



Executive Coaching in Thailand

A Brief Market Survey

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Table of Contents

Executive Summary	4
Introduction	5
Previous Studies	5
Findings of Previous Studies and Comparison with Own Survey	6
Number of Coaches	6
Survey Results Coaches' Perspective	7
Survey Results Clients' Perspective	10
Conclusion and Discussion	17
References	19

Abbreviations

ACC	Associate Certified Coach
APAC	Asia Pacific Alliance of Coaches
ICF	International Coach Federation
PCC	Professional Certified Coach
ROI	Return on Investment
S.M.A.R.T	specific, measurable, attractive, realistic, time-bound

*“There is no question that
future leaders will need
constant coaching.”*

*Ram Charan
Harvard Business Review, January 2009*

The Market for Executive Coaching in Thailand

Executive Summary

Professional coaches as well as clients are optimistic with regard to the future of the executive coaching market in Thailand; a local newspaper predicts a “promising outlook with a 30% growth projection” in 2010.

However, with a coach to population density between 1:670,000 and 1:2.4 million, executive coaching (also often referred to as business coaching) is still in the introduction phase in Thailand.

Nevertheless, in general terms professional coaches in Thailand have a profound academic education, in-depth working experience in the corporate world, and they are either accredited by a coaching organization or working towards such an accreditation.

In line with the global trend, clients use coaching more as a talent development tool rather than to “fix” derailing behavior. Most often, coaching is applied with the objective of achieving business goals, and improving communication and teamwork. Clients are generally very satisfied with coaching, and although they do not state a “dollar value”, they conclude that coaching has a positive return on investment (i.e. the value of coaching is greater than the costs paid for the service).

Risks for the coaching profession in Thailand are a lack of understanding on the clients’ side about what coaching truly is, and self-proclaimed coaches who provide low quality services and thus might damage the reputation of coaching as a whole.

Accordingly, the recommendation for professional coaches must be to work on providing information about coaching to the public covering the following topics:

- 1) Comprehensive Definition of Professional Coaching*
- 2) Coaching Qualification of Accreditation*
- 3) Measuring the Return on Investment for Coaching*

The Market for Executive Coaching in Thailand

1. Introduction

Coaching is considered a relatively young discipline. As such, surveys and research are rather limited. Previous studies suggest that particularly in Asia the market is not strongly developed, yet. This paper aims at giving a brief overview about the market for Executive Coaching in Thailand by summarizing the results of several earlier studies and articles in combination with an on-line survey among coaches and corporations in Thailand. In addition, the present study complements the recent survey carried out by the Thailand Coaching Society.

2. Previous Studies

Among the most comprehensive studies about the global coaching market are the investigations by the International Coach Federation (ICF) with Pricewaterhouse Coopers (PwC)

- *Global Coaching Study 2006* [1]
- *Global Coaching Client Study 2008* [2]

and the

- *Global Coaching Survey 2008/2009* [3]

by Frank Bresser Consulting

In addition, a survey about the local situation in Thailand has been carried out by the Thailand Coaching Society very recently. As the title suggests

- *Survey on Executive Coaching Effectiveness in Thailand* [4]

the focus was on the benefits of coaching and how these can be maximized.

One of the English language newspapers, The Bangkok Post, published an article titled “*Coaching gains momentum*” in June this year. [5]

3. Findings of Previous Studies and Comparison with Own Survey

3.1. Number of Coaches

The ICF conclude that *“whilst the figure of 50,000 coaches worldwide has often been quoted, a more prudent approach (...) would be to take the 30,000 figure as at least a working base-line.”* [1]

Frank Bresser Consulting state that *“there are about 43,000-44,000 business coaches minimum operating in the world”* [3]. Thus, they estimate a ratio of coaches to population world-wide of: 1:154,000 max. In the most developed coaching markets Australia, North America, and Europe, they find ratios of 1:7,500, 1:29,000, and 1:45,000, respectively. In contrast to that, the ratio in Asia is only 1:900,000. Without Japan, it would be 1:1.4-1.6 million. Singapore strongly contributes with 1:30,000.

