. Highly Negatively	1%

Female coaches favor the inclusion of neuroscience in executive coaching at a rate about ten percent higher than men, 80% to 70%.

68% of female coaches believe coaches should have 'full knowledge' or a 'working knowledge of neuroscience. This outstrips a 55% support rate among men.

40% of female coaches believe coaching clients should have 'full knowledge' or a 'working knowledge. This betters a 28% support rate among men.

53% of female coaches believe coaches' credibility is enhanced by knowledge of neuroscience. 46% of men feel that way.

Coaches and non-coaches agree in equal numbers that coaches and clients should know about neuroscience.

2014 Executive Coaching Survey

Client Assessments

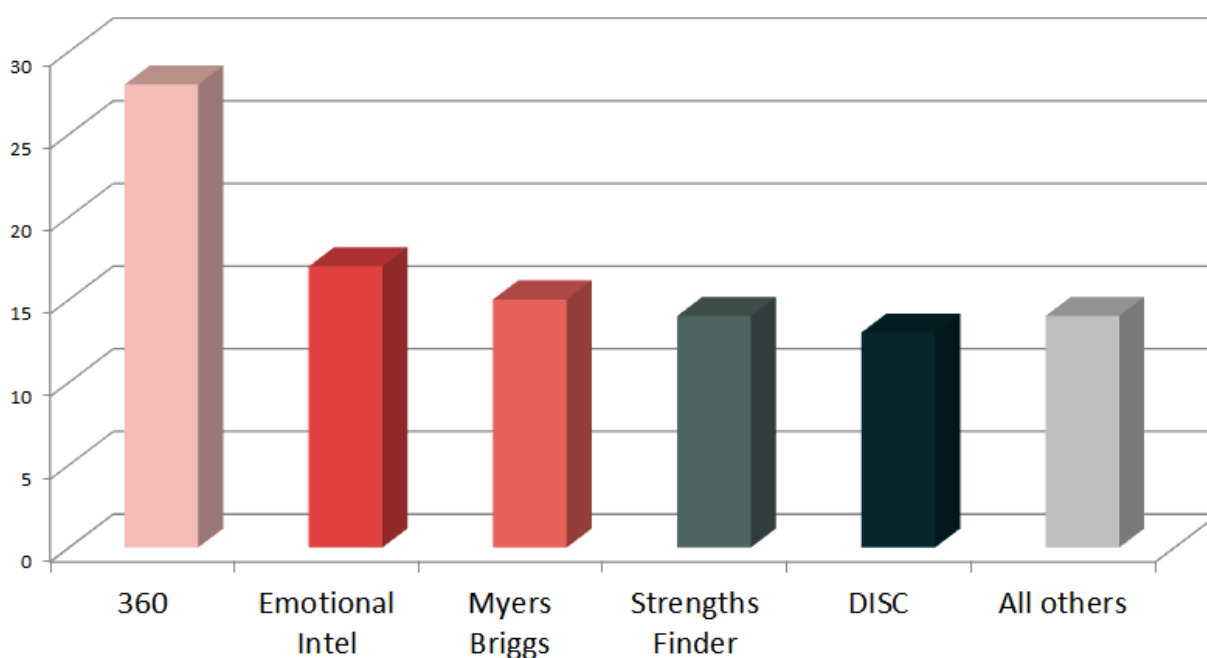


Every executive coach now uses some sort of assessment to gather information about their clients. This standard of practice has been arrived at by coaches themselves, without regulation or policy being set by government or trade associations.

Coaches have a broad array of assessments to work with. 'Type models' classify tendencies and preferences, with no good or bad types, per se. DISC and Myers Briggs fall in this classification. Other assessments are diagnostic, designed to point out problems and weaknesses. '360' assessments fall under the 'diagnostic' label.

85% of executive coaches use one of the top five assessments, up from 80% last year. For executive coaches, '360' assessments lead the pack, with a 28% market share. Next in popularity, there is a group of assessments, each with a market share near 15%: DISC, Myers-Briggs, Emotional Intelligence, and Strengths Finder. This year, Emotional Intelligence gained market share while DISC fell slightly.

