

PROGRESS



# Annual Report on Corporate Coaching Culture in Asia 2015-2016

IN CO-OPERATION WITH



# EDITORS' NOTE

We are delighted to present the Annual Progress-U Report on Corporate Coaching Culture. In this first release, we take a look at corporate coaching culture in Asia through executives who champion, oversee, and sponsor organizational growth.

Anecdotal evidence suggest that coaching is becoming increasingly widespread in organizations across Asia. Yet there is very little real research on how organizations are adopting and benefiting from coaching. What prompts organizations to adopt coaching? What can we learn from them and is there any real benefit in investing in creating a culture based on coaching? How effective is a corporate coaching culture in terms of delivering benefits to the organization and ultimately to the organization? What do organizations need to focus on while developing a coaching culture?

This annual report aims to provide some definitive answers to all the above questions and more and be a valuable source of insight for organizations looking to maximize the benefits of a coaching culture. It aims to help organizations to develop and fine tune their approaches and practices towards an impactful organization culture.

We discovered a number of interesting insights which challenge some popular beliefs and we hope that this annual report series from Progress-U will continue to stimulate debate, expand perspectives, and challenge assumptions for the benefit of organizational leaders.

This research was conducted in cooperation with the Worldwide Association of Business Coaches (WABC), the leading coach certification body for business coaches worldwide, known for continuously raising the professional standards of business coaching. We are grateful for their valuable contribution.



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# INSIGHTS SUMMARY

## THE UNQUESTIONABLE BENEFITS OF IMPLEMENTING A COACHING CULTURE

Organizations implementing a coaching culture reported between 2-3 benefits on an average, with improved business performance and talent retention emerging as the two most common benefits. 41% of the Asian organizations surveyed experienced improved business performance as a benefit of having a coaching culture.



TOP BENEFITS OF COACHING CULTURE

It is interesting to note that while 54% of the organizations reported that they considered development of a coaching culture to be very important to them, only 26% reported having a coaching culture within their organizations. This implies there is a significant gap to be filled.

About 69% of the organizations reported having partially implemented a coaching culture. These numbers should be seen in the context of the fact that 84% of the organizations surveyed engaged in some form of coaching.

Amongst those who have implemented coaching, 99% of these organizations reported an average of at least two coaching practices that form part of an emerging coaching culture. The most popular one is 'Coaching as a Leadership Style,' practiced by 59% of the organizations surveyed. This does not come as a surprise as it would be very difficult to develop a coaching culture if its leaders don't practice coaching as part of their leadership repertoire. However, we see in our study that using this approach alone is less effective (delivering 1-2 benefits only).

Our data suggests that organizations using a simultaneous bottom-up and top-down approach in coaching seem to reap better results. However, at the moment, most organizations seem to be following a traditional top-down approach. (This needs further research given this challenges the traditional paradigm of corporate culture transformation).

Even if Team Coaching is used by only 20% of the organizations, this practice is reported to deliver 4-5 benefits when used in conjunction with other coaching interventions.

The use of coaching culture as a strategy and a rounded approach using multiple types of coaching interventions across the hierarchy has a significant positive impact on how employees engage with their managers, peers and team members across the organization. **This moves away from a top down approach to a 360 approach where the entire organization is speaking a similar coaching language.**

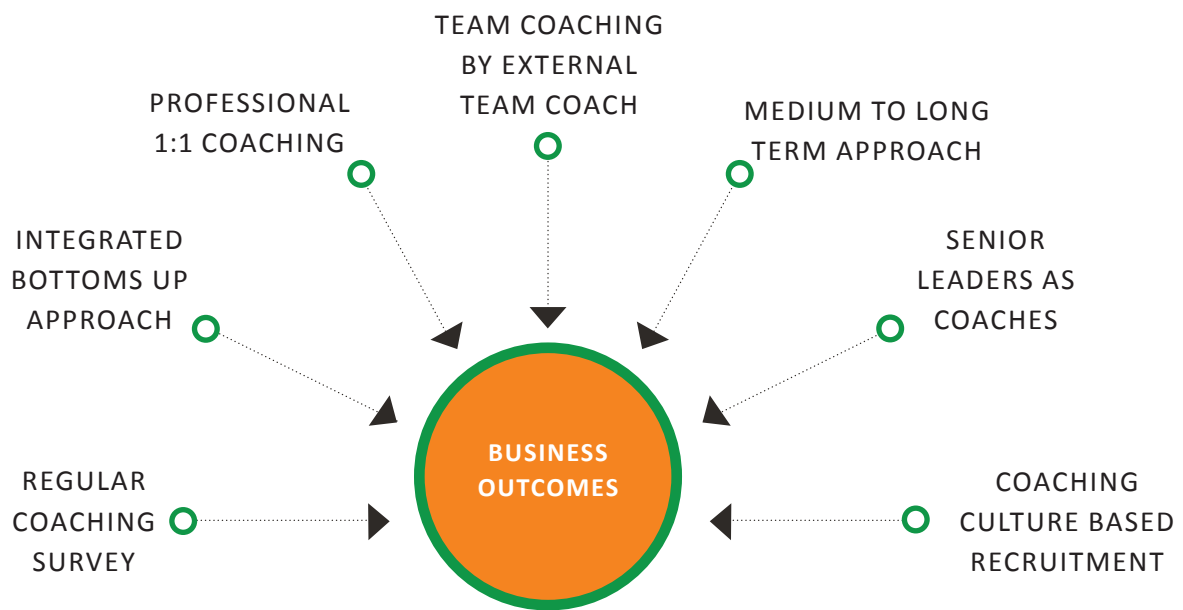
**59%**<sup>OF</sup>  
ORGANIZATIONS  
PRACTICE 'COACHING  
AS A LEADERSHIP  
STYLE'. USING THIS  
APPROACH ALONE,  
HOWEVER, DELIVERS  
ONLY 1-2 BENEFITS.

**MOST**  
ORGANIZATIONS  
TRADITIONALLY  
FOLLOW A TOP-  
DOWN APPROACH.  
OUR DATA SUGGESTS  
ORGANIZATIONS  
USING A  
SIMULTANEOUS  
BOTTOM-UP  
APPROACH REAP  
MORE BENEFITS.

**TEAM**  
COACHING IS USED  
BY ONLY 20% OF THE  
ORGANIZATIONS.  
TEAM COACHING  
WHEN USED IN  
CONJUNCTION WITH  
OTHER COACHING  
INTERVENTIONS  
DELIVER 4-5 BENEFITS.

