SUSTAINABLE DEVELOPMENT AND BEHAVIOURAL PATTERNS:
TO INNOVATIONS THROUGH COACHING

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Abstract. The paper aims to study how coaching can accelerate the innovation processes in organization considering the peculiar issues of the use of coaching in Latvia and Lithuania. For this purpose, literature review and a qualitative dominated mixed method approach to obtain and analyze the data are implemented. A literature review was undertaken to find out the current trends in the theory and practice of coaching in the context of innovation and organizational change. The findings of the literature review are compared with the results of two surveys. The aim of the first survey is to explore the experts’ opinion about the manifestation of coaching in organization. The aim of the second survey is to find out the conditions to promote coaching in organisational context. The results of literature review and surveys demonstrate that coaching can accelerate the leadership development, strategic thinking and collaboration within and across teams. These processes are crucial for organization’s innovation capabilities.

Keywords: innovation, coaching, facilitating practice, organizational change, leadership development, strategic thinking, teams collaboration

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1. Introduction

Innovation and entrepreneurship are becoming key concepts for economic sustainable development in today’s complex and dynamic business world. Economic, social and environmental sustainable development is significantly important for organization performance (Bilevičienė, Bilevičiūtė 2015; Rezk et al. 2015). Organizations need to respond to changing business environment, technological capabilities and customer demand (Baregheh et al. 2009). In other words, organizations need to be innovative to increase competitiveness and achieve sustainable business performance (Kumar et al. 2012, Tvaronavičienė 2014, Laužikas et al. 2015).

Scholars connect innovation with the implementation of newness in relation to processes, products, people etc. (Kimberly 1981; Baer and Frese 2003; Rezk et al. 2015). Schumpeter (1934) distinguished the following types of innovation: launching new products on the market; using technological novelties for production or sales; opening new markets or new sources of materials supply; reorganizing the forms of organization. Damanpour (1996) defines innovation “as a means of changing an organization, either as a response to changes in the external environment or as a pre-emptive action to influence the environment”. Baregheh et al. (2009) provides an attempt to propose an integrative definition of organizational innovation, arguing that “there is no clear and
authoritative definition of innovation”. They analyzed 60 definitions under the following categories: nature of innovation, type of innovation, aim of innovation, social context, means of innovation, stages of innovation and summary of attributes frequency. A unifying definition states “innovation is the multi-stage process whereby organizations transform ideas into new/improved products, service or processes, in order to advance, compete and differentiate themselves successfully in their marketplace” (Baregheh et al. 2009).

The role of innovation and entrepreneurship for economic growth has been debated by the economists since the beginning of the twentieth century or even before. The comprehension of the term “innovation” has changed in recent years. Traditional integration model of innovation in which internally developed products are distributed through internal organizational channels is gradually substituted for open innovation model in which both internal and external ideas are used to create value (Chesbrough 2006). In open innovation model, internal innovation is fostered by internal and external flows of knowledge. External ideas and external ways to market are placed at the same level of importance as that assumed for internal ideas and internal distributed channels (Chesbrough 2006).

Open innovation is closely related to the concept of continuing innovation (Hoffmann, Prause 2015). A key concern for most organizations how to enhance their innovative ability and organize continuous innovation to renew organization and produce novelty products and services. Steiber and Alange (2013) studied organizational characteristics for continuous innovation in rapidly changing industries. They believe that similar organizational characteristics would be proper to for continuous innovation in more slow-moving industries. The key organizational characteristics compose: key drivers for innovation (culture focused on innovation and competent individuals committed to innovation); facilitators (empowering and coaching leaders removing obstacles for innovation); factors to facilitate innovative behaviour (semi-structured, non-bureaucratic organization, recognition system for innovative behaviour, continuous organizational learning) and foundation (innovation-oriented and change-prone top-management and board, internal innovative processes supplemented by external interaction, open innovation). Baer and Frese (2003) investigated the impact of environmental factors on the process of innovations, they argue that the climate for innovations entails active attitude to work and fosters interpersonal collaboration. Innovative environment in organization depends on several factors, including promotion of leadership behaviours such as results orientation, communicating the vision, collaborating with stakeholders.

Facilitating practices play a significant role in establishing a favorable creative environment and encouraging innovation in organizations. There are a variety of practices, including coaching, that facilitate people providing them support and accelerating the process of setting and achieving work-related goals (Grant 2013). Coaching as facilitating practice has a high potential to accelerate innovative processes in organizations. However, the theoretical and evidence literature on coaching for innovation is limited.

