
Design Coaching
to Deliver Results
HRDQ-U
WEBINAR

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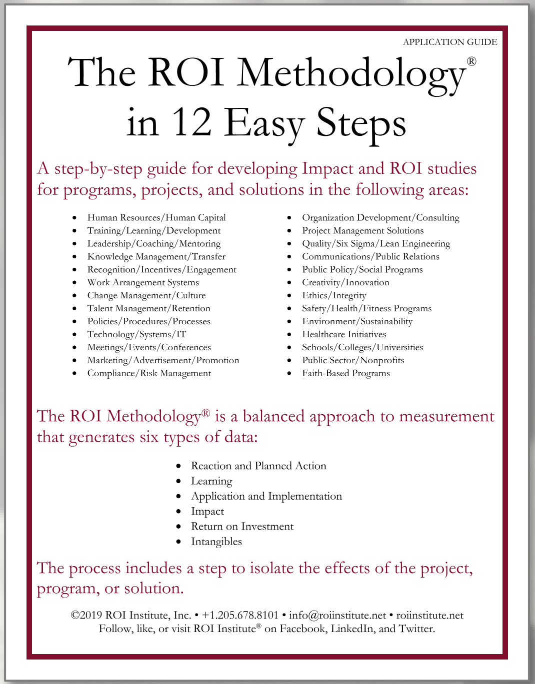
Learning Objectives

During this session, you will learn:

- The five-level evaluation framework representing multiple perspectives of coaching results.
- How to use the framework as the basis for designing your coaching intervention.
- How to demonstrate the results that matter most, including the return on investment in coaching.

Resources



APPLICATION GUIDE

The ROI Methodology®
in 12 Easy Steps

A step-by-step guide for developing Impact and ROI studies for programs, projects, and solutions in the following areas:

- Human Resources/Human Capital
- Training/Learning/Development
- Leadership/Coaching/Mentoring
- Knowledge Management/Transfer
- Recognition/Incentives/Engagement
- Work Arrangement Systems
- Change Management/Culture
- Talent Management/Retention
- Policies/Procedures/Processes
- Technology/Systems/IT
- Meetings/Events/Conferences
- Marketing/Advertisement/Promotion
- Compliance/Risk Management
- Organization Development/Consulting
- Project Management Solutions
- Quality/Six Sigma/Lean Engineering
- Communications/Public Relations
- Public Policy/Social Programs
- Creativity/Innovation
- Ethics/Integrity
- Safety/Health/Fitness Programs
- Environment/Sustainability
- Healthcare Initiatives
- Schools/Colleges/Universities
- Public Sector/Nonprofits
- Faith-Based Programs

The ROI Methodology® is a balanced approach to measurement that generates six types of data:

- Reaction and Planned Action
- Learning
- Application and Implementation
- Impact
- Return on Investment
- Intangibles

The process includes a step to isolate the effects of the project, program, or solution.

