

Building Leaders At Scale

Torch



How do you develop & retain your highest-performing employees and leaders?

This is the question that weighs on every organization. But there's good news. Research from the Association for Talent Development suggests that investing in learning and development (L&D) opportunities is the key to a loyal, engaged workforce. Two L&D strategies, in particular, have boomed in popularity over the past few years: leadership coaching and mentorship.

In this guide to building leaders at scale, we'll first define leadership coaching and mentoring as we see them at Torch. Next, we'll explore the benefits that both leadership coaching and mentoring can bring to your organization. We've included some common scenarios in which leadership coaching and mentoring can provide support in the section "Leadership Coaching and Mentoring: What does my business need?" Lastly, we run through a checklist for selecting a leadership development platform and how to design a coaching and mentoring program that works, including determining your return on investment.

We hope this proves to be a useful resource when it comes to building a plan to develop and retain the top-performing people at your organization.



Table of Contents:

Defining leadership coaching and mentoring	3
The benefits of leadership coaching and mentoring	3
Leadership Coaching and Mentoring: What does my business need?	4
How to select a leadership development platform	5
Designing a coaching and mentoring program that works	6
Determining ROI of your program	8

Defining leadership coaching and mentoring

At Torch, we view coaching and mentoring as philosophically similar. At the core of each practice is the relationship between two people. The methods might differ between coaching and mentoring, but both are about helping people get where they want to go by leveraging the experience of the coach or mentor.

Coaching is a development-focused relationship with a specially trained coach who provides guidance to a client on their goals and helps them reach their full potential.

Mentoring is a development-focused relationship with a domain relevant mentor who passes on their skills and experience to a mentee.

The benefits of leadership coaching and mentoring

Positive behavior change

Leadership coaching and mentoring can lead to improved behaviors, which can result in positive outcomes such as increased self confidence and more frequent promotions.

Increased productivity

Leadership coaching that includes goal setting and feedback has been shown to increase productivity by up to 88%. Similarly, 84% of individuals who received mentoring reported becoming proficient in their roles faster.

Improved retention

A Deloitte study found that mentoring has a positive impact on the retention of millennial employees. Employees at companies with strong coaching cultures have also been found to be significantly more engaged than those at organizations who do not, which is a significant factor in retention.

Greater well-being

People who received leadership coaching reported greater workplace well-being and resilience, and 91% of individuals who have a mentor are satisfied with their jobs.

Better relationships

Both leadership coaching and mentoring have been shown to lead to improvements in workplace relationships.



Leadership Coaching and Mentoring: What does my business need?

There are many scenarios in which leadership coaching and mentoring can provide support. Outlined here are a few common reasons you might consider leadership coaching and mentoring for your organization. At the core of each of these is a focus on learning and development to increase retention and employee engagement.

You have high potential employees to develop and retain

Providing high potential employees with a dedicated coach or mentor gives them a resource devoted entirely to their development.

You have an existing development program that could be enhanced

Coaching and mentoring provide an important one-on-one component to any program focused on employee development.

You have new managers to train

If you're planning to have a large cohort of new managers, bringing in new managers from a merger or acquisition, or perhaps just scaling rapidly, a coaching or mentoring program can help in different ways. If you have a strong group of leaders internally who can provide mentoring to new leaders, that's a great start. If you need to provide more structure for a growing leadership team across the board, coaching is likely your next best step.

You are focused on succession planning

Providing a new leader with a coach or mentor during succession planning shows the employee that you are committed to their success.

You have a diversity and inclusion initiative you want to expand or begin

With coaches and mentors, you can focus on developing certain groups to create a more diverse and inclusive workplace. A coach or a mentor can often support the acquisition of strategic knowledge that is less accessible to historically underrepresented groups inside of organizations. Also, coaches and mentors often provide feedback that is harder for members of under-represented groups to obtain through standard feedback channels inside of organizations.

You want to increase employee engagement

Increasing opportunities for employee development through coaching and mentoring directly ties into how engaged employees feel at work. According to benchmarks from Culture Amp, learning and development is a consistent driver of employee engagement.

How to select a leadership development platform

Many organizations choose to partner with a leadership development platform for ease of use. Creating an in-house leadership coaching or mentoring program from scratch can vary widely in cost and quality, and the process of identifying, vetting, and aligning the right coaches and mentors is time-consuming. High-quality platforms like Torch reduce the cost of traditional coaching and mentoring, while allowing organizations to effectively scale and measure their programs.

We provide the top considerations to keep in mind when selecting a leadership development platform in this checklist.



Coach and mentor quality

Look for a platform that can establish the quality of its coaches and mentors using hard data. Platforms should provide you with the average Net Promoter Score of their coaches and mentors, regularly survey participants about their experiences, and make that data available.



Session scheduling

High-quality platforms understand the importance of regular, consistent sessions with both coaches and mentors and have built software to simplify the scheduling process.



Rigorous assessment

The best platforms provide a thorough, 360 assessment at the beginning of an engagement, opening up opportunities for feedback, and measuring positive change over time.



Customization

The platform you choose should fit the competencies and leadership philosophy of your organization. In other words, the platform should be customizable to your needs and blend seamlessly with your existing initiatives to drive growth.



