



# The ROI-Driven Coaching Model Every CHRO Needs Now

Making Coaching a Strategic Lever for Performance and Transformation

By Fabiana Pereira Hotz, September 2025





# Executive Summary

Executive coaching has become a near-universal tool for leadership development. Yet despite millions invested each year, many enterprises still treat it as discretionary support - dispersed across vendors, inconsistent in quality, and largely unmeasured in impact.

This paper:

- **Diagnoses why executive coaching underperforms** in most organizations - misalignment with enterprise priorities, shallow or inconsistent methods, weak measurement, and vendor sprawl.
- **Presents an operating model that treats coaching as strategic infrastructure** - governed for quality, aligned to KPIs, and measured for enterprise contribution.
- **Anchors the case in current market realities:** coaching demand outpaces vendor maturity, while C-suite priorities in 2025 (AI transformation, resilience, succession readiness) demand higher standards.
- **Outlines immediate steps to make coaching performance-relevant and board-visible.**

Read on to see how to convert coaching from a scattered expense into a precision instrument for enterprise performance.





# Why Most Enterprises Fail to Capture Coaching ROI

Across industries, most boards, CHROs, and senior executives agree: **leadership capability is under unprecedented pressure. Executive coaching is a proven driver of performance, retention, and strategic agility** - 86% of organizations with strong coaching cultures report positive ROI, with a median return of 700%<sup>1</sup>.

Yet **the enterprise coaching market is plagued by fragmentation and inconsistency**. While the profession has grown by more than 50% since 2019, credible, executive-caliber coaches remain scarce<sup>2</sup>. According to the Conference Board's 2025 C-Suite Report, CHROs rightly rank business knowledge and executive credibility above certifications when selecting coaches<sup>3</sup>, which narrows the hireable coaching pool to the small subset of senior talent-development professionals and former executives who have transitioned into the profession.

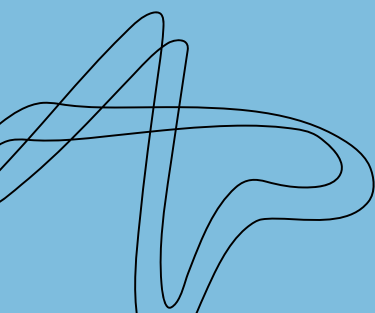
Most executive coaches operate as sole practitioners or within boutique firms. Large digital coaching platforms now offer access to curated pools of contracted coaches, but market growth has increased fragmentation without solving **the core challenge: ensuring investment actually delivers accelerated leadership development with measurable enterprise impact**.

## WHAT IS LACKING

While coaching's potential is clear, most organizations haven't set up the right mechanisms to ensure:

- **Methodological rigor** - A clear, enterprise-wide framework for how coaching should achieve targeted executive and team-level goals.
- **Consistent delivery** - Disparate providers applying uneven quality standards.
- **Governance** - Central structures to coordinate activity, manage vendor quality, and connect coaching investments to strategic outcomes.
- **KPI linkage** - Direct integration with enterprise goals, talent priorities, and performance measures.

Without operationalized standards, organizations face uncoordinated vendor sprawl, randomized outcomes, and missed opportunities to develop the leaders most critical to future success.





# The Quality & Consistency Gap

When coaching lacks the needed depth, systematicity, and alignment, the consequences ripple across the enterprise:

## UNPREPAREDNESS FOR VOLATILITY

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From the global pandemic to geopolitical tension and technological disruption, today's operating environment demands leaders with heightened resilience, collaboration agility, decision quality, and presence under pressure. Without systemic development, leaders struggle to meet these demands.

## BRITTLE CULTURES AND PERFORMANCE

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Strained, underdeveloped leaders erode collaboration, accountability, and problem-solving - all of which degrade team performance.

## HIGH-POTENTIAL ATTRITION

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Leaders face more complex, high-stakes mandates than in decades: short-term results with long-term positioning, AI integration, geopolitical risk mitigation, constant transformation, and employee well-being. If leaders feel unsupported, top talent will leave.

## LEADERSHIP PIPELINE RISK

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Inconsistent coaching weakens succession readiness. In volatile markets, this can critically undermine strategic agility and operational resilience.

## LOST CONFIDENCE IN TALENT DEVELOPMENT

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Wasted spend on unmeasured engagements reduces board trust in HR, limiting resources for broader talent strategies and creating a damaging cycle of underinvestment.





# From Fragmentation to Focus: The Systemic Solution

Enterprises that get the most out of coaching don't just match leaders with talented coaches - they engineer a repeatable performance cycle that turns leadership insight into measurable outcomes. That cycle has three interlocking moves:

# 1

## REFRAME MINDSETS AT THE LEVEL THAT SHIFTS BEHAVIOR

Durable gains happen when leaders challenge and update the beliefs driving their decisions, not just surface skills. Leaders who receive identity-level coaching are 2.5× more likely to sustain new behaviors a year later<sup>9</sup>.

