

# Building leadership and innovation capacity through the coaching support programme: a case study

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## ABSTRACT

The article presents the development of the coaching support programme for leadership and innovation capability improvement. The programme is designed in the context of a five-stage organisational life cycle theory. The article focuses on the building the theoretical background based on the analysis of the literature. The present article briefly reports on the key findings of the literature review which constitute the principals of the coaching support programme and focuses on the consistency of the applied forms and types of coaching with the life cycle stages and the typical components of coaching process. The research is based on a case study method. A case of the programme implementation describes the model of the programme delivery and the preliminary stage of the programme in the organization which operates in wholesale business and runs a direct sales model

**Keywords:** A Five-Stage Organisational Life Cycle Model, Coaching Support Programme, Leadership, Innovation Capacity

## 1. INTRODUCTION

Organisations need to be innovative to respond to changing business environment, to increase competitiveness and to achieve sustainable business performance (Kumar et al. [16], Baregheh et al. [3]). Innovation is considered as a 'key leverage' (Rousseau et al. [23]) and is regarded as an essential source of competitive advantage (Crossan and Apyadin [7]). Therefore, a primordial concern for most organizations is how to enhance the innovative ability and improve leadership skills to ensure sustainable development.

Researchers (Bozer et al. [4], Ratiu et al. [22]) assert that the certain specific features of coaching allow this practice to contribute to the development of leadership. This is due to the developmental and transformational nature of coaching. Coaching facilitates learning and development process through behavioral change and self-

awareness (Bozer et al. [4]) of the individuals (Popper and Lipshitz [21]) and thus enhances their performance and improves the effectiveness in organization (Orth et al. [20], Burdett [5]).

Coaching as facilitating practice has a high potential to accelerate innovative processes in organizations. A number of evidence can be found in the literature (McCarthy [18], Evered and Selman [9], Hargrove [14]) to support the idea that coaching has a favorable impact on the development of innovation capability, fostering innovation culture, driving the process from generating to commercializing ideas. The role of coaching to enhance the environment of mutual trust and constructive partnership to improve innovative activities is especially highlighted.

There are different ways to delivery coaching in organization such as individual coaching, executive coaching, team coaching, etc. The complex approach to coaching delivery in the form of the coaching programme might be considered as the most effective. However, Bozer et al. [4], Vidal-Salazar et al. [25] argue that the programme can be deemed successful only when coaching outcomes are transformed into organisational change and sustainability.

The present article seeks to address the following research question:

*How can the coaching support programme be designed so that it has the optimal impact on sustainable development of the organisation?*

The focus of this article is on methodological basis of the coaching programme to build leadership and innovation capability. The elaborated principles are applied to the development for the piloting coaching support programme. The article describes the model of the coaching support programme and the preliminary stage of the programme delivery.

## **2. LITERATURE REVIEW**

The aim of the literature review is to explore the theoretical background of the design of coaching programme focusing on the meaningful components of the programme such as the preliminary stage, coaching process, the principles of design. The present article briefly reports on the key findings of the literature review which constitute the principals of the coaching support programme and focuses on the issues that are crucial for the successful implementation of the programme, namely 1) the consistency of the applied forms and types of coaching with the life cycle stages and 2) the typical components of coaching process.

Under Hackman and Wageman [12] theory of team coaching, coaching is only effective when the conditions for team effectiveness have been properly set up. Extending this line, the current paper hypothesizes that the efficiency of coaching depends on the appropriate type and form of coaching that is used under the appropriate circumstances in the context of organisation life cycle theory.

Scholars are unanimous in their view that organisations go through different stages during the period of their life. Kazanjian and Drazin [15] assert that if an organisation uses the structure and processes that are tailored to the respective stage of development, the organisation is most likely to grow and achieve sustainable development faster than an organisation that does not take into account the peculiarities of the stage the organisation reaches.

Miller and Friesen [19] argue that each stage differs from one another by internally consistent characteristics, among which strategy, structure, decision making. The period of time an organisation stays at each stage can vary considerably. Hanks [13] believes that each stage is characterized by a distinctive range of variables related to organisation context, strategy and structure.

The presented coaching support programme is designed in the context of a five-stage organisational life cycle model which comprises of the Birth stage, the Growth stage, the Maturity stage, the Revival stage and the Decline stage.

The literature review seeks to identify the driving forces to organisation development at each life cycle stage. The literature finding help guide the programme design.

