

Analysis and Impact of Coaching Strategies for the German Labor Market

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Abstract

Coaching developed according to the economic status of each country. Thus, depending on each country, coaching acquires certain features. Nevertheless, differences shall be identified upon the analysis of coaching in countries having similar development levels. We consider that the differences arise from factors such as: economic environment, research level and quality in the field, organizational culture etc. This paper set out to emphasize the trend of the German coaching market.

Key words: coaching, mentoring, strategies, human resources

J.E.L. classification: E24, J21, J24, M12, M53

1. Introduction

The coaching pioneers in Germany started their activity in 1975 and, as in other European countries, coaching knew an accelerated growth between the years '80 -'90. Over the last decade, the market grew continuously – by approximately 25% all in all, up to approximately 500 million EUR per year. The number of trainers' training providers also grew – by approximately 25% in the last decade, reaching approximately 360 training providers. The level of scientific research also evolved in the last decade but it still requires a significant development, despite the fact that the number of German publications is of approximately 2,280 units. (Passmore, 2018)

The term *coaching* is neither protected nor regulated in Germany. Thus, it was found that on the German market there are approximately 14,000 qualified and professional trainers. Moreover, at least 50,000 people work as coaches despite the lack of certification. (Roundtable der Coachingverbände)

2. Theoretical background

Böning, in a benchmark, found that the positive perception about coaching was enhanced between 1989 and 2004 (Böning & Fritschle, 2005), coaching being regarded enthusiastically. Similar aspects have been identified in other authors' studies. (Schmidt, 2003)

Künzli, in a paper that synthesized the data of twenty-two papers, mainly from Germany, reached the conclusion that coaching produces effects unrelated to the examination type, the chosen method or the generalization level. Among the highlighted beneficial effects is emotional relaxation, decrease of stress levels, increase of self-reflection capacity, communication improvement and a better relationship with the co-workers. (Künzli, 2005)

Therewith, Jansen, Mäthner and Bachmann, according to the research conducted among the coaching programmes' beneficiaries, reached the conclusion that the success rate of coaching in Germany is of 90%. (Jansen *et al.*, 2004)

Further to the performed research, we found that, from the viewpoint of coaching services, Germany is a very developed country, a significant number of entities having this activity object unfolding their activity. Both international bodies having work points in Germany and associations and companies providing coaching services have been identified. There are also German entities performing their activity abroad, more precisely in Austria and Switzerland. We consider that this connection exists due to the economic similarities, interstate cooperation and the advantage of using German as communication means.

According to the data collected by Jonathan Passmore, twenty-two coaching associations unfold their activity in Germany. Twelve combine coaching with various methods such as psychotherapy. Others are subgroups within other bodies, such as the Association of Psychology Practitioners, also known as Berufsverband Deutscher Psychologen. The author identified three large bodies specializing in coaching that work on the German market: ICF Deutschland eV (ICF-D) - approximately 450 members, Deutsche Gesellschaft für Coaching eV (DGfC) - approximately 445 members, Deutscher Bundesverband Coaching eV (DBVC) - approximately 423 members (Passmore, 2018)

Further to the performed research, I have also identified other German entities working in the field of coaching: DCG - Deutsche Coaching Gesellschaft e.V., DCV - Deutscher Coaching Verband e.V., Deutscher NLP Coaching Verband e.V., NLC - Gesellschaft für Neurolinguistisches Coaching e.V., QRC - Qualitätsring Coaching und Beratung e.V., DFC - Deutscher Fachverband Coaching.

We consider that the most important professional association offering coaching services is ICF Deutschland eV (ICF-D) affiliated to the International Coaching Federation. The German association started its activity in the year 2001, and in February 2018 it had over 500 members. In Germany, the association has a considerable territorial development, with 11 branches, the last being open in Aachen in May 2019. (ICF Deutschland eV)

In parallel, International Coaching Federation Foundation has been established globally, which has as activity object the development of social programmes in the field of coaching. In Germany, the foundation collaborates pro bono with: Deutsches Rotes Kreuz – DRK (German Red Cross), which implies the unfolding of 6 coaching programmes involving 30 volunteer trainers and people working in the educational system, the programme being labelled Coaching Initiative. The Coaching Initiative programme is complex. Thus, throughout 3,600 days, 10,000 voluntary training lessons were offered in 180 schools in Germany. (ICF Deutschland eV)

