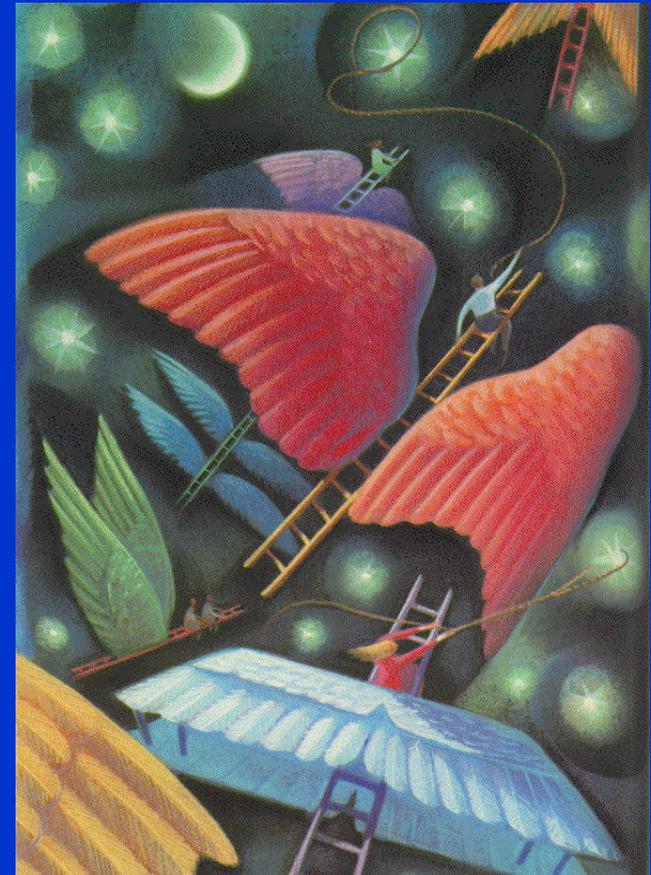


# Measuring and Maximizing the ROI of Executive Coaching

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**SIOP**  
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# Introductions

## Katherine

- ⇒ Executive coach
- ⇒ Managed PDI Japan and trained coaches in Asia from 1994-2000
- ⇒ Established Peakinsight LLC to offer coaching & consulting for organizational change, innovation and sustainability
- ⇒ Formed Global Coach Network in 2004

## David

- ⇒ Executive coach
- ⇒ Consultant to organizations designing, implementing, and evaluating coaching programs
- ⇒ Leader of PDI's world-wide coaching practice since 1990
- ⇒ Author, *Leader as Coach, Development FIRST*, chapters/articles on C&D



# Agenda

- Setting the stage
- Does coaching work? Highlights of key research
- Challenges of measuring change and ROI
- Five-step framework for evaluating the impact of coaching (Peterson & Kraiger, 2004)
- Assessing progress and ROI in your own coaching engagements
- Challenges of coaching research

## Objectives

- ⇒ Summarize current research about effectiveness & ROI of coaching
- ⇒ Utilize a five-step framework to evaluate the impact and value of coaching programs
- ⇒ Design a plan to measure important outcomes in your own coaching engagements

# Setting the stage



What are your  
***“burning issues”***  
about the return  
on investment (ROI)  
for executive coaching?

# Burning issue for many companies: Herding bunnies while rabbits multiply



- Justifying coaching budget to senior management
- Controlling money spent on external coaches
- Finding out where your money is being spent (accountability)
- Implementing a structured evaluation as part of a formal corporate coaching process

# ASTD Survey Research: Implications for the WLP Profession

Rank	Implication	% Agree Very Important or Essential	Mean 5-point scale
1	Aligning learning and performance strategies with the organization's strategy	93%	4.62
2	<b>Demonstrating a payback from your efforts in the form of improved organizational performance and measurable results</b>	<b>85%</b>	4.32
3	Operating ethically and with social responsibility	83%	4.38
4	Developing or offering learning tools to meet the need for just-in-time learning and knowledge	82%	4.25
5	Developing and implementing strategies for retaining and developing talent	81%	4.26
6	Increasing competence in understanding technology alternatives and their use and application in delivering learning and training	77%	4.15
7	Understanding and responding to globalization and diversity issues	61%	3.76

# Kirkpatrick's 4 levels of evaluation + ROI



1. Reaction to coaching program
2. Learning (change in knowledge/skill)
3. Behavior change
4. Business impact/results
5. Return on investment

# Calculating Benefits/Cost Ratio vs. ROI

$$\blacksquare \text{ Benefits/Cost Ratio} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

$$\blacksquare \text{ ROI} = \frac{\text{Net Program Benefits}}{\text{Program Costs}} \times 100$$

# PDI Research: Quick highlights

- **Thompson (1985)**
  - ⇒ Changes are maintained and continue to improve two or more years later
- **Peterson (1993)**
  - ⇒ Significant, lasting improvement on specific coaching objectives and overall job performance
- **Birkeland, et al. (1997); Davis & Petchenik (1998)**
  - ⇒ Clearly worth the investment at major oil company
  - ⇒ Executives concluded the results of five people easily paid for the total cost of coaching all 100 people
  - ⇒ ROI in one case was over 1000 times the cost

# Research: Quick highlights

- **Olivero et al. (1997), Smither et al. (2003)**
  - ⇒ Positive effects on a number of general criteria, such as 360s, global ratings, productivity
- **McGovern et al. (2001): Manchester study**
  - ⇒ Real improvements and good ROI
- **Kampa & White (2002): Survey article**
  - ⇒ Executives consistently react positively to the experience
  - ⇒ Report positive outcomes and ROI

# ROI findings from other studies

- 529% - 570% - 600% estimated ROI
- 259% increased executive retention
- Estimated savings
- Helped reduce turnover by 15%
- Direct reports of coached executives outperformed direct reports of non-coached executives.
- Majority believed main benefits of coaching are improved leadership and communication skills.
- 80% believed that coaching contributed to their business area achieving its objectives.