Region	Ratio Coaches:Population
World	1:154,000 max.
Australia	1:7,500
North America	1:29,000
Europe	1:45,000
Asia	1:900,000
Singapore	1:30,000

according to [3]

The Bangkok Post writes that *“the Thai market is relatively small when compared with countries like Singapore where there are more than 1,000 coaches while Thailand has fewer than 100.”* [5]

An on-line search for ICF members carried out in August 2010 finds only 13 members in Thailand. Apparently all of them are active as coaches either part- or full-time. Out of these 17, 3 hold an ICF credential (2 ACC, 1 PCC) [6]

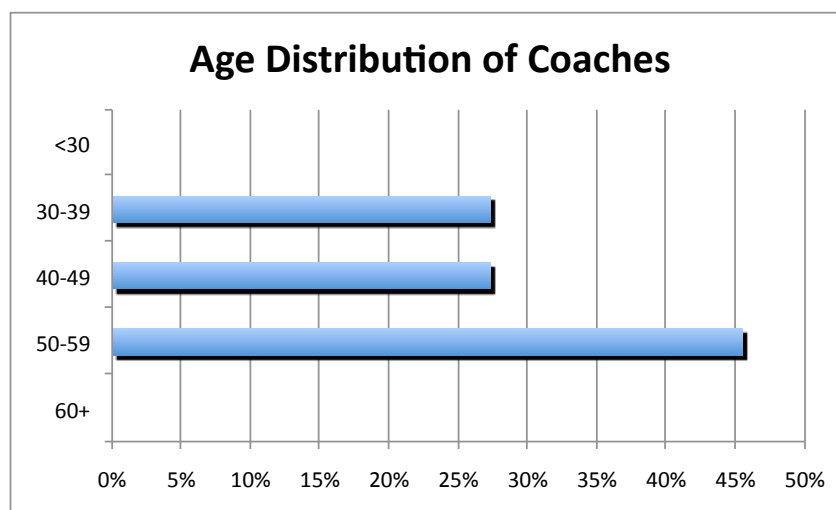
A search within APAC did not result in any other coaches in Thailand. (The only APAC member in Thailand is already a member of the ICF. [7])

With additional Internet search and individual requests within the local coaching network, a total of 28 active professional coaches in Thailand could be identified. Thus, considering the number given by the Bangkok Post of *“fewer than 100”* [5] and a population of about 67.4 million people in Thailand [8] we can conclude that the ratio of coaches to population is somewhere between 1:670,000 and 1:2.4 million for Thailand.

All of the identified 28 coaches were invited to participate in an on-line survey via Survey Monkey [9] and 39% of them responded.

3.2. Survey Results Coaches' Perspective

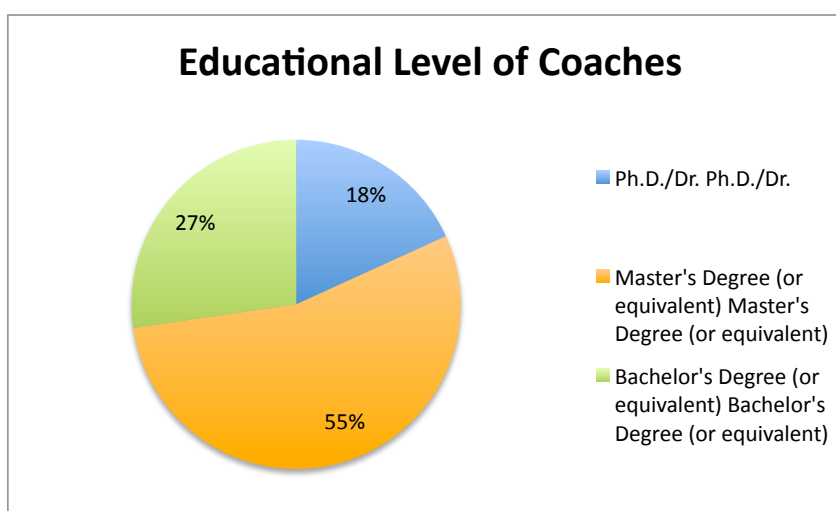
55% of the participating coaches in Thailand are male, 46% female, and the average age of the coaches is 46 years, spanning from 38-58.



It may indicate that a certain “maturity” is helpful for coaches in a country where the “seniority principle” is still of high importance.

Interestingly, the coaches consist only of Thais (18%) and Caucasians (82%); no other Asian nationalities or other ethnicities are represented. The fact that foreigners outnumber the locals looks surprising, but it may be attributed to coaching being a typical “Western” discipline.

A very high level of education is found among the coaches: all of them have at least a bachelor's degree, and 73% report a master's degree or Ph.D. as their highest degree of education. This is even higher than in the ICF Global Coaching Study (53% Ph.D. or Master's degree). [1]



Also the earlier professional experience is at a high level: 73% state that they have worked on top and senior management levels previously. The experience was gained in various industries or areas.

For many of the coaches, professional coaching is a rather new experience with 40% coaching for less than one year. However, 50% have been coaching for between 3-10 years.