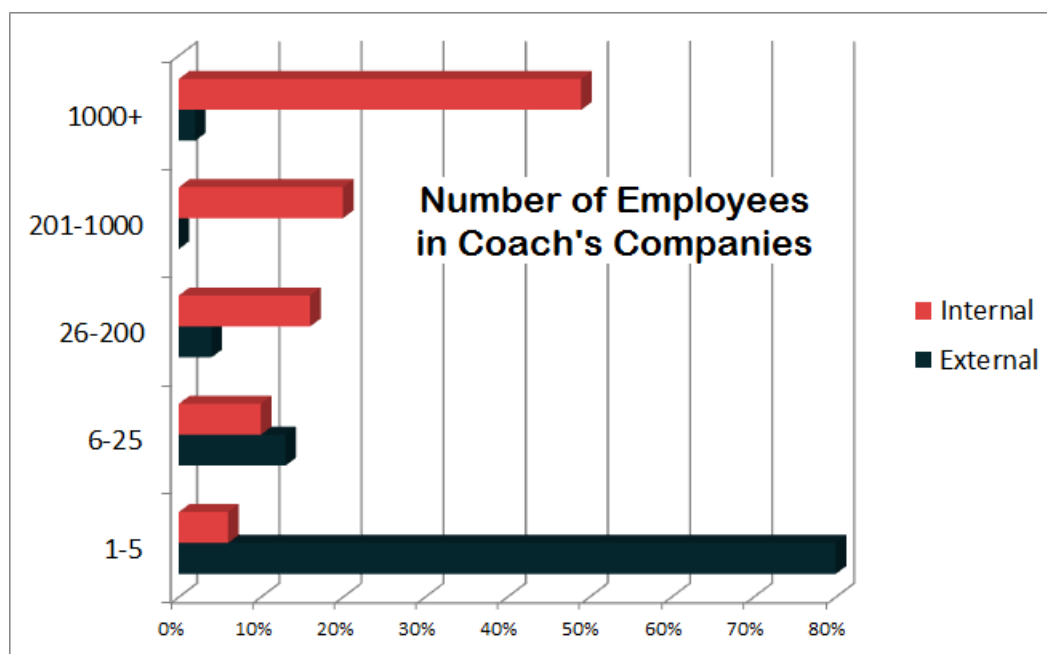
Top 5 assessments



Beyond the Big Five, as many as 70 different assessments were mentioned. Several coaches use more than one assessment type, depending on circumstances.

2014 Executive Coaching Survey Internal and External Coaches

Executive coaches can be looked at differently, based on the way they earn their living. When you think of an executive coach, you have a picture of an outside expert, often a 'one-man shop', who works with a number of different client companies. Larger organizations are increasingly training staff members to work as executive coaches 'inside the walls'.



External coaches offer services independently to a number of clients. They are responsible for their own training and preparation. Many start their own business, and a vast majority work for small companies. Some organizations prefer to have an internal staff of executive coaches, full time employees who provide coaching services to fellow employees.

Nine out of ten coaches who took part in this ninth annual survey describe themselves as external coaches. Major companies continue to train and certify 'in-house' coaching staffs. Responses from internal coaches, at 10%, were at an all-time high. Internal coaches tend to work in larger organizations.

Often, an employer will use a combination of internal and external coaches. Issues of rank and confidentiality often lead an organization to use external coaches for top-line executives and senior leaders, while relying on internal coaches for vice presidents, regional managers, department heads and other leaders.

What they have in common:

Internal and external coaches agree that demand for coaching will increase substantially next year (25%) or increase slightly (55%).

Internal coaches and external coaches both feel that neuroscience has an important role in executive coaching.

Both report positive results at a rate of 100%, with externals reporting excellent results far more often than internal coaches do.

Both groups direct around 60% of their work at leadership development, 20% toward problem behaviors, and 20% toward individuals in transition.

Differences:

External coaches are more experienced: 76% of external coaches have been in the business for five years or more. Just 51% of internal coaches report the same level of experience.

External coaches are older: 55% of externals are over 55, compared to just 42% of internal coaches.

Internal coaches use a published process twice as often as externals, at a 58% rate. Internal coaches have been trained in a specific published process twice as often as externals, who typically study multiple methods and practices rather than a cohesive curriculum.

Internals are also more likely to favor a standard process for coaching (70%) than externals do (40%).

Additional research will be made available exclusively at EXCO 2014

Internal vs. External Executive Coaches

<u>Question</u>		<u>Response</u>
9th Executive Coaching Survey (2014)		1/1/2014 844 responses
People who receive executive coaching, in my experience, are most often:		
a. Internal Coach	a. Top-line executives	14%
	b. Senior managers	43%
	c. At all levels in an organization	39%
	d. Individuals who privately engage a coach	4%
b. External / contract coach	a. Top-line executives	33%
	b. Senior managers	35%
	c. At all levels in an organization	28%
	d. Individuals who privately engage a coach	4%

