

The Coach as an Asset in the Business Setting: No Brain No Gain

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Abstract

Managers with a coaching approach to leadership or management reach higher goals than other leaders. My research with companies in the business context show that companies that use a communicative coaching approach have increases in productivity and sales of 20 % and at the same time a reduction in sick leaves and turnovers of employees. Observers and employees also report improvements in work climate, team cohesion, team work and personal growth. This article outlines an effective coaching approach to leadership and research findings related to this approach. This research was done over a period of 5 years of action research and through interviews in eight organizations

What makes companies excellent?

Going in to my research in the business setting, I had some questions I wanted to answer about what makes successful companies successful.

Is it possible to identify one or more reasons for the success (success in form of improvements, innovation or productivity) of the studied companies?

Is communicative action based on a coaching approach part of the studied organizations way of planning and acting?

If communicative action based on a coaching approach is part of the organizations

way of planning and acting, is it possible to identify pre-requisites for that occurrence?

If communicative action based on a coaching approach is part of the organizations way of planning and acting, what are the effects of that on the organization?

Method

This research was done over a period of 5 years of action research and through interviews in eight organizations. At the end of that period, fifteen individuals from the “more successful” companies were interviewed more thoroughly. These interviews were open-ended and based on a simple interview guide to help the researcher keep

asking questions that were related to the research questions.

Theory

Habermas (1984, 1987) presented a theory of communicative action which is the only action theory I discovered where people are not seen as instruments or machines. In communicative action, openness and dialogue are ways of reaching understanding, planning and striving for consensus with the purpose of coordinating action. This theory is interesting because if it “holds up” it can explain a coaching approach in the view of managers as well as in the view of teams.

Business Coaching

A coaching approach to management aims to support and, challenge, stimulate, encourage and help people to reach insights and take responsibility for their own performance and development, and through dialogue, understanding and participation reach agreements, formulate, coordinate and execute action plans.

Coaching is based on conversations or dialogues between coach and coachee or teams in a result oriented environment. The coach tries to help the coachee to reach insights (about self or tasks) mainly by asking questions. But also by listening, reflecting or giving feedback, information, instructions or advice that helps the coachee to develop knowledge or skills.

Goal setting is also an important part of the cooperation between coach and coachee to help the coachee optimize and develop performance.

Dialogue is here defined as a conversation distinguished by openness and where all opinions and proposals are considered. All participating members (of team or organization)

are involved, preferably actively, seeing each other as equals, even though everyone has different competencies and some relevant experience or ability to take relevant knowledge into or out of the dialogue (Gustavsen, 1990).

Openness also means that all team roles can be questioned, even leaders roles, to give space to develop these roles. Disunity is allowed, which means that the participants can agree that they can't reach an agreement and that the disunity can be bridged through compromises to reach agreements that can lead to action.

A coaching approach to leadership also involves coaching individuals and teams.

Coaching is based on a dialogue between coach and coachee (or team) in a productivity oriented setting. The coach aims to assist, support and encourage the coachee or team through various techniques and methods, to do the following (Jones, 2000; Skiffington, 2000).

- Reach an increased self awareness mentally, socially and regarding the task
- Learn and develop knowledge and skills
- Optimise and develop performance

Results

In the studied organizations the respondents pointed out the change in leadership, from a traditional leadership style to coaching, as one of the most important reasons for their success. Other reasons, such as production principles, new tools were also mentioned. But the main “secret” that the respondents,

both managers and employees, saw as paving their way to success was the coaching approach in leadership. Not only did we find that communicative action and a coaching approach to leadership was present, but it was the main secret for the success according to the respondents.

Points of departure for a coaching approach to leadership

- Respect for the individual “Go and see” – be present
- Approach the person that the “situation” concerns – ask questions
- Talk with people not to them – have a dialogue
- Involvement in planning and decision making (takes you farther than you think)
- Equality – no prestige
- Cooperation
- Create resources
- Support individuals and teams in discussions, decision making and daily tasks
- Follow up, show interest and help
- Develop your own and coachees social competencies
- Support responsibility taking
- Manage new and strange situations

Coaching as leadership

In the studied organizations respondents said:

“Going away from a traditional leadership, where we gave directions and the position was important, was hard. Coaching demands a management style and leadership that is very

important. It is different from traditional leadership, it is more difficult and demands another role from today’s managers and leaders”.

What makes the “new” leadership – coaching – harder is partly that managers no longer can do as they have been used to doing. It takes a lot of learning, reflection and energy to develop and improve as a coaching manager. To let go of prestige, to let go of tasks that are better handled by the teams, to let go of an instrumental view of employees. Together it can take its toll on the traditional manager.

The interesting part is that when managers have learned and grown in to a coaching approach, leadership becomes easier. The coach does not have to make all decisions by him or herself. It is not as lonely, decisions taken are usually better in both quality and acceptance. Of course, since those affected by the decision have been involved in the decision making.

