

Maximize ROI of Coaching and Training with Methodical Curriculum Design



By Susan L. Power

Introduction

Many organizations waste thousands of dollars on coaching and training each year because they do not invest the necessary time to create a clear, well-defined curriculum with clear objectives. Often insufficient attention is given to defining learning objectives before designing the content. Impactful coaching and training can attract and help retain top employees in a tight job market. According to a survey of millennials, 65 percent believe it is management's responsibility to offer accelerated development programs on the job, with 43 percent indicating the training they receive is ineffective (O'Donnell, 2018). Organizations can increase the return on investment (ROI) of coaching and training by taking a more methodical approach to developing their curricula. This article outlines how to maximize ROI for each dollar spent on training.

The traditional way to determine effectiveness of development programs is Kirkpatrick's training evaluation model (Kirkpatrick, 1983) that measures:

- Participants' perceptions on the quality and structure of the development program, often assessed through an evaluation form.
- Behavioral change as shown by when participants have improved their competency levels and if they are doing things differently as a result of the program.
- Tangible or intangible business results including the ROI, which measures the monetary value created by the program and the cost of the development initiative.

Curriculum Development Process

Figure 1 below illustrates how to design an effective training curriculum. The first step is to define the high-level subject matter of the training and then the target audiences who will participate in the training. Once this is determined, the audience's current knowledge level and experience in the training topics covered can be analyzed. This helps determine the level of depth that should be delved into for each subtopic, how much time should be spent on each subtopic, and if more than one training program should be required, based on current competency levels. Through such analysis, specific learning objectives can then be defined. These steps should all occur prior to the design and delivery of the training materials.

Key Principles of Curriculum Development Based on the ADDIE Framework

ADDIE (Analysis, Design, Development, Implementation and Evaluation) is a well-known training framework for designing a training curriculum (Gertz, 2017). All training content, activities, and assessments should be put together with the aim of realizing the learning objectives. The considerations below apply to each phase of the ADDIE framework.

Analysis

Training design should always start with the end learner in mind. Stakeholder engagement should answer the following key questions during the analysis phase:

- Who is the audience and what level of expertise do they currently have on the topic?

(MAXIMIZE ROI OF COACHING AND TRAINING WITH
METHODICAL CURRICULUM DESIGN,
continued on page 6)

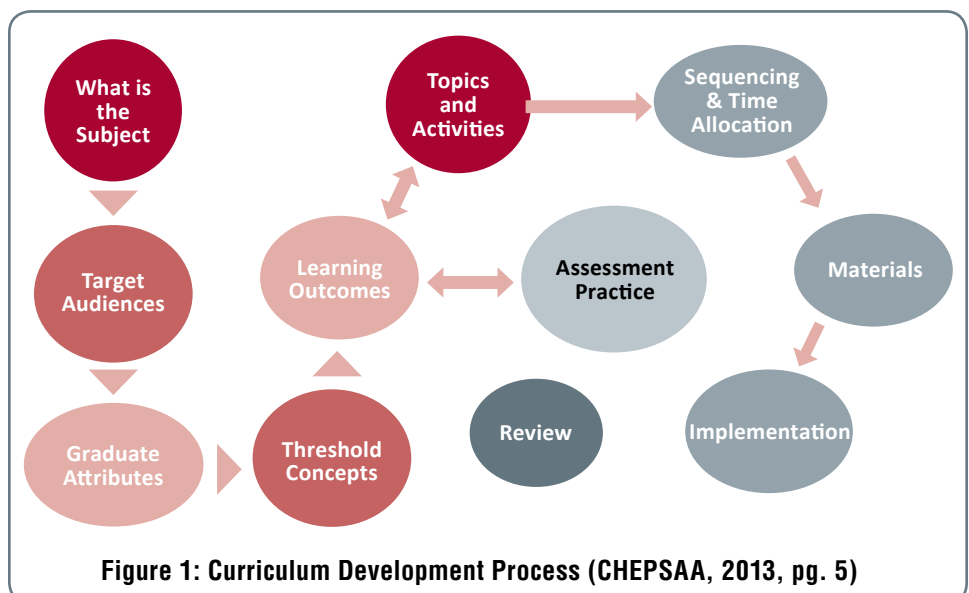


Figure 1: Curriculum Development Process (CHEPSAA, 2013, pg. 5)

(MAXIMIZE ROI OF COACHING AND TRAINING WITH METHODOLOGICAL CURRICULUM DESIGN, continued from page 5)

- What are the desired behavioral outcomes after the training?
- What are the intended learning objectives and the time available to dedicate to the training?

