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Executive Coaching in Latin America

Executive Report | Results and findings



TEAM ^{Conflict}
TRUST ^{Strategic}
Collaboration
DECISIONS
Leadership
COMPLEXITY
BUIDING
Innovation
EFFECTIVENESS
Coaching
OPEN
Emotional
Intelligence
Creativity

Foreword

We are very pleased to present you the results of our ‘Study on Executive Coaching in Latin America’. This Executive Report is meant to give access to our findings to the participants in this study, who have generously dedicated time and thought to our project.

This study stems from a shared interest in leadership development among business executives, and the many methods and tools that companies apply to build ‘leadership bench strength’ across the organization.

Executive coaching has grown significantly in many ways during the last two decades: HR professionals increasingly incorporate coaching into talent development programs; business executives engage in coaching processes to address their specific needs; consultancy firms that offer executive coaching have proliferated; and multiple associations of executive coaches have emerged.

Researchers have not kept track with this growth. In particular, in Latin America we found that HR professionals lacked information and insights on which decisions regarding executive coaching could be based. This study aims to map the landscape of executive coaching in our region, focusing on when and how coaching is used, as well as on the expectations and perceptions of effectiveness of HR executives responsible for contracting coaches.

We hope that you will find the results of this study interesting, and –moreover– hope that they are helpful to improve your decision making regarding coaching interventions.

On behalf of the entire research team,

Best regards,



Michel Hermans

Project Manager
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Summary



While, as researchers, we found all the results interesting, we consider that the main conclusions of this study can be summarized as follows:

- **The majority of companies in our panel (84.6%) use executive coaching as a leadership development tool.** Companies that do not generally have specific reasons, suggesting that coaching is perceived as one among many executive development tools.
- **The use of coaching is primarily related to organization size:** larger organizations are more likely to use coaching as a leadership development tool. Organizations' financial performance, on the contrary, was unrelated to the likelihood of using coaching.
- **Expectations regarding executive coaching are high.** Respondents expected strong impact on leadership 'bench strength', people development, and job satisfaction.
- **In Latin America, executive coaching is still in an incipient stage.** Organizations tend to use coaching in interventions structured around individuals, and aim to solve specific issues that constrain performance, or to enhance executive potential through one-on-one development.
- While the typical **length of a coaching process** is between 3 and 9 months, and **the duration of a coaching session** is between 1 and 1.5 hours, such characteristics **are not related to the effectiveness of coaching interventions.**
- **Involvement of multiple people in the monitoring of the executive coaching process,** especially involvement of the coachee's direct supervisor was associated with differences in effectiveness of interventions. We attribute this to the creation of so-called 'learning communities'.
- In order to enhance the effectiveness of executive coaching interventions, respondents attributed an important role to senior managers as role models and enablers of a cascading effect to lower levels in the organization. In addition, beyond providing coaching to executives, interventions should be integrated with other organizational processes such as training, performance management, and communication processes.
- As concerns constraints to the effectiveness of coaching, respondents perceived senior management's lack of actually putting a leadership style based on coaching into practice as the main obstacle. Attitudes towards coaching *per se* were not perceived as a constraint, suggesting that HR executives about to implement coaching programs do not need to 'sell' their initiatives but, instead, create the organizational context for such initiatives to flourish.



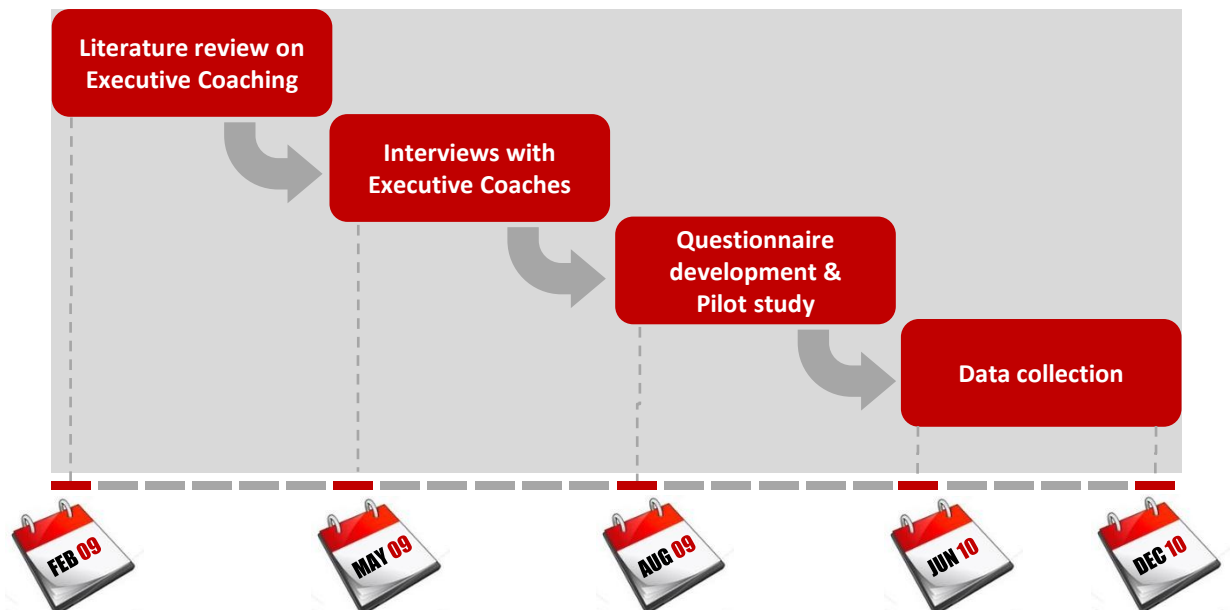
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I. Methodology

We initiated the 'Study on Executive Coaching in Latin America' early in 2009, when we started the first of four phases in which this project was implemented. During the first phase, the literature review, we gathered books, articles and other materials on executive coaching. In addition, we analyzed studies on coaching carried out in other countries or regions, and received support from the Center for Creative Leadership, one of the world's best ranked institutions for executive development, and a leading provider of executive coaching services.

During the second phase, we interviewed several executive coaches. Our conversations shed a light on the practice of executive coaching in the Latin American region and allowed for the identification of issues that were incorporated into the questionnaire.



In the third phase we consolidated our ideas and insights from the interviews and previous studies, and developed the questionnaire. After a first test among colleagues at the university, HR professionals at Coca Cola and Procter & Gamble collaborated in a pilot study. Their comments and suggestions were very helpful to define the final version of the questionnaire.

Phase four comprised the actual data collection, which was initiated in June 2010. We targeted senior HR professionals as our respondents, since they are best qualified to give an informed opinion with regard to the extent and the way in which executive coaching is used in their organization.

We developed an on-line application for our survey, and structured the roll-out of the data collection per country. The first country was Argentina, followed by Mexico, Chile, and Brazil respectively. HR professionals from other countries were encouraged to fill out the survey as well. In December 2010, we concluded the data collection and began analysis of the data.

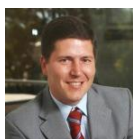
II. Research Team

The 'Study on Executive Coaching in Latin America' is a collaborative effort between the following people:



Alberto Franichevich (afranichevich@iae.edu.ar)

is Professor in the Organizational Behavior department at IAE Business School in Argentina. He graduated from the University of Buenos Aires as an Industrial Engineer, and holds a Master's degree in Consulting and Coaching for Organizational Change from INSEAD, in France. Previously, he held positions at Alpargatas and Dow Chemical, started up several companies, and has a broad experience as an independent consultant.



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is Professor in the Organizational Behavior department at IAE Business School in Argentina. He holds a Master's degree in Business Administration from the Rotterdam School of Management, Erasmus University in Holland, and is currently working towards his Doctoral degree in Industrial and Labor Relations at Cornell University in the United States. His research and consulting work focuses on strategic Human Resource management, organizational development, and people-based competitive advantage.



Betina Rama (betina.rama@alumni.insead.edu)

is a consultant for change and diversity. She has a diploma in Clinical Organizational Psychology from INSEAD, specialized in consulting and coaching for change. She held Global and Regional Human Resources positions in Latin America and Europe with Procter & Gamble. Currently she works with NGOs and multinational companies in leadership development, high performance teams and diversity programs. She is an associated coach at the Center for Creative Leadership.



Mônica Fix (monica.fix@adduo.com.br)

is founding partner at Kampas Coaching e Consultoria, where she works as Clinical Organizational Psychologist. She is founding member of Humani, The Clinical Approach Institute. Mônica graduated in Psychology at the Catholic University of São Paulo (PUC) and specialized in Psychoanalysis at the Sedes Sapientiae Institute in São Paulo. She holds a Diploma in "Clinical Organizational Psychology" from INSEAD, France. Before joining Kampas, she worked for Hoechst do Brasil, Mappin Telecom, Citi Bank and ABN AMRO Bank.



Rafael Sosa Becerra (rsosa@ipade.mx)

is Head of the People Management department at IPADE Business School in Mexico. In addition to having participated in many Executive Development programs, he holds a Doctoral degree in Business Administration from the La Salle University in Mexico, a Master's degree in Organizational Development and a Bachelor's degree in Business Administration. Professor Sosa Becerra has more than 20 years of executive experience in companies such as Fábricas de Papel San Rafael, Grupo Peñoles, Moresa and Grupo Condumex.



José Manuel Martinho (jm.martinho@uol.com.br)

graduated in Medicine at the University of Sao Paulo in 1973. He worked for Novartis Brazil from 1995 until his retirement in 2008, holding the positions of Medical Manager, Director of the Transplantation Business Unit, and Director of Strategic Projects. He also participated actively in the company's Coaching and Mentoring programs. He holds a diploma in "Clinical Organizational Psychology" from INSEAD and acts currently as an independent Executive Coach.

III. The Sample

Figure 2.1:
Composition of the sample by country
(Companies)



While the Latin American region is often perceived as internally homogeneous as concerns management practices and leadership styles, we decided to center our study on individual countries to allow for possible differences. We focused on four of the region’s largest economies: Brazil, Mexico, Argentina, and Chile.

In each of the countries, the research team invited firms that are leaders in their respective industries. As we were interested in the extent to which leading companies used coaching, we sent invitations irrespective of whether a company was known to use coaching or not.

The overall sample contained **182 companies**, of which 39 were from Brazil, 48 from Mexico, 23 from Chile, 60 from Argentina, and 12 from other countries. Although Argentina may seem overrepresented, numerous respondents who were located in Argentina had international responsibilities, covering the Southern Cone (Argentina, Chile, Uruguay, Paraguay, and Bolivia), Spanish speaking South America, South America, or South and Central America.

Figure 2.2:
Composition of the sample by respondents’
job title

VP of Human Resources	8 %
Director of Human Resources (Region)	17 %
Director of Human Resources (Country)	28 %
HR Manager (General)	17 %
Manager of Training and Development	15 %
HR process specialist	12 %
Other	3 %

We targeted senior HR executives and training and development specialists as the ideal respondents of our survey. The former because they interact more with colleagues in executive and senior leadership positions, and have a general overview of development processes for these segments. The latter because they are most knowledgeable about the specific training and development initiatives, and are most often in charge of contracting coaches.

The respondents of our sample were mostly senior HR executives, many of them had international responsibilities. Since the job descriptions of Managers of training and development and Process specialists often had an international scope as well, we consider the results are representative for the Latin American region.

Figure 3.3:
Composition of the sample by industry

Customer Goods	17 %
Banking and Financial Services	15 %
Industrial (e.g. automotive, equipment)	13 %
Chemical & Pharmaceutical	13 %
Technology (e.g. IT, telecommunications)	9 %
Food-processing	8 %
Mining, Oil & Gas exploitation	8 %
Utilities (e.g. electricity, water, gas)	3 %
Education	3 %
Media and Entertainment	3 %
Health Services	3 %
Construction	2 %
Agriculture, Forestry and Fishing	2 %
Hospitality industry	1 %

Participating companies operated in a variety of industries, ranging from consumer goods, to energy and mining, to construction. Separate analyses suggested that there were no significant differences across industries with regard to the use of executive coaching.

As in many industries a leading position implies a larger size, the companies that participated in our study often had more than 2,000 employees. Since large organizations have different leadership requirements, we aimed to compose a sample with both large and small organizations to allow for comparisons regarding the likelihood of using executive coaching.

