Building leaders at scale.

The expert's guide to partnering with a technology enabled coaching platform.

TORCH

What is leadership coaching?

Over the past several years, leadership coaching has become an increasingly popular talent development strategy, as research has consistently demonstrated its effectiveness.[1] Simply put, leadership coaching helps participants become better leaders through increased self-efficacy, greater awareness, and accountability.[2]

Why should I implement a leadership coaching program at my company?

Research has shown that the two most common approaches to leadership development, training and mentorship, fail to produce lasting positive change and are unsatisfying for participants.[3,4] In contrast, leadership coaching is effective in building self-awareness and interpersonal skills in a way that coaching clients value and enjoy.[5]

Evidence-based benefits of leadership coaching.

Positive behavior change. Through leadership coaching, clients practice and integrate new behaviors that help them become more effective.[1]

Greater productivity. Leadership coaching including goal setting and feedback has been shown to increase client productivity by up to 88%.[6]

Greater well-being. Clients who received leadership coaching reported greater workplace well-being and resilience, and reduced stress and depression.[7]

Greater managerial flexibility. Leadership coaching led clients to report higher levels of flexibility, particularly once the coach/client relationship was given time to develop.[8]

Improved relationships. Participants in leadership coaching reported improved ability to manage direct reports and better customer relationships.[9]

What to look for when selecting a technology-enabled coaching platform

Why are more and more companies choosing technology-enabled coaching programs?

Creating an in house leadership coaching program is challenging. Leadership coaches vary widely in cost and quality. Finding, vetting, and aligning a group of coaches to meet your objectives is a time-consuming process. Another challenge in building your own coaching team is that independent coaches use different assessments and success metrics, making it difficult to evaluate overall coaching effectiveness among multiple participants.

For these reasons, many organizations choose to partner with a technology-enabled leadership coaching platform. High quality coaching platforms reduce the cost of traditional coaching while allowing organizations to deploy coaching across a wider range of team members, yielding valuable talent analytics that help you understand the leadership strengths and challenges of your teams and your organization.

Coach Quality

Look for a platform that can establish the quality of its coaches using hard data. Platforms should be able to provide you with the average Net Promoter Score of their coaches, should regularly survey their clients about their experiences in coaching, and should make that data available to you, ideally in real time through their application.

Session Scheduling

Regular coaching sessions are the backbone of any leadership coaching program. However, regular meetings can be a challenge due to client workload, time off, and competing priorities. Our data show that clients who meet with their coach less than once per month are significantly more likely to drop out of coaching than clients who meet with their coach twice monthly. High quality coaching platforms understand the importance of regular coach/client sessions and have built software to simplify the scheduling process.

Rigorous Assessment

Without regular assessment of client progress, it's impossible to evaluate the impact of leadership coaching. The best platforms provide thorough assessment of a client's strengths and challenges at the beginning of an engagement, and then measure positive change over time with regular assessments throughout the process. Perhaps most importantly, these assessments should move beyond traditional self-report measures as research has shown that many forms of bias limit the accuracy of these measures.[11] To provide a more complete understanding of client progress, platforms should incorporate ongoing assessments from a range of colleagues, as studies have demonstrated that ongoing feedback is a key ingredient of positive change.[12]

Customization

Many technology enabled coaching platforms have proprietary leadership models that their coaches use to help clients gain insight and set and work toward goals. However, these models may not fit the competencies and leadership philosophy of your organization. To make their approach work for you, their platform must be customizable to your needs. High quality platforms can build their assessments around your leadership model, allowing them to blend seamlessly with your existing initiatives to drive growth.

Integration

As you transition from a pilot to a full-scale leadership coaching program, consider linking your coaching platform's application with your internal data warehouse so you can import the leadership coaching analytics it provides into your HRIS system. This allows you to look at ROI by integrating coaching analytics with talent data on employee engagement, productivity, and turnover. In addition, platforms that support single sign-on (SSO) allow your team to log in with their standard credentials, which creates a more seamless integration with your internal systems.