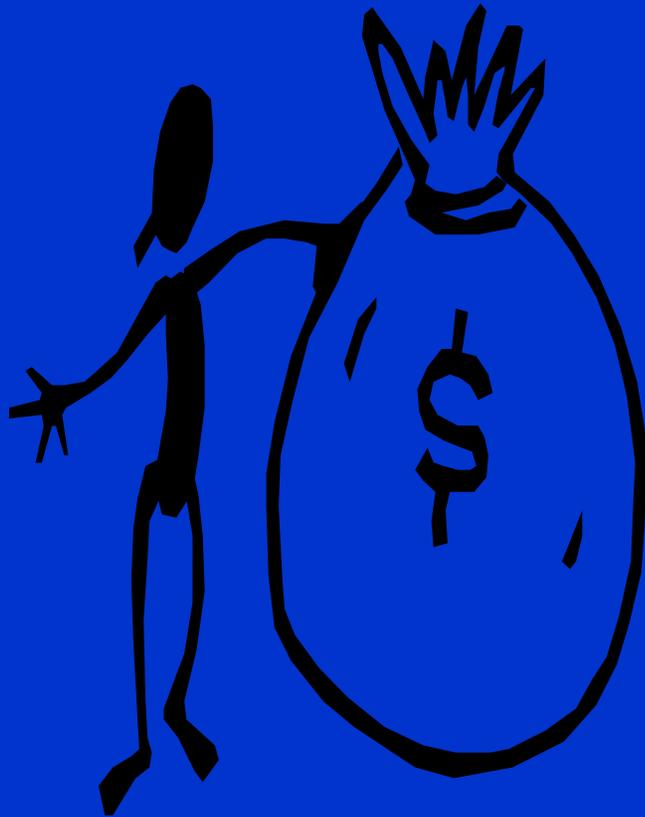
# Manchester Study (McGovern et al., 2001)

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- 100 executives
- Mostly Fortune 1000 organizations
- Over half are VP or higher
- 6-12 months of coaching
- Participants estimated the results of their coaching to be worth 5.7 times the initial investment. However, only 43% could estimate the financial benefit.

# Tangible benefits from coaching

(as reported by executives in Manchester study)



- Productivity (53%)
- Quality (48%)
- Organizational strength (48%)
- Customer service (39%)
- Reduced complaints (34%)
- Own retention (32%)
- Cost reductions (23%)
- Bottom-line profitability (22%)
- Top-line revenue (14%)
- Reduced turnover (12%)

# Intangible benefits from coaching

(as reported by executives in Manchester study)

- Improved relationships with direct reports (77%)
- Improved relationships with stakeholders (71%)
- Improved teamwork (67%)
- Improved relationships with peers (63%)
- Improved job satisfaction (61%)
- Reduced conflict (52%)
- Increased organizational commitment (44%)
- Improved relationships with clients (37%)

# Factors impacting the effectiveness of coaching

(from Manchester Study)



## Enhancers:

- Coach/participant relationship (87%)
- Quality of feedback (62%)
- Quality of assessment (57%)
- **Participant's commitment (51%)**
- Manager's support (43%)

## Detractors:

- Participant's availability (44%)
- Communication issues (25%)
- Organization support (25%)
- **Participant's commitment (13%)**

# Peakinsight sample findings

5 participants = 32.9 average benefits/cost ratio

Cost	Estimated Value (averaging 2 estimates)	Benefits/Cost Ratio
\$20,000	\$250,000	12.5
\$20,000	\$550,000	27.5
\$20,000	\$1,450,000	72.5
\$35,000	\$75,000	2.1
\$40,000	\$2,000,000	50.0

# Peakinsight sample findings

5 managers = 16.8 average benefits/cost ratio

Cost	Estimated Value (averaging 2 estimates)	Benefits/Cost Ratio
\$20,000	\$90,000	4.5
\$20,000	\$255,000	12.8
\$20,000	\$1,000,000	50.0
\$35,000	\$65,000	1.9
\$35,000	\$510,000	14.6

# What does ROI mean:

- When there is huge variation in participant estimates (e.g., 190% - 7,250% ROI)?
- When range restriction occurs in sampling?
- When there are measurement errors or other factors (e.g., time1-2 estimates are different)?
- If boss estimates may be 50% lower?

**AND**

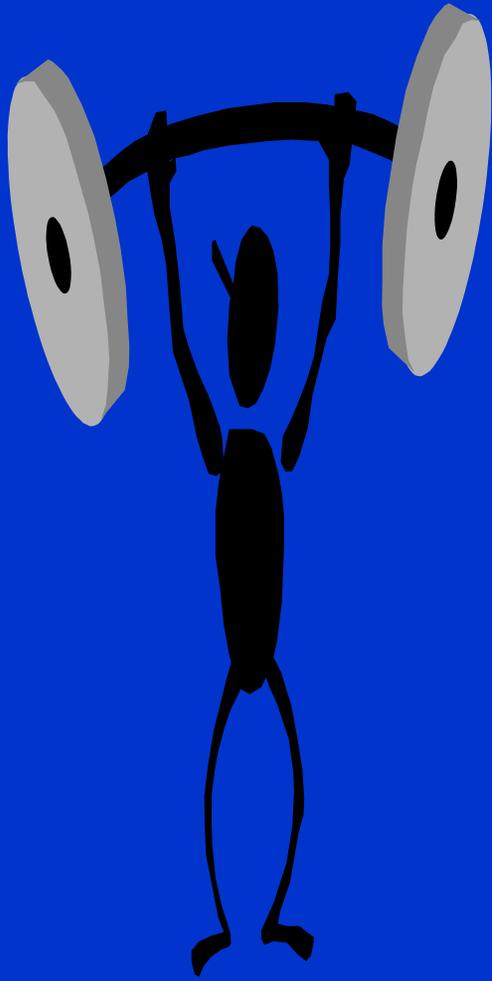
- **If coaching produces a 5:1 return, why invest in anything else?**

# When coaching is offered instead of managing problem performers...



- Client may not be able to implement new behaviors in time.
- Other people will question the process.
- Investment in coaching may assuage guilt (or act as insurance against lawsuit) but may not produce ROI.
- Coaching may get a bad reputation.