# INSIGHTS SUMMARY

## WHAT ELEMENTS OF COACHING CULTURE DRIVE BETTER BUSINESS OUTCOMES?



A number of elements of a coaching culture are essential for success, all of them together leading to a more holistic approach.

- **Adjusting the recruitment approach** to suit the new culture. As the organization adjusts to a new culture, it is extremely crucial for new recruits either to fit into a coaching culture environment or to be coached to embrace such culture at the very onset. This facilitates smooth relationships within the organization and lesser adjustment for everyone.
- **Developing senior leaders as coaches enables them to coach top talents in the organization more effectively, leading towards better succession planning as well as inspiring the top talent in the organization to work towards desired business results. Organizations who have invested in training their senior leaders as coaches reap significant improvement on business performance.**
- **Medium to long term approach** – A medium to long term approach is fundamental to the process. Organizations expecting immediate benefits from adopting a coaching culture are bound for disappointment as it takes time for the culture to seep in. Most organizations that have implemented a coaching culture believe that a minimum of one year is needed before any impact becomes apparent.
- **Team coaching with external Team Coach - Organizations in which senior leaders develop their team with the help of a professional team coach and where senior leaders learn coaching**

on a professional level reap the highest number of benefits. Thus high engagement of senior leaders with the help of professional coaches helps in better implementation, leading to a higher impact.

- **Not surprisingly, professional 1:1 coaching is one of the key contributors towards improved business performance. Most organizations have kept this practice focused mainly on their key business leaders and senior leaders.**
- **Developing the culture bottom up** produced more benefits compared to other approaches. Developing essential coaching skills for every manager helps to better align all the levels in the organization with the new culture and hence make the culture more sustainable, leading to more benefits. Our data suggests that it is key to have an integrated bottom-up approach instead of the traditional top-down approach for better business performance, perhaps because it is more often the bottom layer who are the executors on the ground with clients and with team members. (More on this in our next reports.)
- **Internal coaching survey** - Last but not the least, an organization must carry out surveys periodically to assess the effectiveness of its coaching practices and make changes accordingly. Organizations who have internal surveys seem to be more comprehensive in their approach and also seem to derive more benefits from the coaching culture. Unfortunately, only 17% of organizations give a high priority to carrying out surveys on the state of their culture.

Building a coaching culture that delivers business outcomes is a medium term, continuous process that involves interventions at different levels. Given time to take full effect, a coaching culture can deliver direct impact on several key areas such as employee motivation, organizational alignment and eventually business performance.



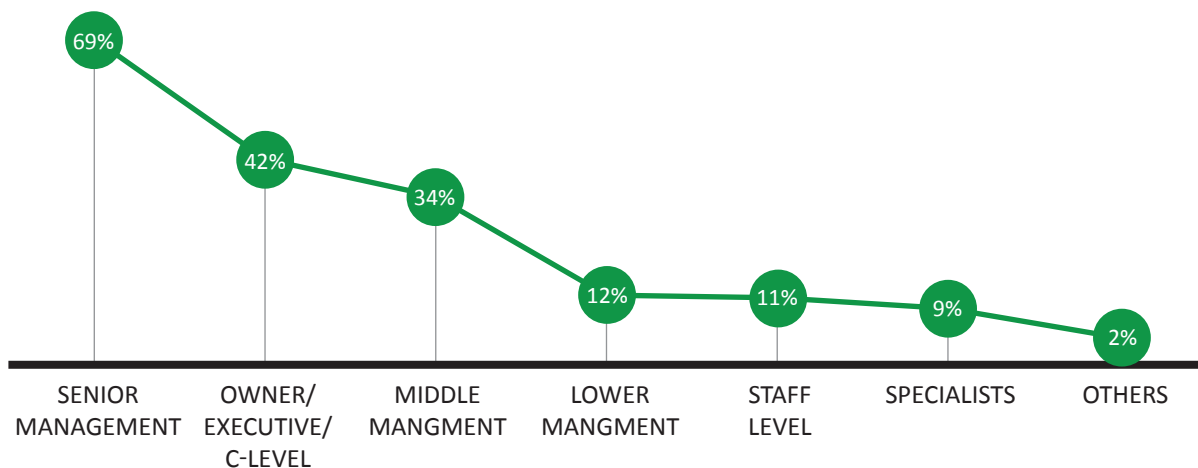
# INSIGHTS SUMMARY

## KEY CHALLENGES OF A COACHING CULTURE

While the recommended approach is to get management buy-in and implement a coaching culture across the organization, most external interventions are loaded at the top end of the organization. So, while the average number of benefits sought is between 4-5, most organizations derive only 2-3 benefits from implementing coaching culture.

The concentration of external coaching at the top levels of organizations probably explains why business performance emerged as the top benefit instead of employee engagement, which was the expected top benefit. That said, while 64% expected improved business performance to be a benefit, only 41% reported improved business performance as an outcome of implementing a coaching culture. Overall, companies that combined a bottom-up approach with management buy-in delivered close to five benefits which was the expected level in the first place.

### LEVEL FOR WHICH EXTERNAL EXECUTIVE 1:1/TEAM COACHING PROVIDED



Further, most organizations do not appear to have a survey or similar feedback system to check if their implementation program is actually effective. Organizations that have a measurement system in place are more likely to report benefits closer to expectations than organizations that did not have a feedback system in place.



# INSIGHTS SUMMARY

## IMPLICATIONS

We are in the middle of a rapidly changing work and corporate environment due to changes in demographics, economic growth and massive changes in technology. The traditional way of employee conversations is gradually making way for a culture that redefines the engagement between employees within the organization. A well designed coaching culture is aligned to the needs of the independent minded millennial employee who wishes to participate and be treated differently. Interestingly, employees of earlier generations tend to appreciate this kind of culture as much as millennials but expect it less than millennials do.

With a variety of interventions at different levels, a coaching culture has clearly proven to deliver improved business outcomes while taking care of the needs of the new generation employee. While only one out of four organizations have fully implemented a coaching culture and a vast number of organizations reported partial implementation, it is likely that in the coming years the implementation of a coaching culture will become increasingly pervasive across Asia.



