



2022 Trends in Digital
Coaching That Will Shape
the Future of HR

Context

Over the last few years, the coronavirus pandemic has tested the resilience of companies and employees. HR leaders have been tasked with keeping morale high while balancing crucial business continuity and employee retention measures. The period represented a marked expansion of HR's responsibilities, putting significant strain on HR professionals. HR leaders had to adapt their roles to remote work, a rapidly shifting paradigm that presents unique challenges and opportunities.

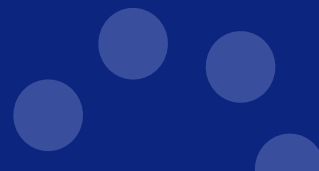
With the stresses of the pandemic and a transition to remote and hybrid work, cases of employee burnout have drastically increased since 2020 - a recent survey conducted by Indeed found that over half of respondents were experiencing burnout (2020). Consequently, the HR industry has had to rapidly adapt to the increased burden on employees' mental health and an inability to provide in-person support during lockdowns.

At the same time, digital coaching has seen consistent and significant growth; as of 2021, the International Coaching Federation predicted that this trend would continue with an annual growth rate of 6.7% (2021). Naturally, the pandemic has been an important factor in the industry's growth - the decentralization of post-pandemic workforces has meant that employers have needed to provide their workers with remote guidance during a period of turbulence. In light of these circumstances both within the HR and digital coaching industries, therefore, it is becoming increasingly clear that digital coaching can play a crucial role in helping

HR professionals to adjust to a post-pandemic work landscape.

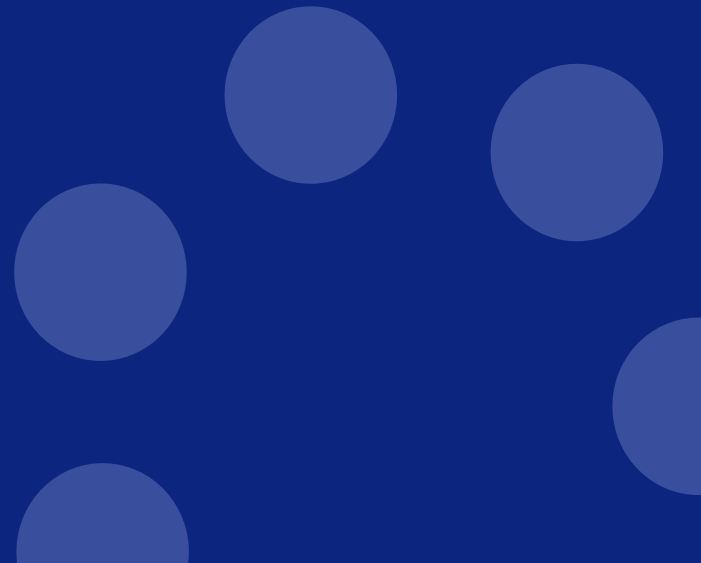
Digital coaching has emerged as a vital tool to assist HR in adapting to a period of rapid transformation since it offers employees tailored guidance for their professional development. An important advantage digital coaching has over in-person coaching is that it is scalable. Since coaching sessions take place online, employees can receive 1:1 support from anywhere. Moreover, by offering support for the learner's well-being at a time of unprecedented mental health struggles in the workplace, organizations can expect increased employee satisfaction, productivity, and retention. Naturally, these are all key considerations for HR professionals, particularly in the current context of a VUCA environment - one characterized by volatility, uncertainty, complexity, and ambiguity.

With the broader contexts of both the HR and digital coaching industries outlined, this report will identify the trends and technologies that are shaping the future of digital coaching and, in turn, how HR professionals can implement these innovations to better support their employees.





Key Trends





80%

of HR respondents agreed they were “relied upon by senior leaders to help navigate new situations or practices.”

73%

agreed that their HR department was: “recognized by senior leaders as crucial to the business function.”

72%

of HR professionals indicated that their HR department was working beyond capacity and stretched too thin.

