Collecting Evidence of Our Success

Lilian Abrams, Ph.D., MBA

Abrams and Associates, LLC

Labrams@abramsandassociatesllc.com

(+1) 973.773.5355 (Eastern US time zone)

WHY SHOULD YOU READ THIS PAPER

How do we infer the effectiveness of coaching? Oftentimes, from repeat business, recommendations, and/or additional activities for the coach to perform for the organization. However, the effectiveness of coaching work is generally not reported in terms of the same business results and standards that our clients are measured against. Reflecting upon my practice, and reviewing academic literature, a gap is observed between the reality of how best to capture business evidence, and the standards of academic rigor used to date to measure coaching's effectiveness. I suggest that if the strict academic criterion of reliability is removed, whilst retaining the importance of seeing actual change (validity), there is greater potential for coaches to identify tangible return on investment (ROI) on their work, in ways that are congruent with other business measures. I share a case study that demonstrates how an important business measure was obtained, and suggest ways for coaches to identify incidents of real business impact, as well as the critical "hard" business measures to pursue.

Key words: return on investment (ROI), measuring coaching effectiveness, business measures, coaching results

THE (OLD) PROBLEM

Much of the time, the evidence we have for our success as coaches is subjective, whether self-reported by the coachee or by their close observers; for example, "I have learned a lot;" "I have seen great changes in her/him." For the sake of our understanding of our own effectiveness, as well as that of the organizations and/or executives who invest in working with us, I would like to suggest that we push harder to collect harder evidence of our impact on our coaching clients and their organizations. By "harder evidence", I mean valid, true qualitative and/or quantitative information that illustrates our impact as executive coaches in concrete ways, for clients and their organizations.

This would seem a natural aspect of good coaching practice. For example, APECS's accreditation application (Section 3) is titled "Evidence", and the very first question, 3.1, tacitly defines this by asking for "some good examples of the impact you have achieved in your practice" (APECS, 2014). Similarly, Dr. Jeremy Ridge (2014) describes the Sixth Pillar of good coaching practice as "…the Checks and Balances to ensure continued effectiveness," of which actually providing impactful results is surely one (Ridge, J., 2014, p.51.) In fact, the first Pillar that Ridge describes is "…to have established a Practice itself. A 'Practice' is a track record of evidence demonstrating what you deliver, and its link to output for the user." (ibid, p.52.) Who are these users? Our clients – the business-people who themselves are responsible for delivering concrete results. Therefore, how can we give them evidence of the success of our coaching work in the same business terms they use and value for themselves?

I would like to describe how I believe we can, if we are more thorough and thoughtful in searching for and recording qualitative and quantitative examples of our success as they occur.

As one with training and experience in applied research, I have been troubled by this issue for a long time. I am far from alone. Identifying the clear ROI for executive coaching is widely acknowledged as problematic (Anderson, 2011; De Meuse, Dai, & Lee, 2009; Grant, 2012.) In Phillips & Phillips's "ROI in Action Casebook" (2008), only one case of "business" coaching (as described, similar to executive coaching) is listed. Despite elaborate methodology and clear efforts to maintain integrity, in the end the ROI for this organization relied on multi-step, multi-rater estimations, which possibly introduced error as much as confirmation at each estimation, and more importantly ultimately lacked a clear linkage between the initial coaching development areas and the five (5) ultimate desired forms of business results (e.g., sales growth, etc.) Other approaches have been suggested, but because they retained a focus on predicting conditions a priori, similar to a lab experiment, their real contribution and utility have not generated high confidence in their success (Anderson, 2011; De Meuse, Dai & Lee, 2009.) When ROI has been reported, the most common outcome measures which authors cite are productivity, quality, employee satisfaction, and retention, which are all estimated or obtained by self-report (De Meuse, Dai & Lee, 2009.) Some writers have even given up on business measures and suggest primarily focusing on subjective measures (Grant, 2012.)

