Welcome

Can Coaching Effectiveness Be Measured?

Terry Bacon, Ph.D.
Anna Pool, M.A., OD
Session Objectives

• To learn how to measure the effectiveness of a coaching intervention using empirical methods

• To learn how to apply Kirkpatrick’s four levels of evaluation to coaching and how to assess the fifth level—the return on investment

• To apply the results of empirical assessments of coaching effectiveness to improve coaching methods and approaches
Informal Survey

• How many of you:
  – Have tried to measure coaching effectiveness?
  – Believe that your measures were valid and accurate?
  – Believe you can accurately measure performance improvement through coaching?
  – Believe you can successfully measure ROI on coaching?
  – Believe that you can truly determine if coaching is worthwhile, based on these kinds of measures?
International Coaching Federation Survey Results

Outcome Evaluation

– 36% of coaches surveyed follow up with their clients within one month of completion of the engagement

– 36% of coaches surveyed follow up with their clients between one to three months after completion of the engagement

– 16% of coaches never follow up with their clients
“In terms of client feedback, the majority of participants indicated that they receive effectiveness feedback from the coaching client and that they never use ROI to evaluate their effectiveness. Thus it appears that “effectiveness” evaluations are mainly subjective in nature, and not necessarily empirically valid measures of the coach’s actual effectiveness.”

The Case for Measuring Coaching Effectiveness

• Fiscal responsibility: a lot of money is being spent on coaching but there are no hard proofs that it works

• Increasing scrutiny: tough economy, tougher decisions on spending

• Some say coaching is just a trend: need to validate coaching’s contribution to the bottom line

• Need a measure to separate effective coaching from ineffective coaching
But, can coaching effectiveness really be measured?

Yes, if....

We will establish the criteria we believe to be necessary to measure coaching effectiveness.
What is effective coaching?

In our view, effective coaching is coaching that creates the right behavioral changes that lead to improvement in the client’s ability to impact bottom-line business results.
Pat Jackson works at ABC, Inc., a Fortune 100 manufacturing company in Greenville, SC. S/he worked as a very effective line manager for three years before being promoted to direct a division one year ago. In the past year, there have been numerous complaints from direct reports concerning his/her lack of interpersonal skills and effectiveness. His/her boss is also concerned that Pat doesn’t have the strategic planning and change management skills that s/he will need in order to refocus his/her division’s sales channels and be successful in this downturned economy. Pat’s boss has engaged an executive coach to support Pat in making these changes over the next six months.

How should you measure the effectiveness of this coaching engagement?
Criteria for Measuring Coaching Effectiveness

1. The client must be coachable.
2. The coach must fully use all the data in the ecosystem.
3. The coach must identify the real problems.
4. Intangible but critical mindset shifts must be linked to tangible and measurable behavioral shifts.
Coachability

Human change is a very complex process, and any model is a simplification of reality. So, while it is impossible to identify all of the factors that influence how readily people change (or how much they resist it), we can identify some of the key factors in coachability.
Factors That Influence Coachability

- Openness to feedback
- The executive’s self-assessment of need, along with a sense of urgency
- The executive’s perception of the value of the process and the likely outcomes
- The strength of competing commitments (forces that drive stasis or change)
- The executive’s fear of consequences if he or she does not seek and accept help
<table>
<thead>
<tr>
<th>C0</th>
<th>Not coachable at present</th>
<th>Identified psychological issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Extremely low coachability</td>
<td>Narcissistic personality</td>
</tr>
<tr>
<td>C2</td>
<td>Very low coachability</td>
<td>Resists or defies feedback</td>
</tr>
<tr>
<td>C3</td>
<td>Fair coachability</td>
<td>Is complacent/unmotivated to change</td>
</tr>
<tr>
<td>C4</td>
<td>Good coachability</td>
<td>Assessment comes as a wake-up call</td>
</tr>
<tr>
<td>C5</td>
<td>Very good coachability</td>
<td>Shows an earnest desire to improve</td>
</tr>
<tr>
<td>C6</td>
<td>Excellent coachability</td>
<td>Has an intrinsic need to grow</td>
</tr>
</tbody>
</table>
The Needs compass

- Client's Perceptions
- Your Observations
- Others' Observations
- Work Products or Performance Metrics
Too many coaching engagements fail because the coach fails to drill down to the underlying coaching need. Often the presenting symptoms are not the real problem. A process like this can help to establish the real need:

- **The Change Need:** Did that meeting go the way you wanted it to?
- **The Current Situation:** What’s working well? What’s not working?
- **The Consequences:** How important is it to change this? What will happen if you don’t change?
- **The Underlying Need:** Do you think the problem could be xyz? What I am hearing is....
One of the biggest challenges in measuring coaching is that tangible, behavioral change is usually linked to intangible mindsets and beliefs. Effective measurement strategies require that the coach drill down to identify the mindsets that drive the critical behaviors and then make those intangibles measurable.
Making Intangibles Tangible

1. Describe current state
2. Define ideal future state
3. Quantify the Behavioral Change

Behavior
Feelings
External
Three Kinds of Measures

• Action Measures–behavioral
  – How many times did meetings run over

• Feeling Measures–how you feel about meeting
  – Every time you leave a meeting

• External Measures–number of call-backs
  – Provides PDP information
Applying Kirkpatrick’s Model to Coaching Measurement

- Level 1: Reactions. What did the coachee think of the engagement?

