

WHITEPAPER

The Future of Leadership Coaching:

Human-Centered Development at Technology-Enabled Scale

2023
COACHING
OUTLOOK



Introduction

What was once a topic of debate is now an unquestionable part of every successful organization's HR strategy: leadership development is required for the long-term success of an organization.

We've likewise seen the impact of coaching¹ on leader, team, and organization success — from sales growth to productivity, motivation and engagement, communication and empathy, general cohesion and lowered attrition². The list goes on. However, while much has been predicted about where the leadership landscape will take us in the coming years, less has been shared about where *coaching* is headed.

And so, we've compiled this report.

This 2023 Coaching Outlook Report comes on the heels of the inaugural 2022 NYU Coaching & Technology summit, where we met with coaching services and coaching technology providers to discuss the current state and future of the coaching field. Our report is derived from insights gleaned from the summit as well as from ongoing discussions with industry peers, competitors, and our own coaching experts at Optify. The findings draw from the informed perspectives of experts across HR, leadership, economics, social policy, government, and psychology. They also include research, data, and prevalent business and economic trends that are thought to directly impact and shape the near-term and future business environment, if not already impacting it.

We've distilled all of this down into a roadmap for what we see as the most important considerations based on the current environment, and the emerging trends to watch for as you plan for coaching within the fabric of your organization's overarching leadership development strategy.

- 1 ["The Business Case for Coaching Leaders at the Middle of the Organization,"](#) Optify.io, 2021.
- 2 ["Growing Leaders Through Online Coaching,"](#) Lisa Banks / Optify.io, 2021.

2023 Coaching Outlook Roadmap

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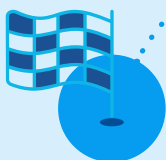
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Key Point Summary

1 Volatility and complexity in the larger business environment and workplace ecosystem is expected to be an ongoing challenge. Leaders will be expected to navigate it effectively and reinforce culture across hybrid teams. (see [Current Business Environment: VUCA Continues, pg. 06](#))

The war for talent will continue and is expected to grow hotter, as talent recruiting and retention will be an even more crucial competitive differentiator. (see [Current Business Environment: Ongoing War for Talent, pg. 07](#))



2 In-the-moment agility in the midst of the expected persistent change in the business environment will be at the top of the list for sought-after leader and employee skills, impacting both hiring and development of retained talent. (see [Leader Development Focus: Chaos Efficacy, pg. 10](#))

Burnout is expected to be an ongoing concern for organizations. Development that targets resiliency will continue to be a key concern and focus area for HR and L&D. (see [Leader Development Focus: Resiliency, pg. 12](#))

3 HR and L&D Buyers across the board will approach solutions with next-level savviness. Coaching solutions will be expected to be scalable, provide an ROI, be supported by robust technology, and provide clear line-of-sight to how coaching programs and engagements are progressing in near- to actual real-time. (see [Evolving HR Buyer Expectations, pg. 14](#))



4 Coaching Solutions will accelerate past being a solution primarily for the C-suite. Personalized attention to leadership talent at the front-line and mid-level, along with evolving HR buyer expectations will force broad evolution in coaching solutions. These new qualifiers include adapting to deliver on challenging polarities, including being structured and flexible, and scalable and personalizable, among others. (see [Bridging Polarities, pg. 17](#))



“The greatest danger
in times of turbulence
is not the turbulence;
it is to act with
yesterday's logic.”

- *Peter Drucker*



YOU ARE HERE.

THE CURRENT BUSINESS ENVIRONMENT



VUCA Continues

By now, the pace of the world and its growing complexity is a regular discussion topic for today's HR leaders and coaching organizations. The "new normal" has taken a seat of honor in C-suite and board room discussions for years, but is now an even greater presence since COVID-19 struck. The term, "VUCA" — an acronym the US Army War College originated for describing a climate that was Volatile, Uncertain, Complex, and Ambiguous — could not more accurately fit our current business landscape.

