Coaching Research Project in Croatia: “The Role of Coaching in the Development of High Performance Individuals and Successful Business/Organization”

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Coaching Research Project in Croatia: “The Role of Coaching in the Development of High Performance Individuals and Successful Business/Organization”

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The article brings an abridged version of the first coaching research project conducted in Croatia in 2008. The purpose of the research was to explore and gather more reliable information on the current ‘state of affairs’ on coaching in Croatia and countries across the region. Namely, the early stage of use of coaching and modest educational and information source base in Croatian language have resulted in various interpretations, approaches and often, confusion and misconception on what coaching really is. This makes it harder for human resources professionals and decision makers when to decide what kind of coaching would fit best their needs and how to organize and manage coaching services. The research was initiated with the intention to assist organizations in gaining greater awareness and better understanding on coaching through some reliable, experience-based learning source. The authors’ goal was to identify and share existing (best) practices, and to enable for the results and findings to serve as an input and guidance in further development of high value coaching. The authors of this article report on the questions explored in the research, research approach and methodology as well as on the conclusions and indication on the future steps for development of coaching in Croatia and the region.

THE ROLE OF COACHING – WHY IT MATTERS

The constant changes in today's global and local marketplaces, intense competition, and challenges posed by new technologies and innovations, all ask for continuous organizational and leadership changes and adjustments. Managers are faced with higher performance expectations and productivity demands. At the same time, they have fewer resources and less time to make decisions and plan. This forces them to make effective use of their time and resources, especially when it comes to efficiency in the engagement of human capital.

However, managers and leaders are not the only ones confronted with complex issues and problems in work and in life. There are constantly changing working environments and demands at work and home, a number of existential issues they have to cope with, but equally so, a need for development and self-actualization confront people with the need to think and feel more about themselves and their life and work, then ever before. In order to be able to adapt to changing environments and to influence the direction and quality of their lives, both organizations and their employees have been in the process of examining and reviewing their values, goals, perspectives and actions. This places greater emphasis on learning and the acquisition of new competences (primarily knowledge and skills).
Consequently, the increasing complexity and diversity of working environments require a more adaptive, flexible and personal management approach. It is recognized that autocracy—characteristic of traditional management and manifested through top-down management, micro-management and 'command and control' style—no longer works in most modern work places. There is increasing awareness regarding the importance of professional and personal development of managers and employees. Much greater emphasis is placed on the alignment of personal motivations, values and goals with those of the organization. Employees are becoming more aware of both their responsibilities and their needs. They expect to be treated with respect and included in decisions that affect them.

Coaching has been globally recognized as a very effective tool and learning activity in transition from traditional to more facilitative and collaborating leadership and management style. Managers are no longer required to be experts in all areas of work they are responsible for managing. The leadership and management are increasingly facilitated through a coaching-focused approach. The emphasis shifts from weaknesses to strengths and from control and direction to empowerment, strengthening of communication, feedback and learning. Leadership and management development programmes have become more person-centred and tailored to the individual.

Viewed from the international context, we can say that coaching has today become a critical business development tool for many organizations. It provides an opportunity for managers to develop skills based on their personal needs rather than the collective needs of their colleagues. In some cases coaching is used to modify skills and attitude where an individual needs additional support, but increasingly it is viewed as an effective tool for the development of high performing individuals in organizations.

The situation in Croatia and the region is not too different from that found in other parts of the world. In many ways, the challenges are even greater when we take into consideration the intense political, economic and social transition and transformation pressures that this geographical area has been under for the past fifteen years. A need exists to build and strengthen the capacity in all these areas, while following, at the same time, the development trends of the world. This presents additional burdens and challenges for countries' leaders, as well as for people and leadership at all levels and in all areas of life.

**CROATIAN CONTEXT – WHAT CAN THE RESEARCH DO?**

Although the reality in many Croatian companies and organizations does not yet correspond fully to the abovementioned trends and processes, especially when it comes to the management and leadership styles, development and change demands a push for faster learning and adoption of new approaches in many organizations.
The number of companies that have already adopted modern leadership and management philosophy rises. Their leadership has recognized that the way they treat their employees, peers, and customers has a strong positive correlation to bottom-line results.

In the light of all these developments, and considering the very early stage of use of coaching in Croatia and the region, questions that naturally appear are: What does it all mean concretely in Croatian context? How are these trends reflected in Croatian and regional companies and organizations? How is coaching perceived, understood and used in Croatia? Does it have any role in personal, professional and organizational development in Croatian organizations? If so, what kind of role? What is the level of awareness among the Croatian leaders and top managers regarding the potential and benefits of this learning and development tool when it comes to building healthy working environments and successful organizations?

These are only some of the questions that were the starting point for this research project. Since coaching is pretty much in its introductory phase in Croatia, there has not been much information on any of the abovementioned issues. Very modest presentation of coaching in Croatian language is provided, mainly in broad terms, by the small number of qualified coaching practitioners and providers of coaching services. For these reasons, human resources professionals in organizations and decision makers don’t have an easy job deciding what kind of coaching would fit best their needs and purposes, how to organize and/or manage coaching services and how to make the best use of coaching.