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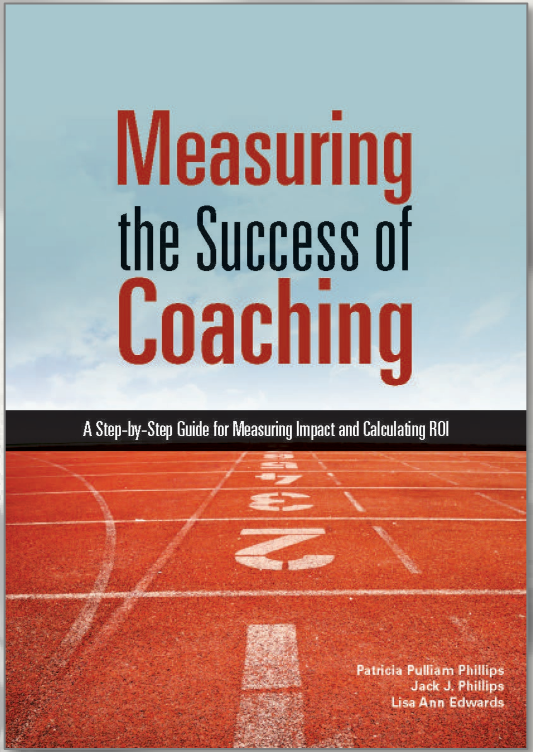
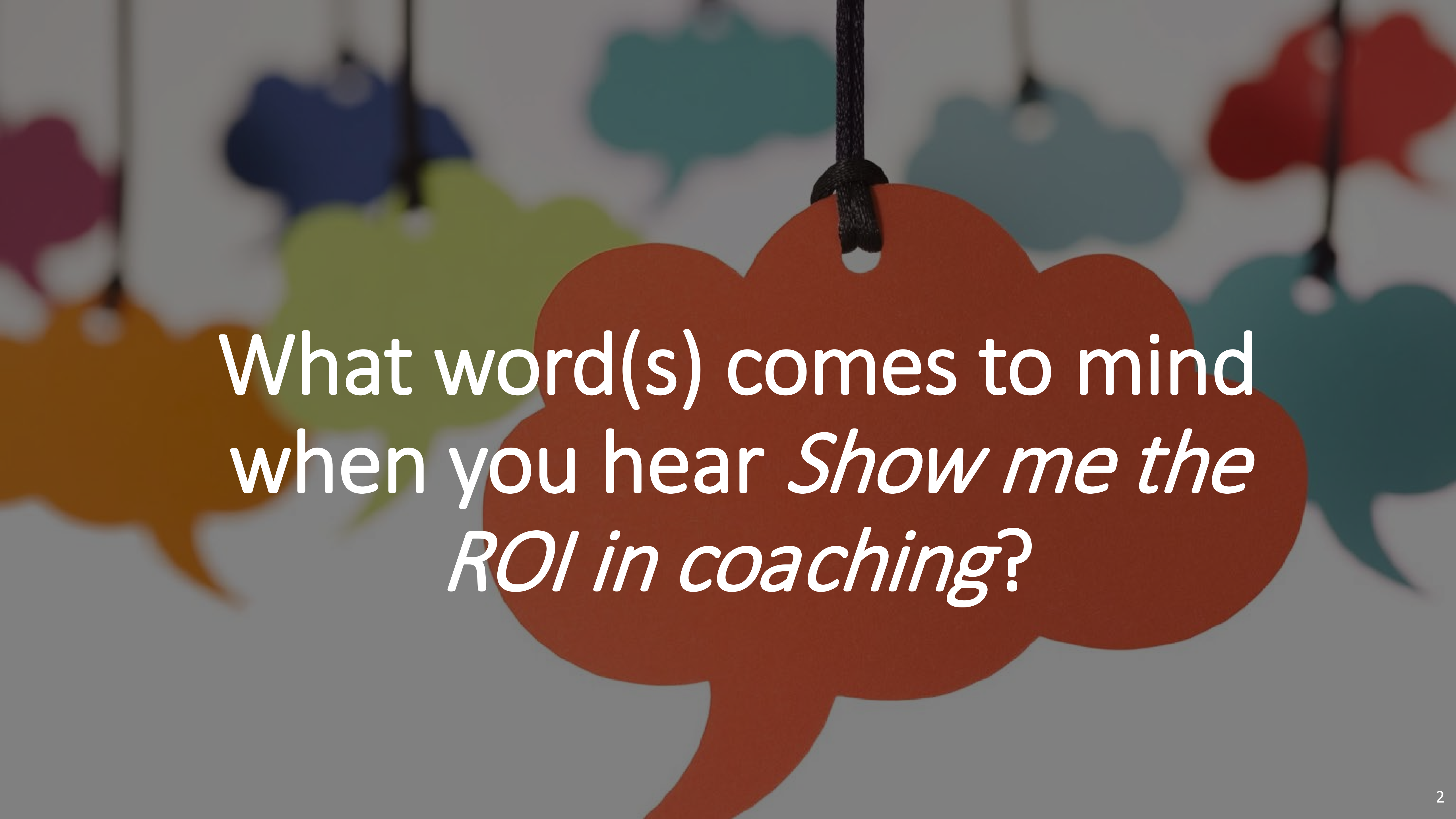




What word(s) comes to mind when you hear *Show me the ROI in coaching*?

Coaching is Big Business

- There are 31 types of coaches[1]
- Globally, it is estimated that there were approximately 71,000 coach practitioners in 2019, an increase of 33% on the 2015 estimate.[2]
- The estimated market size of the Coaching Industry was $15 billion in 2019 with a total of $7.5 billion worth of market value in the US alone. It is expected the market value to reach $20 billion by 2022 with a 6.7% average yearly growth rate from 2019 to 2022. According to PwC, the Coaching Industry is the second fastest growing sector in the world.

[1] coaching-online.org

[2] 2020 ICF Global Coaching Study

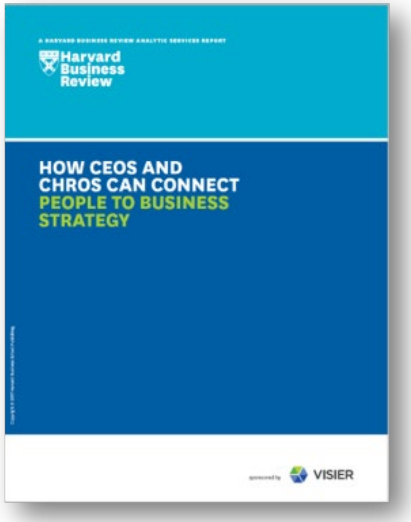
[3] xmonks.com

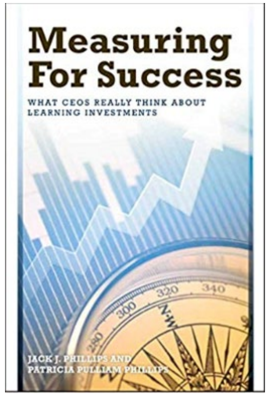
Senior leaders want impact and ROI.

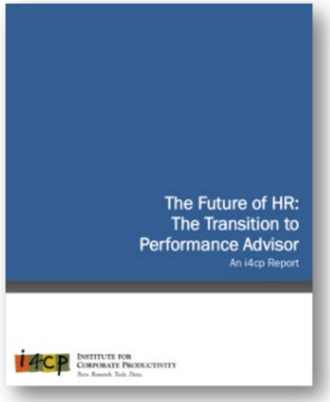
Sixty-seven percent of CEOs say they get a least a basic set of human capital metrics–but ***only 24% of survey respondents*** said HR also provides analytics that connect their people metrics to business metrics.

Really, the question isn't about relevance of the (HR) function or a 'seat at the table;" rather, it is ***what impact has HR made on the business***.