The Coaching Initiative Programmes is dedicated to teachers, headmasters and students. Volunteer trainers deliver training whereby the development of the learning culture and capacity to master various challenges, such as integration, is pursued. We have identified the following projects: Mehr Zufriedenheit, Gelassenheit und Überzeugungskraft (More satisfaction, serenity and persuasion), Entwicklung einer coachenden Haltung (Developing a trainer attitude), Rollen- und Zielverständnis für Schulleiter (Understanding the roles and goals of headmasters), Führungskompetenzen für Schulleiter (Management skills for headmasters) and Leitbild entwickeln und zum Leben erwecken (Identify a mission and bring it to life) (Coaching Initiative).

We found that ICF-D is also getting involved in public activities, namely the organization of the Prism Award even. Internationally, ICF, through Prism Award, acknowledges the results of the companies and organizations standing out by the development of a coaching culture, which have significant results. At present, Prism Award is a manifestation organized within Coaching Tag (Coaching Day), which took place for the first time in 2011. In 2018, Germany was the third country where Prism Award was organized, alongside Italy and Switzerland. (Coaching Tag)

Roundtable der Coachingverbände (RTC), translated as Coaching Associations' Round Table, is a scientifically supported body that is made up of members of the coaching associations. There are also member associations within RTC: Berufsverband Dt. Psychologinnen und Psychologen (BDP), Der Berufsverband für Training, Beratung und Coaching e.V. (BDVT), Deutscher Bundesverband Coaching e.V. (DBVC), Deutscher Coaching Verband e.V. (DCV), Deutsche Gesellschaft für Coaching e.V. (DGfC), Deutsche Gesellschaft für Systemische Therapie, Beratung und Familientherapie (DGSF) Deutsche Gesellschaft für Supervision und Coaching e.V. (DGSv), Deutscher Verband für Coaching und Training e.V. (dvct), European Association for Supervision and Coaching e.V. (EASC), European Mentoring & Coaching Council Deutschland e.V. (EMCC),

Gesellschaft für Personzentrierte Psychotherapie und Beratung e.V. (GwG), International Coach Federation Deutschland e.V. (ICF-D), Qualitätsring Coaching und Beratung e.V. (QRC), Systemische Gesellschaft e. V. (SG). Humboldt University of Berlin provides the scientific support. (Roundtable der Coachingverbände)

Munich Business Coaching Institute (MBCI) offers high-quality services, a statement endorsed by the participation in international research programmes, cooperation with other bodies and permanent member development. On the one hand, it supports companies in strategic planning and tactic implementation as well as in the employees' management and development. On the other hand, it supports trainers' own career. The entity offers training to both human resources, directors and managers, in order to implement business coaching as management tool, and trainers. In the MBCI's offer we have identified: practical training courses in the field of business coaching delivered by senior trainers, further coaching skills development programmes by implementing the results of the most recent research in the field, capacity to create innovatory coaching formats for companies, possibility to provide an active network of business coaches, renowned managers and specialists in human resources. (Munich Business Coaching Institute)

XING Coaches + Trainer Platform is a coaching platform acting for the profile market in Germany, Austria and Switzerland. The platform offers services to the companies that acknowledge the added value offered by the implementation of coaching or training programmes within the staff. The platform offers the possibility to compare the available coaches for an optimal selection. (XING Coaches + Trainer)

Another coaching portal we have identified in our research is *iscoaching-report.de*. It embeds staff training resources and information based on economic theory and practice aspects, education, literature and scientific research, but it also collects market data and provides news about the German coaching industry. (Coaching Report)

As to the costs of certifying a coach, Munich Business Coaching Institute offers a training services package at a cost of 12,400 euro plus VAT, the programmes being designed according to the quality standards of DBVC, QRC, EMCC and ICF (Munich Business Coaching Institute)

Another entity identified as offering specialized coaching training programmes is Academy 4 Excellence, which offers specialized training in the education and development of top managers, leaders, coaches and trainers. The following programmes are part of the entity's offer: Agile Coach, Agile Change Manager, Agile Innovator, Agile Leader, Business Coach, Business Mediator, Business Trainer. As a training institute, Academy 4 Excellence specializes in the further education of the services providers, consultants, coaches and trainers. It promotes labour in the digital context. The investment to participate in the Agile Coach and Business Coach programmes amounts 2,950 Euro + VAT (Academy 4 Excellence). BCO, an organization that has been active on the market since 2002, offers a qualification variant for trainers amounts to 4,200 Euro net. ((Büro für Coaching und Organisationsberatung)

