



### Introduction

Nathan was exhausted. It had been three years of working from home with two young kids. He felt drained and unfocused. And the effects were snowballing: He'd started to lose his confidence presenting to other executive teams and leaders, becoming anxious during big meetings and worrying about how he was coming across. Most of all, he'd lost his passion for work.

At this low point, he met his Torch coach through a leadership development program his company offered. His coach asked him some big questions about his values, vision, and mission. These questions, and the self-reflection they prompted, led to a 180-degree perspective change. Nathan had been obsessively focused on himself – his own perceived failures and flaws. But his values suggested that he wanted to help, support, and positively impact the people around him. What would happen if he focused on others? This meant changing the question he asked when presenting to leaders from "what do people think of me?" to "how can I connect with my audience?" This meant leading with intimacy, rather than credibility, staying present and listening with curiosity. This meant considering how he could become a role model for other emerging leaders at the organization.

Over six months, Nathan's experience at work transformed through the changes he made to his mindset and communication style. He began getting superlative feedback on presentations from executives at the organization, with special emphasis on how authentic he seemed. He gained more visibility and confidence in his role. He became more comfortable having difficult conversations with his team, which led to deeper and more trusting relationships with them – and greater team engagement overall as his team felt seen, heard, valued and recognized. What's more, members of his team changed, too. He saw them becoming more confident, and more willing to speak out when they had questions or ideas that challenged the status quo.

This story might sound like a work fairy tale, but it's not. It's one of many examples of the coaching ripple effect – a concept that we've found evidence for in a new quantitative and qualitative study of 85 U.S. workers.



# What's the coaching ripple effect, and why does it matter?

The coaching ripple effect is the positive change from coaching that extends beyond the individual being coached to their team and the broader organization. It's the idea that coaching creates a virtuous cycle of positive behavior and change.

For most of us, this concept makes sense because it fits with our own experience of learning and growing. Think, for a moment, about how you've learned to be the person you are. Did you learn it from a class? A book? Chances are, the biggest influences on who you are and how you behave have come from other people. It's human nature to look to others for cues on how to behave. We're social creatures who are constantly learning from, and imitating, each other. At work, we emulate behaviors we admire or respect in others, especially when we see those behaviors being recognized and rewarded.

While the ripple effect doesn't seem controversial, it's a powerful positive factor for organizations that until now has not been studied closely or supported with empirical evidence\*1. Even so, it's no wonder why the coaching ripple effect has gained traction among leaders in learning & development. Amidst tight budgets and increasingly savvy stakeholders, HR leaders today can't afford to invest in solutions that don't scale or provide lasting change. They need to prove their programs have a return on investment at every level-individual, team, and organization. We started this project because we wanted to know: does the ripple effect exist in the real world? If it does, we reasoned, the first people to feel the ripple would be the people immediately around the person being coached – which, for managers or leaders, is most often their direct reports. Our research answers the guestion:

When key people in an organization begin to behave differently as a result of coaching, what changes, if any, do their direct reports experience?

<sup>&</sup>lt;sup>1</sup> It has some basis in scientific theory and plenty of anecdotal evidence.



### Top Coaching Ripple Effect Takeaways

We came away with five big takeaways, which we'll discuss in more detail in this report.

- 1. Direct reports see their managers change from coaching in multiple ways. The vast majority of respondents (94%) report seeing positive changes in their manager as a result of coaching, with an emphasis on strengthening communication skills.
- 2. When managers change, direct reports change, too. A significant majority report experiencing changes in their own skills (91%), mindsets and experience as a result of their manager being coached.
- **3.** More time spent in coaching drives a stronger ripple effect. The longer that a manager spent in coaching, the stronger the ripple effect was on their direct report.
- **4.** The ripple effect can impact organization-level metrics. Retention, promotion, and performance of direct reports are the measures most likely to be positively influenced by coaching.
- 5. Changes in attitude and communication offer clues to how the effect happens. When managers adopt more positive attitudes as a result of coaching, those emotions can spread to other workers. In addition, better managerial communication can motivate employees by making them feel valued and recognized.

The bottom line: Not only do workers see and feel the impact of their manager being coached, but that impact influences key business metrics like retention, performance, and promotions. When managers become better leaders, they inspire changes in the workers around them: Those workers feel more valued, recognized and listened to. Perhaps unsurprisingly, those workers are then more likely to stay at their jobs, boost their performance, and increase the chances that they'll be promoted.

