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Why an executive coach is now a must-have for CEOs

All forms of coaching are booming, post-pandemic — but expensive leadership ‘whisperers’ have become indispensable



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Leading a company “can be a lonely place”, observes the chief executive of a British retail chain, who wants to remain anonymous. “But this was magnified further during the pandemic.”

To combat the isolation, he enlisted his executive coach to help him “work through complex, confidential issues that can be difficult to discuss” with people connected to the business. “Being challenged and guided on a monthly basis by someone independent ensured I was well prepared to answer complex questions.” This helped him resolve problems at a “faster pace”.

During the past few years, as businesses have dealt with multiple shocks — lockdowns, supply chain problems, skills shortages and high inflation — many senior executives have sought the support of coaches. Magdalena Mook, chief executive of the International Coaching Federation, a global trade association for coaches that offers its own credential system, observes that “the demand for coaching kept coming”.

Bhushan Sethi, joint global leader for people and organisation at PwC US, the professional services firm, sees this trend intensifying in the short-term: “Leaders don’t have playbooks for hybrid work, high inflation. New and emerging managers haven’t worked through a recession.”

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Sally Bonneywell, an executive coach to CEOs and board members, agrees. “People are saying stagflation is here, demand has dropped, and a lot of leaders have never faced this situation before, particularly where interest rates are causing them to worry about their own situations. They need to contain their own anxiety and [also that of] their direct reports.”

Coaches offer different perspectives

Coaches act as a sounding board and help leaders to prioritise competing demands. A senior director at a footwear distributor, dealing with factory closures in Vietnam and supply chain snarl-ups, says: “If I want to talk about finance I’ll talk to the finance director. If I want to perform at my best, I’ll talk to the coach.”

This was also the case for Andrea Lucard, head of corporate affairs for Geneva-based Medicines for Malaria Venture, a non-profit organisation: “It was useful to have a professional mirror — not your friend, your partner, or your boss or colleague. The best coaches are not people who tell you what to do.”

Successive pandemic lockdowns accelerated demand for online coaching on tech platforms such as CoachHub. Instead of finding coaches through referrals, or expensive brokers, these offer the service at scale to employers as well as individuals. Some in the sector describe the growth of platforms as an **Uberisation**, making a once-premium service available to more people. This shift offers benefits, such as convenience for clients and work for coaches — but it also sparks anxiety among coaches about diluting the quality and lower fees.

The number of coaches has jumped, according to the ICF, which saw membership climb from 33,594 in 2019 to 56,076 at the end of June. Its last survey (in 2019) estimated the total global revenue from coaching to be \$2.8bn, a 21 per cent increase on 2015, due to the rising number of coaches, while the average fee rate dipped.

Better Up, a coaching platform, analysed hundreds of thousands of its own sessions, which showed that since March 2020 there has been a rise in discussions of “stress management and self-care”, as well as “managing difficult conversations and conflict” and “communication and collaboration”.

Coaches observe that the pandemic has intensified demand for their services as leaders have spent more time working remotely, with a resulting lack of human connection. Now they need help navigating the difficulties of a hybrid environment. Burak Koyuncu, senior vice-president at LHH, a recruitment consultancy, says: “Coaching makes people feel that they connected with someone.”

Dealing with pandemic fallout and burnout

Coaching can help executives deal with the upheaval of the pandemic. Suzi Read, director of talent development, diversity, equity and inclusion at Kindred Group, the online gambling company, says: “People are fundamentally changed. A lot of organisations are underestimating what people have been through and [they need] the chance to take stock, to find out what their values are, and make sense of stuff.”

The pandemic blurring of the work and life spheres has been reflected in sessions with clients. Rachel Morris, who coaches senior executives and middle managers, says that she has had more conversations “about self-harm and suicide, which is usually the sort of thing that you take to a therapist”. Such issues are outside the expertise and remit of coaches, who would suggest seeking the help of a counsellor or psychiatrist. But a coach can help clients to prioritise their own wellbeing. Nick Ceasar, lead coach at NatWest’s in-house coaching facility, says that coaches talking about “mental fitness, or mental toughness” becomes more “attractive to someone who might not go to a therapist”.

Better tech, better coaching?

The growth of coaching has been facilitated by technology. Carol Braddick, a coach who also researches the future of the industry, points out this is a “broad” term, covering everything from coaching bots which rattle through formulaic questions to highly-experienced coaches speaking to clients over Zoom.

At the moment, artificial intelligence complements coaches’ work. Recent [research](#) shows that by drawing on large data sets from many coaching sessions, AI could become “more efficient in helping clients to achieve their goals, such as by the best selection of tools and exercises or questions to ask”. The study notes that while a bot could help automate some processes, it is “unlikely to take over the entire coaching process . . . AI coaching is likely to be successfully employed after appropriate problem identification . . . leading clients through many steps of a systematic coaching process”.