- Level 2: Learning. What did the coachee learn during the engagement?

- Level 3: Behavior. What learnings, skills, etc., did the coachee apply on the job?

- Level 4: Results. What changes in results and productivity have been observed on the job?
Mini-case Two: Professional Services Firm

- Ongoing leadership development engagement with 14 senior leaders, with a group leadership assessment and individual coaching.
- Individual results were compiled into office profiles.
- Assessments included a customized leadership model, 360° survey, MBTI®, and respondent interviews.
- Average coaching engagement of 12 months.
- Each coachee developed a personal development plan.
- After the engagement, coaches conducted follow-up confidential interviews and reviews of performance metrics.
- After 6 years, seven clients have been advanced/promoted, one retired, four remain in place, two involuntary separations.
Fourteen participants were evaluated on a scale of 0-6
Average coachability rating was 4.79
Four people were rated 6
Five people were rated 5
Four people were rated 4
No one was rated 3
One person was rated 2
## Mini-case Two Level One: Reactions

<table>
<thead>
<tr>
<th>Final Coaching Evaluation</th>
<th>Average</th>
<th>Rating Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Satisfaction with the coaching experience</td>
<td>4.79</td>
<td>11</td>
</tr>
<tr>
<td>Achievement of goals (self-rating only)</td>
<td>4.71</td>
<td>11</td>
</tr>
<tr>
<td>Improvement as a manager/leader</td>
<td>4.71</td>
<td>10</td>
</tr>
<tr>
<td>Improvement in interpersonal skills</td>
<td>4.79</td>
<td>11</td>
</tr>
<tr>
<td>Improvement in productivity</td>
<td>4.85</td>
<td>11</td>
</tr>
<tr>
<td>Improvement in work quality</td>
<td>4.38</td>
<td>7</td>
</tr>
<tr>
<td>Improvement in client/customer service</td>
<td>4.83</td>
<td>10</td>
</tr>
<tr>
<td>Improvement in prevention of turnover</td>
<td>4.64</td>
<td>8</td>
</tr>
<tr>
<td>Implementation of changes to bottom line</td>
<td>4.54</td>
<td>7</td>
</tr>
<tr>
<td>Overall coach effectiveness rating</td>
<td>4.79</td>
<td>11</td>
</tr>
</tbody>
</table>
## Achievement of Coaching Objectives

<table>
<thead>
<tr>
<th>PDP Objectives Achieved</th>
<th>PDP Objectives Not Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number</strong></td>
<td><strong>Percentage</strong></td>
</tr>
<tr>
<td>13</td>
<td>93%</td>
</tr>
</tbody>
</table>
# Mini-case Two Level Three: Behavior

## Perceived Behavioral Change

<table>
<thead>
<tr>
<th>Significant Change Reported</th>
<th>Some Change Reported</th>
<th>No Change Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
</tr>
<tr>
<td>7</td>
<td>50%</td>
<td>5</td>
</tr>
</tbody>
</table>
Mini-case Two Level Four: Results

### Measurable Improvements in Performance Metrics

<table>
<thead>
<tr>
<th>PDP Measure Goals Achieved</th>
<th>PDP Measure Goals Not Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>13</td>
<td>93%</td>
</tr>
</tbody>
</table>
How to Measure ROI

Find tangible evidence of the impacts of behavioral change:

• Re-administer 360-degree surveys
• Average sales pre and post surveys
• Climate surveys
• Performance metrics
• Customer surveys
• Personal balanced scorecard
How to Measure ROI

Calculate the economic value of the change:

- Improvements in productivity
- Reductions in absenteeism and employee turnover
- Reductions in cycle time
- Improvements in quality/reduction in waste
- Increased customer satisfaction
- Increased value of opportunity pipeline
How to Measure ROI

Of course, many factors besides coaching effectiveness may contribute to the economic effects of changed behavior:

- General market conditions (a rising tide lifts all boats)
- New or changing products or technologies
- Competitors’ actions
- Social and political events (such as 9-11)
- Unpredicted changes in the coachee’s life
- The Hawthorne effect
Pat Jackson works at ABC, Inc., a Fortune 100 manufacturing company in Greenville, SC. She worked as a very effective line manager for three years before being promoted to direct a division one year ago. In the past year, there have been numerous complaints from direct reports concerning her lack of interpersonal skills and effectiveness. Her boss is also concerned that Pat doesn’t have the strategic planning and change management skills that she will need in order to refocus her division’s sales channels and be successful in this downturned economy. Pat’s boss has engaged an executive coach to support Pat in making these changes over the next six months.