CEOs are reporting greater concern than in years past over the VUCA business environment and a lack of readiness for the turbulence it is expected to bring¹. Within a period of a few months, a Russian invasion of Ukraine has prompted expectations of rising inflation, input scarcity, energy price volatility and a forthcoming global recession. Lingering fears over new variants of the COVID-19 virus are compounded by concerns over increased global competition driving threat of cybersecurity attacks, on top of global labor shortages. The concern over the forthcoming

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for the future.



1 ["The Conference Board: C-Suite Outlook Midyear - C-Suite View of Volatility, War, Risks, and Growth for Global Business,"](#) Charles Mitchell; Ataman Ozyildirim; Dana M. Peterson; Rebecca L. Ray; et al. / conference-board.org, June 2022.



turbulence in the global business landscape is reflected across the organization. An estimated 80% of the workforce, 93% of managers, and 77% of senior leaders report feeling poorly prepared for the future¹.

Key Takeaway:

Continued concerns over volatility and change in the business landscape are destined to impact leadership needs, predictably accelerating the need for attracting agile leadership talent, and increasing the urgency over retaining and upskilling change agility with existing leaders.



Ongoing War for Talent, the Resignation Crisis, and the Hybrid Workplace

Adding to the increasing VUCA landscape is the upheaval in the talent marketplace. 2022 is on pace to mark the worst year in the labor crisis and 'the Great Resignation,' as increased employee attrition has continued to skyrocket with leaders seeking better prospects, or simply opting out when faced with stagnation or burnout. As a result, talent attraction and retention continues to be a top strategic priority for organizations and a determinant of long-term competitiveness and survival. In the coming year, leaders will find it easier than ever to leave jobs where they don't receive competitive benefits or don't feel engaged or supported. This will continue an upward trend of not only an increased demand for quality talent but also an increased scarcity of it.

Likewise, ongoing changes and expectations about how the workplace will finally look after the dust settles are impacting the talent conversation. All evidence points to remote and hybrid work environments playing an increasingly critical role in recruitment and retention efforts into the foreseeable future. Beyond disequity in wages and share of income², a lack of flexibility for remote work has been cited across sources as a chief contributor to failing recruitment efforts and workplace attrition over the past two years.

1 ["Gartner TalentNeuron"](#) – The Unbounded Workforce," Gartner.com, 2020.

2 ["Monthly Labor Review: The U.S. productivity slowdown: an economy-wide and industry-level analysis,"](#) Shawn Sprague / US Bureau of Labor Statistics, bls.gov, April 2021.

CEOs are globally responding to the call for flexibility by escalating efforts to promote hybrid work models and workplace flexibility as part of a crucial strategy to attract and retain talent. The effort is mirrored across the C-suite. A 2021 Gartner study¹ reported an overwhelming 95% of HR executives expected nearly all or at least a subset of employees would work remotely full-time in the coming year. CFOs also reflect the trend² as they plan for real estate and cost implications, with 72% of CFOs expecting the next two years to bring a marked reduction in the corporate real estate footprint.

Though the flexibility of remote work as a broadly offered benefit will be welcomed by many employees, it will also bring increasing challenges for leaders and their role of reinforcing culture, building and motivating distributed teams, and providing equitable flexibility arrangements across employees. Organizations that hope to retain and capitalize on leadership talent will be required to increase focus on leadership development to adequately support leaders as they continue to navigate managing across a new and more permanently distributed workforce.

Key Takeaway:

As challenges with attrition and an ongoing war for talent continue to escalate, the next year will bring even greater attention to and strategic focus around talent retention and recruiting. And with the trend toward remote work and hybrid workplaces not going away, organizations are predicted to not only increase flexibility for remote work but also increase leadership development efforts to support leaders as they address the engagement and retention challenges that the distributed and hybrid workplace brings.



1 "Gartner for HR: Top 5 Priorities for HR Leaders in 2022," Gartner HR Priorities Survey, gartner.com, 2021.

2 "Location Strategy for a Hybrid Workforce," Gartner TalentNeuron(TM), gartner.com, 2021.

“ If you want one year
of prosperity, grow grain.

If you want 10 years of
prosperity, grow trees.

If you want 100 years of
prosperity, grow people.