# RESEARCH BACKGROUND

*“Coaching is unlocking a person’s potential to maximize their own performance. It is helping them to learn rather than teaching them.”- Timothy Gallwey*

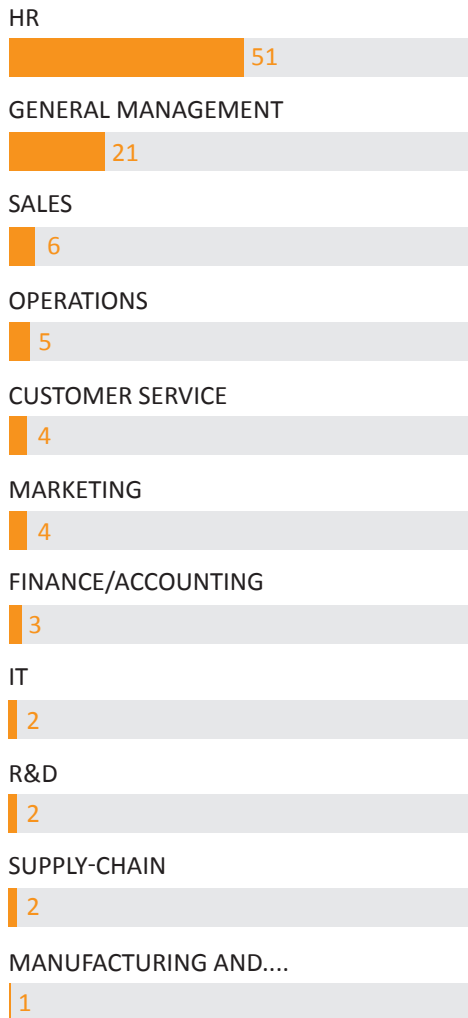
Coaching takes a holistic view of the individual: work, corporate values, personal needs, and career development are made to work in synergy, not against one another. Once seen as the last resort for an executive about to fall off the ladder, leadership coaches now help smoothen a promotion, teach newcomers about their company culture, and tune up talent. According to an article from the Harvard Business Review, many of the world’s most admired corporations, from GE to Goldman Sachs, invest in coaching.

This research focuses on understanding the current landscape in terms of coaching culture across different types of organizations from different countries using data from an online survey with 260 respondents, 187 of which were in Asia.

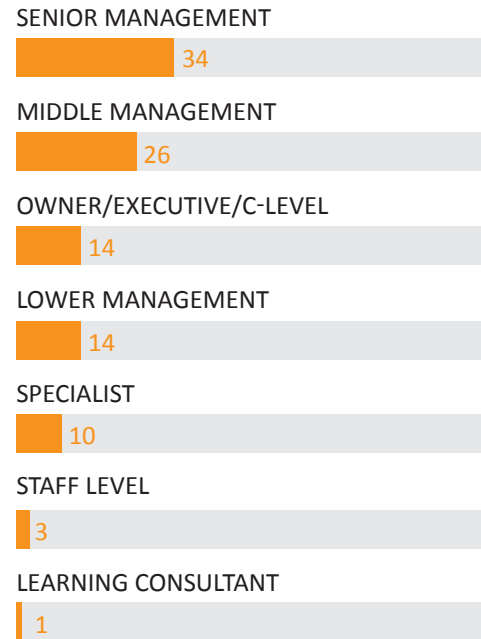
COUNTRY	NO. OF RESPONDENTS
<b>ASIAN COUNTRIES</b>	
Hong Kong	66
P.R. China	48
Singapore	23
India	15
Malaysia	13
Indonesia	4
Japan	1
Philippines	1
Vietnam	1
Other Asian countries	15

The respondents were mainly from HR or General Management functions and belonged to the senior management or executive/ C-Suite level. The median annual sales of the organizations was 100 million USD, with one third reporting more than one billion dollars USD in annual sales.

## % OF RESPONDENTS BY FUNCTIONAL AREA



## % OF RESPONDENTS BY JOB LEVEL



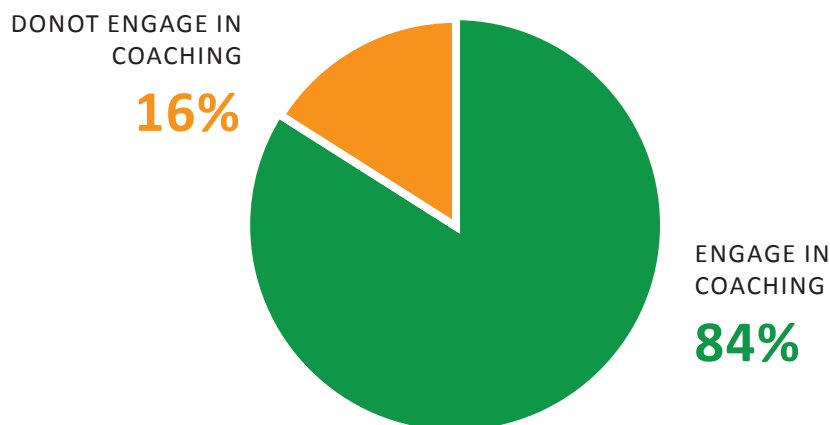
In order to ensure a common understanding of what coaching means, the following definition of coaching by the Worldwide Association of Business Coaches (WABC) was referred to and the respondents were asked to answer all coaching related questions with respect to this definition:

*“The process of engaging in regular, structured conversation with a client, with the goal of enhancing the client’s awareness and behavior so as to achieve business objectives for both the client and their organization.”*

# PREVALENCE OF COACHING IN ORGANIZATIONS

While the use of coaching is still not universal across Asia, 84% of the organizations engaged in some kind of coaching. The remaining 16% have not used any coaching so far. These figures are primarily a function of size and location of headquarters. Smaller organizations are less likely to use coaching. For example, amongst those with less than 100 million USD in revenues, 26% do not engage in any kind of coaching. Amongst organizations with headquarters in Asia, 24% do not engage in any kind of coaching. Amongst organizations with less than \$100 M revenue in Asia, almost one in three or 31% do not engage in any kind of coaching.

## % OF ORGANISATIONS ENGAGING IN ANY KIND OF COACHING



As these relatively smaller entrepreneur driven organizations scale up, many of them are likely to face the same challenges as the larger companies – slower growth, retention of top talent and many more.

The implicit trust in coaching amongst the larger organizations suggests that it makes sense for these fast-growing small and medium enterprises to also adopt coaching as they begin to encounter many of the similar challenges of their larger peers.

