

A Summary of ROI Studies

The ROI of Coaching for Executives

(adapted from work completed by the Lore International Institute)

Key Points about Executive Coaching

- Coach guides the process of learning for the purpose of helping the leader to consciously choose behaviours – that will improve the bottomline and their key relationships
- There is little other assisted opportunities for continuing development of leaders
- 3 levels of impact;
 - » Individual – intrapersonal
 - » Interpersonal
 - » Strategic - organizational

Reasons Coaches are employed to help Executives

	Intrapersonal changes	Interpersonal changes	Organizational changes
Development focus	<ul style="list-style-type: none"> • enhanced use of emotional intelligence • Increased ability to adapt to constantly changing environment • Ability to achieve work life satisfaction, balance 	<ul style="list-style-type: none"> • Leadership skill development for technically skilled leaders • Ability to “ramp up” faster in new role • Support goals and development for women and minorities 	<ul style="list-style-type: none"> • Supports and enables well developed succession planning • Maximizes high potential leaders • Increase capacity to revise global business strategies – that are driven by technology change, mergers and acquisitions

• Top reasons for employing coaches

- To develop leadership skills in high potentials – 86%
- Improve the odds of success for new leaders – 64%
- To develop leadership skills in technical leaders – 59%

Effectiveness Measurement

1. Self reported satisfaction – feedback about the coach and the process and their satisfaction with it.
2. Self and other reported improvements – most common tool used is 360 feedback.
3. Business impact studies – to date these have relied on self reports. Could include case studies, or internal and external customer surveys.
4. ROI studies - $\$ \text{ value of improvement} - \text{cost of coaching} \times 100 / \text{cost of coaching} = \text{ROI}$

Executives report impacts

(Personal and Organizational)

- **Enhanced executive learning** – training and coaching combined to achieve 88% improved productivity (Cathi Turner, “Coaching can make a difference in career success” Seattle Business Journal , 3 May 2002)
- **Gains in corporate performance** – execs who were coached scored higher on business results than their counterparts who had not been coached (Anne Fisher, “Ask Annie” Fortune magazine, May 2002)
- **Enhanced relationships** – improved work relationships with direct reports, supervisors, peers and external clients (Manchester, “executive coaching yields return on investment of almost six times the cost April 2002)
- **Increased leadership effectiveness** – promotion success; senior staff who were coached tend to be promoted more often than those who do not participate in one on one coaching. (Coahcthee.com “What do you know about executive coaching ROI?, April 2002)