2014 Executive Coaching Survey Value and Credibility of Coaching

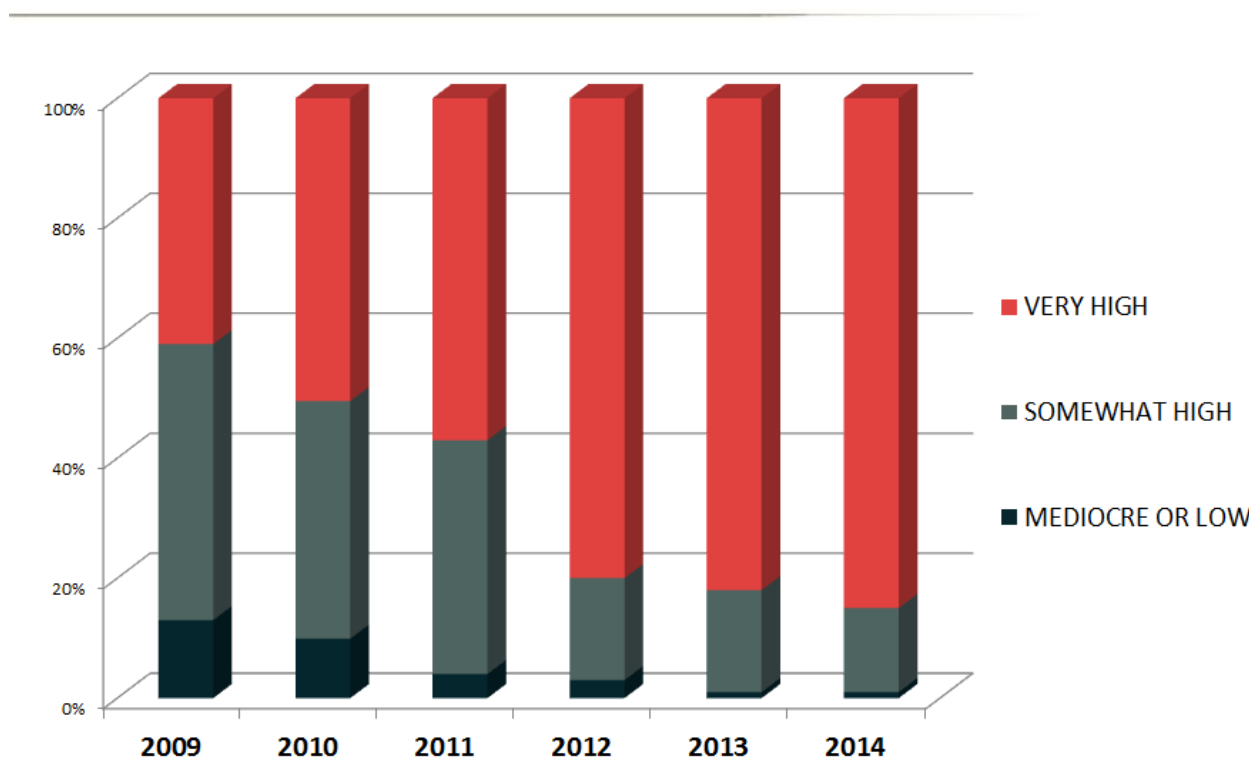
In its early days, executive coaching was quite often confused with counseling, consulting or training. Now, there are best-selling books, training programs and trade associations dedicated exclusively to executive coaching and business behavior.

As the market approaches a semblance of clarity about executive coaching, we can arrive at legitimate conclusions about its value and credibility.

Since we first started collecting data, both the perceived value and credibility of executive coaching have risen constantly. In 2012's report, we were able to say:

"Executive coaching has arrived. This year, our survey results confirmed that conclusion, as negative perceptions about the value of coaching have virtually disappeared. Another record high perception of the value of executive coaching."

That was 2012. This is 2014, and the trend continues.



THE VALUE OF EXECUTIVE COACHING

We said last year, when negative opinions virtually disappeared, that the only place to go would be from good to great. The biggest changes in 2014? A slight but continuing move from a rating of 'somewhat high' to 'very high'. It's happening.

Just like the value proposition for executive coaching, the credibility of coaching is climbing to new heights. Those who say the credibility of coaching is 'somewhat high' or 'very high' jumped to 90% in our 2012 report. The numbers stayed right there in 2013 and improved once again in 2014, to 93%.

Compared to just five years ago, the number of people who see the credibility of coaching as mediocre or worse has declined sharply, dropping from 27% to 7%.

Until two years ago, we did not ask executive coaches about their industry's credibility. As it turns out, their opinion of the trade's credibility is just the same as anyone else's.

Internationally, the credibility of coaching is highest in Brazil.