Design

The design phase involves scoping out the high-level subtopics to cover during the training and defining the learning objectives for each subtopic. The design phase includes:

- Design of the learning experience—including the activities—modules to be covered, and training structure.
- Design of learning activities. A current trend in eLearning is gamification, which involves the integration of gaming elements to create a highly-engaging learning experience (Pandey, 2017).

Gamification encourages learners to apply their learning by challenging them with real-life situations in a controlled environment. It is a more effective method of learning because it involves applying the content to reinforce key concepts in the trainees' brains. Gamified eLearning courses typically have a storyline and feature challenges, rewards such as badges, and analytics. Figure 2 below illustrates the different levels of gamified learning.

Development

The development phase involves drafting the content for the program. When reviewing existing training, development involves improving and updating content based on participant feedback and consideration of emerging trends and best practices. The development stage includes the following activities:

- Research, create, and assemble training materials such as slides, manuals, assessments,

and other content to meet the learning objectives.

- Obtain feedback from stakeholders to review and finalize the training materials.

Implementation

The implementation phase involves the actual delivery of the training and administration of any live tools such as gamification or interactive participant activities that are part of the training delivery. Implementation includes the following activities:

- Preparation of the learners' tools and systems such as pre-class setup.
- Facilitators deliver the curriculum to the trainees.
- Activities are performed by participants, including peer class discussion, and questions asked and answered.

Evaluation

The evaluation phase involves reviewing the effectiveness and the ROI achieved from the training. The evaluation phase confirms whether or not the learning objectives were achieved. The curriculum and materials should also be reviewed against emerging trends and best practices on a regular basis to remain relevant. Key activities of evaluation include:

- Collect feedback from the learners. This includes an evaluation form to aggregate participant feedback on their satisfaction with the training.
- Evaluate the learners' knowledge, skills, and abilities pre- and post-training.

Example of Coaching Applied to Curriculum Program Design

When engaging a coach, there are typically specific employee behavioral changes desired. The objectives of a coaching program will vary. For the design of a coaching program, a review of 360-degree feedback assessment results is often used as an input at the beginning