Our data suggests that organizations' top three motivations for engaging in coaching include leadership development (76%), performance improvement (64%) and career development (53%).

Among the organizations using coaching as an intervention, external coaches are used extensively, although the focus is on developing coaching as a leadership style across the organization. Increasingly, this capability is built by internal coach trainers. The use of coaching as a leadership style appears to be a critical foundation for an organization that wishes to embrace a coaching culture.

On the other hand, external coaches are engaged for 1:1 executive coaching (48% of the organizations), group coaching (33%) and team coaching (20%).

## TYPE OF COACHING

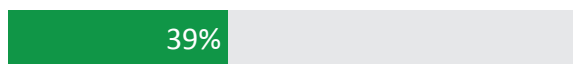
COACHING AS A LEADERSHIP STYLE (BY MANAGERS TRAINED IN COACHING ESSENTIALS)



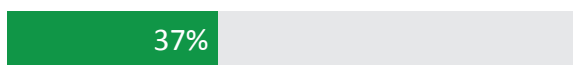
1:1 EXECUTIVE COACHING (BY EXTERNAL COACH)



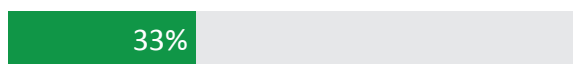
1:1 TALENT COACHING/MENTORING (BY SENIOR EXECUTIVE TRAINED IN COACHING ESSENTIALS)



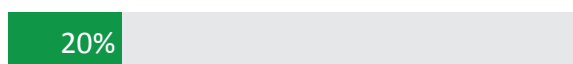
1:1 INTERNAL CORPORATE COACHING



GROUP COACHING (MODERATED BY EXTERNAL OR INTERNAL COACH)



TEAM COACHING (MODERATED BY EXTERNAL COACH TO WORK ON TEAM ISSUES)

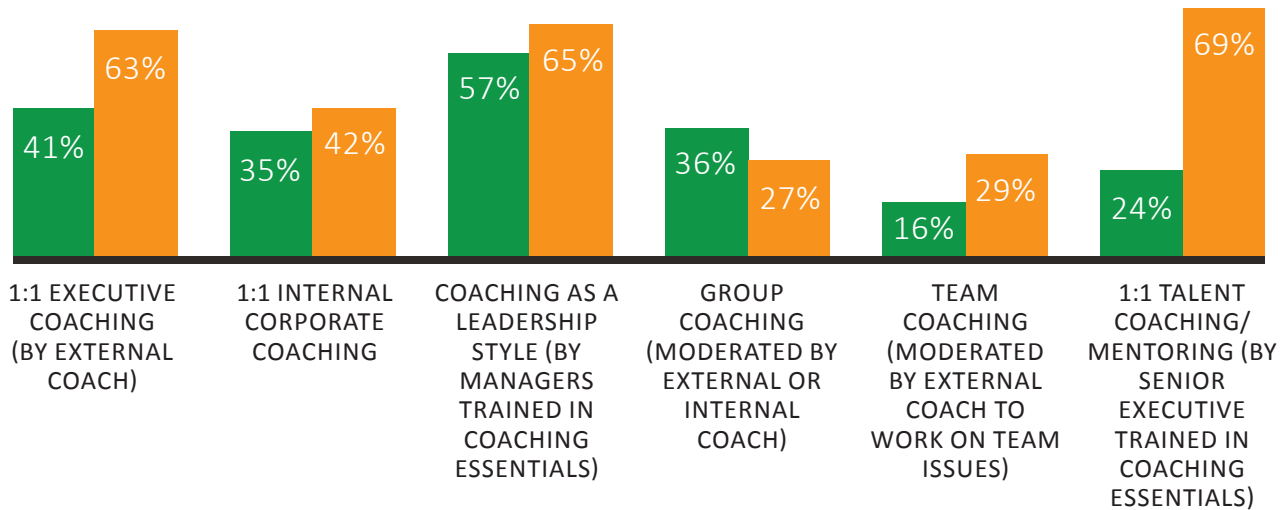


Only 16% of the organizations do not use any internal coaches. Among those who use an internal coach, 54% of the organizations get their internal coaches certified from institutions providing professional coach certification. 50% of the organizations used internal coaches, to develop more internal coaches, while 43% used external coaches.

On an average, companies with less than 1 billion USD in sales engage in 1.4 types of coaching interventions while companies with less than 1 billion USD in sales engage in 2.3 types of coaching intervention. Larger companies (with revenues of more than 1 billion USD) invest more in 1:1 executive coaching (by external coach), 1:1 Talent Coaching/Mentoring (by senior executive trained as coaches), Coaching as a Leadership Style (by managers trained in coaching essentials) and 1:1 Executive Coaching (by external coach) while smaller companies (with revenue less than 1 billion USD) invest more in group coaching.

## TYPE OF COACHING INTERVENTIONS

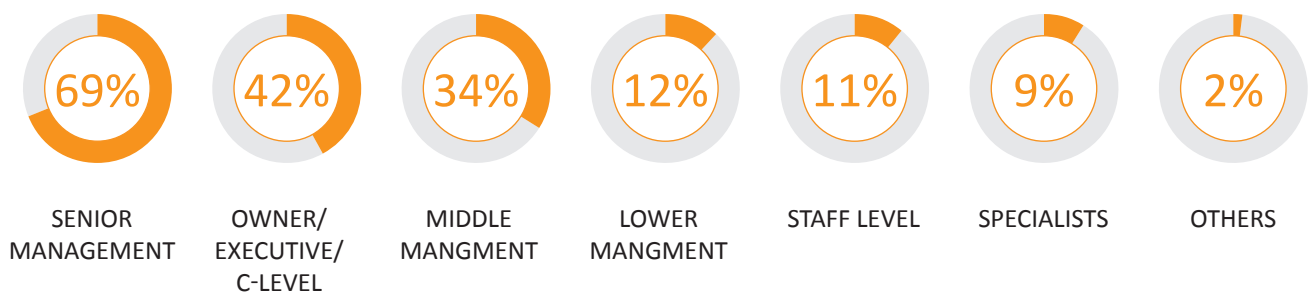
● Organizations with < 1B USD Annual Sales    ● Organizations with >1B USD Annual Sales



Coaching interventions are targeted at mostly senior management (69% of the organizations) and owners/C-level managers (42%). On the other hand, only one in three organizations provide external coaching to their middle management.

