

**Research on Companies Involved in Measuring Coaching Impact – April 2005**  
**Compiled by Paul Sherman**

**National Australia Group:**

- \$14.5 billion
- Employees: 46,600
- 71% of participating executives see high value in their coaching engagement, and 80% of executives responding to a post-coaching survey believe that the coaching program can have a positive impact on EVA. (Source: Corporate Leadership Council Report, 2000 Pennsylvania Ave NW, Washington DC 20006---May 2003).

**MetrixGlobal: Nortel Networks**

Nortel Networks and Pyramid Resource Group (a coaching services company), recently engaged MetrixGlobal. “Coaching produced a 529% return on investment and significant intangible benefits to the business..” Including the financial benefits from employee retention boosted the overall ROI to 788%.

ROI:  $\$2,263,000 - \$255,000 / \$255K \times 100 = 788\%$  ROI (cost of coaching is \$255K)

- Data collection:
  - Questionnaire: electronic email survey examining clients initial reaction to coaching, what they learned, how they applied what they learned, initial assessment of business impact
  - Phone survey: further probing business impact and financial ROI
  - Sample size: 43
- Specific areas impacted:
  - Decision-making
  - Team performance
  - Motivation of others
- 77% of the respondents indicated that coaching had significant or very significant impact on at least one of nine business measures
- 60% of the respondents were able to identify specific financial benefits that came as a result of their coaching
  - Work output
  - Productivity
  - Cost control
  - Employee retention
  - Sales volume
- Productivity impacted with a 60% favorable productivity rating with 50% of these documented annualized financial benefits
- Employee satisfaction (53%) being viewed both in terms of the respondents being personally more satisfied as a result of the coaching as well as their being able to increase the employee satisfaction of their team members
- Customer satisfaction source of intangible benefit—53%
- Work output was the next most frequently cited thing being significantly impact (30%)

- Work quality (40%)

Monetary Benefits:

30 respondents of 43 people coached

Business Impact Area	% Total Citing Significant Impact	% Total Identify \$ Benefits	\$ Benefits
Work Output	30%	20%	949,208
Productivity	60	50	277,526
Cost Control	3	3	67,200
Employee Retention	27	13	660,000
Sales Volume	10	10	311,200
<b>Total Benefit</b>			<b>\$2,263,134</b>

“Evaluation of coaching should be designed into the process from the beginning to better set performance expectations and open up new learning opportunities for making coaching more effective whiel the coaching is being conducted.

Personal Productivity: Captured in terms of hours saved per week. Respondents noted how coaching led to behavior changes and then estimated the hours saved per week from these behavior changes.

- Respondent: “Focused on business priorities...get more done in shorter time...leading more effective meetings.
- Estimated at 3-5 hours/week
- 3 hrs @\$75/hour x 48 weeks= \$10,800
- \$10,800 X 80% (coaching) x 75% (confidence)
- Net benefit: \$6,480

Sales Volume: “Actions took as a result of coaching enabled me to better handle sales situations.”

- Of \$6.8 MM sales/year, 10% attributable to coaching
- 10% of \$6.8 MM= \$680k, \$680K x 25%= 170K
- \$170 k x 60% (coaching) x 60% (confidence)= \$61,200

**CTI Training Raises Emotional Intelligence:**

Daniel Goleman, the pioneering author of *Emotional Intelligence*, researched competency models from 181 different positions drawn from 121 companies and discovered that 67% of the competencies deemed essential for effective performance were “emotional” competencies. In a later study by Hay Group, emotional competencies were once again found to be twice as important in contributing to excellence as pure intellect and expertise. As a result of these studies and other pioneering research, Goleman extracted

25 key emotional intelligence competencies that are proven in research to be most important to job performance.

CTI develops emotional competencies in the context of coach training.

Of the 25 Emotional Intelligence Competencies identified by Goleman, fully 17 are either highly or moderately impacted by CTI's experiential coach training. 90% or greater of CTI's program graduates have realized a moderate or high impact on their Emotional Awareness, Developing Others, and Communication Competencies as a result of the training they received from CTI.

### **Manchester Inc. Study:**

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

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

Among benefits to executives who received coaching were improved:

- Working relationships with direct reports (reported by 77% of execs)
- 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%)

### **Marriott Corporation**

- v Associate satisfaction is up 14 points or approximately 22%
- v Guest satisfaction rose 7 points or 10%
- v 24% improvement in new hire retention
- v Decreased turnover costs by \$278,850
- v Significant drop in the number of employee issues and complaints