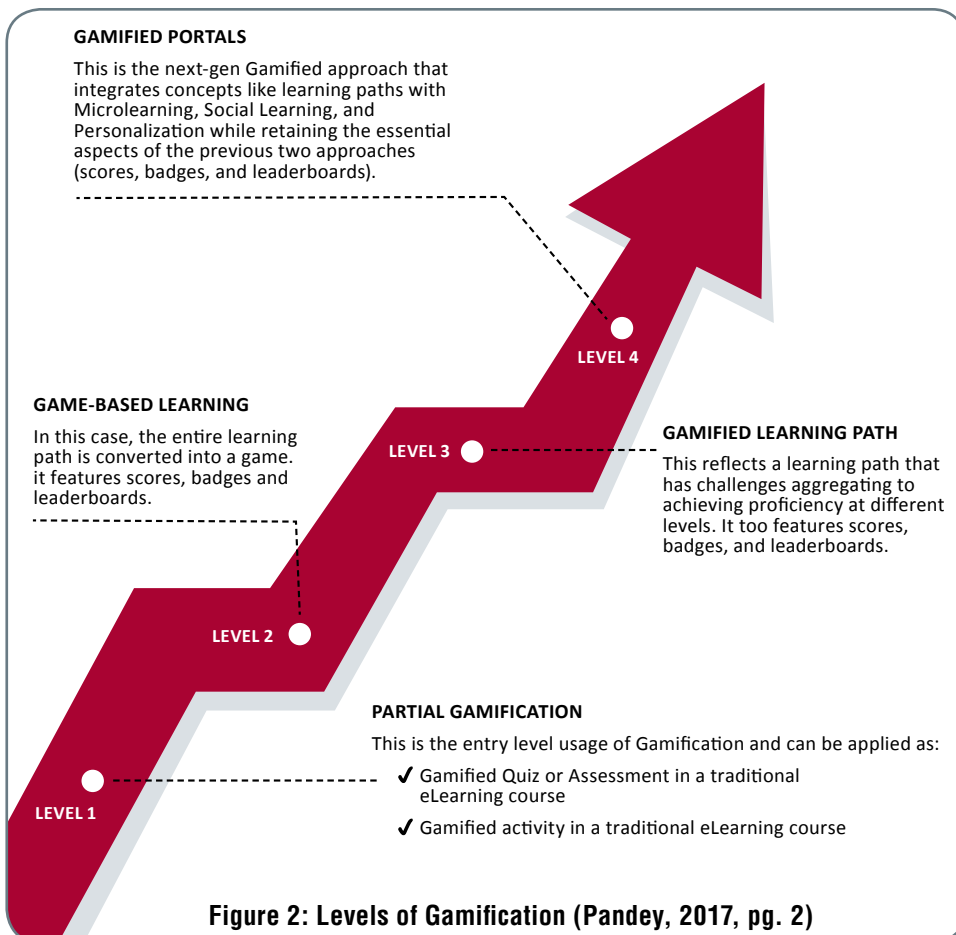


Figure 2: Levels of Gamification (Pandey, 2017, pg. 2)

of the process to understand the current competency gaps of the coachee. This involves having key stakeholders (e.g., direct reports, boss, peers, and the coachee) assess the coachee both before and after the coaching engagement. Key leadership behavioral competencies, such as communication, diversity and inclusion, coaching capability, influence, delegation, conflict management, managing upwards, and political astuteness may be measured. For example, if the aggregated 360-degree feedback results indicate that many of the organization's general managers could do a better job of communicating with their direct reports, this can then be built into a coaching program for general managers to further develop this competency.

Below are three different coaching program curricula based on the target audience groups and learning objectives (Weinstein, 2017).

- **Executive Coaching:** One-on-one coaching for the general manager (GM) level and above.
- **Peer Coaching:** Small groups of four to five second-level managers and GMs coaching one another.
- **New Leader in Transition (NLT):** One-on-one coaching for newly-hired or promoted GM-level leaders.

Supplementary Materials for Effective Curriculum Design

Once the curriculum is designed and the core training materials are drafted, supplementary materials can then be designed. Ideally, learning will occur before and after the training through pre- and post-readings, flash cards, reflection activities, and teleconference or video learning. Supplementary materials should cement the key learning concepts by reinforcing those learning concepts from the core training. A book or access to a members-only website are examples of supplementary training materials.

A trainer and a participant guide should be created as part of the supplementary materials. The trainer guide helps ensure a consistent training experience regardless of who delivers the training. It includes trainer speaker notes, tips for facilitating group activities, and suggestions such as the amount of time to dedicate to each module. The participant guide is to be used by trainees during the training, and it provides more details than what is on the slides or core materials. The guide may also contain a list of additional resources, such as a book list, assessments, and recommended supplementary material that aligns with the learning objectives.

Determining the ROI of a Coaching Curriculum

It is a best practice to measure the pre-coaching competency levels of participants and then measure the competency levels post-coaching. The pre-assessment results should be used to craft the learning objectives for the program. Anthem is an American health insurance company and is very deliberate about measuring the cost savings and ROI of their employee coaching programs. At Anthem, ROI is determined by measuring specific key performance indicators (KPI) through a business impact survey. These KPIs are measured as part of the pre- and post-assessments. At Anthem, effective coaching has a direct positive correlation with improving KPI results (Weinstein, 2017). Anthem uses a cloud-based technology to track its coaching programs.