Therefore, the specific purpose of this research project was to explore and assess:

- the extent to which coaching is currently being used in business organizations in Croatia and the region;
- different approaches to coaching currently in use by organizations;
- barriers to coaching;
- the impact of coaching on individuals' performance and that of the organization;
- how companies/organizations measure the benefits and impact of coaching at the individual and organizational levels;
- the extent to which the coaching culture is fostered and developed in organizations.

It is important to mention that its purpose was not to provide a comprehensive market analysis or to elaborate on all aspects of coaching such as its historical background, its types, models, methods and supporting tools.
The ultimate goal of the research project was to identify the “best practices”, to share those best practices and to build a centre of excellence in coaching which will support the development of the world-class coaching in organizations across the region. The idea was to assist organizations in gaining greater awareness and better understanding of coaching as a specific means of communication and as an effective development tool.

Our hope is that the results and findings from this research will serve as an input and guide in further building and developing high value coaching, and contribute to developing top quality managers and leaders in Croatian organizations and across the region.

**RESEARCH APPROACH, PROFILE OF RESPONDENTS, INTERPRETATION OF RESULTS**

**Research approach**
The research was carried out by the authors of this article, who are independent human resources and coaching professionals, associated with the Cotrugli Business School in Croatia. In order to give the research the institutional framework and academic relevance, it was carried out as a joint cooperation project under the umbrella of the School’s newly established Research Department. After several months of preparatory work, the research started in June 2008 and was conducted through several stages over a five month period using a multi-method approach. It can be characterized as qualitative research due to its exploratory nature, with the aim to facilitate more in-depth understanding of the theme and allow the context to create and modify its conclusions.

The key data were collected through two steps, a survey questionnaire and follow-up interviews. The survey questionnaire included fifteen questions, covering several key areas of coaching, such as:

1. Perception and understanding of coaching;
2. The reasoning behind and situations in which coaching is most commonly used in organizations;
3. Level of integration with organization’s HR development programmes;
4. Modalities and dynamic regarding the use of coaching;
5. Target groups and providers (criteria, selection, training);
6. Barriers and challenges;

Questions were both open-ended and forced choice, thus yielding both qualitative and quantitative findings. Additional refinement of questionnaire findings was done through telephone conversations with members of the organizations that were not selected for
the follow-up stage. The follow-up stage was designed as a series of semi-structured, face-to-face interviews. The interviews were conducted in fifteen organizations, with around twenty high level human resources specialist. The stage of using coaching in the interviewed organizations varied from those with early and basic use of coaching to organizations with well-established coaching practices. The research was additionally complemented with the analysis of some expert literature that is part of the reference section of this article.

Profile of respondents
Respondents were initially recruited from the Cotrugli Business School (CBS) client and company database. Invitations were further extended to public and state organizations, to include organizations that volunteered and expressed interest in taking part in the research at a later stage. Invitations were sent to CBS contacts in Croatia, Slovenia, Serbia, Macedonia and Bulgaria. The intention was to give the research a regional character and provide a learning opportunity to companies in other countries in the region through the exchange and sharing of experiences and information on coaching. All organizations were guaranteed the confidentiality of the shared information and their use only for research purposes.

The decision on who would be responsible for the responses on behalf of the organizations was at the discretion of each organization’s management. In most cases, they were HR managers or senior management in charge of HR development issues. In small companies it was usually the CEO. The critical point was that we were asking for consolidated information that represented the views and practices of the organization in general.

Sample
Out of 300 invitations that were sent out, 59 companies and organizations expressed their interest to participate in the research. The number of participating organizations at the end was 45, since in one case two companies were represented by one major group and one questionnaire was used for the entire group. In total, 44 questionnaires were returned, which yields a response rate of 15%. Six companies expressed interest in the research summary.

Although the interest from other countries in the region was rather strong at the very outset, actual participation of the region was quite modest at the end. The majority of organizations participating in the research were Croatian (forty). Slovenia was represented by one company, while Macedonia and Serbia were each represented by two companies. We provide a further breakdown by sectors further breakdown by sectors (Figure 1) and organizational size (Figure 2) as shown on pages 146 and 147.
A majority of respondents came from the private sector (70%), while the other three sectors were equally represented by 7 to 11% of respondents. Although in a minority, a few organizations falling under this smaller percentage category are among the largest organizations by size and have quite well-established coaching practice. These mainly are organizations in the public-private sector, i.e., organizations where the state still has some stake in the ownership of the company, either through its agencies, institutes and local government units, or through some international financial institutions (with countries as shareholders). When it comes to the representation from different industrial sectors, the highest proportion of respondents came from the service-oriented industries and those that are oriented to science, innovation and learning (around 50% of participating organizations).

Smaller and medium-sized organizations (for Croatian circumstances) make over two thirds of the total number of respondents (Figure 2). Such a ratio seems to be quite realistic when we consider that coaching is at a very early stage. Small and Medium-Sized Enterprises (SMEs) are often environments where changes and new trends get tested faster than in larger corporations. On the other hand, tradition, preconditions and capacity for introduction of new practices, especially in HR field, are on the side of larger organizations, which are reflected through the remaining 25% of participating organizations.

