

## Why Invest in Executive Coaching?

by Leah R. Rampy, Ph.D.

Why should a company invest in executive coaching for their leaders? Executives are under increasing pressure to deliver bigger results, lead their organizations through complex change, discern the needs of customers before the customers are clear themselves - and do it all better, cheaper, faster. Companies are depending on key talent to lead them into this future.

Executive coaching can provide the leaders you depend on with the support they need to manage in a complex, changing environment. Manchester Inc. reported the results of a study that quantifies the business impact of executive coaching. The study included 100 executives from mostly Fortune 1000 companies. Companies that provided executive coaching "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, the company's investment in providing coaching to its executives realized an average return on investment of almost six times the cost of the coaching." (1)

Thach and Heinselman, writing in Training and Development, also note the benefit of positive behavior change for executives being coached. Although coaching is a significant investment, they note that "(t)he ROI with executive coaching is often very high - especially if you calculate the value of a high-level executive salary and the return-on-improvement in skill level and decision making." (2)

Coaching, unlike training, can be just in time and just enough. Coaching conversations are targeted to the needs of the individual resulting in high impact. Eggers and Clark write that "...(C)oaching is the most potent tool for inducing positive personal change, ensuring better-than-average odds for success and making the change stick for the long term." Personnel Decisions, Inc. reported research that shows that "...executive coaching programs are twice as effective as behavior modeling (the previous winner) and three times more effective than multitechnique programs." (3)

Recognizing the importance of supporting key leaders, companies like Coca-Cola and Polaroid have "...made coaching central to their executive development process" write Judge and Cowell. They also found that "...some firms are so encouraged by (executive coaching's) effectiveness that they are substituting it for all executive training." (4)

Senior Human Resource executives and other decision makers will need to determine if they can afford to be without coaching for their key leadership. Although an investment, it's one that can provide more than ample return. For more information on Executive Coaching, contact the author at Illumine, LLC at 703-532-0245 or visit our website at [www.illuminecoaching.com](http://www.illuminecoaching.com).

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(1) "Executive Coaching Yields Return on Investment of Almost Six Times its Cost, Says Study." Business Wire; January 4, 2001.

(2) Thach, Liz and Heinselman, Tom. "Executive Coaching Defined." Training and Development. March 1, 1999.

(3) Eggers, John H. and Clark, Doug. "Executive Coaching that Wins." Ivey Business Journal. September 1, 2000, p. 66.

(4) Judge, William Q. and Cowell, Jeffrey. "The Brave New World of Executive Coaching." Business Horizons, July 17, 1997, p. 71.