The coaching manager gets more time to do the “stuff” that management team members complain about not having time to do, like strategic planning and hopefully coaching their co-workers.

In one of the studied organizations an upside down pyramid symbolizes the total change in attitude toward the role of the managers. This paradigm shift has meant a real change in better in daily life for both managers and employees.

An increase in awareness of what a coaching approach to leadership could mean to the business is needed. Managers need training and with it they can develop into better coaches. This is something through which they themselves, their coworkers and their business results, can all win.

A coaching results and balance sheet

Costs:	Revenues:	Assets:	Symbolic capital:
<u>Time for:</u> Changes Learning (new skills and insights...) Meetings: Planning Development Quality... "Creating acceptance" Production changes (in products or services) <u>Investments in:</u> Training / Education New tools/ machines.. IT-support Localities Recruitment	<u>Soft values:</u> <i>Increase in team spirit</i> <i>Increase in work climate</i> <i>"Broader acceptance"</i> <i>Increase in motivation</i> <i>Increase in work satisfaction</i> <u>"Hard" values:</u> <i>Increase in quality</i> <i>Increase in problem solving</i> <i>Increase in deliveries in time</i> <u>Results:</u> <i>Increase in productivity with 20%</i> <i>Decrease in sick leave with 50% (from 9 - 4,5%)</i> <i>Decrease in turnover from between 25 - 50% the last ten years to 6%!!</i> <i>Increase in sales 20%</i>	<u>Competence assets:</u> Personal competence Social capital Human capital Strategic competence <u>Trust assets:</u> Trust Respect Responsibility Understanding <u>Behavior assets:</u> Information Cooperation Involvement Co-decision making Influence/Initiative Planning Mastery goals Measuring goals Visualizing (processes) <u>Leadership assets:</u> Coaching - communicative action Value oriented coaching Motivating leadership	Common competence generated in the organization Routines and systems (modules and processes) Culture (positive preconceptions toward - team work, involvement etc.) Structure (Effectiveness in Communication "roads" etc) <u>Symbolic & trust debts</u> (long term): Negative preconceptions - culture Mistrust / low respect etc Traditional leadership Ineffective structures, routines & systems <u>Behavioral debts (short term):</u> Lack of information Internal competition Lack of involvement Diffuse goals/ lack of goals Lack of follow up/ measurement

The coaching result and balance sheet covers a lot of "area". In this paper I will only develop some examples from the research done.

Assets

Assets in organizations today are not only in the form of capital, machines or products ready for delivery. Instead many companies are referring to the employees as their main asset (even though few companies act as they really see the human capital as their main asset).

Social capital and EQ

Social capital or social competence is defined as the ability to work together toward common purposes or goals, which are dependent on a degree of trust (Fukuyama, 1995).

A basic attitude of unselfishness, openness to proposals and to solving problems together, gives better results and increases in quality for both the individual and the teams.

"The social competence are a pre-disposition to get access to your formal competence. It is much more important..."

"If a team is to work well, you need to be open to each other. At the same time you have to have a focus on the task, to try to solve task oriented problems and also if necessary solve internal problems in the team."

Respect for the individual

The human and social capital are the starting point for building and getting respect,

something that is central to the views of respondents in the studied organizations.

“It is like this, in the end we have come to the understanding that the people on the line that are doing the work every day are the ones that are best at it.”

“Everybody, regardless of where they work, have important information, important knowledge and the organization has to take care of that.”

“You get attention, credit for what you do, you are taken seriously, others listen to what you say...”

“We have respect for each other, we know there is knowledge that maybe you don’t have yourself. And if you are always met and meet with respect... then the climate will be good.”

Trust is being built through the showing of respect, and trust is a necessity for getting from a hierarchy to a “flatter” structure (Fukuyama, 1995). It seems though that it is not the hierarchy or structure itself that is most important. It seems to be the mental attitude and respect for the individual that leads to a more equal view on planning, decision making and action that are of most importance. The views on equality, cooperation, involvement, information and coaching as an important approach to leadership can be pointed out as pre-requisites for communi-

cative action and coaching in the studied organizations.

No brain no gain

One of the main reasons for taking a coaching approach to leadership is to get access to, or a better use of individuals knowledge, skills and initiative. And it is the proposals and ideas from people at all levels and all different areas that have led to the successful improvements in production, products and services of the studied organizations.

Some of the results or revenues that these organizations have reached from communicative action and positive coaching are as follows:

- Increase in productivity with 20% (Industry)
- Decrease in sick leave of 50%, from 9% to 4.5%. (Industry)
- Decrease in turnover from between 25 - 50% the last ten years to 6%! (Industry)
- Increase in sales 72% and 20% (Sales Companies)
- Increase in production of 60% with only 5% more manpower (Industry)
- Increase in work force by 15% with better health care and shorter times in hospital beds as result (Hospital)

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