Therefore, realizing the importance of innovation for sustainable development of organization and understanding the necessity to create certain conditions to promote innovation, the paper aims to study how coaching can accelerate the innovation processes in organization considering the peculiar issues of the use of coaching in Latvia and Lithuania. For this purpose, literature review and a qualitative dominated mixed method approach to obtain and analyze the data are implemented.

2. Coaching in organizational context

A literature review was undertaken to gather together the facts, discussion, frameworks and models relevant to the exploration of the essence of coaching in the context of innovation. The analysis of sources, identified in the literature review, shows that coaching is referred to as the activity that facilitates individuals and teams discovering opportunities and creating ‘a culture of development’ (Popper and Lipshitz 1992) to enhance performance and efficiency (Orth, Wilkinson, and Benfari 1987; Burdett 1998). Zeus and Skiffington (2000) explain how coaching affects change. They argue that coaching generates individual’s sustainable behavioural change in working and personal life. The positive personal change may result in enhancing the entire organisation (Peltier 2001). Vidal-Salazar et al. (2012) also offer empirical evidence of the positive effect of coaching on organi-
sational change. The results of Baron and Morin (2010) study suggest that coaching can have a real practical impact on the development of strong self-efficacy that enables to perform tasks more effectively.

In literature, coaching is considered as a management development activity that promotes organisational change and leads to sustainability (Bozer et al. 2013). Coaching enables both people to recognize opportunities to enhance their performance and skills (Orth et al., 1987) and business to find new peculiar solutions and insights to achieve sustained change (Peltier 2001; Stober 2008; Cox et al. 2011).

Coaching is also recognized as an interactive form of organisational learning and leadership development (Page and de Haan 2014) that enhances individual’s behavioral change through self-awareness and learning, and thereby contributes to individual and organizational success (Bozer et al. 2013). Coaching facilitates learning and development (Mink et al. 1993) focusing on experiential learning (Hudson 1999) and self-directed learning (Grant 2001, 2006; Grant and Cavanagh 2004). Coaching helps increase performance (Grant 2006; Grant and Cavanagh 2004; Kilburg 2000; McCarthy 2014) as well as promote self-awareness (Passmore and Fillery-Travis 2011; Bozer et al. 2013; McCarthy 2014) and personal growth (Grant 2006; Grant and Cavanagh 2004; Stobe 2008). An external feedback and reflection provided by coaches, lead to an increase in individual’s self-awareness, improve capacity of thinking and ultimately enhance leadership skills (McCarthy 2014). By McCarthy (2014), coaching helps individuals become more aware of their own strengths and the strengths of other people. Coaching also facilitates a deeper understanding of what is blocking people when they need to make some change. During coaching process coach observes behaviour and provides feedback. Questioning as a core component of the coaching process (Cox 2013), aims to help managers to view the innovative opportunities from different perspective. Particular emphasis is placed on the use of coaching for teams. Connor and Pokora (2007) state that coaching boosts teamworking of existing groups, it also facilitates the development of newly-formed teams and cross boundary teams and improves the communicating skills of team leaders.

Based on commonly used characteristics, coaching is defined as a regular (Grant 2006), synergic (Zeus and Skiffington 2000; Grant 2006; McCarthy 2014), learning and development (Cox et al. 2011, Cox 2013), goal-oriented (Grant 2001, 2006; Grant and Cavanagh 2004) process.

The literature on implementation of coaching for innovation is rather scarce. A limited number of sources have been found as a result of literature search. The study conducted by Kelley et al. (2005) claims that coaching facilitates moving beyond innovative technologies from finding ideas and developing them to linking innovations to the company’s strategy and the markets for what they have done. Coaching promotes the development of entrepreneurial skills through facilitating implementation of the own strategic vision (Audet and Couteret, 2012).

For successful innovation process, the ideas and technology should be commercialized, in other words, the ideas should be turned into business. Coaching, concerning to innovation, aims to accelerate the process of converting a good idea into a profitable product or service. McCarthy (2014) suggests that the main use of coaching for innovation is to “foster a climate of innovation” in organization by facilitating the development of the innovation capability. Coaching designs atmosphere that empowers employees and organisation to produce results (Evered and Selman 1989; Hargrove 1995).

The research conducted by Gilley et al. (2009) concluded that coaching together with communication, motivation and involving others, significantly influence on a leaders’ ability to move forward innovation and change. They argue that coaching creates environment that enhances “collective partnership between leaders and their employees” and improves innovation activities. McCarthy (2014) considers that in the context of innovation, coaching can be used for encouraging innovation, generating and selecting options and implementing innovation. Encouraging innovation implies the empowerment of employees to apply their creative ability to generate ideas and convert them into innovations. The environment that supports idea generation and creativity is essentially crucial. Summarizing the results of the study, Prajogo and Ahmed (2006) concluded that high innovation performance can be achieved through the development of behavioural and cultural context and practices for innovation that motivates and encourages individuals to innovate.
3. Methodology

For the needs of the present research, it was decided to adopt a qualitative dominated mixed method approach. A literature review was undertaken to find out the current trends in the theory and practice of coaching in the context of innovation and organizational change. The findings of the literature review are compared with the results of two surveys.