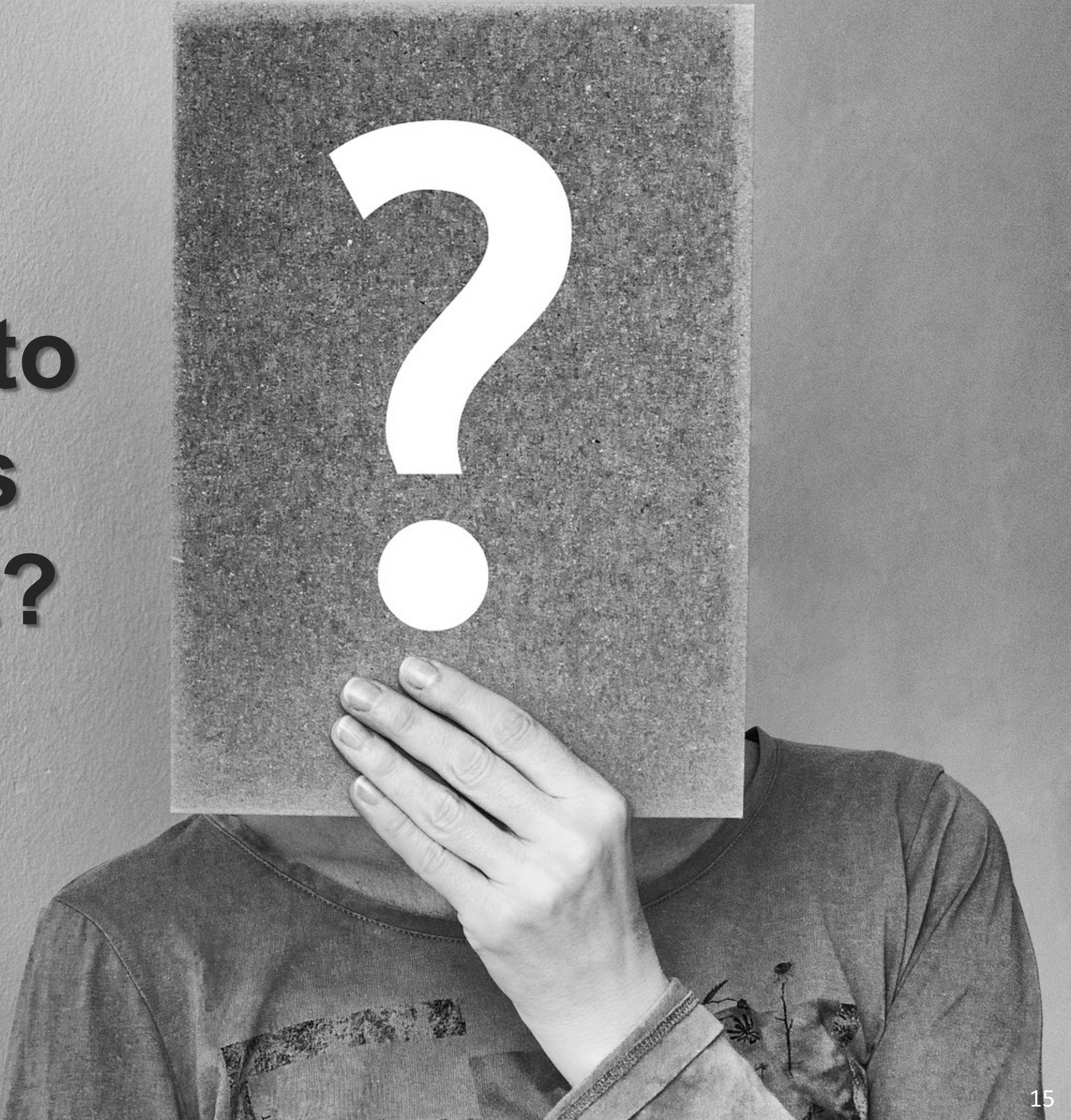
Seventy-four percent of CEOs report that they want ROI, but only 4% get it. Ninety-six percent of CEOs want impact; only 8% receive it now. Business impact data and ***ROI are the most important metrics*** in their decision making making about the learning investment.







How are we going to deliver the results stakeholders want?



We’re going to design for results.

Measures of Success

Levels of Evaluation	Measurement Focus	Typical Measures
0. Inputs & Indicators	The input into the project in terms of scope, volume, efficiencies, costs	Participants, Hours, Costs, Timing
1. Reaction & Planned Action	Measures participant satisfaction and captures planned actions, if appropriate	Relevance, Importance, Usefulness, Appropriateness, Intent to use, Motivation to act
2. Learning & Confidence	Measures changes in knowledge, skills, and attitudes	Skills, Knowledge, Capacity, Competencies, Confidence, Contacts
3. Application & Implementation	Measures changes in behavior or actions	Extent of use, Task completion, Frequency of use, Actions completed, Success with use, Barriers to use, Enablers to use
4. Business Impact	Measures changes in business impact variables	Productivity, Revenue, Quality, Time, Efficiency, Customer Satisfaction, Employee Engagement
5. Return on Investment	Compares project benefits to the costs	Benefit-Cost Ratio (BCR), ROI%, Payback Period

Katzell developed four steps of training evaluation; Kirkpatrick wrote about four steps of training evaluation; Phillips added economic theory and operationalized the framework by adding process and standards and applying it in practice in not only learning, but the broader HR community and beyond.