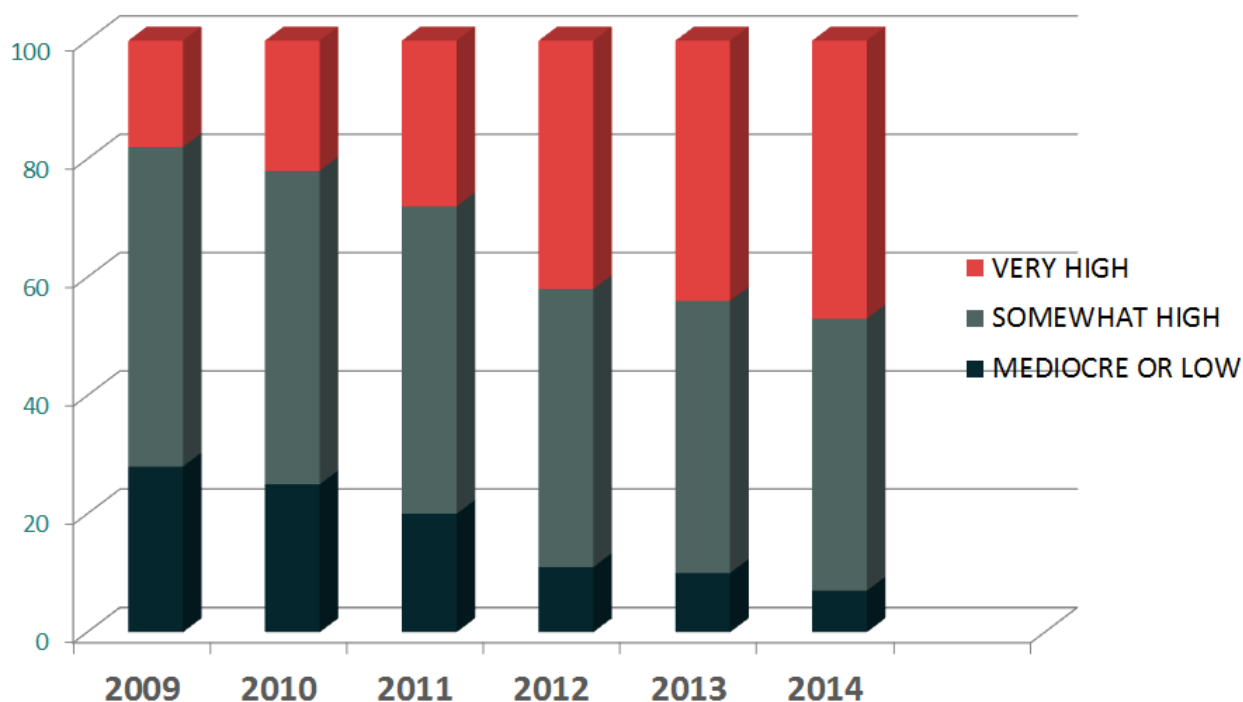
Canada saw a ten percent gain in "very high" responses this year.

China also saw steady progress, with judgments of 'mediocre' virtually disappearing.

Japan saw a big move from 'somewhat high' valuations moving into the 'very high' column.

Germany maintained last year's levels of positive opinion, as did the USA, UK and South Africa.

Emerging markets continue to report gains this year, as coaching takes hold.



THE CREDIBILITY OF EXECUTIVE COACHING

2014 Executive Coaching Survey Delivery: The Client Connection

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Coaches can deliver their services in person, by phone, by videoconference, or in a number of other ways. We have tracked service delivery for many years. In 2014, we improved the way we analyze delivery stats, so we can more accurately see what percentage of coaches use each medium.

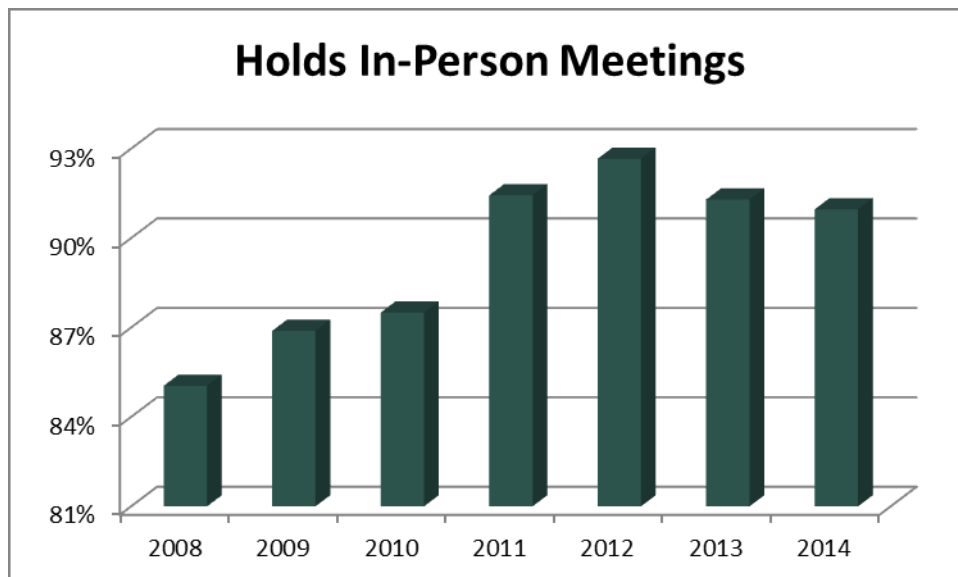
There is no doubt that technology is changing the way coaches and clients interact. Our 2009 report showed the first use of webcams and applications, including Skype. In 2010, the number of coaches who reported using webcams approached ten percent. In the last four years, the use of webcams for coaching has quadrupled, to the point nearly 40% of coaches and clients say that coaching is often delivered by webcam.