The majority of the coaches have undergone either an ICF-accredited or another coaching specific program, and 50% of them claim to be accredited by the ICF (ACC or PCC) or by another organization. Interestingly, 75 % of the non-accredited coaches plan to become accredited with the ICF within the next 6 months.

The three main areas in which coaching is provided are Executive/Corporate Coaching (80%), Life/Personal Coaching (60%), and Intercultural Coaching (60%).

The typical coaching relationships last between 3 to 15 months, the average at 8.6 months, and the number of active clients varies between 2 and 23, the average at 13.

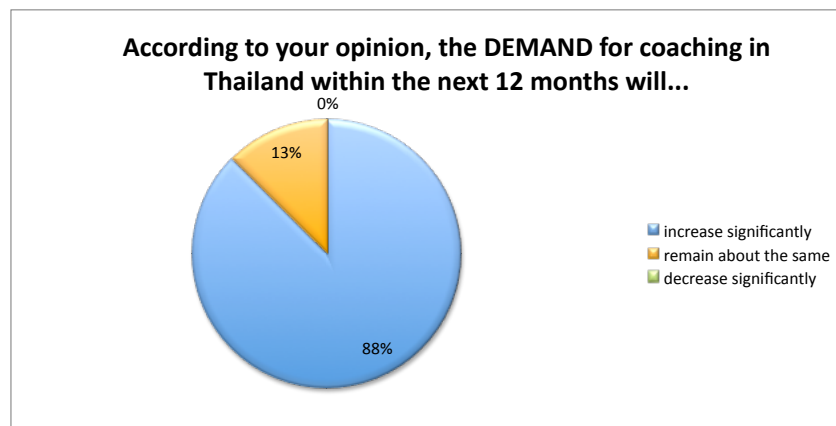
Most respondents preferred not to declare their fees, but out of the 36% that did, the majority states hourly fees between 5,000 and 10,000 THB (around 160-330 USD). 10% reported rates of more than 10,000 THB/h.

Compared to this, the ICF Global Coaching Study reports an average hourly fee of 205 USD (with 174 USD/h for part-time coaches and 250 USD/h for full-time coaches). [1]

A Harvard Business Review Research Report indicates median hourly cost of coaching at 500 USD in the USA and in the UK, ranging from 200 USD to 3,500 USD per hour. [10]

The coaches in Thailand are optimistic with regard to the future outlook of their business: asked how they expect the demand for coaching in Thailand to develop within the next 12 months, an overwhelmingly 88% expect that the demand will increase significantly. 13% expect it will remain on the same level, and nobody foresees a significant decrease.

This corresponds well with the Bangkok Post's statement that *"The coaching business in Thailand has a promising outlook with a 30% growth projection this year as demand rises from companies looking for higher efficiency and changes."* [5]



Coaches were also asked what they consider the main opportunities for coaching in Thailand. Some important comments were

- *Economic development*
- *Shortage of high caliber of middle and senior management*
- *As more and more people get clarity on what coaching really is, more people will turn to it for leadership development*
- *Many international companies located in Thailand. They will follow the American/European role model*
- *Global standard and competition*
- *Coaching is still a young discipline and growing all across the globe*

And asked for the risks, the major concern was on the quality of coaching delivered by un-qualified self-proclaimed coaches: e.g.

- *Clients have bad experience from under-qualified coaches*
- *Many people may embrace coaching without proper training and under-deliver, therefore ruin Coaching image*
- *Un-trained coaches setting bad example of what coaching is and turning people off*
- *Many Thai people may be comfortable a so-called coach who "teaches" them instead of making them think; this produces short-term satisfaction, but falls short of creating long-term value*

The second highest ranked issue is the political situation, e.g.

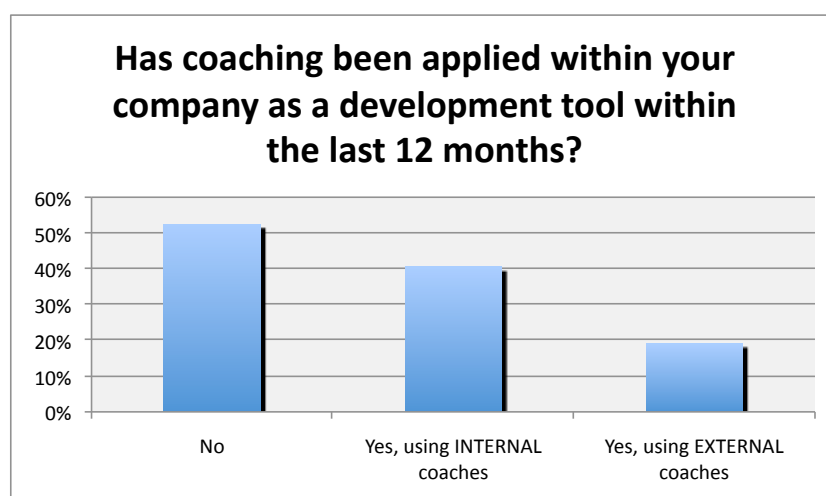
- *Government issues - political instability - less companies will be investing in Thailand business as a whole*