Creativity is the organization's source to grow and develop at the Birth stage (Greiner [11], Kazanjian and Drazin [12]). The attempt to find the appropriate market niche leads to increase of the innovative activity (Miller and Friesen [19]). Besides creativity and innovativeness, market vision is considered the key skill the leader has to possess during the Birth stage (Hanks [13]). Therefore, encouraging creativity in the development of new products and technologies, fostering

innovative business ideas generation, improvement in communication, entrepreneurial intuition and self-awareness are able to ensure the growth and development of organization during the Birth stage.

The capability to produce in volume to expend the niche and meet the increased customers demand requires changes in all areas of organization's activities in the Growth stage. Along with the demand to produce effectively with high quality and in value, there is a need to cope with people problems associated with high growth (Kazanjian and Drazin [15]). The challenges that are brought by a rapid growth might be overcome by involvement of lower level management in decision making process by means of effective delegation, and team approach to management (Greiner [11], Miller and Friesen [19]).

Particular emphasis during the Maturity stage is laid upon profitability. "It is important to realize that unlike the conventional lifecycle concept the company is still growing in the maturity phase" (Scott. et al. [24]). Finding opportunities of change and maintaining and improving growth capability are the top challenges facing leaders and management for sustainable growth (Kazanjian and Drazin [15]). At the end of the Maturity stage, an organization has two ways of continuing the life cycle. The Maturity stage finalizes with two different options of transformation: the transfer to the next growth stage Revival or to the Decline stage (Ciemleja and Lace [6], Duobiene [8]).

Miller and Friesen [19] argue that the Revival stage is the most challenging and the most exciting stage of the five. Organization experiences significant changes in strategies, structure and decision making. Challenges of the Revival stage might be overcome by attainment of autonomy of divisions, high-level innovation and integration and effective communication between divisions.

Miller and Friesen [19] consider that ignoring the principles of growth, i.e. lack of well-defined strategy, failure to delegate, might bring an organization to decline. However, Lester et al. [17] consider that decline does not mean inevitable death of organisation. Fundamental change in strategy, structure, decision making is vital to move to a more stable stage of growth (Hanks [13]).

Thus, the review of the literature on the stages of organisational life cycle indicates that awareness of the peculiar features of organisational life cycle stages and the driving forces for each stage contributes to better understanding of how organisations grow, develop and sustain.

The literature review also seeks the proof that appropriate forms and types of coaching might reinforce and support organisation's capability to grow and develop in alignment with the life cycle stages.

It was established that a distinctive feature of entrepreneurial coaching is its primary focus on the entrepreneur as an individual to facilitate founders in

developing managerial skills and enhancing leadership capability (Audet and Couteret [1]). Executive coaching becomes particularly valuable in the period of high growth, since executive coaching improve goal achievement and leadership self-efficacy (Grant [10]). Managerial coaching might add value to increase organisation's sustainability in the period of change by improving communication and accelerating integration (Ratiu et al. [22]). McCarthy [18] considers that the main use of coaching for innovation is in fostering development of innovation capability of an organization. Rousseau et al. [23] claim that team coaching might improve innovation capabilities by encouraging team members' innovative behaviour. The study which they conducted aims to explore the relationship between team coaching and innovations in work teams. The results of the study show that team coaching is positively correlated with team innovation.

Despite a considerable growth in the field of coaching and the diversity of methodologies and approaches to coaching, there is a lack of consensus among scholars and practitioners on a clear and straightforward underlying process that underpins coaching practice so that it can facilitate developing individual's capability to work towards achieving desired results. Bachkirova et al. [2] conducted the research to determine the generic characteristics of the coaching process that can be relevant to the diverse approaches to coaching. Q-methodology was chosen to explore and compare the viewpoints about imagined typical coaching session considering the diverse elements of the coaching process, and a range of traditions, genres and contexts. A list of 80 items described a typical coaching session is identified through a range of recourses. Bachkirova et al. [2] highlights coaching process as an essential element in establishing the identity of coaching. The crucial role in the coaching process plays the focus on the client's goals. The questions that the coach asks facilitate the client in understanding his/her experience. The following actions of the coach are considered as uncharacteristic elements of the process: coach appears to focus on the own agenda, and coach gives advice. Building rapport, i.e. sustainable, productive relationships, is the second essential element in the coaching process. The atmosphere of the typical session is described as the positive atmosphere of understanding and respect. The questions asked by the coach are aimed to discover client's new possibilities and help client find the recourses to do so. Coaching process is not fast flowing or highly structured, a typical coaching session appears to be fluid. Coach and client are equally engaged in the process. Coaching process is not considered as a way to uncover unconscious motivation or feeling. This process is a collaborative exploration, coach and client explore together the client's way of thinking and behavioural patterns. "The role of the coach could be best conceptualized as a "collaborative explorer" rather than "informed expert" (Bachkirova et al. [2]).