Administration

Managing a full-scale coaching program is time-intensive. To handle challenges that arise relative to staffing, systems administration, customization, and outcomes tracking, your platform should provide dedicated customer success support in the form of coaching-trained experts. The customer success team supporting your account should partner with you to design and evolve your program, drive the right outcomes, and resolve any issues that come up along the way.

Data Privacy & Security

Providers of technology enabled coaching need to protect your data. To ensure vigorous privacy and security, platforms should comply with General Data Privacy Requirements (GDPR), pass regular penetration testing, and be able to establish third party verification of their security protocols.

Designing a program that works

The right technology-enabled coaching platform is a powerful leadership development tool, but careful planning is needed to ensure the program meets your objectives. Here are essential steps you'll need to take to get the most out of your program:

(1) Select the approach that fits your goals.

There are two related approaches to leadership coaching: the happiness approach and the effectiveness approach.

The happiness approach aims to help clients cultivate a greater sense of satisfaction at work, leading to higher levels of engagement. This approach is more common when the goal is to reduce employee turnover, particularly among junior team members and new managers, and requires less experienced coaches.

The effectiveness approach focuses on making clients into better leaders through cultivating self-efficacy, awareness, and interpersonal skills by setting specific goals and tracking progress with ongoing feedback from colleagues. This approach requires more experienced and emotionally intelligent coaches able to support and provide accountability to senior leaders. The effectiveness approach is most successful when your goal is to increase productivity and performance.

2 Determine your leadership competency model.

The next step is identifying the specific competencies or behaviors that you want your team to develop through coaching. Large organizations typically have competency models in place, but don't often translate them into specific target behaviors or provide opportunities for team members to practice new skills and strategies. Leadership coaching is the ideal context in which to deepen awareness and develop new skills. Without it, most managers revert to their traditional way of doing things.

3 Build a positive brand

To increase adoption and generate excitement for your program, we recommend building an internal brand that makes it a prestigious honor rather than a requirement. Consider creating a nomination process where managers nominate high-performing leaders to create a positive aura around your program. This helps nominees see leadership coaching as a vital step in their development, and publicly acknowledges their value. You can also create an aspirational brand for your program by making it available only to high performing leaders at a certain level of the organization, or by pairing it with a highly regarded internal development program.

4 Select participants

Coaching is typically made available to the senior leaders in an organization who have the greatest impact on the bottom line, and who must evolve the fastest to meet rapidly changing business demands. In addition, coaching can be highly successful when provided to senior leaders who are new to the organization, have recently been promoted to a role with greater responsibility and complexity, or have been identified as emerging leaders with high potential.

It's also important to look for personality traits that make leaders in these categories a better fit for coaching. One standout trait is growth mindset: the belief that you can become a better leader through hard work, better skill, and helpful input from others. We've done research with thousands of leaders at high growth companies. This research shows that clients with a growth mindset, particularly those willing to have their coach push them just beyond

their comfort zone, are more than twice as engaged as clients who are not open to moving outside their comfort zone.

Our data also show that the clients who are most open to the process get the most from coaching. Clients who begin coaching excited to develop their leadership skills go on to report greater satisfaction with their coach and spend more time on coaching-related activities than clients who are skeptical of the value of coaching. Therefore, consider selecting

participants who show evidence of high motivation, openness, and flexibility. Here's one final point to keep in mind: coaching works best when participation is optional, not required. Leaders who are required to take part in coaching often see it as a work assignment and lose the intrinsic motivation needed for a successful outcome.

5 Plan a pilot

A time limited pilot program is a cost effective way to evaluate the impact of leadership coaching before rolling out the program more broadly.

Sample size. If your ultimate goal is to have 100 highly motivated senior leaders receive coaching, a pilot of 20-25 senior leaders is a good place to start.

