

How can we measure the impact of coaching?

- ✓ Understand why it is becoming increasingly important to make the impact of coaching in companies measurable and demonstrable
- ✓ Get familiar with the latest approaches to measuring coaching success
- ✓ Understand what is meant by the financial Return on Investment (ROI) with regard to coaching
- ✓ Discover how different methods for measuring coaching success can be implemented in practice
- ✓ Gain insight into the current state of research and its implications for the future

How can we measure the impact of coaching?

In 2020, the global market value for professional development is estimated to be 130 billion US dollars – up from the previous year and set to increase again in the future. Business coaching is now considered to be one of the most sustainable and effective forms of training and development, especially at a time when managers are faced with ever more complex structures and changes, and in which ever higher demands are placed on their leadership skills (Deloitte, 2014).

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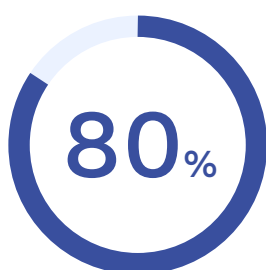
Numerous meta-analyses examining the effect and impact factors of coaching have shown business coaching to be an efficient and powerful intervention. The key effects of coaching are significant performance improvement, increased well-being, enhanced self-regulation, and the development of better coping strategies (Theeboom et al., 2014).

Although the effectiveness of coaching has been proven both in research and in practice, there are currently two challenges in communicating effective coaching approaches. First, unlike psychotherapy, for example, coaching is not yet a protected term, which leads to large differences in quality (ICF, 2012). Second, many top managers are still skeptical about the benefits and effectiveness of coaching. In a survey of 7,500 top managers worldwide, 55% of respondents rated the benefits of coaching for leadership development in their companies as “acceptable” to “very low” (Korn Ferry, 2015).

Why are some top managers still skeptical of coaching?

The increasing trend in companies towards data-drivenness also affects HR departments (Marr, 2018).

The answer to this question is surprisingly simple: the increasing trend in companies towards data-drivenness also affects HR departments (Marr, 2018). All investments must be clearly justified and, although the evaluation of coaching received little attention in the past, its measurability is now becoming increasingly important. So, it is not only about showing whether coaching is effective but about showing to what extent a company's investment in coaching will pay off. This is why many companies and practitioners are trying to quantify the effectiveness of coaching (Grant, 2012).



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Surveys show that 80% of companies would be interested in evaluating coaching in terms of Return on Investment (ROI). 14% of companies claim to already be evaluating coaching in terms of financial ROI (Ridler, 2016). Using ROI to evaluate coaching entails deducting the cost of coaching from the estimated value of the benefits of coaching and expressing this as a percentage. In other words, "For every euro invested, what is the benefit, after costs have been deducted?"

Why is ROI insufficient for measuring the impact of coaching?

Many researchers agree – and meta-analyses confirm – that a single quantitative metric such as ROI cannot be used as an informative measure of coaching success at the organizational level (e.g. Grover & Furnham, 2016; Athanasopoulou & Dopson, 2018). There are three main reasons for this:

- 1** Studies show a high degree of variance in their ROI calculations, which range from 221% to 689% (Wilkins, 2006; Philips, 2007)
- 2** Measurements are often based on subjective estimates and self-assessments (Grant, 2012)
- 3** It is difficult to isolate the specific impact of a coaching intervention on the performance of an individual or group of individuals (Athanasopoulou & Dopson, 2018)



The Sharpist approach: Return on Expectations (ROE) as holistic evaluation



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Many researchers favor a holistic approach to evaluation that includes diverse evaluation methods and metrics and brings the various stakeholders into the equation (Kirkpatrick, 2010). Based on this, Sharpist has developed its own approach, the Return on Expectations (ROE), which measures the success of coaching according to qualitative and quantitative metrics, which are determined jointly by all stakeholders.

This method ensures that:

- ✓ The primary goals of coaching are strategically relevant to the organization.
- ✓ Expectations regarding the results of the coaching are clearly defined.
- ✓ Evaluation is carried out both based on the goals of the coaching and the agreed expectations.

How can ROE be put into practice for your company?

The Return on Expectations model consists of three components:

- 1 Key questions
- 2 Influencing factors
- 3 Framework conditions

Let's look at these three important components in more detail. We will explain how Sharpist helps you to put each of these into practice in your company.

The key questions

To be able to demonstrate the success of the coaching at the end of the process, we make sure that the expectations of all relevant stakeholders are known before the coaching starts. Sharpist uses the four following key questions.

01

What is the goal of the coaching process?