Two thirds of coaching interventions are targeted at senior management followed by owners/c-levels. The current situation is less than optimal as our research shows that an integrated coaching programme is far more effective than one that targets only the top or only the bottom of the organization. In that context, only one in three organizations provide external 1:1/Team coaching to their middle management.

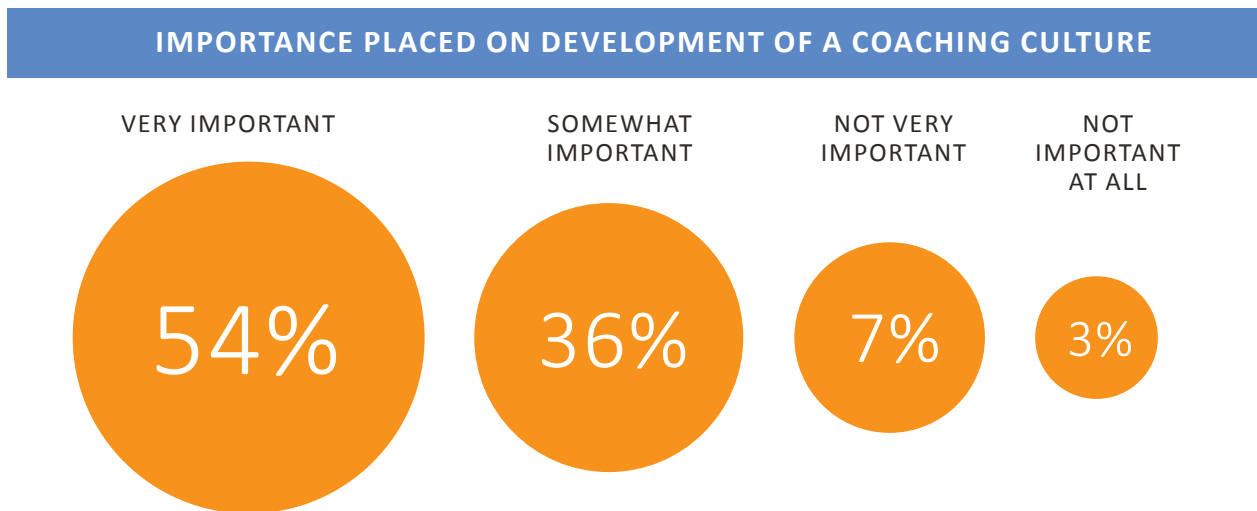
## LEVEL FOR WHICH EXTERNAL EXECUTIVE 1:1/TEAM COACHING PROVIDED



# COACHING CULTURE ADOPTION IN ORGANIZATIONS

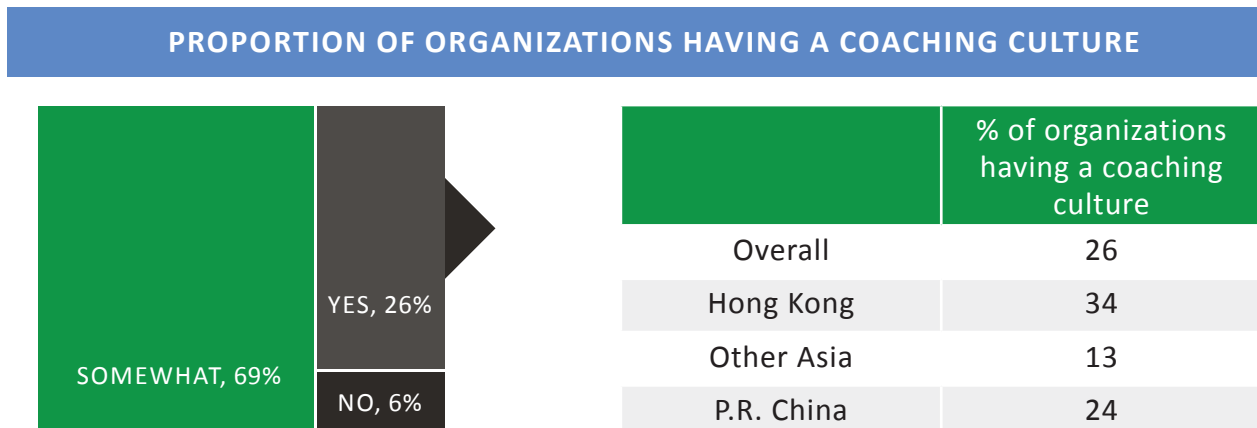
While organizations might engage in some form of coaching, it does not necessarily mean that they have a coaching culture. A culture based on coaching is composed of multiple factors and here we attempt to explore all of those.

More than half of the organizations (54%) felt that developing a coaching culture in their organizations is very important.



Base (All respondents)

While organizations based in Asia differ from those outside in terms of percentage of organizations engaged in coaching, they are very similar in terms of importance placed on developing a coaching culture. **Nearly half of the organizations felt that developing a coaching culture is a very important part of their strategy. Even amongst relatively smaller organizations (revenues less than 100 million USD), 51% felt developing a coaching culture is very important.** However, most organizations are still in the process of developing a coaching culture with only one in four having a coaching culture.



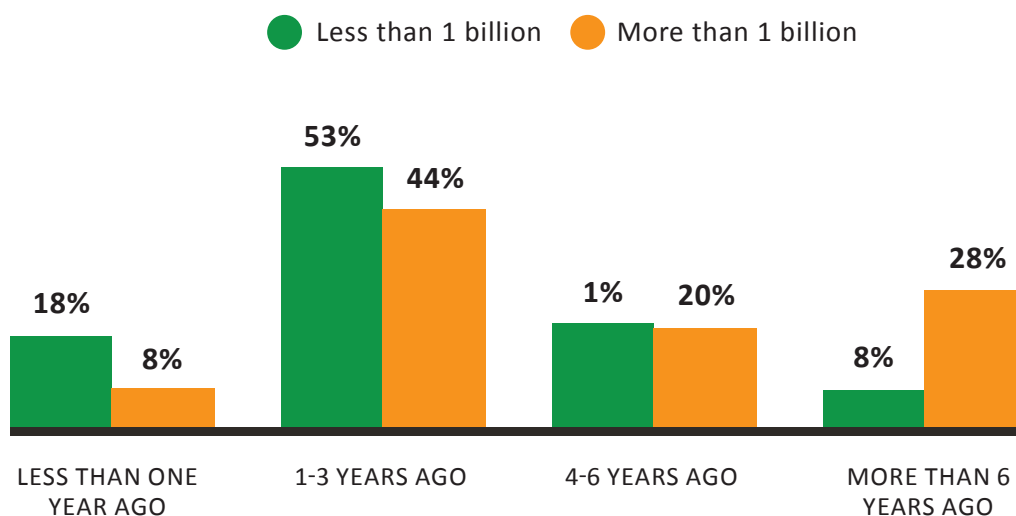
Base (Those implementing coaching culture)

Only 16% of the organizations have no plans of developing a coaching culture in the next 3-5 years. Most of those who are considering developing a coaching culture in the organization were influenced by recommendation by somebody within the organization.