Based on the literature review, the following principles for coaching programme design are elaborated:

- Principle of compatibility;
- Principle of integrity;
- Principle of consistency.

### **3. METHODOLOGY**

To answer the research question and achieve the aim of the study, the extensive literature search was undertaken. The literature analysis covered the following themes: the organisational life cycle theories; the drivers for sustainable development at each stage of the life cycle; the features of the forms and types of the coaching which are likely to reinforce these driving forces; principles to underpin the successful implementation of the coaching support programme. The findings of the literature review constitute the conceptual framework for the pilot programme as an empirical part of the research.

The coaching support programme was developed in March – April 2018. Since May 2018 the programme has been tested in the global organisation which operates in wholesale business. The organisation runs a direct sales model that allows working directly with the customers worldwide. The organisation is strongly guided by four values: integrity, courage, teamwork and commitment.

At the present time, the preliminary stage of the programme is completed. The Revival stage is defined as the stage of organisational life cycle. Executive coaching, managerial coaching and team coaching are defined as the appropriate forms and types of coaching for the programme delivery. The overall objectives are established by the top management and the programme participants as well as the control group are selected.

### **4. DELIVERY OF THE PROGRAMME**

This is a comprehensive programme developed to achieve the desired outcomes: to contribute to the organisation sustainable development by promoting a supportive leadership style, encouraging collaborative teamwork and fostering the culture of innovation.

The coaching programme aims to build and develop leadership and innovation capacity by equipping the participants with additional soft skills thus providing flexibility to deal with issues that cannot be anticipated. Specifically, the programme seeks to contribute to the following issues.

- 1) How to approach the issue from different perspectives and acquire big picture thinking.
- 2) How to build a win-win and mutually beneficial cooperation.

- 3) How to prioritize and ensure timely and efficient delivery of results.
- 4) How to be a supportive leader and motivate people
- 5) How to see opportunities in short-term, medium- and long-term prospective.

Coaching is targeted at the team leaders and the team members that the company wants to invest in.

There are three distinct stages of the programme:

- i. preliminary stage;
- ii. programme implementation active stage;
- iii. programme implementation supportive stage.

The programme allows some flexibility based on ongoing feedback.

In order to get a clear view of leadership and innovation requirements and overall objectives for the programme from the perspective of the top management of the organisation, the initial broad coaching objectives and expectations are established on the basis of organisation's needs and approved by the top management prior to the implementation of the programme. The specific measurable goals and a method for determining if these goals have been achieved are established by the coached group in collaboration with a coach during the first session.

Figure 1 presents the delivery scheme of the programme. The aim of the preliminary stage is to

- 1) define the stage of organisation throughout the life cycle;
- 2) develop the model of the programme;
- 3) identify the target group and control group and select the candidates.

A structured and systematic approach to the programme increases the probability of positive results. The coaching programme is designed in the context of Miller and Friesen [19] five-stage model of the organizational life cycle, the appropriate forms and types of coaching is defined. Alignment the appropriate types and forms of coaching with the defined life cycle stage provides the principle of compatibility. Five unlabeled descriptions, each corresponding to one of the five stages of the organizational live cycle, are prepared. Top management is asked to choose the one most closely describing the organization at the current period. Defined organizational life cycle stage determines a combination of forms and types of coaching that will be applied in the programme. As a result, an appropriate model of the coaching programme and evaluation system is developed. Established coached and control groups enable to make the results of evaluation more visible and precise.

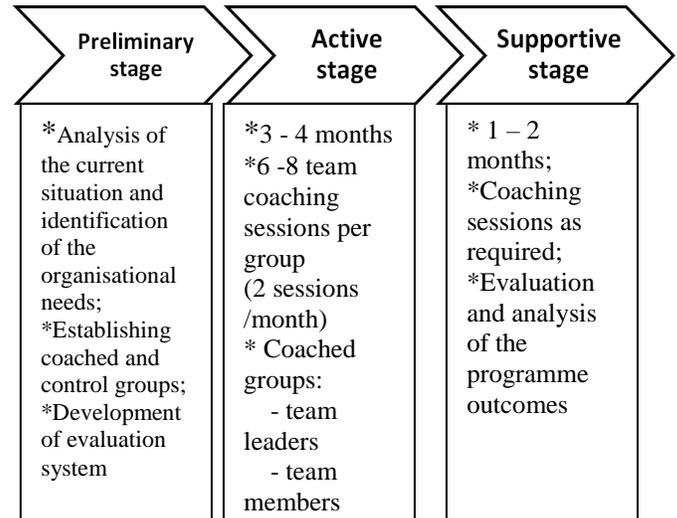


Figure 1. Delivery of the programme (source: compiled by authors)

Coaching is done on a consistent and ongoing basis throughout the active stage of the programme. Coaching sessions are scheduled at regular intervals, typically twice a month. This schedule allows 6 -8 hours of coaching spread out over 3 - 4 months.