Allianz Life Insurance Company of North America also offers a Coaching for Success program where a pre- and post-assessment is administered to both the leader who receives the coaching and their direct reports. These assessments ask questions regarding the quantity and quality of the coaching conversations between the leader and the employee (Weinstein, 2017).

One of the best ways to measure if behavioral change results from coaching is through 360-degree assessments before and after the coaching engagement. Positive behavioral changes in key leadership competencies, after completing a multi-month coaching program, can be measured through a 360-degree survey. Figure 3 below shows the frequency of various methods to measure the ROI of coaching. This diagram shows that most organizations have an informal measure such as asking, "Would you recommend this coaching program or coach to others? – Yes or No."

Business measures can also be used to determine the ROI of coaching, such as reduced employee turnover, increased employee engagement, the average number of months until promotion for internal employees, and cash flow. An excellent measure of leadership capability is the number of new leaders that are created as a result of regular coaching, as tracked through internal promotion rates.

Sometimes, a purchaser of executive coaching services requires that the coach guarantee an improvement in the executives' KPIs for role performance while leaving the responsibility for the how, or method of execution, up to the executive (Dagley, 2009). This would be a clear way to demonstrate ROI; however, it comes with the risk that the executives must attend the sessions and perform their homework in between coaching sessions. It can be challenging to isolate these results to just the quality of coaching because external factors—such as the marketplace, mergers and acquisitions, and other factors outside of the coach and coachee's control—can greatly influence the results. When business results are used to evaluate the ROI of coaching, specific key performance indicators need to be connected to the

(MAXIMIZE ROI OF COACHING AND TRAINING WITH METHODOICAL CURRICULUM DESIGN, continued from page 7)

coaching goals/objectives at the beginning of the engagement. Examples of such indicators include having the coachees improve their performance to increase the monthly unit manufacturing or sales, or converting prospective customers into loyal customers, or increasing their team’s overall engagement level.

Baseline the Competency Level at the Start and then Post-Training

Adult learning theory clearly shows that adults learn more effectively if they know why and buy into the benefit of participating in a specific training program. Accordingly, at Allianz Life Insurance Company, their coaching program starts with a Fundamentals of Coaching session where participants discuss the anticipated individual and organizational benefits of coaching, along with department-specific goals. Jan Wagner, their Director of Organization Effectiveness, says, “Participants attend three to six monthly coaching circle meetings led by nominated leader coaches from the business. The group determines the topics to ensure participation, relevance, and motivation” (Weinstein, 2017, pg. 2).

At Allianz Life Insurance Company, their Coaching for Success Program starts and ends the engagement with an assessment (Weinstein, 2017). These assessments help set learning objectives for the coaches and coachees in the format of an agreement that outlines the purpose and desired outcomes of the coaching and the responsibilities of both participants. After each coaching session, an assessment is completed to measure whether the session added value. There is also a pre-and post-assessment given to both the coachee and his or her direct reports to ask

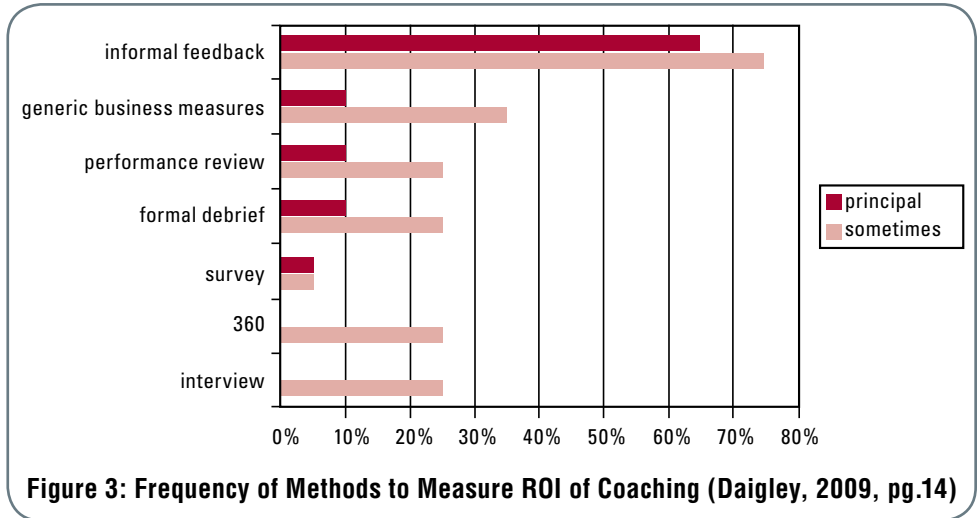


Figure 3: Frequency of Methods to Measure ROI of Coaching (Daigley, 2009, pg.14)