I would contend that part of the problem is that these authors, and others, are looking for reliable, *a priori* linkages, of the sort ideal to a quantitative research study. A further problem is translating a long string of intermediate estimations to get to a dollar value, by the researcher/coach, versus simply asking the experienced, knowledgeable client to use their understanding of the business to provide a more accurate dollar amount (or whatever the index might be.) They know their business better than we do, we may be better at asking questions to help them articulate the ultimate value of their behavior change in business terms. Our clients are much better able than we are to estimate the impact of their changes, from a business perspective. They know their customers' typical spend, the scope of the market, each customer's typical order size, the product and market variables and costs, etc. Their currency (or other) estimates are therefore likely far more realistic than creating intermediate units which eventually get linked to the same currency units. This side-steps the problem above, of introducing researcher/coach error, and the false precision inherent thereof.

For example, in the quest for replicability, Anderson (2011) adds in stringencies around reliability which may be considered unnecessary, that better fit the needs of a research study than a client. For example, Anderson excludes one-time cost reductions in calculating ROI; but might that not be a valid contribution to the ROI of coaching, regardless of its replicability? Rather, I would say that success in identifying the true ROI of coaching is more likely if one adheres to the standard that examples must be true (valid), if even they are not replicable. In other words, valid data can be discovered opportunistically, but remain valid and useful towards discovering at least some ROI on executive coaching. What this requires, however, is for the coach and the client to pay conscious attention to gathering examples of such incidents during coaching.

A Solution – A Sample Case:

A recent incident provides a good example of exactly what I am suggesting we coaches more actively look for:

Sanjay is a pleasant yet driven, occasionally sharp-tongued Ph.D./MBA chemist. He rose through the ranks and functions of his global chemical firm, to now manage one of four commercial business areas. His ambition is promotion to Executive status, by the end of 2015.

Sanjay's focus to date had clearly been driven by "task", to the exclusion of "people." In fact, when he was interviewing me as his potential coach, he said that one of the areas in which he knows that he is weak in is a lack of sensitivity to picking up on subtle communication cues from others. Not surprisingly, one of the three leadership competencies that we have worked on is for him to display greater respect, active listening, and inclusion with his colleagues, at all levels.

At one of our first meetings, among other topics we discussed the importance of Sanjay asking open-ended and/or coaching questions, and to include others in his decision- making. He needed to let others "feel heard", to let them participate as appropriate by giving their suggestions and input, and overall to get greater "buy-in" from others to his decisions. About a month later, Sanjay volunteered an example of how he had applied what we discussed, and how his improvement in this area had potentially powerful financial results for the company.

Jake is a salesperson who sells Sanjay's products, but does not report to him. In the past, Sanjay had found Jake to be resistant to Sanjay's requests that Jake pitch a new product to a certain difficult customer. A couple of weeks prior to our coaching meeting, a situation arose where bad news had to be delivered to one of Jake's customers. Implementing Sanjay's new awareness around the importance of building trust and partnering relationships across the organization, Sanjay offered to partner with Jake on the call, to share the "bad news" duty. This was very well-received by Jake, and, as Sanjay said to me, built positive relationship "credit" with Jake. Further, Sanjay invited Jake to a customer call, and solicited Jake's input ahead of time as to Jake's role on the call, versus Sanjay's. Sanjay said that, in the past, he himself would have just taken over and led the customer call completely, even if Jake was on the call. This time, however, he asked Jake in advance, "How should we manage this call?" Jake replied "How about if you do this part, and I do that part?" Sanjay felt that he had "won Jake's trust" with this behavior.

These seemingly small incidents had powerful repercussions soon afterwards. A few days after the shared customer call, without telling Sanjay his plans, Jake met with and mentioned Sanjay's new product to the difficult customer – the very product which Jake had been resisting presenting to this customer up until now. As Sanjay said, "Now, Jake (finally) took our priorities and executed on them!" Despite Jake's past reluctance, he found now that when he raised the idea of the new product with the customer, he found "abundant opportunity" for it, with them.

Normally, I would have noted the process as a success, above. Now, with more of a business-sensitive, "collect hard evidence" mindset, I pushed a bit harder to find out what this meant. I specifically asked Sanjay, "Exactly how much opportunity is 'abundant'?" He then replied, "A few million dollars' worth."

Clearly, our coaching discussions had led to a potentially significant financial result, as well as stronger cross-boundary relationships and teamwork, for Sanjay and his firm. But I never would have uncovered this information if I hadn't pushed him to specify it, in business terms.

