
THE ROI OF COACHING

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According to a study conducted in 2008 by PriceWaterHouseCoopers and Association Resource Centre, Inc., companies that use professional coaching reported a median return on investment of seven times their initial investment. The study was the result of a survey of corporate and individual clients of ICF (International Coach Federation) member coaches. It also found that individuals who participated in coaching reported a median return on investment of 3.44 times their investment.

The Executive Coaching Handbook describes coaching as an experiential and individualized leader development process that builds a leader's capability to achieve short- and long-term organizational and personal goals. Coaching is conducted through one-on-one interactions, driven by data from multiple perspectives, and based on mutual trust and respect. The coach and coachee relationship works to achieve maximum impact for the leader (coachee) and the organization.

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 - Manchester, Inc. study reported **a return of \$6.00 for every \$1.00 spent on coaching**. Improvement was made in bottom-line profitability, productivity, quality, organizational strength, customer service, reducing customer complaints and cost reductions.
 - The American Society for Training and Development studies have shown that **training, when combined with coaching, increases productivity by 86%**, as opposed to 22% increase with training alone.
 - Niche Power Group reported "statistics on business coaching have proved that **using a coach can increase your profit margin by an average of 46%**".
 - The International Coach Federation, ICF, did a survey of coaching clients who had a formal, on- going relationship with a coach with these outcomes:
 - **70% of respondents reported coaching "very valuable" and 28% found it "valuable"**
 - **62.4% smarter goal-setting**
 - **52.4% more self-confidence**
 - **43.3% improvement in quality of life**
 - **25.7% more income**

Leaders also report that coaching has many other benefits.

Coaching:

- Enhances and strengthens skills
- Enhances problem analysis, problem solving and strategic thinking
- Provides a “space” to think through ideas/issues
- Develops better relationships
- Increases job satisfaction
- Supports a more balanced-life approach
- Protects and sustains personal values

Organizations greatly benefit from their leaders being coached. There is more of a collaborative atmosphere as leaders incorporate their “learned” coaching skills into their own style of leading. Innovation and idea sharing become more prevalent.

Other advantages that have been noted are:

- Strengthening of organizational culture and ethics
- Greater engagement and retention
- Better communication across, up and down in the organization
- Quicker and more adaptive to change

In a global environment that is filled with uncertainty and roller-coaster turns, organizations and leaders are stretched and stressed to capacity. The competing demands of information overload, downsized and maxed-out employees, and increasing expectations on leaders can seem impossible to resolve. That is why coaching is more valuable than ever. The risk of being left behind (personally and organizationally) is too great to ignore the benefits and ROI that coaching can bring. It starts with you.