

## Research reveals growing credibility and positive returns for executive coaching.

A study of nearly 500 top business and human capital leaders showed that the demand for executive coaching services is growing due to increased credibility and demonstrated impact on the enterprise. Key findings include:

- Almost 80% of respondents viewed coaching as credible and impactful in enhancing an individual's effectiveness in driving the performance of an organisation
- Organisations are benefiting from a high return on investment (ROI) for executive coaching.
- More than three-quarters of enterprise executives view executive coaching as credible and valuable.
- Investment in coaching is on the rise as organisations strive to build ready pipelines of talent.

### Organisations benefit from a high return on investment (ROI) of executive coaching.

Of the study respondents who calculate ROI, 77% believe that executive coaching provides their organisations with a solid return. These individuals estimated levels ranging from a minimum of 100% ROI to more than a 500% return.

In addition to tracking direct evidence of financial return, organisations also considered a variety of qualitative factors when measuring the impact of coaching. These included:

- achievement of agreed development objectives (84%)
- anecdotal evidence of success (83%)
- assessment from the coach (82%)
- other people's perceptions of the coachee (79%)
- coachee's ability to be promoted or to take on new responsibilities (74%)
- A majority of enterprise executives (78%) view executive coaching as credible and valuable.

According to the study, the business community has embraced executive coaching as a versatile leadership development tool that can be used to proactively enhance the effectiveness of already high-performing and capable executives.

The top three opportunities for coaching engagements that can have the greatest impact include:

1. developing "high potential" candidates for succession planning (29%)
2. helping a capable executive achieve a higher level of performance (28%)
3. addressing derailing behaviors (22%)

### Investment in coaching is on the rise.

Organisations were planning to increase their use of coaching in order to:

- groom high-potential employees (62%)
- help capable executives achieve higher levels of performance (58%)
- enhance the effectiveness of leadership teams (48%)
- provide on-demand coaching for short-term, targeted situations (44%)

The most significant planned decreases in the use of coaching, according to survey respondents, include:

- addressing derailing behaviors (14%)
- guiding career decisions (12%)

While this indicates that organisations were planning to use a more proactive approach to coaching, organisations should not overlook the massive value in terms of commitment that can be gained when leaders demonstrate an active interest in their team members' career development.

## About the Study

*DBM conducted a research study in partnership with the Human Capital Institute on trends and emerging best practices in Executive Coaching. The study was conducted in 2008. The 472 respondents were from a wide cross-section of industries and were comprised of HR Business Partners (32%), top Human Resources Executives (26%) and the remainder in Organisational Development and/or Training/Development roles (42%).*