# Where to focus for change? ROI?



- Leverage strengths to accelerate development or prepare for change in scope
- Address development needs to remove obstacles that might impact success
- Manage stakeholder perceptions to improve peer or other relationships
- Improve overall leadership effectiveness

# Consider one pay-for-results approach...

“We first get an agreement with our coaching clients and their managers on two key variables: (1) what are the key behaviors that will make the biggest positive change in increased leadership effectiveness and (2) who are the key stakeholders that should determine (one year later) if this change has occurred. We then get paid only after our coaching clients have achieved a positive change in key leadership behaviors as determined by key stakeholders.”

**-- Marshall Goldsmith**

Pages 56-61 in “The Art and Practice of Leadership Coaching”

# Will coaches focus on low-hanging fruit (or changes easily observed by stakeholders) in a pay-for-results approach?

For example, we might contrast competencies that Lominger categorizes as easier vs. harder to develop...

<b>EASIER</b> to develop	<b>HARDER</b> to develop
Planning	Strategic Agility
Time Management	Innovation Management
Action Oriented	Managerial Courage
Informing	Managing Through Systems
Listening	Conflict Management
Peer Relationships	Building Effective Teams

# Teaser

- Which type of coaching participants are more likely to change in coaching?
  - ⇒ Highly motivated or less motivated?
  - ⇒ Smart or not so smart?
  - ⇒ Introverts or extroverts?
  - ⇒ High MMPI scores or low/average MMPI scores?
  - ⇒ High EQ or low EQ?
  - ⇒ Collins' level 5 leadership?
  - ⇒ Lominger's easy vs. difficult competencies?
- Any other ID's you are interested in?

# Peterson (1993)

- 370 coaching participants at PDI from 1987–1993
  - ⇒ Virtually all participants in the intensive program
  - ⇒ From derailers to high-potentials
- Demographics
  - ⇒ Early 40's
  - ⇒ Mostly male
  - ⇒ Mostly white
  - ⇒ Well-educated (37% MBA or PhD)
- Significantly smarter and higher paid relative to a matched sample of managers assessed by PDI

# Design and methodology

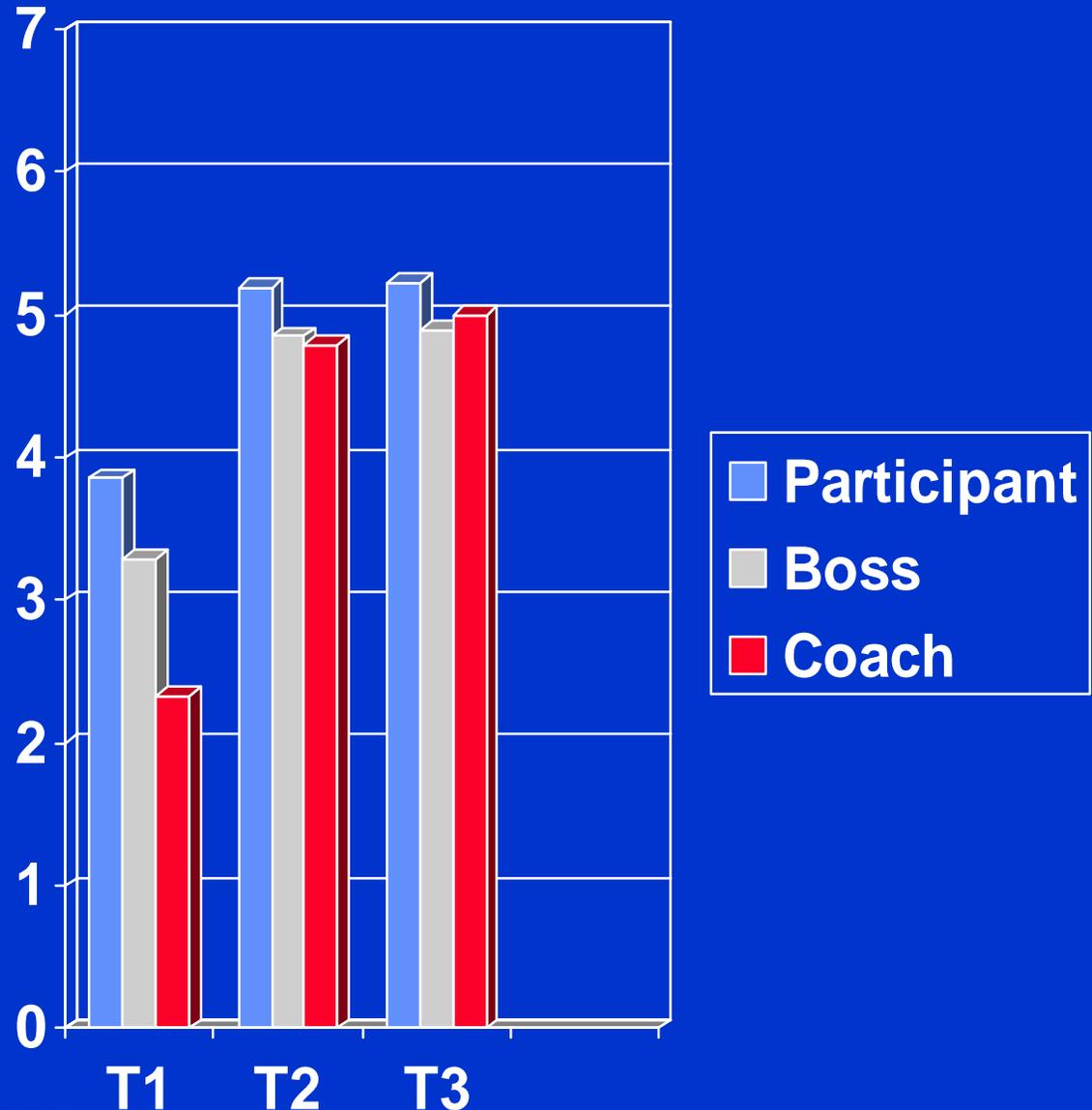
- **Rated on specific coaching objectives based on:**
  - ⇒ Organizational interviews
  - ⇒ Assessment interview, CPI, MMPI, MBTI, cognitive abilities, role play, in-basket
- **Multiple raters**
  - ⇒ Boss, participant, coach, sometimes HR
- **Multiple times**
  - ⇒ Before coaching began
  - ⇒ After coaching (typically 6-9 months)
  - ⇒ Six-twelve months following completion of coaching

