Determining the ROI of Coaching

How do you measure the value of becoming a more integrated human being? How do you measure the value of becoming a more integrated organization? Herein lies the challenge of determining the ROI of coaching.

At one level, coaching is an extremely sacred and private experience that should not be reviewed nor evaluated by anyone other than the client. At another level, coaching can be an organizational investment that deserves to be reviewed and evaluated by those making the investment. So, how can we preserve the integrity of the coaching experience yet determine the value of the investment?

Kirkpatrick’s classic “Four Levels of Evaluation” is a logical place to start. At an individual level, coaching clients can easily respond to questions that measure the Four Levels of Evaluation including satisfaction, learning, transference and results. If the questions posed to the client are broad and open-ended, the result will likely be a narrative or story that demonstrates the impact of coaching on the client’s life. These broad questions may look something like this:

**Level 1—Reaction**
Overall, how satisfied are you with the coaching experience?

**Level 2—Learning**
What have you learned through this experience?

**Level 3—Behavior**
What are you doing differently because of the coaching?

**Level 4—Results**
What difference has this made in your life?

Answers to these types of questions can be rich and powerful; at the same time, they can make it difficult to measure and calculate an ROI. So any tool that captures both quantitative and qualitative feedback is ideal. For instance, at Level Four, in addition to an open-ended question, you might ask a client, “How would you rate your life on a 1-10 scale before coaching, and how would you rate it afterwards?” Or, “If you had to estimate the impact coaching has had on your overall effectiveness, what would you say?” These kinds of questions provide specific measures to note the improvements directly associated with coaching.

A logical next question might be, “If you had to place a dollar value on this change, what is that worth to you?” Each client will determine worth based on his/her own value orientation; no one can decide that for another person. It is then up to the organization to determine if the combined value of coaching is worth the investment. The direct and indirect costs of bringing coaching into an organization must be outweighed by its benefits to make it a sound investment.

At Fairview Health Services, the benefits of an internal coaching program were first and foremost noted by our senior executives. As they began working with their
coaches, they discovered the personal benefits of having someone who believed in them and wanted nothing more for them than to realize their dreams. They felt supported, appreciated and heard. One of our senior executives felt so strongly about the coaching she was receiving that she said she would pay for it herself should the organization ever need to take it away. Another senior executive shared that he needed a safe place to say, “I don’t know what to do” and to be exposed and vulnerable as a senior leader. Others spoke to the value of having a coach as they traversed through tough organizational changes, career challenges and life events. These executive success stories were instrumental in helping us make the decision to invest deeper and wider in coaching.

Since then, we have incurred the direct costs of bringing the coaching curriculum into Fairview for three consecutive years. And as a result, we now have 45 coaches serving approximately 250 clients and are in the process of preparing 26 more coaches. The clients vary from front line managers and supervisors to senior executives and physicians. Each coach maintains a minimum caseload of three clients, while assuming all of their normal role responsibilities.

We believe we would not have a waiting list of people interested in becoming coaches—nor clients wanting coaches—had the value of coaching not been demonstrated over the course of the last few years. A physician proudly shares that he is a better husband and father through his coaching experience, not to mention, a better physician. You can only imagine the ROI he attributes to this improvement. We have learned that whatever the reason, and whatever the value, coaching is making a difference for individuals and our company.

We now envision a time when our culture believes that all 19,000 employees are distinct individuals, with unique needs and abilities, and that we are all naturally creative, resourceful and whole. We know it’s possible and it’s not that far away. At that time, the ROI will be priceless.

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