What is ROI?

$$\text{BCR} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

$$\text{ROI} = \frac{\text{Benefits} - \text{Costs}}{\text{Costs}} \times 100$$

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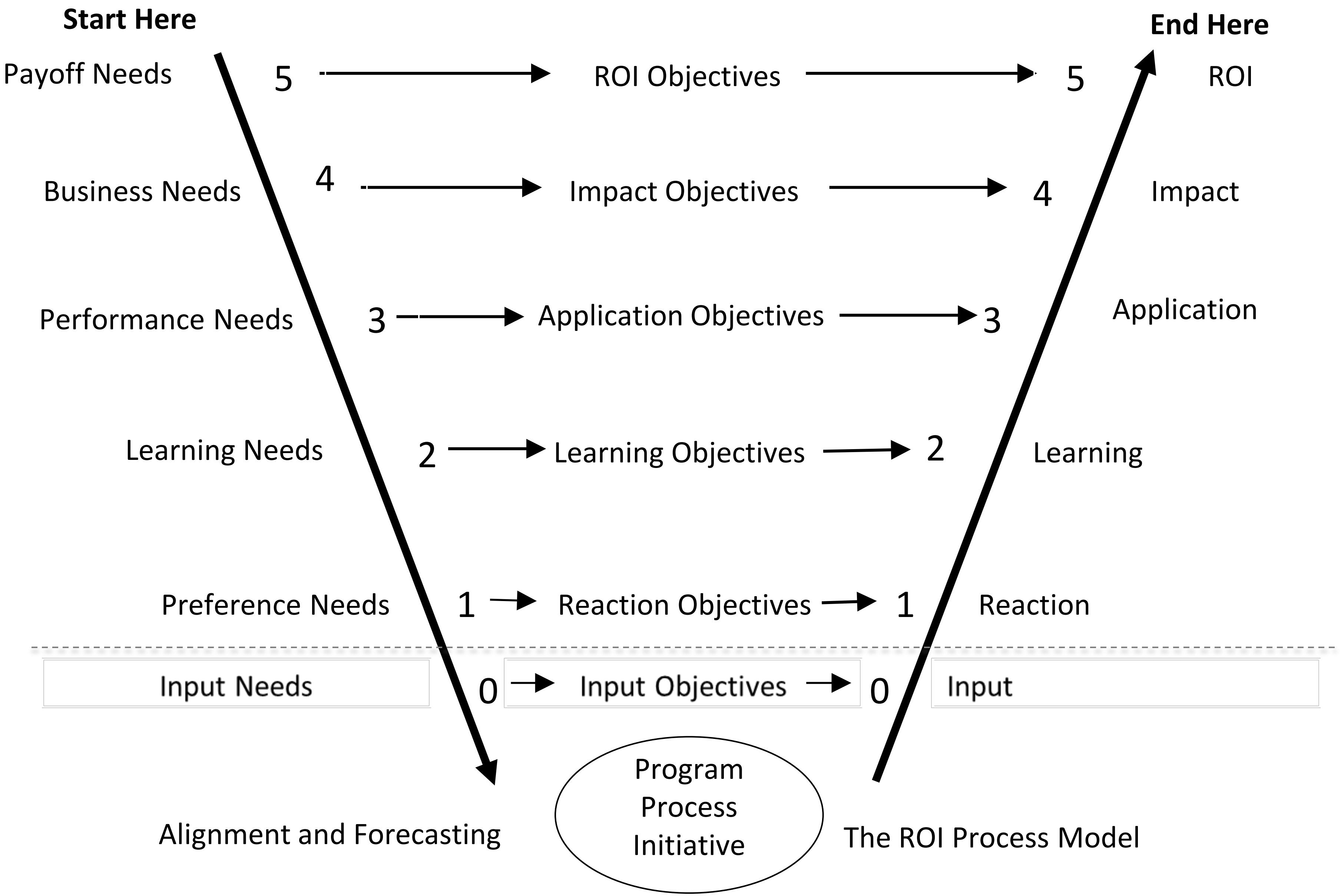
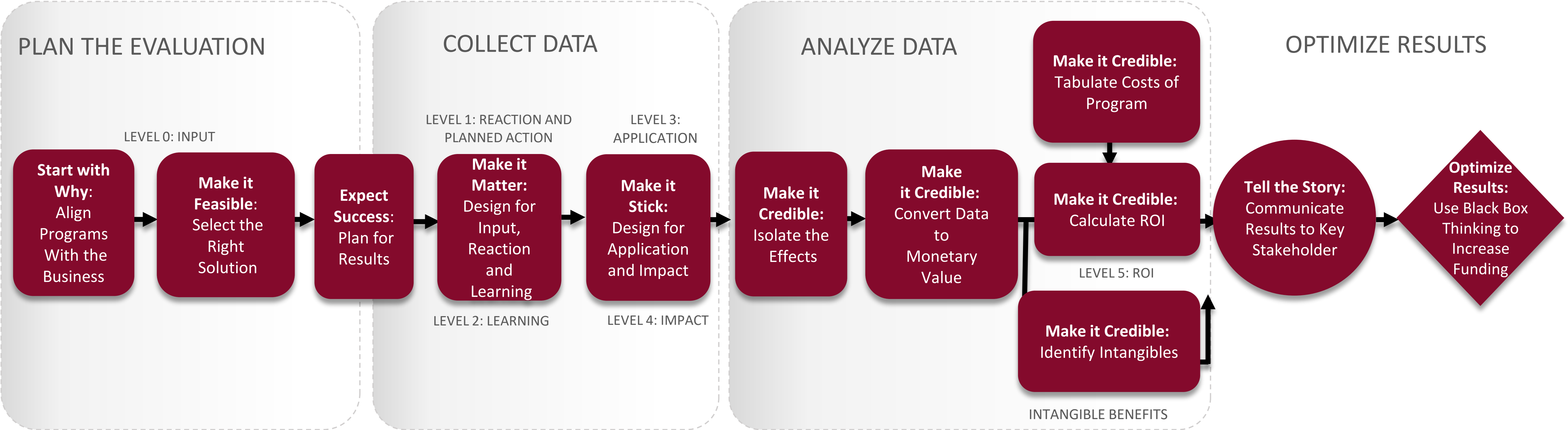
Alignment Model