Integration

As your program scales, you should be able to link your platform's application with your internal data warehouse to import the analytics into your HRIS system. This allows you to look at ROI by integrating coaching and mentoring 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

Your platform should provide a dedicated customer success support team that can partner with you to design and evolve your program, drive the right outcomes, and resolve any challenges that come up along the way.



Data privacy & security

To ensure vigorous privacy and security, leadership development 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 coaching and mentoring program that works

The right leadership development platform is a powerful tool, but careful planning is needed to ensure the program meets your objectives.

Here are six essential steps you'll need to take to get the most out of your program.

1 Determine your goals

Identify the goals for your leadership coaching and mentoring program. This, in turn, will help you determine your approach. For instance, if your goal is to reduce turnover, particularly among junior team members and new managers, you may want to focus on increasing engagement. Coaching and mentoring programs, which have been shown to build confidence, are great tools for this.

On the other hand, if your goal is to increase productivity and performance, you might want to focus more on helping people set specific goals and track progress with ongoing feedback from colleagues.

2 Determine your competency models

The next step is to identify the specific competencies or behaviors that you want your team to develop through coaching and mentoring. Large organizations usually have competency models in place, but it can be challenging to translate them into specific target behaviors. Leadership coaching and mentoring are great opportunities to hone in on them and have team members practice new skills and strategies.

3 Build a positive brand

To increase adoption of your program, we recommend building an internal brand that makes participation a special benefit rather than a requirement. Consider introducing a process where managers nominate high-performing employees and leaders. This not only publicly acknowledges the value of nominees, but also positions leadership coaching and mentoring as a vital step in their development. Your program can also be an aspirational goal for others in the organization and motivate them to improve their performance or get to certain levels of leadership to qualify.

4 Select participants

There are a few factors to take into consideration when selecting participants for your program:

Seniority

Coaching typically benefits anyone from the manager level all the way to the highest level executives. For mentoring, it's best to target anyone from the manager to the senior director level.

Personality traits

It's important to find participants who embody a growth mindset, which is the belief that one can improve through hard work. We conducted research that shows individuals with a growth mindset are more than twice as engaged as those who aren't open to moving outside their comfort zone.

Openness to the process

Coaching and mentoring programs work best when participants can "opt in" since this is a benefit that requires additional time commitment. That's why it's important to select participants who show evidence of high motivation, openness, and flexibility.

5 Plan a pilot program

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

Below are a few factors to take into consideration:

Sample size

If your ultimate goal is to have 100 employees and leaders receive coaching and mentoring, a pilot of 20-25 people is a good place to start.

Random selection

Consider randomly selecting the subset of people from the larger talent pool and 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.

Duration

It's important for the pilot to be long enough for each client to establish a strong working relationship, gain insight into strengths and challenges, set preliminary goals, and begin to make reasonable progress on goals. In general, six to seven months is a good timeframe for a pilot.

6 Roll out the full-scale program

A leadership development 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 and mentoring broadly enough to affect a significant percentage of your workforce. If those individuals show significant positive change, these changes may also have a meaningful positive effect on the colleagues they work most closely with.

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 insights at the individual, team, and organizational levels.

Understanding how to develop leaders inside a company is one of the biggest challenges for every founder and CEO. Torch helps create better leaders. Pretty much a no brainer."

- Justin Kan, Co-founder – Justin.tv and Twitch.tv

Determining ROI of your program

An effective leadership development 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 coaching or mentoring program with internal expenses and revenues takes time, data, and analysis. Since determining true ROI is a resource intensive process we recommend that organizations use the following four-step process to assess the ROI of leadership coaching and mentoring.

1 Model ROI

During early partnership discussions, leadership development 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 an easy-to-understand ROI calculator. There are two halves to the ROI calculation: reducing costs and increasing profits.

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

2 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 and mentoring.

Program impact

The impact and success of the program should be made evident through various metrics like assessments, surveys, skills tests, engagement, and action planning and execution.

Individual and team progress

How much did participants grow as a result of coaching? Your platform should be able to measure and report on engagement, insights, actions, and growth for individuals and across teams, cohorts, programs.

HR metrics

Platforms should be able to integrate with existing HR programs and systems to understand its impact on key metrics like employee engagement and satisfaction, organizational health, and promotion and retention rates.

In addition to these measures, your platform will need the ability to collect ongoing feedback from participant team members. Colleague feedback helps you establish whether participants have improved enough, based on the initial results of their 360 assessment, 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.



3 Merge analytics with your HRIS

Once you've completed the pilot, reviewed the data, and started a full-scale coaching or mentoring program, connecting your platform analytics with your internal HRIS via application programming interface (API) is the last step in determining ROI. With analytics from your platform alongside internal data on performance management, you can compare participants in your coaching or mentoring program to a "control group" with a similar distribution of age, gender, and management level. You can determine ROI by comparing coaching or mentoring participants with your control group in terms of turnover and productivity.

4 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 one 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 six 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 four new leaders.

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, then compare similar individuals from the coaching or mentoring group to those in the control group along those measures. Research tells us that sales managers in the coaching or mentoring group should add more revenue than sales managers in the control group in the year after participating in a program.



Leadership coaching and mentoring are two of the most powerful tools you have at your disposal when it comes to developing and retaining the top-performing people at your organization. Take the time to select the right leadership development platform, and you'll see your investment pay off many times over.

To learn more about how to get started with Torch, request a demo.

[Speak with Torch today](#)

Torch