1

Digital Coaching Sessions Will Focus More on Building Emotional Resilience and Managing Stress

The uncertainty during the pandemic has caused unprecedented levels of stress, anxiety, and depression among employees. According to a study by the American Psychological Association, “nearly 3 in 5 employees reported negative impacts of work-related stress, including lack of interest, motivation, or energy (26%) and lack of effort at work (19%)” (Abramson, 2022) since the start of the pandemic. This has presented a particular set of challenges for HR professionals, who have oftentimes had to find ways to retain an unhappy, unmotivated workforce during a period when many organizations have been decreasing their departmental budgets.

The digital coaching industry can provide support to HR due to digital coaching’s ability to arrange sessions in the privacy and comfort of learners’ homes. Moreover, digital coaching has increasingly emphasized the value of developing emotional resilience and control, with experts positing that it is the most important skill to develop in the modern workplace (Forbes, 2017). Understandably, this is also an area of employee development that HR departments have found themselves increasingly concerned with; indeed, a recent study by Deloitte revealed that 94 percent of HR leaders see well-being as a driving force behind organizational performance (Schwartz et al., 2020). To equip employees with effective mental health solutions, therefore, digital coaching will continue to become a more important tool in supporting HR professionals.

2

Digital Coaching Will Deliver Tailored Coaching Experiences for Employees

While traditional “one-size-fits-all” career development strategies have been a long-standing feature of most workplaces, digital coaching allows organizations to tailor their needs in relation to employees’ specific aspirations and goals, while still scaling their initiatives across all levels.

Leveraging technology and data can help companies develop individualized solutions that meet their employees’ unique needs, ultimately increasing employee satisfaction and retention. Indeed, according to a recent study conducted by LinkedIn, 94% of employees agreed that they would stay at a company for longer if they felt it invested properly in learning and development (2020). According to the same study, 54% of employees stated that they would spend more time on learning and development if the guidance was more tailored to their specific goals.



94%

of employees agreed that they would stay at a company for longer if they felt it invested properly in learning and development.

80%

of HR professionals view employee morale and engagement as their highest priorities in 2022.

46%

of global workers agreed that they would leave their job if not offered the chance to upskill.

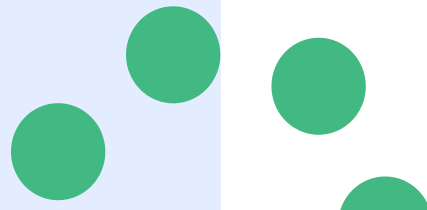
3

Digital Coaching Will Emerge as an Important Tool in Employee Development

Employee development is changing with an increased emphasis on mental health. Employers are prioritizing employee well-being to ensure high levels of engagement, productivity, and retention. Since HR departments are prioritizing employee morale and engagement more in the face of an uncertain employment landscape, with one survey revealing that as many as 80% of HR professionals view these as their highest priority in 2022 (SHRM, 2022), digital coaching has emerged as a vital tool in helping employees stay motivated, focused, and productive during the pandemic.

As well as offering HR support in improving employees' mental health, digital coaching can assist employees to take advantage of career advancement opportunities – a vital aspect of employee retention. Indeed, according to a recent study, 46% of global workers agreed that they would leave their job if not offered the chance to upskill (Degreed, 2021). In order to keep employees happy and motivated, therefore, digital coaching will continue to provide targeted guidance on topics such as career development, productivity, and professional goals throughout 2022 and beyond.

Lastly, digital coaching has seen an enhanced focus on the concept of “coachability”, which can be defined as the ability to integrate, process, and respond to feedback effectively and constructively. Adapting to feedback is an essential aspect of professional development and, by developing learners' coachability, digital coaching can help HR professionals drive employee retention and progression within any organization.



4

Digital Coaching Will Help HR Support a Decentralized Workforce

The coronavirus pandemic has forced companies to rapidly shift into different work settings, with some companies going fully remote while others explored hybrid models. This drastic change in workplace practices has caused widespread disruption to the HR industry, with nearly half of employees agreeing that their managers do not understand the challenges they face in the current climate (Gartner, 2021).