# Multiple measures

- Two rating scales
  - ⇒ Current effectiveness (7-point scale)
  - ⇒ Degree of change (5-point scale)
- Target and control items
  - ⇒ Coaching objectives (>20,000 unique items, 10-20/person)
    - Interact with others in a positive, supportive manner
    - Make timely decisions
    - Delegate with the appropriate amount of responsibility
  - ⇒ Control items (5)
    - Maintain a well-organized and orderly work space
    - Use financial and quantitative information effectively

# How much did they change?

- Ratings of current effectiveness
- Over 1.5 S.D.'s of change from all rater perspectives
- The equivalent of moving from 50<sup>th</sup> to 93<sup>rd</sup> percentile



# But what really changed?

## ■ Gamma change

- ⇒ Rater's view of the construct changes
- ⇒ "I have a very different picture of what effective leadership means now."
- ⇒ "Now I get it."

## ■ Beta change

- ⇒ Rater's view of the person's standing on the construct changes
- ⇒ "I always thought I was a pretty good leader until I looked honestly at how my results compared to others."
- ⇒ "Now I get it."

## ■ Alpha change

- ⇒ True change on the construct of interest
  - ⇒ (Golembiewski, Billingsley, & Yeager, 1976)

# How much did they change? Another look

Rater	Difference score (T2 – T1)	Degree of change rating 3 = moderate change 5 = great change	Correlation – D score with DOC rating
Participant	1.33	3.81	.14
Boss	1.30	3.74	.24*
Coach	2.46	3.66	.50***

# Rater correlations: Alpha, beta, or gamma change?

	Participant - Boss	Participant - Coach	Boss - Coach	Alpha of all three
Difference score	.00	.05	-.06	.00
Degree of change rating	.40***	.34***	.42***	.65***

# The teaser: Revealed!

- Which type of coaching participants are more likely to change in coaching?
  - ⇒ Higher motivation?
  - ⇒ More intelligent?
  - ⇒ Introverted or extraverted?
  - ⇒ Higher/lower MMPI scores?
- The answer??? No difference!
  - ⇒ We train to criterion
  - ⇒ Slightly more positive results for extraverts (where there is typically more behavior to observe, so changes are more evident)

# Conclusion

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- Well-designed coaching makes a worthwhile difference in
  - ⇒ Skill learning
  - ⇒ Personal satisfaction
  - ⇒ Working relationships
  - ⇒ Job performance
  - ⇒ Organizational results
- Organizations still need to evaluate coaching against their particular purpose

# Putting ROI into context

- **Three types of measures** (Boudreau & Ramstad, 2003)
  - ⇒ Impact: Does it make a meaningful difference to what we care about?
  - ⇒ Effectiveness: Does the approach work?
  - ⇒ Efficiency: What does it cost?
- **Coaching:**
  - ⇒ Efficiency: Coaching is expensive compared to other development options
  - ⇒ Effectiveness: Research shows it can help people make significant changes
  - ⇒ Impact: Depends on the context: specific business need

# Putting ROI into context

- ROI: The net value (based on impact and effectiveness) relative to the cost (efficiency).
- ROI always depends on the context.
  - ⇒ Efficiency and Effectiveness for coaching can be predicted reasonably well in advance
  - ⇒ Impact is always specific and varies by situation: Does the change matter to the particular context?
- *No single number can ever represent the ROI of coaching*

# Three scenarios: The ROI of coaching people on strategic thinking

- Let's coach three people on strategic thinking
- Let's assume:
  - ⇒ The costs of coaching are the same (efficiency)
  - ⇒ All participants improve the same amount (effectiveness)
- Where is the greatest ROI (impact) likely to be?
  - (a) A forklift driver
  - (b) The head of strategy and planning for an innovative and successful company
  - (c) A new general manager leading a business struggling to keep pace with the competition

# How does coaching impact/ROI compare with leadership development impact/ROI?

- **360**
  - ⇒ Additive value of coaching: Smither et al. (2003); Luthans & S. Peterson (2004).
- **Well-designed training (Burke & Day, 1986)**
  - ⇒ .5 SD of change, compared to 1.5 SD for coaching
- **Leadership development systems (DDI, 1998)**
  - ⇒ \$50k-\$1M impact on organization in areas such as employee productivity and quality of products/services, with 50-100% directly attributable to LDS
- **Leadership development/executive education programs**
  - ⇒ ROI may range from 1.7-2.4 or more
  - ⇒ Kesner case illustrates difficulty in substantiating ROI (*HBR*, 2003)
- **Coaching can achieve > 5:1 ROI**
- **Action learning has exponential potential (with or without coaching)**
  - ⇒ JMW case illustrates potential impact of action learning projects may be \$50M-\$7.5B overall or \$13M/participant

# Five steps for evaluating the impact of coaching (Peterson & Kraiger, 2004)

1. Lay the foundation: Clarify purpose, audience, etc.
2. Design the process
3. Implement the process
4. Analyze the data
5. Present the findings

# 1. Lay the foundation

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- **Decide on your purpose:**

- ⇒ Decision making: How should we use this program? Who should attend? Which coaches should we use?
- ⇒ Improvement: How can we improve the design? Get better outcomes?
- ⇒ Marketing: How can we garner senior management support? Enlist potential participants?