In line with the number of employees, participating companies generally had sizeable revenue. More than half of the companies reported sales of over US\$ 50 million. In order to allow for comparisons between large and smaller firms as regards the use of executive coaching, we specifically aimed to include medium-sized and smaller firms in our sample as well.

Figure 3.4:
Composition of the sample according to number of employees

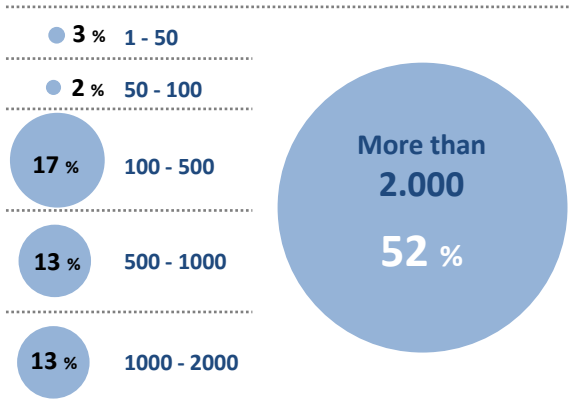


Figure 3.5:
Composition of the sample according to revenue

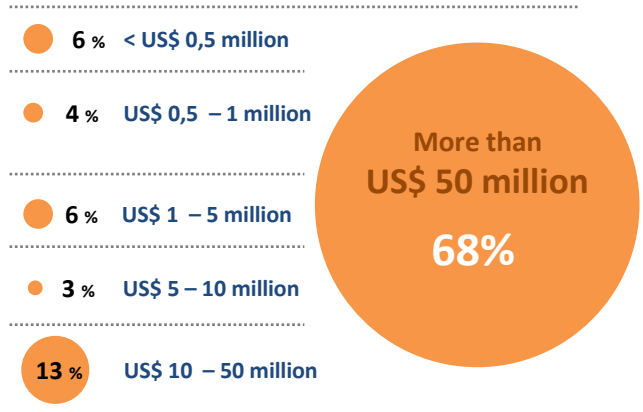


Figure 3.6:
Participating firms' financial performance during the last 3 years

Improving Performance	46 %
Sustained strong performance	36 %
Fluctuating performance	15 %
Decreasing performance	2 %
Sustained weak performance	1 %

We were interested in testing whether the use of executive coaching is contingent on a company's performance. Therefore, we asked participants to describe their firms' financial performance during the preceding 3 book years.

Finally, in order to validate our sample as representing corporations that operate in the Latin American region, we identify some that have participated in our study:



IV. Expectations regarding executive coaching



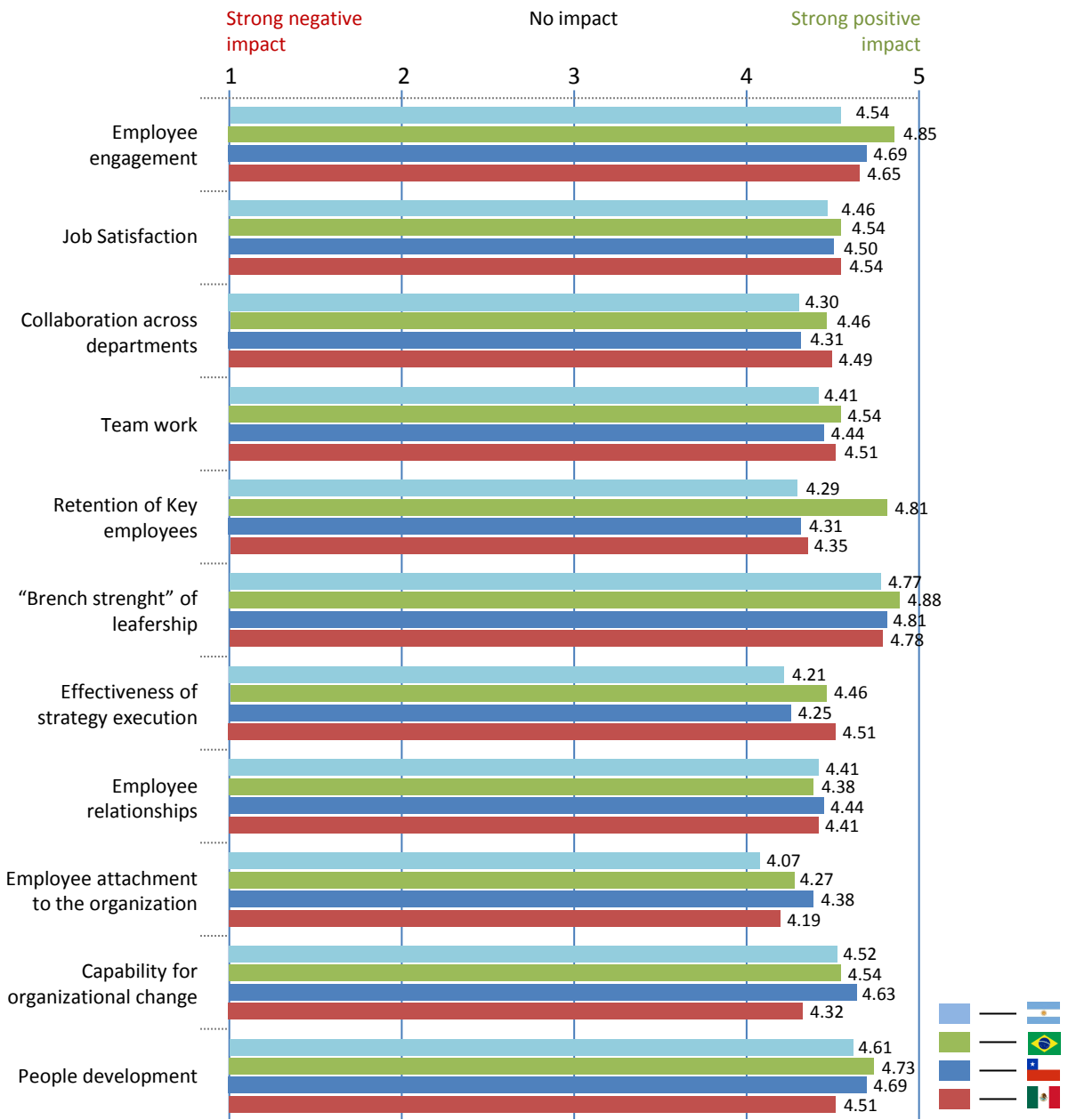
Executive development ranks high on HR professionals' agenda but often turns out to be a difficult issue. While many companies have decided to rely no longer on traditional classroom-based executive training and -instead- offer a mix of development initiatives, effectively blending in executive coaching raises numerous doubts.

We asked respondents how they expected their organization to be impacted if managers and leaders regularly used executive coaching for their development. In general, respondents had high to very high expectations, as they foresaw a positive to strong positive impact in all the dimensions.

Although all the dimensions included are relevant to working in organizations, we interpret the high expectations across the board as an indicator of a lack of scope of executive coaching interventions. Coaching can be useful in many situations, but may be at risk to be seen as a tool to fix any employee-related problem.



Figure 4.1:
Impact on organization if managers and leaders used coaching on a regular basis

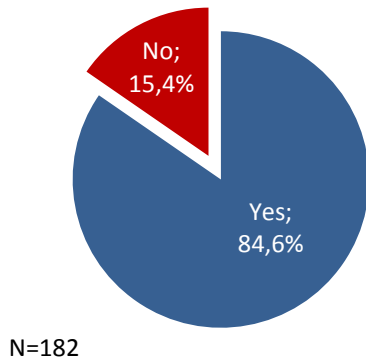


Not surprisingly, respondents had the highest expectations regarding the effect of executive coaching on leadership development. On the contrary, we were somewhat surprised by the high expectations regarding the effects on employee engagement and job satisfaction, which we expected to be only small.

Although expectations with regard to executive coaching did not vary strongly across countries, in general, respondents from Brazil had higher expectations than their colleagues from other countries. Moreover, respondents from Brazil expected a stronger positive effect on employee engagement and retention of employees than their counterparts from other countries.

V. Executive coaching in Latin America

Figure 5.1:
Executive coaching during the last or current fiscal year



V.1 Use of executive coaching

One of the core questions of our project concerned the extent to which companies in the Latin American region use executive coaching.

Notwithstanding its comparatively short existence as a formal executive development tool, we found that a large majority of respondents (almost 85%) indicated that executive coaching was used at their companies.

Differences across countries were only small. Chilean companies were somewhat more likely to use executive coaching when compared to companies from other countries. The 'Other' group of countries was too small (n=12) to obtain any conclusions. However, from our interviews with executive coaches, we learned that while in the larger economies a considerable number of executive coaches operates locally, companies from smaller economies often contract coaches from abroad. Since this implies a higher cost and a need for logistical arrangements, the use of executive coaching in smaller economies is likely to be somewhat less.

Figure 5.2:
Use of executive coaching by country

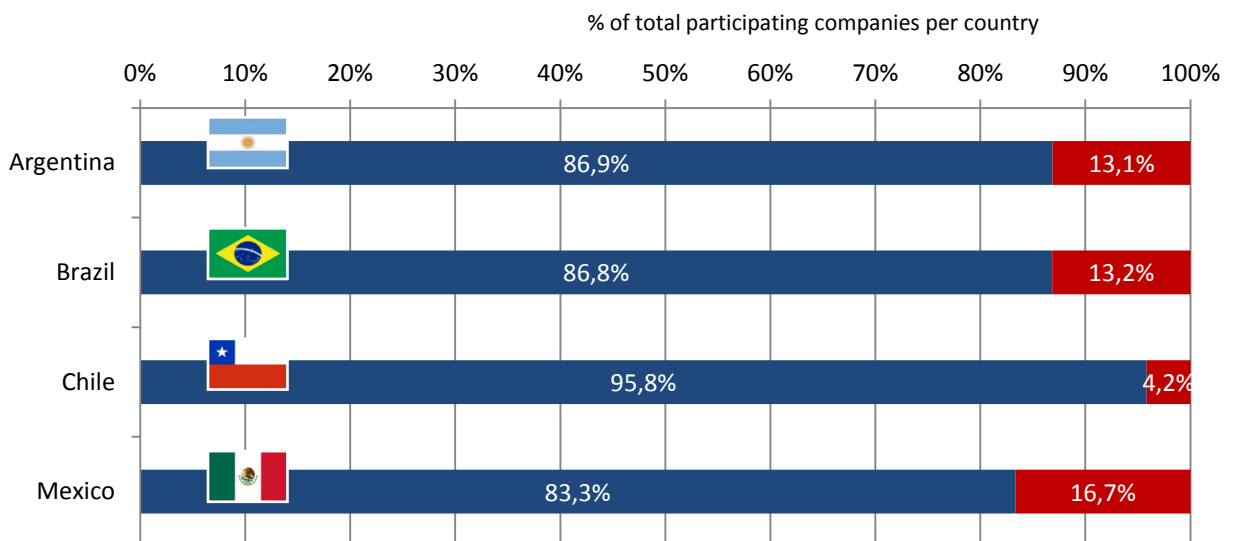
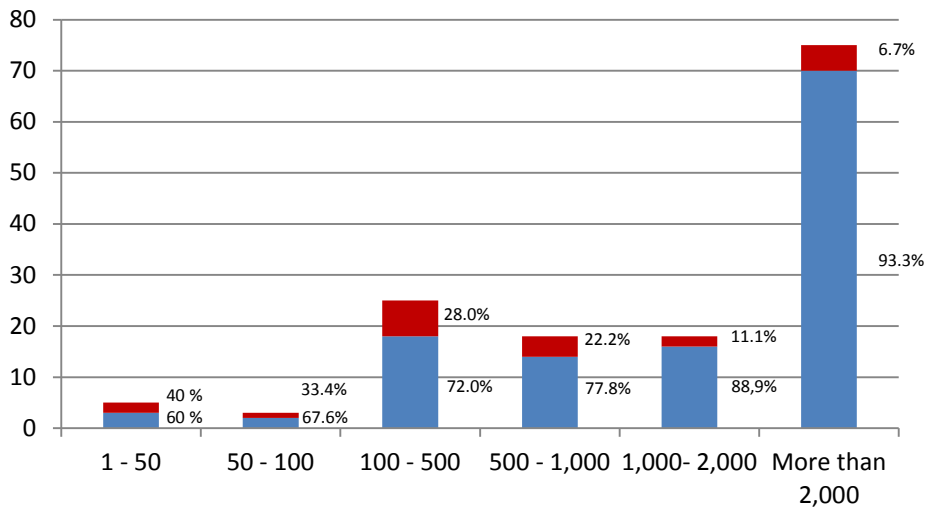