- *Chinese Proverb*

2

EMERGING TRENDS IN TARGETED LEADERSHIP SKILLS

LEADERSHIP DEVELOPMENT FOCUS AREAS



Leader Development Focus: Chaos Efficacy

The troubled outlook from the C-suite over the past year proved to be an inflection point for CEOs who indicated a need for leadership with greater change agility, or in VUCA terms, greater 'chaos efficacy.' As organizations bet on leadership to weather the coming storms, they will seek solutions to develop leader skills for in-the-moment competence when immediate access to tools or previous experience aren't available.

Leader-targeted development initiatives are linked to increasing organizational resilience, change agility, and innovative response amongst leaders in ambiguous, complex, and confusing situations and interactions. Additionally, the importance of leadership development for retaining and attracting talent has increased the demand for development and training, the perceived value of it having nearly doubled in the last five years¹. As such, organizations are predicted to invest increasingly in leader-targeted initiatives to bolster chaos efficacy. Goals will include developing leaders' communication savviness, their agility to respond quickly to shifts in the changing business climate, and their ability to motivate and retain existing talent and support employees to perform amidst the growing complexity ahead.

This shift in development focus is likely to arise from both organizational need and the leader ranks directly. Leaders are already demanding development support to help them through the complexities of the new normal. According to a PwC study² of 30,000+ employees (one of

- 1 ["Rethinking Total Reward Strategies,"](#) Andrew Curcio and Alastair Woods / PwC for Strategy+Business / pwc.com, strategy-business.com, July 2021.
- 2 ["Five Focus Areas Post Covid-19: Future of Work - Redefining How Your People Work in the Post-Pandemic World,"](#) PwC.com, 2022.



the largest-ever studies of the global workforce), findings revealed an overwhelming concern about and desire for training and development in the workplace, with over 77% of leaders calling for it.

• • • • •
**Leaders reporting
desire for training and
development:**

over 77%

• • • • •

The recent impacts of the pandemic have brought renewed focus particularly on mid-level and front-line leaders. These leaders have become essential to establishing and maintaining culture, building psychological safety, and creating opportunities that are equitable and flexible to meet the demands of the new hybrid workplace¹.

The spotlight on the growing need for leadership development is dousing the flames with gasoline for organizations to provide more agile, in-the-moment development of leader skills to help them navigate the volatility of today's workplace where leaders are finding that previous norms, expected patterns of work, and previous skills no longer meet the needs of the changing and uncertain business landscape.

Key Takeaway:

• • • • •



Organizations that hope to retain leadership talent, adequately support leaders, and attract new leadership talent will look to target leadership development initiatives in the coming years. Front-line and mid-level leaders may require particular focus and support — groups essential to establishing culture and psychological safety in the organization. Initiatives will focus on chaos efficacy, including communication savviness, change agility, and the ability to lead teams across an uncertain terrain ahead.

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1 [“The hybrid how-to: How leaders can embrace flexible working models,”](#) Helen Kupp / Boston Consulting Group for Slack and futureforum.com, June 2021.

Leader Development Focus: Resiliency

While chaos efficacy and change agility become a heightened focus for HR in 2023 and beyond, this landscape is causing unease from CEOs to the front-lines around resiliency. Leaders' resiliency will be exhaustively tested as they balance the expectation to not only perform to business outcomes but also motivate, inspire and manage teams, and build psychological safety within them. These new demands are a key contributor to the fatigue and burnout that are expected to persist for the leaders and their teams in the year ahead, likely only to grow in the years following.

In the US alone, burnout¹ is currently linked to \$125 – \$190 billion in health care costs, which is an estimated 8% of our national spending on healthcare, and contributes to 25-50% of employee turnover. With the impacts from burnout spanning cognitive functioning, mental health, emotional well-being, overall productivity, and motivation, employee and leader resiliency in the face of growing workplace burnout will become an essential development target for organizations in 2023 and beyond.

• • • • •
Burnout contributes to
25-50%
of employee turnover
• • • • •

Key Takeaway:

In addition to change agility and chaos efficacy, resiliency is expected to be a key target focus for leader development initiatives to battle the growing epidemic of burnout and the increased challenges of the volatile workplace environment in the coming years.