Figure 1. Number of respondents by sector

- **Private**: 35
- **Public**: 10
- **Public-private**: 7
- **State**: 5

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In accordance with the main purpose of this research project, the questionnaire was structured in a way that allowed all organizations to participate, regardless of whether or not they had been using coaching. Since the term ‘coaching’ often means different things in different organizational contexts, the answers given by the participating organizations were based on organization-specific understanding of coaching – from the perspective and practice in a particular organization. For instance, some ‘helping and supporting behaviours’ that have coaching elements, when demonstrated spontaneously by HR specialists or psychologists, are often viewed as coaching. In other cases, organizations arrange for training and seminars that are conducted in a coaching manner, and those are also considered to be coaching.

There are cases where managers use their natural communication and coaching skills to provide the support and guidance for their employees, but they are unaware that such an approach is coaching. Such a view is then reflected in the questionnaire as non-existence of coaching. Besides, coaching in some organizations is often perceived as something that needs to be organized in a systematic way, while any other form of its use is understood to be an element of leadership and management development programmes, and qualified through the questionnaire as the non-existence of coaching.

For all these reasons, from the data analysis point of view, the real challenge was to identify these distinctions throughout the questionnaires and to classify information according to common

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**Figure 2. Profile of respondents by number of employees**

Interpretation of results

In accordance with the main purpose of this research project, the questionnaire was structured in a way that allowed all organizations to participate, regardless of whether or not they had been using coaching.
and unified criteria. In order to overcome these limitations to the largest possible extent, a series of in-depth conversations and follow-up interviews were conducted during the second stage of the project. That, however, was not feasible in all cases and for all questions.

Additionally, a certain number of participating organizations did not have any experience with coaching, so the answers could not have been obtained from all respondents for all questions. In such cases, answers and opinions that were provided were taken in the analysis as a general perception and understanding of coaching. That means that the final quantitative and qualitative results should be taken as rough estimates and not as absolute values. Still, the comprehensive data analysis that was conducted in various stages of the research process should give a much clearer idea of coaching. It presents a good starting basis for further research and learning.

**RESEARCH RESULTS AND FINDINGS**

**Perception and understanding**

One of the most challenging tasks of the survey process was to find a way to encompass various aspects of coaching, its definitions and applications and translate them into the form that organizations will find simple to understand and refer to when it comes to their experiences and knowledge on coaching.

A variety of definitions and approaches to coaching has been a cause of continuous debate even among coaching professionals. Different authors and coaches define coaching in different ways putting emphasis on one aspect they believe to be most important in the coaching relationship. Although the ambition of the research was not to provide the analysis of all coaching approaches and definitions, in the research report we provide some information about general characteristics and concepts of coaching to enable easier understanding of the research findings. We provided some of the most common descriptions of coaching and its characteristics as viewed by some of the most prominent experts in this field such as Gallwey, Whitmore, Downey, Wilson, Flaherty and Grant.

The short view on approaches to coaching was to show that various coaching needs, concepts and approaches generate a range of specific types of coaching, where it is sometimes hard to find out and see the actual distinction between certain types of coaching.

In order to enable people to get a clearer idea regarding ways in which coaching is perceived and understood in Croatian context, and to be able to link the basic understanding with the actual practice and experiences, the questionnaire tried to cover as many aspects as possible. This part included views from all participating organizations regardless of their actual experience with coaching.

As Figure 3 shows, respondents were offered a number of descriptions reflecting a range of helping behaviours or professions.
They were asked to choose three options, in order of priority, depending on what they considered to be the most encompassing description of coaching. The order in which respondents made their choices reflects most of the premises mentioned earlier in the article. The majority of respondents (57%) chose the broader description of coaching - as a process where the coach guides and facilitates the person's progress towards defined goals. Emphasis is placed on self-directed and self-reflective learning in order to achieve some sustainable change. Some 36% of respondents saw coaching as a set of skills used by managers in order to enhance employee's performance (“coaching in the workplace”). The second choice put more emphasis on the solution- and goal-oriented character of coaching, where the focus was more on the individual’s performance in relation to an organization. Of course, neither of these two approaches excludes the other, since it is more about the form and context within which coaching is facilitated and who receives coaching services. The third choice was marked by 32% of respondents. It described helping activities which are generally defined as counselling. Such a division of choices illustrates how coaching is often mixed with counselling and mentoring. Right after the 'counselling' choice, 20% of respondents identified the form of support generally understood and defined as mentoring.

**What is Coaching?**

- A form of counselling intervention which helps people deal with some emotional distress or explore personal issues and problems
- A process through which people are assisted in uncovering their own knowledge about themselves, in getting greater clarity on what they would like to change, and through which they are supported in achieving the goals they set for themselves
- Set of skills used by manager to develop employees’ skills and abilities to achieve the best performance results
- Expert advice and solutions for specific business problems and organizational issues provided by an external consultancy
- A form of support where a more senior person uses their experience and expertise in a particular field to support someone less experienced
- A form of training used to teach specific skills and knowledge to a team
- A form of training used to teach specific skills and knowledge to an individual

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**Figure 3. Selection per description**
The research showed that mentoring and coaching are interchangeable, although complementary, approaches. The reason lies in the advisory nature of mentoring, where the focus is on the transfer of knowledge, wisdom and technical expertise to younger (i.e., less experienced) colleagues. Coaching (‘workplace’ in most cases), on the other hand tends to be directed towards the development of specific skills and competencies and is provided to new employees or for specific functions and positions. This is often the case regarding specific types of sales (e.g., special professional medical products or equipment), or certain consulting services (e.g., tax consulting and auditing). The support provided by more experienced managers to newly appointed employees or sales people for specific products, in many cases has all characteristics of mentoring (with elements of on-the-job training), but organizations see and refer to it as coaching. Although the deeper analysis of these three helping behaviours was not the subject of this research project, in the project report we provided some key distinctions between and common characteristics of all three categories, which together with our findings might lead to a better understanding of why these three forms of support are so frequently confused.