Coaching is a powerful tool, but it's not a workplace panacea. To work most effectively, it requires that senior leaders build a supportive culture that rewards positive leadership behaviors - like active listening, asking questions, promoting inclusivity, and giving actionable, empathetic feedback. This means taking a close look at policies, practices and systems, both formal and informal. An example could be considering how leaders are promoted in the organization ( is team engagement part of the evaluation?), and what kinds of behaviors are modeled publicly by executives. Let's take a deeper look at each of these takeaways, starting with what direct reports see after their manager gets coaching.



### **Key Takeaways**



### Direct reports see their managers change from coaching in multiple ways.

The vast majority of respondents reported seeing positive behavior changes in their manager as a result of coaching – with most citing significant changes to their communication.

Ever tried to change your behavior? Maybe you've attempted to talk less and listen more during meetings. Or perhaps you've been trying to project more confidence or assertiveness. No matter what, you've probably learned the following lesson: sustainable behavior change is hard.

### Traditional training doesn't deliver sustainable change

It's even harder if you aren't using the right approach. According to a <u>study</u> from Harvard Business Review Analytic Services, sponsored by Torch, a majority of L&D teams (60% of the 665 people leaders studied) are still using traditional methods like leadership training to develop their leaders. However, only 35% of leaders believe these training sessions are effective. <u>Empirical research</u> looking at the effectiveness of coaching compared to other learning and development methods supports this.

Compared to leadership training, 60% of leaders from the Harvard Business Review Analytics Report reported that coaching was extremely or very effective. Why is this the case? Coaching uniquely responds to each of the limitations of traditional leadership trainings:

- First, coaching occurs within the context of individual engagements tailored to the needs and challenges that each individual employee is facing (while also taking in consideration the organization's needs).
- Secondly, coaching relies on the power of the relationship between the coach and individual, helping employees open up about their challenges by creating psychological safety.



Third, coaching is a long-term investment in learning and behavior change-not just a
one time occurrence.

More than other learning and development programs, coaching is designed to change behavior. But even if you feel like you're making changes, it can take time for other people to recognize that you're putting in the work.

### Measuring individual progress

Many learning & development programs rely on self-reported data to evaluate whether or not someone is changing their behavior. Self-reporting is valuable because sometimes changes can be internal or hard to observe. But an equally critical measure is feedback from others on whether they see the same (or different) changes.

In our new research, 94% of respondents saw positive changes in their manager after coaching. The average number of changes selected by respondents was 6 out of 26 possible choices (including the options of choosing 'other' or 'no change').

Of the top 10 changes they see in their manager, the most common were that their leader had become a "better manager or leader overall" after receiving coaching. Six of the top 10 selections fall under changes in communication. For leaders who want to become more effective, there's a lesson here: If you want people to see you as a better manager or leader overall, you might start by strengthening your communication skills.

Indeed, strong communication includes a vast terrain of skills that extend beyond being clear and concise and having 'executive presence.' The best communicators are open to feedback, empathetic feedback-givers, active listeners, and experts at managing difficult conversations.



Improved communication was a theme in our qualitative data, too, with respondents observing more frequent and transparent communication from their manager, improvement in their manager's ability to receive and deliver feedback, and even better communication between team members. "Since my manager's coaching, the standout change at work is the evident shift in how our team communicates," one respondent wrote. "Meetings have transformed into focused, open, and inclusive sessions, valuing every team member's input. This shift has nurtured better collaboration."

### When a Manager Receives Coaching: Top 10 Changes a Direct Report Notices

Better manager/leader overall	45%
More effectively communicates with others	44%
Is more open to feedback	40%
Asks more questions	39%
Better at giving useful feedback	38%
Practices more active listening	38%
Demonstrates more empathy	38%
Better at managing difficult conversations	36%
Is more patient with others	35%
Better advocate for their team	34%



### 2

## When managers change, direct reports change, too.

Employees don't just see their manager changing. They change, too. As a result of their manager getting coached, employees report developing new skills, shifting their mindset, and having a better experience at work overall.

### Skills

Research suggests that <u>44% of workers' skills</u> will need to shift in the next five years, and that the most important new skills include ones like self-awareness, flexibility and resilience. When a manager helps their team develop new skills, this benefits individuals and organizations: Our research shows that it's a predictor of promotion and retention.