# 1. Lay the foundation

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- Identify the audience for using the results:
  - ⇒ Program designers/project managers
  - ⇒ Current or future coaches
  - ⇒ Current or future participants
  - ⇒ Stakeholders and decision-makers
  - ⇒ Senior executives

# 1. Lay the foundation

- **Marshall resources for evaluation**
  - ⇒ Financial
  - ⇒ Personnel
  - ⇒ Time
- **Anticipate and plan for obstacles**
  - ⇒ Resource-based: Time and money
  - ⇒ Motivational: Will they answer our questions?
  - ⇒ Design-based: Do we have the technology?
- **Anticipate & plan for cultural, language, & diversity issues**
  - ⇒ Translations
  - ⇒ Degree of frankness in response

## 2. Design the process

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- Choose raters
  - ⇒ Coaches
  - ⇒ Participants
  - ⇒ Bosses
  - ⇒ Subordinates
  - ⇒ Peers
  - ⇒ Customers
  - ⇒ Other stakeholders

## 2. Design the process

- Design content for evaluation

- ⇒ Coaching objectives for each individual:

- Individually customized
- Common items: I am a more effective leader

- ⇒ Targeted organizational objectives for coaching

- This person is better prepared for a promotion into a key position

- ⇒ Aspects of the coaching process and the coach

- My coach was warm and fuzzy.

- ⇒ Suggestions for improving the process

- What would have made this a more rewarding/effective process for you?

## 2. Design the process

- **Representative items for each purpose**
- **Decision making**
  - ⇒ Who in our organization is most likely to benefit from this process?
  - ⇒ Rate the overall quality of your coach.
- **Improvement**
  - ⇒ Administrative processes and support (e.g., scheduling, communications) have been smooth and responsive.
  - ⇒ What could be done to improve the quality of this process?
- **Marketing**
  - ⇒ I would recommend this coaching to others.
  - ⇒ What did you find most useful or enjoyable about your coaching?

## 2. Design the process

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- Choose response scales

- ⇒ Yes/no

- ⇒ Agree/disagree

- ⇒ Current effectiveness

- ⇒ Level of improvement

- ⇒ Current vs. desired performance

## 2. Design the process

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- **Determine data collection process**
  - ⇒ Paper and pencil
  - ⇒ Interview
  - ⇒ Web survey
- **Design evaluation**
  - ⇒ Pretest/posttest options
  - ⇒ Control/comparison group
  - ⇒ Item-level controls

## 3. Implement the process

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- Distribute items for response
- Collect responses
  - ⇒ Follow-up as necessary to improve response rate
- Store responses
- Maintain confidentiality and integrity of the data

## 4. Analyze the data

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- Account for attrition

- ⇒ Determine dropout rates

- ⇒ Determine differences between those who dropped out and those who completed

## 4. Analyze the data

- Evaluate impact

- ⇒ Is the program consistent with strategic objectives?
- ⇒ Do coaching objectives support these objectives?

- Evaluate effectiveness

- ⇒ Were program objectives met?
- ⇒ Have participants improved?
- ⇒ How effective are the coaches?

- Evaluate efficiency

- ⇒ Are benefits worth the investment?
- ⇒ What is the total cost?
- ⇒ Can program costs be scaled back?

## 5. Present the findings

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- Link results back to specific purpose(s) for evaluation
- Executive summary
- Graphical vs. statistical data
  - ⇒ Tailor presentation to preference of audience

To measure important outcomes  
in your own coaching engagements...

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*First ask some questions, including:*

*who* is doing the evaluation,

*whom* is being evaluated,

*what* is being evaluated,

and for *what purpose*?

# Consider everyone who has a stake in the change effort



- Participant
- Boss
- HR/HRD
- Other stakeholders
- Organization (e.g., succession plan)
- Family & friends
- Coach

# HR (or coach) can ask boss/client to rate survey items such as:

- The coach and coaching program have addressed our specific needs and situation.
- The coach was effective in helping this person learn new behaviors.
- The coach was effective in helping this person apply new behaviors on the job.
- The coaching contributed significantly to this person's improved effectiveness on the job.
- Overall, I am very satisfied with this person's progress in the coaching program.
- I am very satisfied with this person's effort in the coaching program.

## HR (or coach) can ask open-ended questions such as:

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- What 2-3 changes made by this person have most impacted your organization?
- How have these changes impacted your organization?
- How did coaching improve this person's leadership capabilities?
- What did you most appreciate about your coach?
- How could the coaching process be improved?

# Peakinsight research: How did you and your organization benefit from the coaching?

- “We achieved 3 years of more than 20% growth in the business.”
  - “We completed organization transformation successfully.”
  - “We made plan last year, despite having to come from behind.”
- 
- “I am able to lead/manage more effectively.”
  - “I became a better coach for others.”
  - “I improved the relationship with my boss.”
  - “I don’t let things fester, especially people issues.”
- 
- “I got a 45% salary increase!”
  - “I got a new promotion!”
  - “I received higher performance ratings.”

# Peakinsight research: What did you most appreciate about your coach?

- “Created environment for me to grow”
- “Provided opportunities for reflection
- “Asked questions that made me think”
- “Challenged me with tough questions”
- “Gave me feedback; helped me seek feedback”
- “Gave me a different point of view”
- “Open, honest, non-judgmental, insightful”
- “Compassion”
- “Held me accountable”

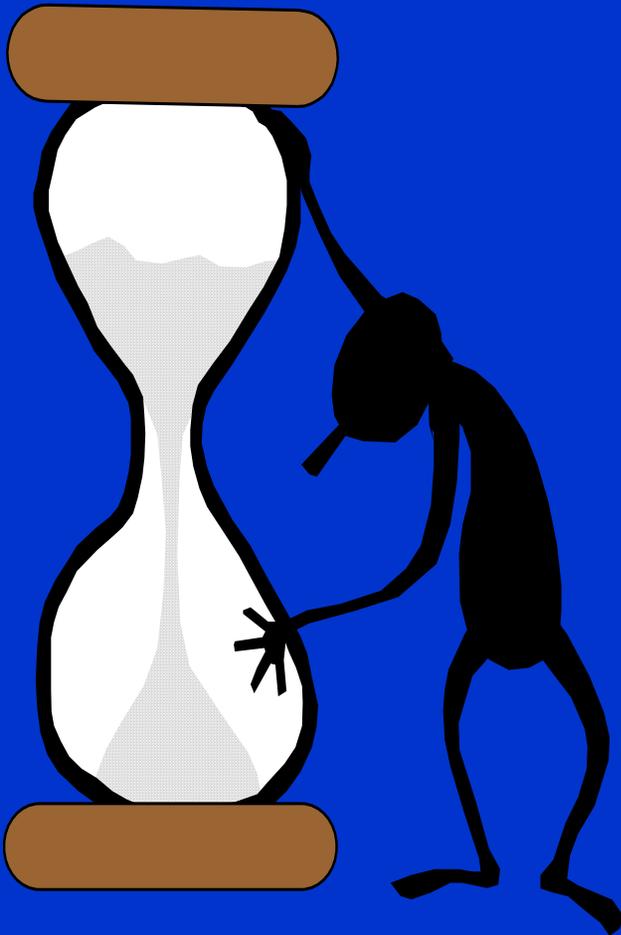
# Peakinsight research: How could the coaching process be improved?