The ROI Methodology Process Model

Designing for the Delivery of Business Results



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Guiding Principles

1. When conducting a higher-level evaluation, collect data at lower levels.
2. When planning a higher-level evaluation, the previous level of evaluation is not required to be comprehensive.
3. When collecting and analyzing data, use only the most credible sources.
4. When analyzing data, select the most conservative alternative for calculations.
5. Use at least one method to isolate the effects of a project.
6. If no improvement data are available for a population or from a specific source, assume that little or no improvement has occurred.
7. Adjust estimates of improvement for potential errors of estimation.
8. Avoid use of extreme data items and unsupported claims when calculating ROI.
9. Use only the first year of annual benefits in ROI analysis of short-term solutions.
10. Fully load all costs of a solution, project, or program when analyzing ROI.
11. Intangible measures are defined as measures that are purposely not converted to monetary values.
12. Communicate the results of ROI Methodology to all key stakeholders.

Chain of Impact

Inputs

↓

Reaction

↓

Learning

↓

Application

↓

Isolate the Effects of the Program

↓

Impact

↓

ROI

Intangible Benefits

Characteristics of Investments Suitable for Impact & ROI

- Linkage of project to operational goals and issues
- Importance of project to strategic objectives
- Top administrator/executive interest in the evaluation
- Cost of the project
- Visibility of the project
- Size of target audience
- Investment of time required

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Case Study: Nations Hotel

COACHING FOR BUSINESS IMPACT

NATIONS HOTEL
COACHING FOR BUSINESS IMPACT

WHO?

- US-based hotel firm with operations in 15 countries
- 300 hotels worldwide
- 98 percent brand awareness; 72 percent customer satisfaction

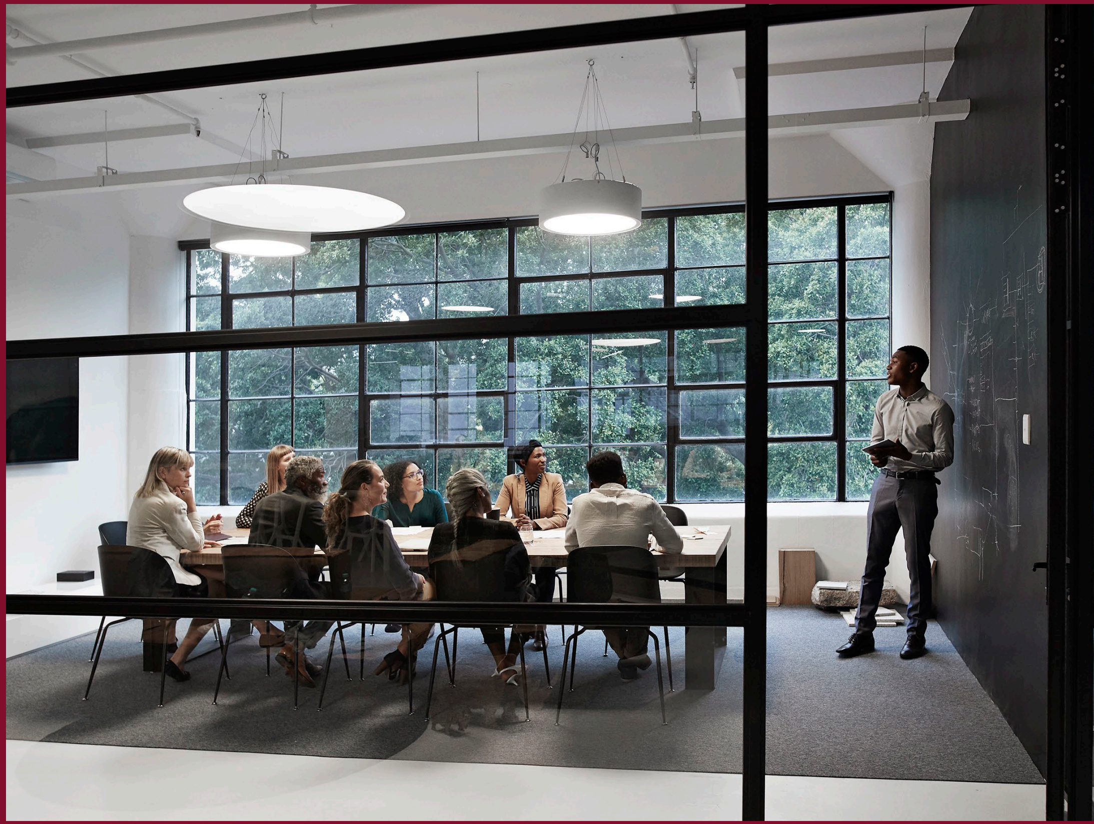
WHY?