3.1. Survey Results Clients' Perspective

An overview of the executive coaching market in Thailand would not be complete without the clients' input. Thus, another questionnaire was distributed to more than 500 company owners, CEOs, MDs, and other executives as well as HR Managers from all kinds of industries and company sizes ranging from 1 to more than 10,000 employees. With 43 respondents the result must be considered as a random sample though; by no means this study claims to be scientifically representative for the country.

Participants were asked about their previous experience with coaching (if they had any) and about their future ideas about applying coaching.

52% of respondents stated that their companies have not used any coaching at all. The majority of those who did so with internal coaches.

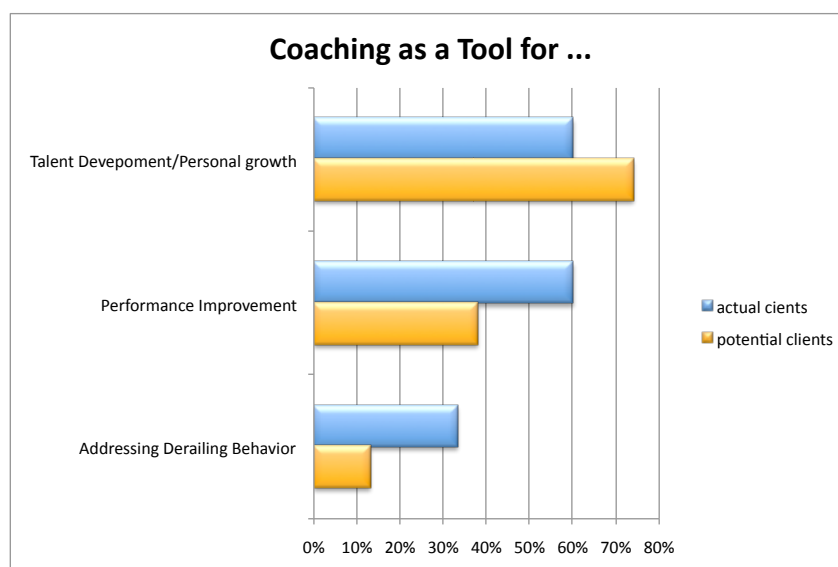


The coaching was used almost equally on all levels: top, senior and middle management. Also non-managerial staff was coached in some cases.

In most cases the coaching was initiated by higher management or the coachee him-/herself. The coach was also selected by these groups of people or by the HR department.

A coaching relationship lasted between 1 and 25 months with an average of 6.9 months. This figure corresponds quite well with 8.6 months stated by the coaches (see above).

In most of the cases coaching was used respectively is intended to be used for talent development/personal growth, only to a fewer extent to address derailing behavior. This is in line with the trend mentioned in the Harvard Business Report: *“Ten years ago, most companies engaged a coach to help fix toxic behavior at the top. Today, most coaching is about developing the capabilities of high-potential performers. (...) As coaching has become more common, any stigma attached to receiving it at the individual level has disappeared. Now, it is often considered a badge of honor.”*