The aim of the first survey is to explore the experts’ opinion about the manifestation of coaching in organization. For the purposes of the survey, it was decided to focus on key informants, i.e. experienced practitioners in coaching, to generate the primary data for qualitative analysis. A list of potential participants was compiled through direct contacts in the coaching community.

An online questionnaire comprises 24 Likert scale type, ranking and open-ended questions. The questions are distributed in seven parts. (1) Professional Background and Experience to collect data about experts’ background. (2) Clients’ Profile to determine the characteristics of the organisations that use coaching. (3) Professional Practice to collect data about the purpose of coaching engagement and the effect that coaching has had on the business skills and processes. (4) Coaching Process to determine the distinctive features of coaching and key elements of coaching process. (5) Measuring Coaching Results to find out the experts’ opinion about the importance of measuring the results in coaching. (6) Benefits and Challenges of Coaching to summarize experts’ perception about benefits of coaching for individuals and organizations as well as challenges and threats.

The aim of the second survey is to find out the importance of conditions to promote coaching in organisational context. The questionnaire consists of two sections. The aim of the first section is to gather the information to create the profiles of respondents of two target groups: coaching specialists and coaching clients. Section 2 of the questionnaire contains closed-ended importance questions. Coaches and clients are asked to rate the importance of the conditions that are likely to facilitate the promotion of coaching in organisations, on a rating scale of 1 to 5. These questions enable to better understand what hold significance to the respondents; they also enable to make comparison and find disagreement in the perception of the importance of conditions.

A conceptual scheme is designed to help explore and describe the conditions and different levels, with the aim of extracting the favorable conditions for coaching development in the context of organisation. A list of conditions includes external indirect conditions, external direct conditions, internal conditions at the level of organisation, internal conditions at the level of groups and internal conditions at individual (client’s) level.

Both questionnaires are pilot tested and validated. Triangulation of research results through cross verification from two sources.

4. Results and discussion

The first survey on manifestation of coaching in organization was conducted from August to December of 2013. Based on the established criteria for selection and with regard to qualification, experience and position, 15 coaches from Latvia, Lithuania, Poland and Germany have participated in the survey. The experts from Poland and Germany were invited with an aim to trace the tendency of development of the subject matter in the countries that might have an influence on the Baltic countries.

Vast majority of coaches (87%) defined their professional background as an executive coach. Eleven out of fifteen coaches marked more the one profession she/he is engaged in. The position of an executive coach was combined with the role of a consultant in 7 cases, with the role of an HR and training professional in 5 cases, and with the post of a manager and organisation leader in 4 and 3 cases respectively. 80% of coaches graduated from an accredited coach-training program. Almost all respondents have graduated from accredited coach training programmes. The average experience in coaching is 3-5 years.
The coaches were asked to define the industry sectors that used their coaching services and the size of the companies. The analysis of responses shows that the respondents work in different industries and with the companies of different size. The coaches are engaged in Retail and Wholesale (22%), Banking and Finance Services (17%), Information Technology (17%), Manufacturing and Production (15%), Education (11%), Health Care (7%). The coaches identified the company size from 51 to 250 employees in 12 cases, under 50 employees in 10 cases, from 251 to 500 employees in 6 cases, 1,000 or more employees in 5 cases and from 500 to 1,000 employees in 4 cases.

The paper covers the results that meet the aim of the present research, that is: to study how coaching can accelerate innovation in organization. The results of the first survey indicated that by experts’ opinion, coaching is mostly used for performance development and improvement and leadership development (Fig. 1). This result coincides with the findings of the literature review.

Bozer et al. 2013 claims that coaching is a ‘promising learning and development discipline’ with the aim to facilitate behavior development in the goal attainment. Both the consideration of performance development and improvement, and the consideration of leadership development have important implications on innovation.