Digital coaching can help HR adapt to remote work while providing the individualized guidance employees need. Since 95% of HR leaders anticipate a significant portion of their workforce will continue working remotely after the pandemic (Gartner, 2022), the role of digital coaching's automated support functions, such as chatbots, will continue to alleviate some of the stresses HR departments face during a period of unsettlement.



95%

of HR leaders anticipate a significant portion of their workforce will continue working remotely after the pandemic.



5

Digital Coaching Will Help Employees Develop Their Professional Brand

In an increasingly competitive global employment market, employees need to maintain a professional brand to position themselves for success. At the same time, employees' ability to brand themselves professionally has become an important aspect of company branding for employers. Particularly in the case of those with a strong presence on LinkedIn, for instance, employees can also be seen as brand ambassadors for the company, which is useful for organizations since this can become a source of free organic marketing.

Developing a professional brand requires continuous education and development, and a digital coaching platform can help support this with curated, on-demand, and self-paced courses. Additionally, digital coaching platforms are increasingly incorporating social sharing features, giving employees the chance to share their progress with their professional network. Ultimately, therefore, having a social network-savvy team with a strong and clearly defined professional brand helps support HR by helping to attract new employees.



38%

of enterprises are currently using AI already in their workplaces.

87%

of HR professionals felt their workload had increased since the beginning of the pandemic.

6

Digital Coaching Will Use Artificial Intelligence to Guide Employees' Success

AI has become an important tool for HR teams as they look to evolve their functions. With AI, companies can identify employee pain points and more effectively target professional development opportunities. For example, AI-powered chatbots can provide employees with personalized career guidance through FAQs and automated messaging. In addition, certain digital coaching platforms such as Sharpist have developed AI tools to help choose the most suitable coach for learners, thereby further tailoring the 1:1 coaching experience.

The implications of developing AI are far-reaching and are sure to impact the L&D tech sector, with 38% of enterprises in 2021 already having used AI in their workplaces (Deloitte, 2021). This comes at a time when HR departments have been feeling overstretched and overworked during the pandemic - indeed, a recent study revealed that 87% of HR professionals felt their workload had increased since the beginning of the pandemic (HRD, 2022). With the accelerated growth of digital coaching since the pandemic, digital coaching platforms are best placed to help HR adapt and optimize based on the latest technological developments.

89%

of employees feel more productive working with gamification.

88%

feel happier at work with gamification.

7

Digital Coaching Will Utilize Gamification to Support Coaches and Employees

Alongside the rapid growth of the digital coaching industry, increasingly sophisticated technology has been developed to enhance learners' experience, engagement, and ROI. One such technological development in digital coaching has been a trend towards gamification - the application of gaming elements in alternative contexts - whereby learners may be encouraged to continue their coaching journey by mapping the progress of a digital avatar. The gamification of digital coaching has the potential to drastically increase learner engagement, with a recent survey suggesting that 89% of employees feel more productive and 88% feel happier at work with gamification (TalentLMS, 2019).

In this way, digital coaching can support HR by improving employee engagement with the coaching progress and, consequently, the overall success of the learner's experience. In turn, this increases employee satisfaction while also reducing workplace stress.



77%

of top managers view soft skills as their biggest challenge.

89%

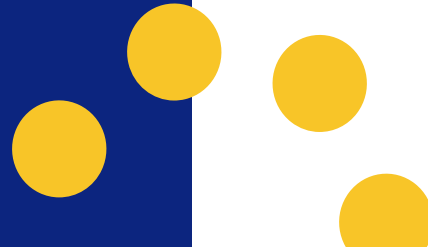
of European companies are already planning to implement a hybrid work environment.

