KORN FERRY
Institute

Coaching for the 21st century

Executive summary

As the speed, uncertainty, and complexity of global markets intensify, leaders must learn to navigate this fast-moving landscape—by keeping their businesses on track amid adaptive change. In such challenging and opportune times, experienced coaches are of tremendous support to these executives; however, coaches also must adapt in parallel with business evolution, expanding their tool kits to include real-time, technology-enabled coaching to global locations, as well as expanding methodologies to address not only individuals but also systems and teams. Just as leaders must develop the agility to confront uncertain times by engaging the workforce through vision, understanding, and clarity, coaches also must be agile. They must cultivate their own capacity to embrace uncertainty, move forward through complexity, and position their clients for discoveries, smart implementation, and ongoing development.

What will it take to achieve all of this? To answer the question, we surveyed more than 200 coaches from around the globe who are part of Korn Ferry's coaching network—professionals who listen to, guide, and counsel thousands of senior leaders. The coaches surveyed generally have more than 10 years' experience (64%), and many have more than 20 years' experience (19%). All of them are certified, 28% of them with certification from the International Coaching Federation (ICF). The majority of respondents practice in North America (66%), with many from Europe, the Middle East, and Africa (19%), the Asia Pacific region (12%), and a few in Latin America (3%). The coaches responded to questions about the challenges leaders face most frequently, which coaching interventions they use most often with clients, and what competencies they see as most essential for leading companies through complex and uncertain business conditions.

Why focus on coaching?

Coaching is widely regarded as a potent development force. De Meuse and Dai (2009), in examining research on coaching effectiveness, reported that in one study 96% of organizations saw individual performances improve after they introduced coaching. Nearly as many (92%) also reported improvements in leadership and management effectiveness (Coaching Counts 2007). In another study, 77% of the respondents indicated that coaching had a significant or very significant impact on at least one of nine business measures. Productivity (60%) and employee satisfaction (53%) were cited as being most improved by the coaching (Anderson 2001).

Clearly, coaching makes a difference. To sustain and deepen this impact in the new business era, coaches must refine and continue to build their repertoire.

What are the current coaching themes?

Businesses expect their senior leaders to activate strategy by motivating and managing their teams, peers, and partners to achieve results through others rather than through individual contributions. The coaches surveyed reflect the importance—and the challenge—of this leadership imperative; responses identified interpersonal and communication skills such as influence, listening, and empathy as key coaching topics across all levels of leadership. Self-awareness, a topic identified in research as crucial yet frequently a derailer, ranks high for all leaders and is at the top of the list for C-suite leaders.

Table 1

Which leadership challenges are being coached most often?

Our coaches indicated the following as the top 10 most frequent coaching topics by level of leader:

	C-Suite Level	Business Unit Leader (SVP, VP)	Mid-Level Leader: Senior Manager or Function Head
1	Self-awareness	Interpersonal relationships, listening skills, empathy	Interpersonal relationships, listening skills, empathy
2	Interpersonal relationships, listening skills, empathy	Influence	Influence
3	Influence	Self-awareness	Communication skills
4	Leading during times of change	Communication skills	Self-awareness
5	Communication skills	Motivation and engagement	Delegation, empowerment
6	Motivation and engagement, leading with vision and purpose	Building effective teams	Building effective teams
7	Building effective teams	Mentoring, developing internal talent, succession	Motivation and engagement
8	Strategy and strategic thinking	Delegation, empowerment	Working with uncertainty and ambiguity, decision skills
9	Working with uncertainty and ambiguity, decision skills	Leading during times of change	Mentoring, developing internal talent, succession
10	Mentoring, developing internal talent, succession	Working with uncertainty and ambiguity, decision skills	Time and energy management

What characterizes the coming business climate?

Several factors in the emerging business climate are dramatically changing what it means to lead. One is the accelerating volume of information that leaders must master and manage. Every week, the world's population will create and transfer as much new information as was previously created in an entire year. By next year, we will create and transfer what was a year's worth of data every 10 minutes. In the one minute it takes you to read this page, more than 2 million searches will be made, 47,000 apps downloaded, 48 hours of video uploaded, 571 new websites created, and 204 million emails sent—that's every minute of every day. By 2020, the amount of digital information created and stored each year will require 44 times as much storage as what was required in 2009 (Ernst and Young 2011).