# 2

## MAKE IT REAL WHERE IT MATTERS MOST - IN LIVE BUSINESS, IN REAL TIME

High performers don't separate "development" from their day job. Leaders who embed their own development into critical projects are 34% more likely to achieve both their performance and development goals<sup>10</sup>.

# 3

## HARDWIRE CHANGE INTO ORGANIZATIONAL SYSTEMS ACROSS LEVELS

Organizations that ease the integration of new leadership behaviors into operating rhythms, decision frameworks, and recognition systems see a 31% higher rate of retention among high-potential talent<sup>11</sup>.

When these moves are embedded inside a governed coaching operating model, every engagement produces changes that are deep enough to address root causes, practical enough to improve live business performance, and systemic enough to strengthen the pipeline and accelerate transformation goals.





# Four pillars of high-performing coaching systems

## 1. CLEAR METHODOLOGY REQUIREMENTS - AT THE RIGHT BREADTH AND DEPTH FOR REAL CHANGE

Effective enterprises set a single, **well-established coaching architecture** that moves leaders from insight to sustained performance.

This process works on **three interconnected levels** - **behavior, mindset, and organizational context** - ensuring that development addresses both surface skills and the deeper beliefs and systemic factors that shape leadership performance.

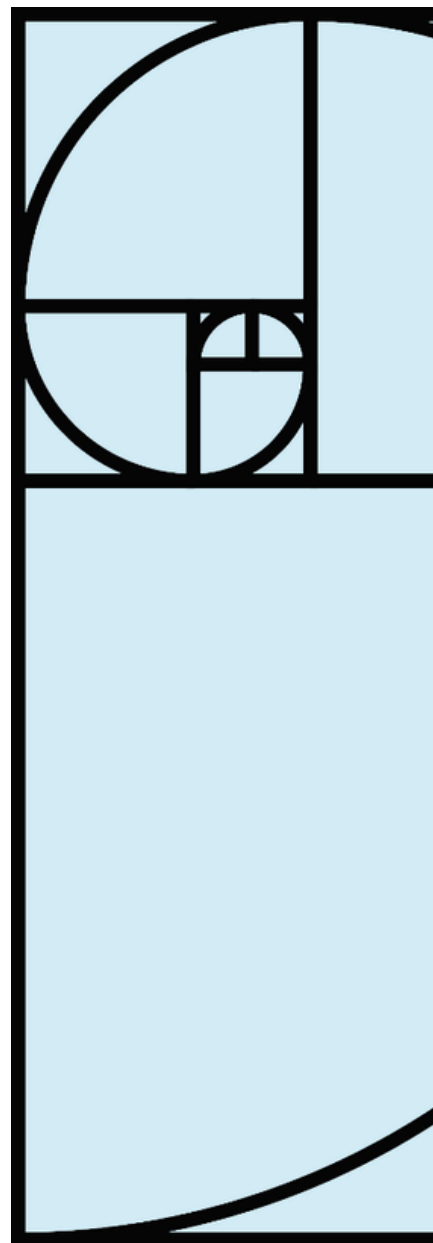
A unified methodology ensures that no matter which coach is engaged, the quality, depth, and pace of change are consistent.

## 2. DIRECT ALIGNMENT TO BUSINESS AND TALENT KPIS - WITH BOARD-LEVEL GOVERNANCE

Best practice is to begin every engagement with **proven assessments and KPI-linked goals**, tying leadership development directly to strategic business priorities.

Leaders then **apply new mindsets to their priority work**, making change part of the job rather than an “extra.” **Progress is tracked at the enterprise level**, measuring both leadership impact and business results.

The combination of depth and disciplined measurement ensures each coaching investment operates at the right altitude for lasting, measurable results.







### 3. INTEGRATED COACHING OPERATING MODEL - COACHES AND TD AS ONE ECOSYSTEM

The most successful organizations integrate **internal and external coaches into a single, standards-based ecosystem**. Coaches use the same tools, language, and reporting, creating a unified experience for leaders, eliminating duplication, and enabling consistent tracking of outcomes.

**Talent development goals are planned alongside change initiatives and portfolio priorities**, with progress governed through **clear KPIs and OKRs tied to funding decisions**.

This turns coaching from a scattered activity into a **coordinated system that scales impact and embeds leadership growth into how the organization operates**.

### 4. CULTURAL INTEGRATION - MANAGERS EQUIPPED WITH COACHING SKILLS

Equipping managers to coach reinforces **daily learning, compounding trust, collaboration, accountability, and engagement**.

Traditional talent development approaches, heavy on training rooms, lectures, and listening, often fall short; once the program ends, old behaviors return.