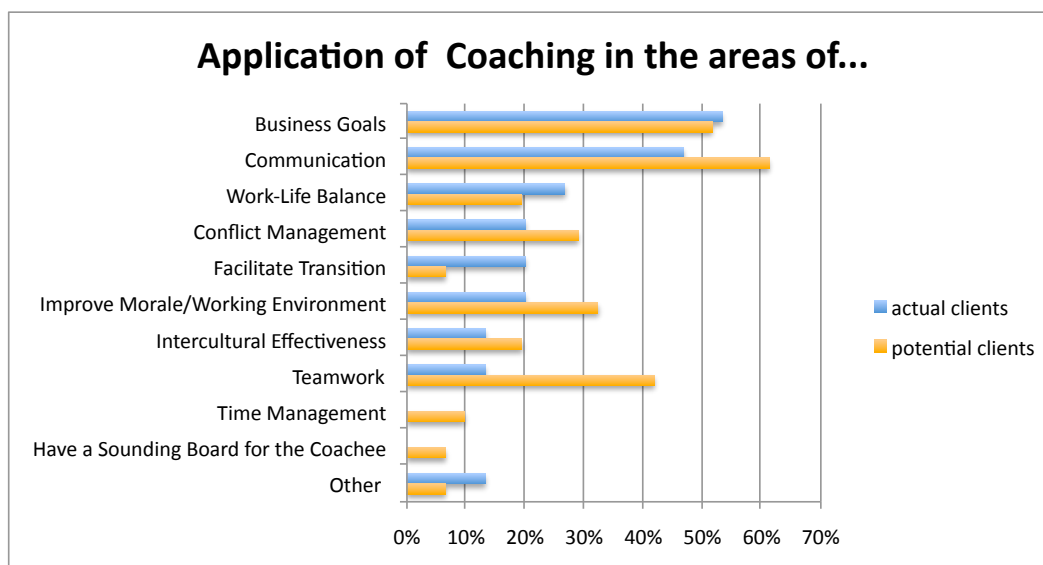
Top 3 reasons coaches are engaged

Coaches are no longer most often hired to usher toxic leaders out the door.

- 1 Develop high potentials or facilitate transition **48%**
- 2 Act as a sounding board **26%**
- 3 Address derailing behavior..... **12%**

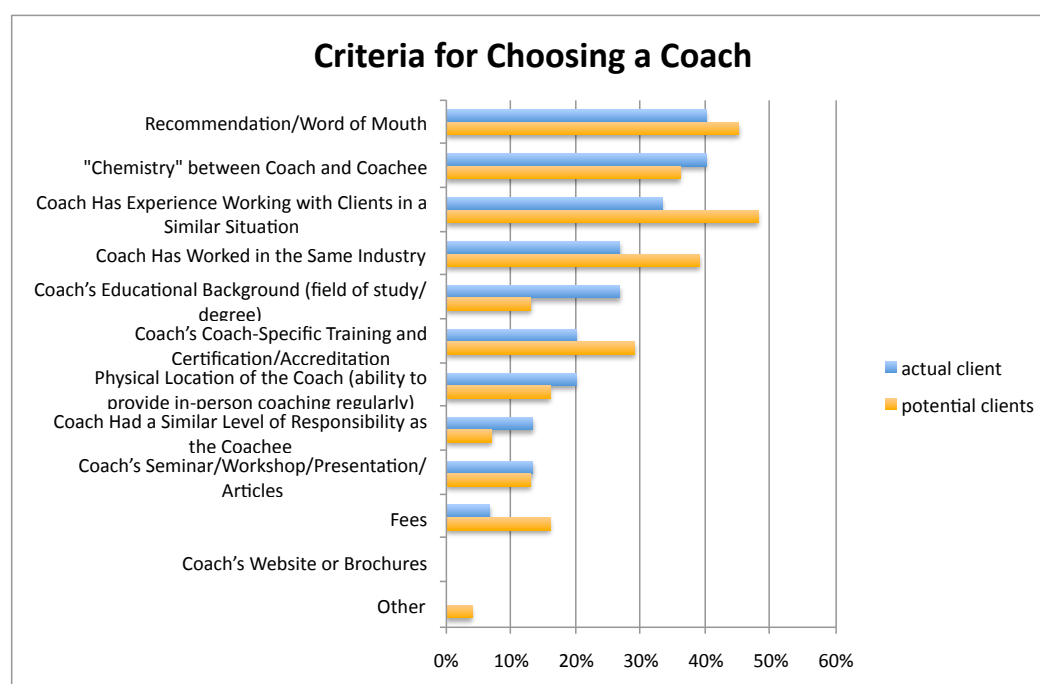
Source: Harvard Business Review [10]

Actual clients as well as prospective clients have used or intend to use coaching in the areas of achieving business goals and improving communication. Interestingly the prospective clients look more for applications in the areas of teamwork and improving morale/working environment than the actual clients.



From the respondents' answers one can conclude that four criteria are most important for choosing a coach: recommendations, the right "chemistry" and the coach's previous experience in the setting as well as in the industry. The educational background and the coach-specific training seems to be of less importance for the decision making process than the working and coaching experience.

It is highly remarkable that in the information age neither a single actual nor potential client mentioned that a coach's website would be a major criteria for making the choice.



As for the respondents who already experienced coaching, a total of 93% stated that the coaching met (70%) or even exceeded their expectations (20%).