8

The Future of Digital Coaching Will Focus on Developing Soft Skills

Over recent years, digital coaching's focus has shifted beyond technical skills to also teaching employees how to manage their time, communication, and stress, otherwise known as soft skills. These soft skills are increasingly important in the workplace, where employees need to be able to multi-task and work in high-pressure environments. Indeed, according to an Accenture study, 77% of top managers view soft skills as their biggest challenge (2019), while 76% of HR professionals feel consultation and collaboration skills are of high importance in the modern workplace (UKG, 2020).

Developing skills in communication as well as time and stress management is a crucial way for digital coaching to support HR. As organizations move towards remote and flexible workplace policies, with 89% of European companies already planning to hybridize (Owl Labs, 2021), developing employees' soft skills has become an essential factor in ensuring any organization's success. In order to maintain an agile and resilient workforce, therefore, workplaces are quickly embracing the importance of "work-life integration" on employees' mental health and productivity.



9

The Future of Digital Coaching Will Enable Better Virtual Team Collaboration

The pandemic and the move to remote-first policies made virtual collaboration commonplace - a recent study reveals a 176% increase in collaboration apps installation during the pandemic (Absolute, 2021). This trend is likely to continue as businesses become increasingly reliant on digital collaboration tools.

Digital coaching can play an important role in supporting virtual team collaboration by tailoring guidance on professional development. Moreover, digital coaching's increasing focus on soft skills such as communication, collaboration, and organization will help virtual teamwork to become more productive and efficient. Since one 2022 study suggested that 45% of workers feel a lack of clear direction or agenda is a challenge of virtual collaboration (Lucid, 2022), organizations' ability to cultivate a focused collaborative company culture on virtual platforms will become an increasingly important factor in organizational growth.



45%

of workers feel a lack of clear direction or agenda is a challenge of virtual collaboration.



10

The digital coaching industry will continue its rapid growth and drive employee satisfaction, productivity, and retention

The demand for scalable talent development tools has outgrown the supply of in-person solutions on the market, a trend that has been largely catalyzed by the pandemic but is set to continue with the move to remote and hybrid work models. Digital solutions offer platforms, tracking mechanisms, and an abundance of additional features to reach, connect, and engage employees, regardless of their location. In addition to the quantitative benefits, digital coaching assists HR professionals in qualitative ways by providing vital support for employee well-being and developing their soft skills, which are increasingly seen as key to professional success (Indeed, 2019).

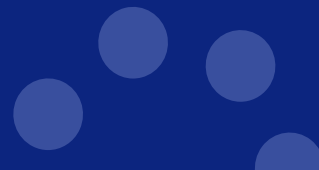
Digital coaching is the most prominent emerging solution for employee development, effectively combining a scalable model with a personalized approach (Rekalde et al., 2017) and is thus becoming “the mainstay of how coaching takes place” (LinkedIn, 2022). Aside from scalability, virtual coaching can offer tailored development programs that are more accessible, flexible, and affordable, while providing a more time-efficient environment for both coaches and learners.

With the current strains on HR professionals, digital coaching is something that will play an important role in supporting future HR departments - indeed, according to a recent study, 69% of HR professionals felt that coaching and team development abilities were of high importance in the modern workplace (UKG, 2020). With the reconfiguration of many workplace practices since the pandemic, it is clear that digital coaching provides an innovative and uniquely suitable solution for supporting HR through the current period of volatility and uncertainty.

Key takeaways



- ✓ Digital coaching will increasingly play a key role in developing soft skills and stress management techniques, alleviating some of the pressure taken on by HR during a period of post-pandemic uncertainty.
- ✓ While the pandemic may have catalyzed the growth of digital coaching, an increase in hybrid and remote-first policies means that digital coaching will continue to play a vital role in supporting HR beyond 2022.
- ✓ Innovative new technology and the use of AI will allow organizations to integrate digital coaching into their HR departments' processes, as well as further tailoring the coaching experience to the individual learner.
- ✓ Digital coaching will be the dominant way of coaching in a hybrid working environment. The benefits of flexibility, accessibility, and affordability will continue to put it ahead of other L&D solutions in the market.
- ✓ Digital coaching will increase the availability of coaching services and, consequently, the coachability of employees at all organizational levels.



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