During the supportive stage coaching sessions are provided as needed. The duration of the supportive stage is 1 – 2 months.

The principle of integrity is provided by two levels of evaluation: individual level and organizational level, and four-way communication: a coach, programme participants, organisation, and customers.

The system of evaluation for the process and key outcomes is shown in table 1.

Coaching objectives are defined at the beginning of the programme to establish what top management expects to gain from the programme, what participants expect to gain from the coaching, and how it will be known at the end if these expectations are realized.

The progress against programme objectives is reviewed across the whole programme. On-going evaluation includes after session feedback, measuring participants' satisfaction. On-going evaluation methods more or less are subjective; they identify changes in attitude to the established objectives as well as changes in the soft-skill areas such as communication. The data about participants' outcomes are collected to monitor the progress.

At the end of the program, the combination of subjective and objective methods of evaluation is used. End-of-program questionnaire and interviews are organized for qualitative feedback to reveal what participants achieved during the programme, what they found beneficial. Feedback from senior management enables to identify the impact the coaching programme on the organisation performance. Comparing the results

of the programme participants with a ‘control’ group of non-coached employees is expected as an effective approach which is highly recommended in the literature. Comparing before-coaching with after-coaching results of the participants is seen as more reliable than considering post-coaching data alone.

Table 1

**Evaluation of the process and key outcomes**

START	Defining coaching objectives, expectations and success criteria.
ON GOING	1. Evaluation against coaching objectives: after session feedback; 2. Collecting reaction-level data (participants’ satisfaction).
END	1. End-of-programme questionnaire and interviews; 2. Feedback from senior management; 3. Coached group vs. control group comparison; 4. Comparison of before-coaching with after-coaching results
3-4 MONTHS AFTER	Feedback: What coached groups are doing differently?

(source: compiled by authors)

After programme evaluation is considered as the crucial element in program evaluation scheme. After programme feedback aims to identify what programme participants do differently, how changes in participants’ performance impact the performance of the organisation, what amendments should be done to improve the quality of the programme delivery.

The principle of consistency is provided by the system of expected outcomes. Gaining the results at individual and team levels leads to the gaining the results at organisational level (Table 2).

Table 2

**The system of expected outcomes**

Level	Expected outcomes
Individual level	Change in soft skills, attitude, motivation and self-awareness
Team level	Change in team leadership; Improved team performance
Organisational level	Improved organisation climate; Increased level of goal achievement; Flexible respond to changes in the business environment; Improved performance and productivity; Improved engagement.

(source: compiled by authors)

It is expected that coaching contributes to the individual’s personal growth and development. The participants get

new opportunities for development of their self-awareness that is extremely important in the period of positive change. As a result of coaching sessions, the participants have become more open and more tolerant, this helps organize the relationship within organisation based on the trust and respect. The change in relationships very positively reflects on teamwork and motivation to support change. In respect to outcomes at organisational level, coaching is expected to provide greater goal clarity, contribute to improvement of organisation climate, engagement, performance and productivity.

**5. CONCLUSIONS**

The paper discusses the development of the coaching support programme aimed at building and developing leadership and innovation capabilities.

The paper proposes suggestions to the programme design so that the coaching programme provides optimal development impact.

Firstly, the programme needs to be compatible with the defined life cycle stage to meet the current situation and organisation’s development goals.

Then, the programme effectiveness criteria should be established. Complex approach provides a holistic programme structure. The system of evaluation of the on-going process, intermediate results and outcomes secures a stable delivery of the programme.

And last but not least, the programme should be based on the principle of consistency between obtained results at individual and team levels and outcomes at organisational level.

**6. ACKNOWLEDGEMENTS**

The paper has been elaborated within the project 5.2.2 “The Development of Innovation and Entrepreneurship in Latvia in Compliance with the Smart Specialization Strategy” of the National Research Programme 5.2 “Economic Transformation, Smart Growth, Governance and Legal Framework for the State and Society for Sustainable Development – A New Approach to the Creation of a Sustainable Learning Community (EKOSOC-LV)”

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