Nine out of 10 respondents developed new skills as a result of their manager being coached. Respondents selected 4 skill categories on average out of a possible 11 (including 'other' and 'not applicable' as selections).

### The Top Five Skill Categories Employees Strengthened After Their Manager Was Coached

<b>Continuous learning</b> (for example: developing a growth mindset, setting & achieving goals)	51%
Coordinating with others (for example: organizing information flows, creating a vision, building shared goals)	49%
Building high performing teams (for example: delegating, coaching or mentoring others, structuring work effectively)	48%
<b>Communication</b> (for example: conflict management, having difficult conversations, active listening)	47%
Strategic skills (for example: decision making, risk taking, entrepreneurial thinking, innovative thinking, planning)	41%



#### **Mindsets**

A mindset is an established set of attitudes, beliefs, and perspectives that shapes a person's perception and approach to life, situations, and challenges. Our research indicates changes in mindsets can predict outcomes like improved team performance and likelihood to get promoted (among those changing their mindsets).

With 51% of respondents sharing that their manager has helped encourage them to learn continuously, in some cases by encouraging a growth mindset, it's no surprise that mindsets in general are another big area where employees are experiencing change.



What's a growth mindset? The belief and attitude that one's abilities and intelligence can be developed and improved through effort, learning, and persistence.

67% of respondents agreed they're more likely to seek out opportunities to develop new skills, and 61% are more likely to see mistakes or failures as opportunities for growth – both indicators of a stronger growth mindset. More than 2 in 3 respondents also strengthened their sense of self-efficacy, the belief in one's ability to accomplish a task, based on their perception of their competence and effectiveness.

### Experience

This category is about how someone feels when they're at work – their sense of psychological safety, belonging, and whether they feel that they are valued and recognized for their efforts and who they are. An employee's experience of safety and belonging are crucial for retention and performance.



What's psychological safety? Psychological safety is a workplace or social environment where individuals feel safe to express their ideas, take interpersonal risks, and be themselves without fear of negative consequences.



When psychological safety isn't present, it can result in employees not speaking up out of fear of retaliation. A lack of psychological safety can have a "disproportionately toxic impact on engagement and belonging," write authors Maren Gube and Debra Sabatini Hennelly in Harvard Business Review. They cite research showing that two-thirds of people who left their jobs in 2022 did so "because they did not feel included, valued, respected, trusted or cared for."

The good news, according to our respondents, is that coaching leaders can help. **79% report at** least a moderate level of improvement in their experience at work since their manager received coaching. This shows up in two key ways:

### **Increased Psychological Safety**

- 65% say they can be more of themselves at work.
- 72% say they feel safer offering their opinion, even if it's different from their manager or the rest of the team.

### Feeling valued and recognized

- 63% agree that they feel more valued for their unique skills in their org.
- 64% feel their contributions are valued more often.



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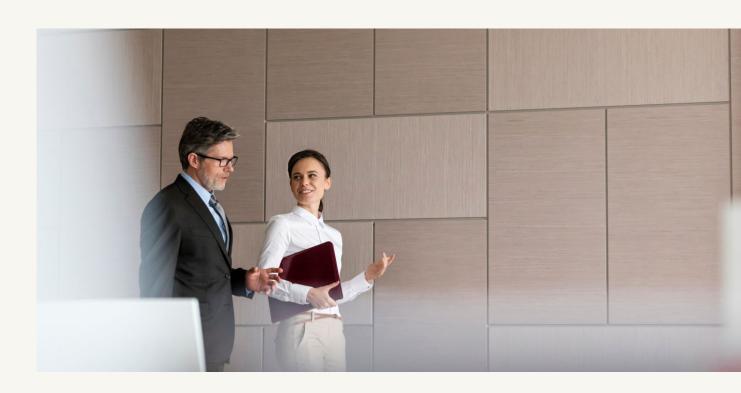
### 3

## More time spent in coaching can drive a stronger ripple effect.

Workers with managers who were coached for longer felt more positive effects.

There was a significant difference in the impact of the ripple effect on direct reports when the manager had 6 months or less of coaching versus 7 months or more. Compared to managers who experienced less coaching, managers who were coached for seven months or more on average had a stronger impact on direct reports' work satisfaction, organizational commitment (hope about future at the organization, likelihood to stay at the organization, desire to stay at the organization longer than originally anticipated), positive attitude at work, and sense of psychological safety.