It is essential to demonstrate the value of the coaching process before the coaching has even begun. That is why Sharpist conducts an expectation check prior to the start of the coaching sessions to ensure that our clients' expectations describe the exact benefits that the coaching is intended to bring. To determine this, we ask "What is your company's goal?" and "Which challenges are you currently facing on your way to achieving this goal?" In this way, our clients can decide which overall result at the corporate level will mean that the coaching process has been a success. Examples of overarching results that you can achieve for your company with coaching are...

- ✓ Employee commitment
- ✓ Individual- and team performance
- ✓ Transitions and transformations
- ✓ Employee retention
- ✓ Leadership skills

02 Which individual behaviors must be adapted to achieve the desired result?

The next step is to jointly consider which individual behavioral patterns employees should change to achieve the outcome previously defined by the client. Three steps are particularly relevant here:



Goals analysis

Sharpist's evidence-based goals analysis helps your employees to define their goals and key issues. We communicate your company goals transparently to your employees to see where there are discrepancies between individual and company goals.



Coach matching

Based on the Sharpist goals analysis and supported by our algorithm, the perfect coach is assigned to each of your employees. Our coach matching has a success rate of 98%.



Coach briefing

Every coach receives a personal, detailed briefing about each of their coachees and the company they work for. Important information in this briefing may include company values, mission statements, goals, challenges, and expectations.

03

What kind of proof is required to show that the coaching process has been a success?



Data-driven coaching

To demonstrate the success of the coaching, we define clear metrics together with our client at the very start of the process, which makes for a measurable result. Qualitative as well as quantitative data play a key role here. Combining quantitative and qualitative measurement criteria creates a story that speaks to and is understood by everyone.

Qualitative data	Quantitative data
<ul style="list-style-type: none">• Overview of topics of focus• Testimonials• User stories	<ul style="list-style-type: none">• Progress monitoring• Satisfaction ratings• Usage summary



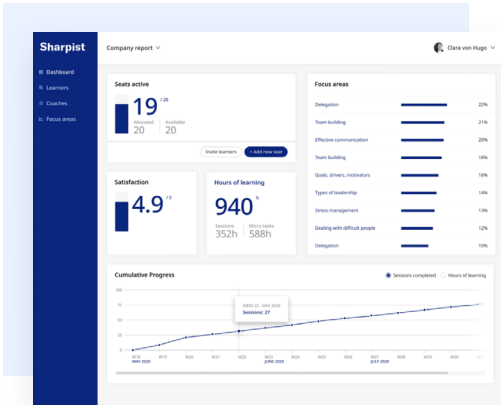
New coaching technology

Data should be gathered during the whole coaching process. This is the only way to track whether your employees are making steady progress and whether your expectations as an organization have been met or need to be adjusted.

Sharpist provides an HR dashboard for this purpose, which displays coaching data in real-time. This allows for intermediate assessment of previously selected metrics so that goals that have not yet been met can be identified and adjusted.

The benefits:

- 1 Current progress is available at a glance
- 2 Ensures transparency
- 3 Expectations can be adapted and refined



04 Which appraisal methods are required for gathering the necessary data?

To form a solid chain of evidence, it must be clear from the outset which methods of data collection will be used. Most researchers advocate the use of multiple methods of data collection in order to reach a more well-rounded conclusion (Athanasopoulou & Dopson, 2018). For this reason, Sharpist offers a mix of measurement methods that can be easily combined:

- ✓ Pre/post evaluations
- ✓ 360-degree feedback
- ✓ Control groups
- ✓ Learning frameworks
- ✓ Feedback interviews

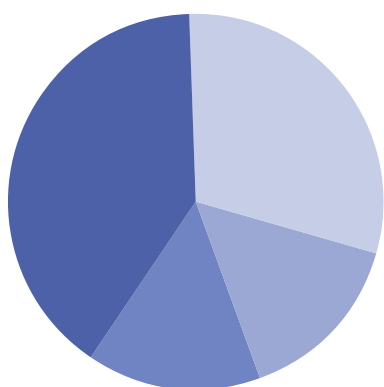
External factors that influence the success of coaching

Collaboration

Collaboration creates a positive ROI (Kirkpatrick, 2010). This is why Sharpist places a great deal of emphasis on ensuring close collaboration between all the parties involved during the entire coaching process, as well as supporting the coachee before, during, and after their coaching. An implementation plan captures all responsibilities, roles, and expectations in writing.

Enhancement and motivation

The extent to which coaching and enhancement take place is directly related to the overall positive effect of coaching and the degree to which performance is improved (Kirkpatrick, 2010). This highlights the importance of supporting the coachee before, during, and after the process so that they can put their learnings into practice. The coachee's willingness to be coached accounts for 40% of the overall success of the coaching (McKenna & Davis, 2009).