The Industrial Internet and social technologies, such as Facebook, Twitter, and LinkedIn, have created accelerated connections that are expanding expectations that leaders will show up effectively, coherently, and even entertainingly across multiple channels of communication while managing the effects of the consequent increase in transparency and exploding barrage of information.

Change has driven business growth since the Industrial Revolution began. But today's Internet-driven clocks are racing at an unprecedented pace, accelerating speed to market, speed of demand fulfillment, and speed of processing payments. New business models, particularly out of Asia, are becoming more widespread and gaining influence (Hay Group 2011). Skills identified as being in high demand over the next five to ten years include digital business skills and the ability to consider and prepare for multiple scenarios (Oxford Economics 2012).

As leaders drive innovation and adaptation at relentless speeds, they must sustain a core enduring vision to keep their organizations focused. They also must communicate clarity amid the seeming chaos and churn. Coaches reflect this in their survey feedback, listing "clarifying purpose" and "articulating meaning," as well as "creating and communicating vision," as top coaching needs for leaders in times of volatility and uncertainty.

While coaches previously may have helped individual leaders craft and articulate a vision, moving forward they see the need for leaders to co-create the vision by engaging a wider network of relationships. One respondent summed up the comments of many: "Coaches will have to move beyond the realm of the one-to-one, isolated coaching relationship. They will need to be engaged in and understand the business, the organizational and social systems, the dynamics of the senior team." Such responses suggest that, beyond working with leaders to clarify vision and direction, coaches also should work with leaders' broader teams to support shared meaning, coherent action, and agreed upon practices.

New skills for new global realities.

In contemporary businesses, a leader's teams increasingly are drawn from distant and disparate populations. The number of multinational companies has more than doubled since 1990 (Krell 2013). The use of global talent across national boundaries has increased by 42% in the past decade (Ernst and Young 2011), and, as businesses further incorporate digital information and mobile applications, location is becoming less of an impediment to expansion beyond cultural and national lines (The Conference Board 2012; Ernst and Young 2011).

Emerging markets' share of financial assets is expected to double by 2020 (National Intelligence Council 2012), and 40% of that growth will come from China and India alone (Ernst and Young 2011). The Hay Group (2011) reported that digital knowledge will continue to accelerate this global economic growth through innovation as information is shared across boundaries. Growth, innovation, and global leadership are tightly interconnected, requiring leaders who can navigate these complex interdependencies while envisioning and communicating a clear path forward.

Survey responses stressed the need for leaders and coaches to be more culturally attuned to the differences in the workplace globally, culturally, and generationally. "That will mean learning to maximize connections over virtual channels," several coaches indicated. One comment summed up several responses: "Managing through VUCA [volatility, uncertainty, complexity, and ambiguity] will continue to be important, as well as managing teams in a matrix and global organization. Leading in a virtual environment will be huge, as there will be less and less face-to-face interaction." The respondent added, "Coaches will need to develop skill and credibility in these areas of virtual communication." Comments that echoed this view suggested building those competencies in both leaders and coaches with increased use of voice over Internet protocol (VOIP) systems and other real-time virtual connection tools and a greater effort to understand cultural diversity.

Coaches offered differing perspectives on what it takes to support leaders with their global challenges. Some respondents suggested that they themselves need to gain a deeper understanding of firsthand experience with global business and cultural realities; others said that they need to hone their fundamental coaching competencies of open, unbiased inquiry and in-the-moment presence. Both approaches are apt, depending on the client, coach, and context. That being said, the wide range of responses suggests that, just as leaders must expand their repertoire of approaches and understanding, coaches must "model learning agility," as one coach notes in the survey.

Coaching the 21st-century leader.

To integrate a common vision and build successful scale across multiple lines of business, leaders must rely on their teams' capabilities for spanning networks, collecting information, tapping experience, and sharing intelligence. Leaders will need to go beyond their individual skills to build the relationships, team effectiveness, and transparency that enable shared ownership and accountability. Indeed, the Oxford Economics (2012) global talent study identified the ability to co-create and brainstorm as a top skill for talent.

The coaches we surveyed supported this finding. Two top coaching needs for those working in complex and uncertain conditions include: (1) the ability to work more collectively and collaboratively; and (2) to manage highly distributed networks of knowledge and teams.

Specifically, coaches identified these approaches and skills as valuable for supporting clients in building more effective integration, collaboration, and communication across networks and systems: systems thinking, the ability to toggle between the big picture and pragmatic realities of how things work on the ground, and improved mastery of technologies that enable real-time coaching in a fast-paced world.