There is not much confusion among respondents about the difference between coaching and consultancy. Although coaches are often seen in the role of ‘advice-giver’ — especially if coaching is delivered in more directive style — our respondents generally perceived and understood that, in its essence, it is a non-directive, facilitative instrument. Figure 4 provides an overview of the familiarity and/or experience of respondents with different types of coaching depending on domain in which coaching is applied. Participating organizations selected the two most common types of coaching according to their understanding and experience.

![Figure 4. Selection per type of coaching](image-url)
In order to help the respondents understand the difference among these types, a short description of each type was stated in brackets, next to the type name. The results show that major applications of coaching in organizations are in the domain of performance improvement and personal and development-related issues at work. Ten organizations (about 25%) have not used or experienced any type of coaching.

We can conclude that the perception and understanding of coaching in Croatia, reflected through this research sample, does not differ significantly from the generally accepted perceptions and understanding of coaching and its applications. This creates a reliable base for further analysis, and indicates that information from other parts of the survey is empirically valid.

The use of coaching

The impression from the survey is that coaching has been equally spread and commonly used to fulfil several major organizational needs. There are three general groups of needs where coaching is currently seen as an effective tool.

1. To deal with gaps or shortfalls in personal skills and knowledge and to help management overcome certain business or personal issues (26% - consolidated). Since the benefits and impact of general training and courses cannot always be well measured, this approach has been somewhat moderated. There are more on-the-job trainings and 'in-house' programmes that are tailored to specific individuals or organizational needs. This is mainly used in cases when people have to develop, improve or maintain a certain level of their technical and/or professional skills, or acquire a specific knowledge base (e.g., sales, pharmaceutical and medical industry, tourist industry, or audit and tax consulting). However, when provided by managers and trainers (internal resources), coaching is often either combined or fully identified with mentoring. The line than becomes thin among relationships where:

- Focus is on a long-term transfer of knowledge and support, and person's professional development and personal growth;
- Coaching happens continuously but is mainly directed towards person's enhancement of technical skills;
- The support is provided to an individual in finding their balance between individual and organizational needs, achieving their goals and dealing with personal issues and challenges in that process.

In all three cases coaching is used as a means of communication and support in the process of learning, but the capacity in which the coach performs and delivery methods usually differ.
2. **It is integrated in the HR development programmes or leadership development programmes (21%).** These programmes are usually developed for middle and senior management levels, where managers are required to possess advanced managerial skills, but also more sophisticated soft skills. In organizations that have come a longer way in setting promotion criteria and standards, one of the preconditions for a manager to be promoted to a senior management level is that the manager has good people skills. This is most often the case in pharmaceutical and sophisticated medical products industries, and to some extent in the information and communication technology (ICT) industry. Coach training is then usually integrated with the leadership and management development programmes. Although the term ‘coaching’ is not actually used, the content of the programmes has many components of training in coaching skills.

In many participating organizations that use some form of coaching, employees usually have some form of the individual development plan (IDP). Apart from their purpose to serve as a basis for performance evaluation and management, the IDPs play an important role in the personal development of an individual (training, education and development needs). Managers often use a coaching approach in such situations to help their subordinates gain greater clarity regarding their needs and take more responsibility and ownership for their own learning and development. Learning of coaching skills is one of the needs that is occasionally expressed (more by higher management). Considering there is not yet enough awareness and knowledge in organizations about what coaching really is, such needs are often articulated as a need for training in some ‘soft’ skills.

3. **Time of organizational change – to help with adjustment to workplace changes (21%).** Periods of change usually mean significant shifts in behaviours and attitudes of all employees and on all organizational levels. Organizations are forced to be flexible and adaptive to various external and internal challenges. In many internationalized organizations that took part in this research, management has to deal with new structures and a number of cross-cultural issues. Managers are often required to manage projects with virtual and diversified teams, where people rarely meet or don't see each other at all. This puts additional pressure on people and especially leaders and managers, since in addition to general management issues they need to face this type of challenge on a daily basis. More common situations are those when an individual needs help in adjusting to workplace changes (e.g., when people move to a new job or a position that requires different skills and abilities).

To a lesser extent, coaching is seen as a tool for retaining top talents or an instrument for succession planning. At this early stage in the use of coaching, these areas are either not recognized at all or are considered to be an upgrade and not a priority.
As Figure 5 illustrates, there are three major applications of coaching:

1. Development and support of people in their personal growth (33%);
2. Managing performance (23%);
3. Support for personal and organizational change and development (16%).

There were two aspects of coaching that slowly became recognized in the participating organizations. These were the use of coaching to:

1. Build a learning and coaching culture (e.g., communication of vision, mission and values or encouragement of a specific management or leadership style);
2. Help people achieve more balance between work and life (e.g., gaining greater clarity about their personal values, beliefs and motivations, and finding ways to manage often conflicting priorities regarding work and home).