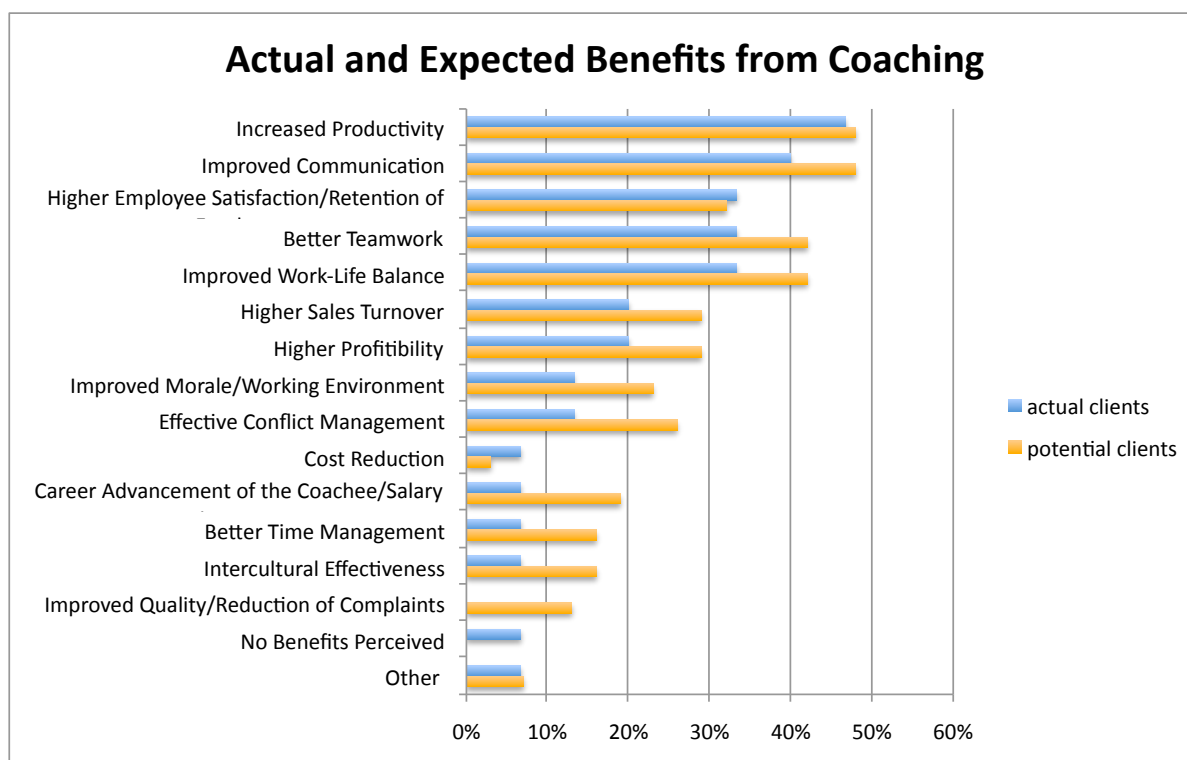


The top answers for major benefits which were either experienced by the actual clients or expected by the potential future clients were:

- increased productivity
- improved communication

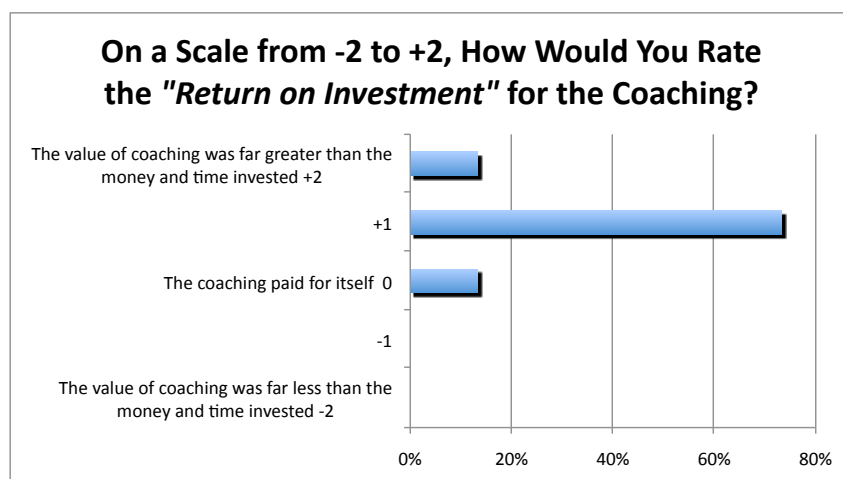
followed by

- higher employee satisfaction/retention of employees
- better teamwork and
- improved work life balance



As it may be difficult to directly measure the monetary benefits of coaching, participants were asked how they would “qualitatively” estimate a return on investment (ROI) on a scale ranging from -2 “the value of coaching was far less than the money and time invested” to +2 “the value of coaching was far greater than the money and time invested” with the midpoint 0 meaning that the coaching paid for itself.