Figure 5.3

Use of executive coaching according to number of employees

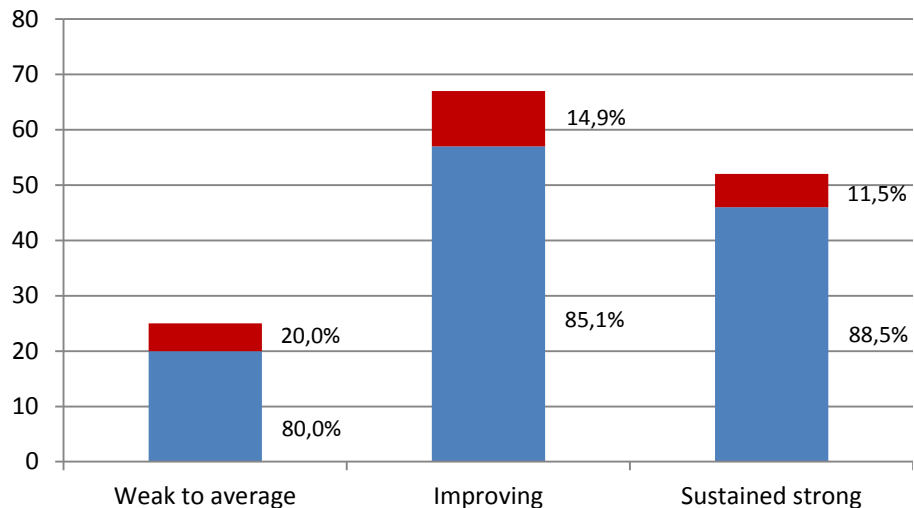


Differences in organizational size tend to imply different requirements for leadership. We crossed the data on the use of coaching and organizational size to test whether a difference existed between small and large organizations. As can be observed in figure 5.3, the use of executive coaching increases with organization size. While smaller organizations use coaching to a considerable extent, around 70%, organizations with more than 1,000 employees use coaching significantly more.

Firms' financial performance has been related to the use of executive coaching in several ways. One view holds that coaching strengthens an organization's management, which contributes to better results. An opposite view sustains that executive coaching is an expensive perk for senior managers of companies that have sufficient financial slack. Our data suggest that neither of these extreme views applies. The proportion of companies that uses coaching versus companies that do not is about the same in all three performance categories. Arguably, the relationship between the use of executive coaching and firm financial performance is not a direct one, and involves other variables.

Figure 5.4:

Use of executive coaching according to organizations' financial performance over the last three years



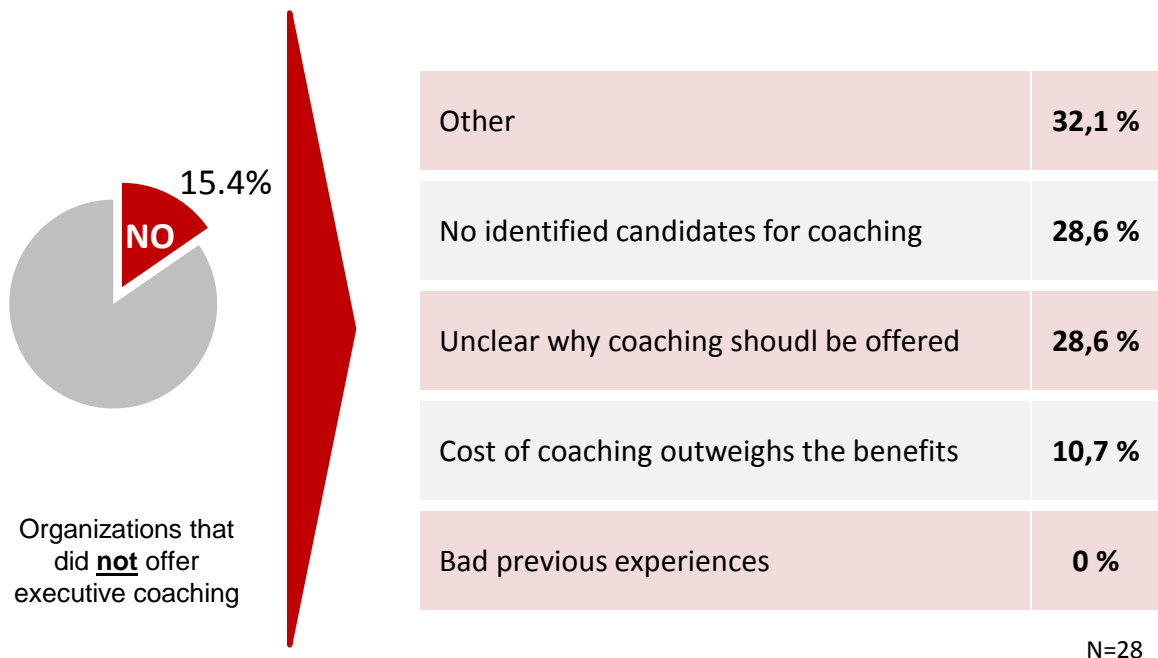
V.2 Non-use of executive coaching

Several companies in our sample did not offer executive coaching. In general, these companies had considered coaching as an option but consciously decided not to. Among the most frequently mentioned reasons were cost-benefit evaluations (10.7%), lack of candidates (28.6%), and a perceived disconnect between outcomes obtained from executive coaching and organizational needs (28.6%). All imply that respondents see limits to the effectiveness of coaching.

Responses in the 'Other' category (32.1%) referred to HR executives offering coaching internally instead of contracting an external coach, and ad-hoc use of executive coaching instead of a structured approach, among others.

Surprisingly, none of the companies that did not offer coaching had previous experiences that had made them refrain from coaching altogether.

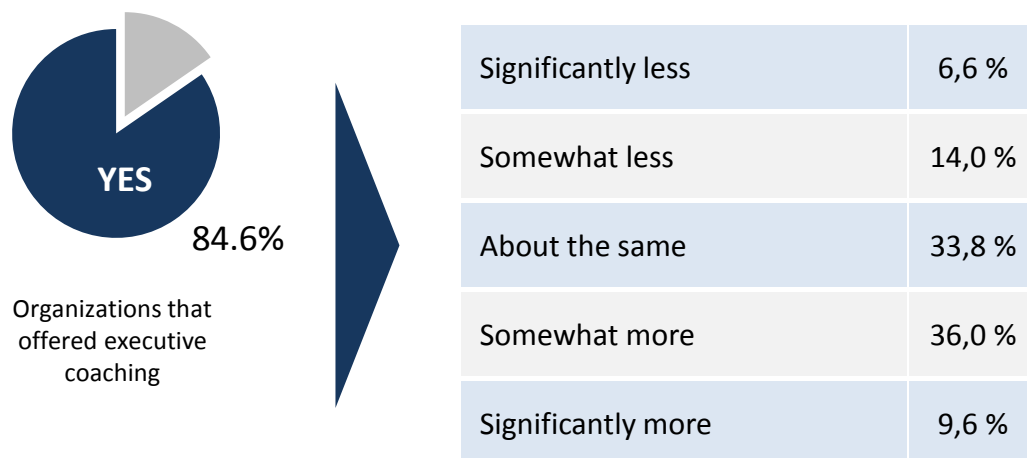
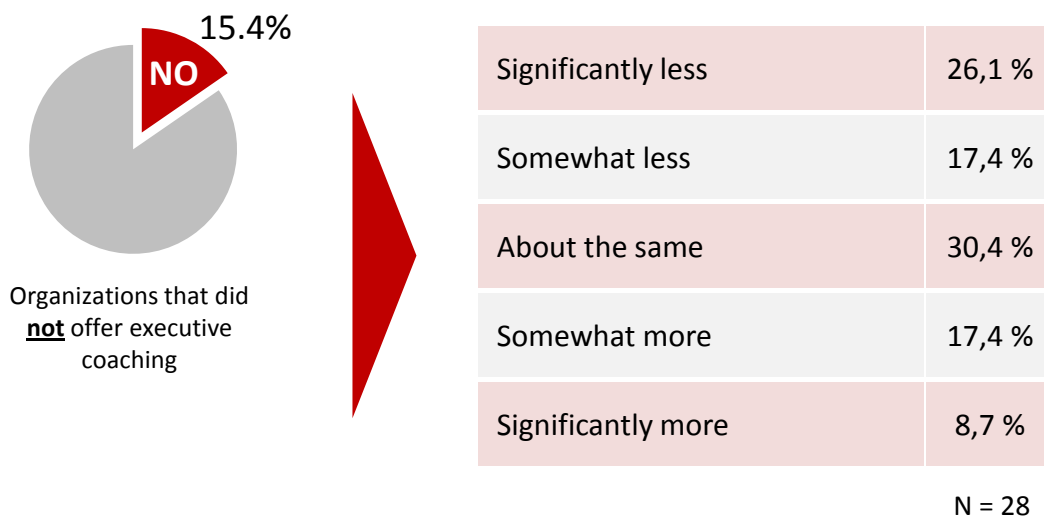
Figure 5.5:
Why doesn't your organization offer executive coaching to employees?



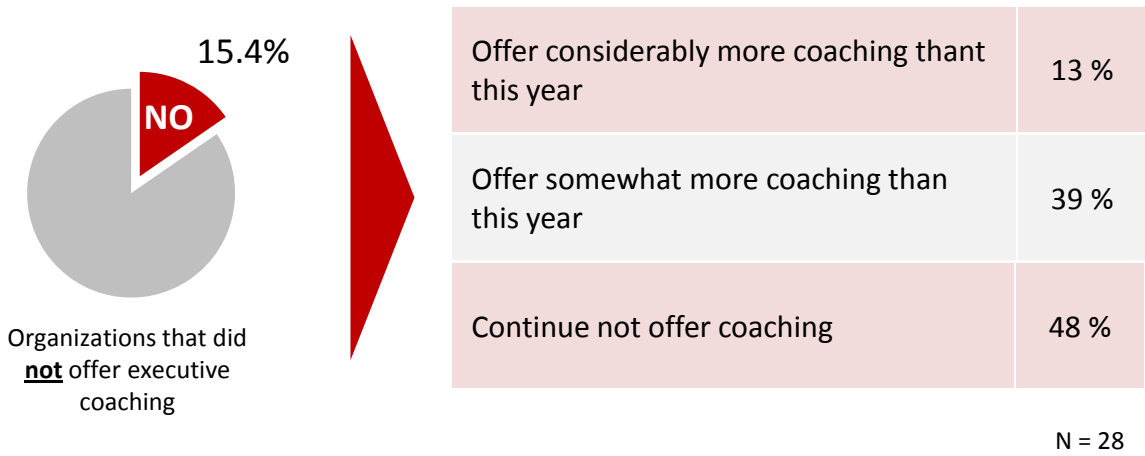
V.3 Trends in the use of executive coaching

Figures 5.6 confirm a generalized use of executive coaching in the Latin American region. Companies that don't offer coaching acknowledged that their competitors do offer some coaching ('somewhat less', 17.4%), or that they were significantly behind their competitors ('significantly less', 26.1%). Companies that do offer coaching are similar to other companies in their industry ('about the same' 33.8% and 'somewhat more' 36.0%). Only 9.6% of companies that offered coaching differentiated themselves from competitors with regard to the use of executive coaching.