- Improve operation efficiency, customer satisfaction, revenue growth, retention of high performers
- Needs assessment indicated executives wanted to work with a qualified coach to assist them with key challenges

NATIONS HOTEL
COACHING FOR BUSINESS IMPACT

HOW?

- Voluntary coaching with 360-feedback
- Total of 25 participants
- Action planning and evaluation incorporated into the coaching process
- Three specific business measures selected by each executive out of five target areas:
    - Sales growth
    - Productivity/operational efficiency
    - Direct cost reduction
    - Retention of key staff members
    - Customer satisfaction



OBJECTIVES

Level 1 Reaction Objectives

After participating in this coaching program, the managers being coached will:

- Perceive coaching to be relevant to the job
- Perceive coaching to be important to their performance
- Perceive coaching to be value added in terms of time and funds invested
- Rate the coach as effective
- Recommend this program to other managers and executives

Level 2 Learning Objectives

After completing this coaching program, the managers being coached should improve their skills for each of the following:

- Uncovering personal strengths and weaknesses
- Translating feedback into action plans
- Involving team members in projects and goals
- Communicating effectively
- Collaborating with colleagues
- Personal effectiveness
- Leadership skills

OBJECTIVES

Level 3 Application Objectives

Six months after completing this coaching program, managers being coached should:

- Complete the action plan for application and impact
- Adjust the plan as needed for changes in the environment
- Show improvements on the following items:
    - Translating feedback into action plans
    - Involving team members in projects and goals
    - Communicating effectively
    - Collaborating with colleagues
    - Applying leadership skills
- Identify barriers and enablers to success.

OBJECTIVES

Level 4 Impact Objectives

After completing this coaching program, managers being coached should improve at least three specific measures in the following areas:

- Sales growth
- Productivity/operational efficiency
- Direct cost reduction
- Retention of key staff members
- Customer satisfaction

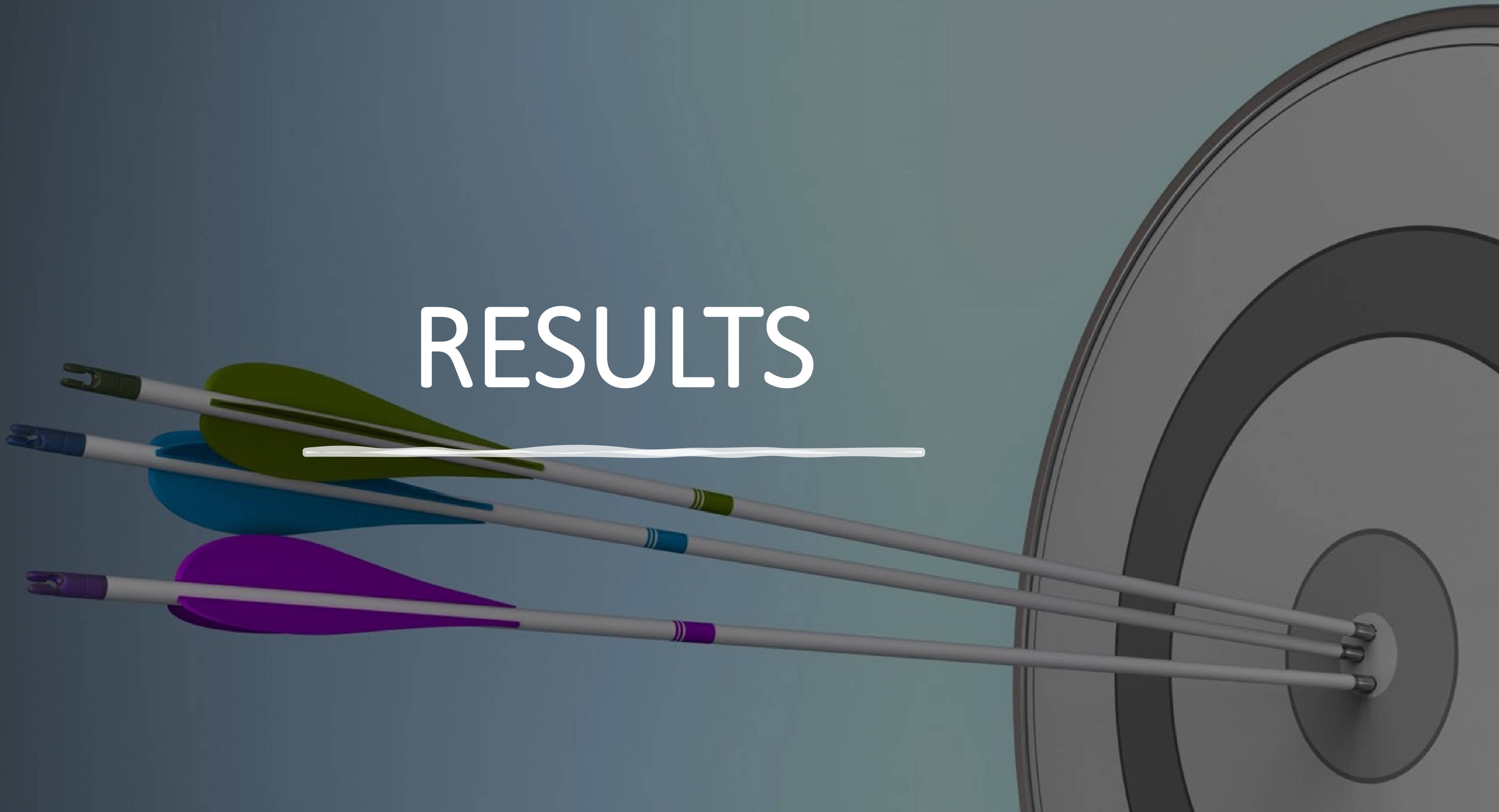
Level 5 ROI Objective

The ROI value should be at least 25%.