The webcam has been an addition to the coaching process, not a replacement for other methods. Over time, coaching has been delivered in person more and more frequently. Six years back, 85% of coaches had in-person meetings with clients. That number went up to 93% in our 2012 report. In the past two years, the percentage of coaching delivered in-person has fallen slightly each year. That is happening because high-definition video conferencing is starting to replace the in-person meeting.

We separate high-definition videoconferencing from web-based video, which has limitations that interfere with the quality of a conversation. Large screen, high definition systems deliver consistently high image quality, synchronized audio and video, and real-time delivery, without lags or dropouts. High definition studios are becoming more widely available to coaches and clients at larger firms.

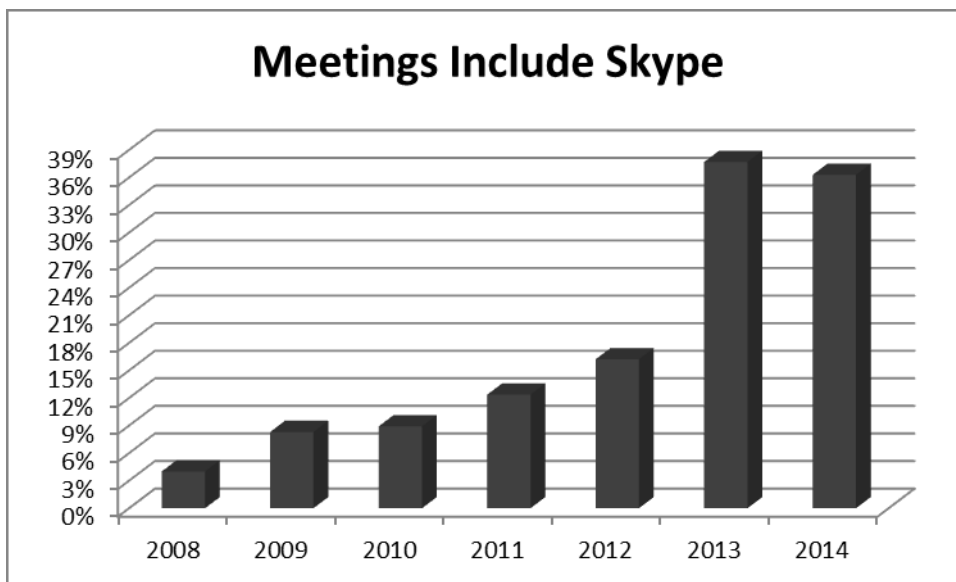
High definition video conferencing has started to replace the face-to-face meeting. Here is the percentage of executive coaches who hold at least some of their meetings in person.

In their 2005 book “The Sherpa Guide: Process-Driven Executive Coaching”, Brenda Corbett and Judith Coleman wrote: “Technology has added another option for coaching, that of point-to-point video.... Over time, the quality of sound and images will only improve, making coaching over the Web more and more like a live meeting.”



This year, we are analyzing high-definition video in terms of the number of coaches who use the medium, and in terms of the total number of coaching hours that use high-def video. 9% of coaches and clients report the use of high-definition video for some portion of their coaching engagements. High definition accounts for five percent of all coaching hours reported. A technology that scarcely received mention four years ago is now becoming an important component of service delivery for coaches.

As high-def becomes more widely available and less expensive, it is replacing webcam coaching, as well.



Just like in-person coaching, the used of webcam technology is on a slight downward path. The only explanation possible is the rise in the popularity of HD video conferencing,

2014 Executive Coaching Survey

Defining the Industry

There are three broad areas of coaching: sport, personal and business-related coaching. In business, there are two general fields of endeavor, commonly termed 'executive coaching' and 'business coaching'. "Business coaching" has become an alternative term for consulting: working on skills and strategies. To create complete clarity, we independently categorize

- business coaches (working to develop client's knowledge, skills and performance) and
- executive coaches (working to permanently enhance business behavior).

This allows us to produce a clear distinction between their roles.

What is a coach?