While very large organizations (more than 1 billion USD in revenues) had a head start in implementing a coaching culture, 52% of these companies only began implementing a coaching culture during the last 3 years. Our research indicates that benefits from implementing a coaching culture begin to increase significantly after the first year and probably peak at the 6th year.

**Companies must expect the benefits from a coaching culture in the longer term, like other culture changes that may have been initiated in the organization.** Companies that are in early stages (0-3 years) must periodically carry out surveys and collect feedback to assess the actual benefits and link them to specific interventions that may or may not be working.

### STARTED IMPLEMENTING COACHING CULTURE



In terms of how organizations go about in building a corporate coaching culture, most respondents gave highest priority to get top management buy-in and alignment on the new culture through workshops (66%), etc. This was followed by developing essential coaching skills for every manager (52%) and cascading the desired culture from top to bottom (48%).

**As you will see later on, our data suggests that an integrated approach that involves getting top management alignment about the new culture along with developing the corporate culture bottom-up delivers the best returns.**



## HIGH PRIORITY

Getting top management alignment about the new culture – 66%

Developing essential coaching skills for every manager- 52%

## MEDIUM PRIORITY

Cascade the desired culture from top to bottom- 48%

Determining measures to identify business benefits of the new culture-44%

## LOW PRIORITY

Adjusting recruitment approach to suit the new culture- 30%

Conducting an internal corporate coaching culture survey-23%

When asked about the success of implementing this approach, the majority of the respondents - a whopping 90% - felt that their approach was successful (15% felt it was very successful while 75% felt it was somewhat successful). 10% of the respondents felt that their approach was rather unsuccessful.

We believe that the lack of adequate internal corporate culture surveys are making it difficult for organizations to determine the success of their programs. When asked if their interventions were successful, the respondents who carried out corporate culture surveys within their organizations reported the lowest rates of success with their overall approach to a coaching culture. This is really interesting because this group is also likely to have derived one of the highest number of benefits from implementing a coaching culture (perhaps also because they seem to have a more comprehensive approach). Lack of internal surveys is giving companies a false sense of achievement with their approach.

## PRIORITIZATIONS WHILE IMPLEMENTING A COACHING CULTURE



(Base-who give high priority to that aspect)

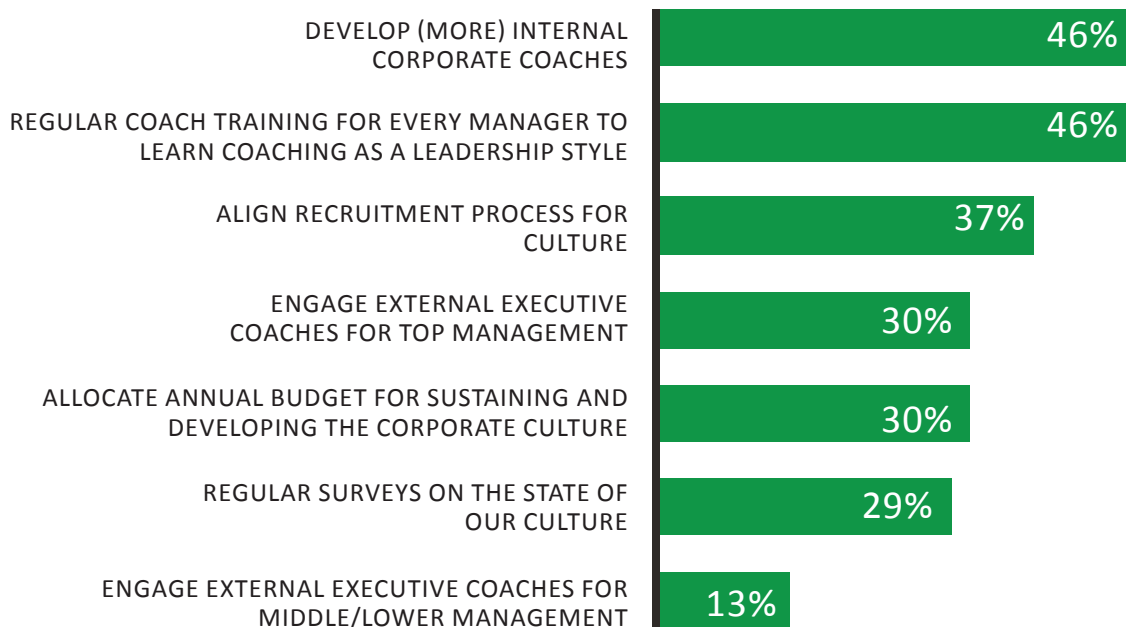
The chart depicts the prioritization in approach adopted by organizations who have implemented the coaching culture. However, as explained later in this report, based on the actual benefits achieved, many of the approaches seem to be incorrectly prioritized.

While all organizations followed an approach of prioritizing certain aspects in order to build the coaching culture, **sustaining the culture change (53%) was the biggest challenge for them. This was followed by unexpected business priorities (47%) which can assume more importance and developing sufficient momentum to drive the culture change (38%).**

In our view, many of these challenges can be overcome by periodic review and feedback on the quality of coaching intervention programmes and also by building programs that were not just senior management focused but also focused at all levels of the organization.

In order to further develop or sustain coaching culture in the organization, **most organizations planned to develop more internal coaches (46%) and to engage in regular coach training for every manager to learn coaching as a leadership style (46%). Both of these are extremely crucial in sustaining a coaching culture because more employees adopt coaching as a leadership style and over time this becomes the default method in the organization.** Organizations tend to benefit much more if the culture permeates every layer of the organization and for an extended period of time (nearly 6 years).