1 ["From Burnout to Vitality: It's More than Just Work-Life Balance,"](#) Jean Gasen / Optify.io, August 2021.

“It’s only when
the tide goes out
that you discover
who’s been
swimming naked.”

- *Warren Buffet*



Emerging HR/L&D Buyer Trends for Coaches

EVOLVING HR BUYER EXPECTATIONS

3

HR and L&D Buyers have upped their game in response to the rapid reskilling and technology-competence demands that have resulted from dizzying increases in sophistication and functionality of HR management software. The field has seen a race to shift to digitally-enabled solutions to meet the challenges of a rapidly changing workplace and a now largely distributed workforce.

The HR and L&D buyer is becoming exponentially more savvy. HR functions have experienced an increased pressure to find ways to not only capture the massive amount of data now available, but also leverage it to improve intelligence and company performance. Add to that an influx of digital demands and expectations to level and standardize access-points and documentation. The result? Solutions without a clear tie to a digital platform, integration possibilities, and rich data will no longer get a conversation with HR. And coaching solutions are no exception.

Though human-centered, high-touch, and highly effective, coaching solutions will be expected to provide reporting with clear ties to organization-wide as well as individual-level progress, utilization, and activity. HR buyers will expect actual, measurable ROI and will likely lean toward quantitative over qualitative evidence as the guide. HR Buyers already demonstrate increased demand for coaching solutions to be delivered through coaching platforms, and expect digitally supported scheduling and communications between leaders and the coaches. And now-standard expectations for accessibility, usability,

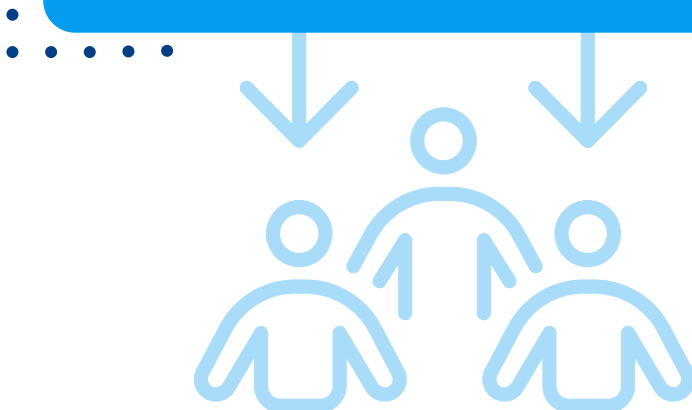
single sign-on (SSO), and other features common in online platforms and tools will be requisite for the new class of digitally-savvy HR and L&D buyers.

In addition, diversity, equity, and inclusivity will become less an initiative and more a cultural standard for organizations. On top of digital expectations, coaches will be expected to understand, navigate, and incorporate bias, micro-aggression, and identity into their coaching practice to mirror the norm that organizations are rapidly evolving towards. HR buyers will be looking for solutions to not only deliver on technological capability but also inclusivity before signing on leadership development and coaching solutions in the coming year.

Key Takeaway:



Coaches and coaching solutions will be met with a more savvy, and technologically-capable HR buyer. Increased attention to and growth of tech has caused a shift in HR buyers to seek solutions that both deliver the goods on the qualitative side of human-centered development, but also are backed by sound technology and deliver on the same types of functionality, reporting and ROI expected from other enterprise platforms. HR Buyers will expect rich features, reporting, and seamless access to be paired with successful delivery of performance improvement, all while also demonstrating a clear observance and integration of DEI best practices.



“ Leadership isn’t like any other set of skills that people need. It fundamentally requires a *shift* in the inner game.

Unlike rote skill-based learning, leadership requires a level of *transformation* because it incorporates who you are, what you believe, how you’re showing up, the assumptions that you make, your values, how you relate to people, the self-awareness you have to bring what you need in the moment — all of that goes into what creates an effective leader.

And though it’s been tried in countless ways, it boils down to something that exceeds basic skill-based training. It is something that is *evoked* in people. It requires a different, more agile approach that meets the individual where they are at any given point in time, in their specific context, to draw forth new patterns of behavior and shift mindsets.

