

The Value of Coaching to Organizations

Many challenges face today's organizations. None is greater than the need to develop more effective working relationships between leaders and the people they serve.

What is happening in the U.S. workforce today?

According to a recent study by the Blanchard companies, the top management challenges of organizations (in order of priority) are:

- Developing Potential Leaders
- Reducing Costs
- Selecting and Retaining Key Talent
- Succession Planning
- Creating an Engaged Workforce
- Improving Customer Loyalty and Retention
- Improving Company Flexibility and Responsiveness
- Increasing Innovation

In a study published by *Fast Company* magazine in 2001, Markus Buckingham asserted the following about the U.S. workforce:

- 29% are engaged in their work
- 55% are not engaged in their work
- 16% are actively disengaged

Consider also the following:

- The number one indicator of job satisfaction is the relationship between an employee and their direct manager.
- The most important factor in individual success is the capacity to build and leverage a personal network of relationships.

What are the organizational benefits for having a coaching initiative?

According to a study done by the Manchester Group, organizational benefits from coaching include:

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|--|-----|
| <input type="checkbox"/> Improved Relationships | 77% |
| <input type="checkbox"/> Improved Teamwork | 67% |
| <input type="checkbox"/> Improved Job Satisfaction | 61% |
| <input type="checkbox"/> Improved Productivity | 53% |
| <input type="checkbox"/> Improved Quality | 48% |

What kind of ROI are companies receiving from coaching?

"Asked for a conservative estimate of the monetary payoff from the coaching they got, these managers described an average return of more than \$100,000, or about six times what the coaching had cost their companies."

-- Fortune, 2001

"A study featured in *Public Personnel Management Journal* reports that managers (31) that underwent a managerial training program showed an increased productivity of 22.4%. However, a second group was provided coaching following the training process and their productivity increased by 88%. Research does demonstrate that one-on-one executive coaching is of value."

- by F. Turner, Ph.D. CEO Refresher 2001

"Xerox Corporation carried out several studies on coaching. They determined that in the absence of follow-up coaching to their training classes, 87% of the skills change brought about by the program was lost."

-- Business Wire, July 30, 2001

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