Figure 5. When is coaching an appropriate solution

Development or intervention
There is an important psychological aspect that can either reinforce the coaching benefits and the desired change, or sabotage the whole process and the final outcome. This is the dimension of coaching that has to do with needs. Needs that have characteristics and features that would indicate coaching as an appropriate tool for their fulfilment are usually named in a variety of ways —
such as interpersonal/communication issues, relationships issues, competency issues, performance issues, stress or inability to cope with work demands.

The question is who recognizes these needs and communicates them further? Are they communicated by the supervisor or line manager or by people themselves? If coaching is recommended by the superior, how is such initiative understood by their subordinates – as a development initiative or remedial intervention? The research showed that a need for coaching is generally communicated by both the employees and their superiors. When the initiative comes from the middle and senior level managers (for themselves or their subordinates), it is in the majority of cases understood as personal development support and in rare cases as a remedy of some kind.

For initiatives communicated by managers/supervisors for their team member, the response goes in both ways, depending on the individual. When presented as a declaration of person’s weaknesses, resistance is a quite common reaction. The responsibility here lies more with a manager than a subordinate. Where communication is open and good, most people are open to the coaching experience.

It also depends on the abilities and willingness of an individual to learn and grow. Any force for change in an area that is not wanted by an individual will lead to resistance and may sabotage all development efforts. A general conclusion can be drawn based on this research sample: in environments oriented towards learning and science, aspiration for growth and development is a mode of thinking and behaviour. Any initiative that will support further advancement and progress of an individual is welcome and received with enthusiasm.

Coaching practice
The level of integration of coaching in organizations varies from one-time initiatives (e.g., executive coaching) to a more organized and regular activity. In the latter case, it is delivered through training in coaching skills or somewhat more comprehensive leadership and management development programmes. Around one third of organizations (32%) use coaching regularly and it happens consistently. Still, regular programmes are rare and only a few organizations provide individual coaching sessions over a certain period of time (i.e., a coaching series). Very few participating organizations have established an internal coaching system. Those that do train internal coaches focus on their managers and HR professionals and organize internal coaching programmes for different levels and different needs. In such cases, external coaches are engaged to provide training in coaching to internal trainers or executive level employees. The individual sessions are then a consistent part of the particular coaching or development programme.

In a majority of organizations coaching is not an activity developed or built in such a systematic way: 41% use it occasionally, when specific problems occur, while 23% do not have coaching as part
of any HR development plans. The good news is that larger companies do explore and work on developing their own coaching programmes. They design, test and evaluate different coaching approaches and concepts in order to find those that will fit best with their own organizational structures and needs. Companies that are part of global corporations, often take over the practice and ready-to-use solutions from their 'mother companies'. These are usually very well established and adapted systems and coaching programmes, and to a large extent fulfil their needs.

In order to gain some clarity on what is the frequency of coaching sessions in organizations, participating organizations offered several common options. As Figure 6 shows, some 20% of respondents (the numbers are the actual number of organizations) arrange coaching every two weeks over a certain period of time, around 14% every month, while the major percentage of respondents have experiences that are different from the offered choices (e.g., coaching for skills training, workshops, one-time interventions, mentoring marked as coaching). It also depends on how organizations perceive and understand coaching. Some other relevant examples of frequency of coaching sessions were: six to eight weeks, or several times per year.

The period of time over which coaching occurs (Figure 7) should be taken as a general orientation, since it relates to different concepts and practice of coaching (frequency of coaching sessions can be similarly interpreted). Some examples under the option 'other' are:

- one to two years;
- not determined (management decision);
- until the goal is accomplished;
- up to several years (executive level).
As Figure 8 shows, the major users of coaching are currently top and senior managers, high and middle management (department, division, line managers), as well as team leaders and supervisors. In-depth interviews have shown that this still mainly refers to coaching for specific skills, trainings, mentoring or conversations done with employees by human resources professionals. But it gives an idea about the trend and target groups for coaching. Numbers are absolute, not percentages, since the participating organizations that do not have experience with coaching have not marked any of the offered options, while those that have concrete experience with coaching, or use some other combined approaches marked two or more options.

When it comes to who provides coaching, most organizations rely on external coaches (28 percent). The main reason is the absence of appropriate capacity in coaching, especially when it comes to individual coaching. Line managers who have been educated or instructed on the use of coaching skills are most often chosen to coach those who do not report to them (20% of organizations). In cases where senior managers use coaching approach in managing and leading people who report to them, coaching is viewed more as a management style, than as one-to-one coaching. In both cases it is more about a mentoring than coaching approach, regardless of who provides it (more experienced colleagues or senior managers). In organizations that do not have either of these situations, psychologists are responsible for dealing with a variety of issues and act in the capacity of coach, based on their professional knowledge and skills. In smaller companies, where the general manager has to be 'everything', he or she acts when needed in the capacity of coach. Consciously or spontaneously they use their managerial and communication skills to guide their employees through various situations or help them in their development. In the environments where there is an internal coaching system, line managers, higher management or HR professionals receive the training in coaching in order to be able to provide individual coaching to people within the personal or general human resources development programmes.
Barriers and challenges

Whenever there are new things introduced in any system (whether an organization or life in general), there are issues of barriers or resistance that neither should nor can be ignored. The two related questions posed at the very beginning of the research were: Will this research identify best practices in coaching in Croatia and the region? and Do we discover that there is resistance and barrier to coaching? The research showed that what stops companies from using coaching to a large extent is lack of credible information and learning sources about what coaching is, how it can be used, what are the benefits, and how to find quality coaches.