"An expert facilitator who provides structure, guidance, support and accountability designed to create positive change in business behavior." *

* Enhanced definition developed by Brenda Corbett and Justin Kennedy, 2014

What is executive coaching? Here is a widely accepted definition of executive coaching:

"Executive coaching means regular meetings between a business leader and coach, designed to produce positive changes in business behavior in a limited time frame." **

This definition of executive coaching clarifies:

- | | |
|-----------------------|---|
| - Who coaches are: | trained facilitators |
| - What coaches do: | produce positive changes in business behavior |
| - When things happen: | on a set schedule within a limited time frame |

* Definition from 'The Sherpa Guide: Process-Driven Executive Coaching' (Thomson 2005), as adopted and disseminated over the years by:

- | | |
|--|------------------------------------|
| § Action Coach | § Library of Professional Coaches |
| § Change Partners South Africa | § Miami University |
| § Coaching Commons | § Organization Development Journal |
| § Coaching News | § Penn State University |
| § European Foundation, Mgmt. Development | § Southern Illinois University |
| § Executive Coaching Summit Australia | § Texas Christian University |
| § Howard University | § University of Cincinnati |
| § Hudson Institute of Coaching | § University of Georgia |
| § Institute of Learning Practitioners | § University of Louisville |
| § Kent State University | § Xavier University |
| § Leading Coaches Center | |

2014 Executive Coaching Survey Coaching Processes

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2014**

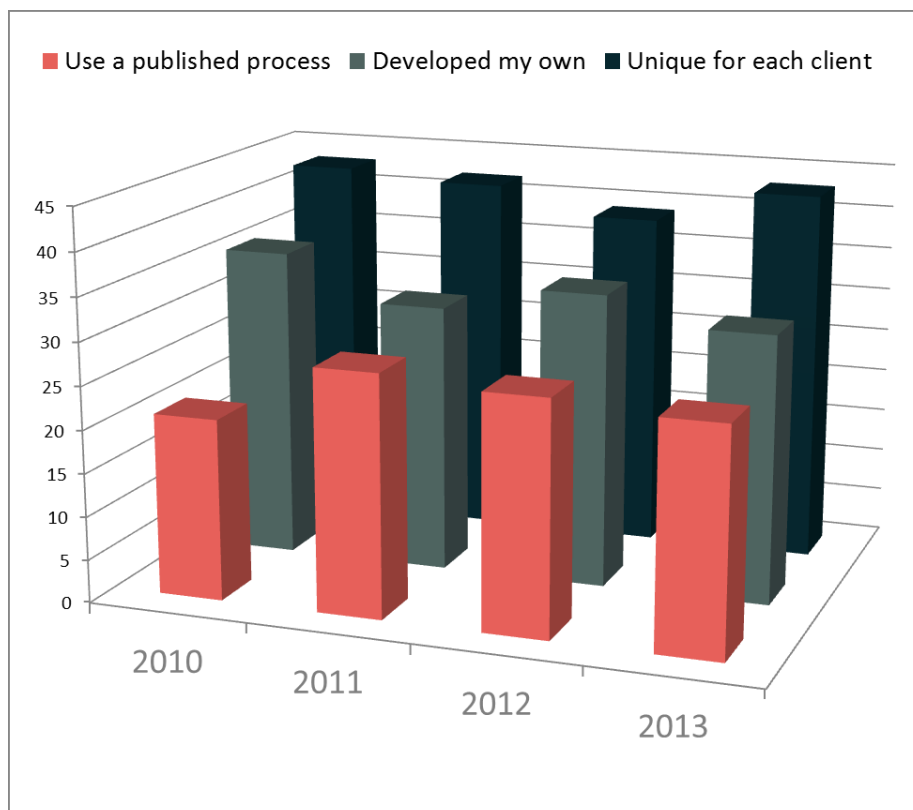
If an executive coach follows a published process or a set of guidelines for their practice, it is strictly voluntary. Do coaches take each client as they come, or do they use a published process that can apply to each client's needs?

All Respondents Summary

Question	Response	Percentage
9th Executive Coaching Survey (2014)		
	1/1/2014	845 responses
Do you base your coaching on a published process?	I develop a unique approach from client to client	39%
	I follow a specific published process	29%
	I have developed my own process for coaching	31%
		675

For executive coaches, here is the lay of the land:

- 39% develop a unique approach from client to client. (down from 43% last year.)
- 31% have developed their own process for coaching. (up from 26% last year.)
- 29% follow a published process. (down from 31% last year.)
-