DATA COLLECTION AND DATA SOURCES

DATA CATEGORY	EXECUTIVE QUESTIONNAIRE	COACH QUESTIONNAIRE	ACTION PLAN	COMPANY RECORDS
REACTION	X			
LEARNING	X	X		
APPLICATION	X	X	X	
IMPACT			X	X
COSTS				X

RESULTS



LEVEL 1 REACTION

MEASURES	RATING
Relevance of coaching	4.6
Importance of coaching	4.1
Value of coaching	3.9
Effectiveness of coach	3.9
Recommendation to others	4.2
Average	**4.1**

*Target 4.0

LEVEL 2 LEARNING

MEASURES	EXECUTIVE RATING	COACH RATING
Understanding strengths and weaknesses	3.9	4.2
Translating feedback into action plans	3.7	3.9
Involving team members in projects and goals	4.2	3.7
Communicating effectively	4.1	4.2
Collaborating with colleagues	4.0	4.1
Improving personal effectiveness	4.1	4.4
Enhancing leadership skills	4.2	4.3

*Target 4.0

LEVEL 3 APPLICATION

MEASURES	EXECUTIVE RATING	COACH RATING
Translating feedback into action plans	4.2	3.9
Involving team members in projects and goals	4.1	4.2
Communicating more effectively with the team	4.3	4.1
Collaborating more with the group and others	4.2	4.2
Applying effective leadership skills	4.1	3.9

*Target 4.0

BARRIERS AND ENABLERS

BARRIERS	ENABLERS
Not enough time	Coach
Not relevant	Action plan
Not effective when using skill	CBI structure
Manager did not support it	Support of management

LEVEL 4 IMPACT

Name: *Caroline Dobson* Coach: *Pamela Mills* Follow-Up Date *1 September*

Objective: *Improve retention for staff* Evaluation Period: *January* to *July*

Improvement Measure: *Voluntary turnover* Current Performance *28% Annual* Target Performance *15% Annual*

Action Steps			Analysis
1.	*Meet with team to discuss reasons for turnover – using problem-solving skills.*	*31 Jan*	A. What is the unit of measure? *One voluntary turnover*
2.	*Review exit interview data with HR – look for trends and patterns.*	*15 Feb*	B. What is the value (cost) of one unit? *Salary × 1.3*
3.	*Counsel with "at-risk" employees to correct problems and explore opportunities for improvement.*	*1 Mar*	C. How did you arrive at this value? *Standard Value*
4.	*Develop individual development plan for high-potential employees.*	*5 Mar*	D. How much did the measure change during the evaluation period? *11% (annual %) (4 turnovers annually)*
5.	*Provide recognition to employees with long tenure.*	*Routinely*	E. What other factors could have contributed to this improvement? *Growth opportunities, changes in job market*
6.	*Schedule appreciation dinner for entire team.*	*31 May*	F. What percent of this change was actually caused by this program? *75%*
7.	*Encourage team leaders to delegate more responsibilities.*	*31 May*	G. What level of confidence do you place on the above information? (100% = Certainty and 0% = No Confidence) *90%*
8.	*Follow-up with each discussion and discuss improvement or lack of improvement and plan other action..*	*Routinely*	
9.	*Monitor improvement and provide recognition when appropriate.*	*11 May*	

Intangible Benefits: *Less stress on team, greater job satisfaction*

Comments: *Great Coach – She kept me on track with this issue.*

FIVE STEPS TO ANNUAL MONETARY BENEFITS

Executive # 11 Caroline Dobson

01

Unit of measure
1 Turnover Statistic

02

Value of measure
130% of salary
(avg. $41,346.15 x 1.3 = $53,750)

03

Change in performance due to coaching
4 turnover statistics per year x .75 est. attribution x .90 confidence (error adjustment) = 2.7 due to coaching

04

Annual change in performance
2.7 turnover statistics

05

Annual monetary benefits
2.7 x $53,750 = **$145,125**

ACTION PLAN OUTPUT

EXEC #	MEASUREMENT AREA	TOTAL ANNUAL VALUE ($)	BASIS	METHOD OF CONVERTING DATA	CONTRIBUTION FACTOR	CONFIDENCE ESTIMATE	ADJUSTED VALUE ($)
1	Revenue growth	11,500	Profit margin	Standard value	33 %	70 %	2,656
2	Retention	175,000	3 turnovers	Standard value	40 %	70 %	49,000
3	Retention	190,000	2 turnovers	Standard value	60 %	80 %	91,200
4	Direct cost savings	75,000	From cost statements	Participant estimate	100 %	100 %	75,000
5	Direct cost savings	21,000	Contract services	Standard value	75 %	70 %	11,025
6	Direct cost savings	65,000	Staffing costs	Standard value	70 %	60 %	27,300
7	Retention	150,000	2 turnovers	Standard value	50 %	50 %	37,500
8	Cost savings	70,000	Security	Standard value	60 %	90 %	37,800
9	Direct cost savings	9,443	Supply costs	N / A	70 %	90 %	5,949
10	Efficiency	39,000	Information technology costs	Participant estimate	70 %	80 %	21,840
11	**Retention**	**215,000**	**4 turnovers**	**Standard value**	**75 %**	**90 %**	**145,125**
12	Productivity	13,590	Overtime	Standard value	75 %	80 %	8,154
13	Retention	73,000	1 turnover	Standard value	50 %	80 %	29,200
14	Retention	120,000	2 annual turnovers	Standard value	60 %	75 %	54,000
15	Retention	182,000	4 turnovers	Standard value	40 %	85 %	61,880
16	Cost savings	25,900	Travel	Standard value	30 %	90 %	6,993
17	Cost savings	12,320	Administrative support	Standard value	75 %	90 %	8,316
18	Direct cost savings	18,950	Labor savings	Participant estimate	55 %	60 %	6,253
19	Revenue growth	103,100	Profit margin	Participant estimate	75 %	90 %	69,592
20	Revenue	19,500	Profit	Standard value	85 %	75 %	12,431
21	Revenue	21,230	Profit %	Standard value	80 %	70 %	18,899
22	Revenue growth	105,780	Profit margin	Standard value	70 %	50 %	37,023