An overwhelming majority of 87% rated on the positive scale. 13% said the coaching paid for itself whereas no one experienced a loss from coaching.



Accordingly, it is not surprising that 73% of the respondents would hire an external coach again.

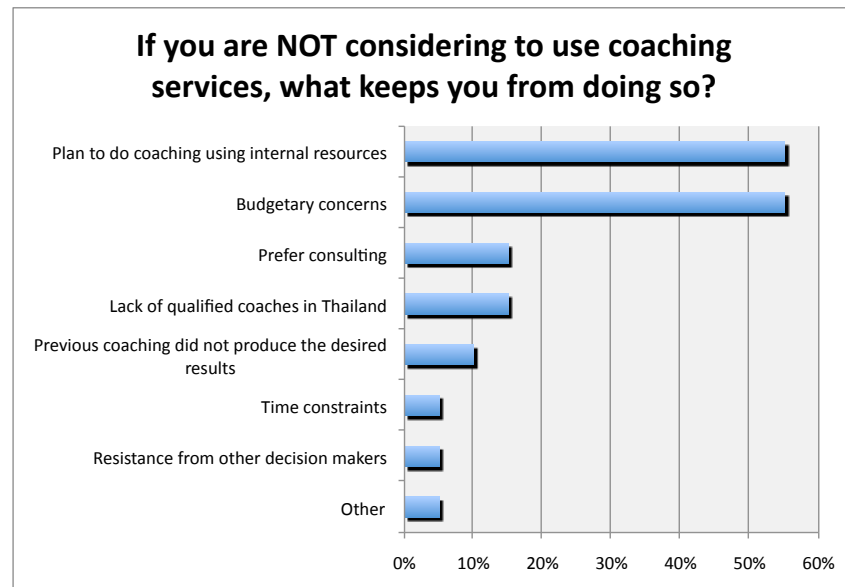


50 % of those who responded “no” gave as reasons they would continue coaching, but using an internal coach. Other reasons stated for not hiring a coach again were budgetary constraints and a lack of qualified coaches in Thailand.

Whether participants had any previous coaching experience or not, they were asked if their organization intends to use coaching within the near future. Almost a third said “yes”, the majority was not sure, and only 26% answered with “no”.



For those who do not plan to use external coaching as a management and leadership development tool, two main reasons prevailed: budgetary concerns, and interestingly the intention of doing coaching internally. (The definition and qualification of internal coaches is not clear though.)



In general, clients stated that their companies spent about 66,000 THB per year and person for the development of their managers.

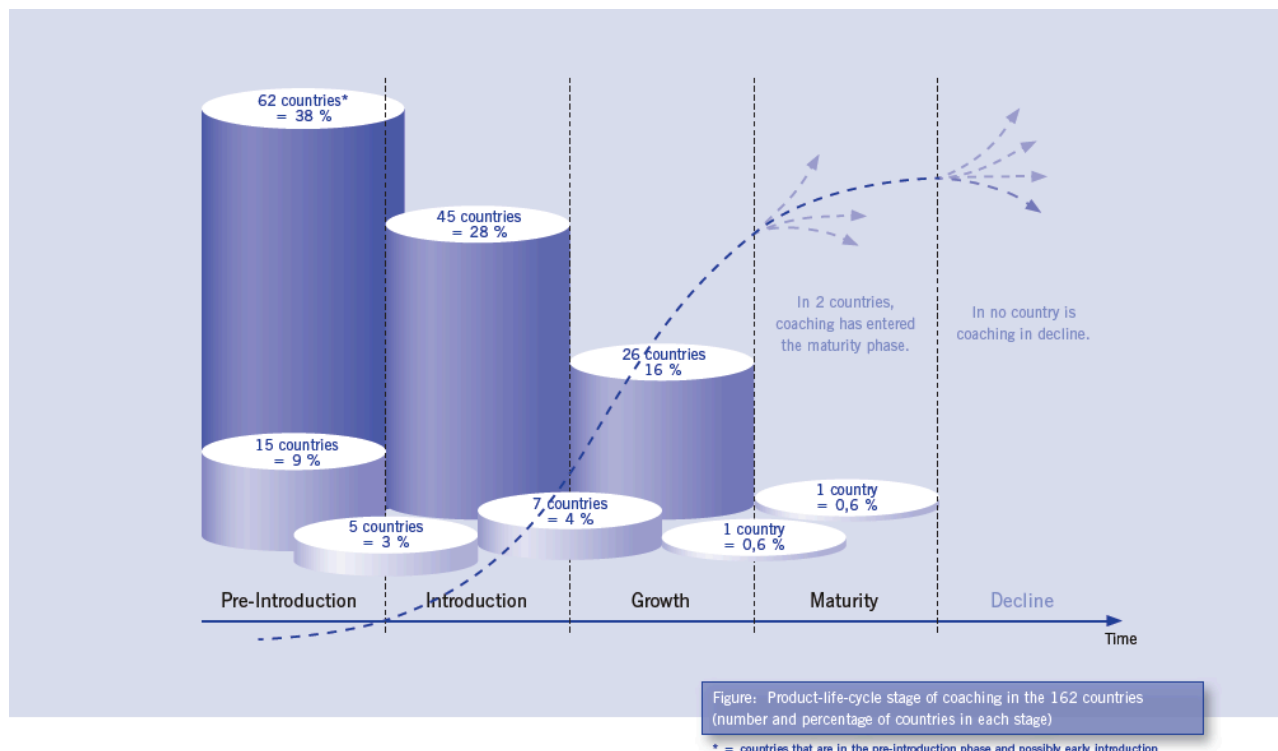
Asked for what other methods besides coaching they would use for personnel development, answers indicated a very clear focus on internal and external training.