Figures 5.6:
Companies' emphasis on executive coaching compared to their industry



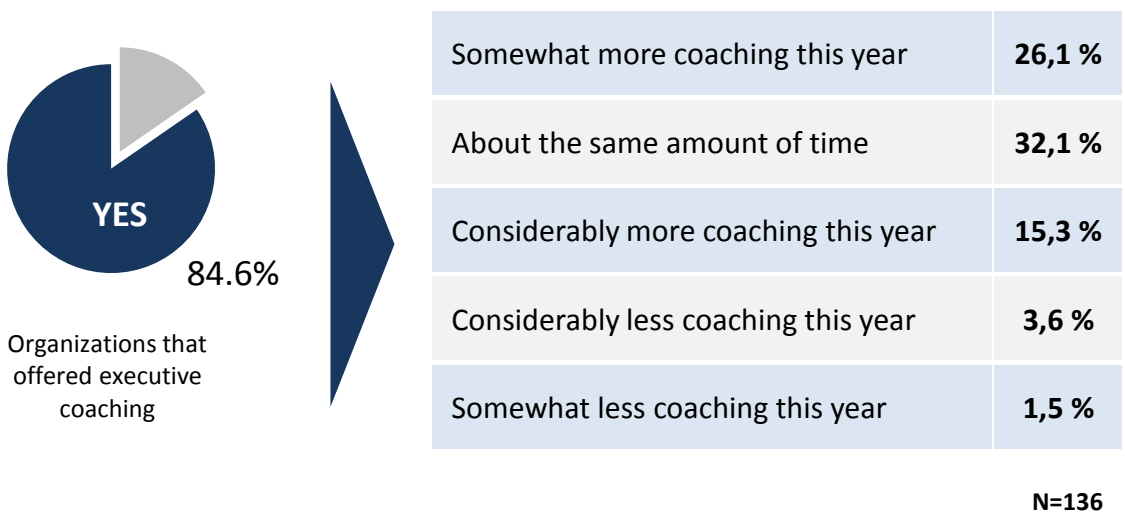
Figures 5.7 Expectations for the next fiscal book year



As regards the trend of the diffusion of executive coaching, both companies that don't and do offer coaching expect to increment its use.

Of the companies that don't offer coaching, slightly more than half of the respondents expect to offer somewhat more (39%) or considerably more (13%) coaching next year. Companies that offered coaching this year expect to dedicate somewhat more (47.4%) or considerably more time to coaching next year.

Of the companies that offered coaching this year, only a small proportion expects to decrease time dedicated to coaching somewhat (1.5%) or considerably (3.6%). From our interviews, we learned that coaching is sometimes offered through program structures that may include a large number of executives. We assume that some of the expected decreases may be explained by completions of such programs.



VI. Types and formats of executive coaching

Figure 6.1:
Percentage of organization's executive population (i.e. high potentials, supervisors, managers, directors, etc.) to participate in coaching activities during the current year

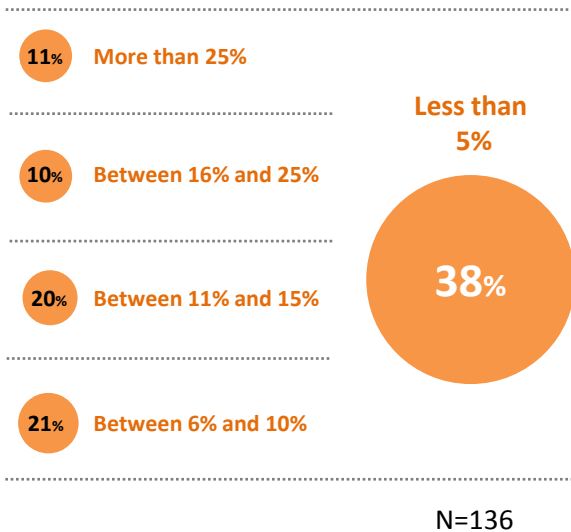
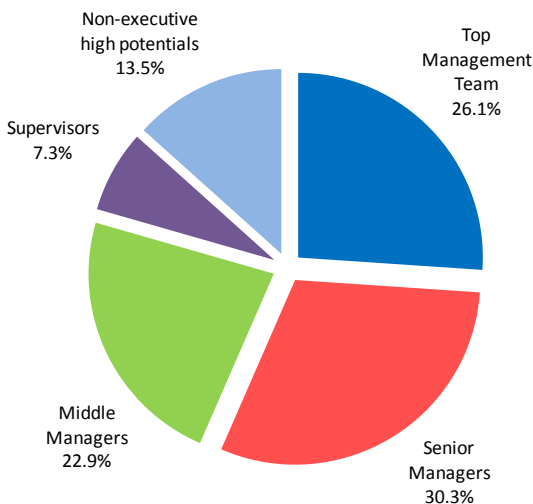


Figure 6.2:
Distribution of coaching efforts are distributed across different employee segments in your organization



Executive coaching may be offered in one-on-one sessions, in groups, or across a segment of the organizational population. Similarly, executive coaching may focus on senior executives, on young professionals, front-line supervisors, etc. The following section aims to identify who is offered what kind of executive coaching for what reason.

VI.1 Who is offered executive coaching

Figure 6.1 suggests that executive coaching interventions are offered in different formats: (i) individual oriented coaching interventions, typically represented by the 'less than 5%' respondents; (ii) group coaching, which may comprise the management team of a division or a specific segment of the executive population; and (iii) large-scale across the board coaching programs, typically represented by the 'more than 25%' respondents. The distribution of responses does not suggest a clear preference for any of these formats.

Not surprisingly, the use of executive coaching is concentrated in the top echelons of organizations. As illustrated by Figure 6.2, the top management team and senior managers absorb more than half the coaching efforts of respondents' organizations.

The substantial use of coaching for non-executive high potentials suggests the use of executive coaching for development purposes. Contrary to top and senior managers, in this segment the cost of derailment is oftentimes low and replacements can be found. Development initiatives aimed at high potentials may justify the cost of executive coaching.

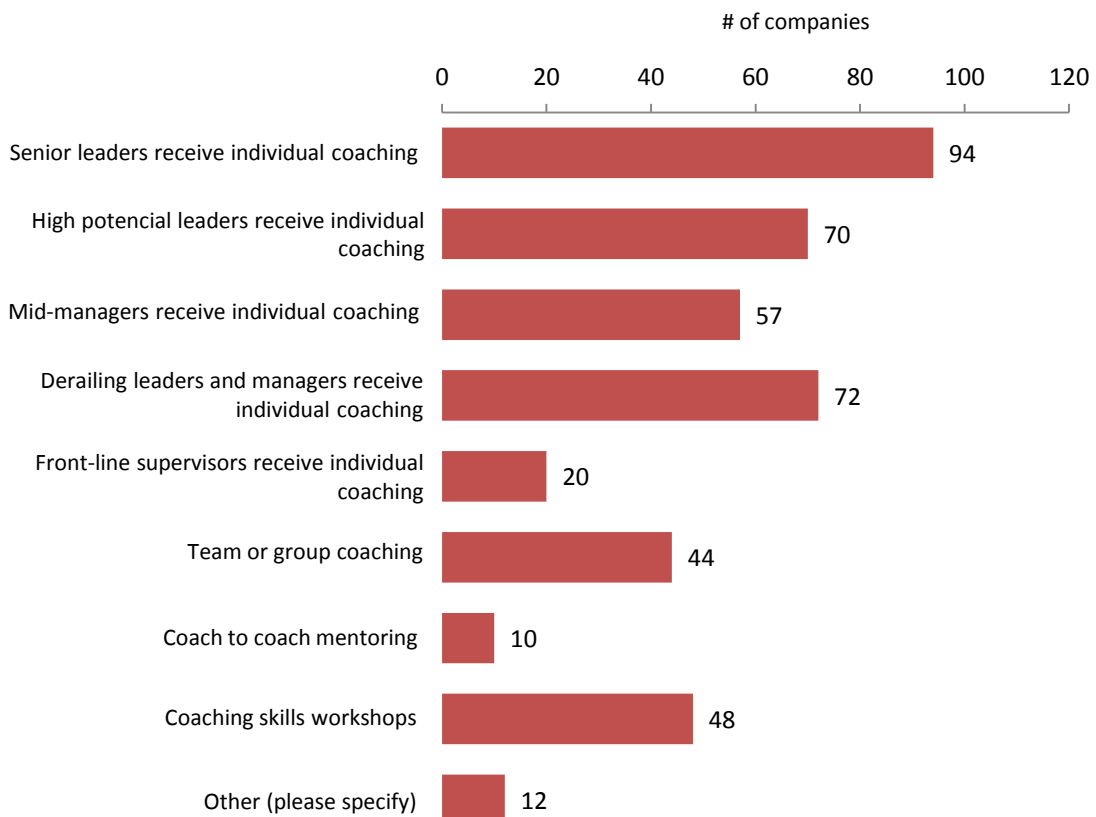
VI.2 Formats of executive coaching

As observed in the previous section, senior leaders and high potentials are the main recipients of organizations' coaching efforts. As a result, the kinds of coaching programs that organizations implemented were generally individual-focused. Only few organizations offered coaching in less traditional formats, such as team or group coaching and coaching for front-line supervisors.

The goals of the most frequent interventions can be subdivided into two groups: (i) solving specific issues, and (ii) enhancing the coachee's development.

The diffusion of coaching skills within the organization is also a reason for contracting an executive coach, although –similar to team and group coaching– such interventions are less frequent.

Figure 6.3:
Formats of coaching programs recently completed or currently being executed

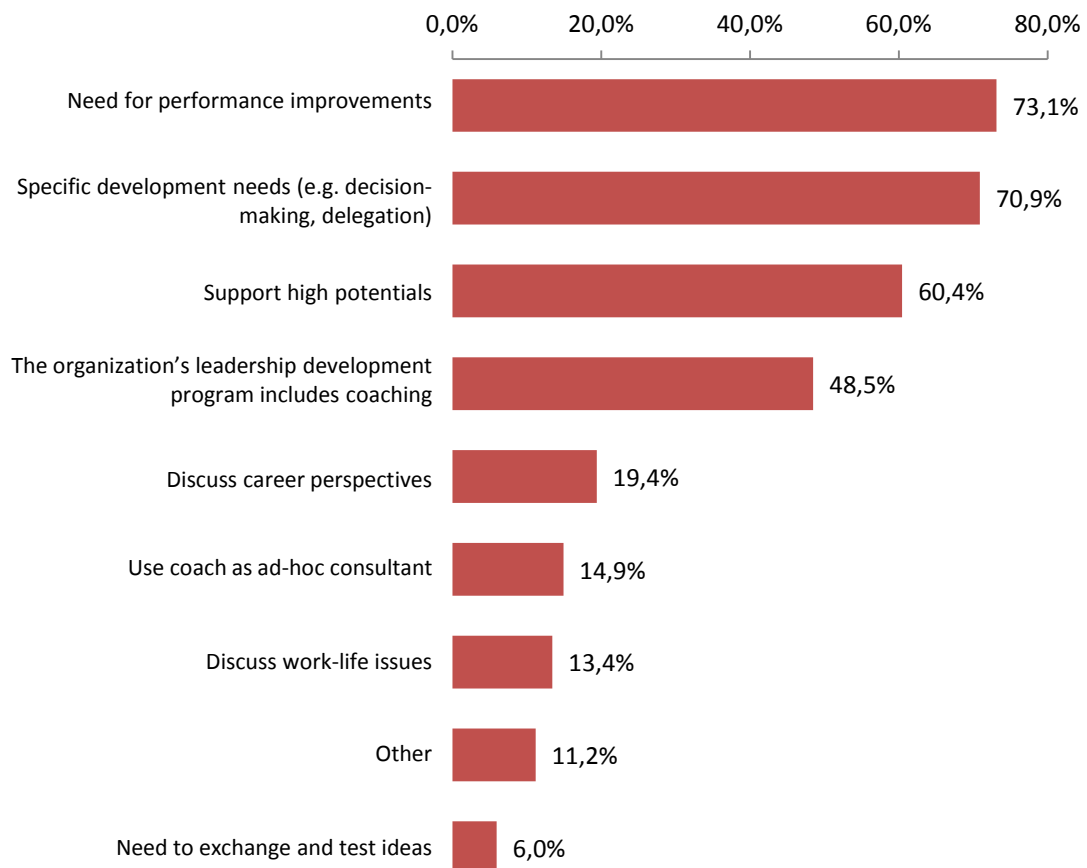


VI.3 Why executive coaching is offered

Executive coaching is used to attend a wide array of needs. In particular, the one-on-one format that is most common allows coach and coachee to structure interventions according to the specific needs of the coachee. However, Figure 6.4 illustrates that coaching interventions are most typically initiated to address performance issues and to help coachees with their development. Support to high potentials and leadership development programs also typically aim to help coachees overcome potential obstacles in their career and to enhance the development of skills.