Total $ 1,716,313

Total $ 817,126
2nd Measure Total $ 649,320
3rd Measure Total $ 394,712
Total Benefits $ 1,861,158

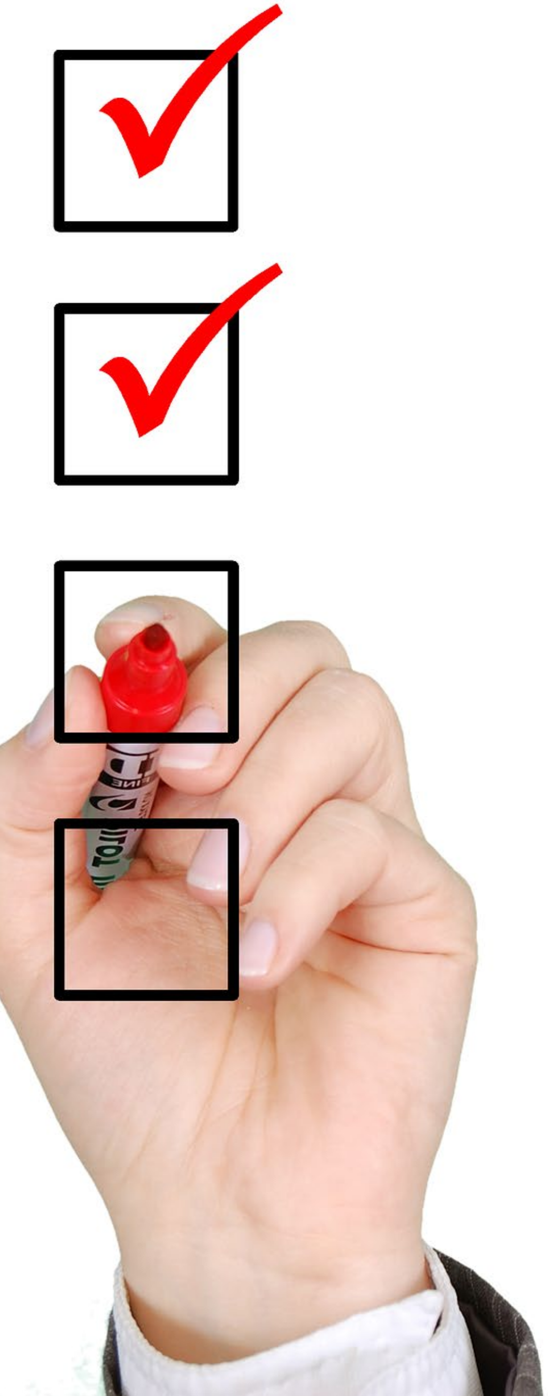
FULLY-LOADED COSTS

Item	Cost
Needs assessment/development	$10,000
Coaching fees	$480,000
Travel costs	$53,000
Executive time	$9,200
Administrative support	$14,000
Administrative overhead	$2,000
Telecommunication expenses	$1,500
Facilities (conference room)	$2,100
Evaluation	$8,000
Total	**$ 579,800**

LEVEL 5 ROI

Program benefits (22 people)	$1,861,158
Program costs (25 people)	$579,800
ROI	**????**
*Target 25%	

$$ROI = \frac{\text{Benefits - Costs}}{\text{Costs}} \times 100$$



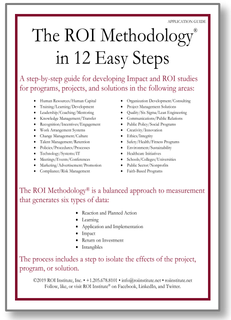
The Payoff

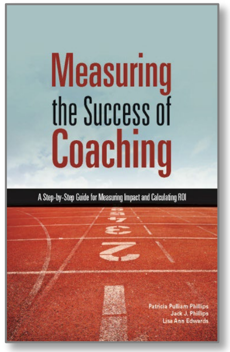
- Align projects to business needs.
- Show contributions of selected projects.
- Earn senior management/administrators' respect.
- Build staff morale.
- Justify/defend budgets.
- Improve project support.
- Enhance design and implementation processes.
- Identify inefficient projects that need to be redesigned or eliminated.
- Identify successful projects that can be implemented in other areas.
- Earn a “seat at the table.”

Remember, when it comes to delivering results from coaching:

- Hope is not a strategy.
- Luck is not a factor.
- Doing nothing is not an option.

Change is inevitable. Progress is optional.





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