This research confirms what we have seen in analysis of our Torch platform data: the length of time in coaching increases its positive impact.



## 4

## The ripple effect can impact organization-level metrics.

Retention, promotion, and team performance are the measures most likely to be positively impacted by the coaching ripple effect.

Preliminary research further verifies coaching's organizational impact. For instance, the <a href="International Coaching Federation">International Coaching Federation</a> found that organizations that offered coaching strategically (i.e., offered multiple modalities for coaching, had a dedicated budget line item for coaching, etc.) were more likely to have employees that were high performing, were more likely to retain those high performing individuals, and reported greater employee engagement scores overall across the organization. <a href="Research also shows">Research also shows</a> that direct reports of coached managers are more likely to be satisfied at work, to stay, and to be committed to their organizations.

Because we surveyed respondents at a single point in time, we had to get creative about how to measure organizational impacts like retention, promotion and team performance, which we know are critical measurements for HR and L&D leaders. Luckily, there's already a lot of academic research that links certain sentiments with these outcomes. These individual-level sentiments, then, are predictive of organization-level changes. Take, for instance, the statement: 'I am more likely to stay at my organization.' If someone agrees with this statement, that's a predictor of retention (no surprise there!). Another example: agreeing that you 'more frequently work on developing new skills' is a predictor of promotion.

When we looked across all of the possible impacts respondents experienced, we found the ripple effect strongly predicted:

- 1. Improved Retention
- 2. Increased Team Performance
- 3. Greater Likelihood of Promotion\*

with was 13.82% of participants selected at least two areas predicting retention. **Team performance**: Out of a possible 5 statements to predict team performance, the median number of questions respondents agreed to was 4.75% of participants selected at least two areas predicting team performance.

**Promotion:** Out of a possible 11 statements to predict future promotions, the median number of questions respondents agreed to was 8.81% of participants selected at least two areas predicting promotion.



<sup>\*</sup> WANT TO KNOW MORE? We calculated this by evaluating how many statements in each outcome category (retention, team performance and promotion) respondents agreed with. Here's a deeper dive into those numbers: Retention: Out of a possible 17 statements to predict retention, the median number of questions respondents agreed



### Attitude and communication offer clues into how the ripple effect happens.

When managers adopt more positive attitudes as a result of coaching, those emotions can spread to other workers. In addition, better managerial communication can motivate employees by making them feel valued, recognized and seen and heard.

<u>Past research</u> has found that having a manager who is coached positively impacts job satisfaction, engagement, and organizational commitment. There are some theories as to why. One explanation is <u>Complex Adaptive Systems Theory</u>. It's an approach to understanding organizational dynamics, behaviors, and outcomes based on the idea that complex systems work differently than simple ones.

#### **Example of a Simple System**



Using a thermostat, you set a temperature, and if it gets too hot, the air conditioner turns on to cool the room. If it gets too cold, the heater turns on to warm the room. The thermostat follows a clear set of rules—keeping the room at the desired temperature is simple and easy to understand.

#### **Example of a Complex System**



Traffic in a city is a complex system, involving countless variables: cars, traffic lights, weather, road conditions, driver behavior, and more. The interactions are intricate and can be affected by a small event, like a single car braking suddenly, causing a ripple effect. Predicting exactly how traffic will flow at any given time is tough due to the many factors at play.



Simple systems have clear rules and predictable outcomes, while complex systems involve many interacting factors that make predicting outcomes difficult and often surprising.

Organizations are examples of complex systems, which means that when one person changes, it can have a sometimes unpredictable ripple effect on many other aspects of the organization.

Our research gets us one step closer to understanding how the ripple effect happens by isolating the factors that were most likely to predict it. What were the changes in leaders that made their direct reports more likely to experience an impact? **Having a more positive** attitude towards work and towards colleagues.

Our research shows that coaching participants and direct reports experienced changes in their outlook and mindset at work, suggesting that positive emotional contagion may be the mechanism that makes the ripples effect possible.



#### What is emotional contagion theory?

<u>Emotional contagion</u> is when our emotions inspire similar emotions in other people

Those who have power, like managers, are more likely to see their emotions spread among direct reports, creating a loop of positivity: leaders express positive emotions, which impact their team members, leading them to feel more hope, resilience, and optimism. Employees who feel more positively are higher performing and create higher performing teams, which then reinforces the leader's positivity, and ultimately leads to other positive outcomes like performance and retention.