Less frequent, but still substantial, is the use of executive coaches to discuss career perspectives, discuss work-life issues, and business matters. In such interventions, the coach acts as an expert who, for being an outsider to the organization, brings in different perspectives.

Figure 6.4:
Reasons for which executive coaching interventions are typically initiated



VI.4 Executive coaching types

Executive coaching is still a nascent field, characterized by a large number of approaches; some backed by theory and methodological rigor, others less so. We asked respondents whether they contracted a specific type of executive coaching more frequently than others to get a grasp of the relative positioning of the most common approaches.

While many organizations did not show a marked preference for any specific kind of executive coaching, 'Performance Coaching' stood out as the most frequently used approach. This finding is in line with the goals that organizations aim to accomplish through coaching: solving issues, and enhancing the coachee's development.

Approaches to coaching that go beyond executive's performance at work to deal with issues more closely related to the executive as a person, such as ontological coaching or holistic coaching, represent a significant share of coaching efforts in Latin America.

Finally, the existence of a group of HR executives who do not know what kind of coaching their organizations provide (16.5%), suggests that differences between approaches to coaching may not be that important. Likewise, the large group of organizations that use a blend of approaches to coaching (27.3%), indicates that different approaches to coaching are not mutually exclusive. In certain situations a particular approach may suit the coachee's needs better than another approach.

Figure 6.5:
Type of coaching is most frequently offered in the organization

Our organization does not offer one specific type of coaching	27,3 %
Performance Coaching	25,2 %
I do not know what type of coaching we provide	16,5 %
Ontological Coaching	13,7 %
Holistic Coaching	9,4 %
Other	6,5 %
Clinical Coaching	0,7 %
Coaching based on neuro-linguistic programming	0,7 %

VI.5 Results obtained from executive coaching

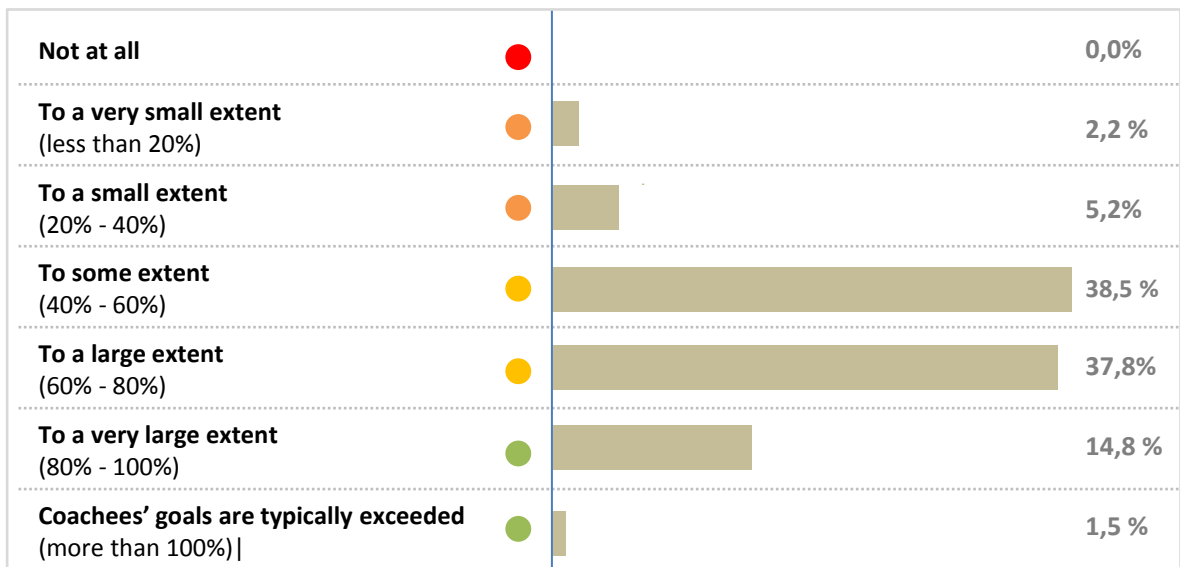
One of the central questions to our research referred to coachees' goal achievement. In other words, to what extent is the growth in the use of executive coaching justified by results?

At first sight, the results obtained from executive coaching seem somewhat disappointing: only about 15% of coachees achieve the goals set at the beginning of their coaching processes. In addition more than 45% achieves substantially less than aimed for.

From a more optimistic perspective, about 55% achieves their goals to a large extent or more. Executive coaching is most commonly offered to senior executives, who may have deeply engrained behaviors and habits. Further development of executives who have already been successful, or overcoming deficiencies in spite of which such executives have progressed, is a daunting challenge. In this light, 55% can be considered a substantial success rate.

Finally, we consider that the high expectations regarding executive coaching, as detected in chapter IV, Figure 4.1, are partly responsible for a mismatch with actual achievements.

Figure 6.6:
Coachees' goal achievement (personal and work-related)



Notwithstanding the above, further analyses suggested that the mismatch between expectations and outcomes of executive coaching interventions was not concentrated in any performance group in particular. Differences in expectations between firms that obtained strong results, compared to firms that had weaker achievements were only minimal. Possible explanations may be that executives acknowledge that executive coaching is still a nascent field, that organizational factors may influence the success of coaching interventions, or that some issues for which coaching is used are simply very difficult to solve.

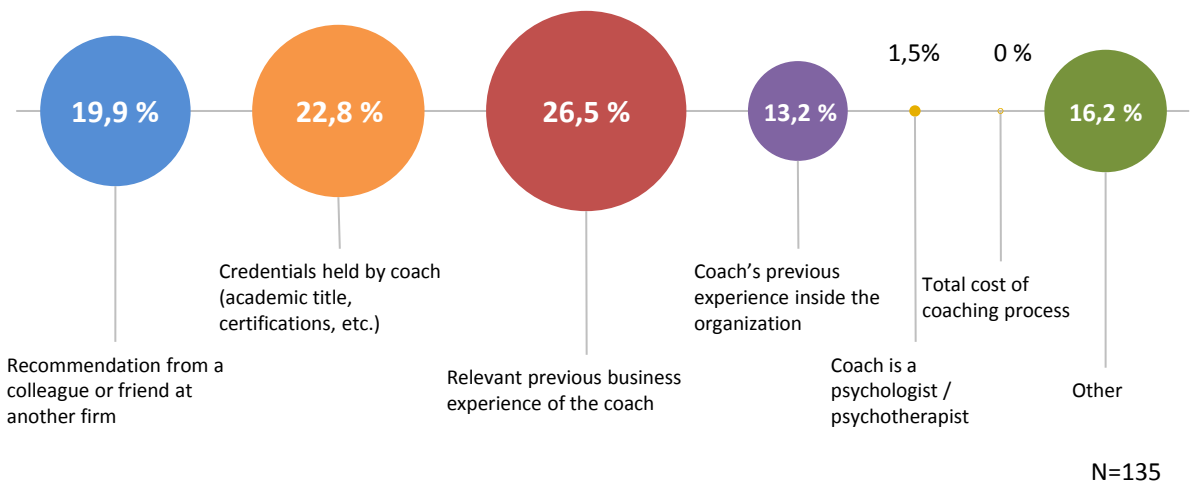
VII. Coaching process characteristics

Most organizations in our panel use executive coaching. However, we have found wide differences in the achievement of goals for coaching interventions, suggesting that some organizations are better at managing the coaching process, or at setting expectations. The following section focuses on the characteristics of coaching interventions as a means to test whether there are practices that contribute to obtaining better results from coaching interventions.

VII.1 Choosing an executive coach

Since executive coaching interventions may be offered for different purposes, we considered that organizations may select coaches based on different criteria. Moreover, given the predominantly one-on-one format of coaching in Latin America, we expected that respondents would value coaches' education as psychologists or psychiatrists.

Figure 7.1:
Primary contracting criteria



The results, however, contradicted our hypothesis. When choosing an executive coach, HR executives consider relevant business experience the most important criterion (26.5%), followed by the coach's credentials (22.8%) and recommendations from peers (19.9%). This confirmed our findings from the interviews, in which HR executives and coachees expressed their preference for coaches with relevant business experience or even considered such experience to be a credential. The business experience of a coach often helped to create a stronger connection with the coachee, which allowed for better and faster achievement of results.

When distinguishing high from low achievement of goals through executive coaching, selection criteria did not seem to be significantly different. In particular, firms that obtained average results emphasized criteria in about the same proportion as did organizations that obtained strong results.

Figure 7.2:

Primary contracting criteria by results obtained from executive coaching

	Weak	Average	Strong
Credentials held	37,5 %	27,0 %	25,7 %
Coach's previous business experience	25 %	21,6 %	24,3 %
Other	37,5 %	21,6 %	16,2 %
Recommendation from a colleague or friend		16,2 %	16,2 %
Coach's previous experience inside the organization		10,8 %	13,5 %
Coach is a psychologist / psychotherapist		2,7 %	1,4 %

VII.2 The use of coaching contracts

A second factor that could explain differences in results obtained from executive coaching is goal-setting. Our working hypothesis was that when goals and how such goals are to be achieved are made explicit, coach and coachee feel stronger pressure for achievement.

In general, organizations in our panel adhered to the practice of making process characteristics and desired outcomes explicit. While more than 75% at least encouraged coach and coachee to discuss these issues, more than half the organizations required explicit discussion.

However, explicit goal-setting or so-called coaching contracts did not explain differences across organizations in the achievement of coaching goals. Surprisingly, firms that obtained weak results put more emphasis on coaching contracts than firms with average or strong results.

Figure 7.3:

Discussion of coaching process characteristics and desired outcomes

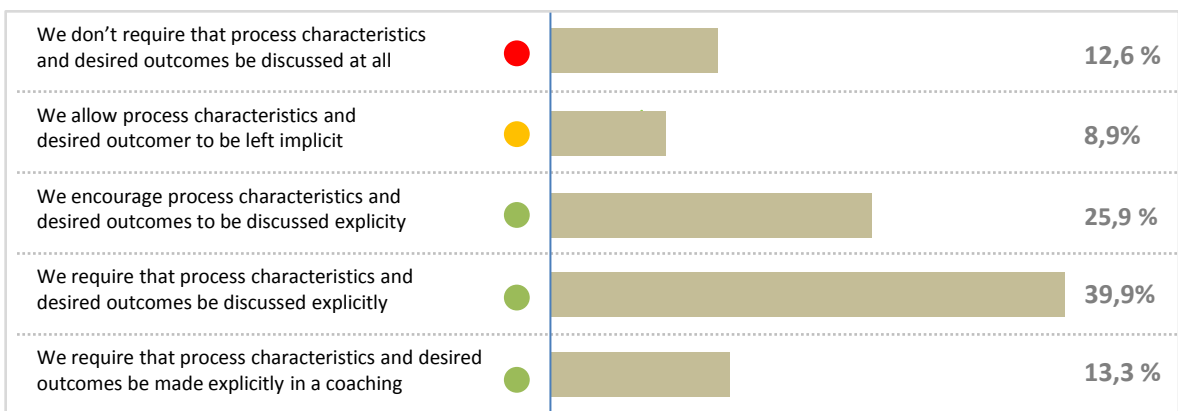
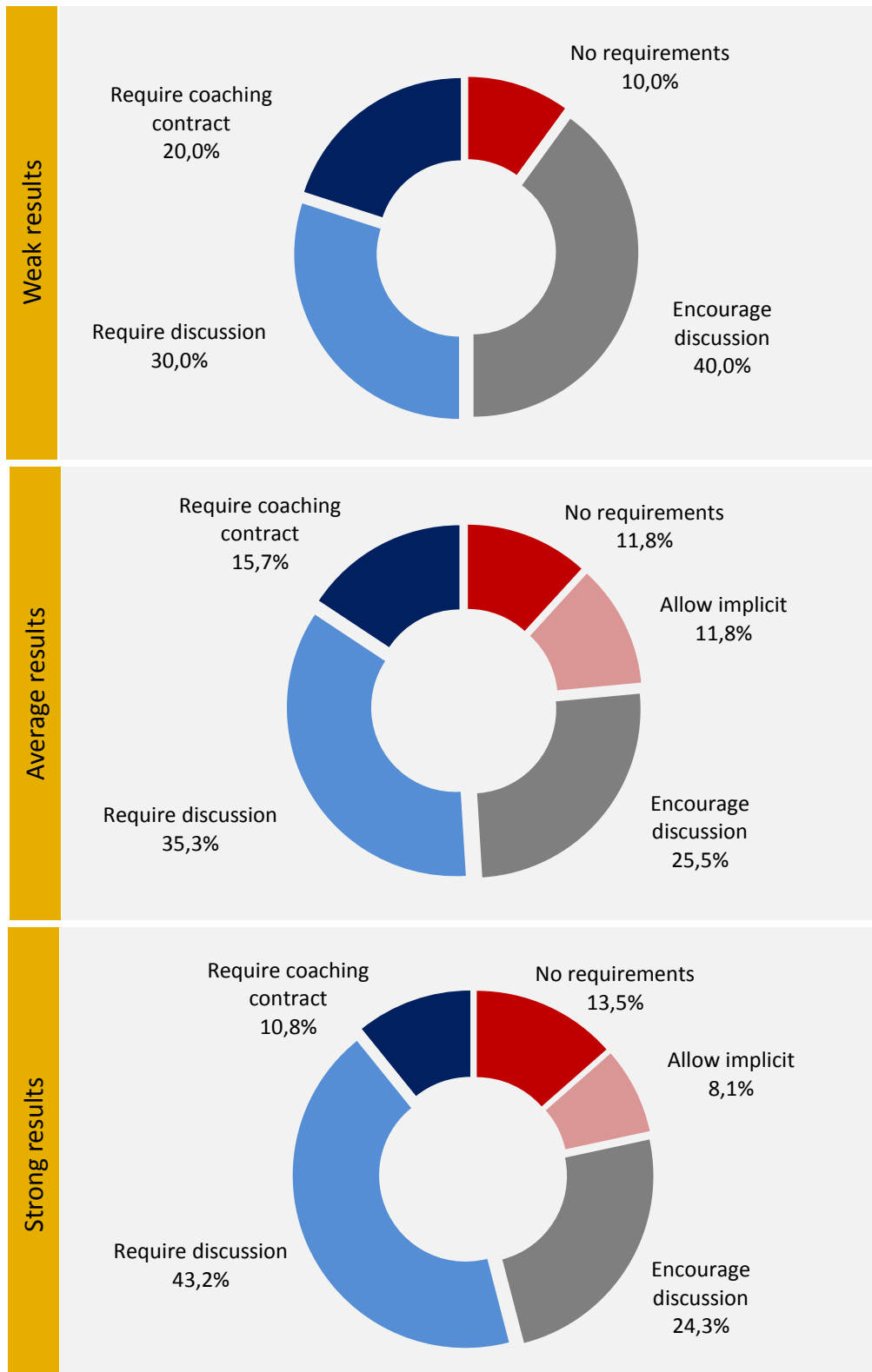


Figure 7.4:
Discussion of coaching process outcomes by results obtained from executive coaching



VII.3 The coaching process

Coaching processes need to be structured according to the specific needs identified. Hence, we did not have any hypotheses about the duration of coaching sessions or coaching processes. However, we found that organizations in our panel generally preferred to structure their coaching processes using 1 to 1,5 hour sessions for a period between 3 and 9 months.

Figure 7.5:
Typical duration of a coaching session

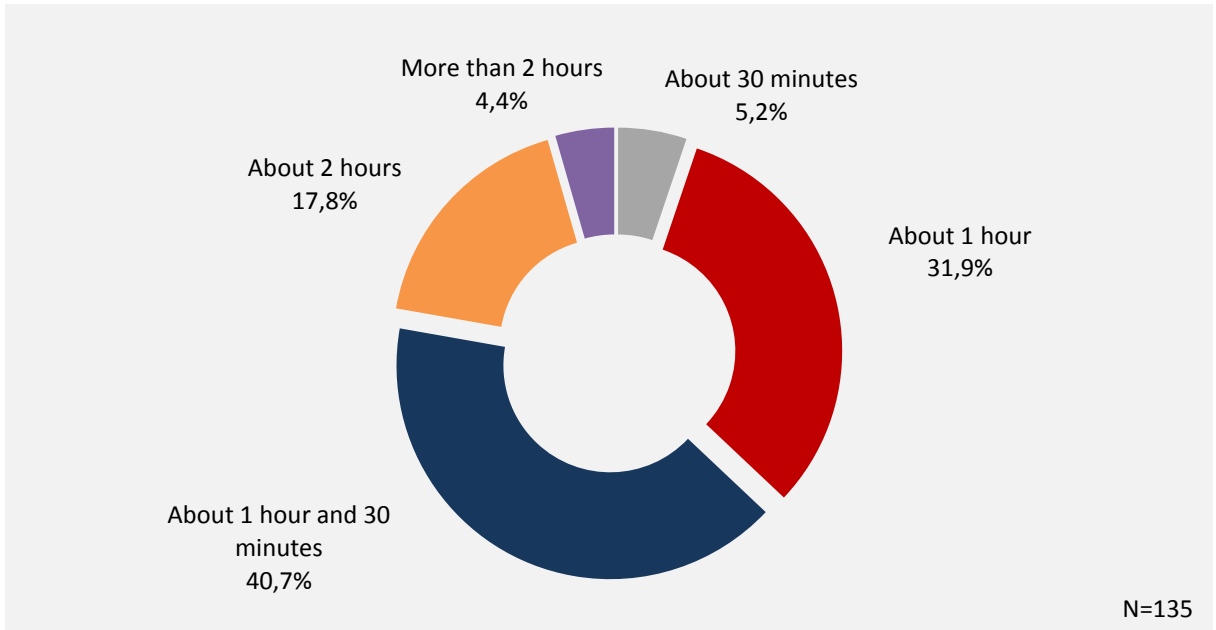
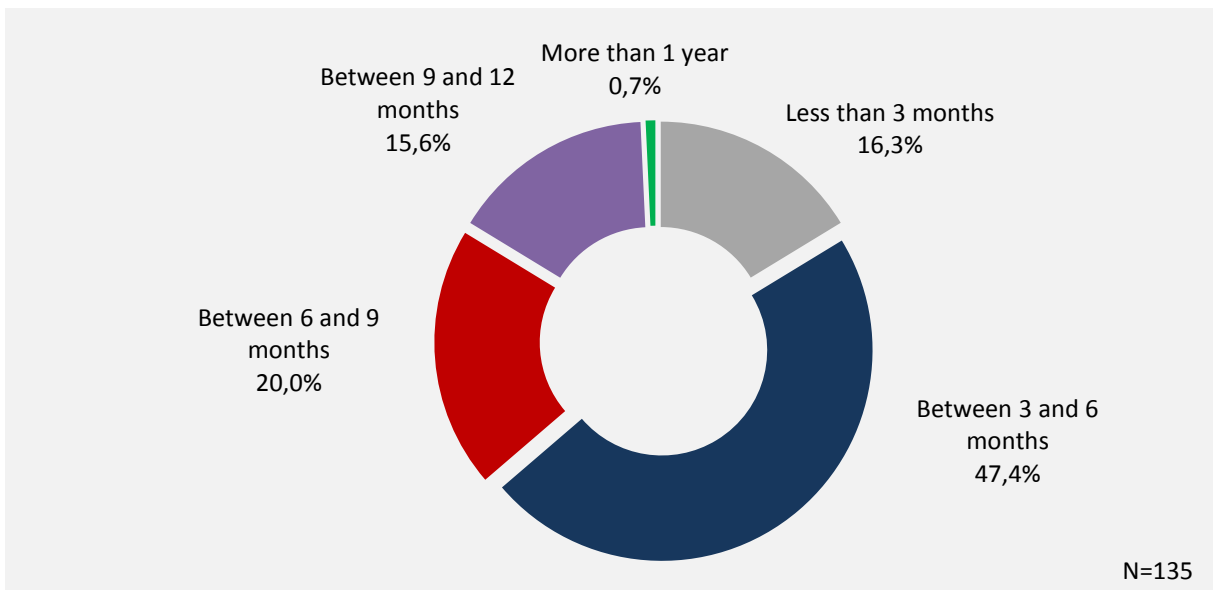


Figure 7.6:
Typical duration of a coaching process

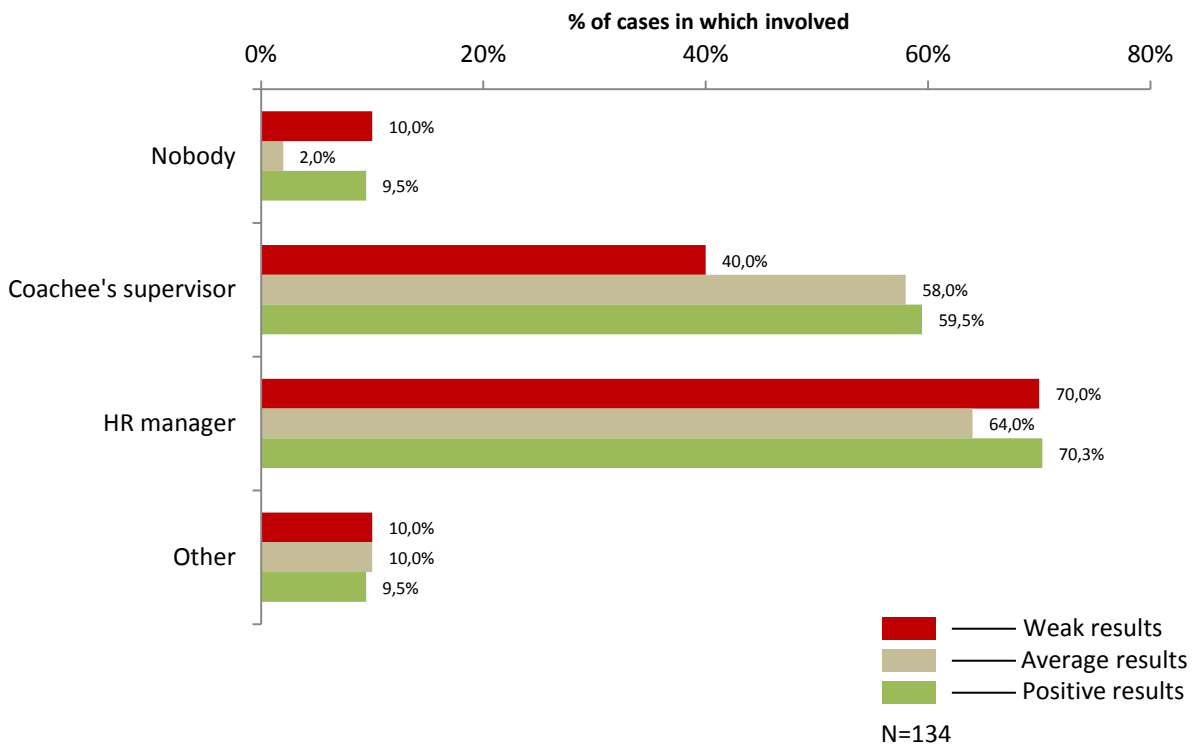


VII.4 Evaluation and support

A fourth factor we expected to affect executive coaching results is the involvement of others, besides the coachee and the coach, in the learning process. Research suggests that so-called learning communities encourage individuals to experiment more and to practice newly acquired skills and behaviors.

We asked who evaluated the effectiveness of coaching processes as a proxy for involvement. In doing so, we focused on the coachee's self-consciousness, involvement of direct supervisors, and HR managers.