How would you measure this engagement now?
Pat’s Career Progression

- Focus on organization and people
- Envision a compelling future
- Build alignment and innovation
- Promoted for leadership & results
- Build company brand

BU Manager

Group Leader

Team Leader

- Focus on tasks & get them right
- Manage resources efficiently
- Build capable teams
- Promoted for technical excellence
- Build personal brand

Engineer
Pat’s Interpersonal Compass

Self
- Self-assessment using balanced scorecard

Coach
- Assessment during meetings
- Balanced scorecard

Others
- Survey of Influence Effectiveness
- Balanced scorecard

Performance Measures
- Employee satisfaction survey
Pat’s Interpersonal Measures

Balanced Scorecard

1. Listening
2. Participative decisions
3. Engaging others
4. Sensitivity to others
5. Communicating
### Pat’s Interpersonal Measures

#### Climate Survey

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Score Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>My manager listens to inputs</td>
<td>2.57 to 3.23</td>
</tr>
<tr>
<td>2</td>
<td>Satisfied with my manager</td>
<td>3.13 to 3.94</td>
</tr>
<tr>
<td>3</td>
<td>Satisfied with my team</td>
<td>3.58 to 4.12</td>
</tr>
<tr>
<td>4</td>
<td>I am inspired to do best</td>
<td>3.33 to 4.04</td>
</tr>
<tr>
<td>5</td>
<td>I feel involved in company</td>
<td>2.78 to 3.98</td>
</tr>
<tr>
<td>6</td>
<td>Overall</td>
<td>2.92 to 3.86</td>
</tr>
</tbody>
</table>
Pat’s Strategic Compass

**Self**
- Balanced scorecard
- Time allocation

**Coach**
- Assessment during meetings
- Balanced scorecard

**Others**
- Balanced scorecard
- Delegation of ops to deputy
- Results of future task force
- Completion of B school course

**Performance Measures**
- Completion of division strategic plan
- Review by B school professor
**Pat’s Strategic Thinking Measures**

### Balanced Scorecard

<table>
<thead>
<tr>
<th>Measure</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategic focus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Effective delegation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Time on strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Visionary communication</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Business school program completed. Future task force completed strategic plan as scheduled. Rated 4 (of 5) with recommendations.
Pat’s Sales Focus Compass

Self
- Balanced scorecard
- Time allocation

Coach
- Assessment during meetings
- Balanced scorecard

Others
- Balanced scorecard
- Confidential interviews

Performance Measures
- Sales process results: quality face time, strategic account reviews, performance review criteria, key customer relationships, sales staff assessment, opportunity pipeline
Pat’s Sales Focus Measures

Balanced Scorecard

1. Mgmt focus on sales
2. Participation in sales
3. Development of sales staff
4. Quality of relationships
5. Quality of pipeline
Sales Process Improvements

1. Quality face time 4 to 12 hours/week
2. Strategic account review 0 to 11 (of 15)
3. Performance review criteria 0 to 3
4. Key customer relationships 3 to 8 (senior levels)
5. Sales staff assessment/development 2.8 to 3.4 avg rating
6. Opportunity pipeline $245M to $318M
Pat’s Coaching ROI Calculations

Interpersonal Improvements

<table>
<thead>
<tr>
<th>Description</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 delayed hires (increases in productivity)</td>
<td>$96,000</td>
</tr>
<tr>
<td>Reduced turnover from 21% to 15%</td>
<td>$252,000</td>
</tr>
</tbody>
</table>

$348,000

>10x cost of coaching

Sales Focus Improvements

<table>
<thead>
<tr>
<th>Description</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in opportunity pipeline value</td>
<td>$73,000,000</td>
</tr>
<tr>
<td>Increased sales volume (6 month avg)</td>
<td>$22,370,000</td>
</tr>
</tbody>
</table>

Sales increase percentage 8.27%
The Effectiveness of Pat’s Coaching

• Level 1: High satisfaction score on coaching evaluation

• Level 2: Successful completion of strategic planning program, task force, and strategic plan (applied learning)

• Level 2: Successful focus on sales demonstrated by action (applied learning)
The Effectiveness of Pat’s Coaching

- Level 3: Quantitative improvement on Pat’s balanced scorecard (self, coach, and other ratings)
- Level 4: Demonstrated improvement in employee climate survey ratings
- Level 4: Demonstrated improvement in sales process, pipeline, and top-line revenue
Coaching Effectiveness Can Be Measured, If….

1. The client must be coachable.

2. The coach must fully use all the data in the ecosystem.

3. The coach must identify the real problems.

4. Intangible but critical mindset shifts must be linked to tangible and measurable behavioral shifts.
Questions and Implications

• What questions do you have about this information?

• What are the implications of this presentation?

• What are your key takeaways?