questions on the quantity and quality of the coaching conversations occurring on the job.

Calculation of Coaching ROI

The formula below can be used to calculate ROI for a coaching or training program (McGovern, et. al. 2001).

$$ROI \text{ (percent)} = \frac{(\text{Adjusted ROI} - \text{Program Costs}) \times 100}{\text{Program Costs}}$$

For example, an executive who receives coaching to improve her interpersonal skills and project management skills estimated at the end of the coaching engagement that 50 percent of the improvements in her behavior could be directly attributed to the coaching program. The other 50 percent was attributed to her commitment to the process. She was 100 percent confident in this estimate. The ROI of this executive’s project was estimated to be \$215,000, and she was 90 percent confident in this estimate. Another option would be to ask for an estimate from the coachee’s boss in terms of ROI and behavioral change.

To calculate the conservative ROI, the executive’s estimate must be adjusted. Taking \$215,000 multiplied by 50 percent (her attribution to coaching), then multiplied by 100 percent (her confidence in the attribution), and by 90 percent (her

confidence in the ROI estimate) results in a conservative ROI of \$96,750. Given that the cost of the coaching program was \$15,000, the ROI formula can then be applied:

$$ROI \text{ (percent)} = \frac{(\$96,750 - \$15,000) \times 100}{\$15,000}$$

$$ROI \text{ (percent)} = 545$$

This shows that the organization obtained 5.45 times its investment in coaching (McGovern, et. al. 2001). Such a method of measuring ROI does require many assumptions, and it is an estimate based on the number of factors driving business performance.

Figure 4 shows both the intangible and tangible business benefits that multiple organizations cite from engaging in coaching. The benefits are based on an assessment of ROI from coaching engagements with the most frequent tangible benefit cited as increased productivity (53 percent) and most frequent intangible benefit cited as improved relationships with direct reports (77 percent) (MGovern, et al, 2001).

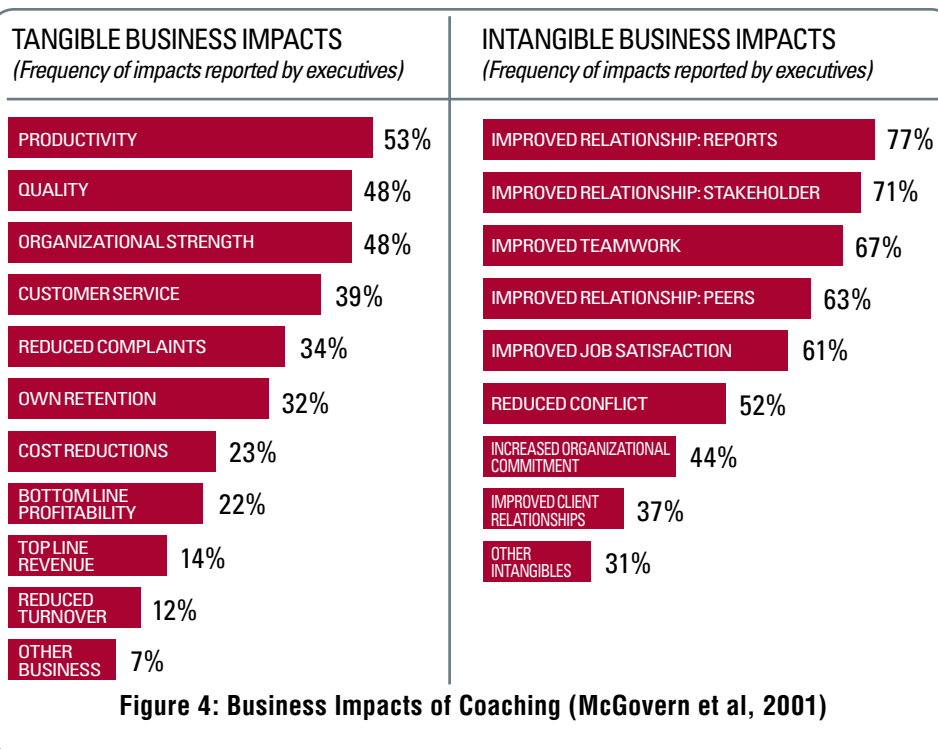
Review Curriculum and Materials to Improve Program