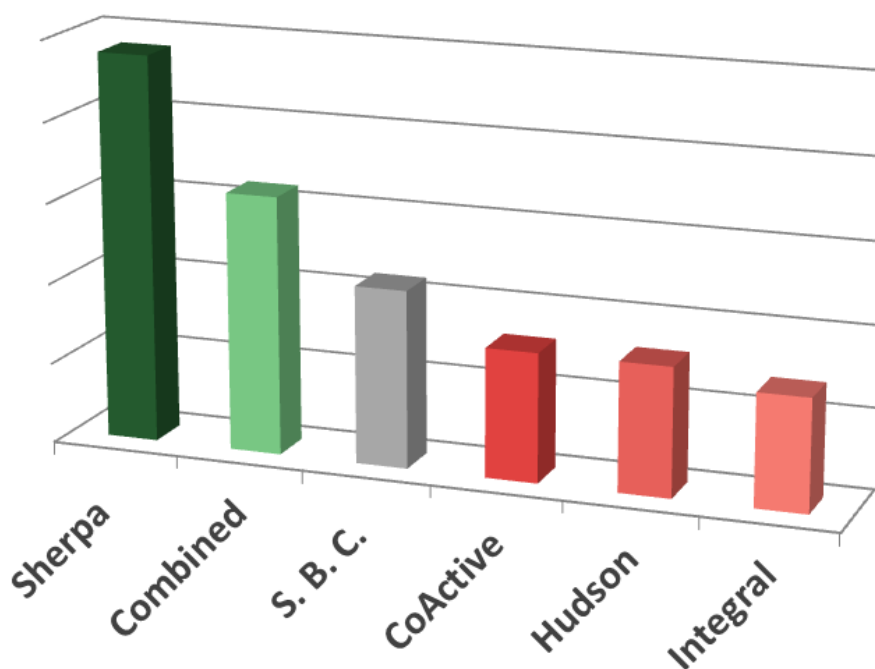
When executive coaches follow a process, which one do they use? Rather than choosing from a list, our coaches wrote in the name of the process they use. We combined nearly identical responses to get a meaningful list. In cases where a coach used a combination of processes, their mentions were counted as 'combination', rather than being credited against each process mentioned. This method did not penalize any given process unduly, and tells us how many coaches are drawing from multiple processes to create their final service delivery.

Again this year, there were almost 50 unique coaching processes mentioned. Sixteen received multiple mentions. The top five earned enough to support to warrant further study.

The top processes in use today are:

- CoActive
- Hudson
- Integral
- Sherpa
- Sociedad Brasileira de Coaching (S.B.C.)
- 'Combined processes' round out the top six.

Most Widely Used Executive Coaching Processes



Over 35% of all executive coaches who provided a process followed one of the Big Five. Fewer than ten percent of all coaches offer a combined methodology.

2014 Executive Coaching Survey Web Resources for Executive Coaches



Where do executive coaches go for training, information and interaction? When it comes to web sites with executive coaching content, they have almost a hundred choices,

For several years, we have tracked over 90 websites that offer at least some material for executive coaches. 39 of them are exclusively designed for executive coaches. As sites come and go, gain or lose popularity and relevance, we add to our tracking list. At the EXCO 2014 conference, we will share history and trends for the top executive coaching websites.

Top five coaching sites for associations, training and research:

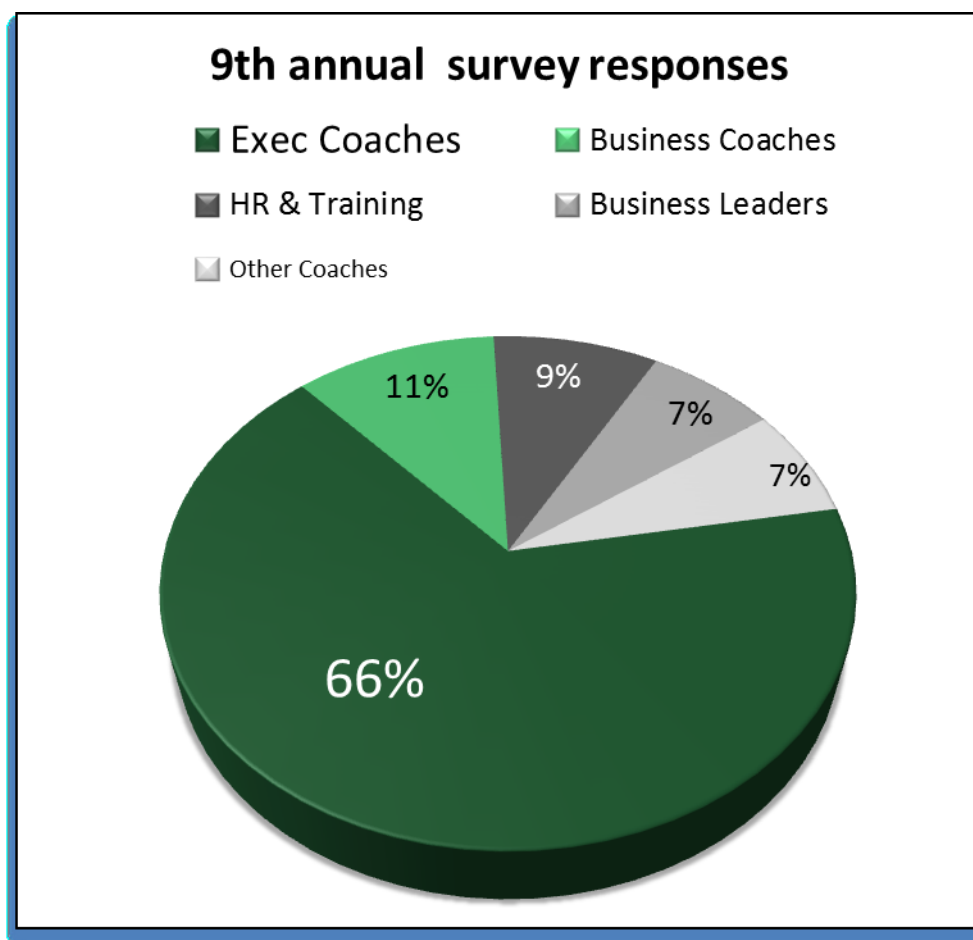
Associations and networks:	Training programs:	Research and resources:
World Business and Executive Coach Summit	Sherpa Coaching	Sherpa Coaching
Worldwide Association of Business Coaches	Executive Coaching University	Marshall Goldsmith's Library
Association of Corporate Executive Coaches	The Coaching Room	Neuro Leadership Institute
Association for Professional Executive Coaching and Supervision	Center for Executive Coaching	Library of Professional Coaching
Association for Management Education and Development	College of Executive Coaching	Executive Coaching Forum

