

Benefits of Executive Coaching

Executive Coaching Yields Return On Investment Of Almost Six Times Its Cost, Says Study

JACKSONVILLE, Fla.--(BUSINESS WIRE)--Jan. 4, 2001--Manchester Inc., a supplier of customized executive coaching programs, has released the results of a study that quantifies the business impact of executive coaching. The study includes data on executive behaviour change, organizational improvements achieved, and the return on investment (ROI) from customized, comprehensive executive coaching programs.

The study included 100 executives, mostly from Fortune 1000 companies, who received coaching.

Participating companies realized improvements in productivity, quality, organizational strength, customer service, and shareholder value. They received fewer customer complaints, and were more likely to retain executives who had been coached.

In addition, a company's investment in providing coaching to its executives realized an average return on investment (ROI) of almost six times the cost of the coaching.

Half of the executives in the study held positions of vice president or higher (including division president, general manager, chief executive officer, chief financial officer, chief information officer, partner, principal, and practice leader). Almost six out of 10 (57%) executives who received coaching were ages 40 to 49, and one-third earned \$200,000 or more per year.

The coaching programs that executives participated in were a mix of both change-oriented coaching -- which is aimed at changing certain behaviors or skills -- and growth-oriented coaching -- which is aimed at sharpening performance. The coaching programs typically lasted from six months to one year.

Among the results of the study:

The coaching programs delivered an average return on investment of 5.7 times the initial investment in a typical executive coaching assignment -- or a return of more than \$100,000 -- according to executives who estimated the monetary value

of the results achieved through coaching.

- 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%)

Other benefits to executives who received coaching were improved:

- Working relationships with direct reports (reported by 77% of executives)
- Working relationship with supervisor (79%)
- Teamwork (67%)
- Working relationships with peers (63%)
- Job satisfaction (61%)
- Conflict reduction (52%)
- Organizational commitment (44%)
- Working relationships with clients (37%)

Executive coaching programs focus on helping executives adjust to new organizational realities and not just survive, but thrive.