Random selection. Even better, consider randomly selecting the subset of senior leaders from the larger talent pool, and then letting them opt-in if selected. Random selection is an important concept in pilot design because it increases the likelihood that the pilot group will resemble the larger group they were selected from. This is what allows you to better predict the impact of a more extensive coaching program based on the pilot.
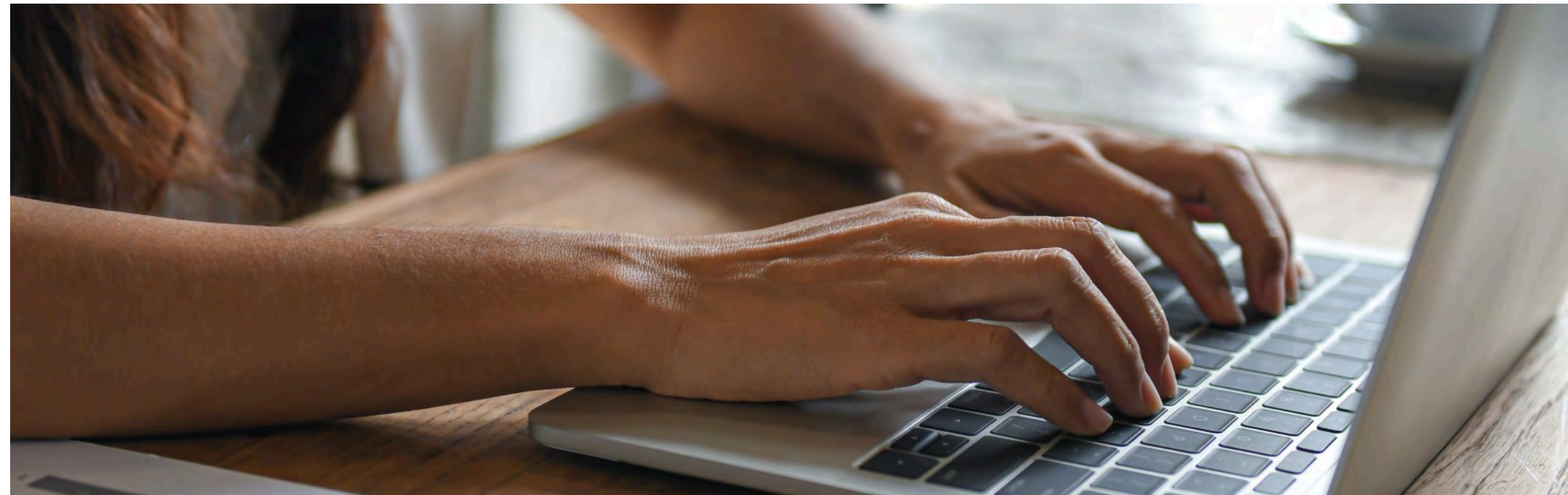
Duration. It's also important for the pilot to be long enough for each client to establish a strong working relationship with his or her coach, gain insight into strengths and challenges, set preliminary goals, and begin to make reasonable progress on goals. Our data show that leaders make statistically significant positive changes across multiple skill domains in approximately 6-7 months of coaching, which is a good timeframe for a pilot.

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6   Roll out the Full Scale Program.

A leadership coaching program is most effective when it allows you to draw valid conclusions about the strengths, challenges, and growth trajectories of your organization's entire workforce. To do so, you need to implement leadership coaching broadly enough to affect a significant percentage of your leaders. If those leaders show significant positive change, these changes may also have a meaningful positive effect on the colleagues they work most closely with.[10]

For example, if a 2,000 person organization deploys leadership coaching with 100 (5%) of its leaders, and each leader has 5 direct reports, coaching should impact 600 (30%) of its total workforce. The broad reach of a program of this scale can yield valuable leadership insights at the individual, team, and organizational levels.

Determining ROI

An effective leadership coaching program should reduce costs associated with turnover, disengagement, and burnout, while increasing profits due to expanded productivity among participants and their direct reports.

