

# Leadership Coaching ROI Factsheet

Research suggests that 33% of the difference between top and average performers is due to their IQ, while 67% is due to emotional competencies. In top leadership positions, over 80% of the difference is due to emotional competence (Goleman, 1998).

The following are examples of companies who attribute attractive ROIs related to EQ and Leadership Coaching programs:

- **Metropolitan Life Financial Services.** An intensive coaching program for part of the retail sales force delivered \$3.2 million in measurable gains—productivity increased by an average of 35%, 78% of the sales reps pursued a new license or professional designation and 50% identified new markets to develop. The program cost about \$620,000. —Richard Keating and Aaron Becker
- **British Petroleum** estimated that they saved \$30 million in turnover costs as a result of their behavioral coaching program.
- **Price Waterhouse Coopers** calculated a 6:1 return on investment from coaching & mentoring their senior staff.
- **Nortel Networks** employees estimated that coaching earned the company a 529 percent "return on investment and significant intangible benefits to the business."
- **Booz Allen Hamilton** studied its' return on its coaching program, finding a 689% on every dollar invested—\$3.3 million on a \$414,310 investment.
- **American Express** during the year following training, managers who had completed the Emotional Competence training program grew their businesses by 18.1% compared to 16.2% for those managers who were untrained.
- **L'Oreal** sales agents selected on the basis of certain emotional competencies significantly outsold salespeople selected using the company's old selection procedure—\$91,370 more annually for a net revenue increase of \$2,558,360. (Spencer & Spencer, 1993; Spencer, McClelland, & Kelner, 1997).