- “Organization should be more clear at outset about what this opportunity was all about, and what could be expected from the process.”
- “My boss could have been more involved, before and after the coaching.”
- “My coach could have provided notes after every session.”
- “Always meet the coach outside the office.”
- “More contact between coaching sessions, on the phone and by email.”
- “Put more money in the budget for this.”

# Other options for evaluation

- 360 follow-up – Organization and/or coach administers a second survey where participants evaluate client's current behavior plus changes in leadership effectiveness
- Stakeholder interviews – Coach interviews key members to solicit perceptions about client's progress
- Other metrics (e.g., annual employee survey) can show changes

# Client can evaluate own behavior before, during and after coaching



1. Evaluate starting level of behavior or performance on 10-point scale (where 10 = maximum possible)
2. Set a goal on 10-point scale
3. Assess progress every 1-2 months
4. Debrief what has contributed to progress (or lack of progress)

# Coach can also evaluate progress

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- Conduct initial assessment using simulations where behavior is rated on multiple dimensions
- Assess skill improvement during practice sessions
- Ask client to describe how s/he handled an actual situation, then discuss how skill has changed
- Get progress reports from informant(s) in the organization

# Total Value Scale

(used by executives in Manchester study)

Participants estimate the value of coaching on a 10-point scale anchored as follows:

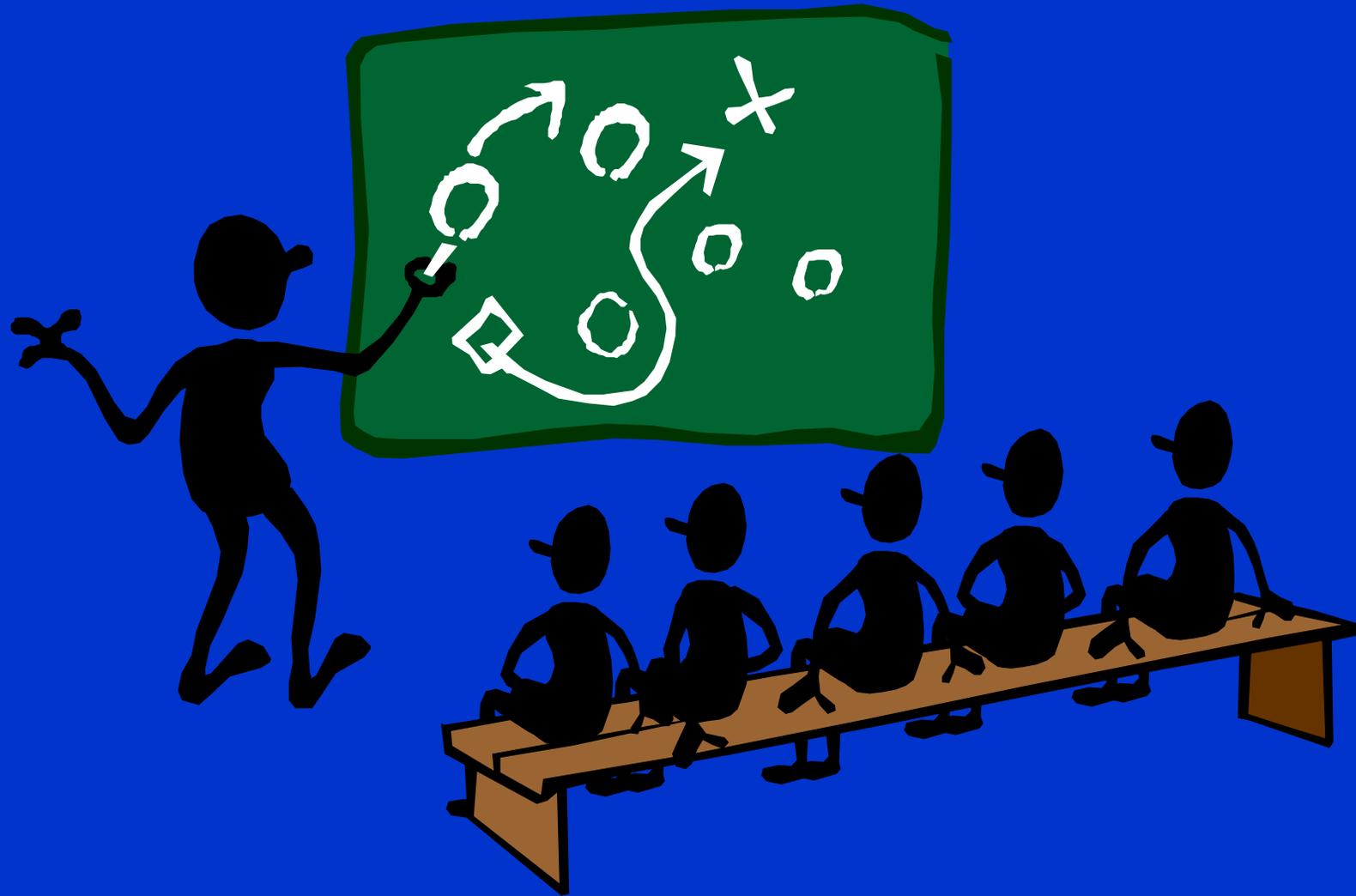
- +5 The value of coaching was far greater than the money and time invested.
- 0 The coaching paid for itself.
- 5 The value of coaching was far less than the money and time invested.