Moreover, Coaching Report provides us with an overview on the costs the coaching activity involves in Germany. Thus, it was noticed that a qualified coach has a fee between 100 and 350 Euro per hour, the tariff being similar to that of the economic experts. The cost of a coaching session, which usually lasts between one and two hours, varies between 200 and 700 Euro plus VAT, the cost depending on the coach's qualification level. (Coaching Report)

Further to BCO's poll named Coaching-Umfrage Deutschland 2014, it was concluded that the average coaching hour price paid by companies was of 165 Euro. Depending on the environment of the coaching sessions, it was found that the average fee for those organized by companies amounts to 187 Euro while a private coaching session amounts to an average fee of 130 Euro (Büro für Coaching und Organisationsberatung)

Jürgen Graf, in his paper, Weiterbildungsszene Deutschland 2016, found that the average coaching hour fee amounts to 168 Euro. Men charge an average fee of 198 Euro per hour while women charge a 148 Euro fee for one coaching hour. The coach type could also be differentiated. Thus, institutional providers charge an average fee of 226 Euro for one coaching hour, while independent coaches charge only 173 Euro average fee. The study completes the top management coaching, where the average price of a coaching hour amounts to 232 Euro. (Jürgen, 2016)

In another context we have identified the opinion of the court as well in regard to the amount of the coaching services fee. Thys, in a case judged by the Kamen Court, by judgment 12 C 519/03 from 06.05.2005, it was deemed that the coaching services may have an hourly tariff ranging between 115 and 300 Euro. (Wolters Kluwer)

Haufe Coaching on-line platform, which is part of Haufe Akademie and operated by Haufe Advisory GmbH, offers interactive coaching services. The Haufe Community has 300 coaches with at least 18 years of coaching and leadership experience, who benefitted from at least 520 hours of training. In the case of both companies' and private beneficiaries' requests, a coaching programme participation application is filed, then, depending on the beneficiary's requests, three collaboration variants with different coaches are submitted. In the next stage, the beneficiary chooses the desired coach, the coaching processing starting thereafter. In the case of the individual beneficiaries, the charged tariffs for a 5-hour coaching services package are: 950 Euro for non-executives, 1,150 Euro for managers and 1,400 Euro for top managers. Tariffs for companies could not be identified since the offers are bespoke in this case. (Haufe Coaching)

3. Research methodology

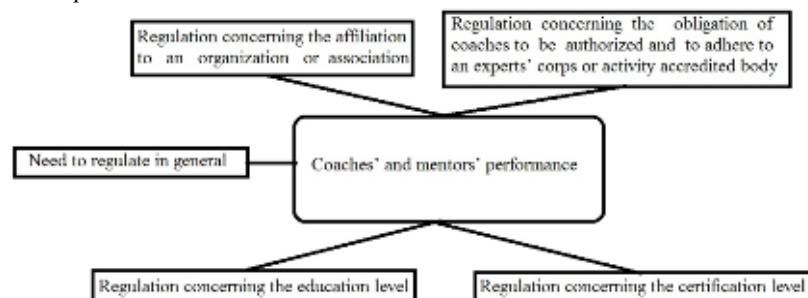
For the research to be made within this paper the QCA (Qualitative Comparative Analysis) method was used, which is an agreed method by the academic environment. Thus, the gaps between the qualitative and quantitative analyses are removed. (Rihoux et al., 2009). The data was processed by fsQCA software.

4. Findings

The study is intended to distinguish the elements defining coaches' and mentors' performance that influence customers' satisfaction level. Considering that the profile market in Germany is not regulated, as previously observed, we have chosen to include among the causes the following: the need to regulate in general, regulation concerning the obligation of coaches to be authorized and to adhere to an experts' corps or activity accredited body, regulation concerning the education level, regulation concerning the certification level and the regulation concerning the affiliation to an organization or association. Thus, we consider that we could test how these causes influence the performance, an element that is tightly connected to the customers' satisfaction level.