● **40%**
coachee's
willingness to be
coached

● **30%**
relationship
between coach
and coachee

● **15%**
coachee's
expectations of
improvement

● **15%**
application of
models, theories,
and processes

Before the coaching:

Sharpist emphasizes the importance of coachees being thoroughly prepared before their first coaching session so that they can get as much out of every session as possible. This preparation process can involve:

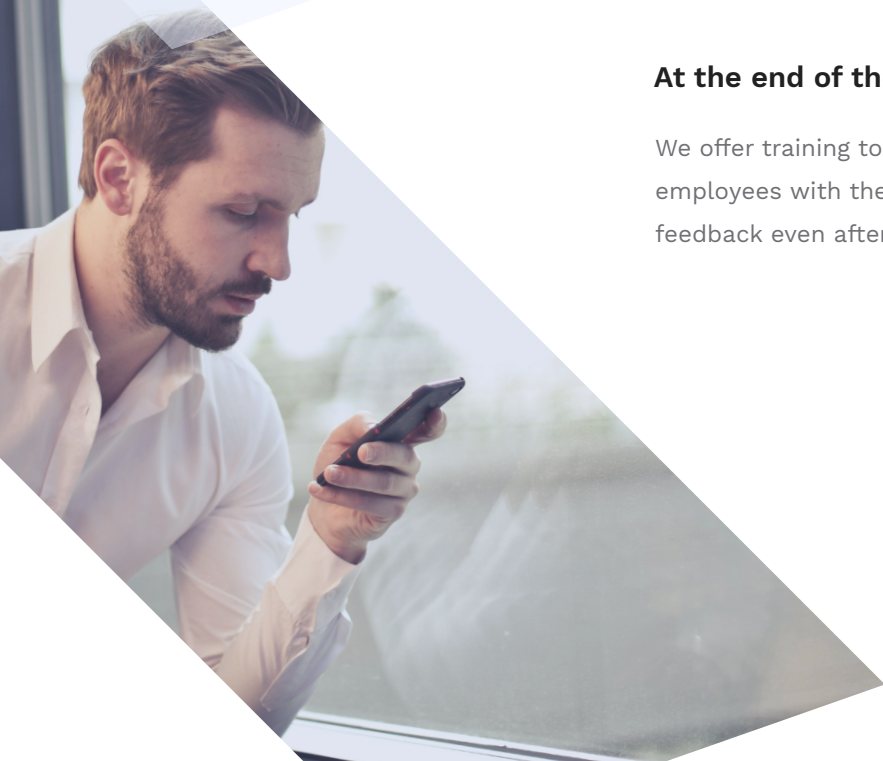
- ✓ Individual webinars
- ✓ Personal support from our in-house psychology experts
- ✓ Preparatory materials from Sharpist
- ✓ Preparatory materials created with the client company in mind
- ✓ Supplementary materials

Between coaching sessions:

To ensure continuous learning, coachees receive learning content between sessions. Sharpist provides customized tasks, known as micro-tasks, in the form of articles, audio and video files, or self-reflection questions, designed to further explore the topics discussed during coaching sessions. The coach selects micro tasks from the Sharpist library for the learner to work on after each coaching session. Depending on the overall company strategy, client-specific micro tasks may also be provided.

At the end of the coaching process:

We offer training to our clients to enable them to provide their employees with the best possible support and constructive feedback even after the coaching process has finished.



Framework conditions

Before coaching even begins, it is necessary to understand the social context in which the coachee is located. This makes transparent communication between the client and the coaching provider essential. Studies have shown that the coachee's social context can affect the results of the coaching in both the short and long term (Athanasopoulou & Dopson, 2018). Therefore it is important for us to have a good understanding of our clients, including their organizational culture; which rituals and routines, control systems, structures, and power relations serve or hinder organizational actions; and which strategic orientation the company and its departments pursue. This information says a lot about a company's goals, challenges, and structures. The more information we have, the better we can respond to the goals of the company and the individuals within it.

Conclusions and outlook

The coaching industry is growing rapidly and data is indispensable in today's dynamic business world. Researchers, companies, and practitioners agree that the measurability of coaching success is becoming increasingly important. There is a trend towards Return on Expectations, based on qualitative and quantitative data, which are determined in advance jointly by all stakeholders. Sharpist is the results-driven platform for human resource development that uses the transformative potential of digital coaching to provide access to personalized learning for all employees worldwide. Our approach aims to achieve measurable business results while focusing on employee engagement and retention, individual performance, team productivity, and transformation.

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