

Executive Coaching Return on Investment Study

Among other things the study notes an average ROI of almost six times the cost of the coaching.

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N2growth, a leading venture growth consultancy, has released the results of a study that quantifies the business impact of executive coaching. The study conducted by Manchester, Inc., includes data on executive behaviour change, organizational improvements achieved, and the return on investment (ROI) from customized, comprehensive executive coaching programs. Executive coaching has become an integral part of most Leadership Development programs at Fortune 500 companies and a mainstay with successful entrepreneurs as well. "We are pleased to have such a detailed study validating what we have always known to be true" said, Mike Myatt, Chief Strategy Officer at N2growth.

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. Most 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. 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.

1. Productivity (reported by 53% of executives)
2. Quality (48%)
3. Organizational strength (48%)
4. Customer service (39%)
5. Reducing customer complaints (34%)
6. Retaining executives who received coaching (32%)
7. Cost reductions (23%)
8. Bottom-line profitability (22%)

Other benefits to executives who received coaching were improved:

1. Working relationships with direct reports (reported by 77% of executives)
2. Working relationships with immediate supervisors (71%)
3. Teamwork (67%)
4. Working relationships with peers (63%)
5. Job satisfaction (61%)
6. Conflict reduction (52%)
7. Organizational commitment (44%)
8. Working relationships with clients (37%)

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