Coaches perform an indispensable service when they first act as a sounding board for the anxiety that comes with change's uncertainty and risk and then challenge their clients to steer a clear, coherent, and viable path forward. This requires coaches to support leaders in accepting the discomfort of not knowing while simultaneously articulating the surety of where the organization must go despite uncertainty.

The coaches surveyed identified two top needs related to this challenge:

- Coaches must model the ability to deal with ambiguity, providing the right balance of inquiry and discovery with advice and guidance.
- Coaches also must challenge leaders' mental models and assumptions, exposing beliefs and patterns that no longer serve them and those they lead while introducing new mind-sets.

Research on leadership development suggests that skill or competency building—horizontal development—is necessary for leadership effectiveness but is insufficient in meeting the challenges of emerging complexity. To increase their capacity to

respond to changing realities, leaders must continually adapt their ways of thinking, doing, and being. Coaches must introduce the transformational dimension—vertical development—to challenge leaders to expand how they see their role, themselves, their context, and their options. Some of the coaches surveyed cited two developmental frameworks—adult stage development and Korn Ferry's "learning agility"—as particularly powerful approaches to cultivate new mind-sets and subsequent shifts in leaders' practices and effectiveness.

Adult-stage development suggests that, as leaders mature, they expand their capacity for making sense of what is happening. With this larger range of perspectives on a situation, they have more options for response and are more likely able to grasp the complexity of a situation while also steering a clear path forward. Studies have linked this ability to successful leadership practice and outcomes (Joiner and Josephs 2006; Rooke and Torbert 2005).

The learning agility framework offers coaches a tested model to identify new behaviors and mind-sets that enable leaders to adapt to the new and complex. Learning agility, defined as the willingness and ability to learn from experience and apply that learning in new or different situations, has been empirically linked with success after promotion (Dai 2014) Several coaches noted this framework as an important addition to their tool kit for supporting leaders in complex and uncertain times.

Coaching in a 21st-century context.

Recent forecasts indicate that talent turnover in the United States looms as an issue, especially voluntary job-changing and with high-performers (PricewaterhouseCoopers 2013). Recognition, values alignment, and sense of purpose and pride will become increasingly important for talent retention compared with pay and promotion (Circle Research 2012; Hay Group 2011). The overarching leadership competency required for fostering those talent magnets is "developing others." But data from many years of competency assessment conducted by Korn Ferry has shown that developing others routinely falls near the bottom. Leaders can no longer afford to neglect this area.

The coaches in the survey validated this as an area of concern and pointed to specific ways to improve a leader's practice in motivating and engaging personnel. Two of the top ten coaching themes across all levels of leadership were "motivation and engagement skills/ leading with vision and purpose" and "mentoring and developing others."

Because coaching is based on the relationship between coach and client, some coaches identified the coaching dynamic as a type of "learning lab." It allows the leader to build awareness and to practice the skills necessary for engaging and developing others. Empathy, active listening, and clarification of motivation and purpose are all key elements of coaching, and, by experiencing them, leaders gain a visceral sense of those skills in action.

Coaches noted a number of methods to provide objective feedback about a leader's impact on others, including simulations; live interviews; 360-degree assessment (i.e., assessment that involves direct reports, peers, and managers); self-reflective exercises; and shadow coaching, in which the coach observes the leader on the job. Though these techniques are not new to coaching or leadership development, demand will increase for such approaches that target real-time behavior observation, feedback, and change.

Coaching, with its ability to tap the motivation and purpose of the individual leader and then provide targeted, personalized, and highly relevant feedback, provides a uniquely valuable learning opportunity well suited to the needs of the 21st-century leader. The intensity, volatility, and speed of the contemporary environment invite both leaders and coaches to confront these challenges and opportunities more boldly and to do so in the moment. To the extent that these partners can work together, the success stakes are indeed high.

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About Korn Ferry

At Korn Ferry, we design, build, attract and ignite talent. Since our inception, clients have trusted us to help recruit world-class leadership. Today, we are a single source for leadership and talent consulting services to empower businesses and leaders to reach their goals. Our solutions range from executive recruitment and leadership development programmes, to enterprise learning, succession planning and recruitment process outsourcing (RPO).

About The Korn Ferry Institute

The Korn Ferry Institute, our research and analytics arm, was established to share intelligence and expert points of view on talent and leadership. Through studies, books and a quarterly magazine, Briefings, we aim to increase understanding of how strategic talent decisions contribute to competitive advantage, growth and success.

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