”

- Pam Krulitz, Optify Co-Founder
& Certified Coach



Emerging Trends in Coaching Solutions

BRIDGING POLARITIES

4

When used in isolation, previous models to support the broader front-line and mid-level leader base will likely no longer be adequate to support leaders. Without evolving or being used in combination with other solutions, these previous models will prove to be less and less effective in the rapidly changing workplace.

Traditionally scaled plug-and-play training solutions like e-learning, tool and resource libraries, and off-the-shelf leadership programs may no longer fully meet leaders' needs in the forthcoming years. Furthermore, organizations may find leaders demanding adequate leadership development support to meet their changing needs that can no longer be pulled from a training library. This personalized direction for a more fluid leadership development solution will not just be an expected benefit but a necessity for operating in the new business landscape.

One impact of this new crossroads is possible industry consolidation¹ of leadership solution providers, as larger players seek newer innovators, particularly with technology and digital foundations. Likewise the search for innovations in offerings will likely result in new, bordering-on-experimental options — such as AI-powered e-learning and augmented reality-based offerings — that may see some airtime as early-adopter organizations test new technologies and techniques within the larger leadership development mix of solutions.

Most notably, however, will be the trend toward focused evolution of existing solutions

¹ ["HR Predictions for 2022,"](#) Josh Bersin, Kathi Enderes, Janet Mertens, Nehal Nangia / The Josh Bersin Company, joshbersin.com, 2021.

that have already proven to be effective, individual-focused, personalizable and adaptable to handle the scale and affordability needed by organizations to reach the large number of front-line and mid-level leaders. Chief-most among these solutions is coaching, as executive coaches, coaching organizations, and enterprises with embedded coaching functions will look to coaching delivery platforms for a scalable coaching structure to provide accessible coaching to the larger leader base at the mid-level and front lines.

Coaching support and management platforms will be a likely area of growth and are expected to experience lift in use and broad support outside of the more progressive organizations that currently use them as the demand for effective, adaptable and personalizable leadership development solutions continues to grow.

Bridging Polarities

The key criteria and challenge for coaching solutions that wish to support organizations in 2023 and beyond will be whether the solution can affordably scale to the large number of mid-level and front-line leaders across the organization. At the same time, the solution must still provide the individualized support leaders require, and the ability to flex and adapt to each leader's needs as they change in this expanding volatile business climate. The solution must provide both scalability and individualized support while giving the organization's HR leaders the oversight needed and functionality required to manage a large-scale leader development coaching initiative.

This will be no small feat. The next generation of coaching solutions will have to deliver on a variety of challenging and seemingly opposing promises, in order to bridge the polarities necessary to provide the results organizations need at the scale required.

Three Key Polarities for Tomorrow's Coaching Solutions

The term "polarities" is a regularly used phrase and paradigm in the field of coaching. And much like the emphasis on "both/and" rather than "either/or" (e.g. *both kind and firm*), coaching solutions that hope to meet the needs of the organization in 2023 and

beyond will need to likewise master the “both/and” and bridge the polarities to meet the needs of both organization and leaders.

The Optify platform was created by coaches to help coaching providers and enterprises bridge the polarities required to achieve both scale and affordability, as well as individual focus and development. Of the many polarities we’ve engineered the Optify platform to support, we predict the following three polarities to be the most critical for coaching providers to bridge in order to successfully meet the needs of both organizations and leaders in 2023 and forward.



Polarity 1: Scalable ↔ Personalizable

Scalable	↔	Personalizable
<p>Coaching solutions are effective because they are personalized to the meet the leader where they are in their development.</p>		
<p>Historically, this 1:1 individualized approach has been more costly and typically has been reserved for the C-suite or incorporated into high profile leadership programs offered to a select minority of leaders at the upper ranks and top of organizations. This has limited the scalability of coaching solutions as a viable organization-wide solution.</p>		
<p>As organizations seek development solutions to meet the growing needs of the front-line and mid-level leader, coaching solutions can only provide the support needed for these leader levels if they can be scaled affordably across the large volume of leaders at the front-line. This is where organizations expect to see the greatest demand for individualized support and development in order to build the resiliency and chaos efficacy required for the complexities of work in the coming years.</p>		
<p>In order to be a viable option for organizations, coaching solutions need to deliver both the same high-touch individualized experience that has achieved successful transformation in the C-suite and also an affordable price point for deployment to numerous leaders across the organization. Providing both will be requisite for a system-wide development initiative to be both effective and financially and logistically feasible.</p>		