**Embedding effective coaching methods into daily leadership and talent practices creates a continuous, interactive development loop** that strengthens performance and culture.

*"Despite investing heavily in leadership, organizations often struggle to bring about lasting behavioral change... The most successful companies develop their leaders every day. They make it a continuous, real-world practice rather than a theoretical, on-again, off-again exercise."*

*- Boston Consulting Group, The Secret to Building Great Leaders, 2025*





# Coaching Operating Models Deliver Scaled Returns

When coaching is integrated into business strategy and run through a governed operating model, the upside is substantial - and measurable.

Organizations with a strong coaching culture report a median ROI of 700%<sup>1</sup> and are 61% more likely to strengthen their leadership bench<sup>2</sup> and 54% more likely to improve employee engagement<sup>3</sup>.

Standardizing delivery under a unified coaching methodology accelerates succession readiness by 20–30%<sup>4</sup>, while KPI-aligned coaching makes leaders 38% more likely to meet or exceed their performance targets<sup>5</sup>.

## These models work by skipping the overly abstract to run repeatable performance cycles

- Reframing at the level of belief - 2.5× more likely to sustain behaviors<sup>9</sup>.
- Practicing inside live business priorities - 34% higher achievement of dual goals<sup>10</sup>.
- Hardwiring into systems - 31% higher retention<sup>11</sup>.

This sequence, applied consistently across an organization, explains why high-performing leadership teams using a shared coaching operating model cut decision-making cycle times by 25%<sup>12</sup>, raise transformation success rates by nearly 30%<sup>13</sup>, and materially reduce external hiring costs - retaining even 1% more high-potentials saves \$500K–\$2M per role<sup>14</sup>.

These gains are not theoretical.



### A PROFESSIONAL SERVICES FIRM...

Consolidated fragmented coaching into one methodology tied directly to talent and client KPIs. Within a year, partner performance improved 20%, collaboration rose, and leadership development costs dropped by 30%.



### A \$750M APPAREL RETAIL COMPANY...

Streamlined eight vendors with a unified coaching framework. Within months, leadership behaviors sharpened, collaboration strengthened, and sales, retention, and customer satisfaction all increased - delivering a 5x ROI.

*All client experiences, anonymized for confidentiality*







# The CEO/CHRO Imperative

Well-governed coaching operating models protect revenue, accelerate transformation, and reduce operational drag. Public companies with strong leadership benches have delivered up to 20% higher TSR over five years<sup>15</sup>. These aren't "soft" gains - they are enterprise-value drivers.

In a business environment where AI, automation, and geopolitical volatility are rewriting operating models, the real competitive advantage is a coaching infrastructure that keeps leaders aligned, adaptable, and executing at the right altitude. Without it, organizations face higher replacement costs, stalled transformations, and diluted strategic follow-through.

The next 12 to 18 months will separate enterprises that merely "run leadership programs" from those that embed leadership growth into a unified, governed coaching model - ensuring their leaders can deliver on today's priorities while adapting decisively to tomorrow's unknowns. The choice is binary: protect and compound enterprise value, or watch it erode in the gap between strategy and execution. The shift starts with your sponsorship - and with introducing a model that replaces fragmentation with measurable, governed impact.

## IMPACT AT A GLANCE

**+20%**

**Total shareholder return** for companies with strong leadership benches<sup>15</sup>

**+38%**

**Likelihood of exceeding performance targets** with KPI-aligned coaching<sup>5</sup>

**25%**

**Faster decision-making cycles** in high-performing leadership teams<sup>12</sup>

**30%**

**Higher transformation success rates** when capability is standardized<sup>13</sup>

**\$500K–\$2M**

**Cost saved per high-potential leader retained**<sup>14</sup>





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# About the Author



Fabiana Pereira Hotz, PhD is the founder and CEO of Claristrat.

She has led global transformation programs across EMEA and the Americas, advised Fortune 500 executives, and is a certified executive coach (Columbia 3CP, Hogan, Korn Ferry 360).

Her work integrates systems thinking, depth psychology, and leadership science to help organizations unlock clarity and resilience under pressure.

## About Claristrat

Most organizations know coaching should deliver more impact, but few have the governance or standards to make it scalable and measurable.

Claristrat changes that. Here's how.

**Standardized Rigor** • Our Claripath™ methodology embeds adult development and change science, eliminating uneven results from fragmented vendors.

**Business-Embedded** • Leaders shift behaviors inside live business cycles, so gains show up where they matter most.

**Ecosystem Models** • We unify internal and external providers under one governed system, turning coaching into enterprise infrastructure for performance and resilience.



# From Insight to Action

Claristrat partners with CHROs and CEOs to turn coaching into measurable enterprise value.

Book a confidential conversation to map your goals and explore high-impact next steps for your organization.

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