Online platforms have opened up coaching to a wider audience. They can help employers identify problems inside the organisation. Some fear, however, that platforms risk making coaching transactional. There are also concerns that a lack of transparency over fees will result in lower rates and “a race to the bottom”, says Catherine Devitt, CEO of Meyler Campbell, which trains executive coaches.

Jonathan Passmore, professor of coaching and behavioural change at Henley Business School, and senior vice-president of coaching at platform CoachHub, points out that in the early 2000s fees were prohibitively high. “We’ve seen a gradual trend, that as coaches come on board, coaching is offered to a wider number of executives [and] lower management [and] wages have gone down. The fee rate reflects that.” The ICF, for example, has rates of \$91-\$500 per hour — but a top coach can charge a lot more than that.

Tech platforms offer administrative benefits, Passmore says: “Many [coaches] hate chasing up payments. A platform allows them to do things they love to do, coaching, and takes away the winning of the work, data collection, GDPR, and invoicing issues.” He adds that this work is often supplementary to coaches’ own practices.

David Sole, executive coach and co-founder of School for CEOs, an executive development organisation, is sanguine about the impact on his own business. “Coaching is an unregulated industry. Despite the EMCC [European Mentoring and Coaching Council] and the ICF, anyone can set up as a coach tomorrow. You’re always going to have that sort of challenge. The top end of the sector [and] people who have been around a while are slightly better protected against the disruptive element of tech platforms.”

The retail CEO is certain that coaching will continue to play an important role for him. “There is no doubt the inflationary pressures, and talks of a possible recession will mean businesses have many more challenges to face.”

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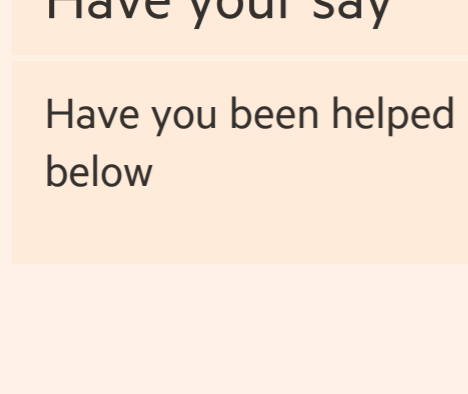
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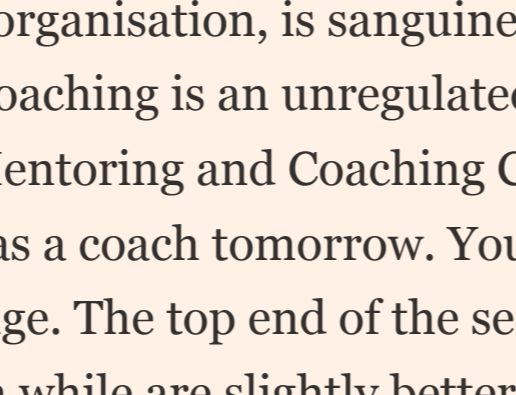
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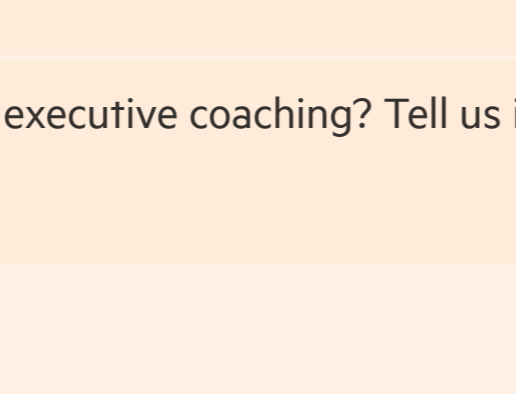
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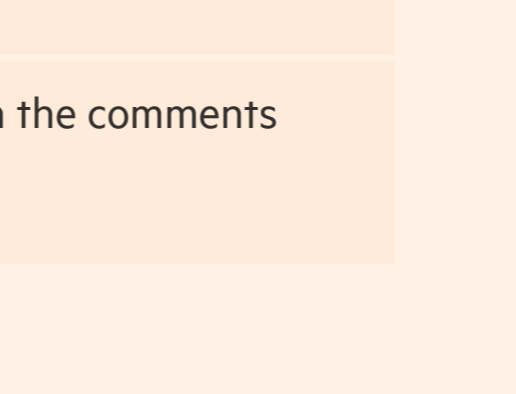
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