The assessment of the level of effectiveness of coaching on business skills and processes confirms the results of the first question. Analysing the results, it has been discovered that by coaches’ opinion, coaching is used more effectively for learning and development, leadership development and strategic thinking. (See Fig. 2).
The development of strategic thinking skills is essential for a success in innovation. McCarthy (2014) states that facilitating the process of critical thinking is a core aim of coaching. Coaching techniques, such as listening, questioning and reflection encourage people to think about options they may reject rashly. By reframing individual’s thinking, coaching contributes to the shift of organization’s thinking. McCarthy (2014) explains the usefulness of coaching for strategic thinking. First of all, coaching helps individuals conceptualize their ideas and consider their complex issues from ‘a helicopter view’. At the same time, coaching contributes to the development of strategic thinking skills. By answering coach’s questions, individuals learn to ask themselves thought-provoking questions that facilitate increasing self-awareness and help identify new opportunities. The development of strategic thinking skills is essential for a success in innovation.

By experts’ opinion, coaching mostly impacts on relationships and teamwork between employees at different levels (Fig. 3). This result is in the agreement with literature finding. Clutterbuck (2009) sees the role of the team coaching as a catalyst to stimulate open dialogue in the team. Focusing on teams and collaboration is considered important to a new approach to innovation.

The second survey on identifying the conditions to promote coaching in organizations consists of two steps: during the first step, from December 2014 to May 2015, the focus is made on the survey of coaches. The sample size of the respondents is explained in the following. In a traditional sense, recognition coaching as a profession is in a long-term perspective (Lane et.al, 2011). In the current state, coaching is mostly considered as a cross-disciplinary occupation (Gray, 2010) self-regulated by professional bodies, among which are the following: International Coach Federation, European Mentoring and Coaching Council, Association for Coaching. However, coaching is not the subject of governmental accreditation and professional license. A variety of credentialing coach training programs are provided by professional organizations, but at the same time a person can practice as a coach without any training and professional recognition. As a consequence, it is nearly impossible to determine the total number of coaches in Latvia and Lithuania to calculate the right sample size. For the purpose of the present survey, it was decided to use the open databases provided by coaching and training organizations of Latvia and Lithuania. The complete list of respondents included 60 coaches from Latvia and 77 coaches from Lithuania. All coach practitioners were invited to participate in the survey by personal invitation letters. Totally 52 coaching specialists (23 coaches from Latvia and 29 coaches from Lithuania) agreed to participate and took part in the survey. The response rate is 38 per cent of the total number of coach practitioners (n = 52). Almost 70% of coaches who did respond to the survey reported that they have graduated from the International Coach Federation approved or accredited coach training programs, and a little more than 70 % of respondents positioned themselves as executive coaches. 40 % of coaches have practiced in coaching for 3 – 5 years and 29 % of coaches have been in business for 6 – 9 years.

![Fig.3. The level of impact of coaching in organization (mean value)](image)

*Source: authors*
During the second step, which began in May 2015 and is currently continuing, the main focus is made on the organisations that use coaching or are aware of coaching and have their own opinion about this subject matter. The owners, top and middle-level managers as well as specialists are invited to participate in the survey. Totally 20 respondents from Latvia and Lithuania have participated so far. The present paper discusses the results of the first phase of the survey.

Since the survey of clients is in the process now, the paper presents the preliminary results of the importance level of internal conditions at the organizational level to develop coaching practice. However, even these results are able to demonstrate the agreement and disagreement between the different points of view. Coaches and clients of Latvia and Lithuania totally agree with the level of importance such conditions as the demand to acquire new skills, the necessity to retain the right people as well as the motivation to learn. At the same time, there is a disagreement in the evaluation of the level of importance of the relationship of trust and openness among the members of organization. The study of this disagreement is the subject matter of the further research because this is important for understanding the essence of coaching, in particular the role of coaching in accelerating innovation.
5. Conclusions

Organizations need innovation to be competitive and sustainable on their marketplace. Having defined innovation as the multi-stage process of transition the idea into new or enhanced product, service or process, scholars emphasize the importance of the commercialization in order to achieve competitive advantage and successful differentiation. A new approach to innovation assumes the combination of the continuous character of innovation with open innovation model. The essence of the Open Innovation model is the allocation of the external flows of knowledge and distribution channels at the same level of importance as internal ones. The achievement of continuous innovation demands the presence of certain conditions in the organization. The environment that encourages innovation and committed people who generate and realize the ideas are considered as the ‘key drivers’ of continuous innovation. Facilitators and facilitating factors have a crucial role to play in implementing innovative projects.

Coaching as facilitating practice has a high potential to accelerate innovative processes in organizations. In practice, coaching is used to facilitate individuals and teams discovering opportunities and establishing a culture of development and growth. Coaching also promotes individual’s sustainable behavioral change through increase of self-awareness and development of strong self-efficiency.

The results of literature review and surveys demonstrate that coaching can accelerate the leadership development, strategic thinking and collaboration within and across teams. These processes are crucial for organization’s innovation capabilities.

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