The conceptual model is identified in Figure 1. The causes were included within the independent variables, and Customer satisfaction as direct effect of performance was considered as an independent variable.

Figure no.1. Conceptual Model



Source: Figure designed by the authors

A questionnaire was used for data collection. The questionnaire was submitted to German universities where management study programmes unfold. The questionnaire was sent via email and one hundred people responded. In order to obtain an as accurate result as possible, the analysed sample was trimmed. Thus, we considered only the questionnaires the respondents of which have at least five years of practice and spend more than half the working time performing activities or studying the involved field. In the end, fifteen questionnaires were validated for research.

Results' calibration was made by correlating the Likert scale values with the scores established within the range of the fuzzy set from 0 to 1, according to the QCA methodology, resulting into Table no. 1.

Table no. 1. Scale calibration

Fuzzy set value	Likert scale correspondent
1	Total agreement
0.75	Agreement
0.5	Neither agreement nor disagreement
0.25	Disagreement
0	Total disagreement

Source: Figure designed by the authors

We have subsequently defined the variables:

- Reg – need to regulate in general
- Aut – regulation concerning the obligation of coaches to be authorized and to adhere to an experts' corps or activity accredited body
- Edu – regulation concerning the education level
- Cert – regulation concerning the certification level
- Aso – regulation concerning the affiliation to an organization or association
- Perf – dependent variable
- Rez in order to emphasize the calculation result of the fuzzy sets value from the conceptual model by the relation: $Rez = \text{fuzzyand}(\text{Reg}, \text{Aut}, \text{Edu}, \text{Cert}, \text{Aso})$. "fuzzyand" function returns the minimum of the analysed variables.

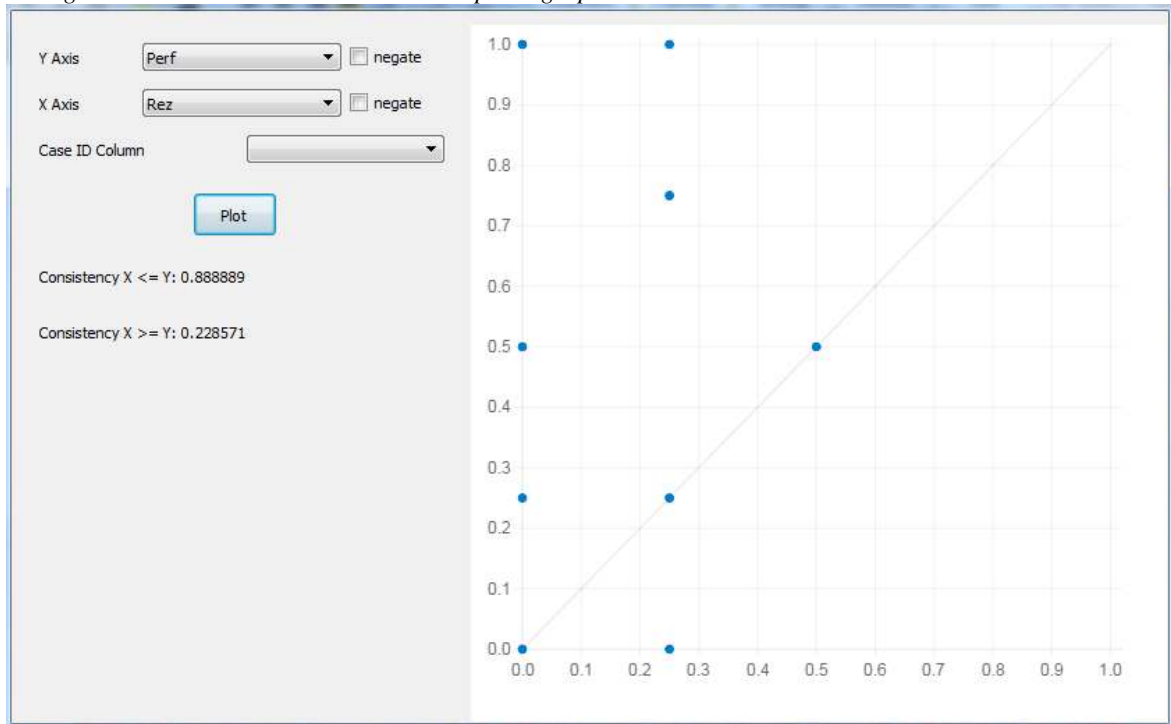
Table no. 2. Fuzzy sets calibrated for the identified cases