Education once again proves to be the starting point. People will hardly commit to and accept something they do not fully understand or don't have information about. So, educating executives and employees on what coaching is and what is in it for them, at the end of the process, can determine to a great extent their receptiveness to coaching.

Information about quality external providers of coaching services is critical. People who become coaches come from different fields and occupations, with different experiences and qualifications. Thus, it is not easy to set clear criteria on what makes a qualified coach. What the survey shows is that organizations look at the overall background of potential external coaches and value life and work experience just as much as formal certificates. Referrals, therefore, play an important role.

Although budget is a very important factor, most participating organizations agree that it is not a major obstacle. When there are good methods and instruments that may help them satisfy the learning and development needs in organization, financial resources can be appropriately planned and assigned. In most participating organizations there is no specific budget for coaching. In most cases, budgets for coaching are a part of the training and development budget (provided that such a budget line exists). So, when the need for coaching occurs and if coaching is found to be the best solution, financial means are ensured.

Our findings further show that the internal resistance to coaching is not a major limiting factor. Communication about what coaching is and why it is used for a particular situation or person is clearly important. Everyone involved should understand and agree on the goals that are to be achieved. Issues of confidentiality and sharing of personal information need to be handled with care and in accordance with ethical standards.

The time factor and lack of support from the decision makers, although not dominant, are two additional challenges identified through the research. Respondents point out that managers are usually under considerable pressure to assure high productivity and
performance of their teams within a relatively short period of time. Under such circumstances, coaching may seem to them a luxury they cannot afford. The limitations would probably be removed if decision-makers knew that the real reasons for not using coaching most often hide something else and not a lack of time, supported by a proper education or raised awareness of benefits associated with coaching (e.g., how much time in the long run it can save to managers if they allow some time for learning and coaching).

Education stands out here as well, as something the participating organizations find to be very important for removing reluctance and for raising awareness of the decision makers. In cases where the top executives had the opportunity to try and test coaching to resolve the issues they were facing, and after they were able to experience the benefits of coaching themselves, it was much easier for HR professionals to propose, introduce and implement coaching throughout the organization.

**Benefits and impact**
In order to see and evaluate the effects of any new programme or initiative, organizations need a way to identify, measure and assess the benefits of that programme or intervention. In the case of coaching, that seems to be a real challenge. It is difficult to demonstrate, especially when organizations have a short history of use of coaching. The reasons might also be found in the way coaching is carried out — i.e., in its facilitative approach where the benefits seem to be more intangible than tangible and measurable.

So how can we find evidence on the effectiveness of coaching interventions? How will we measure the benefits of coaching for an individual or a team? How are personal benefits from coaching linked to business benefits? In other words, what evidence can we gather about the impact of individual coaching benefits on organizational performance? How do organizations measure the business benefits of coaching at an organizational level? What is the return on investment?

Having in mind the early stage in the use of coaching in Croatia and the region, these questions might seem to be a bit too ambitious at this point. However, when organizations know the benefits of coaching for an individual, team or an organization, and how to measure them, they have a clearer idea about how to build coaching practice and how to make the best use of coaching. Considering the experience in most of the participating organizations, we made the assumption that some initial conclusions and perceptions on coaching benefits existed and that we could identify the areas that coaching manages to influence. Perceived and/or experienced benefits of coaching at an individual and/or team level organizations can be sorted in several categories:
1. Improved performance, managerial, interpersonal and communication skills are on the top of the list of benefits (36%). These results reflect findings from the earlier parts of the report, where it was reported that coaching in organizations is to a large extent used for improving the performance and general self-efficacy of people and for raising effectiveness and productivity on different levels.

2. Raised self-confidence, self-awareness and enhanced relationships and interactions with others (16%). These benefits are often emphasized by people who had the opportunity to try one-to-one (individual) coaching.

3. Greater sense of alignment of personal with organizational goals and enhanced adaptability to change (15%). In-depth interviews revealed that the issue of alignment of employees’ personal values and goals with those of the organization are increasingly on the agenda during the review of IDPs. Although coaching is not yet purposely used in organizations as an intervention for clarifying and communicating the vision, mission or values of an organization to their employees, there is an increasing awareness among managers and leaders on the importance of this issue. Leaders become aware that people will be more committed and motivated if they see the meaning and purpose in the work they do and if their personal values match those of the organization for which they work.

This third benefit has been reaffirmed and reflected in the way participating organizations see the impact of coaching at an organizational level. As illustrated in Figure 9, 37% of respondents see the impact of coaching on this broader scale. Improved performance and greater clarity about a connection between personal and work-related goals have a positive influence on overall organizational effectiveness and bottom-line results. The issue of loyalty is also very important (15% of respondents). The satisfaction of employees grows when their manager and organization recognizes their needs and supports their personal development. This becomes especially important today when organizations need stability and a reliable, competent, educated and skilful work force to cope with all the challenges they face on a daily basis.