### PLAN TO SUSTAIN COACHING CULTURE



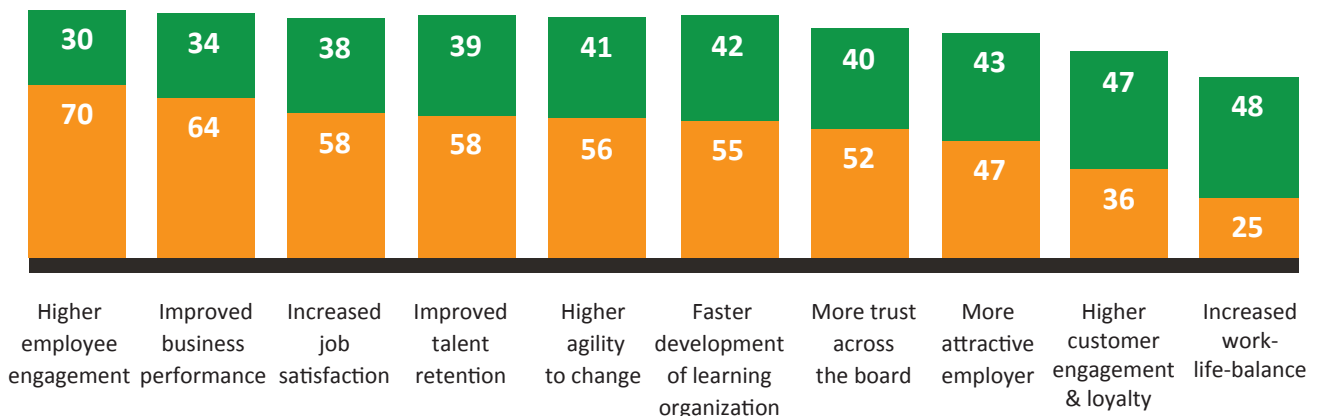
Base (Those implementing coaching culture)

# UNDERSTANDING THE IMPACT OF A COACHING CULTURE

Higher employee engagement, followed by improved business performance were the top two most expected benefits from having a coaching culture, strongly expected by 70% and 64%, respectively, of the organizations. When asked about the benefits that organizations are seeking from implementation of a coaching culture, the majority (70%) of the respondents stated that they strongly expect higher employee engagement followed by improved business performance. Other benefits cited were related to employee metrics and learning organization.

## EXPECTATIONS FROM COACHING CULTURE

● Strongly Expect    ● Somewhat Expect

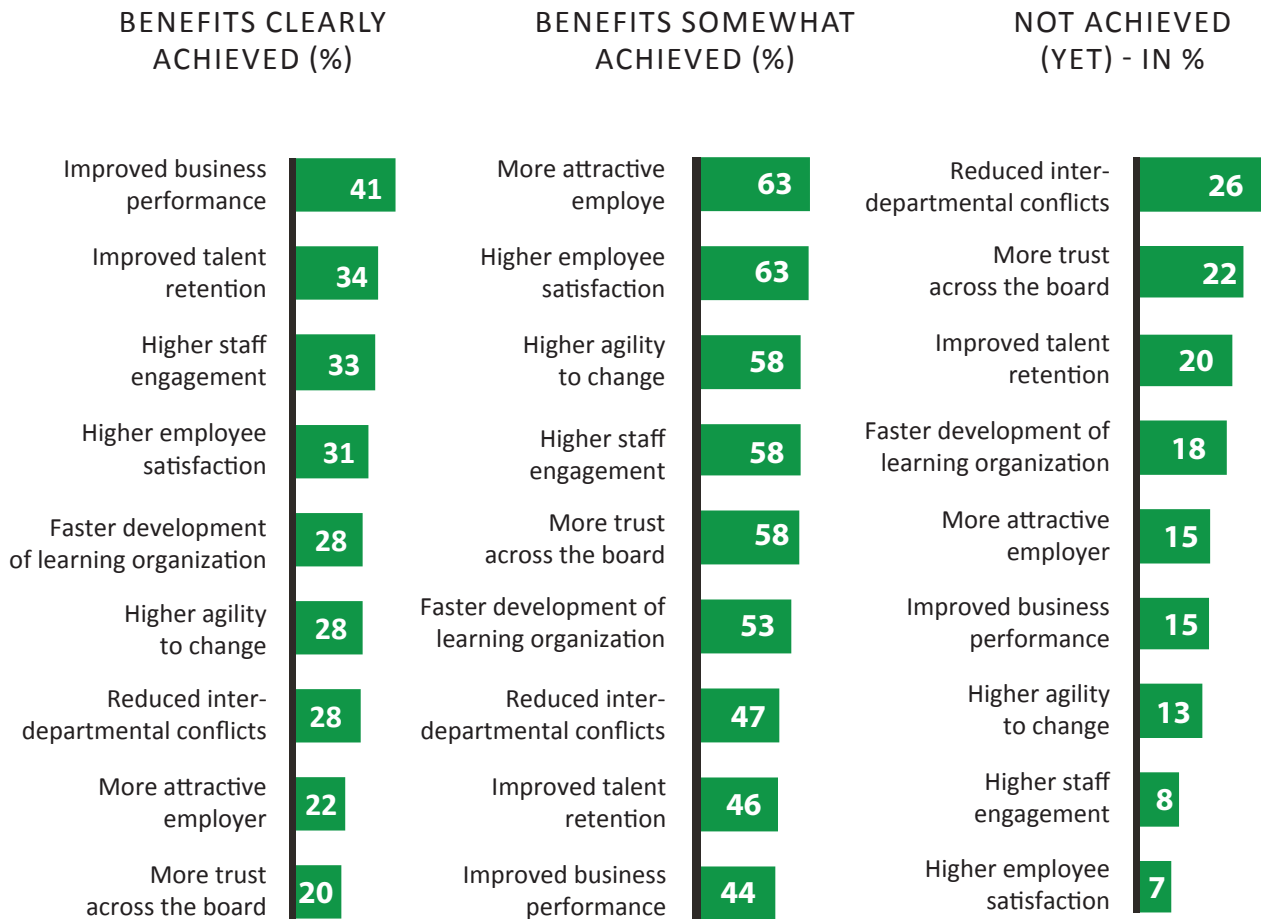


Base (All respondents)

On the other hand, improved business performance was the top benefit from having a coaching culture, enjoyed by 41% of the organizations. Other top benefits cited were improved talent retention (34%) and higher staff engagement (33%).