Polarity 2: Structured ↔ Flexible

Structured	↔	Flexible
<p>Coaching solutions will need to meet the evolved demands of the savvy HR buyer including delivering on a sound, technology-supported platform to provide structure to the development initiative.</p> <p>As coaching solutions scale across an increased number of leaders, the solutions will need to provide a structured environment for HR leaders to oversee the engagement, including the ability to review progress and activity dashboards, manage automated elements of the initiative to ensure leaders receive required communications, track goals and progress, and ensure scheduling is happening as planned.</p> <p>At the same time, coaching solutions must also allow for the flexibility required to adjust goals and plans to meet the leader where they are and accommodate pivots to address leader needs just-in-time when the volatile and changing business landscape shifts and leaders are faced with new demands and complexities.</p> <p>As a result, coaching initiatives will be required to be both programmatically structured and functionally replicable at the outset, and easily customizable by design to address the unique and changing needs of the leader in the moment.</p>		

Polarity 3: Organization-level line-of-sight ↔ Individual-level line-of-sight

Organization-level line-of-sight	↔	Individual-level line-of-sight
<p>In order to stand as a scalable leader development solution outside of individual development alone, coaching solutions will need to provide line-of-sight to HR management at both the individual- and organization-level.</p> <p>While still upholding coach/coachee privacy and confidentiality, coaching solutions will need to provide on-demand line-of-sight through reporting, dashboards, and metrics at both the organization and individual levels. This will require a robust, user-friendly interface that provides tracking on coaching session scheduling and completion, levels of leaders engagement, and overall initiative progress. Likewise, the solution will need to support individual-specific goal achievement and provide leaders with documented development milestones, key session notes, and progress actions items from the coach. This will be essential for HR oversight at the organization-level, and individual-leader line-of-sight toward goals and progress.</p>		

As coaching solutions providers seek to support the individual leader as well as stand as a viable solution for the organization, their successful navigation of these polarities will enable coaches and coaching organizations to offer HR buyers with adaptable, personalized leadership development options at scale to help them surface, develop, and capitalize on talent at all levels. This inevitable evolution of coaching solutions will, as a result, be able to provide the capability, scalability, and sophistication the HR buyer demands for organizational initiatives, as well as the human-centered attention the leaders require, granting coaching providers new opportunities to feasibly satisfy both the organization's and individual leader's needs.

Key Takeaway:



As coaching solutions providers seek to support the individual leader and compete as a viable organization-wide solution, their successful navigation of key polarities will enable the coaches and coaching organization to offer HR leaders with adaptable, personalized leadership development options at scale to help them surface, develop, and capitalize on talent at all levels.

This inevitable evolution of coaching solutions will, as a result, be able to provide the capability, scalability, and sophistication that HR buyers will expect from enterprise HR solutions, as well as deliver on the human-centered attention that the front- and mid-level leaders will require. This will open new opportunities for coaching providers to meet individual needs within an organization-wide engagement across a high volume of leaders.



About Optify

Optify is a for-purpose company dedicated to the mission of supporting coaching to become a force for developing the next generation of leaders who will shape the future of work, organizations, and the world. Created by coaches and based on decades of coaching top leaders around the globe, Optify's platform enables other coaching providers and development-minded organizations to expand their capabilities to reach leaders in every seat.

Optify's coaching solutions management platform is a world-class, top-of-industry solution that offers coaches and enterprises an innovative platform that provides a clear, goal-oriented process, robust reporting and automation, SmartMatch coach matching, multi-level user administration, and a robust library of micro-learning content to support the broad needs of clients regardless of challenge. Scalable, integrated, robust, innovative, with care taken to provide the highest level of service and ease-of-use — the Optify platform is the next level of human-centered development at technology-enabled scale.

Learn more about the Optify platform at optify.io.

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