Caz	Reg	Aut	Edu	Cert	Aso	Perf	Rez
1	1	0.75	1	0.25	1	0.5	0.5
2	1	1	0.25	0.75	0	0.5	0
3	0.75	0.75	0.25	0.5	0.5	1	0.25
4	0.75	0.75	0.25	0.25	0	1	0
5	0.75	0.75	0.75	0.25	1	0.75	0.25
6	1	1	1	0.25	0	1	0
7	1	1	0.5	0.25	1	0	0.25
8	0.75	0.5	0	1	0	0.25	0
9	1	1	0	0.75	0.25	0	0
10	1	0.75	0.75	0.25	1	0	0
11	0.75	0.75	0.25	0.25	1	1	0.25
12	0.75	1	0.25	0.25	0.25	1	0.25
13	1	0.75	1	0.75	1	0.25	0.25
14	0.5	0.25	1	0.25	1	1	0.25
15	0	0.75	0.25	1	0.25	0.5	0

Source: Figure designed by the authors based on the data collected through the questionnaire

In the beginning, we decided to test the consistency and coverage on the XY plane of the fuzzy set by using the "XY plot" function. Thus, Figure no. 2 resulted, which illustrates case distribution in the XY plane graph. It must be mentioned that the X axis is used to illustrate the Rez variable values and the Y axis shows the Pef variable values.

Figure no.2. Case distribution in the XY plane graph



Source: Figure resulting further to the use of the XY plot function of the fsQCA software.

Analysing the result, it was noticed that in the case $X \leq Y$, consistency is 0.88, which means that variable Rez is a subset of variable Perf. Consistency shows the extent in which a combination of causality leads to results. Thus, we could say that the previous conditions are sufficient to obtain the result. Consistency of 0.2285 for relation $X \geq Y$ means that the coverage level is of 22.85%. More specifically, the result shows that variable Rez represents 22.85% from the sum of the Perf variable members.

The next step of the research was to emphasize case distribution in different logical combinations of the causality conditions. (Ragin, 2017)

Table no. 3. Truths table

Reg	Aut	Edu	Cert	Aso	Perf	number	Rez	cases	raw consist.	PRE consist.	SYM consist.
1	1	0	0	0	1	2 (25%)	0	cases	0.222222	0	0
1	1	0	1	0	0	1 (37%)	0	cases	0	0	0
1	1	1	0	1	0	1 (50%)	0	cases	0.555556	0	0
1	1	1	1	1	0	1 (62%)	0	cases	0.571429	0	0
1	1	1	0	0	1	1 (75%)	0	cases	0.285714	0	0
1	1	0	0	1	1	1 (87%)	0	cases	0.571429	0	0
1	1	1	0	1	1	1 (100%)	0	cases	0.8	0	0

Source: Table resulting from the use of the True Table Algorithm function from the fsQCA software

Studying the consistency values in Table no. 3, it was found that only eight causal combinations are valid in order to obtain the result.

5. Conclusions

By the performed analysis, we established the causality relation between certain necessary conditions for success and the customers' satisfaction level. We consider that the study reached its goal – that of creating an accurate image of the coaching phenomenon in Germany. In the case of a deeper analysis we shall realize that the German entities have a tight collaboration with the profile entities from Austria and Switzerland.

We found that, regardless of a country's economic level, there is a continuous growth trend of coaching. Thus, although Germany is the largest economy of the European Union (Reuters), it was noticed that the coaching phenomenon is in full expansion. As previously seen, ICF Deutschland eV (ICF-D) affiliated to the International Coaching Federation, is in permanent expansion in Germany, reaching the stage in which it establishes branches in various areas. Moreover, it was noticed that there are various public manifestations that have a positive influence on the development of coaching by public information. On the other hand, a tight collaboration of the profile entities with non-profit organizations affiliated to the UN, Unicef etc. was noticed.

As future research directions, we believe that it is advisable to elaborate a study on mentoring, considering that mentoring and coaching act on human resources development, as they have similarities to a certain extent. A deeper study at beneficiary's level must be elaborated in order to achieve a more accurate picture of the German coaching market.

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