Once the coaching or training is delivered for the first time, it is a prime opportunity to review whether the learning objectives

were achieved. Training delivery is a pure test environment to critically evaluate the effectiveness of the scope and structure of the curriculum. Evaluation forms, completed by the participants immediately following the session, provide excellent input for this review. The curriculum can then be adjusted as needed, based on the recommendations from the trainer/coach and from consideration of the key themes from the evaluations completed by participants. The overall ROI can also be measured during this stage. ROI can be calculated by measuring the pre- and post-competency levels of trainees once back on the job from applying the key learning concepts.

Summary

While it does take more time upfront to design a methodical curriculum, it is much more effective. When you factor in the cost of the time off the job for participants to engage in the coaching/training, the cost of engaging an external facilitator, cost of materials, and potential travel cost, it is well worth the additional up front effort to ensure the right learning objectives are selected. By delivering development opportunities for employees that add value and advance their careers, this is a key differentiator for employers. The benefits of coaching are clear—80 percent of employees who receive coaching report increased self-confidence, and over 70 percent benefit from improved work performance, relationships, and more effective communication skills, with 86 percent of companies reporting they recouped their investment on coaching and more (ICF 2009).



References

- CHEPSAA (Consortium for Health Policy & Systems Analysis in Africa). (2013). Principles and practice of good curriculum design. Retrieved from: https://www.hpsa-africa.org/images/Curr_dev_principles_and_practice_for_web_12Dec2013.docx
- Dagley, G. (2009). Exceptional executive coaching. Retrieved November 8, 2018 from <https://researchportal.coachfederation.org/Document/Pdf/551.pdf>
- Gertz, B. (2017). 5 best practices for designing a successful training program. Retrieved from: <https://blog.contactcenterpipeline.com/2017/07/5-best-practices-for-designing-a-successful-training-program/>
- Institute of Coaching. Retrieved November 12, 2018 from: <https://instituteofcoaching.org/coaching-overview/coaching-benefits>
- McGovern, J., Lindemann, M., Vergara, M., Murphy, S., Barker, L. & Warrenfeltz, R. (2001). Maximizing the impact of executive coaching: Behavioural change, organizational outcomes, and return on investment. The Manchester Review, 6:1. Retrieved November 12, 2018 from: <https://researchportal.coachfederation.org/MediaStream/PartialView?documentId=268>
- O'Donnell, R. (2018). How to measure the ROI of employee training. Retrieved, November 8, 2018 from: <https://www.hrdiver.com/news/how-to-measure-the-roi-of-employee-training/520332/>
- Pandey, A. (2017). 5 killer examples on how gamification in the workplace is reshaping corporate training. Retrieved from: <https://elearningindustry.com/gamification-in-the-workplace-reshaping-corporate-training-5-killer-examples>

Weinstein, M. (2017). Determining coaching ROI. Retrieved from: <http://trainingmag.com/trmag-article/determining-coaching-roi/>

Susan Power is the Owner and CEO of Power HR Inc, a boutique human resources company specializing in coaching and building leadership capability. She has worked in human resources for 15+ years, building her consulting skills at the global management consulting firm Accenture. Susan is a Certified Human Resources Leader (CHRL) and has her Master of Business Administration (MBA) from the University of Calgary. She can be contacted at susan@powerhr.ca