However, linking the impact of a leadership coaching program with internal expenses and revenues takes time, data, and analysis. Since determining true ROI is such a resource intensive process. We recommend that organizations use the following 4-step process to assess the ROI of a technology enabled leadership coaching program.

Model ROI

During early partnership discussions, coaching platforms should be able to make a compelling, evidence-based case that their solution will result in positive ROI. This typically involves walking you through a well constructed, easy to understand ROI calculator. There are two halves to the ROI calculation: reducing costs and increasing profits. To argue that coaching reduces costs, platforms should be able to model the current costs of employee turnover, and the expected cost of disengaged employees working at less than full potential.

To argue that coaching increases profits, platforms should be able to make a research-based estimate of increased productivity among participants of coaching, and their teams. Remember that any ROI estimate during initial partnership discussions should be considered a general guide meant to help you gauge impact.

Track analytics

During the pilot, you'll want to make sure that your platform collects the data that will ultimately be used to determine impact. There are three categories of data your platform should collect to rigorously measure the effects of coaching. You should also have real time access to these data in a dashboard or mobile app.

Usage

How much time are coaches and clients spending together each month? This is the most basic metric, but it will help you determine what cadence works best in your organization.
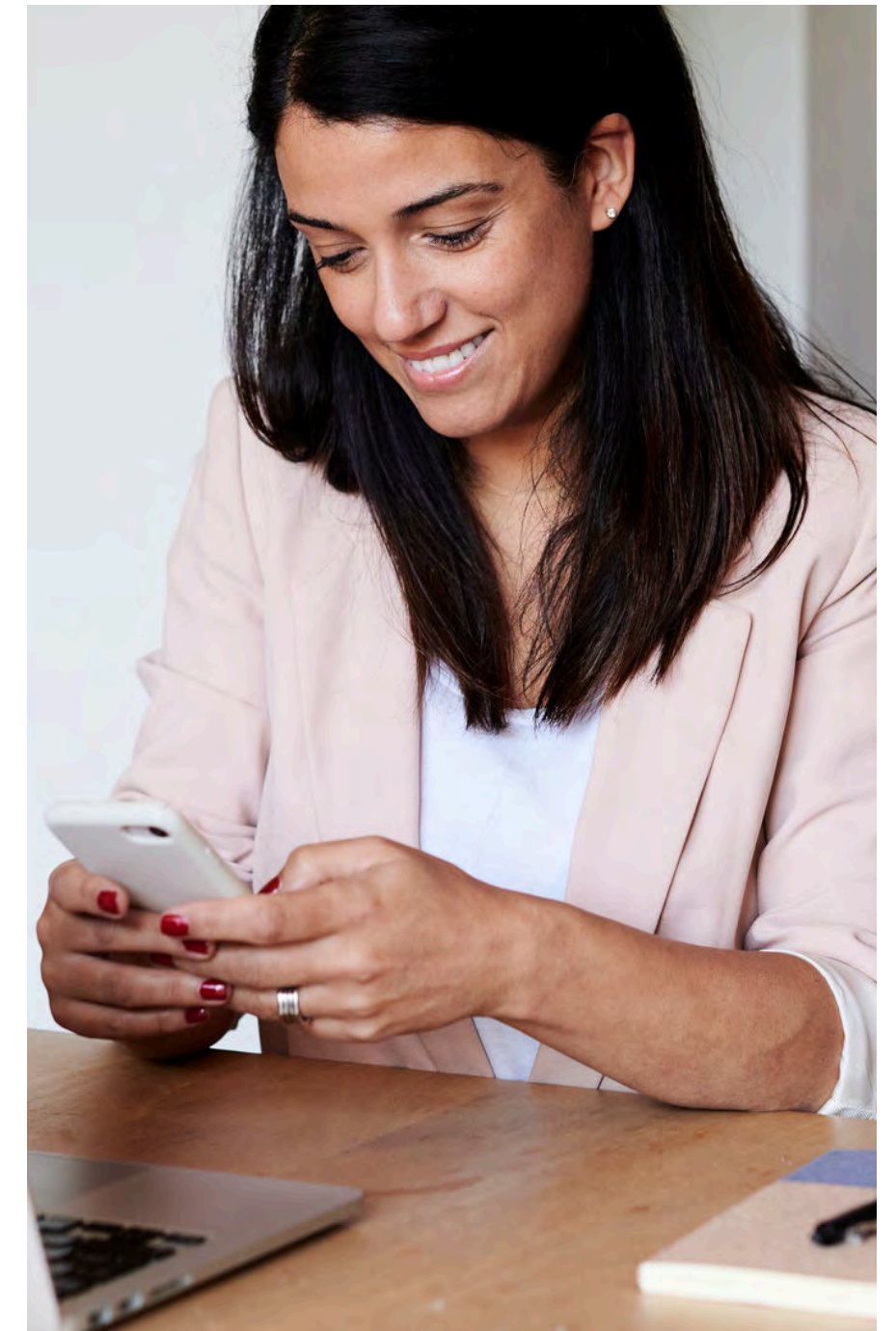
Satisfaction