# An example of the challenges in measuring change



- Time 1-Time 2 comparisons may be impacted by changes in skill/behavior, changes in instrument/evaluators, or changes in the expectations of others
- Meanwhile, the business situation may be continually changing.
- It can be challenging (and confusing) to measure W while working on X while client is seeking Y while client's boss is hoping for Z.

Consider the following case...



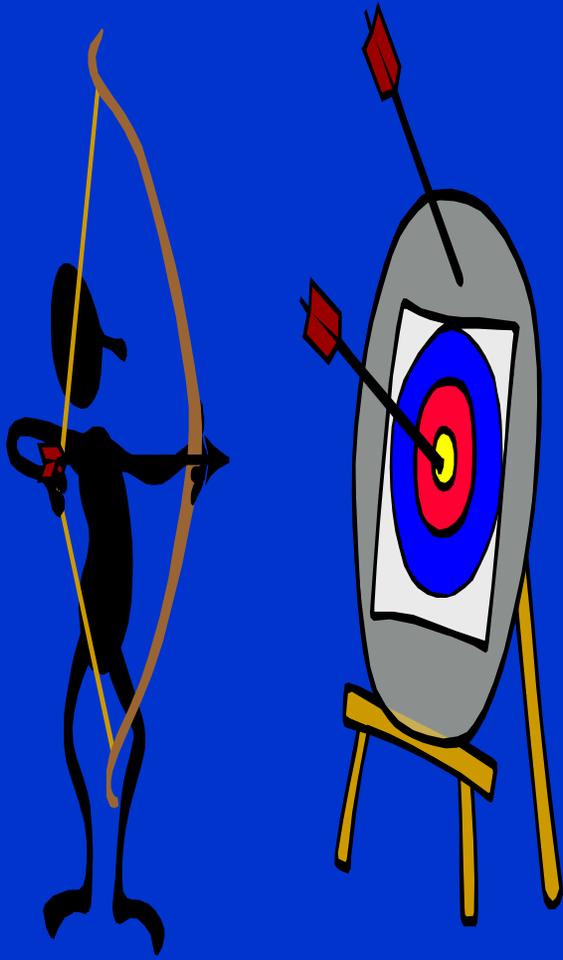
# What changed?

	Time 1	Time 2 (4 months later)
Coachee	TVS = +3 Value = \$50k	+3 \$100k
Manager	TVS = 0 Value = "maybe \$1M"	-2 \$20k
Sponsor	TVS = -2 Value = \$30k	-1 \$100k
HR	"Coaching was very valuable; it will have key impact on \$100M business."	

# Formula for estimating the ROI of coaching

1. Verify changes in executive behavior and results
2. Estimate financial benefits of these changes
3. Adjust #2 by asking for % confidence in this estimate
4. Estimate % of coaching contribution to the changes
5. Adjust #4 by asking for % confidence in this estimate
6. Multiply #3x#5 to calculate total financial benefit attributable to coaching
7. Estimate cost of providing coaching – may go beyond coaching fee to include participant time (as % salary) and other resources
8. Divide #6 by #7 to calculate **Benefits/Cost Ratio**
9. Subtract #7 from #6 to calculate **Net Program Benefits**
10. Divide #9 by #7 (and then multiply by 100) to calculate **ROI**, the Return on Investment

# Recommendations for estimating ROI



- Ask about perceptions of tangible and intangible benefits
- Use checklist to gauge relative impact
- Ask for projected value in the coming year (plus confidence in this estimate)
- Ask for contribution of coaching to changes in behavior/results (plus confidence in estimate)
- Ask manager/HR/sponsor for their perceptions
- Triangulate in calculating an estimate
- Ask again after 1 year (if possible)

# Challenges in coaching research

- Coaching “works” – but we don’t really know how or why
  - ⇒ Little attention on how to improve the coaching process
- Coaching “works” – even when coaches take different approaches
  - ⇒ What are the mechanisms of change?
  - ⇒ What exactly are coaches doing?
  - ⇒ Do different approaches produce results faster?
  - ⇒ What do coaches do that is most effective?
  - ⇒ Is it just non-specific (common) factors?

# Challenges of coaching research

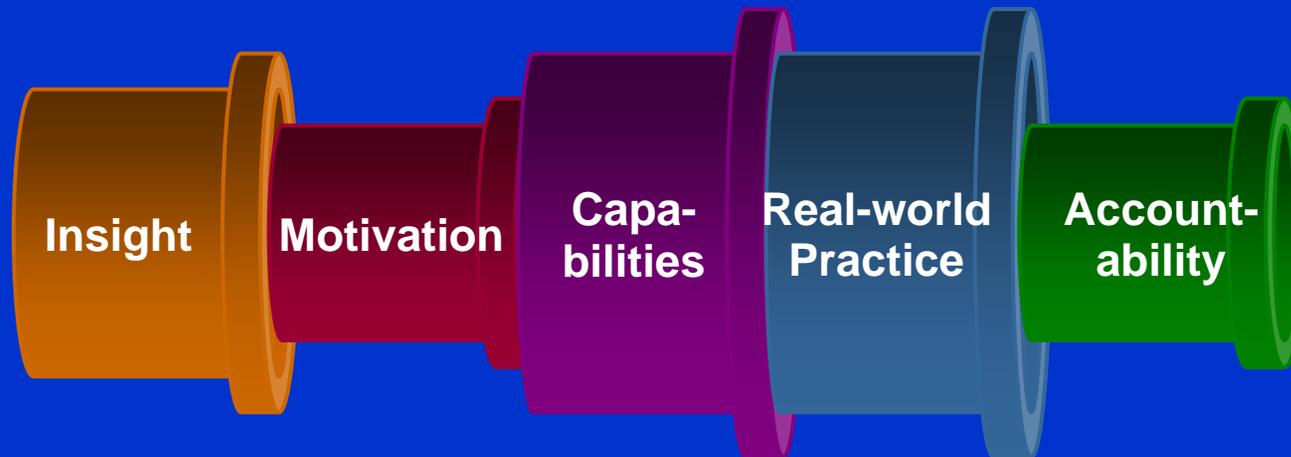
## 1. Individuals have different development needs / Organizations have different goals and purposes for coaching

