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## Invest in Performance

*Providing coaching for executives, physician leaders and others leads to cascading ROI.*

Various forms of coaching help organizations raise the performance of executives, physician leaders and a highly valued subset of practicing clinicians—a major reason why \$955 million is spent yearly on coaching in North America, according to the International Coaching Federation's 2016 ICF Global Coaching Study. Organizations often suggest individuals grappling with issues take advantage of coaching, but they also can refer high-performing leaders desiring Olympic-level performance or striving for onboarding success in a new role.

The financial investment in coaching is far exceeded by a sizeable metric return on investment for the client, patient, family, team, organization and community. We call this the cascading effect of coaching. As a result, the return from coaching can generate exceptionally high ROIs. A coaching package, for instance, may cost \$20,000, but terminating and replacing a physician leader or executive might cost the organization \$700,000 in severance and replacement fees. So, if leadership coaching succeeds in eliminating the need for termination, the ROI of at least \$680,000 is plainly evident. With the additional returns from the cascading effect, one could assume the total return would be far greater than \$680,000.

The ROI from coaching continues to increase as new methods of raising performance are identified. Hospital CEOs will likely recognize some of these performance-enhancing effects and components of the coaching process:

- A highly comprehensive form of coaching asks each leader or clinician coachee to hone skills in multiple areas to improve their global performance
- Consistent respect of all coached leaders and clinicians
- Collaboration with organizational stakeholders regarding their input being given to the coach
- Unified expectations of the client by the coach and stakeholders optimizing key goal completion
- Utilization of the “laser focus” of multiple assessments that help identify unique strengths and areas for development, along with emphasizing client-ownership of identified behavioral or substance issues
- Development of new skills in comprehensive areas, such as leadership presence, emotional intelligence, inspiration of team members, professionalism, boundaries, personal wellness, task and time management, communication, collaboration, facing challenges

- Termination can be averted by rapidly stabilizing compliant underperformers

Stabilizing or raising performance of executive and physician leaders, as well as key clinicians, tends to have a positive cascading effect on their team, organization and community. Greater team success can then lead to the organization achieving greater key performance indicator metrics. These can include goals for divisional or departmental performance, sales and marketing, community involvement, staff engagement, revenues and profit, length of stay, readmission rates, nurse turnover, disease management, safety, care coordination, quality, patient experience and actions that reduce liability.

Higher organizational KPI results lead to an additional spillover effect that benefits the community when more physicians from varying specialties are placed in the vicinity to practice. Therefore, by stabilizing clinicians with issues and averting termination with

coaching, the community is better served by a more complete array of specialists. This also can help an organization maintain a competitive advantage, as many community members choose their hospital based on the physician they wish to see.

### ROI-Generation Scenario

Consider the following based on a composite of coaching engagements: Dr. X is a chairman of a department who also practices clinically. Many in the department notice that he frequently puts people down, makes fun of them or shames them in public. Nurse turnover is high among those working closely with Dr. X. Peers and staff believe he creates a toxic work environment, bringing down the entire team's performance. This decreases

productivity of the organization by having a negative impact on team output and eventual KPIs. The retention of physicians is down among those working closely with Dr. X, which causes problems in the community because necessary specialists are no longer available in that geographic area.

Dr. X was asked to participate in executive coaching to help adjust his interpersonal style. He was given clear expectations from the coach and leadership requiring him to become an adaptive team member, as well as improve his relationship with peers and staff. He was highly compliant with coaching and worked hard to achieve his goals, which were identified by multiple assessments. Together with his

coach, he reviewed the assessment findings and developed goals to take forward to optimize his performance. During the coaching process, he incorporated aspects of leadership presence, emotional intelligence, professionalism, boundaries and tools of mindfulness.

After only a month of coaching, leadership and team members noticed he was getting along better with almost all in the organization. This meant that with the help of coaching, he initially stabilized his performance and then went on to raise it. There were no reported relapses or complaints. The remaining question was whether Dr. X could sustain this progress. After the first coaching package, he opted to

continue with an extension package in a less intensive and more cost-effective format. This enabled him to maintain his positive changes, and his team's performance continued to rise. His peers were very pleased that he collaborated better, and the organization went on to optimize some of its KPIs.

Also, the community never realized anything was amiss—community residents had the same access to specialists, so the cascading effect of coaching had kicked in by helping the client, team, organization and community.

Coaching is most successful when maintained by the organization or client over time. Leaders and clinicians

presenting at least one behavioral issue are at high risk of relapse and often require some form of maintenance coaching to sustain progress. Behavioral problems are not cured with a one-time fix. Continued maintenance, monitoring and seamless transition between coaching packages are the keys to keep individuals in stabilized or higher performance, which in turn prevents relapse and positively affects the team, organization and community.

Coaching clearly helps organizations raise and sustain the performance of executive and physician leaders, as well as practicing clinicians. The total ROI of coaching far exceeds the initial figures because of the additional cascading effects of coaching. ▲

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**Editor's note:** For an additional resource on executive coaching, please visit ACHE's Executive Coaches Directory at [ache.org/ExecCoach](http://ache.org/ExecCoach).