The fact that only 4 percent of respondents see improved decision making at the executive level as a direct or indirect consequence of coaching can be interpreted as a lack of experience in organizations with executive coaching. A similar conclusion can be drawn on the issue of work-life balance. It is to be expected that with more educational activities and raised awareness of executives regarding the advantages and benefits of coaching, this figure will change and become more in line with the world trends.

To calculate a actual (financial) return on investment (ROI) of coaching is rather complex, even in environments (countries) that have more developed and systematic approaches to the use of
coaching. It is quite challenging to isolate and measure concrete benefits from coaching, from the overall benefits of other training and development tools or programmes. Even though organizations do not use more specific methodology for measuring the ROI of coaching, the research findings indicate that they have found some ways and methods of monitoring and evaluating the benefits of coaching interventions and activities.

*Feedback from the coach and from the person coached* are the most common ways of evaluating the success of coaching initiatives (36% of respondents; 18% each). In cases where coaching has been done by the external coach, most often through one-to-one coaching, feedback is mostly about the level of satisfaction with the coaching process, the quality of coaching relationship and the responsiveness of a person coached. Feedback becomes more valuable when backed up with some criteria, set at the beginning of the coaching relationship. In such cases, feedback on the perceived effectiveness of coaching is not grounded just on the subjective experience of the coach and the person being coached.

When coaching is carried out by line managers, the effects are often seen in the change of behaviour or an attitude towards work of the person being coached. It is then measured by *the level of newly acquired knowledge, skill or improved work results* (8 percent). *Internal staff review surveys* are used in 17% of the organizations and are often done on a regular basis, once or twice a year. More concrete ways of measuring impact of coaching intervention are *business performance indicators* (13 percent). These tools are used in a small number of organizations. Since coaching is mostly done as a part of other learning and training programmes, organizations have

![Figure 9. Benefits for the organization](https://example.com/figure9.png)

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not yet developed more quantitative ways to measure and link the benefits of coaching with business performance of an individual or the organization. The 360-degree method is used in 10% of the participating organizations, but more as a part of general annual activity, than as an activity which has a specific purpose to serve, for instance, as a pre- or post-coaching diagnostic tool.

One conclusion that can be drawn is that organizations are just beginning to evaluate coaching-related benefits. Quite a lot of work still needs to be done. The more coaching develops as a business, professional and personal development tool, and the more experienced organizations become in using it for different purposes, the more systematic, consistent and successful will they become in measuring its effectiveness.

THE PATH TO BEST PRACTICES

The diversity of coaching practices in organizations that took part in the research indicates that the way organizations understand and use coaching will be different and unique for each organization. In some organizations coaching appears as sporadic, an ad hoc initiative to deal with an emerging personal or organizational issue. In others, coaching is an integral part of or a manner in which specific, technical skills trainings are provided. Organizations with greater experience and capacity to provide structured personal, management or leadership development programmes often apply coaching through specific, tailor-made ‘in-house’ modules and trainings in various ‘soft’ skills. Alternatively, they offer separate trainings in coaching skills for a certain level of managers, or, when requested, arrange individual, executive coaching interventions for the top and executive management. Some organizations have started building their own internal learning and education centres and academies, where coaching has been adapted and trained in a way that fits best their specific needs (e.g., in tourism or hotel management). At the same time, substantial informal coaching happens in all organizations performed by managers or HR specialists.

The question is how to identify best practices in situations where:

1. there is no real, sustainable coaching programme defined;
2. various coaching activities are carried out but not in a systematic way; or
3. the returns from coaching cannot be effectively measured.

Based on our research findings, current practices and observations point to some characteristics on the use of coaching in organizations. These can serve as a ground for identifying, building and sharing best practices. The characteristics include the following:

- The majority of organizations have some experience with coaching.
• In most organizations coaching is applied at least in two areas:
  1) as workplace coaching to improve performance, and
  2) to support personal development and growth.

• Informal coaching is a continuous activity carried out by HR professionals and managers (mainly line managers).

• A number of organizations have some minimum experience with executive coaching or 'one-to-one' coaching for some employees.

• Training in coaching skills is provided either separately or as an integral part of other leadership, management or general 'soft' skills training.

• Benefits and impact are monitored and to some extent measured and evaluated.

These characteristics make a solid starting point for further sharing of knowledge and experience, as well as identification of best practices among organizations. It may represent the basis for further sharing of ideas, testing of various options and approaches, and taking them further by adapting them to fit specific organizational needs, strategies and cultures.

Some further steps in establishing best practices and building a high-value coaching in organizations, as identified through the research process, could be these:

1. Identify best practices in coaching that already exists in the organization and in which areas they exist.

2. Review or assess the needs and areas for improvements in which a more systematic approach to coaching might be beneficial.

3. Design or arrange for general educational programmes for executive and senior management on coaching and its benefits for the organization.

4. Organize similar programmes for high and middle management.

5. Attend special, tailor-made modules or seminars, with possible individual sessions for HR professionals in organizations.

6. Network and cooperate with other organizations interested in building high-quality coaching and sharing ideas, experiences and lessons learned.

CONCLUSIONS

In order to adapt to new development and learning trends, and to be able to cope with local and global changes and challenges,
Croatian and organizations across the region have started to use coaching. Traditional learning methods and management styles have become less effective and less able to meet the demands that modern workplaces put on employees, managers and leaders. This has created a space for coaching which is slowly becoming recognized as an effective personal, professional and business development tool.