Clients were almost as optimistic as coaches with regard to the future market development, and 36% foresee a significant growth.



4. Conclusion and Discussion

Compared to “Western” countries, the market for Executive Coaching in Thailand is relatively poorly developed. The rough estimate of a coach:population density between 1:670,000 and 1:2.4 million corresponds with the finding of the Bresser study [3] that coaching in Thailand is in the introduction phase of a 5-stage-life-cycle, together with 16 other Asian countries. Only 5 countries in the region are considered to be in the growth phase (Japan, Singapore, South Korea, United Arab Emirates, and Philippines), whereas in another 20 countries no coaching industry has been identified at all.



source: Frank Bresser Consulting [3]

Corresponding with the Bangkok Post newspaper article (*"The coaching business in Thailand has a promising outlook with a 30% growth projection this year as demand rises from companies looking for higher efficiency and changes."*) [5], the present survey finds that coaches as well as corporate clients are optimistic that the market for executive coaching in Thailand will grow.

However, a few aspects have to be taken into account that may limit the growth compared to other countries: Thailand's GDP per capita of 8,000 USD is relatively low compared to further developed countries in Asia, e.g. Singapore 50,000 USD, Japan 32,000 USD, Malaysia 13,000). [11] Particularly in Thailand's rural areas with traditional farming prevailing, coaching will be hardly of any interest within the foreseeable future. The growth will stem from international business, which is mainly located in Bangkok, the country's capital.

The coaches identified in Thailand who participated in this survey can be considered “high-end”: they display a high educational level, they have corporate experience from working in high positions in the industry, and they are either accredited coaches or working towards such an accreditation.

Accordingly, fees between 160 USD/h and 330 USD/h correspond well with the figures stated by the ICF on a global level. However these rates remain significantly behind the median of 500 USD/h reported by the Harvard Business Review for USA and UK [10].

We can assume that executive coaching is at a critical stage in Thailand: the market is not developed, yet, and on one hand, there is obviously a high demand for professional quality coaching, and a desire to follow the Western trend where coaching has been applied successfully for many years. On the other hand coaching is not well known to the public in general, and there is a risk that self-proclaimed coaches who are either lacking a proper qualification or the talent (or both) damage the reputation of the coaching profession.

Whereas other factors like the economic development as well as the political situation can hardly be directly influenced by the coaches in Thailand, they would be wise to work on promoting an understanding of professional coaching, and also explain about qualification criteria for coaches.

Also, the study reveals that currently many companies are using internal coaches. The effectiveness of such programs may be questioned for three reasons: internal coaches in most cases lack the formal education and qualification, they have to do the coaching part-time in addition to a main job in the organization, and there is a concern that coachees might not open up to someone from within their organization. The latter point is particularly valid if the coachee is in a reporting line to the coach. As Bronwyn Bowery-Ireland, CEO ICA, states: “An organisation that asks its managers to be managers and also coaches is breaching all ethical boundaries of both management and coaching.” [12]

Coaches will be wise to demonstrate the value of professional executive coaching. Although it may be difficult at times to measure the monetary benefits of coaching directly when it aims at behavioral changes or improving soft skills, the estimation of an ROI or at least the setting of S.M.A.R.T. targets is highly recommended.

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