63% of the respondents felt that their organization has somewhat achieved the target of being an attractive employer. Higher employee satisfaction was also observed. On the other hand, the top two benefits that the organizations felt they haven't achieved yet, include reduction of inter-departmental conflicts (26%) and more trust across the board (22%). This is not surprising given that most coaching interventions are targeted at the top of the organization.

## BENEFITS ACHIEVED FROM COACHING CULTURE

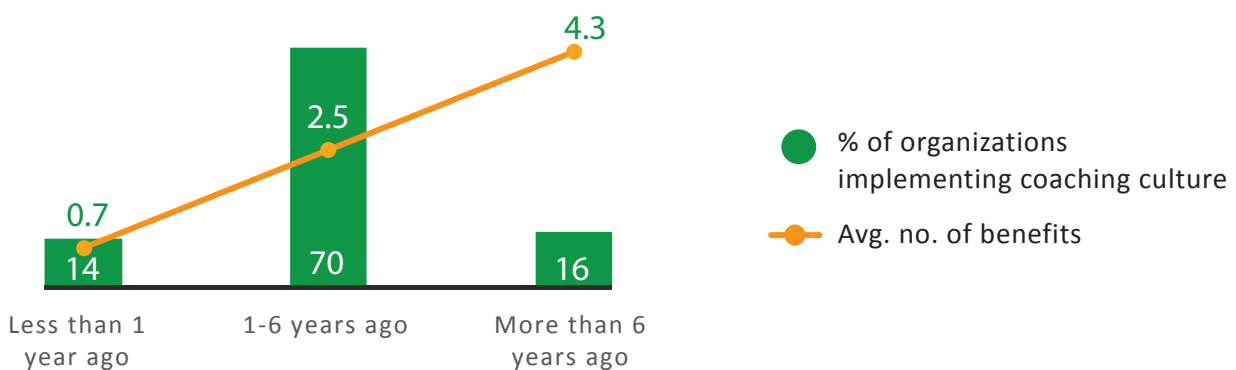


Base (Those implementing coaching culture)

Looking at the different types of coaching practices deployed by organizations during the implementation, we observe that organizations which gave a high priority to conducting an internal corporate coaching survey, adjusting the recruitment approach to suit the new culture, and developing the culture bottom up achieved more benefits compared to others. **Unfortunately, not many organizations give these approaches or practices adequate priority, leading to misplaced priorities and assumptions of success.**

Approach/ Steps taken	% who give high priority	Avg. no. of benefits experienced
Conducting an internal corporate coaching culture survey	15	5.9
Adjusting recruitment approach to suit the new culture	23	4.9
Develop the corporate culture bottom-up	18	4.8
Determining measures to identify business benefits of the new culture	27	4.6
Engaging external coaches for team coaching	15	4.3
Conducting internal or external group coaching	21	4.0
Adjusting the reward systems and other HR systems to suit the new culture	23	3.9
Conducting coaching specific 360-degree assessment	21	3.9
Developing senior executives to learn coaching on professional level	37	3.4
Engaging external coaches for 1:1 executive coaching	24	3.3
Cascade the desired culture from top to bottom	45	3.3
Developing professional internal coaches	34	3.0
Driving awareness of the new culture across the organization	38	3.0
Setting up a change leadership team to drive cultural change	42	3.0
Embedding the culture in the performance management process	34	2.8
Developing essential coaching skills for every manager	51	2.6
Getting top management alignment about the new culture (e.g. through workshop)	66	2.3

A coaching culture takes time to develop and one must have a long term timeline to enable it to seep through the entire organization. However, once this happens, the benefits far outweigh the wait and have significant impact not only on the business bottom-line but on the strength and longer term development of the organization as well. Companies that are able to sustain a coaching culture for a long time tend to derive added benefits every second year for the first six years.



# CONCLUSION

In corporate Asia, the development of a coaching culture is taking root in an increasing number of organizations and substantial momentum is expected for the next few years. Organizations are structuring a variety of interventions that usually have the buy-in of senior management within the organization. **Most companies have correctly identified developing coaching as a leadership style as a top priority.** This approach has the best chance of success if well executed across the organization.

The benefits which organizations experience also differ according to the current practices which organizations follow with respect to implementation of a coaching culture. **The big challenge is that organizations are expecting a higher degree of employee engagement while concentrating much of the coaching interventions at the top.** However, this sort of focus is delivering better business outcomes for the organization. That said, an integrated approach that covers all levels of the organization will deliver much greater benefit to the organization.

Most organizations worry about being able to sustain the coaching culture in the long run. However, the fact remains that those organizations that have successfully sustained a coaching culture beyond six years have derived substantial benefits from that effort, with improved business performance and talent retention being among the top benefits. Having said that, senior management should have little qualms in investing in permeating a coaching culture inside the organization.

**There are two major insights from this survey. One, most organizations do not have structured systems (like a survey) to measure the effectiveness of their coaching culture implementation and the required course corrections. This is leading to misplaced priorities and incorrect assessments of success. Two, while coaching has its roots in supporting senior management, a coaching culture needs not only buy-in by the top management, it also requires buy-in across all levels of the organization - ideally in an integrated bottom-up manner.**

# ABOUT PROGRESS-U

Since 2002, Progress-U has progressively evolved into a trusted partner for organizations who want to lead purposefully. ([www.progressu.com](http://www.progressu.com)). We exist to support and advance our clients with purpose through different kinds of interventions at the CXO levels and the senior and middle management. We aim to equip our customers with purposeful mind-sets and leadership skills focused towards business performance and organization advancement.

With an exclusive footprint with 70+ coaches across Asia, our programs range from:

- CXO programs (INSPIRE and TRANSFORM with purpose),
- Research based Integrated Leadership Development programs,
- Purposeful Sales Excellence programs,
- Cutting Edge Coach Certification for corporate leaders and
- A unique approach to Development Centers (called Progress Centers).

# ABOUT WABC

The Worldwide Association of Business Coaches (WABC) is the first global professional association to exclusively represent the business coaching industry. Since its inception in 1997, WABC has dedicated itself to raising the profile of business coaching—still an emerging profession—and to differentiating it from coaching in general. By engaging in disciplined self-regulatory activities to increase public trust in our industry worldwide, WABC has done more than any other organization to identify the tasks, qualities and skills of the business coach.

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