And the top executive coaching publications:

Top three publications for executive coaches:
Coaching at Work
Worldwide Coaching Magazine
International Journal of Coaching in Organizations

2014 Executive Coaching Survey Analytics

This survey is about executive coaching. You would expect most of our contributors would be executive coaches. That proves to be the case once again this year.



- Executive coaches made up 66% of our respondents.
- Business coaches came in at 11%.
- HR and training professionals provided 9% of our responses.
- Business leaders reached the 7% mark.
- Other coaches responded at a 7% rate.

The Executive Coaching Survey has three ways of finding information that is relevant to interested professionals.

- We began in 2005 with questions of interest to coaches and their clients. Each year, we tend to ask certain questions in exactly the same way, to identify trends. When the answers stop changing, we go on to different questions, knowing our respondents have identified the state of the art.

- We ask for comments on trends in coaching and the benefits of coaching, and give people free reign to tell us what they think, and share their observations. That ensures we have new ideas for topics each year.
- This year, we added a section on corporate culture, exclusively for HR, training professionals and business leaders. This allows us to report on topics of broader interest, and to start gathering yearly information that will tell us where corporate cultures are headed

Each year, we review the way our survey is designed. We solicit help from university executive education programs. In addition, we rely on Shawn Herbig, President of IQS Research in Louisville, Kentucky, to offer solid advice about additions or changes to the survey.

We target a broad, representative base when we send out survey invitations. Our mailing list has been a work in progress since 1999. Then, we allow anyone to participate, invited or not.

Anyone who is aware of this research can participate, and invite others to do so. Participants in earlier surveys are always invited to take part in current research. Anyone who receives an invitation to participate can forward the survey link, allowing other people to 'opt in' to current and future research. Typically, at least half of our respondents are not on our original list of invitees, so 'list bias' has been eliminated over the years.

Publishers:

	Karl Corbett is Managing Partner of Sherpa Coaching in Cincinnati. He handles strategy, marketing and client relations for Executive Coaching Certifications at Howard University and the University of Georgia. He was contributing editor for "The Sherpa Guide: Process-Driven Executive Coaching". (Thomson, 2005) Karl developed the annual Sherpa Coaching Survey, the largest and longest-running survey on executive coaching.
	Dr. Justin Kennedy is a leading researcher and practitioner of neuroscience coaching. He serves as CEO of Sherpa Africa, and holds the position of Professor of Organizational Behavior and Regional Dean of Africa at Monarch Business School in Switzerland. Dr. Kennedy is also a Professor of Neuroscience and Coaching and a research executive at the University of Pretoria, South Africa and a leading executive coach in his home country.

The Executive Coaching Survey, 2014:

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For managers and executives, Sherpa offers one-on-one coaching. For leaderships groups and teams, Sherpa conducts programs based on their university texts. For coaches, Sherpa offers training and certification on campus at several major universities.

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Change Partners is South Africa's foremost executive coaching provider, founded in 1998 as the first practice in South Africa to focus exclusively on development of business leaders through customized executive coaching techniques.

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