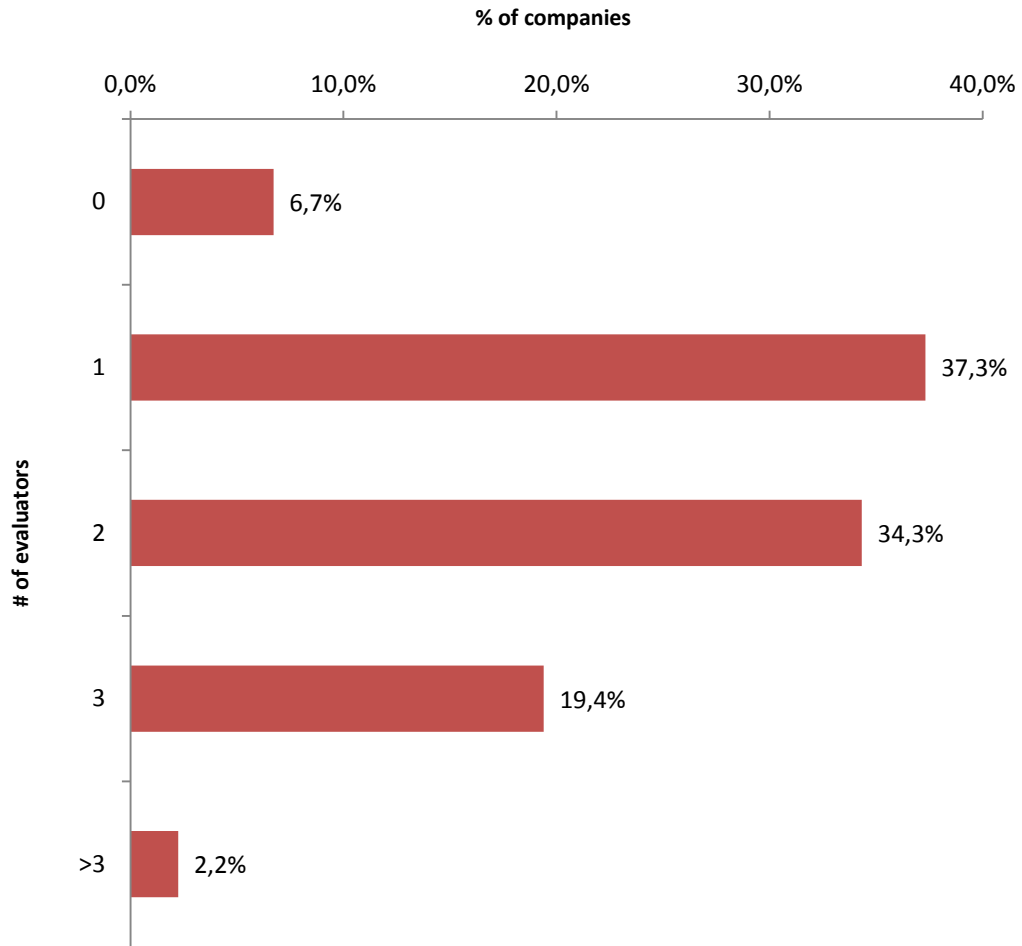
Figure 7.7
Involvement in the evaluation the coaching process



While HR managers were most frequently involved in evaluating the effectiveness, such involvement did not distinguish firms that obtained strong results from firms that did not. The involvement of coachees' direct supervisors, on the contrary, was different across firms. While supervisors were involved in close to 60% of firms that obtained average or strong results, in firms that obtained weak results such involvement reached only 40%.

Figure 7.8

Number of people and/or tools involved in the evaluation of the coaching process



N=134

Only few companies aim to develop 'learning communities' to sustain executive coaching processes. As can be observed in Figure 7.8, most frequently only one person monitors the effectiveness of the coaching process. In only 2.2% of the companies in our survey did more than 3 people –which in some cases included the coachee- have an active role in monitoring the coaching process.

VIII. Obtaining results from executive coaching

VIII.1 Drivers of coaching success

Notwithstanding a common approach to structuring executive coaching processes, the wide divergence in results suggests that other factors distinguish companies from each other. We asked survey respondents to rate to what extent they considered potential drivers of success in executive coaching to contribute to making coaching an effective development tool.

The responses suggest that organizations may benefit more from coaching interventions when they apply a top-down and systemic approach. A top-down implementation of coaching requires senior managers to develop coaching skills, to adapt individual leadership styles, and –subsequently- to drive diffusion of coaching through a cascading process. In addition, the integration of coaching into talent management allows for the development of future senior management that is already accustomed to helping colleagues through coaching.

Somewhat surprisingly, a ‘more is better’ approach to executive coaching was rated least favorable. Although many organizations offer coaching skills workshops for large groups of employees, respondents indicated that they did not perceive this approach to be effective.

Figure 8.1
Drivers to make coaching an effective development tool by effectiveness of coaching processes

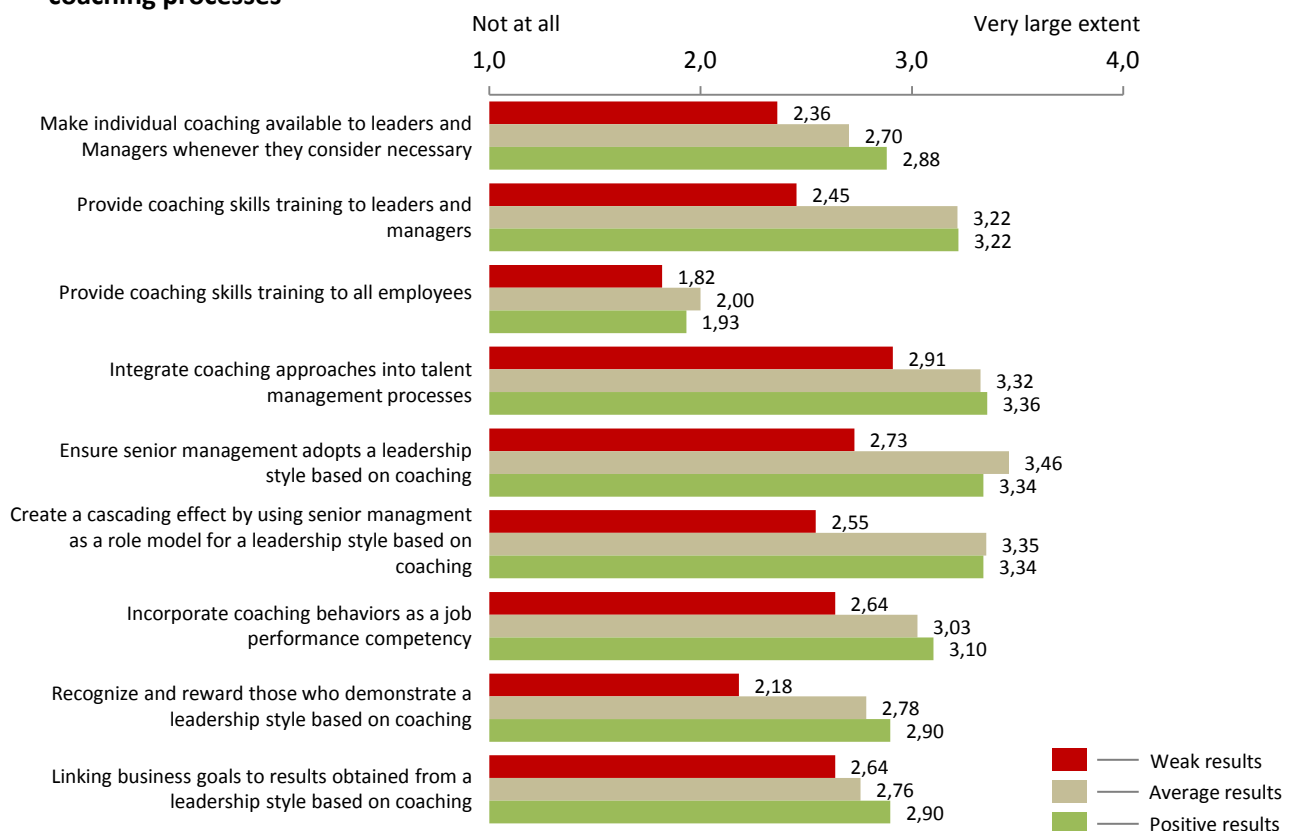
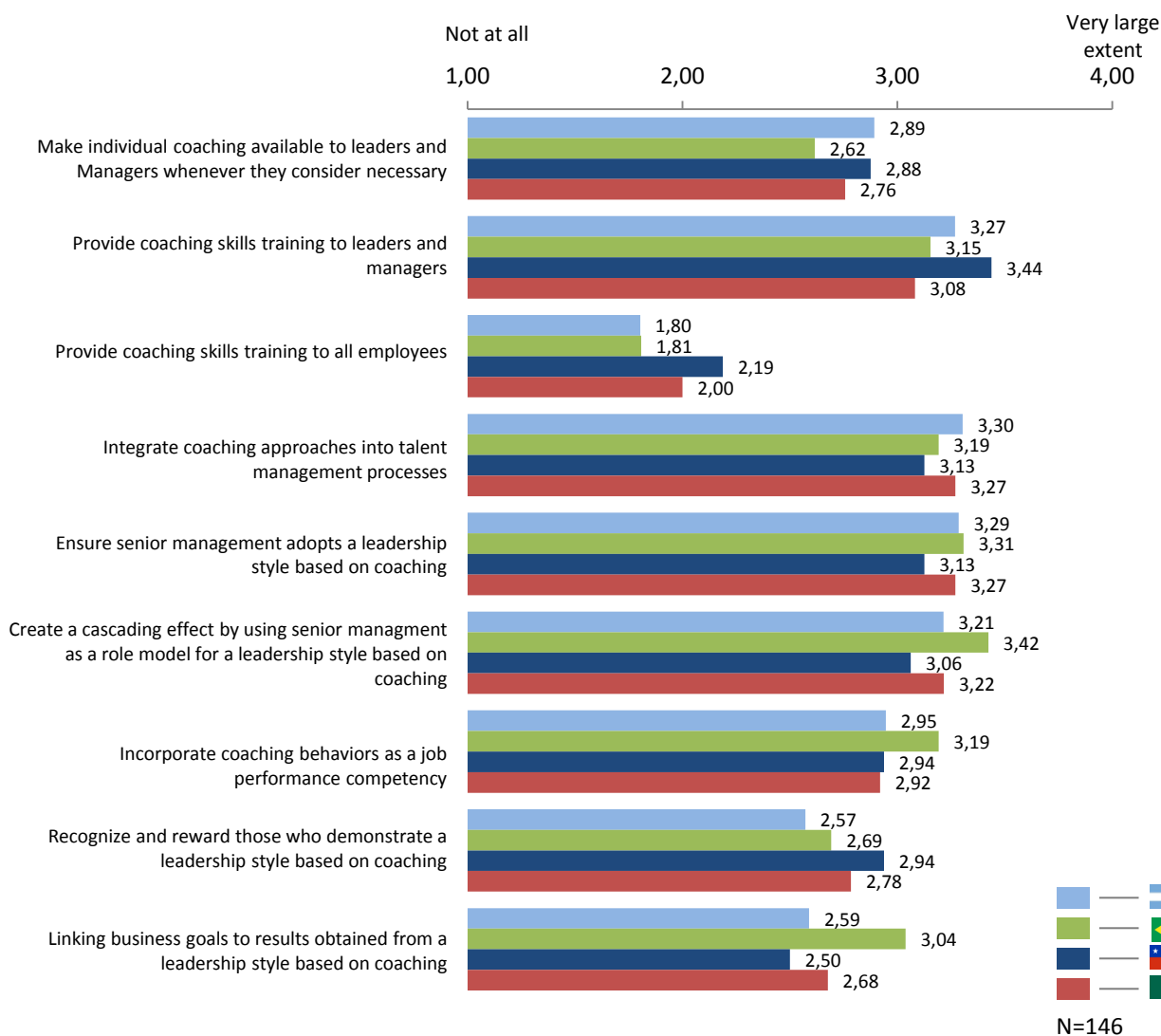


Figure 8.1 shows that firms that obtained weak results from their executive coaching initiatives generally placed less emphasis on factors that surround such interventions. This finding suggests that successful executive coaching interventions are not stand-alone initiatives. In order to have a strong positive impact, they need to be integrated with leadership processes, training, management of performance, organizational communication initiatives, etc.

Figure 8.2 shows that differences across countries with regard to drivers of coaching effectiveness were only small, suggesting that HR executives' individual perceptions have a stronger effect than national approaches to management. One notable exception was the strong emphasis placed on training in coaching skills by Chilean firms. While the high score of training senior managers confirms the top-down approach we identified previously, Chilean HR executives appear to have somewhat more confidence in training employees in general than their colleagues from other countries.