How happy are clients with their coaching experience? This is a subjective measure of the value of coaching, usually in the form of self-report questionnaires collected after each coaching session.

Positive change

How much did clients grow as a result of coaching? This is the most complex category. If your goal is participant happiness, self-report measures of progress may be sufficient. However, if your goal is to increase participants' effectiveness as leaders, you'll want your platform to use a higher bar for progress.

In addition to self-report measures, your platform will need the ability to collect ongoing feedback from participant team members. Colleague feedback helps you establish whether participants improved enough for their progress to positively impact their team. Team impact is arguably the most important effect of leadership coaching, which makes the effectiveness approach ideal for organizations that want to build better leaders.

Merge analytics with your HRIS

Once you have completed the pilot, reviewed the data on usage, satisfaction, and positive change, and started a full scale coaching program, it makes sense to connect your coaching platform with your internal HRIS via application programming interface (API). This is the last step in determining ROI.

With analytics from your coaching platform alongside internal data on performance management, you can compare participants in your coaching program to a "control group" of managers with a similar distribution of age, gender, and management level.

You can determine ROI by comparing coaching participants with your control group in terms of turnover and productivity.

Measure - Turnover ROI

To measure ROI from reduced turnover, consider the following example. Let's assume 100 senior leaders at your organization have gone through coaching, and that you have a control group of 100 senior leaders similar in terms of age, gender, and management level. Let's also assume that your annual turnover rate is 10%.

By tracking both groups for 1 year following the end of coaching, you can see whether participants in the coaching group left your organization at lower rates than managers in the control group. If 6 coaching participants left the following year versus 10 managers in the control group, your coaching program reduced turnover by 40% and saved your organization the cost of recruiting and training 4 new leaders.

Measure - Productivity ROI

ROI related to productivity is more challenging to measure. Increased productivity among engineering leaders may result in higher quality code, fewer bugs, and more features shipped, whereas more productive marketing leaders may generate more qualified leads or greater brand awareness.

To measure ROI in terms of productivity, identify the most objective measures of productivity for each individual, and then compare similar individuals from the coaching group to those in the control group along those measures. For example, sales managers in the coaching group should add more revenue than sales managers in the control group in the year after coaching.[13]

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About Torch

Torch is a premium leadership development software platform that integrates 1:1 coaching with world-class coaches, behavioral science, robust metrics, and agile feedback. Torch has coached thousands of leaders across hundreds of rapid-growth companies, including Linkedin, Reddit, Twitch, and Taboola, and is backed by Norwest Venture Partners, Initialized Capital, West, and Y Combinator.

Founded by leadership coach, Cameron Yarbrough, and psychologist, Keegan Walden, Ph.D., Torch was created to help companies scale leadership effectiveness with their senior-level executives. The Torch process creates personalized experiences that deliver measurable gains in leadership effectiveness, thereby delivering meaningful results and clear ROI.

https://torch.io

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Citations

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