



## **Executive Coaching and Its Contribution to Business Performance Outcomes – Suggestion from Empirical Research**

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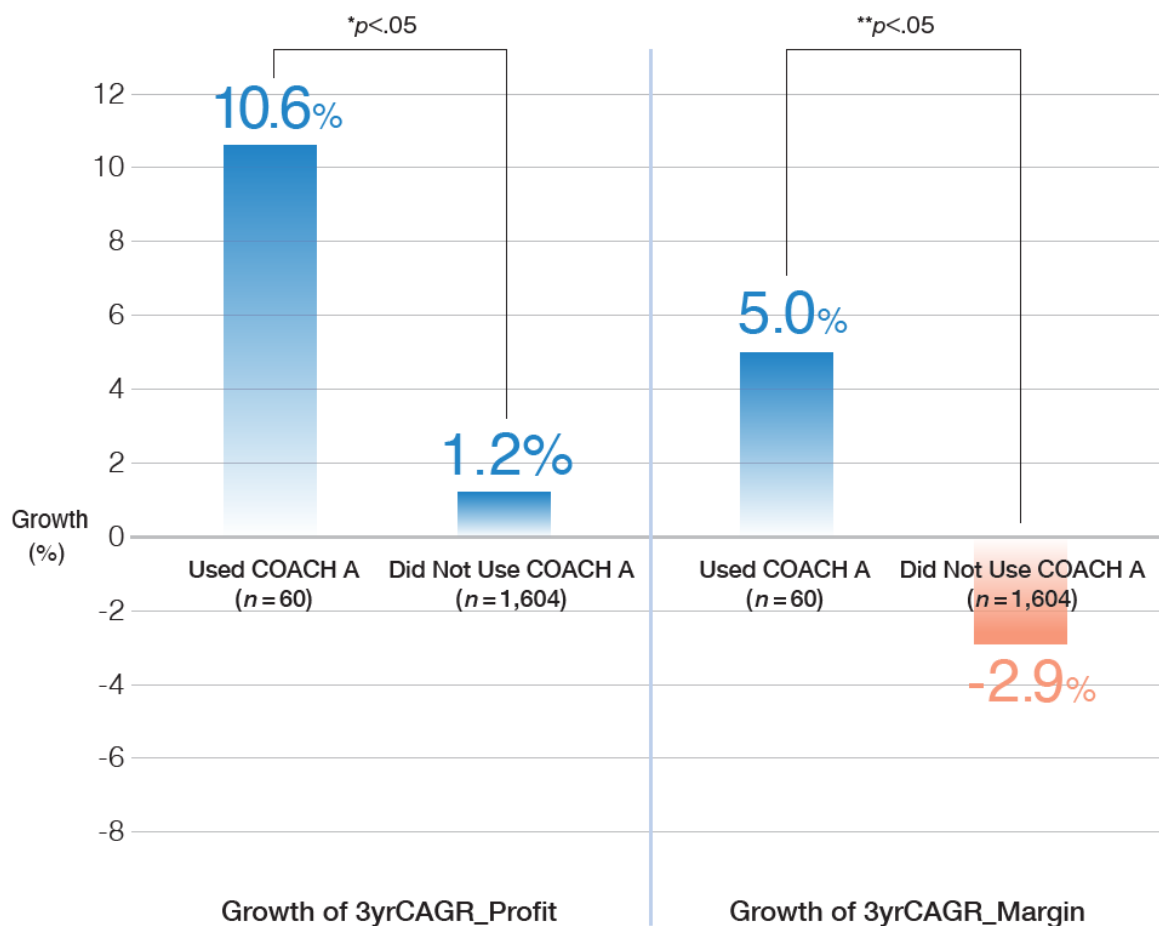
Tokyo, September 20, 2022 -COACH A announced the release of a research paper, “Does Executive Coaching Really Have an Impact on Management?“, a report of a statistical analysis on the impact of executive coaching on business performance outcomes, which was conducted by the Coaching Research Institute and Kinya Kokubo, Associate Professor of Nishogakusha University. The report showed that business performance outcomes have improved for a group of companies that utilized COACH A's executive coaching.

### **Ordinary Income of companies that utilized coaching outperformed**

In this report, we extracted 60 companies from COACH A's client companies that are either publicly traded on the 1st Section of the Tokyo Stock Exchange or are publicly traded subsidiaries of such companies, whose top executives (Presidents) have received coaching through the 3-year period between 2017 and 2019. Using 1,604 publicly traded companies on TSE' 1st Section as of March 2020 as the control group, an analysis was conducted comparing the Compound Annual Growth Rates (CAGR) of Ordinary Income (CAGR Profit) as well as CAGR Profit Rate of Ordinary Income(CAGR Profit Rate) through the 3 years between April 2017 and March 2020.

As a result, both analyses showed higher results for the group of companies that utilized COACH A's coaching, with statistically significant results. Specifically, [3-year CAGR\_Profit] showed 10.6% growth for companies that utilized COACH A's coaching and 1.2% for the group of other companies. As for [3-year CAGR\_Margin], companies that utilized COACH A's coaching showed 5.0% growth. (see Diagram below).

## Diagram: Business performance outcomes (average) of companies that utilized COACH A's coaching and their control group



\*Conducted with a t-test. \*p<.05 suggests a statistical significance level of 5%.

In order to grasp the impact of coaching more accurately, 60 control companies that matched the traits of the 60 test companies were chosen from a list of 1,604 companies in the control group, and a survey was conducted to see whether there would be a difference in business performance outcomes between the 60 companies where executives were coached, and the 60 control companies where executives were not coached. It was found that companies that utilize COACH A's coaching showed results that were higher with statistical significance for both metrics (CAGR Profit/ CAGR Profit Rate).

### Outlook for Coaching Research

As it has been made clear statistically that companies utilizing COACH A's coaching are delivering healthy business results, it can be seen that coaching for top management generates some form of impact on management. Having said that, it is also true that this analysis does not necessarily prove that there is a direct relationship between coaching and business performance outcomes. It is believed that there are other multiple, different, and indirect paths of influence between coaching and business performance outcomes, which are yet to be discovered.

The influence of coaching on businesses is being researched not only in Western countries but also throughout Asia, but measuring its effectiveness is still a work in progress. Additionally, coaching is not as widespread in Japanese society as it is in the West, so the research of coaching in Japan is still in its earliest stage.

Despite these circumstances, this research has been rendered possible due to the fact that the number of top companies that utilize executive coaching for their top management (including top executives) has reached a certain level. It is hoped that the mechanism of coaching will be further clarified as coaching becomes more prevalent among Japanese companies.

We believe that it is one of COACH A's responsibilities, as a leading company in the coaching industry, to identify the value of coaching as it gets implemented by more and more companies in recent years. We intend to put our ample results and data to use in driving coaching research forward.

Please download the full report [here](#).

## **COACH A Co., Ltd.**

COACH A is one of the largest coaching firms in the world, established in 1997 as Japan's first coaching institution. It focuses not only on supporting individual growth but also on the relationships that surround individuals, and provides dialogic organizational development that supports the growth of entire organizations globally, in languages such as Japanese, English, Chinese, and Thai. It also conducts evidence-based coaching leveraging analysis data from its research division, Coaching Research Institute (CRI), and analyzes the data it has amassed from its vast coaching record to release reports on topics such as the mechanism between leadership and organizational revitalization or the effectiveness of coaching.

### **■Inquiries**

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