Figure 8.2
Drivers to make coaching an effective development tool by country



VIII.2 Obstacles to coaching success

Similar to the previous section, we aimed to measure how respondents perceived the effect of a number of organizational factors that had been mentioned frequently in our interviews as obstacles to coaching effectiveness. As depicted in Figure 8.3, the foremost constraint to coaching interventions is senior management. To the extent that senior managers do not adopt a leadership style that is based on coaching, diffusion throughout the organization is unlikely to occur.

A second set of constraints is related to the purpose and benefits of a leadership style based on coaching. To the extent that executives do not perceive coaching to be useful to their daily jobs, they are unlikely to adapt their leadership styles.

Third, HR executives perceived that the development of coaching capabilities throughout the organization continues to be an issue. In spite of a high degree of use of coaching and training offered through consultancies and -increasingly- business schools, such exposure does not necessarily translate into coaching capabilities.

Finally, and contrary to our initial thoughts, perceptions of coaching *per se* are not an obstacle. For HR executives, this finding suggests that less emphasis may be placed on convincing line managers of the benefits of coaching, but that more attention should be paid to the organizational factors that constrain its use.

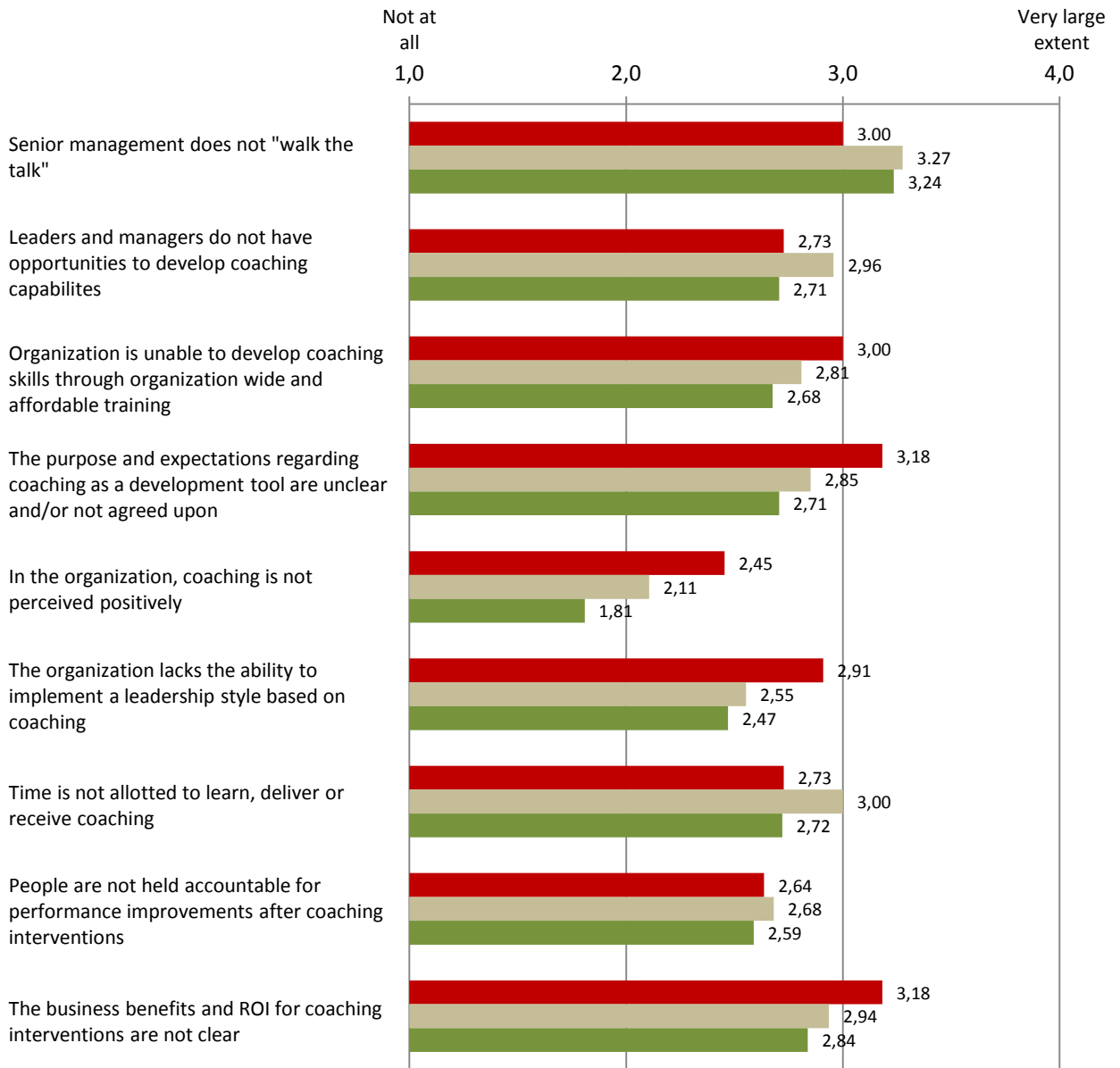


When distinguishing between companies based on the results obtained from coaching interventions, perceptions of obstacles differ. Organizations with weak results still needed to gain legitimacy for coaching and explain why coaching is relevant. Organizations that obtained positive results appeared to be one step ahead, as they perceived learning coaching skills and making executives accountable for using coaching as their main challenges.



Figure 8.3

Obstacles to coaching as an effective development tool by effectiveness of coaching processes

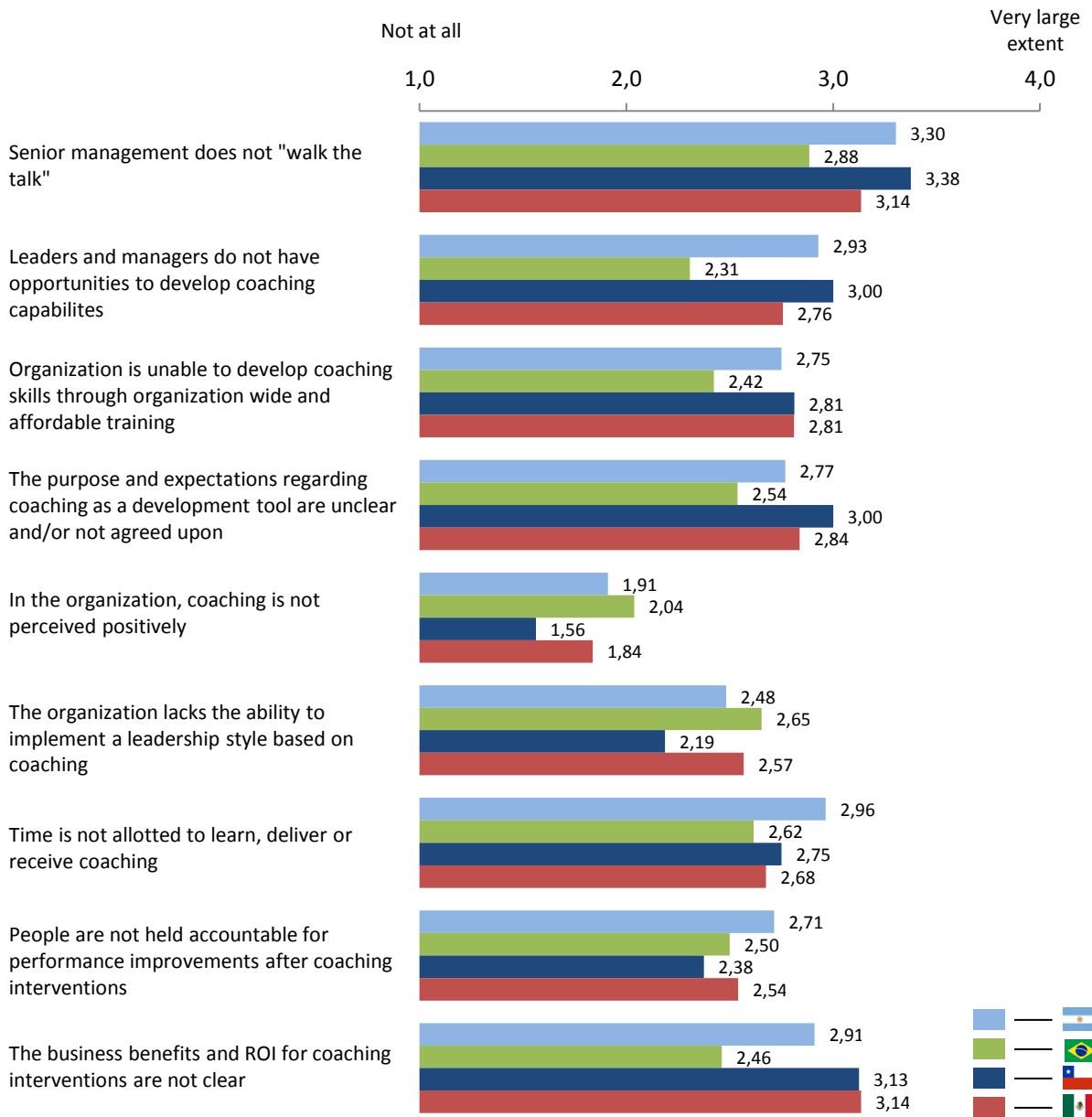


Weak results
Average results
Positive results

N=138

Figure 8.4 compares perceptions of obstacles across countries in the region. We found that the weights of obstacles identified at the regional level are largely the same at the national level. Issues related to training and the development of coaching capabilities were less an issue in Brazil, while in Chilean companies senior management in the development of a leadership style based on coaching was especially important.

Figure 8.4
Obstacles to coaching as an effective development tool by country



IX. Conclusions

This study on Executive Coaching in Latin America is among the first to offer concise information on the state of coaching in our region. Contrary to the educated guesses that are frequently published in the business press, we have tried to develop an understanding of the extent to which executive coaching is used by the leading corporations in Latin America and the practices that they apply to obtain results.

Our main conclusion is that executive coaching has become a widely used management development tool in only a short time, and that its use continues to grow.

We acknowledge that larger corporations that operate in the main economies of the region are more likely to use coaching, which may have caused an overestimate of the use of coaching for Latin American companies in general. However, since these corporations have an important role in the diffusion of management practices, we consider that their current use may be representative for companies in general in the near future.

As our study focused on the diffusion of executive coaching and the practices that companies use, we can offer only limited information on how to improve results from coaching interventions. Some practices, however, seem to be related with higher performance:

- **Establishing goals of the coaching intervention upfront and making them explicit**
- **Selecting a coach who fits the needs of the coachee. Adhering to a particular methodology or 'school' of coaching seems counterproductive.**
- **Hiring coaches who, in addition to being a good coach, can draw upon relevant business experience.**
- **Developing learning communities that surround the coachee in order to engrain new behaviors.**
- **Evaluating the outcomes of coaching processes from multiple perspectives, involving the coachee's supervisor, colleagues, internal clients, etc.**

We aim to do further research on the organizational factors that contribute or obstruct the success of executive coaching interventions. To be able to do so, we depend on HR executives and line managers to participate in our research. Sharing information (such as this Executive Report) first with participants, and inviting them to be part of our learning community, are only small demonstrations of our gratitude to them.



LAHRP

This study on Executive Coaching is an initiative of the **Latin American Human Resource Partnership (LAHRP)**. LAHRP is a consortium in which companies that operate in Latin America, the University of Michigan Business School, IPADE and IAE Business School collaborate to help build Human Resource management capabilities based on action-oriented and applicable research.

LAHRP aims to become the leading research platform in Latin America, and continuously looks for opportunities to add value to its members combining academic knowledge with practical relevance.

Since its inception in 2002, several research projects have been completed, among which:

- *HR Transformation*, a study on the evolution of regional HR department structures and functions.
- *Cultural Integration*, a study on differences across national cultures within Latin America and the implications for Human Resource management.
- *Human Resource Competency Study*, the academic members of LAHRP are regional partners for Latin America in the world's largest study on competencies of effective HR professionals.
- *Managing Diversity*, a series of studies on differences across generations of employees (Baby boomers, Gen X, Gen Y) or differences based on gender, and their implications in the workplace.



If you are interested in future LAHRP initiatives, you may contact Michel Hermans at the following e-mail address: mhermans@iae.edu.ar

You may also visit our website at: <http://www.iae.edu.ar/PI/centros/Paginas/LAHRP.aspx>



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