

No More Excuses! You CAN Measure ROI

Expectations of Human Resources as a business function have significantly shifted over the past 10-15 years. From transactional upholders of policy, to internal consultants, to integral and transformational business partners, the HR professional is being pulled on an ever increasing commercial trajectory.

It is no longer sufficient to rely on anecdotal evidence about how HR solutions impact positively on engagement, performance and retention. This is now widely acknowledged. In a more challenging and dynamic socio-economic environment there is an omnipresent pressure to demonstrate the direct financial impact of HR activity on the bottom line.

And as HR begins to recognise coaching as a business driver and a solution to a myriad of business challenges - there is perhaps no better example than coaching as a HR solution that is shrouded in secrecy.

Of course, it is completely understandable for organisations to expect to see a return on investment (ROI) when making a significant expenditure on their coaching programmes. But for too long, organisations have accepted the espoused belief that it is 'difficult' if not 'impossible' to measure ROI in hard terms. As a result, organisations invest in good faith. For HR, however, this creates a downward spiral because without hard evidence of ROI, it becomes harder and harder to secure commitment (and budget) for much needed initiatives.

We often hear the excuse that because of the confidential nature of coaching, it cannot be measured in hard terms.

Our survey of over 700 companies supports this premise, with a huge 93% of senior executives telling us that they have no idea what the typical ROI of their coaching programme is.

60% of companies told us that they don't measure coaching or capture ROI at all.

A further 25% still rely on anecdotal evidence and simply *believe* their programmes are successful.

Only 16% said that they measured coaching in hard ROI measures and of this group only 1% had a clear tracking process and knew the specific ROI from all of their coaching programmes.

But what's so difficult about ROI?

Firstly, there is much confusion over what coaching actually is.

In our survey, one fifth of senior executives saw coaching as a remedial exercise. It is perhaps unsurprising that the results of this type of coaching engagement has a limited reach. People might not want to talk about it, or it might lead to someone exiting the business, or there may be caution about future legal concerns.

59% of senior executives described coaching as something that happens behind closed doors between an internal or executive coach. Once engaged, the agenda and content of these coaching programmes is often withheld from third parties and any results can only be observed second hand.

It is little wonder that the ROI of coaching is unknown!

Secondly, there is simply a lack of knowledge about 'how to' measure coaching programmes. Insufficient time is spent setting tangible measures at the outset and too much focus is placed on post-event evaluation - how it was perceived rather than it's outcomes.

When coaching is isolated it becomes harder to provide a commercial narrative that makes sense in a wider context

Continued Overleaf

Global Experts in Coaching

NOTION
BusinessCoaching.co.uk

Executive Coaching

Coaching Skills Training

CPD & Supervision

Coaching Culture
Consultancy

Operational Coaching

Team Coaching

Business Coaching

Call for a chat
+44 (0)1926 889885

Thirdly, HR might still be in transition. Changing the perception of an entire business function is no easy task. To be able to demonstrate the commercial benefits of coaching, HR professionals also need to be at the heart of the commercial conversation. To be accepted in to the commercial conversation they need to demonstrate their commerciality - chicken and egg!

And if the leadership team is still in transition, what then? Interestingly, our survey showed that 78% of senior executives would describe the prevailing leadership style in their business as command and control. So by keeping their coaching initiatives separate from the commercial agenda and the everyday situation, it is failing to be pervasive at a fundamental level.

When coaching is isolated it becomes harder to provide a commercial narrative that makes sense in a wider context.

This degree of confusion and secrecy leads to organisations thinking twice about investing in coaching or even withdrawing investment for a bigger and more sustainable coaching programme due to a perceived lack of results.

So perhaps it's now time to unveil something people have been hiding...

Notion's Coaching Director, Laura Ashley-Timms says:

"Coaching *is* measurable in both hard and soft terms...you just need to know how to do it! We keep hearing about all the fantastic benefits of coaching, but no-one seems to be measuring them. It is still a subject that is perceived as soft and fluffy. This needs to change if organisations want to take advantage of the many benefits that coaching has to offer.

At Notion we have developed a unique way to measure coaching ROI and we won't embark on any coaching programme without complete transparency about how we will help the organisation deliver it. Our comprehensive post programme reports frequently show a double digit ROI and at times in excess of 100 x the original investment. And the results keep on coming long after the programme has ended."

Coaching is measurable in hard and soft terms...you just need to know how to do it!

For the HR professional, the ability to report results of this size will really change the nature of the conversation they have with the business.

But to get to the heart of the commercial agenda, HR activity, such as coaching, needs to be integrated into the fabric of the organisation and not stand alone on the outskirts.

It is important that coaching is not an end in itself. If HR can play a vital role in transforming the predominant command and control leadership style to that of a coaching style, they have the potential to generate truly extraordinary results that are closely aligned to organisational goals and objectives that can be measured in hard terms.

This will mean taking coaching out of the meeting room and in to operational settings where plans are being formulated and decisions are being made.

Leaders and managers that take an 'enquiry-led' approach will generate more creativity and open up new and innovative possibilities. A change in mindset of this essence will have an exponential impact on empowerment within organisations that will release an otherwise un-leveraged people capability.

Operational coaching has the power to inextricably link coaching to the commercial activity happening in the organisation

This 'operational coaching' approach has the power to inextricably link coaching to the commercial activity happening in the organisation. Not only will the results be felt, they will also be seen in clear and tangible terms which will put HR clearly in the centre of the commercial conversation.

Call us to find out more about how to measure the ROI of your coaching programmes or to learn how to build and sustain an 'operational' coaching culture by adopting an 'enquiry-led' leadership approach, or visit our website www.businesscoaching.co.uk

Global Experts in Coaching  BusinessCoaching.co.uk	Executive Coaching	Coaching Culture Consultancy	Team Coaching
	Coaching Skills Training		Business Coaching
	CPD & Supervision	Operational Coaching	Call for a chat ☎ +44 (0)1926 889885