- ⇒ Peterson (1993) found equivalent progress on a range of topics: leadership, communication, interpersonal skills, etc.
- ⇒ Yet more hard-wired characteristics (intelligence, emotions) are likely less responsive to coaching than basic skills

## 2. Individuals have different development constraints

- ⇒ Development Pipeline: Constraints in insight, motivation, capabilities, real-world practice, or accountability, singly or in combination
- ⇒ The causal mechanisms of change – and therefore the specifics of coaching -- may differ radically from person to person

# The Development Pipeline™ (Peterson, 2002)



**Insight:** Do they know where development will have the biggest impact on their performance?

**Motivation:** Are they willing to invest the time and energy it takes?

**Capabilities:** Do they have the skills and knowledge they need?

**RWP:** Do they have the opportunities to use those capabilities?

**Accountability:** Is anyone paying attention/measuring their development? Are there meaningful consequences?

# Challenges of coaching research

## 3. Coaching is an *adaptive* intervention

- ⇒ Coaches get feedback on how well things are working
- ⇒ They can adapt their approach and introduce new methods successively until something gets the desired results
  - My big surprise (Peterson, 1993): Virtually no participant variables -- age, intelligence, motivation, personality, development goals -- correlated with outcome because coaches keep trying new things until something works
- ⇒ Success may result from a specific technique or a combination of factors and determining the specific cause is difficult to tease out
- ⇒ The key questions are really:
  - Do specific coaching techniques produce better results
  - Are certain coach/method/participant variables predictive of how *quickly* people change?

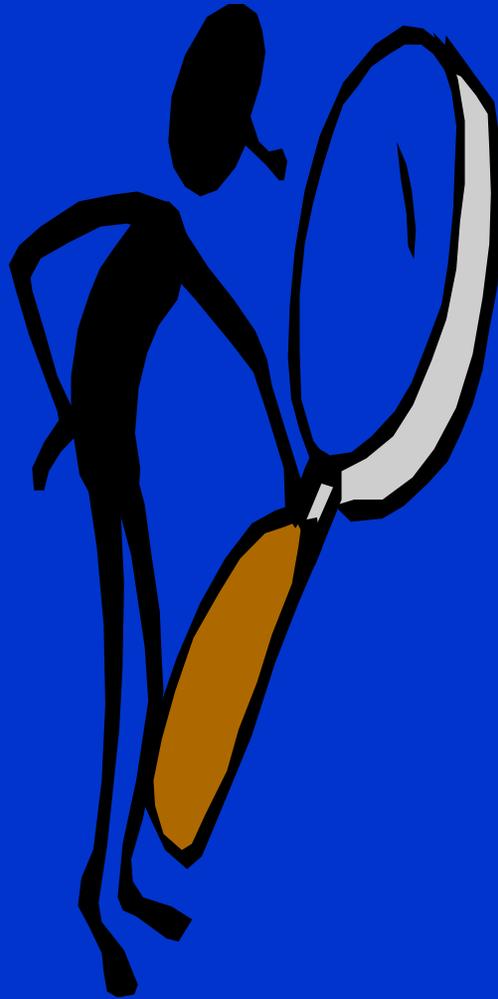
# Challenges of doing coaching research

4. **Good research is difficult to design and easy to criticize**
  - ⇒ Control groups???
  - ⇒ Standardized/comparable treatments???
  - ⇒ Correlation or causality???
5. **Good research requires time and money**
  - ⇒ Executive coaches and their clients are busy
  - ⇒ Funding isn't there yet; clients rarely pay for it
  - ⇒ The major research incentive for many practitioners is marketing, not science
6. **Many coaches are satisfied with the way they do things and don't necessarily want to be put under the microscope**

# Conclusions about maximizing ROI

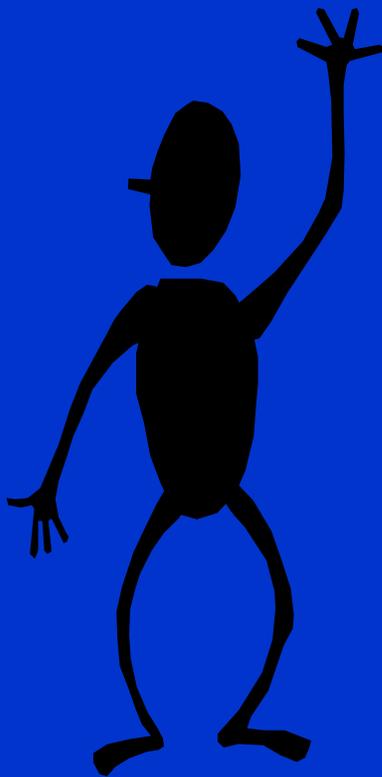
1. Coaching should NOT be used instead of managing performance problems. Don't invest in low performers who lack potential.
2. When coaching is done as 1x1 training, it may have lower ROI than leadership development programs because the costs are greater.
3. To maximize ROI,
  - ⇒ Invest in high potentials.
  - ⇒ Choose coaches who can change behavior and/or accelerate skill development.
  - ⇒ Link coaching to business priorities.

# Today's key points



- There is an increasing need for accountability and demonstrating value in all aspects of coaching.
- Measuring change is challenging but can be done.
- Coaching is an effective technique for learning, but ROI is in the eye of the beholder.

# What are YOUR questions?



- Ask now
- Ask after today's session
- Send email later to:  
[katherine@peakinsight.com](mailto:katherine@peakinsight.com)  
[david.peterson@personneldecisions.com](mailto:david.peterson@personneldecisions.com)
- Please complete the post-test questions
- And please complete the evaluation form...



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