Again, it's important to note that this evidence deviates from traditional, objective definitions of evidence in that it may be valid, but not reliable. In other words, it is valid in that it really happened, which makes it valid, but reliable? It could not be considered reliable if one defines reliable as able to be replicated consistently and repeatedly, under the certain conditions. As always, with data collection in the "real" world, the myriad of factors that came together to create this instance are not necessarily repeatable or manipulatable, to meet good research standards. However, the fact that my coaching client acted differently, as a result of coaching conversations, and, without contrived calculations or many dubious steps that it lead to a positive financial opportunity for himself, his colleagues, and his organization, is true and valid in itself, and, I believe, the kind of example of ROI that represents the actual ROI that our clients and their organizations are realizing from effective executive coaching.

The benefits of uncovering stories such as the above benefit many parties. Once the potential but concrete (dollar) benefit was clarified, Sanjay and others could leverage the incident in other ways as well. For example, not long after the exchange above, I had a check-in call with his second-level manager. I was able to tell the story above, of which he was unaware despite the significant potential benefit to his own division's results. This helped this manager feel that his coaching budget expenditures were justified, in that Sanjay is clearly progressing as a leader in ways that help his management and the firm. Both of these may help Sanjay achieve his promotion to the Executive level. It also helped me demonstrate my value-add as a coach, in concrete business terms. It also adds perceived value to the coaching services firm which serves as a vendor to Sanjay's organization is seen as one that delivers on its promise to improve executive leadership performance.

THE SOLUTION - WHAT WE NEED TO DO MORE OF

Executive coaches need to be attuned to the businesses we work in, and what those businesses consider to be success. We then need to push ourselves and our clients to articulate the result of their (new) behaviors on both people and their organizations. For coaches, this means being conversant in business measures and terminology, and actively searching for the connections between it and the shifts we see in our clients' mindsets and behaviors. With some, such as Sanjay, sales are a more readily available indicator of the business impact of coaching. With functional clients such as HR, these are likely less obvious. However, I would like to see us include a conscious effort to help our clients explicitly examine and identify the business impact of their behavior changes, throughout their executive coaching process.

Of course, these inquiries need to be an organic aspect of the coaching conversations, and pursued only when appropriate to a case example offered by the client. Too frequent or emphatic a focus on identifying business results would no doubt feel artificial and indicative of a private "agenda" on the part of the coach. It would also likely remove from the coaching process both an appropriate main focus on the client's needs, and the client's participation in directing the process. However, being able to identify business results from their development ultimately benefits the client as well as the coach, and the business organizations involved.

In terms of business impact, I have a few indicators to suggest. The list below originated in from the decades'-worth of workshops I did with Cornell University's Johnson School of Business MBAs, coaching them on "telling their stories" to job interviewers. Part of the explicit instruction for them was to include the hard results of their own work, when describing their past work with future employers.

As a result of the many conversations I've had with students there, I crafted my own "Hierarchy of Business Results", which I am starting to apply to my own coaching work. In descending order of impact, here the areas in which I suggest we all look for hard numbers that can be traced to our work with clients:

1. Profits
2. Revenue
3. Market Share
4. Efficiencies Gained
5. Risk Averted

Unlike more indirect prior coaching ROI indices, such as productivity, quality, and morale, all of the measures above essentially concern **profit and loss**, which are the basic indices of a business – profit being the most desirable, and loss being what one wants to minimize in order to achieve more profit.

I invite readers to be creative on two accounts, namely improving the processes by which we coaches identify clients' success stories, and to the extent possible, explore these stories for results, to the point where reach one or more of the business measures above. In other words, readers are invited to:

1. Offer refinements or suggestions about other business measures, though I suspect that all of these will sooner or later serve as proxies for profit and loss. For example, indexes of growth such as market share are really proxies for revenue, which is really a short or long-term proxy for profit (which is ultimately a key point of business activity.) Similarly, the lower two (4 & 5) are proxies for loss, which is not as compelling as profit but can be valuable nonetheless.

2. Offer ways in which we can more reliably solicit true (valid) stories of business impact from those we coach. To track these, one must be alert to first, pursue clients' success stories to get to the "So what?" point of their story. What is the impact on the business? And how do we spot these, and draw them out of our clients' experiences?

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Acknowledgements:

I would like to thank Yvonne Thackray (MSc, MEng) and Dr. Michael Frisch for their contributions to this paper.