

Return on Investment

A survey of 168 companies, conducted by Boston-based Clear Rock, an executive coaching and outplacement firm, found coaching to be the second-most-used strategy for retaining middle managers. For employers, improving leadership may be the primary focus of coaching programs. But executives also expect that coaching will increase productivity and aid retention through employee development and increased job satisfaction. A Gallup survey found that companies with coaching strategies have attained higher profits (27%) and a 50% greater possibility of lower turnover, with a 56% improvement in customer loyalty. A report from International Personnel Management states that workforce training with coaching increases productivity by 88%.

And...

One executive coaching firm found that coaching programs delivered an average return on investment of 5.7 times the initial investment in a typical executive coaching assignment.

Among the benefits to companies that provided coaching to executives were improvements in:

- Productivity (reported by 53% of executives)
- Quality (48%)
- Organizational strength (48%)
- Customer service (39%)
- Reducing customer complaints (34%)
- Retaining executives who received coaching (32%)
- Cost reductions (23%)
- Bottom-line profitability (22%)

The benefits to executives who received coaching include improved:

- Working relationships with direct reports (reported by 77% of executives)
- Working relationships with immediate supervisors (71%)
- Teamwork (67%)
- Working relationships with peers (63%)
- Job satisfaction (61%)
- Conflict reduction (52%)
- Organizational commitment (44%)
- Working relationships with clients (37%)

Source: "Executive Coaching Yields Return On Investment Of Almost Six Times Its Cost, Says Study" JACKSONVILLE, Fla.--(BUSINESS WIRE)--Jan. 4, 2001