Findings from this first, more comprehensive scan of the 'state of affairs' have confirmed a number of hypotheses set at the very outset of the research process. They can be categorized into several statements.

1. **There is a need for more reliable learning sources and programmes on coaching.**
   A need for more educational programmes, especially for top management and HR specialists, is very much emphasized by the majority of participating organizations. The pre-research investigation and follow-up interviews confirmed that there is a need for quality education on the foundations of coaching – its purpose, underlying principles, types of applications, criteria for what the decision-makers should look for in coaching and how to select the right coach. The multi-disciplinary, process-based nature of coaching tends to be underrepresented in the introductory seminars and workshops — as is the importance of the background of a coach as the main 'instrument' for coaching. There is often an impression that coaching is a sort of 'solves all problems', quick-fix tool. As the follow up conversations showed, when coaching experience and results don't meet these expectations, the outcome is often disappointment on the side of organizations and misconceptions about coaching itself, which can easily undermine its real power and value.

2. **There are limited experiences with executive coaching and general one-to-one coaching for different management levels.**
   Although top management in most organizations is generally very supportive of modern learning and development tools, what is usually missing is their personal experience and awareness of benefits and impact of coaching. This makes it difficult for human resources professionals to justify the need and create a 'case' for coaching.

3. **Very few organizations have established coaching practice in a systematic way.**
   Most organizations that have established some coaching activity have it embedded in leadership, management or trainings programmes (skills coaching, training in coaching skills for managers or 'soft' skills training). Its potential applications as an organizational change and development tool are almost completely unknown.

4. **Organizations tend (to some extent) to recognize, evaluate and measure the benefits and impact of coaching.**
   These methods have not yet become standardized and as such cannot be an effective input for measuring the benefits, including ROI, of coaching. However, they create a solid basis for measuring the positive, tangible and intangible effects of coaching.
5. Existing practices indicate that in the environments where coaching has been used, it has contributed significantly to the way management and leadership is perceived, understood and effectively applied.

Management culture in those organizations is collaborative, with a focus on guidance, empowerment and engagement of people and less about control.

Even though coaching is at an early stage in Croatia and the region, our experiences have so far proved to be quite positive and encouraging. Coaching has been recognized as a process which can assist organizations and their leaders to cope with everyday challenges. Coaching plays an increasingly important role in Croatian organizations and there is a small but indicative number of organizations in the region that are engaging in coaching activities. Leading organizations aim to become 'employers of choice' to attract and retain the best people. On the other hand, people increasingly seek work experiences where they can reach and fulfill their potential, and where they will be able to realize their personal and professional goals. Some of the most important values and principles of coaching are that it fosters a blame-free culture, where people have space to learn and express themselves and their talents, where they are challenged to develop and grow by taking actions through which their confidence and self-belief will grow. The findings have shown that organizations recognize this positive dimension and benefit from coaching. In synergy with its other applications, especially in personal development of people, coaching is on its way to becoming one of the most effective and successful organizational and business development tools.

Conclusions from this research cannot be regarded as an absolute ‘state of affairs’, but they have given us valuable insights on the trends in Croatia and across the region. It is our hope and belief that this research will prove beneficial to all organizations and individuals open to new ways of learning and adopting coaching in their environments.

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**ABOUT THE AUTHORS**

**Jasna Popadic, MBA**

**Phone:** +385 1 3755 419  
**Email:** jasna.popadic@zg.t-com.hr

Jasna Popadic is a founder of Clarus Consulting, a personal and organizational development consulting practice established in Zagreb, Croatia. She works as a coach, trainer, researcher, consultant and facilitator in domains of personal and organizational coaching and development of management and leadership competences. Jasna has over 17 years of extensive working experience in different fields. For six years she managed the development and technical assistance programmes of Swedish and US government (donor) organizations with Croatia, during which period she built her expertise in coaching, communication, management development, diversity issues and diplomacy. She is one of the principal developers and trainers of the Management Training Programme for the Ministry for Public Services and Administration. Jasna holds the (Executive) MBA Diploma from the Cotrugli Business School in Zagreb and is in the process of acquiring the Corporate and Executive Coach Diploma at The Coaching Academy in London. She is especially devoted to helping organizations develop and implement coaching culture.

**Gavin Wallbridge, Ph.D.**

**Phone:** +44 780 2634461  
**Email:** gavin.wallbridge@gmail.com

Dr. Gavin Wallbridge is Director of Leadership Skills Ltd. and has a wealth of experience in management development and executive coaching. He was formerly Head of Executive Development for Penna Change Consulting, and Director of Consultancy at a leading UK Business School. He has a reputation as a high quality facilitator and presenter. He has extensive knowledge of both private and public sectors and has worked with senior managers throughout Europe, in the U.S., South America and the Middle East. He was rated as an ‘outstanding’ speaker by the ASTD at their annual conference in California and also has radio and live television experience. He has spent the past twenty years working in the area of individual development and learning and increasing amount of his time is devoted to coaching individuals to enhance their managerial and leadership impact. He is also visiting Professor of Leadership at Cotrugli Business Academy, Croatia, where he has devoted a considerable amount of time to supporting the development of young managers.
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