### Becoming a "better manager overall."

Another strong predictor of the ripple effect was whether or not respondents indicated that their leader was becoming a "better manager overall."

What does this mean, exactly? Likely, it's connected to how respondents reported their manager was changing their behavior. These changes most commonly included improvements to communication, such as: more effectively communicating with others, being more open to feedback, asking more questions, better at giving useful feedback, practicing active listening, and better at managing difficult conversations. Respondents also said their managers were becoming more patient, demonstrating more empathy, and becoming better advocates for their teams, too.

All together, these paint the picture of managers who may be helping direct reports feel more seen, heard, recognized and valued. <u>Gallup research suggests</u> this kind of recognition can be a key driver of employee motivation and engagement.



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# Amplifying the Ripple Effect Through a Coaching Culture

There's an important caveat to all of this research: The ripple effect can't, and doesn't, happen in a vacuum. Organizational leaders must also create a culture that supports the shifts in behaviors that help all employees succeed.

For instance, managers won't necessarily try to become better at listening or delivering feedback if those behaviors aren't rewarded or valued organizationally. One powerful way to amplify the ripple effect is by creating a coaching culture inside your organization.



What is culture? Culture is "how we do things around here." It defines the way you, and everyone else, behaves inside an organization. It's about establishing shared beliefs and values that are reinforced and communicated through systems, practices, processes, and policies.

Coaching culture starts with a shared belief in the importance of individualizing development experiences. In practice, having a coaching culture means employees feel their developmental needs are prioritized because they're supported by established practices, processes, and systems across the organization.

If all of that sounds overwhelming, don't worry. The best part about coaching, and building a coaching culture, is that you can start wherever you are: with one person, or multiple people. With a program already in place, or with the seeds of an idea for what one could look like. Coaching is a tool that's designed to meet you and your organization where you are, help you reach your own unique goals, and create ripples of positive change along the way.



### Want to learn more about coaching culture?

Check out this <u>on-demand webinar</u> with RedThread Principal Analyst Dani Johnson, Torch Chief People Officer Amy Lavoie, and Torch Head of Behavioral Insights Elizabeth Weingarten.



### Sample + Methodology

Each participant in our sample was a direct report of a manager or leader who had been coached. Because we were interested in comparing leaders' behaviors before and after coaching, we also required that each participant had directly reported to their manager or leader before, during and after the coaching experience. The research was conducted online across 22+ industries and 2,500 + companies, with sizes ranging from 2 to 10,000 employees. Survey questions and platform were developed in partnership with the global research company Censuswide.

#### In terms of demographics:

- Participants lived in the United States
- 63% identified as white, 23% as Black or African American and 13% as Asian American
- 39% were between 25 and 34 years old, 29% were between 35 and 44 years old, 24% were older than 44 years old and 6% were between the ages of 18 and 24
- 46% were individual contributors (ICs) or senior ICs, 26% were managers or senior managers and 27% were directors or had a role higher than a director

Because of the sample size, we limited the number of parametric tests we performed. This helped minimize the risk of false-positive findings due to multiple comparisons. The section *More time spent in coaching can drive a stronger ripple effect* mentions significant differences between coaches who had one to six months of coaching and those with seven or more months of coaching, in terms of work satisfaction, organizational commitment), positive attitude at work, and sense of psychological safety. Each of these findings was statistically significant at p<.05.

### Limitations

There are two primary limitations to this study. The first is the modest sample size (85). Our ability to collect a larger sample was stymied by our requirements that each participant (a) knew their manager or leader had received coaching and (b) directly reported to them before, during and after the coaching experience. The second limitation is the lack of a comparison group. We surveyed participants whose leaders had received coaching, but what about individuals whose leaders had not received coaching? A more accurate estimation of the ripple effect could be shown by an experimental study in which one group of leaders receives coaching and the other does not. However, business organizations often resist randomly assigning coaching, preferring to provide it strategically because of its cost. A true experimental study may only be possible if researchers (a) can provide the coaching for free and (b) have the resources to track participants over a multi-year period.



Do you want to harness the coaching ripple effect to drive positive outcomes in your organization?

We're here to help you think through your program strategy from goals to execution.

Let's talk!



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Torch is the People Development Platform that unlocks the potential of people, teams, and organizations.

By combining coaching and mentoring, Torch helps you design, manage, and measure programs that drive the success of your people—and your organization.













