



EXECUTIVE SUMMARY

Doctoral Study: The Impact of Executive Coaching on the Organizational Performance of Female Executives

Background

Senior executive leadership is critical and in short supply in corporate America. Recent studies indicated that companies studied expected to lose 50% or more of their senior managers (identified as two ranks below the CEO). This critical gap occurs as these seasoned, executive leaders depart corporate life, and take with them years of institutional knowledge, organizational experience and cultural values, the lack of which may cripple an organization's future growth, stability and sustainability.

This study sought to fill the leadership gap by providing a two-pronged solution: one, a particular focus on the leadership development of women through the specific use of executive coaching; and measuring the impact of this leadership development modality on their organizational performance. Prior research studies have demonstrated that a singular focus on developing females lead to improvements in organizational performance, as measured in financial outcomes, explaining the deliberate concentration on female executives.

Many organizational resources are marshaled into formal leadership development programs with the intention of identifying, developing and promoting individuals with high potential. Senior executive leaders, familiar with evaluating the return-on-investment (ROI) of organizational initiatives, are increasingly demanding an accountability of results that leadership development programs contribute to organizational performance. The term ROI, when used to evaluate the value of leadership development programs, is a precise value, determined by comparing the total training intervention costs to outcome benefits.

The ability to measure return-on-investment of leadership development programs is a critical competency for senior Learning and Development, and HR professionals to master, yet a recent study found that 78% of organizations do not evaluate the ROI of leadership development programs. Executive coaching, a specific leadership development modality, has been shown to have a high return-on-investment (ROI). Quantifying the results and measuring the impact in business areas of a formal executive coaching program leads to increasing organizational credibility, heightening organizational *visibility*, and establishing the business-add value of Learning & Development and HR professionals.

The Executive Coaching Effectiveness Survey was designed for this mixed methods study. The independent variable was executive coaching; the dependent variables were the outcomes of executive coaching, at two levels: organizational performance and personal performance. The items measured the impact of executive coaching on organizational performance; job behavior; business areas impacted; new knowledge, skills or increased abilities learned, and the extent of resultant promotion opportunities. A total of 28 female executives completed the study.

Findings

Organizational Performance

Q. How did the outcomes of a formal executive coaching program impact the organizational performance of female executives?

- Positive impact on team’s performance
- Improved communication among teams
- Enhanced teams’ ability to make valuable contributions to the organization

Q. What tangible impact did executive coaching have in business areas?

- Improved teamwork
- Team satisfaction levels increased
- Improved ability to execute
- Increased employee satisfaction levels
- Reinforced retention levels among the female executives

Q. Which intangible impacts were measured in business areas?

- Improved relationships with direct reports
- Improved teamwork
- Improved relationships with stakeholders
- Increased levels of personal engagement
- Improvements in job satisfaction

Q. Estimate the dollar value ascribed to the outcome(s) of the executive coaching received.

Dollar Range	<i>f</i>
Over \$1,000,000	3
\$500,001 to \$1,000,000	0
\$50,001 to \$100,000	2
\$5,001 to \$10,000	5
\$250,001 to \$500,000	2
\$25,001 to \$50,000	5
\$100,001 to \$250,000	5
\$10,001 to \$25,000	3
\$1 to \$5,000	1
\$0	3

Individual Performance

Q. How did the outcomes of an executive coaching program impact the effectiveness of a female executive's behavior on the job?

- Increased belief that they *were* more effective in their jobs
- Improved ability to develop their teams
- Increased belief of their effectiveness as leaders

Q. What factors sustained the new behaviors learned?

- The emotional competence of the executive coach
- The readiness level of the female executive
- The relationship between the female executive and the executive coach
- The effectiveness of the feedback received
- Their commitment to the executive coaching process

Q. Which factors prevented the sustainment of these new behaviors?

- Lack of organizational support
- The readiness level of the female executive
- The inadequate frequency of the meetings
- The emotional competence of the executive coaches
- Lack of support from managers

Q. What new skills, increased abilities or new knowledge were attained?

- The ability to identify specific goals
- Increased frequency of using active listening skills
- Increased self-confidence of the female executive
- Create a collaborative environment
- Improved focus on producing results
- Enhanced teamwork
- Include others' point of view when making decisions
- Aligning individuals with collective organizational goals

Q. Did participation in executive coaching by female executives result in promotion opportunities?

- The majority of the respondents disagreed or indicated a neutral response to this item

Significance of Study

- Provided empirical data for the efficacy of executive coaching
- Provided evidence of the impact of executive coaching on:
 - organizational performance
 - individual performance
- Filled in the gap in the executive coaching literature
- Increases the strategic value-add of Human Resources and Learning & Development Professionals:
 - Establish organizational credibility
 - Raise organizational visibility

- Earn the right to sit ‘at the table’ and appropriate resources
- Establishes executive coaching as a viable leadership development modality

Recommendations for Professional Practice

- Learning & Development, and HRD professionals, must develop a proficiency in measuring the ROI of leadership development initiatives
- Senior executives, including board members, should provide *visible* support for leadership development
- Outcomes of leadership development programs must be linked with the organization’s business objectives
- Leadership development experiences should occur within the working environment

Recommendations for Further Research

- Determine alternative methodologies for the identification, development and promotion of women, and women of color
- Enhance the research design to include comparison of executive coaching and mentoring programs
- Compare the differences between male and female executives who have participated in executive coaching
- Compare differences between organizations internal/external to the United States

Support for gender inclusion is warranted by the findings of this research study. Although more studies are needed, this analysis demonstrated justification for the identification, development and promotion of the female executive; provided evidence of the efficacy of executive coaching; and added to the growing body of evidence which promotes the measurement of leadership development program outcomes at the organizational level.

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